Congressional Record

PROCEEDINGS AND DEBATES

OF THE

FIRST SESSION OF THE SEVENTY-SECOND CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 75—PART 5

FEBRUARY 25, 1932, TO MARCH 11, 1932

(Pages 4671 to 5852)

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SEVENTY-SECOND CONGRESS, FIRST SESSION

SENATE

THURSDAY, FEBRUARY 25, 1932

(Legislative day of Wednesday, February 24, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Jones	Robinson, Ind.
Austin	Dale	Kean	Schall
Bailey	Davis	Kendrick	Sheppard
Bankhead	Dickinson	Keyes	Shipstead
Barbour	Dill	King	Smith
Bingham	Fess	La Follette	Smoot
Black	Fletcher	Lewis	Steiwer
Blaine	Frazier	Logan	Stephens
Borah	George	Long	Thomas, Idaho
Bratton	Glass	McGill	Thomas, Okla.
Brookhart	Glenn	McNary	Townsend
Broussard	Goldsborough	Metcalf	Trammell
Bulkley	Gore	Morrison	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norbeck	Walcott
Caraway	Hatfield	Norris	Walsh, Mass.
Carey	Hawes	Nye	Walsh, Mont.
Connally	Hayden	Oddie	Watson
Coolidge	Hebert	Patterson	Wheeler
Copeland	Howell	Pittman	White
Costigan	Hull	Reed	
Couzens	Johnson	Robinson, Ark.	

Mr. JOHNSON. I announce the absence of my colleague the junior Senator from California [Mr. SHORTRIDGE] by reason of continued illness and ask that the announcement may stand for the day.

Mr. GEORGE. I desire to announce that my colleague the Senator from Georgia [Mr. HARRIS] is detained from the Senate by illness.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva, Switzerland.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

OTTER CLIFFS RADIO STATION, ACADIA NATIONAL PARK, ME. (S. DOC. NO. 62)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting an amendment of the estimate of appropriation for "roads and trails, national parks," National Park Service, Department of the Interior, contained in the Budget for 1933, to provide for the removal and reconstruction of the Otter Cliffs Radio Station within Acadia National Park, Me., which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

TRUSTEE TO NATIONAL TRAINING SCHOOL FOR BOYS

The VICE PRESIDENT. The Senator from Delaware [Mr. HASTINGS] has tendered his resignation as a consulting trustee to the National Training School for Boys. The Chair, in accordance with law, appoints the Senator from New Jersey [Mr. BARBOUR] to fill the vacancy.

EMERGENCY CREDIT EXPANSION—CONFERENCE REPORT (S. DOC. NO. 60)

Mr. GLASS submitted the following report, which was ordered to lie on the table and to be printed:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9203) to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert:

"That the Federal reserve act, as amended, is further amended by inserting, between sections 10 and 11 thereof, a new section reading as follows:

"'SEC. 10 (a) Upon receiving the consent of not less than five members of the Federal Reserve Board, any Federal reserve bank may make advances, in such amount as the board of directors of such Federal reserve bank may determine, to groups of five or more member banks within its district, a majority of them independently owned and controlled, upon their time or demand promissory notes, provided the bank or banks which receive the proceeds of such advances as herein provided have no adequate amounts of eligible and acceptable assets available to enable such bank or banks to obtain sufficient credit accommodations from the Federal reserve bank through rediscounts or advances other than as provided in section 10 (b). The liability of the individual banks in each group must be limited to such proportion of the total amount advanced to such group as the deposit liability of the respective banks bears to the aggregate deposit liability of all banks in such group, but such advances may be made to a lesser number of such member banks if the aggregate amount of their deposit liability constitutes at least 10 per cent of the entire deposit liability of the member banks within such district. Such banks shall be authorized to distribute the proceeds of such loans to such of their number and in such amount as they may agree upon, but before so doing they shall require such recipient banks to deposit with a suitable trustee, representing the entire group, their individual notes made in favor of the group protected by such collateral security as may be agreed upon. Any Federal reserve bank making such advance shall charge interest or discount thereon at a rate not less than 1 per cent above its discount rate in effect at the time of making such advance. No such note upon which advances are made by a Federal reserve bank under this section shall be eligible under section 16 of this act as collateral security for Federal reserve notes.

"'No obligations of any foreign government, individual, partnership, association, or corporation organized under the laws thereof shall be eligible as collateral security for advances under this section.

"'Member banks are authorized to obligate themselves in accordance with the provisions of this section.'

"SEC. 2. The Federal reserve act, as amended, is further amended by adding, immediately after such new section 10 (a), an additional new section reading as follows:

"'SEC. 10. (b) Until March 3, 1933, and in exceptional and exigent circumstances, and when any member bank, having a capital of not exceeding $5,000,000, has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal reserve bank or any other method provided by this act other than that provided by section 10 (a), any Federal reserve bank, subject in each case to affirmative action by not less than five members of the Federal Reserve Board, may make advances to such member bank on its time or demand promissory notes secured to the satisfaction of such Federal reserve bank: *Provided*, That (1) each such note shall bear interest at a rate not less than 1 per cent per annum higher than the highest discount rate in effect at such Federal reserve bank on the date of such note, (2) the Federal Reserve Board may by regulation limit and define the classes of assets which may be accepted as security for advances made under authority of this section, and (3) no note accepted for any such advance shall be eligible as collateral security for Federal reserve notes.

"'No obligations of any foreign government, individual partnership, association, or corporation organized under the laws thereof shall be eligible as collateral security for advances under this section.'

"SEC. 3. The second paragraph of section 16 of the Federal reserve act, as amended, is amended to read as follows:

"'Any Federal reserve bank may make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section 13 of this act, or bills of exchange indorsed by a member bank of any Federal reserve district and purchased under the provisions of section 14 of this act, or bankers' acceptances purchased under the provisions of said section 14, or gold or gold certificates: *Provided, however*, That until March 3, 1933, should the Federal Reserve Board deem it in the public interest, it may, upon the affirmative vote of not less than a majority of its members, authorize the Federal reserve banks to offer, and the Federal reserve agents to accept, as such collateral security, direct obligations of the United States. On March 3, 1933, or sooner, should the Federal Reserve Board so decide, such authorization shall terminate and such obligations of the United States be retired as security for Federal reserve notes. In no event shall such collateral security be less than the amount of Federal reserve notes applied for. The Federal reserve agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal reserve notes to and by the Federal reserve bank to which he is accredited. The said Federal Reserve Board may at any time call upon a Federal reserve bank for additional security to protect the Federal reserve notes issued to it.'"

And the Senate agree to the same.

F. C. WALCOTT,
JOHN G. TOWNSEND,
CARTER GLASS,
Managers on the part of the Senate.

H. B. STEAGALL,
C. H. BRAND,
W. F. STEVENSON,
L. T. MCFADDEN,
JAMES G. STRONG,
Managers on the part of the House.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Woman's Christian Temperance Unions of Norway, N. Y., and Katy, Tex., protesting against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the Ohio Vegetable Growers Association, Columbus, Ohio, favoring Federal support for all extension activities of interest to the producers of vegetable crops and commending the Federal-State inspection service with regard to potatoes and vegetables in Ohio, etc., which were referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a letter in the nature of a memorial from Paul Howland, Esq., chairman committee on jurisprudence and law reform of the American Bar Association, of Cleveland, Ohio, in relation to Senate bill 935, the so-called anti-injunction bill, and expressing opposition to legislation radically limiting the jurisdiction of the Federal courts or decreasing the power thereof, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the West Side Improvement Association, of South Pasadena, Calif., favoring the passage of legislation reducing expenditures for Government transportation, entertainment, contingent expenses, and salaries falling within the higher brackets; also the elimination of duplicating bureaus, commissions, and departments of the Government; and also the passage of legislation for governmental aid in providing work at a living wage for the able-bodied unemployed, which were referred to the Committee on Appropriations.

Mr. KENDRICK presented numerous memorials and papers in the nature of memorials from sundry citizens and religious and temperance organizations in the State of Wyoming, remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. BLAINE presented resolutions adopted by groups of the Polish National Alliance of Mosinee, Wausaukee, and Milwaukee (Groups Nos. 253 and 1637), all in the State of Wisconsin, favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's memorial day, which were referred to the Committee on the Judiciary.

Mr. KEAN presented numerous telegrams in the nature of memorials from sundry citizens in the State of New Jersey, remonstrating against the proposed imposition of a Federal tax on gasoline, which were referred to the Committee on Finance.

Mr. BULKLEY presented numerous memorials of sundry citizens in the State of Ohio, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

Mr. JONES presented a petition of sundry citizens of Seattle, Wash., praying for the imposition of a tariff duty on imported oil, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of White Salmon, Wash., praying for the reduction and limitation of armaments, the prohibition of chemical warfare, and the organization of an international delegation on enforcement, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Bridgeport, Wash., praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Woman's Christian Temperance Unions of Amboy, Bellingham, Centralia, Deming, Longview, Monitor, Mount Vernon, Okanogan, Port Orchard, West Seattle; the Church of the Nazarene of Kennewick; the English Congregational Church of Odessa; the Morningside Woman's Christian Temperance Union, the Columbia Woman's Christian Temperance Union, and the Ladies' Aid Society of the First Methodist Episcopal Church, all of Seattle, all in the State of Washington, pro-

testing against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. AUSTIN presented a memorial of sundry citizens of Jamaica, Vt., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of Wallingford, Vt., praying for the passage of the so-called Beck-Linthicum resolution, being House Joint Resolution 209, proposing an amendment to the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Fair Haven, Greensboro, and Lamoille Counties, in the State of Vermont, praying for the maintenance of the prohibition law and its enforcement, which were referred to the Committee on the Judiciary.

Mr. BARBOUR presented a resolution adopted by the Board of Commissioners of Trenton, N. J., protesting against the passage of House bill 77, authorizing the construction, maintenance, and operation of a bridge across the Delaware River at or near Wilmington, Del., which was referred to the Committee on Commerce.

He also presented resolutions adopted by Grange No. 111, of Mickleton, N. J., favoring the passage of legislation to investigate and prevent the activities of communists in the country, which were referred to the Committee on Immigration.

He also presented resolutions adopted by Waiters and Cooks' Local Union No. 10, of Union City, N. J., favoring the modification of the Volstead Act so as to legalize the manufacture, sale, and transportation of light wines and beer, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by North Bergen (N. J.) Post, No. 23, the American Legion, favoring the passage of legislation providing for the maintenance of adequate military and naval defenses, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by North Bergen (N. J.) Post, No. 23, the American Legion, favoring the immediate payment in cash of adjusted-compensation certificates (bonus), which were referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Bergenfield, N. J., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of Penns Grove and vicinity, in the State of New Jersey, praying for the maintenance of the prohibition law and its enforcement, and protesting against any measures looking toward its modification or repeal, which was referred to the Committee on the Judiciary.

Mr. COPELAND presented a resolution adopted by the Niagara County Pomona Grange, of Lockport, N. Y., remonstrating against the making of an appropriation for the irrigation of the Columbia River basin project, which was referred to the Committee on Irrigation and Reclamation.

He also presented a petition of the District of Columbia Congress of Parents and Teachers, of Washington, D. C., praying the passage of Senate bill 2328, providing for the election of the Board of Education of the District of Columbia by the people, which was referred to the Committee on the District of Columbia.

He also presented a memorial of citizens of Blossvale, N. Y., remonstrating against the restriction of religious liberty and the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of citizens of New York City and vicinity praying for the enactment of legislation providing for the cash payment of World War veterans' adjusted-compensation certificates, which was referred to the Committee on Finance.

He also presented a resolution adopted by members of St. James Methodist Episcopal Church, of New York City, favoring pacific methods of settling international disputes, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Woodhaven Post, No. 118 (Inc.), American Legion, of Woodhaven, N. Y., remonstrating against reductions in salaries of Government employees, which was referred to the Committee on Civil Service.

He also presented a petition of citizens of New York State praying an investigation into conditions in the coal fields of Harlan County, Ky., and a study of the coal industry, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Chamber of Commerce of The Moriches, of Center Moriches, Long Island, N. Y., favoring the passage of the so-called home loan bank bill, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Dolgeville (N. Y.) Exchange Club and a petition of citizens of the State of New York praying a reduction in Government expenditures, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by the Westchester County Committee of the American Legion, Department of New York, and the Democratic Veterans' Association of the Bronx (Inc.), remonstrating against reductions in appropriations for the national defense, which were referred to the Committee on Appropriations.

He also presented a resolution adopted by Buffalo Nest, No. 1, Fraternal Order of Orioles, of Buffalo, N. Y., favoring the passage of legislation providing for 2.75 per cent beer and also light wine, which was referred to the Committee on Manufactures.

He also presented resolutions adopted by groups of the Polish National Alliance of Syracuse, Lackawanna, Utica, Buffalo, and New York City, in the State of New York, praying for the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's memorial day, which was referred to the Committee on the Judiciary.

He also presented memorials and papers in the nature of memorials from sundry citizens and religious and temperance organizations in the State of New York, remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

PROPOSED FEDERAL TAX ON GASOLINE

Mr. ROBINSON of Arkansas. Mr. President, I submit a number of telegrams, all from the State of Arkansas, in the nature of memorials or remonstrances variously signed by W. G. Nutt, H. H. Bumpers, Birnie Harper, George Ellefson, all of Fort Smith; G. A. Chambers, of Eldorado; O. C. Day and B. P. Patten, both of Smackover; G. E. Jernigan, of Dermott; Homer H. Cole, of Hoxie; E. P. McBryde, R. D. Judd, E. C. Love, D. C. Cowling, J. H. Kirkpatrick, and F. S. McNeil, all of Rogers; John Rutherford, Rex Oil Co., Benton Miller Oil Co., by B. W. Benton, and the Pine Bluff Chamber of Commerce, all of Pine Bluff; Floyd Sherrod, W. S. Kotch, chairman, and so forth; Clifton W. Gray, W. T. Briggs, president Arkansas Motor Club, and the Little Rock Rubber Merchants' Association, by J. F. Finley, all of Little Rock; T. E. Spruell, E. M. Coleman, E. A. Campbell, and J. M. Vaughan, all of Russellville.

All these messages protest against the imposition of a Federal tax on gasoline. I ask that they may be referred to the Committee on Finance.

The VICE PRESIDENT. The telegrams will be so referred.

THE REMONETIZATION OF SILVER

Mr. WHEELER presented a telegram from the Bimetallic Association, Denver, Colo., on the silver question, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

DENVER, COLO., *February 16, 1932.*

Hon. BURTON K. WHEELER,
United States Senate, Washington, D. C.:

Silver conference to-day, after two days of session, adopted with only 3 dissenting votes series of resolutions advocating all the essentials of your bill. The conference stood unequivocally for free and unlimited coinage at the present ratio without any compromise. Suggestions for further delays in behalf of international conference rejected by conference. Congratulations on your good work.

BIMETALLIC ASSOCIATION.

Mr. WHEELER also presented a petition of sundry citizens of Morganfield, Union County, Ky., praying for the passage of legislation known as the Wheeler silver bill, providing for the remonetization of silver, which was referred to the Committee on Finance.

PROPOSED MODIFICATION OF ANTITRUST LAW

Mr. WALSH of Massachusetts. Mr. President, may I invite the attention of the chairman of the Judiciary Committee [Mr. NORRIS] and the chairman of the Committee on Interstate Commerce [Mr. COUZENS] to the fact that pending before each committee are bills seeking to modify the antitrust law? Some weeks ago I introduced a bill for this purpose, which was referred to the Interstate Commerce Committee. I think the Senator from North Dakota [Mr. NYE] introduced a bill of like tenor, which was referred to the Committee on the Judiciary. I would like to have the chairmen of the two committees confer and determine to which committee all such bills should be referred. Certainly, there should not be two bills which relate to such an important subject and to the same subject matter, pending at the same time before two committees and two committees holding hearings upon the same subject.

Mr. BLAINE. Mr. President, in connection with the matter to which the Senator from Massachusetts has referred I wish to suggest that there are three bills which have been introduced by the Senator from North Dakota [Mr. NYE], all of which have been referred to the Committee on the Judiciary and all of which I believe belong to that committee; at least that committee has jurisdiction of the subject matter.

Mr. WALSH of Massachusetts. May I inquire of the Senator from Wisconsin to which committee the original draft of the several acts were referred—the Federal Trade Commission act, for instance?

Mr. BLAINE. I was not a Member of the Senate at that time.

Mr. WALSH of Massachusetts. The bills to which I have referred seek to modify materially the original act. It seems to me they should be considered by the committee which prepared and drafted and presented to the Senate the original antitrust act and the amendments thereto.

Mr. BLAINE. I suggest that at least one of the bills introduced by the Senator from North Dakota relates specifically to the antitrust law, and I think the bill which became the original antitrust law was reported out by the Committee on the Judiciary. I would assume that it has jurisdiction of the subject.

Mr. WALSH of Massachusetts. I am only concerned with getting all these bills before one committee.

REPORTS OF COMMITTEES

Mr. WALSH of Massachusetts, from the Committee on Finance, to which were referred the following bills, submitted adverse reports thereon:

S. 1603. An act to amend section 19 of the World War veterans' act, 1924, as amended (Rept. No. 317);

S. 2185. An act to amend section 19 of the World War veterans' act, 1924, as amended (Rept. No. 334);

S. 2324. An act to extend the time for allowing suits on insurance contracts under section 19 of the World War veterans' act, 1924, as amended (Rept. No. 335);

S. 2524. An act for the relief of Ike F. Kearney (Rept. No. 318); and

S. 2566. An act for the relief of Newdigate Moreland Owensby (Rept. No. 319).

Mr. WALSH of Massachusetts also, from the Committee on Finance, to which was referred the bill (S. 2955) to amend the World War veterans' act, 1924, as amended, reported it without amendment and submitted a report (No. 333) thereon.

Mr. KENDRICK, from the Committee on Indian Affairs, to which was referred the bill (S. 3569) to amend the act of May 27, 1930, authorizing an appropriation for the reconstruction and improvement of a road on the Shoshone Indian Reservation, Wyo., reported it without amendment and submitted a report (No. 320) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 3322) to transfer certain jurisdiction from the War Department in the management of Indian country, reported it with an amendment and submitted a report (No. 326) thereon.

He also, from the same committee, to which was referred the bill (S. 3323) to provide funds for cooperation with the school district at Nespelem, Wash., in the construction of a public-school building to be available to Indian children of the Colville Indian Reservation, reported it without amendment and submitted a report (No. 327) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2405) to confer jurisdiction on the Court of Claims to hear and determine certain claims of the Eastern or Emmigrant and the Western or Old Settler Cherokee Indians against the United States, and for other purposes, reported it without amendment and submitted a report (No. 330) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 1274) for the relief of the Standard Dredging Co., reported it with an amendment and submitted a report (No. 321) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 84. An act for the relief of Abraham Green (Rept. No. 322); and

S. 811. An act for the relief of Sophia A. Beers (Rept. No. 323).

Mr. BLACK, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon;

S. 221. An act authorizing adjustment of the claim of the Wilmot Castle Co. (Rept. No. 324); and

S. 252. An act authorizing adjustment of the claim of Johnson and Higgins (Rept. No. 325).

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (S. 83) for the relief of Margaret Crotty, reported it with an amendment and submitted a report (No. 328) thereon.

He also, from the same committee, to which was referred the bill (S. 3771) for the relief of St. Paul's Episcopal Church, Selma, Ala., reported it without amendment and submitted a report (No. 329) thereon.

Mr. ROBINSON of Indiana, from the Committee on Pensions, to which was referred the bill (S. 1230) granting a pension to Helen H. Taft, reported it without amendment and submitted a report (No. 331) thereon.

Mr. BRATTON, from the Committee on the Judiciary, to which was referred the bill (S. 3011) to authorize the Attorney General to permit prisoners to attend the funeral of a deceased and bedside of a dying relative, and for other

purposes, reported it without amendment and submitted a report (No. 332) thereon.

Mr. BINGHAM, from the Committee on Commerce, to which was referred the bill (S. 418) to extend the admiralty laws of the United States of America to the Virgin Islands, reported it with an amendment and submitted a report (No. 336) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. SMOOT, from the Committee on Finance, reported favorably the nomination of James H. Douglas, jr., of Chicago, Ill., to be Assistant Secretary of the Treasury, to fill an existing vacancy.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. BARBOUR:

A bill (S. 3810) granting an increase of pension to Delora G. Jenne (with accompanying papers); to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 3811) granting an increase of pension to Louis N. White (with accompanying papers); to the Committee on Pensions.

By Mr. DICKINSON:

A bill (S. 3812) for the relief of Lieut. B. G. Marchi; to the Committee on Claims.

A bill (S. 3813) granting a pension to Mary S. Tuffree; to the Committee on Pensions.

A bill (S. 3814) to authorize Frank W. Mahin, retired American Foreign Service officer, to accept from Her Majesty the Queen of the Netherlands the brevet and insignia of the Royal Netherland Order of Orange Nassau; to the Committee on Foreign Relations.

By Mr. HATFIELD:

A bill (S. 3815) to provide for exclusion and expulsion of alien communists; to the Committee on Immigration.

By Mr. WHEELER:

A bill (S. 3816) for the relief of Seth N. Chesley; to the Committee on Claims.

A bill (S. 3817) to provide funds for cooperation with the school board at Wolf Point, Mont., in the extension of the public-school building to be available to Indian children of the Fort Peck Indian Reservation; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 3818) to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended; to the Committee on Education and Labor.

A bill (S. 3819) granting permits for the importation or manufacture for nonbeverage purposes of spirituous liquors of particular kind or quality where the supply in the United States is insufficient to meet the current need therefor; to the Committee on Finance.

By Mr. NEELY:

A bill (S. 3820) for the relief of Elva Gertrude Jones; to the Committee on Finance.

A bill (S. 3821) granting a pension to Fred L. Dreehouse; to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 3822) for the relief of Fred Herrick; to the Committee on Agriculture and Forestry.

By Mr. BINGHAM:

A bill (S. 3823) for the relief of A. J. Hanlon; to the Committee on Claims.

By Mr. WATSON:

A bill (S. 3824) granting a pension to Catharine Newhall (with accompanying papers); and

A bill (S. 3825) granting a pension to William Reed (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A joint resolution (S. J. Res. 112) extending section 2 of the Reconstruction Finance Corporation act approved January 22, 1932, to include summer fallowing; to the Committee on Agriculture and Forestry.

COSTS OF PRODUCTION OF CASEIN

Mr. JOHNSON. Mr. President, my colleague the junior Senator from California [Mr. SHORTRIDGE] is still ill. He has pending a resolution, which is on the table, for the rescinding of a former resolution which he presented and which was agreed to, relating to ascertaining the differences in costs of production of casein. I can not conceive there is any objection to it. I ask unanimous consent that his resolution of rescission may be considered and agreed to.

There being no objection, the resolution (S. Res. 162), submitted by Mr. MCNARY for Mr. SHORTRIDGE on the 5th instant, was read, considered, and agreed to, as follows:

Resolved, That Senate Resolution 390, Seventy-first Congress, third session, agreed to January 21, 1931, directing the United States Tariff Commission, under the authority conferred by section 336 of the tariff act of 1930, and for the purposes of that section, to investigate the costs of production of casein and of any like or similar foreign articles, is hereby rescinded.

LELA C. BROWN

Mr. HATFIELD submitted the following resolution (S. Res. 171), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1931, to Lela C. Brown, widow of William Brown, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

LITERARY DIGEST PROHIBITION REFERENDUM

Mr. BINGHAM. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Literary Digest giving the result to date of the very interesting prohibition referendum which is being conducted by that publication.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Literary Digest, New York, February 27, 1932]

SEVENTEEN STATES LOCK HORNS IN THE DRY-WET POLL

Almost half a million more returned ballots in the Literary Digest's prohibition referendum are here accounted for.

The reader is face to face with a partial tabulation of 17 States, 9 of which did not appear in last week's initial tabulation, with 323,550 votes.

This second report of the immense poll has been awaited with the utmost eagerness since our presentation of the first one in the Digest of February 20.

The first report, with its startling figures, had created suspense. Quoted by newspapers all over the country, discussed by voters of all parties and all shades of belief, it had given rise to anxious questions.

Would the drys rally and speedily overcome that casual lead scored by their lucky opponents?

Or would the wets consolidate their gains and continue to forge ahead?

These speculations, aroused by the results of that "opening skirmish" of "the 20,000,000-ballot war," helped to rivet the public expectation on this No. 2 report.

But again we must warn our readers that the time is not yet ripe for accurate conclusions to be drawn from the poll figures.

Wait till unterrified Kansas horns into the tally with her camel-corps legions.

Wait for the 30 other States and the District of Columbia.

It's anybody's game yet.

Nevertheless, this second report, with its sample votes from 17 States, will be studied intently by well-informed and public-minded men and women who follow the unfoldment of the poll as a slice of history in the making.

Second report of the Literary Digest prohibition poll

State	Favor continuance of eighteenth (prohibition) amendment	Favor repeal of eighteenth (prohibition) amendment	Total
Connecticut	1,528	8,579	10,107
Georgia	2,969	6,218	9,187
Illinois	3,744	14,683	18,427
Indiana	7,221	13,162	20,383
Maine	689	1,446	2,135
Maryland	4,450	17,891	22,341
Michigan	754	2,920	3,674
New Hampshire	855	1,808	2,663
New Jersey	14,616	86,603	101,219
New York	38,144	255,662	293,806
North Carolina	6,480	8,870	15,350
Ohio	17,584	45,055	62,639
Pennsylvania	43,831	147,139	190,970
Rhode Island	340	1,733	2,073
Vermont	630	1,707	2,337
Virginia	4,493	10,196	14,689
West Virginia	1,198	2,134	3,332
Total	149,526	625,806	775,332

To such observers as these, one gathers from their frank comments, this vast prohibition referendum promises to be of incomparable value as a truthful report of the American Nation's mature state of mind toward prohibition in these early months of the fateful year 1932.

The second report is not quite as wet as the first one. We advised the drys last week not to be downcast, and already our advice is justified by the event.

To be sure, the wets are still away in the lead, with their new total of 625,806 ballots for repeal of the prohibition amendment as against 149,526 for its continuance. But if you figure out the percentages and compare them with those of last week, you'll find that the faithful drys have forged ahead from 15.85 per cent to something like 19.28 per cent.

It is not surprising to find New York just a shade less wet and North Carolina just a shade more dry.

Of the States not recorded in last week's issue, the biggest is Pennsylvania, which bounces into the line-up with 43,831 votes for continuance of the eighteenth amendment and 147,139 for its repeal.

Maine, the original prohibition State, goes wet in our poll, so far, to the tune of some 67.73 per cent.

Still the blizzard of ballots drops its flakes from Atlantic to Pacific, while the voted ballots—each one the expression of some man's or woman's private judgment on an all-important public question—are coming back by wagonloads.

It seems to the Springfield (Mass.) Union, editorially that—

"The effort of the leaders of both parties to keep the prohibition question out of this year's campaign through the advocacy of some kind of a general referendum in the future may be less successful because the Literary Digest is now engaged in another of its referenda which, in times past, have been so indicative of actual results as to be disturbing to those who were dissatisfied with them.

"The Digest's methods of securing a cross section of public sentiment both on the prohibition question and on election prospects have been so illuminating as to the former, and as to the latter so prophetic, that public interest in its present poll on the prohibition question will naturally be keen.

"A further reason for public interest is in the fact that, instead of a triple questionnaire of enforcement, modification, or repeal as heretofore, the Digest will present the single alternative of retention or repeal of the eighteenth amendment. In this respect it departs from the usual questionnaires in such referenda.

"Naturally, it will be a more severe test of public sentiment from a wet standpoint.

"Modificationists who oppose outright repeal will have no place to go except to join the prohibitionists, and those who do not favor retaining the amendment in its present form will need to join the repealers.

"Presumably it is the belief of the Digest editors that public sentiment has so far crystallized that in general modificationists will be prepared to go to one camp or the other."

After giving a brief historical sketch of previous Digest prohibition polls from 1922 on, the Union concludes that the present poll should indicate "what might result from a general referendum, such as both parties seem to be inclined to favor, as a means of keeping the troublesome issue out of the current campaign."

And, it may be added, what an excellent means that "general referendum" would be to confirm the accuracy of the Digest's prohibition poll. Our presidential polls have always been corroborated on election day, sometimes up to more than 99 per cent accuracy, but hitherto there has been no chance for an absolute check up of our prohibition polls—although, of course, enlightened persons follow the sensible course of assuming that Digest prohibition polls are just as exact in their results as Digest presidential polls.

Which, of course, they are.

But it seems that many good people need to have all this proved to them over and over again. Results are not enough for them. They crave blue prints. And so they write us letters by the thousand demanding particulars.

Some of these correspondents are obviously well meaning and without guile. The letters of others show signs of being regimented on one side or the other for a campaign of obstruction and detraction such as we cheerfully encounter in the course of every poll—sometimes from both sides at once.

It is easy to recognize, too, the emotional fringe attached to every controversial issue. This is true not only of many letters but also of some furtive printed attacks of the same general purport, which we may attend to later.

To whom do we send our 20,000,000 or more ballots?

We'll tell the great secret.

To Americans of both sexes and all occupations in every city, town, village, and rural section in the United States.

To Republicans and Democrats, prohibitionists and antiprohibitionists, manufacturers, merchants, mechanics, business women, bankers, farmers, housewives, men and women doctors, preachers, and teachers.

To railroad men, truck drivers, and all others, men and women of all ranks, occupations, and beliefs. To the man who brings the milk, and the woman who comes for the wash. To the man of the crossroads filling station, and the woman of the Main Street beauty parlor. Our elaborate machinery of distribution works automatically and makes no distinctions.

The result is, as so many observers have remarked, a veritable slice of American life. And a very big slice, too. It has been estimated that, roughly speaking, a Digest ballot finds its way to two out of every three American families.

And every State receives a quota proportioned pretty accurately to its voting strength.

For further information we point to the record of prophetic accuracy scored by our various presidential polls. Historic examples of this have been cited more than once recently. We refrain from repeating just now the famous records of the Digest polls in 1924 and 1928, for instance.

Extraordinary achievements, as all the world of intelligence has acknowledged. Behind those achievements is a history of hard work and patient building. By degrees, during 40 years, an elaborate machinery has been built up, a system of distribution and of mailing lists which are kept continually up to date by a staff of trained workers.

In view of all of which the Digest elects to rest on its laurels and to refer the overinquisitive to those enlightened minds which frankly and freely take the authenticity of a Digest poll for granted.

In this connection it is a pleasure to quote from a religious publication, the liberal Zion's Herald (Methodist), of Boston. In its issue of February 10 it remarks:

"Once more the Literary Digest, by means of a nation-wide poll, undertakes to answer the baffling question, 'Is present opinion in the United States for or against prohibition?' Only two questions are to be answered on the present ballot, 'Are you for prohibition?' or 'Are you against prohibition?'

"Twenty million of these ballots are being sent out to every section of the country. The poll is the third that the Digest has conducted on this same subject. Only two years ago a ballot asking these two questions and an additional one, 'Are you for modification?' showed a distinctly wet tendency. The present poll will doubtless be of assistance to those who would feel out public sentiment before platforms are written and candidates chosen for the fall elections.

"The high degree of accuracy of past Digest polls, both prohibition and presidential, has earned for them widespread respect and reliance. It is important, therefore, that no one should miss this opportunity of showing the country where he stands on a great moral question.

"We urge everyone who receives a ballot to mark and remail it immediately."

* * * * * * *

PROPOSED ANTI-INJUNCTION LEGISLATION

The Senate resumed the consideration of the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

Mr. HEBERT. Mr. President, I propose to address myself this morning to some of the phases of the so-called anti-injunction bill, Senate bill 935, and to discuss it from the viewpoint of the minority members of the Judiciary Committee. Perhaps I ought to say at this time that the bill, which has been reported by the majority of the Judiciary Committee of the Senate, is itself a substitute bill. In addition to that bill, there is pending here a substitute presented by the minority of the Judiciary Committee. In the course of my argument I shall refer to these substitutes, but I shall try to refer to the measure reported by the majority as the

pending bill and to the substitute presented by the minority as the substitute bill.

This bill has for its primary purpose the relief from certain abuses growing out of the issuance of injunctions in labor disputes. In this proposal I am in accord with the majority of the committee. In many of its aspects I believe the measure to be desirable legislation. If in its operation it will afford the employee that freedom of action to associate with his fellow workers, to deal on a basis of equality with those by whom he is employed, to share equitably in the product of labor and capital, to relieve him and his employer from any unlawful interference, restraint, or coercion, then it is a measure worthy of the consideration of any legislative body.

It is feared, however, that some of its provisions will not only not be effective, but will not stand the test of constitutionality, and therefore will result in a mere gesture. The changes which will be proposed by the minority, if enacted into law, will, we believe, assist in carrying out the purposes of Congress, and while doing justice to one element of our population will not work injustice upon any other.

With these objections in mind, I shall make certain observations upon some of the provisions of the bill. They will not be made for the purpose of delay or to hinder the enactment of the measure, but rather to expedite its consideration and to bring its provisions more in accord with established principles of jurisprudence and the spirits of our institutions.

DECLARATION OF POLICY

The first section of the bill proposes a declaration of policy. To my mind, this declaration is based upon erroneous premises. It declares:

> Whereas under prevailing economic conditions developed with the aid of governmental authority for owners of property to organize in the corporate and other forms of ownership association * * *.

The natural inference to be gained from a reading of this language is that corporate forms of ownership have come into being through the enactment of laws by the Congress of the United States, and yet the fact is that practically all corporations are creatures of the several States.

In adopting a public policy which the Government of the United States shall follow in the future I believe that it should be based upon accurate statements of fact and, above all, it should not be misleading. Moreover, it should be borne in mind that most of the relations existing between employers and employees grow out of contracts wholly intrastate in their nature, and, of course, such contracts are governed by the laws of the State where they are made. The Federal Government, except in isolated instances, has no control over such contracts.

Having these objections in mind, the minority of the Committee on the Judiciary have formulated a statement of public policy which they believe expresses the attitude of labor and of those who have given much thought to labor problems. The declaration which they have prepared and which will be submitted for the consideration of the Senate is based in a large part upon language used by the Supreme Court of the United States in the case of American Foundries *v.* Tri City Council (257 U. S. 209).

In his discussion of this subject yesterday the Senator from Wisconsin [Mr. BLAINE] referred approvingly to that language. I shall take occasion to read the declaration of policy which has been included in the substitute bill presented by the minority. It will be found that we have followed closely the language of the Supreme Court in framing that declaration.

I want to read a statement from the opinion of Mr. Chief Justice Taft in American Foundries against Tri-City Council. I read now from page 209 of Two hundred and fifty-seventh United States Reports:

> Labor unions are recognized by the Clayton Act as legal when instituted for mutual help and lawfully carrying out their legitimate objects. They have long been thus recognized by the courts. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was, nevertheless, unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer. They united to exert influence upon him and to leave him in a body in order by this inconvenience to induce him to make better terms with them. They were withholding their labor of economic value to make him pay what they thought it was worth. The right to combine for such a lawful purpose has in many years not been denied by any court.

Having that language of the Supreme Court in mind, I should like Senators to listen to the reading of the declaration of policy as contained in the substitute bill presented by the minority. I quote from the substitute as follows:

> Whereas under prevailing economic conditions a single employee is helpless in dealing with an employer, is ordinarily dependent on his daily wage for the maintenance of himself and his family, is unable to resist arbitrary and unfair treatment; and whereas it is essential
>
> (a) That he shall be free to associate with his fellow workers and to form unions which will afford him and them the opportunity to deal on a basis of equality with those by whom they are employed;
>
> (b) That they may share equitably in the product of labor and capital;
>
> (c) That both the employer and the employee shall have full freedom of association, self-organization, and designation of representatives of their own choosing to negotiate the terms of employment free from any interference, restraint, or coercion in their efforts toward mutual aid or protection.

It has seemed to us that the declaration of policy contained in the substitute bill presented by the minority more nearly approaches the pronouncement of the Supreme Court on the subject, that it deals more equitably and more fairly with both sides to any controversy, and that it does justice to the employee without doing any injustice to the employer.

I now wish to discuss the so-called "yellow-dog" contract. Section 3 of the bill undertakes to outlaw the so-called "yellow-dog" contract.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Michigan?

Mr. HEBERT. I yield.

Mr. VANDENBERG. Before the Senator leaves that subject, will he point out specifically the difference in the statement of policy as proposed by the substitute and as originally proposed by the committee?

Mr. HEBERT. Mr. President, the first difference is that under the committee bill the declaration of policy proceeds as follows:

> Whereas under prevailing economic conditions, developed with the aid of governmental authority for owners of property to organize in the corporate and other forms of ownership association, the individual unorganized worker is commonly helpless to exercise actual liberty of contract and to protect his freedom of labor, and thereby to obtain acceptable terms and conditions of employment.

It will be noted that the substitute proposed by the minority has left out of this declaration of policy the statement at the outset of the declaration contained in the committee bill, that these different forms of corporate entities have been organized with the aid of governmental authority, which, as I have already stated, leads to the inference, because we are dealing here with a congressional enactment, with Federal legislation, that those corporate entities organized with the aid of governmental authority have been organized with the aid of congressional authority. Of course, that is far from the truth. I think I am safe in saying that very rarely, indeed, is a corporation organized under the authority of Congress. I know it has been the policy of Congress for many years to refuse organizations corporate existence through congressional enactment. Practically all corporations doing business in the United States are organized under charters granted by the several States. So, when it is stated in this declaration of policy that these aggregations of capital are organized with governmental authority, without any further explanation, I say it is misleading; it has no place in this legislation; it is not a fact, if we have in mind that Congress does not provide for the

incorporation of aggregations of capital doing business in the United States.

Mr. VANDENBERG. Then, Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield further to the Senator from Michigan?

Mr. HEBERT. I yield.

Mr. VANDENBERG. If I may further interrupt the Senator, am I correct in the conclusion that the only difference between the two statements is in definition rather than in conclusion as to policy?

Mr. HEBERT. Mr. President, it is not confined to that merely. The declaration of policy in the minority bill tries to afford the same degree of consideration to the employer in his relations to his employee as it does to the employee in his relations with his employer. We have made no distinction in our declaration of policy between one and the other, whereas in the declaration of policy contained in the majority bill there is very little, if any, reference to the consideration that is to be given to the employer in his relations with his employee. Moreover, we felt that in establishing the declaration of policy which is contained in the minority bill we were traveling on pretty safe ground, because we took bodily out of a decision in the Tri-city case the language of the court setting out its attitude on the relations of employers and employees.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Idaho?

Mr. HEBERT. I do.

Mr. BORAH. I do not know whether the Senator desires to proceed without interruption or not.

Mr. HEBERT. I am very glad to be interrupted by the Senator.

Mr. BORAH. I suppose the fundamental difference between the two bills with reference to this particular feature of the matter is that the minority does not concede that what is called the "yellow-dog" contract is contrary to public policy.

Mr. HEBERT. Mr. President, the minority has not reached that conclusion. I have repeatedly said that my own thought is that if any way can be devised whereby to outlaw that contract, I shall follow that way; but I am not unmindful of the existence of opinions of the Supreme Court passing upon the legality of that contract, and that is the obstruction which is in my way in the consideration of this legislation.

Mr. BORAH. Does the Senator concede—is it his personal view—that the so-called "yellow-dog" contract is contrary to public policy?

Mr. HEBERT. I do not know what the public policy would be, Mr. President. I think it is unfair. I think the contract is, in effect, a coercion. It may not be legal coercion as the Senator and I understand legal coercion; but, if we may coin a new phrase, it might well be called economic coercion. I believe it is that; and I say again that I will join the Senator in any move to outlaw it, if a way can be found to do so.

Mr. BORAH. If the Supreme Court should conclude that this so-called "yellow-dog" contract is contrary to public policy, that it is in effect coercion, then it has rendered no decision which would prevent it from so declaring.

Mr. HEBERT. That is true, Mr. President.

Mr. BORAH. Then the whole question, in the first instance, is whether or not the "yellow-dog" contract can be considered as contrary to public policy, because if that is true then the decisions which the Supreme Court has already rendered do not control. It has never been before the Supreme Court in this form.

Mr. HEBERT. Oh, Mr. President, the Supreme Court necessarily had the question of public policy before it when it rendered its decision in the Hitchman case and in the other cases; and surely the court would not have disregarded public policy in passing upon the validity of a contract submitted to it.

Mr. REED. Mr. President——

Mr. BORAH. The Supreme Court has never decided this question.

Mr. HEBERT. It has never referred to public policy in passing judgment upon that contract.

Mr. BORAH. And its decision went off on other questions than the question of public policy.

Mr. HEBERT. The decision was right on the question of whether that contract is a valid contract, and entered into in the exercise of constitutional rights.

Mr. REED. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Pennsylvania?

Mr. HEBERT. I yield.

Mr. REED. It did not seem to me that the Senator's answer to the Senator from Idaho, in his first question, was quite responsive. Perhaps the Senator did not catch his question. I understood the Senator from Idaho to ask whether the minority of the committee desired to make the "yellow-dog" contract contrary to publoc policy. Was not that the Senator's question?

Mr. BORAH. Yes.

Mr. REED. It seems to me it is answered directly by section 3 of the substitute bill proposed by the Senator from Rhode Island, in which it is explicitly declared to be contrary to public policy. I think the Senator from Rhode Island has made his position plain beyond any doubt in the language of section 3 of his bill.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island further yield to the Senator from Idaho?

Mr. HEBERT. I do.

Mr. BORAH. The minority opinion says:

> In our opinion, this form of agreement deprives employees of the right of free association with their fellows, and takes away from them the opportunity to deal on a basis of equality with those by whom they are employed. But, however distasteful that may be to us, and however much we may sympathize with those who believe that the interest of the employees will never be properly protected except through legislative enactment, the fact remains that the Supreme Court in three cases has held that there is no legislative power, State or Federal, to inhibit or outlaw employment contracts providing against union membership.

I think the minority report has made a very fair and, I think, from their standpoint, a courageous statement when it says that—

> In our opinion, this form of agreement deprives employees of the right of free association with their fellows, and takes away from them the opportunity to deal on a basis of equality with those by whom they are employed.

The Supreme Court has never taken that view of that contract except in the minority opinion. The minority opinion took this view, but the majority opinion has not taken that view.

Mr. HEBERT. Unfortunately, we are not bound by—nor can we follow—the minority opinion of the court.

Mr. BORAH. What I am saying is that the able Senator makes a declaration which comes within the purview of the minority opinion.

Mr. HEBERT. I stand by that declaration.

Mr. BORAH. Then, if the court should come to the conclusion that has been reached here by the able Senator from Rhode Island, that question has never been passed upon by the Supreme Court.

Mr. HEBERT. Of course, the Senator has his own idea about that; but it seems to me that the whole contract was before the court when they considered it.

Mr. ROBINSON of Arkansas. Mr. President, I take it that the question in the mind of the Senator from Rhode Island is whether Congress has the power to define the public policy of the United States with respect to contracts of the nature referred to. May I ask the Senator from Rhode Island what authority defines the public policy of the United States?

Mr. HEBERT. Mr. President, my answer to that would be that the courts define the public policy in the absence of a declaration of policy by Congress or by the legislature of any given State.

Mr. ROBINSON of Arkansas. It is competent, however, for the legislative power to define public policy, and that is

the authority which commonly defines public policy; is it not?

Mr. HEBERT. I think that is so; and, of course, the Senator, in his assumption that I had some question in my mind about the power to define public policy, is erroneous, because in the bill which the minority have presented here the public policy is very clearly declared.

Mr. ROBINSON of Arkansas. Then it is competent for the Congress to outlaw the so-called "yellow-dog" contract in the exercise of its power to define public policy?

Mr. HEBERT. Oh, I would not go that far, Mr. President. That is the question at issue now.

Mr. ROBINSON of Arkansas. That is the question I asked the Senator in the beginning, and which he said did not correctly state his viewpoint. My question was whether the thought in the mind of the Senator is that the United States Congress is without power to define the public policy of the United States with respect to contracts of the nature referred to, meaning the "yellow-dog" contract.

Mr. HEBERT. I did not understand that the Senator's question included a reference to the "yellow-dog" contract.

Mr. ROBINSON of Arkansas. Yes. I did not use the term "yellow-dog" contract——

Mr. HEBERT. My understanding was that the question was general.

Mr. ROBINSON of Arkansas. But I did use the term "contracts of the nature referred to," which, in my mind, implied the "yellow-dog" contract.

Mr. HEBERT. It misled me, I am frank to say.

Mr. ROBINSON of Arkansas. Then Congress has or has not the power—which?—to outlaw the "yellow-dog" contract?

Mr. HEBERT. Mr. President, there is a serious doubt in my mind as to the power of Congress to legislate upon contracts, and to deny to parties the right to enter into contracts. The right of contract is inviolate under the Constitution; and the Supreme Court has repeatedly said that this contract is a valid exercise of that right.

Mr. ROBINSON of Arkansas. In the absence of a statute defining a contrary public policy I do not understand that the Supreme Court has ever intimated that it is not competent for the Congress, in defining the jurisdiction of the courts, also to define the public policy of the Nation as banning the enforcement of such contracts.

Mr. HEBERT. Congress can not define the jurisdiction of the Supreme Court.

Mr. ROBINSON of Arkansas. Why, certainly not.

Mr. HEBERT. And the Supreme Court has already passed judgment upon that matter.

Mr. ROBINSON of Arkansas. But this legislation is not directed at the Supreme Court. This legislation is directed at the inferior courts. Does the Senator contend that the Congress has not unlimited authority to restrict or expand, within the constitutional range, the authority and jurisdiction of the inferior courts?

Mr. HEBERT. The Supreme Court has said that there are limitations.

Mr. ROBINSON of Arkansas. But those are limitations imposed by the Constitution.

Mr. HEBERT. No; there are certain inherent powers in the courts of the United States which can not be taken away by legislative act.

Mr. ROBINSON of Arkansas. Yes. That tends to make clear the Senator's position. It is the Senator's position, then, that the power inheres in an inferior court created by law to issue injunctions enforcing the "yellow-dog" contract, or contracts of that nature, and there is no power in the Congress to limit or deny the authority of the inferior courts to issue such injunctions?

Mr. HEBERT. It is not the idea of the Senator from Rhode Island that there is any such power. Section 3 of the substitute bill which the minority presented with its report in effect limits the power of the courts of the United States in the issuance of injunctions; at least, it endeavors to do so.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield; and if so, to whom?

Mr. HEBERT. I yield now to the Senator from Pennsylvania.

Mr. REED. I do not understand where the point of difference is. It seems to me the Senator from Rhode Island has made it very clear that he dislikes the "yellow-dog" contract; that his substitute would declare it to be contrary to public policy; that it would deny the affording of equitable relief by the Federal courts in a case based on such a contract. It seems to me that the Senator from Rhode Island goes as far in that direction as anyone could reasonably ask. I myself do not like the "yellow-dog" contract, and I should like to see it made contrary to public policy; but I think the Senator does it in section 3.

Mr. ROBINSON of Arkansas. Mr. President, I was relying on the answer of the Senator from Rhode Island. I asked him the specific question whether, in his opinion, the Congress had the power, in the exercise of its authority, to limit the jurisdiction of inferior courts and to define the public policy of the United States to ban "yellow-dog" contracts; and he said, as I understood him, that he did not go that far, and that he did not think it had.

Mr. REED. But he clearly does go that far, because his bill proposes to do it.

Mr. ROBINSON of Arkansas. I had the same impression until the Senator from Rhode Island made a contrary statement, and I thought he was the best judge of what he meant.

Mr. HEBERT. Mr. President, I have made no contrary statement. If the Senator will compare the majority bill with the bill presented by the minority, it will be found that the majority bill denies all legal remedies under such contracts, whereas in the substitute presented by the minority the minority seeks to deny all equitable remedies and the right of injunction under such contracts. We have purposely limited it to that, first, because that is the purpose of the bill itself. The title of it indicates that that is the purpose of it. The title of the bill is, "A bill to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity." We have limited ourselves to equitable proceedings.

Mr. REED. Mr. President, if Congress can declare a contract to be contrary to public policy, and if its declaration is effective, that would similarly deny relief in an action at law, would it not?

Mr. HEBERT. There is a question about that, Mr. President, and we felt that we were justified in limiting the provisions of section 3 of our bill to equitable proceedings, and then we are within the purposes of the bill as declared in the title.

Several Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Rhode Island yield; and if so, to whom?

Mr. HEBERT. The Senator from Illinois has been standing for some time. I yield to him.

Mr. LEWIS. May I ask the Senator from Rhode Island whether I was correct in assuming that he answered the Senator from Arkansas that it was not in the power of Congress to declare the public policy of the country?

Mr. HEBERT. If the Senator understood me to say that, Mr. President, he is in error.

Mr. LEWIS. I ask the Senator, then, if his mind recalls for the moment the freight-rate cases in the Supreme Court, where they held it was the privilege of Congress to declare the public policy upon a contract which practically worked a monopoly of freight rates in certain territories of the Union?

Mr. HEBERT. Mr. President, I have not that case in mind; but I have no doubt, since the Senator refers to it, that it was so held.

Mr. LEWIS. Would not that be parallel to the present situation, where the Congress would attempt to legislate that certain contracts in their nature violated public policy?

Mr. HEBERT. Not having studied the case to which the Senator refers, I am not prepared to express an opinion.

Mr. LEWIS. I will not press the question.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. HEBERT. I yield to the Senator from Nebraska.

Mr. NORRIS. I am only trying to get clearly before the Senate the position taken by the Senator from Rhode Island, and I think I can do it by asking him this question: Is it the Senator's opinion that Congress has the constitutional authority, either on the ground of announcing the public policy, or on any other ground, to outlaw the "yellow-dog" contract?

Mr. HEBERT. I believe it can go a long way toward outlawing it in the manner which we have provided in our bill. Whether the Congress can say in so many words that no one shall enter into a contract, and put into the inhibition the language contained in many statutes which have tried to outlaw such a contract, I do not say.

Mr. NORRIS. No; but the majority does not attempt to do that. The majority provides for a public policy, something which has never yet been done in this kind of case. The minority public policy leaves out part of what is in the public policy of the majority.

Laying that difference aside, however, we are trying to outlaw the "yellow-dog" contract by taking away the jurisdiction of the courts to enforce it. The Senator has not gone farther than simply to express his doubt. I am trying to get his idea as to whether, on the ground of public policy as announced by the minority, or that announced by the majority, or in any other way, Congress can take away from the inferior Federal courts the jurisdiction to enforce the "yellow-dog" contract? We are not trying to prevent anybody from writing such a contract and signing it, but take our position as I have stated. Let us meet the question squarely. Does the minority believe that we have the authority, in any way, in any manner, on the ground of public policy or otherwise, to take away from the inferior courts the jurisdiction to enforce the "yellow-dog" contract?

Mr. HEBERT. I seriously doubt whether Congress has that authority, Mr. President, having in mind the decisions of the Supreme Court already rendered. I realize, too, that the Supreme Court has said that certain limitations may be placed upon the jurisdiction of inferior courts, and it has placed them. The decision affecting the construction of the Clayton Act, for instance, in the Michaelson case, where a jury trial was provided in contempt cases, was sustained by the Supreme Court.

Mr. BORAH. Mr. President, will the Senator yield to me?

Mr. HEBERT. I yield.

Mr. BORAH. I think the Senator and I would agree that primarily the right belongs to the Congress to declare the public policy of the country.

Mr. HEBERT. As representatives of the people, Mr. President, I should say that is so.

Mr. BORAH. Primarily the right rests in a State legislature to declare the public policy of the State, and primarily it is in Congress to declare the public policy of the Nation. Then I think we would agree to the further proposition that the liberty of contract of which we speak is not an unlimited liberty of contract, that it may be limited by Congress or by the courts, or that it may be restrained by a State legislature in the States. Is not that true?

Mr. HEBERT. That is precisely what the Legislature of Massachusetts attempted to do very recently, and the supreme court of that State, in an advisory opinion, handed down on May 11, 1931, said they could not do it.

Mr. BORAH. Let me read a line from the Supreme Court of the United States. It says:

> While it may be conceded that, generally speaking, among the inalienable liberties of the citizen is that of liberty of contract, yet such liberty is not absolute and universal.

Then the Supreme Court says that there are certain contracts which may not be made, which may be inhibited, and which are not protected by the Constitution of the United States providing for the liberty of contract.

Mr. HEBERT. O Mr. President, we know that all rights are relative.

Mr. BORAH. Exactly.

Mr. HEBERT. That one's rights end whether another's rights begin; and when we say that certain things can not be done, that is all relative, too. Whether or not under certain conditions a thing can be done or can not be done will depend upon the particular circumstances and the nature of the case.

Mr. BORAH. What I was undertaking to support in the way of a contention is that this liberty of contract of which the Senator has spoken is not unlimited; it is not absolute; it is something which is subject to the control of the country, under the doctrine of the country to decide whether or not a particular contract is contrary to public policy.

Mr. HEBERT. Mr. President, it has been passed upon on three different occasions by the Supreme Court, not dealing with generalities, but dealing with a specific case, and in a specific case it has been passed upon on three different occasions by the highest court of the land.

Mr. BORAH. Of course, I do not desire, in the time of the Senator, to discuss that, but I would say before I sit down that my contention is that that court has never passed upon the question which is now before the Senate.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Wisconsin?

Mr. HEBERT. I yield.

Mr. BLAINE. The Senator a few moments ago took exception to the majority report and stated that the majority bill prevented either legal or equitable relief by any inferior Federal court. I want to ask the Senator with reference to the subject which is under investigation and on which we propose to legislate what legal relief might be obtained in a Federal court?

Mr. HEBERT. Mr. President, there would be a right of action for recovery of damages for breach of contract.

Mr. BLAINE. I do not think the Senator cares to go that far. Is it the Senator's understanding that a corporation or an individual, an employer, can go into a Federal court in the State in which the corporation or individual has a legal abode and sue a defendant for damages in that same State in a Federal court?

Mr. HEBERT. He certainly would have a right to sue in the State courts. There is no provision here which would vitiate the right to sue in a State court.

Mr. BLAINE. Exactly; so that the only possible legal relief that is denied under the majority bill is relief which may be sought by a corporation or an individual by reason of diversity of citizenship.

Mr. HEBERT. O Mr. President, but that is very easy of attainment, and if this is carried out to its logical conclusion we are going to have the spectacle of a contract wholly legal in a given State and enforceable in the courts of that State vitiated by transference of the case from a State court to a Federal court because of diversity of citizenship.

Mr. BLAINE. If you exclude from the language of the bill this granting of legal relief, then do you not discriminate in favor of the corporation or individual who may sue in a Federal court by reason of diversity of citizenship?

Mr. HEBERT. It might well be, Mr. President, that we would be discriminating against both parties to such a contract. I am not prepared to say that we are not. I simply say that we have gone to this extent in our effort to make invalid or inoperative in equity the so-called "yellow-dog" contracts.

Mr. BLAINE. If the Senator will yield for another question, the Senator will recall that on yesterday when I undertook to state my position, I think, he raised this very question. I did not want to engage in debate on the question at that time, when speaking on the general outline of the bill; but is it not a fact that the only legal relief which would be denied under the majority bill would be relief sought by an individual or corporation because of diversity of citizenship?

Mr. HEBERT. Mr. President, the only relief that can be provided anywhere in the bill is that. It deals with the jurisdiction of the United States courts, and in no way affects the State courts or their jurisdiction.

Mr. BLAINE. Then, does not the Senator recognize that by denying legal relief to corporations and individuals on account of diversity of citizenship the committee is undertaking to put all corporations and all individuals on identically the same plane of equality in seeking legal relief for damages?

Mr. HEBERT. I myself see no reason why there should be any discrimination between parties to a contract before a court. That is what we have attempted to avoid.

Mr. BLAINE. Mr. President, I just want to suggest to the Senator, if he will permit, that that is my conception of the bill, that the primary purpose of the bill is to make the so-called "yellow-dog" contract unenforceable in the Federal courts, and that the declaration of public policy perhaps has no other effect than to aid the court in the interpretation and construction of the act. After all, is not the declaration of public policy designed for that purpose only? A declaration of public policy, as a matter of fact, does not declare what the law is but declares what the public policy ought to be, and is in aid of the interpretation and construction of the act respecting a decision before a court.

Mr. HEBERT. Of course, Mr. President, a declaration of policy is not merely a path blazed out in the wilderness which courts are requested to follow. It goes much beyond that. It may set down certain policies. The Constitution of the United States contains declarations of policy from which nobody can get away. They are fixed until the Constitution is amended. That is a declaration of policy and it is absolute and binding upon every citizen of the United States.

Mr. BLAINE. When a declaration of public policy goes to the extent of declaring substantive law, then it ceases to be a mere declaration of public policy but is the enactment of positive substantive law.

Mr. HEBERT. If it be done in accordance with the provisions of the supreme law of the land, of course it is within the power of legislative bodies to enact such declaration.

Mr. BLAINE. I thank the Senator for his patience.

Mr. WATSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Indiana?

Mr. HEBERT. Certainly.

Mr. WATSON. Am I right in stating that the Supreme Court has squarely decided that the "yellow-dog" contract is a valid, binding contract.

Mr. HEBERT. It has so declared in three cases, from which I shall quote in the course of my argument.

Mr. WATSON. That is my understanding. Based upon that understanding, I want to ask the Senator two further questions. First, in the face of those decisions can Congress—and by "can" I mean is it within the power of Congress—declare a public policy contrary to the direct decisions of the Supreme Court of the United States?

Mr. HEBERT. Of course Congress may declare a public policy. The question is how effective it will be when a case of this nature comes before the Supreme Court of the land on the law and existing decisions.

Mr. WATSON. The next question is, If Congress can declare a public policy of that kind, ought it to declare such a policy contrary to the direct decisions of the Supreme Court of the United States? Those are questions with which I think we have to deal.

Mr. HEBERT. The idea of the minority of the committee was that we should not go that far.

Mr. REED. Mr. President, may I ask one more question, with an apology?

Mr. HEBERT. I am glad to yield to the Senator from Pennsylvania, and he need not apologize for interrupting me.

Mr. REED. Does not the minority substitute, in section 3, explicitly declare a "yellow-dog" contract to be contrary to public policy?

Mr. HEBERT. If by the provision of that section which denies relief in equity, then I would say "yes."

Mr. REED. No; I do not think we have to infer that. The language, as I read it on page 4, is—

> Any undertaking or promise such as is described in this section—

And that quite plainly is the "yellow-dog" contract—

> * * * is hereby declared to be contrary to the public policy of the United States, and shall not afford any basis for the granting of equitable relief by any court of the United States.

How could language more plainly establish public policy than that?

Mr. HEBERT. Of course it declares public policy in the light of the declaration that we have in the bill, but the two provisions must be read together. The Senator will find that there is a difference between the public policy declared by the minority of the committee and that declared by the majority of the committee in the majority report.

Mr. REED. But the minority does declare the "yellow-dog" contract to be contrary to public policy.

Mr. HEBERT. Yes; we do.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Nebraska?

Mr. HEBERT. Certainly.

Mr. NORRIS. Pursuing the question asked by the Senator from Pennsylvania does it not follow that the Senator then under his own statement to the Senator from Pennsylvania has proposed to do something that he has grave doubt about our authority to do under the Constitution?

Mr. HEBERT. I answer that question in the affirmative. I have repeatedly said that we have gone beyond what we think the law permits.

Mr. NORRIS. Then the Senator will expect his bill, if it is enacted into law, to be held unconstitutional?

Mr. HEBERT. No; I am not giving my time and attention to this legislation with any idea that we are merely indulging in an idle gesture. I am hoping that it will be sustained. I sincerely hope that it will be sustained. I hope that we shall afford that measure of relief which our bill provides. I very much doubt, however, if the bill presented by the majority of the committee will be sustained.

Mr. NORRIS. The Senator under his own statement has the same doubt about the minority bill.

Mr. HEBERT. Except as to the degree of doubt.

Mr. NORRIS. Just a difference in degree? All right.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Florida?

Mr. HEBERT. I yield.

Mr. FLETCHER. In referring to contracts, has the Senator in mind contracts that are voluntarily made?

Mr. HEBERT. When the Senator says "contracts voluntarily made," and whenever reference is made to the so-called "yellow-dog" contract, it is contended—and I think with some degree of force—that none of these contracts is voluntarily made; that is, that they are usually made under coercion. But the Supreme Court has held that they are voluntarily made and has sustained them in three different instances.

The majority of the committee frankly states in its report that one of the objects of this legislation is to outlaw such contracts, because many of the injunctions which have been issued by the Federal courts in labor disputes have been based wholly or in part upon them, on the assumption that they are valid and not contrary to public policy.

In my opinion, this form of agreement deprives, by a form of economic coercion, employees of the right of free association with their fellows, and takes away from them the opportunity to deal on a basis of equality with those by whom they are employed. But however distasteful they may be to us, and however much we may sympathize with those who believe that the interests of employees will never be protected except through legislative enactment to make them void, the fact remains that the Supreme Court of the United States in three cases has held that there is no legis-

lative power, State or Federal, to inhibit or outlaw employment contracts providing against union membership.

The first of these cases is Coppage against Kansas, decided in 1915 and reported in Two hundred and thirty-sixth United States Reports at page 1. I wish to quote from that case. This is an opinion written by Mr. Justice Pitney. I quote from page 16:

Laying aside, therefore, as immaterial for present purposes, so much of the statute as indicates a purpose to repress coercive practices, what possible relation has the residue of the act to the public health, safety, morals, or general welfare? None is suggested, and we are unable to conceive any.

This was an act of the State of Kansas fining anyone for making this so-called "yellow-dog" contract.

The act, as the construction given to it by the State courts shows, is intended to deprive employers of a part of their liberty of contract, to the corresponding advantage of the employed and the upbuilding of labor organizations. But no attempt is made or could reasonably be made to sustain the purpose to strengthen these voluntary organizations, any more than other voluntary associations of persons, as a legitimate object for the exercise of the police power. They are not public institutions, charged by law with public or governmental duties, such as would render the maintenance of their membership a matter of direct concern to the general welfare. If they were, a different question would be presented.

And again, at page 20, I quote:

When a man is called upon to agree not to become or remain a member of the union while working for a particular employer, he is in effect only asked to deal openly and frankly with his employer, so as not to retain the employment upon terms to which the latter is not willing to agree. And the liberty of making contracts does not include a liberty to procure employment from an unwilling employer or without a fair understanding. Nor may the employer be foreclosed by legislation from exercising the same freedom of choice that is the right of the employee. To ask a man to agree in advance to refrain from affiliation with a union while retaining a certain position of employment is not to ask him to give up any part of his constitutional freedom. He is free to decline the employment on those terms, just as the employer may decline to offer employment on any other; for "It takes two to make a bargain." Having accepted employment on those terms, the man is still free to join the union when the period of employment expires; or, if employed at will, then at any time upon simply quitting the employment. And, if bound by his own agreement to refrain from joining during a stated period of employment, he is in no different situation from that which is necessarily incident to term contract in general.

At page 23 appears the following:

One of the ways of obtaining property is by contract. The right, therefore, to contract can not be infringed by the legislature without violating the letter and spirit of the Constitution. Every citizen is protected in his right to work where and for whom he will. He may select not only his employer but also his associates. He is at liberty to refuse to continue to serve one who has in his employ a person, or an association of persons, objectionable to him. In this respect the rights of the employer and employee are equal.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. DICKINSON in the chair). Does the Senator from Rhode Island yield to the Senator from Louisiana?

Mr. HEBERT. I yield.

Mr. LONG. I have noticed that the Senator, in arguing the matter, has read a decision of the court relative to the subject of rights under a contract. As a matter of fact, Congress confers all the jurisdiction that a court of equity has, does it not? It is not a constitutional authority, but a grant of authority conferred by the Congress, a statutory authority. I am referring to courts of equity. They have only such authority as is given to them by the Congress. Is not that true?

Mr. HEBERT. I am not prepared to subscribe to that statement since there are concededly some inherent powers in the courts immediately they are created.

Mr. LONG. Is it not a fact that they could be limited to the granting of injunctions in cases involving not more than $300 or not more than $1,000?

Mr. HEBERT. That is true, and we have tried to limit them in our proposed substitute.

Mr. LONG. The bill, as it is reported by the committee, simply proposes to withhold from the courts certain jurisdiction. That would not prevent litigants from going into the State courts. The United States courts of every district—in New Jersey or Louisiana or elsewhere—could be denied any equitable jurisdiction at all, and litigants would be required to go into the State courts to enforce any rights in equity which they might have.

Mr. HEBERT. The statement of the Senator is at variance with the expression of opinion of the Supreme Court of the United States on that point.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Nebraska?

Mr. HEBERT. Certainly.

Mr. NORRIS. I do not like to interrupt the Senator so often and he has been very kind in yielding.

Mr. HEBERT. I do not at all mind the interruptions and am glad indeed to yield to the Senator from Nebraska.

Mr. NORRIS. I want to understand the Senator's idea. What he said to the Senator from Louisiana [Mr. LONG], I think, ought to be clarified just a little, so I would like to ask the Senator a further question. I realize, of course, there is a difference of opinion among eminent lawyers on the subject, but I want to ask the Senator whether the minority contend that Congress does not have the right to take away from any Federal court, except the Supreme Court of the United States, any jurisdiction that the court may have? Would we not have the right to take it all away and abolish the court by statute, if we wanted to do so?

Mr. HEBERT. I think we have the right to abolish the court, but the Supreme Court has made a pronouncement upon the power of Congress to limit the inherent powers of the court once it is established.

Mr. NORRIS. Yes; but it is not an inherent power of a court, for instance, to be endowed with jurisdiction to issue injunctions, is it? An inherent power, as I understand, is one necessary to enable the court to protect itself, and so forth.

Mr. HEBERT. To enforce its mandates.

Mr. NORRIS. Yes; but would not Congress have the right, without interfering with any of its inherent powers, to take any jurisdiction away from any inferior Federal court?

Mr. HEBERT. Does the Senator mean that Congress might take all its jurisdiction away?

Mr. NORRIS. Congress may take all its jurisdiction away or it may take any part of it away.

Mr. HEBERT. Unquestionably, Congress has the right to abolish any court which is inferior to the Supreme Court; there is no question about that; but whether, in the exercise of that right, Congress can go to any limit below the abolition of the court is a grave question, upon which there is difference of opinion.

Mr. NORRIS. I realize that, and the Senator perhaps should remember that in the hearings that argument was made by some very eminent attorneys. It was contended by one of those attorneys, representing some of the large corporations that are opposed to this legislation, that while he conceded Congress has the right even to abolish the court, having once given jurisdiction to an inferior court, Congress has no authority to take it away. However, I do not think that argument made any very substantial impression upon any of the members of the subcommittee that heard it.

Mr. HEBERT. Mr. President, I shall have occasion, in the course of my argument, to refer to a decision of the Supreme Court which discussed that question to some extent.

Mr. NORRIS. Very well.

Mr. HEBERT. I come now to the second of the cases to which I had reference when I said that in three different instances the Supreme Court had declared these contracts valid. I shall quote now from the case of Adair against the United States, Two hundred and eighth United States Reports, page 161. I read now from the opinion at page 172:

Without stopping to consider what would have been the rights of the railroad company under the fifth amendment, had it been indicted under the act of Congress, it is sufficient in this case to say that as agent of the railroad company and as such responsible for the conduct of the business of one of its departments, it was the defendant, Adair's, right—and that right inhered in his personal liberty, and was also a right of property, to serve his em-

ployer as best he could, so long as he did nothing that was reasonably forbidden by law as injurious to the public interests. It was the right of the defendant to prescribe the terms upon which the services of Coppage would be accepted, and it was the right of Coppage to become or not, as he chose, an employee of the railroad company upon the terms offered to him. Mr. Cooley in his treatise on Torts, page 278, well says: "It is a part of every man's civil rights that he be left at liberty to refuse business relations with any person whomsoever, whether the refusal rests upon reason, or is the result of whim, caprice, prejudice, or malice. With his reasons neither the public nor third persons have any legal concern. It is also his right to have business relations with anyone with whom he can make contracts; and if he is wrongfully deprived of this right by others, he is entitled to redress.

Again, at page 174:

While, as already suggested, the right of liberty and property guaranteed by the Constitution against deprivation without due process of law is subject to such reasonable restraints as the common good or the general welfare may require, it is not within the functions of government—at least in the absence of contract between the parties—to compel any person in the course of his business and against his will to accept or retain the personal services of another, or to compel any person against his will to perform personal services for another. The right of a person to sell his labor upon such terms as he deems proper is, in its essence, the same as the right of the purchaser of labor to prescribe the conditions upon which he will accept such labor from the person offering to sell it. So the right of the employee to quit the service of the employer, for whatever reason, is the same as the right of the employer, for whatever reason, to dispense with the services of such employee. It was the legal right of the defendant Adair—however unwise such a course might have been—to discharge Coppage because of his being a member of a labor organization, as it was the legal right of Coppage, if he saw fit to do so—however unwise such a course on his part might have been—to quit the service in which he was engaged because the defendant employed some persons who were not members of a labor organization. In all such particulars the employer and the employee have equality of right, and any legislation that disturbs that equality is an arbitrary interference with the liberty of contract which no government can legally justify in a free land.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Nebraska?

Mr. HEBERT. I yield.

Mr. NORRIS. I take it the Senator is about to discuss the case of the Hitchman Coal & Coke Co. against Mitchell?

Mr. HEBERT. Yes.

Mr. NORRIS. Before he leaves the two cases—the Coppage case and the Adair case—I should like, if he will permit me, to ask him a question or two about those cases.

Mr. HEBERT. I shall be very glad to have the Senator do so.

Mr. NORRIS. They were both cases where a criminal statute was undertaken to be enforced, were they not?

Mr. HEBERT. It is my understanding that they were.

Mr. NORRIS. One involved a criminal statute of Kansas.

Mr. HEBERT. Yes; a statute imposing a fine for making such a contract.

Mr. NORRIS. A statute imposing a fine for discharging a man because he belonged to a union. Does the Senator think that either one of those cases has a direct application to the legislation that is being discussed here, each of them involving a criminal statute and each one going to the court on the appeal of the defendant who was convicted under the statute? In one case a Federal statute was involved and in the other case a State statute. In the case involving the Federal statute the act complained of was claimed to be a violation of section 10 of the Erdman Act. That was the Adair case.

While I am interrupting the Senator I should like to call his attention also to the fact—and it seems to me, in all fairness, the attention of the Senate should be called to it—that both of these cases and also the case of Hitchman Coal & Coke Co. against Mitchell in the Supreme Court of the United States—the case, as I understand, the Senator is about to discuss—were all decided by a divided court.

Mr. HEBERT. That is true, Mr. President.

As to the first observation of the Senator from Nebraska, I have purposely confined my quotations to those portions of these opinions which relate to the contractual relations of the parties and not with reference to the offense committed in making those contracts. That is beside the point.

Mr. NORRIS. I realize that; but, at the same time, these criminal statutes were enacted to enforce the law by that means rather than by civil action.

Mr. HEBERT. Yes, Mr. President; but, first of all, it was incumbent upon the court to find out whether the making of such a contract was a valid exercise of constitutional right.

Mr. NORRIS. Yes; I think that is correct.

Mr. HEBERT. And if it were such an exercise, then no fine, provision for imprisonment, or anything else would interfere.

Mr. NORRIS. I am not contending that any of those cases do not have application to the point to which the Senator is applying them. I believe, however, that all the facts, including the one that all the cases were decided by a divided court, should be taken into consideration in attaching weight to these decisions.

Mr. HEBERT. Mr. President, I can well understand what the Senator has in mind. He proceeds upon the theory that if a case involving damages growing out of one of these contracts, dissociated altogether from any violation of a criminal statute, came before the court, the court might decide otherwise than it did and might declare such a contract to be void. However, I want to call the Senator's attention to the very explicit language in the Adair case. I repeat:

It was the legal right of the defendant Adair—however unwise such a course might have been—to discharge Coppage because of his being a member of a labor organization, as it was the legal right of Coppage, if he saw fit to do so—however unwise such a course on his part might have been—to quit the service in which he was engaged because the defendant employed some persons who were not members of a labor organization. In such particulars the employer and the employee have equality of right, and any legislation that disturbs that equality is an arbitrary interference with the liberty of contract which no government can legally justify in a free land.

Mr. NORRIS. I am not finding fault with that, if the Senator will permit me to interrupt him further, but the bill which the majority of the committee have reported, in my judgment, does not in any respect conflict with the opinion laid down there. Although the Adair case has a bearing on the contention the Senator is ably making—I concede that—at that time there was on the statute books no law such as is here proposed; and, while it may not have much effect on the Senator's mind, to my mind it is significant that those cases were decided at a time when the "yellow-dog" contract had not reached the culmination of its wickedness. Even in the Hitchman case, which the Senator is going to consider next, as I understand, the contract, even in the dissenting opinion, was not criticized, and the contract itself which is set out in the dissenting opinion of Mr. Justice Brandeis, as I recall, is not harsh in its terms. It was the first, or almost the first, "yellow-dog" contract that ever came before a court. It was mild in contradistinction to the development of the "yellow-dog" contract as it afterwards appeared. To anyone who will read all the cases, as they follow one another, it will appear in the development of the "yellow-dog" contract that the first one which was held legal was quite mild as compared to those which afterwards came to be considered in injunction cases. It will be easy to see, it seems to me, that the development of the "yellow-dog" contract was gradually and rather slow, until the dissenting opinions became more and more numerous as time went on.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Kentucky?

Mr. HEBERT. Yes; I do.

Mr. LOGAN. I have been listening to the very able argument of the Senator with a good deal of interest. I want to ask him if this is the conclusion that he has reached about those "yellow-dog" contracts—that as long as the contracts remain, no court can disturb his doctrine of liberty of contract, and that the contract must be got rid of in some way before it can grant relief? Is that the Senator's position?

Mr. HEBERT. No, Mr. President. With the declaration of policy contained in the bill proposed by the minority, we have proceeded to deny to inferior courts of the United States the right to afford injunctive relief based upon such contracts.

Mr. LOGAN. Does the Senator think he may do that within the constitutional limits?

Mr. HEBERT. We are hoping we can do it. I have repeatedly expressed some doubts about it, but we are hoping we can do it; and I shall refer to the authority upon which we are basing our action a little later on in my argument.

Mr. LOGAN. I have been somewhat confused by the reference to public policy. The confusion may be only in my own mind. I thought the public policy of a state or nation was always to be found in the laws of that state or nation, and that a mere statement that this is the public policy would have no effect unless it was backed up by some legislative enactment. Is that the Senator's opinion about it?

Mr. HEBERT. That is absolutely my opinion, Mr. President; but, of course, the Senator is coupling up now, in both of these bills, a statement of public policy followed up by an enactment.

Mr. LOGAN. That is true. I agree with the Senator about that; but it has been suggested that the liberty of contract is not absolute. It is absolute, is it not, except that a contract can not be made contrary to public policy? And if we desire to find out whether the contract is contrary to public policy, we must go to the existing laws of the Nation?

Mr. HEBERT. That is my understanding.

Mr. LOGAN. So if the Supreme Court has held, as it seems to have done, that the liberty of contract can not be interfered with, then did not that language, that it was not absolute, refer to contracts which could not be made in violation of some law?

Mr. HEBERT. Of course, I said all rights are relative.

Mr. LOGAN. The Senator from Rhode Island did not say that. Some one else suggested that.

Mr. HEBERT. Well, I have said in the course of this debate, and I repeat, that all rights are relative. There is no absolute right to do anything one likes. It is all bound by certain limitations—for instance, the limitations of the Constitution, the limitations of the law.

Mr. LOGAN. Finally, let me ask the Senator this question, and then I think I have finished.

The public policy of a nation must be declared by its legislative body having the authority to define it, as I understand. That is where we go to find our public policy—in the laws that govern the Nation.

Mr. HEBERT. The Supreme Court has said that in the absence of an expression of public policy in the legislative enactments the court declares a public policy.

Mr. LOGAN. That is true. There is no doubt about that. Congress could not pass any law declaring public policy if that public policy, when so declared, would be in violation of the Constitution; could it?

Mr. HEBERT. I can not see that there can be any argument upon that point.

Mr. LOGAN. Then, is it the Senator's contention that the declaration of public policy interfering with the liberty of contract is unconstitutional, rather than to term it as against public policy?

Mr. HEBERT. The declaration of public policy is not an enactment at all.

Mr. LOGAN. Can there be a declaration of public policy without an enactment?

Mr. HEBERT. There is nothing to a declaration of public policy. In other words, it does not command the doing of anything. It is simply the preamble which we find in many enactments. It enables those who are called upon to do so to construe what follows by referring to the preamble. It sets out what the enacting body had in mind, what it sought to accomplish, the objectionable things it sought to remove, what it endeavored to forbid; and, then, when the court comes to pass upon any act committed in violation or in alleged violation of the enactment it goes back to the preamble to see what was in the mind of the legislature when it passed that act.

Mr. LOGAN. It is not binding upon the court, however; is it?

Mr. HEBERT. No; I do not think so.

Mr. LOGAN. And is it not the general rule throughout the United States, so far as we know, that anything that may have been said in the consideration of a bill or in the proposal of a constitution and recorded in the journals is of very little weight with the court when it comes to construe the actual provision?

Mr. HEBERT. Mr. President, in my reading of some of these decisions I have observed that when the reports of committees of Congress and certain statements made by Members of Congress in both Houses of Congress on the enactment which the court is called upon to construe are referred to; the courts refer to them with approval. I have never seen any reference to those that did not sustain their position in their decisions.

Mr. LOGAN. They refer to them in the interpretation of the act. That is very correct; but would a simple declaration of policy, without its being followed by a legislative enactment, have any binding effect on the courts?

Mr. HEBERT. In my opinion, Mr. President, it would not.

Mr. LOGAN. I thank the Senator very much.

Mr. HEBERT. Mr. President, I now take up the so-called Hitchman case—Hitchman Coal & Coke Co. *v.* Mitchell (245 U. S., 229.) Before quoting from that opinion, however, I think it might be well to include as a part of my argument the exact wording of the contract which was required to be entered into by those seeking employment at the Hitchman Coal & Coke Co. plant and which was the subject of this litigation. It occurs to me that it may be informative to Members of the Senate who do me the honor to read my argument.

The contract is quoted in full at page 263 of volume 245, United States Reports, and I read:

> I am employed by and work for the Hitchman Coal & Coke Co. with the express understanding that I am not a member of the United Mine Workers of America and will not become so while an employee of the Hitchman Coal & Coke Co.; that the Hitchman Coal & Coke Co. is run nonunion and agrees with me that it will run nonunion while I am in its employ. If at any time I am employed by the Hitchman Coal & Coke Co. I want to become connected with the United Mine Workers of America, or any affiliated organization, I agree to withdraw from the employment of said company and agree that while I am in the employ of that company I will not make any efforts amongst its employees to bring about the unionizing of that mine against the company's wish. I have either read the above or heard the same read.

That contract was the basis in part of this suit; and in passing upon it the court said, at page 248:

> In short, at the time the bill was filed, defendants, although having full notice of the terms of employment existing between plaintiff and its miners, were engaged in an earnest effort to subvert those relations without plaintiff's consent, and to alienate a sufficient number of the men to shut down the mine, to the end that the fear of losses through stoppage of operations might coerce plaintiff into "recognizing the union," at the cost of its own independence. The methods resorted to by their "organizer" were such as have been described.

At page 250:

> What are the legal consequences of the facts that have been detailed?
>
> That the plaintiff was acting within its lawful rights in employing its men only upon terms of continuing nonmembership in the United Mine Workers of America is not open to question. Plaintiff's repeated costly experiences of strikes and other interferences while attempting to "run union" were a sufficient explanation of its resolve to run "nonunion," if any were needed. But neither explanation nor justification is needed. Whatever may be the advantages of "collective bargaining," it is not bargaining at all, in any just sense, unless it is voluntary on both sides. The same liberty which enables men to form unions, and through the union to enter into agreements with employers willing to agree, entitles other men to remain independent of the union and other employers to agree with them to employ no man who owes any allegiance or obligation to the union. In the latter case, as in the former, the parties are entitled to be protected by the law in the enjoyment of the benefits of any lawful agreement they may make. This court repeatedly has held that the employer is as free to make nonmembership in a union a condition of employment as the workingman is free to join the union, and that

this is a part of the constitutional rights of personal liberty and private property, not to be taken away even by legislation, unless through some proper exercise of the paramount police power.

And on page 251, quoting from the case of Truax *v.* Raich (239 U. S.), at page 33 the court says:

* * * It is said that the bill does not show an employment for a term, and that under an employment at will the complainant could be discharged at any time for any reason or for no reason, the motive of the employer being immaterial. The conclusion, however, that is sought to be drawn is too broad. The fact that the employment is at the will of the parties, respectively, does not make it one at the will of others. The employee has manifest interest in the freedom of the employer to exercise his judgment without illegal interference or compulsion, and, by the weight of authority, the unjustified interference of third persons is actionable, although the employment is at will. (Citing many cases.)

On page 252:

The right of action for persuading an employee to leave his employer is universally recognized—nowhere more clearly than in West Virginia—and it rests upon fundamental principles of general application, not upon the English statute of laborers.

In this case Mr. Justice Brandeis dissented, but he did not dissent upon the question of the legality of the contract.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Utah?

Mr. HEBERT. Yes; I yield.

Mr. KING. My recollection is, although it has been several years since I read the case, that he directly or indirectly declared the contract was not subject to challenge upon the ground that it was unconstitutional.

Mr. HEBERT. Mr. President, recently the House of Representatives of the State of Massachusetts asked the justices of the supreme judicial court of that State for an advisory opinion. There is a provision in the constitution of Massachusetts which permits that to be done. I have before me the advance sheets of the opinion of the Supreme Judicial Court of Massachusetts, from which I now wish to read:

OPINION OF THE JUSTICES TO THE HOUSE OF REPRESENTATIVES

CONSTITUTIONAL LAW, OPINION OF THE JUSTICES, DUE PROCESS OF LAW, EQUAL PROTECTION OF LAW, CLASS LEGISLATION, CONTEMPT PROCEEDINGS. LABOR

On May 11, 1931, the house of representatives adopted the following order:

"Whereas there is pending before the general court a bill entitled 'An act to define and limit the jurisdiction of courts sitting in equity, and for other purposes,' printed as House Document No. 976 of the current year, a copy of which is herewith submitted; and

"Whereas doubt exists as to the constitutionality of said bill, if enacted into law: Therefore be it

"*Ordered*, That the opinions of the honorable the justices of the supreme judicial court be required by the house of representatives on the following important question of law:

"Would the provisions of said bill, if enacted into law, be in conflict with the Constitution of this Commonwealth or of the United States?"

On May 29, 1931, the justices returned the following answer:

To the honorable the House of Representatives of the Commonwealth of Massachusetts:

The justices of the supreme judicial court have considered the order adopted on May 11, 1931, and transmitted to them on May 13, 1931, requiring their opinion on the question whether the provisions of the bill printed as House Document No. 976, if enacted into law, would be in conflict with the Constitution of the United States or of this Commonwealth. Copy of the order is hereto annexed.

It has been the practice of the justices of the supreme judicial court in the performance of their duty under chapter 3, article 2, of the constitution to render opinions when required by the designated legislative or executive branch upon "important questions of law and upon solemn occasions" to confine their answers to particular questions of law submitted to them. It has not been regarded as within the fair intent of this article of the constitution that they should be required to examine the validity of every clause, section, or part of a complicated statute, except in response to specific questions. (Opinion of the justices, 138 Mass. 601, 604; 145 Mass. 587, 592; 217 Mass. 607; 239 Mass. 606, 612; 247 Mass. 589, 598; 261 Mass. 523, 554; 261 Mass. 556, 613.) We well might decline to answer the question here propounded on this ground. This rule of conduct is not to be impaired in any degree. We presume that the honorable house of representatives desires no more than that the question be answered upon a general view of the proposed statute without scrutiny of its details.

On such general view the proposed act appears to us to fall into three main divisions. The first is comprised in sections 1 to 3, inclusive. The vital part of this division appears to be section 2. That section declares, in substance, that every contract between any present or prospective employee and present or prospective employer or others whereby either party undertakes to join or not to join or to remain or not to remain a member of any labor organization or employer organization or to withdraw from an employment relation in the event that he joins or remains a member of such organization is contrary to public policy and shall not be the basis of relief in the courts. Main provisions of section 3 of the bill attempt to deprive the courts of jurisdiction to issue any injunction touching such contracts. This appears especially from subsections (a), (b), (g). The provisions of section 1 declare the public policy of the Commonwealth to be in favor of full freedom of organization of workmen for collective bargaining and other purposes. The terms of that section are plainly broad enough to comprehend organization to break contracts made contrary to the terms of section 2, and although containing no definite reference to section 2 must be construed as designed to include the facts recited in section 2. These provisions would be unconstitutional. That is too clear for discussion. They fall within the condemnation of principles declared and stated at length in Adair *v.* United States (208 U. S. 161), and Coppage *v.* Kansas (236 U. S. 1). In the first of those decisions an act of Congress and in the second a statute of Kansas, indistinguishable in essential features from these sections of the present bill, were held to be violative of provisions of the Federal Constitution forbidding the enactment of any law depriving a person of liberty or property without due process of law. A decisive sentence from 236 U. S. 1, 14, is in these words: "Included in the right of personal liberty and the right of private property—partaking of the nature of each—is the right to make contracts for the acquisition of property. Chief among such contracts is that of personal employment, by which labor and other services are exchanged for money or other forms of property. If this right be struck down or arbitrarily interfered with, there is a substantial impairment of liberty in the long-established constitutional sense." These principles have been reiterated and these cases cited with approval in more recent decisions. (Truax *v.* Raich, 239 U. S. 33, 41; New York Central Railroad *v.* White, 243 U. S. 188, 206; Hitchman Coal & Coke Co. *v.* Mitchell, 245 U. S. 229, 250–251; Prudential Ins. Co. *v.* Cheek, 259 U. S. 530, 536; Adkins *v.* Children's Hospital, 261 U. S. 525, 545–546; Highland *v.* Russell Car & Snow Plow Co., 279 U. S. 253, 261; Texas & New Orleans Railroad *v.* Brotherhood of Railway & Steamship Clerks, 281 U. S. 548, 570.) It would be vain for us to indulge in discussion in view of these authoritative adjudications. This matter also is fully covered by the "Opinion of the Justices" rendered to the honorable the house of representatives on April 15, 1930 (Mass. Adv. Sh. (1930) 903).

The second division of the bill comprehends sections 4–9, both inclusive. It is possible that these sections are designed chiefly to be in aid of section 2 of the bill and would not otherwise be proposed. However that may be, one dominating aim of this part of the bill seems to be to establish with respect to every "labor dispute" as defined in section 12 (c) a substantially different method of procedure, subject to materially different prerequisites, conditions, rules of trial, and extent of redress, from that established in any other kind of controversy where relief in equity is sought. This dominating purpose appears to be class legislation and to impair equality before the law and equal protection of equal laws to all persons, contrary to principles affirmed in Bogni *v.* Perotti (224 Mass. 152) and Truax *v.* Corrigan (257 U. S. 312).

The third division of the bill includes sections 10–14, both inclusive. The dominating purpose of these sections is to narrow to an unconstitutional extent the power of courts to deal with contempt of court in connection with litigation in labor disputes. The effect of these sections would contravene principles laid down in Walton Lunch Co. *v.* Kearney (236 Mass. 310); Root *v.* MacDonald (260 Mass. 344); and Blankenburg *v.* Commonwealth (260 Mass. 369). See Blankenburg *v.* Commonwealth (Mass. Adv. Sh. (1930) 1485).

In answering the question we have considered only a general view of the proposed bill. It has not been examined in detail with reference to the questions that might be raised as to its several parts. We do not undertake to intimate how much of the bill, if dissociated from the dominating factors already mentioned, would be within the competency of the general court to enact. Those matters we can not deal with for the reasons stated at the outset of this opinion.

ARTHUR P. RUGG.
JOHN C. CROSBY.
EDWARD P. PIERCE.
JAMES B. CARROLL.
WILLIAM C. WAIT.
GEORGE A. SANDERSON.
FRED T. FIELD.

Mr. KING. Mr. President, will the Senator submit to an interruption?

Mr. HEBERT. I am glad to yield.

Mr. KING. I invited the attention of the Senator a moment ago to the dissenting opinion of Mr. Justice Brandeis in the Hitchman case, and my recollection is that the senior

Senator from Nebraska [Mr. NORRIS] a few moments ago implied that that dissenting opinion by Justice Brandeis was a declaration that contracts of this character were illegal. I would like to read just a sentence or two from Mr. Justice Brandeis's dissenting opinion:

> In other words an employer, in order to effectuate the closing of his shop to union labor, may exact an agreement to that effect from his employees. The agreement itself being a lawful one, the employer may withhold from the men an economic need—employment—until they assent to make it. Likewise an agreement closing a shop to nonunion labor being lawful, the union may withhold from an employer an economic need—labor—until he assents to make it. In a legal sense an agreement entered into, under such circumstances, is voluntarily entered into; and as the agreement is in itself legal, no reason appears why the general rule that a legal end may be pursued by legal means should not be applied. Or, putting it in other words, there is nothing in the character of the agreement which should make unlawful means used to attain it, which in other connections are recognized as lawful.

Mr. HEBERT. Mr. President, it is to be observed that the majority of the committee in its report seeks not so much to deny legal remedies to the parties to such contracts as to take away the right of injunction to prevent a breach of them.

In the majority report on page 9 the following statement appears:

> Relief by injunction is an extraordinary and harsh remedy. It should not be resorted to except in cases where such action is imperatively demanded; and yet, injunctive relief is often the only adequate and effective relief against many wrongs and to prevent many irreparable injuries in controversies of infinite variety.

If any means can be devised by legislative enactment to carry out the purposes of the measure so far as injunctive relief is concerned, without conflicting with the provisions of the Constitution and the decisions of the courts of last resort, I believe I am justified in saying for the minority and for myself—I unhesitatingly say—I will join in such an effort and will assist in every way possible to secure its passage.

Inasmuch as the general purpose of the bill is to afford relief from unfair injunctive processes, it seems reasonable to assume that the provisions of this section would effectuate that purpose quite fully if they were limited so as to provide that such contracts should afford no ground for injunctive relief. The bill would then be in harmony with the public policy to be established by other provisions of the measure.

These so-called "yellow-dog" contracts are contracts of employment. They are entered into between employers and employees all domiciled in the same State, with but few exceptions. It follows, then, that they are to be construed in accordance with the laws of the State where they are made. If Congress is to declare such contracts void, then we shall have the anomalous situation where in a State they are legal and enforceable by the laws of that State, they may be held illegal and void by a mere transference of a case involving them to a court of the United States.

In my opinion, a provision which would deny injunctive relief based upon the existence of such contracts would afford full remedy to employees against any injustice done them in labor disputes, and at the same time would probably not be open to serious constitutional objections.

Some serious doubt has been expressed as to the right of Congress to limit the equity powers of courts of the United States. This question arose in the case of Michaelson *v.* United States (1924, 266 U. S. 62). My reading of the decision in that case leads me to the conclusion that it is not beyond the authority of Congress to place some limitations upon the equity powers of such courts. In that case the court was interpreting the provision in the Clayton Act which requires courts to afford jury trials in criminal contempt proceedings.

Mr. Justice Sutherland said in the opinion:

> But it is contended that the statute merely interferes with the inherent power of the courts and is therefore invalid. That the power to punish for contempts is inherent in all courts has been many times decided and may be regarded as settled law. It is essential to the administration of justice. The courts of the United States, when called into existence and vested with jurisdiction over any subject, at once become possessed of the power. So far as the inferior Federal courts are concerned, however, it is not beyond the authority of Congress * * *. That it may be regulated within limits not precisely defined may not be doubted.

The limitation which is proposed to be placed upon the power of the courts to issue injunctions based upon these "yellow-dog" contracts is, I hope, one within the purview of the opinion to which I have referred, and the opinion justifies the belief that such a provision as is embodied in the substitute bill submitted by the minority will be sustained, especially when read in the light of the declaration of policy which is also a part of the measure.

LIMIT OF INJUNCTIVE RELIEF

Sections 4 and 5 prohibit the issuance of injunctions under certain conditions therein enumerated. The language of clause (a), section 4, is as follows:

> Ceasing or refusing to perform any work or to remain in any relation of employment.

This language, fairly interpreted, leads to the conclusion that an employee may continue in the relation of employment, hold his job, and yet refuse to perform any work. That an employee may cease to be employed, whereas, in most instances, he is working under a contract at will, there is no question. On the other hand, the employer may, under such a contract, dismiss the employee and either party is at liberty to put an end to the employment relation. But expressly to provide that an employee may refuse to perform any work and yet continue in an employment relation is, to my mind, to place the stamp of approval, by legislative enactment, upon a breach of contract. It can not be that the framers of this bill had any such purpose in mind. It may well be, however, that what was intended was to place the employee outside of those injunctive processes which have been so broad as to compel an employee against his will to perform a given task. Such a situation arose in the case of Bedford Co. against Stone Cutters' Association, reported in Two hundred and seventy-fourth United States Reports, page 37 (1926).

In that case reference is made to an injunction granted to the complainant in the case of Duplex Co. *v.* Deering (254 U. S. 443) restraining the respondents—

> From interfering with the sale, transportation, or delivery in interstate commerce of the presses of complainant; also from interfering with the carting, installation, use, operation, exhibition, displacing, or preparing of any such press or presses, * * * and especially from using any force, threats, command, direction, or even persuasion with the object of having the effect of causing any person or persons to decline employment, cease employment, or not seek employment or to refrain from work or cease working under any person, firm, or corporation being a purchaser or prospective purchaser of any printing press or presses from complainant * * *.

The injunction issued in the Bedford Stone Co. case, supra, was sustained. Justice Brandeis, who wrote a dissenting opinion, made this observation:

> If on the undisputed facts of this case refusal to work can be enjoined, Congress created by the Sherman law and the Clayton Act an instrument for imposing restraints upon labor which reminds of involuntary servitude.

In my opinion, the provisions of paragraph (a), section 4, of the bill should be modified so as to provide that no injunction shall issue upon the ground that an employee has ceased or refused to remain in any relation of employment. This, I believe, would fully guarantee to the employee his freedom of contract and his right to put an end to his contractural relations.

The substitute bill prepared by the minority of the committee modifies in some respects other clauses of section 4, which, as written in the bill reported by the majority, are, in my opinion, open to serious objections.

In other words, if by the provisions of section 4 of the majority bill, clause (a), it is meant that no limitation shall be placed upon an employee to cease work when he chooses to do so and that by ceasing to do so he may not render himself liable to restraint through injunctive processes, then,

of course, that is fully justified in my judgment. But let me repeat the language:

Ceasing or refusing to perform any work or to remain in any relation of employment.

It would seem to me that would permit an employee to continue in the employment relation; in other words, to stay right on the job and refuse to do anything that he is told to do even though it be in the course of his employment and even though they be acts which he is hired to perform. It can not be that the Senate wants to enact any such provision as that. The minority has modified it by providing in the substitute bill a change so as to make it read:

Ceasing or refusing to remain in any relation of employment.

LAW OF AGENCY

I come now to a discussion of the provisions of section 6 of the majority bill which relates to agency in labor disputes.

In section 6 the bill attempts fundamentally to change the law of agency in respect to "an association or combination participating or interested in a labor dispute."

It is urged that this is not the establishment of a new law of agency, but rather the creation of a new rule of evidence. It is contended that this provision will not relieve an individual from responsibility for his acts. It is claimed that there is a distinction between cases which would arise under this section, and those commonly arising under the law of agency as it is recognized, and under which one is held legally responsible for the acts of his agents done in the course of his employment.

Criminal acts are personal to the wrongdoer, and an employer may not be held responsible as a criminal wrongdoer if his agent be guilty of a crime, notwithstanding it be committed in the course of the employment unless the employer or principal authorizes or participates in or ratifies its commission. This section does not deal with criminal acts; its provisions affect the commission of "unlawful acts." It attempts to make a distinction between the relations of those in charge of a strike who are directing the members of a labor organization in the accomplishment of their purposes and employers who direct the activities of their employees in the ordinary course of their business.

It does not seem to me that such a distinction is tenable. In the one case strikers are acting under the authority of and are subject to the orders of the leaders of the movement; in the other, the employee is subject to the authority and under the control and direction of his employer. To this extent at least there is no difference in the relation. Both seek to accomplish their respective ends—in the one case to prevail in a strike and make it effective so as to compel the employer to submit to the demands of the strikers; in the other, to render service or to sell merchandise or whatever may be the particular trade or occupation in which the employer is engaged.

If I may cite an illustration to clarify that statement somewhat, the law of agency is based upon the legal maxim that an employer is liable for the acts of his employee done in the course of his employment; in other words, respondeat superior. If a delivery clerk employed by some merchant in this city, for instance, driving a motor truck or other conveyance, runs into a pedestrain who is in the exercise of due care, and injuries him, however severely, and if in the doing of that act the delivery clerk be negligent and it be done in the course of his employment, then his employer is liable for the consequences resulting from that injury.

The provisions of section 6 would alter that completely. It would be subversive of that principle of the law of agency. It says, in effect, if an employee or a man engaged in a labor dispute, acting on the orders from him who directs that labor dispute, commits an unlawful act, then the director of that labor dispute, under whom a given employee is operating, will not be liable for the consequences of such unlawful acts "except upon clear proof of actual participation in or actual authorization of such act or of ratification of such act after actual knowledge thereof."

Having in mind that the chief object to be attained by the enactment of this bill is to limit the power of courts to issue injunctions and to punish for contempts thereof, it has seemed to me that this section might well be made a part of section 11 of the bill reported by the majority and so phrased as to protect officers and members of labor organizations from punishment for contempt and from injunctions if, when unlawful acts are committed by anyone engaged in a strike or labor dispute, it appears that such officers or members as are charged with responsibility for the acts of others did not actually participate in or actually authorize or actually ratify such acts. In addition, the amendment which I have proposed would provide that in any contempt proceedings based upon the commission of such acts, if the person charged makes the claim that he did not actually participate in or actually authorize or actually ratify such act, he shall be entitled to a public trial by an impartial jury.

In this way members of organizations engaged in labor disputes, and their officers as well, will be fully protected and at the same time the provisions of existing law will in no way be subverted.

HEARINGS ON PETITIONS FOR INJUNCTION

I come now to the provisions of section 7 of the majority bill affecting the question of hearings on petitions for injunctions.

Section 7 of the bill provides that no restraining order or injunction shall be issued in a case growing out of a labor dispute except after hearing the testimony of witnesses in open court.

The section then proceeds to outline certain findings of fact which must be had prior to the issuance of a restraining order or injunction. The first requirement is that unlawful acts have been committed and will be continued unless restrained.

Many of the restraining orders and injunctions heretofore issued in labor disputes were much more far-reaching in their effect than the occasion required. Proof to sustain this view may be found in the decisions of the Supreme Court. I am in sympathy with the purposes sought to be attained by this part of the bill, but I believe it should be modified in some respects. Under paragraph (a) of this section the owner of property may not have relief where acts of destruction are contemplated or threatened and must have actually suffered injury before he can secure a restraining order or an injunction. Courts should be left free to restrain anyone from engaging in unlawful acts, and before they are committed.

There is no element of justice in a provision of law which would permit one citizen to destroy the property of another before any court shall have the power to restrain him.

The effect of this provision would be to work hardship upon employees as well as upon employers, because in the event that an employer should threaten to commit an unlawful act against the interests of the employee the employee would have no redress, but would be required to wait until after the act had been committed before seeking his remedy. In other words, there can be no injury to a wrongdoer if he be restrained from continuing his wrongdoing.

Paragraph (c) of section 7 brings in the law of comparative negligence. In cases of comparative negligence both parties are at fault, and the question of which one is liable is determined by a comparison of the fault of each. In the case of injunctive processes to restrain illegal acts, such as violence and threats, no injury can in contemplation of law be suffered by the party who is restrained from continuing the illegal acts. Paragraph (c) makes no distinction between acts which are lawful and those which are not. It simply provides that as to the measure of relief granted the court must find that greater injury will be inflicted upon the complainant by the denial of the relief than will be inflicted upon the defendant by the granting of it.

Paragraph (e) of section 7 would require a complainant to show affirmatively that the public officers charged with the duty to protect his property are unable or unwilling to furnish adequate protection. All such officers are required to be given personal notice and as this provision is now worded, it might be construed to mean that every police officer in a city

or town of whatever size must have notice and must testify in any proceeding which may be had for injunctive relief. It would impose an unusual burden upon a complainant; first, to ascertain the names and the duties of all officers charged with the protection of property; and second, to prove that they have failed to afford protection or that they are unable to do so.

I can well imagine the burden placed upon a complainant where he sought to have relief in injunction proceedings in a city the size of New York, for instance, where he would be called upon to establish affirmatively either that the police, or those charged with the enforcement of the law or the protection of his property, were unable to afford protection or were unwilling to do so.

Not all the acts of which employers of labor complain in the course of labor disputes are such as to come within the purview of the duties of public officers generally. Even a most cursory examination of the forms of reasonable injunction which have been issued in labor disputes will disclose this. If, however, the provisions of paragraph (e) are to be limited in their operation to acts of destruction of property, there again the difficulty of establishing proof of neglect or inability of public officers to afford protection may be impossible to sustain. The destruction of property may well occur without the knowledge of public officers.

CONDITION PRECEDENT TO ISSUANCE OF RESTRAINING ORDER OR INJUNCTION

Section 8 provides that no restraining order or injunction shall be granted unless the complainant has first made every reasonable effort to settle the dispute by negotiation. The principle of mediation and arbitration is the ideal one in the settlement of labor disputes; and, wherever possible, resort should be had to such a course of action; but under this section a respondent may, without notice, engage in violence and fraud and the complainant will be denied relief unless he has first taken all steps for the negotiation of a settlement. Thus the aggressor may act without notice, and may not be restrained until the injured party has endured the violence for a sufficient length of time within which to endeavor to secure an adjustment. Negotiations looking to the settlement of labor disputes are most commendable. In very recent time we have had ample proof of this. Notwithstanding the depressed condition of industry there have been practically no labor disputes of any kind, all parties having submitted their differences to mediation and to a calm discussion through their chosen representatives. Negotiations prior to overt acts is desirable, but this rule should apply to all parties, and particularly to the aggressor.

In conclusion, Mr. President, I repeat that I have no disposition or intention to delay or to interfere with the passage of this bill. I shall offer amendments as we proceed with its consideration which I believe will more fully protect the interests of all parties in labor disputes. I have been informed that labor organizations themselves have many amendments to propose to the bill. It may be that some of those which they intend to offer or which are to be offered at their instance may carry out the purposes which I myself have in mind. I firmly believe that the substitute which I have proposed will prove satisfactory to everyone. It will relieve the laboring man from the injustices which grew out of that form of contract which is so obnoxious to American citizens; it will remove, so far as they can be removed, the well-founded objections to some of the injunctive processes which have been issued in the past in labor disputes; it will curb the power of the courts to legislate by injunction, as it is claimed they have done, and will afford to every citizen the right of trial by jury guaranteed him by the Constitution.

Mr. VANDENBERG. Mr. President, before the Senator from Rhode Island takes his seat, I should like to ask him a question.

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Michigan?

Mr. HEBERT. I yield.

Mr. VANDENBERG. I am very anxious to be sure I understand the Senator's definition of the right of temporary injunction. Am I correct in understanding him to say that it is his construction that a contemplated injury can not be enjoined; that injury must actually have been suffered before there can be an injunction?

Mr. HEBERT. Mr. President, that is my reading of the provisions of the bill reported by the majority of the committee, and I shall call the Senator's attention to them.

Mr. ROBINSON of Arkansas. The language to which the Senator from Rhode Island refers is found, beginning in paragraph (a), line 7, on page 6.

Mr. HEBERT. Yes. Paragraph (a), line 7, page 6, reads:

That unlawful acts have been committed and will be continued unless restrained.

Mr. VANDENBERG. Yes; but I call the Senator's attention to paragraph (b), which reads:

That substantial and irreparable injury to complainant's property will follow.

Mr. HEBERT. Will follow what?

Mr. VANDENBERG. The unlawful acts that have been committed. There need not necessarily be damage, need there?

Mr. HEBERT. But, notwithstanding one has knowledge that unlawful acts have been threatened which, if committed, will destroy his property and will cause irreparable injury, he may not obtain an injunction, under this bill, according to paragraph (a), on page 6, because injunctions are to be limited to unlawful acts which "have been committed and will be continued unless restrained."

Mr. VANDENBERG. In other words, would it be the Senator's view that no contemplated injury, however formidably anticipated, could be reached?

Mr. HEBERT. That is correct.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Arkansas?

Mr. HEBERT. I yield.

Mr. ROBINSON of Arkansas. I am impressed with the correctness of the interpretation of this language by the Senator from Rhode Island. Paragraphs (a), (b), (c), (d), and (e) appear to be cumulative; that is to say, it must appear that all five of the conditions mentioned in them exist before relief may be granted; there must have been unlawful acts already committed; it must appear that substantial and irreparable injury will result; that, upon a balancing of injuries, it shall be found that the injury to be inflicted upon the complainant will be greater than the injury that will be imposed on the defendant; that the complainant has no adequate remedy at law; and that public officers are not able or are unwilling to enforce it.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Arkansas, then, would it be his view, if I have definite and specific information that my property is about to be attacked in the course of a well-sustained and well-formulated conspiracy, that I must await the attack before I can procure relief?

Mr. ROBINSON of Arkansas. No; that is not my view at all; and I think if it is made to appear clearly that property is about to be destroyed it is much better to grant relief before the destruction of the property than afterwards.

Mr. VANDENBERG. I would think so; but I am asking the Senator if it is his construction of this bill that relief can not be obtained under the circumstances I have mentioned?

Mr. ROBINSON of Arkansas. That is what I was saying. I did not write the language, but from its reading it seems that before an injunction can be obtained it must be shown that there have been unlawful acts. Of course, the reason for that is that frequently attempts are made to prove intention to commit unlawful acts when there is little actual evidence to support it. Under the procedure that has prevailed heretofore most of the injunctions have been issued upon ex parte applications, and therein lies the great sin of them. Any sort of an allegation that would apparently give the court jurisdiction is accepted as true upon slight

proof. The object of the provision is apparent; it is to protect against such circumstances; but I think the language needs consideration.

Mr. HEBERT. In fact, many of those injunctions are issued ex parte upon mere affidavit.

Mr. ROBINSON of Arkansas. Yes.

Mr. HEBERT. That situation is amply protected by the provisions of the substitute which has been prepared by the minority members of the committee, and it is likewise protected by the bill presented by the majority; but we of the minority felt that the majority bill goes too far, and requires too much cumulative evidence before affording any redress to one whose property is destroyed or is about to be destroyed.

Mr. ROBINSON of Arkansas. I should say that in connection with the paragraph just referred to on page 6 of the bill, I think the suggestion of the Senator from Rhode Island is well worthy of consideration.

Mr. WALSH of Montana obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Jones	Robinson, Ind.
Austin	Dale	Kean	Schall
Bailey	Davis	Kendrick	Sheppard
Bankhead	Dickinson	Keyes	Shipstead
Barbour	Dill	King	Smith
Bingham	Fess	La Follette	Smoot
Black	Fletcher	Lewis	Steiwer
Blaine	Frazier	Logan	Stephens
Borah	George	Long	Thomas, Idaho
Bratton	Glass	McGill	Thomas, Okla.
Brookhart	Glenn	McNary	Townsend
Broussard	Goldsborough	Metcalf	Trammell
Bulkley	Gore	Morrison	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norbeck	Walcott
Caraway	Hatfield	Norris	Walsh, Mass.
Carey	Hawes	Nye	Walsh, Mont.
Connally	Hayden	Oddie	Watson
Coolidge	Hebert	Patterson	Wheeler
Copeland	Howell	Pittman	White
Costigan	Hull	Reed	
Couzens	Johnson	Robinson, Ark.	

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

Mr. WALSH of Montana. Mr. President, the differences which have developed in the course of the discussion so far as it has proceeded indicate that they occupy so narrow a field that it would seem as though protracted debate would scarcely any longer be called for, and that hereafter it might very appropriately be confined to what may be regarded as details of the bill, such as were referred to in the colloquy with the Senator from Rhode Island [Mr. HEBERT] as he was about to quit the floor.

Of the necessity and advisability of legislation dealing with this particular subject there seems to be no difference of opinion. Reference has been made to the declarations of the platforms of the two great political parties in 1928 to the effect that abuses have crept into the procedure of the issuance of injunctions, particularly in labor cases, and that remedial legislation should be enacted. Both the majority and the minority reports agree concerning the existence of these abuses and concerning the need for legislation.

The governors of various States, particularly the States of Massachusetts, New York, and Wisconsin, have recently invited the attention of their legislatures to these abuses and suggested the enactment of remedial legislation. The National Civic Federation has called attention to the need in a pamphlet recently issued, from which I read, as follows:

> A most careful and thorough examination has been made of injunctions issued in labor disputes in our State courts as well as in our Federal courts (as indicated in the record annexed), which study has clearly indicated the validity of the complaint made by labor that the injunction writ has been subject to many abuses, thus confirming as well the declarations of the two major political parties, which have expressed themselves upon this question.
>
> Your committee has, therefore, no hesitancy in recommending the advisability of remedial legislation on this subject. Indeed, it deems it imperative if the workers are to be assured that the judiciary of our land and the great powers vested in it are not being unduly and unwarrantedly used in determining the industrial relations and policies that should govern our industrial life.

Former Senator Pepper, once a distinguished Member of this body, has contributed an article on this subject to the Journal of the American Bar Association, which I ask may be incorporated in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See Exhibit A.)

Mr. WALSH of Montana. The particular abuses pointed out are, first, the issuance of restraining orders without any notice whatever; second, the issuance of temporary injunctions at least upon ex parte affidavits; third, the use of general language in the restraining order, so that the ordinary person to whom it may be directed, or who may be interested in it, is unable to say whether or not a particular act falls within the condemnation of the order; fourth, the issuance of injunctions upon what is known as the "yellow-dog" contract; and, finally, the issuance of injunctions restraining the doing of acts clearly legal in themselves.

I desire to address myself particularly, however, to what is known as the "yellow-dog" contract. That is a contract by which, when one seeks employment from an industrial organization, he is confronted with a form contract by which he agrees that while he remains in the employ of the employer he will not join a union. There are other stipulations related to that to which it will not be necessary to advert; but it is for the purpose of insuring to the employer that he will not be called upon to deal with a union.

These contracts are coming into remarkably general use. A case involving one recently came before the Supreme Court of the State of Pennsylvania. The injunction in that case was sustained, but in it a dissenting opinion was rendered by Mr. Justice Maxey in which reference was made to the frequency with which these so-called restrictive contracts are employed. I read from an opinion filed by him, as follows:

> In May, 1929, the plaintiff company entered into an agreement with the Allied Manufacturers' League (Inc.), of New York City, whereby the "league" agreed to assist plaintiff company in installing the "individual contract system" at the plant and to secure new employees in the event of a strike. This "league" is apparently owned and managed by one Horace A. MacDonald. On June 8, 1929, MacDonald appeared with mimeographed forms of the individual contract and that night he and the company's superintendent, Winkler, went to the knitters' floor in the mill and instructed the night foreman, Bowersocks, to assemble the employees. This was done, and Winkler and MacDonald told the men that they were to sign the individual contracts. Lester Rice, a knitter in the plaintiff's mill, testified that Bowersocks, the foreman, "just called them down there, one by one, to the office to sign that "yellow-dog" contract, and we wouldn't sign." For about two hours the importunities to sign continued. MacDonald testified that the men "said it was a "yellow-dog" contract." The men were told to sign or quit work. Nearly the entire night force refused to sign and left the plant at 2 a. m. William Montplaisir, an employee, testified that "there was a lot of discussion about signing it; no one wanted to." The following day Schmidt summoned the day-shift men to his office where, according to the testimony of employees, they were "told to sign or get out. So what was the use of reading it?"

I call attention to the fact that this company exists for the purpose of supplying what are known as strike breakers wherever a strike occurs—that is to say, furnishing men who will operate during the course of the strike—and at the same time furnishes blank "yellow-dog" contracts to any company that desires to use them for the purpose of restricting the liberty of the men in its employ.

The generality of the use of these contracts is likewise disclosed in an article, which will be found in the Nation of December 31, 1930, by Mr. Joel L. Seidman. I read from that article, as follows:

> Employers were not slow to realize that they possessed in the injunction a weapon of the greatest effectiveness. The Red Jacket case, upon which rests Judge Parker's claim to fame, strengthened the tendency to resort to these contracts, though it added nothing that was conclusive, since it went no higher than the United States Circuit Court of Appeals. As a result, the "yellow-dog" contract is resorted to at present, not so much for its psychological effect as for its future usefulness in securing a court injunction against union organizers. Whenever an attempt is made to persuade the signers of these contracts to join a union, it can be

accepted as a certainty that application will be made to a court of equity for a restraining order, and as just as great a certainty that the order will be issued.

This was true of the Kraemer Hosiery Mills, of Nazareth, Pa.—

That is the case to which I have just referred—

and of the United States Gypsum Corporation in Iowa, to cite but two of the most recent instances. In several instances, as in certain dressmaking establishments in New York City, the workers have been forced to deposit cash with the employer as security for observance of the "yellow-dog" contracts. In one case the helpless employees were even forced to agree that if they violated the terms by joining a union, an injunction could be issued against them—which is much like forcing condemned men to say that they are willing to be executed. The use of "yellow-dog" contracts has spread so rapidly within the past 13 years that now the Metal Trades Department of the American Federation of Labor estimates that 1,250,000 persons in this country are working under such agreements.

Clearly, labor is being combated here with a peculiarly deadly weapon. A man who has a family to support and no resources upon which he can fall back will of necessity sign anything to get a job. If, then, an injunction is issued and any attempt to acquaint him with the advantages of unionization becomes contempt subject to the summary punishment of the court, it follows that the growth of unionism can effectively be checked.

The subject had very elaborate consideration in this body in connection with the confirmation of Judge Parker; and, at the close of a very eloquent address, the Senator from Idaho [Mr. BORAH] expressed gratification that no Member of the Senate had risen in his place and said one word in justification of that method of oppression of labor. Thus far in the discussion of the matter upon the floor, no one has risen to justify the use of these contracts. Indeed, to his credit the Senator from Rhode Island [Mr. HEBERT] expressly declared that they met his condemnation.

The minority report, as well as the majority report, condemns them. I read from the minority report as follows, referred to what is known as the "yellow dog" contract:

In our opinion, this form of agreement deprives employees of the right of free association with their fellows and takes away from them the opportunity to deal on a basis of equality with those by whom they are employed. But however distasteful they may be to us, and however much we may sympathize with those who believe that the interests of employees will never be properly protected except through legislative enactment, the fact remains that the Supreme Court in three cases has held that there is no legislative power, State or Federal, to inhibit or outlaw employment contracts providing against union membership.

I read that for the purpose of calling attention to the fact that although the minority contend that these contracts are immune from legislative condemnation by reason of constitutional principles, they still meet their condemnation; they believe they are oppressive and wrong.

So, too, both bills condemn these contracts, the bill presented by the majority of the committee declaring that they shall be unenforceable either at law or in equity, and the minority report equally declaring that they shall not be enforceable in equity.

Mr. CONNALLY. Mr. President, even though it may be agreed that the minority report is correct in the view that the contract itself, on account of constitutional reasons, can not be condemned, Congress, however, would still have the power to say that no Federal instrumentality should be permitted to enforce it or to issue an injunction in cases of that kind. Is not that true?

Mr. WALSH of Montana. That appears to be the concurrence of the entire committee.

Mr. CONNALLY. Is not that sound constitutional principle?

Mr. WALSH of Montana. I think so. I propose to say something about that a little later on.

Mr. CONNALLY. I beg the Senator's pardon.

Mr. WALSH of Montana. That is all right. Both bills, then, condemn these contracts. The bill presented by the majority of the committee declares that they are against public policy and ought not to be enforced, either at law or in equity. The minority reports that they are against public policy and ought not to be enforced in equity, and they content themselves with that. The point I am making now is that they meet the condemnation of the entire membership of the Senate, so far as I have been able to discern.

In a pamphlet I hold is collected a large number of expressions from public men, from publicists and from jurists, who express themselves in unmeasured terms in denunciation of this particular form of contract and oppression of labor. I ask unanimous consent that this may be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

(See Exhibit B.)

Mr. WALSH of Montana. The late Chief Justice of the Supreme Court, Mr. Chief Justice Taft, during the war, it will be remembered, was at the head of what was known as the War Labor Board, a board constituted for the purpose of adjusting differences between labor and employers so that production might go on uninterrupted during that stressful time. He found that a strike was in progress among the street-car operatives in Council Bluffs and Omaha, and it became a part of his duty to adjust that controversy. He found that the "yellow-dog" contract was in force among the street-railway employees in those two cities and their employers, and in reporting on that particular controversy Judge Taft said:

The practice of the company in times past to make restrictive contracts—

That is, contracts which provided that the operative would not join a union—

The practice of the company in times past to make restrictive contracts, such as shown to the arbitrators, if continued, would be contrary to the principles of the National War Labor Board. However, counsel for the company states to the arbitrators that this practice has been abandoned and calls for no further action on the part of the arbitrators.

We may, then, proceed upon the assumption that everybody in this body would get rid of these contracts if that could be done, believing them to be unwise and unjust.

It is said, however, that we are powerless in the premises, at least, that we have no power to condemn these contracts so far as legal actions are concerned, and that conclusion is based upon three decisions of the Supreme Court of the United States, the case of Adair against the United States, the case of Coppage against Kansas, and the case of Hitchman Coal & Coke Co. against Mitchell.

The case of Adair against the United States arose under a statute which condemned these contracts so far as they were executed in favor of companies engaged in interstate commerce. Some of the railroad companies, as has been disclosed, were resorting to these contracts, and an effort was made by Congress to hold them ineffective. The statute was declared by the Supreme Court of the United States in that case to be void. That statute made it criminal for anyone to enter into a contract of that character or for any interstate carrier to exact such a contract of its employees. It was a criminal statute, and the criminal statute was held void.

The case of Coppage against Kansas arose upon a similar statute enacted by the State of Kansas. It forbade any employer exacting of his employees a contract of that character, and made again the exacting of such a contract a criminal offense. Upon the authority of Adair against the United States, the Supreme Court held that that statute of the State of Kansas was void.

The case of Hitchman Coal & Coke Co. against Mitchell has frequently been adverted to on the floor here, and particularly in connection with the confirmation of the nomination of Judge Parker, and need not be adverted to. The question was not directly presented in that case as to the power of Congress to legislate upon the subject or as to the power of a State to legislate upon it. However, on the basis of such contract, an injunction in that case was sustained.

Those conclusions were, as I have pointed out, arrived at in determining the validity of criminal statutes, and the decisions went no further than to find that neither the Congress nor the States could make contracts of that character criminal and punishable penally.

It is true, however, that in reaching that conclusion the court expressed itself further than that, and indicated that

it was beyond the power, in the one case of Congress and in the other case of the legislature of a State, to enact legislation which would invalidate contracts of that character.

The grounds upon which those decisions proceeded are indicated by a brief extract from the opinion in the case of Adair against the United States, which I shall read. The majority opinion says:

> It was the legal right of the defendant, Adair—however unwise such a course might have been—to discharge Coppage because of his being a member of a labor organization, as it was the legal right of Coppage, if he saw fit to do so—however unwise such a course on his part might have been—to quit the service in which he was engaged, because the defendant employed some persons who were not members of a labor organization. In all such particulars the employer and the employee have equality of right, and any legislation that disturbs that equality is an arbitrary interference with the liberty of contract which no government can legally justify in a free land.

In the later Coppage case the court said:

> To ask a man to agree in advance to refrain from affiliation with the union while retaining a certain position of employment is not to ask him to give up any part of his constitutional freedom. He is free to decline the employment on those terms, just as the employer may decline to offer employment on any other, for "it takes two to make a bargain."

Both of these decisions proceed upon the assumption that both of the parties to the contract stand upon an entire equality of footing, whereas, as a matter of course, everybody in these days recognizes that they stand on no such footing.

In the dissenting opinion in that case it was said that for the reason that the employee is under all manner of constraint, the constraint of fear of starvation for himself and his family, to induce him to enter into the contract, they do not stand on any footing of equality, and therefore contracts of that character are and should be by the courts declared to be contrary to a wise public policy.

I read from the opinion of Judge Day, with whom the present Chief Justice, then Associate Justice Hughes, concurred:

> Liberty of making contracts is subject to conditions in the interest of the public welfare, and which shall prevail—principle or condition—can not be defined by any precise and universal formula. Each instance of asserted conflict must be determined by itself, and it has ben said many times that each act of legislation has the support of the presumption that it is an exercise in the interest of the public. The burden is on him who attacks the legislation, and it is not sustained by declaring a liberty of contract. It can only be sustained by demonstrating that it conflicts with some constitutional restraint or that the public welfare is not subserved by the legislation. The legislature is, in the first instance, the judge of what is necessary for the public welfare, and a judicial review of its judgment is limited. The earnest conflict of serious opinion does not suffice to bring it within the range of judicial cognizance.

Judge Taft again said, in the Tri-City case, something quite pertinent to this matter we have under consideration. I read as follows:

> They—

That is, trade-unions.

> were organized out of the necessities of the situation.
>
> A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer.

Of course, it need not be said that if these contracts shall be upheld against legislative condemnation of them, and come into general use—and they have already come into general use and bid fair to come into practically universal use—as a matter of course there can be no such thing as labor unions, which Judge Taft said are essential in order to protect the liberty of the laboring men.

Mr. President, the right to enter into contract is not unrestricted. It is governed and controlled by many considerations, among them being the question as to whether the particular contract is or is not condemned by public policy. Take usurious contracts, for instance. Here are two parties perfectly willing to enter into a usurious contract, but the law says, "No; you may not do that. We will not give judicial countenance to any contract of that character. We forbid you to enter into a contract of that character."

Why, Mr. President? "Usurious contract" has been defined as the extorting or taking of a higher rate of interest than that allowed by law. Statutes making usuries penal proceed upon the assumption that the borrower is constrained by his necessities to enter into an unwarranted and improvident or unconscionable contract. It appears to me there is a perfect analogy between the case of statutes condemning usurious contracts and statutes condemning contracts such as are under consideration.

Chancellor Kent declared in one of his great opinions that Jeremy Bentham had declared that statutes of usury are founded upon wise and sound principles of public policy. Statutes of usury date back even to Biblical times. Their origin is involved in so much doubt that it still remains a matter of question as to whether usury was an offense under the common law or whether it had its origin in parliamentary statutes. However that may be, Mr. President, the power to contract was thus restrained by the act of the legislature or by the common law.

Likewise, it will be observed that public policy is different at different times and in different places. Statutes of usury existed in Great Britain for many years. It was deemed a wise public policy to prohibit contracts of that character. After a time that policy changed so that in 1856 all English statutes in relation to usury were abrogated. So in this country there are some States in which it is considered wise public policy to enact usury statutes. In others perfect freedom is believed to be the wiser public policy. Many of the States of the West have no usury statutes at all.

Mr. President, the power to contract is limited by many considerations. I have here the standard work, Greenwood on Public Policy, in the law of contracts. In the index we find a long list of contracts which the law will not permit to be made, and will not permit to be made upon grounds of public policy. One chapter deals with "contracts promotive of private dishonesty." All such are void. Another chapter deals with "contracts destructive of competition." The Senator from Illinois [Mr. LEWIS] referred this morning to the statutes of Congress declaring certain contracts void because their tendency was to abrogate or limit competition.

Other chapters deal with contracts tending toward oppression; contracts promotive of prostitution, crime, and infidelity; contracts promotive of gambling; contracts for insurance where the party insuring has no real substantial interest in the life of the party assured; contracts promotive of dereliction of duty, public and private; contracts the effect of which will be the corruption of private citizens with reference to public matters; contracts affecting the integrity of public elections; contracts restricting assignability, the latter prohibiting one from making a contract by which the person to whom he sells a piece of property is restrained from disposing of that property at will; contracts promotive of monopoly; contracts in restraint of trade; contracts limiting the liability of common carriers, telegraph companies, employers, and tort feasors; contracts excusing a man from negligence either of himself or of his servants. So, Mr. President, there is a vast class, a great variety of contracts which the law will not permit to be made.

Is a contract of the character we are now considering such as is to be condemned as contrary to the public policy of the country? From the pamphlet to which I referred a little while ago I read a few excerpts indicating the views of publicists with reference to the same.

The United States Coal Commission reported in 1925, and in its report said:

> Notwithstanding the decisions of the Supreme Court of the United States that the so-called "yellow-dog" contract is legal, the commission is of the opinion that it is a source of economic irritation, and is no more justifiable than any other form of contract which debars the individual from employment solely because of membership or nonmembership in any organization.

The United States Coal Commission, reporting again in 1923, said as follows:

We recommend that such destructive labor policies as the use of spies, the use of deputy sheriffs as paid company guards, house leases which prevent free access and exit, and individual contracts which are not free-will contracts be abolished.

Again the Coal Commission said:

The individual contract is closely tied up with the suppression of civil liberties. It has been used as a basis for securing injunctions against the attempts to organize the field by any means whatsoever. It has also been used as the basis for claiming damages from the United Mine Workers.

The Federal Council of Churches of Christ in America, in a press release under date of December, 1920, had the following to say:

When an applicant for work is compelled to sign a contract pledging himself against affiliation with a union, or when a union man is refused employment or discharged merely on the ground of union membership, the employer is using coercive methods and is violating the fundamental principle of an open shop.

From a pastoral letter of Catholic archbishops and bishops in the United States I read as follows:

Religion teaches the laboring man and the artisan to carry out honestly and fairly all equitable agreements freely arranged. * * * By treating the laborer first of all as a man the employer will make him a better working man; by respecting his own moral dignity as a man the laborer will compel the respect of his employer and of the community.

Reference is made, Mr. President, to the fact that these contracts almost encroach, if they do not actually encroach, upon the prohibition of the thirteenth amendment against involuntary servitude. I am reminded that long ago Homer said, "That day sees man a slave that takes half his work away."

No one will accuse Elihu Root of being a wild radical by any means, but in an address delivered by him in 1916 he had the following to say. After referring to the perfect freedom of contracts that existed between employer and the employee in past days before industrial conditions arrived at the point at which we find them in our day, he said:

Now, however, the power of organization has massed both capital and labor in such vast operations that in many directions, affecting great bodies of people, the right of contract can no longer be at once individual and free. In the great massed industries the free give and take of industrial demand and supply does not apply to the individual. Nor does the right of free contract protect the individual under those conditions of complicated interdependence which make so large a part of the community dependent for their food, their clothing, their health, and means of continuing life itself upon the service of a multitude of people with whom they have no direct relations whatever, contract or otherwise. Accordingly democracy turns again to government to furnish by law the protection which the individual can no longer secure through his freedom of contract and to compel the vast multitude on whose cooperation all of us are dependent to do their necessary part in the life of the community.

In the Daily Law Journal of May, 1909, appeared an article by Dean Roscoe Pound, from which I read as follows:

The attitude of many of our courts on the subject of liberty of contract is so certain to be misapprehended, is so out of the range of ordinary understanding, the decisions themselves are so academic and so artificial in their reasoning, that they can not fail to engender such feelings. Thus, those decisions do an injury beyond the failure of a few acts. These acts can be replaced as legislatures learn how to comply with the letter of the decisions and to evade the spirit of them. But the lost respect for courts and law can not be replaced. The evil of those cases will live after them in impaired authority of the courts long after the decisions themselves are forgotten.

Dr. Felix Frankfurter, of the Harvard Law School, had the following to say about it:

The rapidly increasing use of the so-called "yellow-dog" contracts has grown into a serious threat to the very existence of labor unions. In view of the inequitable conditions that surround the formation of such agreements and the unfair division of their obligation, to appeal to equity for their enforcement is to disregard the fundamentally ethical foundations of courts of chancery.

Francis B. Sayre, of the Harvard Law School, in the Yale Law Journal of March, 1930, had the following to say:

Seizing upon the Hitchman decision, employers have found an effective way to prevent peaceful and otherwise lawful union activities by requiring present or prospective employees as the price of employment to sign individual contracts against joining any union. Thus entrenched, they are in a position to defy every effort on the part of the union to unionize their plants, and by a system of strategic individual contracts with their employees they are able in many cases to prevent unions entering into a competitive struggle with them over the price of labor. That courts would refuse in fields other than labor law to allow competition to be effectually stifled by means of strategic contracts with third parties seems clear.

The question was mooted, Mr. President, as to how the public policy should be declared and promulgated, whether by the legislature or by the courts themselves. That subject is referred to in a note on page 4 of the book to which I referred a while ago, Greenwood on Public Policy, as follows:

Howe, J., of the Wisconsin Supreme Court, admitted, in a comparatively recent case, that the immediate representatives of the people, in legislature assembled, "would seem to be the fairest exponents of what public policy requires, as being most familiar with the habits and fashions of the day, and with the actual condition of commerce and trade, their consequent wants and weaknesses." Legislation is the least objectionable, because it operates prospectively as a guide to future negotiations, and does not, like a judgment of a court, annul a contract already concluded in good faith and upon a valuable consideration, and establishes a rule giving a wider circulation among the people, and which enters more generally into the information of the public. But this consideration by no means establishes the impropriety of a judicial determination that transactions are "at war with any established interest of society, however individuals may suffer thereby. The interest of individuals must be subservient to the public welfare."

That is to say, Mr. President, that the courts themselves may declare that a certain contract is against public policy, and many of the contracts denounced as against public policy were declared to be so in the entire absence of statutes, but, in the development of law, contracts of that kind coming before the courts were held to be contrary to public policy and declared to be void. Others were condemned by specific statutes, and there would appear to be no reason whatever, as it seems to me, why this particular variety of contracts should not be equally so condemned.

The present state of the law, Mr. President, upon the subject was set forth in an article in the Columbia Law Journal. It collates all of the cases, both for and against, and discloses that in the State of New York a very marked change has been shown in the later decisions from those upholding contracts of this character at an earlier date. I refrain from a discussion of these particular decisions, because I know that they have had the attention of the Senator from New York [Mr. WAGNER], who will probably address the Senate upon that subject. However, even though this view should be unsound, even though the court should eventually hold that, notwithstanding the character of these contracts, notwithstanding they have been so generally condemned and denounced, notwithstanding that the Senate has declared that it is against public policy that they should be enforced, the court should find that they still are protected by the Constitution, we are not without remedy, because, so far as the Federal courts are concerned, their jurisdiction is controlled entirely by the acts of Congress. We may limit as we see fit the jurisdiction of the inferior courts of the United States. The Constitution itself prescribes that "the judicial power [of the United States] shall extend to all cases in law and equity" involving a Federal question and to controversies involving citizens of different States, and so on; but no jurisdiction can be exercised unless it is conferred by Congress. That view is very clearly expressed in the case of Kline *v.* Burke Construction Co., in Two hundred and sixtieth United States Reports. I read from page 234, as follows:

Only the jurisdiction of the Supreme Court is derived directly from the Constitution. Every other court created by the general Government derives its jurisdiction wholly from the authority of Congress. That body may give, withhold, or restrict such jurisdiction at its discretion, provided it be not extended beyond the boundaries fixed by the Constitution.

The opinion in that case was rendered by Mr. Justice Sutherland, formerly a member of this body, and he declares that jurisdiction may be given, it may be withheld, or it may be restricted. Congress has consistently acted upon that theory. So far back as 1793 it enacted a law providing that no restraining order should be issued by any equity court

without notice to the parties against whom it ran. Prior to that time the courts of equity were authorized, in accordance with the practice of the chancery courts of Great Britain, to issue restraining orders without notice. Nevertheless, Congress declared, "You shall not issue a restraining order without notice." That state of the law continued, as my recollection is, until 1870 or 1872, during which time courts of the United States could not issue restraining orders without notice. The bill before us does not go that far. It authorizes the issuance of an injunction without notice, but the case must be clearly made in order to have it issued without notice that an irreparable injury will ensue.

Let me remark, Mr. President, that the more or less famous injunction issued by Judge Wilkerson, sued out at the instance of the then Attorney General of the United States, Mr. Harry Daugherty, is an instance of a restraining order which issued without any notice whatever. The shopmen's strike had been in progress for a long time, some months at least. It was alleged that acts of violence had been committed over a very considerable period of time. It was alleged, among other things, that a conspiracy existed for the purpose of restraining commerce between the several States and interrupting the progress of the mails. So far as that is concerned, if a strike is conducted upon a perfectly peaceful plan, if there is no violence of any character whatever, and no law is violated, yet, as a matter of course, if it is a successful strike, it will more or less interfere with commerce between the several States.

The shopmen's strike, for instance, was conducted upon the most peaceful lines, but obviously there would be some delay in the transport of products from one State to another, because, as a matter of course, equipment would deteriorate and transportation could not be carried on with the usual facility and with rapidity. So an application was made for a restraining order upon a bill of complaint, to which was attached a schedule, prepared by a clerk in the Department of Justice, reciting that United States marshals had reported from all over the country certain acts of violence. That was made a part of the bill of complaint. The bill of complaint was verified on information and belief by the United States district attorney for the northern district of Illinois; and upon that kind of a showing, without any notice whatever, an order was issued restraining the defendants from committing any of the acts mentioned in the bill of complaint, the restraining order itself being couched in such general language that no one could tell what particular acts were and what were not condemned by it.

At any rate, as I have indicated, along about 1870 the statute was changed, and thereafter restraining orders might be issued without notice.

Then again, in 1930, Congress restricted the power of Federal courts to punish for contempt. Prior to that time, in accordance with the practice of the courts of chancery, no limitation whatever was placed upon the chancellor. He could impose such penalty for contempt as seemed to him to be required by the justice and necessity of the case. But in that year Congress passed an act prohibiting judges of Federal courts from imposing a fine greater than $500 for contempt. Again in 1914, in the Clayton Act, we gave the right of trial by jury in cases of contempt, or at least supposed we had.

In other words, three separate times the power of the Federal courts in equity matters has been restricted by Federal legislation. Accordingly, even the minority members of the committee concede the right of the Congress of the United States to restrain the courts of the United States sitting as courts of equity from issuing writs of injunction; in other words, they concede the right of Congress to limit the jurisdiction of courts of the United States in the matter of the issuance of injunctions.

Mr. President, there is another feature of the pending legislation to which I desire to advert only briefly, and to my mind it is one of the crucial questions in connection with the bill. I refer to a feature to which the Senator from Rhode Island [Mr. HEBERT] adverted before the close of his remarks. The bill presented by the majority provides that one shall not be liable for acts of violence or destruction of property committed during the course of a strike unless he actually authorized the acts or thereafter ratified the commission of them. This is condemned, Mr. President, by the minority. The actual situation is this: Many of the courts hold that most strikes are conspiracies—conspiracies to restrain trade. As I have indicated, no matter how peacefully or orderly a strike may be conducted, it will interfere, to some extent, with the movement of trains. Consequently the conclusion is arrived at that the strike itself is an unlawful conspiracy in restraint of trade, and evidence concerning specific acts of violence or the destruction of property or the threatened destruction of property is introduced simply for the purpose of aggravating the alleged conspiracy.

There is a principle of law to the effect that every member of a conspiracy is responsible for every act committed by any other member of the conspiracy, whether he participates in the act or not. So, Mr. President, the officers of a union declaring and endeavoring to manage a strike, although they may exercise every power at their command to restrain all acts of violence, however such acts may be provoked, are held answerable. I might say in this connection that the courts have repeatedly said that in the case of strikes there are probably acts of violence upon both sides. There is the strike breaker on the one side and the striker on the other side, each actuated by powerful passions and each filled with bitterness toward the other, so that clashes are very likely to ensue; so that, however the officers of the organization may exert themselves in order to prevent violence, it will occur. They issue bulletins urging all their members to observe the law, to do nothing beyond the limits of what the law will permit, and they even punish and restrain their members who have been shown to have violated such instructions. No matter what they do, violence will ensue, in all reasonable probability; and if the court finds that a conspiracy exists they become answerable for every act committee by any of those who are alleged to be within the conspiracy. That is entirely unjust. So that suits are brought against the officers of the unions to recover damages from them for all injuries done, either to person or property, by anybody who is connected with the strike, upon the ground that it is done by one of the conspirators, and all conspirators are liable.

The bill presented by the majority seeks to relieve the officers of the unions engineering a strike from liability to respond in damages for any loss sustained by the acts of anyone unless done by their authority, either express or implied, or unless they have afterwards ratified the unlawful acts.

There are some other minor features of the legislation to which I may address myself as the debate proceeds.

EXHIBIT A

THE LABOR INJUNCTION—TOUCHSTONE OF OPINION

It is sometimes said that the nations of continental Europe have domesticated war. In the sphere of industrial warfare we and our English brethren have long ago domesticated the strike. Legislators and lawyers, whether English or American, are familiar with the efforts always made by each party, when a strike is in progress, to win the final decision. The employer tries to keep his plant running with the help of all the nonunion labor he can assemble. The strikers, by every device which ingenuity suggests, strive to induce workers to quit and to dissuade would-be workers from enlisting. There is apt to be lawlessness on both sides, more particularly on the side of the strikers. They are more numerous. The responsibility of the individual is more difficult to fix. They are persuaded that for them it is a life-and-death struggle. Defeat, they think, means for them industrial death. From their point of view the strike breaker is not merely a formidable industrial competitor. He is committing a social offense against his class. Any group of people with class consciousness can be counted upon to show bitter resentment against the man who ought, they think, to be with them and is in fact working against them. It requires tremendous self-control in such a situation to keep bitterness from expressing itself in violence.

The thing called picketing may accordingly be regarded as much more than an effort to persuade or intimidate nonunion workers. It may be conceived of as the protective action of a great social group who feel outraged at what seems to them the betrayal of their class.

In a community which so conceives of it, picketing is not a thing to be stopped by injunction. It is rather a thing to be domesticated along with the strike. Attending at or near the plant or

near the nonunion man's house, for the purpose of persuading him to abstain from working, becomes a normal and inevitable course of conduct. If you object that such conduct may easily lead to violence, the answer will be made to you that the administration of criminal law must in that event be relied upon for protection.

When you observe attentively what is going on in a given community you will find it possible to decide whether in that community picketing has come to be recognized as the self-protection of a social class in strike time or is still generally regarded as something which can successfully be outlawed in the warfare between employer and employee. I suggest that it is in this connection that you will find an instructive contract between the English industrial situation and ours. If you read the trades disputes act, you will find in section 2 (see p. 535) a definite statutory declaration of the legality of some of the very things from which the striking shopmen were enjoined 18 months ago by the United States District Court for the Northern District of Illinois. This means that in England picketing has been recognized as inevitable class self-protection, while with us it is still treated as a preventable offense against the rules of industrial war.

A further study of the act will show you that our British brethren have also declared that acts done by agreement or combination in contemplation or furtherance of a trade dispute are not actionable unless they are such as to be actionable in the absence of agreement or combination. In other words, actionable conspiracy in such cases no longer includes conspiracy to do things in themselves lawful. You will not fail to note, however, that, while Parliament was making these declarations, it put additional teeth into the conspiracy and protection of property act by prescribing fine and imprisonment after summary conviction for those who use violence toward a worker or his family or indulge in threats or in disorder or beset the house of a worker or follow him through the streets. In other words, our British friends have come to recognize peaceable picketing as a legitimate concomitant of a strike, but have trained the guns of their criminal procedure upon conduct which threatens breach of the peace or invasion of private right. What they have thus domesticated we still seek to enjoin.

When you mark this contrast you will be led to review our own industrial history during the last 35 years. You will begin with 1888, when a State court first issued an injunction is a labor case. You will pass to 1891, when the Federal courts first entered this field. Then you will note the frequent recurrence of Federal injunctions until to-day such injunctions have become a recognized exercise of the Federal equity power.

I was led recently to make such a review of our industrial history by my desire to account for the growing bitterness of organized labor toward the Federal courts. In the Senate one quickly becomes aware of the existence throughout the country of a sentiment on this subject which, if unchecked, may easily develop into a revolutionary sentiment. I accordingly addressed a letter to every United States district attorney asking him to secure from the clerk's office in his district a copy of all such injunction orders made by the United States court in his district during the last few years. Courteous attention to my request has supplied me with a most interesting mass of material. The study of these orders discloses an evolution mildly comparable with the growth of the corporate mortgage. The injunction orders have become more and more comprehensive and far-reaching in their provisions, until they culminate in the shopmen's injunction order already referred to. Every thoughtful citizen who has not already done so should read that order and meditate upon its significance. In so doing he should have in mind that during the shopmen's strike in 1922 nearly every one of the 261 "Class I" railroads and a number of short-line railroads applied for injunctions in the various Federal courts. No applications were denied. In all nearly 300 were issued.

Naturally enough, during the past two decades there have been bitter protests from the ranks of labor. To the striker it seems like tyranny to find such vast power exercised—not by a jury of one's neighbors, but by a single official who is not elected but appointed, and that for life, and whose commission comes from a distant and little understood source. The protests have taken every conceivable form. They include a suggested act of Congress to take away the jurisdiction to issue injunctions except to protect tangible property, and a proposed amendment of the Constitution framed to make Federal judges elective. Whether the so-called Caraway Act should be regarded as a protest emanating from organized labor I do not know. It is, at any rate, a manifestation of the same tendency.

Much of the protest is intemperate and unintelligent. Many of the proposals are short-sighted and unwise. The friends of organized labor who criticize the Federal judges for lack of the social instinct often themselves lack the insight necessary to a complete understanding of the problem. As long as the enlightened sense of the community fails to recognize the difference between the self-protection of an industrial class and mere wanton conspiracy to injure property and business, just so long judges who have power in their hands are likely to use it when urged thereto by the owners of the property and the business or by the official representative of the Government of which the judges are themselves a part. The problem is not primarily the problem of changing the point of view of Federal judges but of determining what the community attitude toward organized labor is going to be.

In the last analysis the attitude of the community will be determined by the workers themselves. If their uncoerced judgment is favorable to organization and collective action as the surest guaranty of industrial welfare, then the sentiment of the community—your sentiment and mine—will settle down to an acceptance of that view. If the persistent judgment of a decisive majority of the individual workers were to be that social development can best be pursued through unorganized effort, then the unions would lose their reason for existing. In England the sentiment of the workers has definitely crystallized in favor of organization and this fact has determined the thought and action of the whole community. The trades disputes act is the result. We, on the other hand, are experiencing the pangs incident to indecision; and unhappily we are placing upon our Federal courts the nonjudicial duty of maintaining the negative side of the dispute while organized labor maintains the affirmative.

One incident of the struggle of a community to determine its attitude toward organized labor is the constantly recurring dispute over the legality or illegality of a sympathetic strike or secondary boycott. In a community where in any field of activity there is a fairly divided public sentiment between closed and open shop, the union will often strive to build itself up by encouraging union men to refuse to work upon the same job with nonunion men. By this means it is hoped that the employer will be forced to employ union men, thus ultimately forcing the individual worker to join the union as a condition of getting employment. In a community where union sentiment is universal, pressure of this sort on the part of the union becomes merely a measure of self-protection. Accordingly the trades disputes act declares in effect that it is not actionable (in such a case as just suggested) to induce union men to quit the service of the employer or to press the employer to discharge his nonunion men, or to force an owner to break his contract with an open-shop contractor. With us, since public opinion is not yet settled, such conduct is still regarded as actionable. It is an unjustifiable effort of the union to maneuver itself into a stronger position than is warranted by the sentiment of the community. In such cases organized labor has only itself to blame if its attempt to gain a tactical advantage is met by an application for an injunction. Wherever organized labor has failed to create an overwhelming sentiment for the closed shop it can not in the absence of such a sentiment successfully do the things which otherwise public opinion would approve.

Difficult as is the duty which we have forced upon our Federal judges, their problem has, of course, been complicated by the necessity of considering what conduct is and what is not, a direct interference with interstate commerce or a violation of some Federal statute. Less than a month ago the Supreme Court (in United Leather Workers Union *v.* Herkert & Meisel Trunk Co.) decided, 6 justices to 3, that picketing to prevent the manufacture of goods which, if manufactured, would have been shipped in interstate commerce was not a conspiracy in restraint of interstate commerce within the antitrust act. Any other decision would have subjected to Federal jurisdiction every strike in every factory the product of which was destined to swell the volume of interstate commerce. But back of the decision upon this jurisdictional ground looms the vital question—shall we persist in compelling the United States courts to take up the shock of our industrial warfare?

Respect for the courts is not the least valuable part of our English inheritance. Under such a system of government as ours the maintenance of well-nigh universal confidence in the judiciary is pretty nearly essential to national safety. Is it not worth our while to place elsewhere than upon our Federal judges the burden of solving for us our legislative and executive problems?

To maintain such confidence must we not confine the courts to the sphere in which the creators of our constitutional system intended them to live and move and have their being?

GEORGE WHARTON PEPPER.

EXHIBIT B

"YELLOW-DOG" CONTRACTS CONDEMNED BY EXPERTS

FOREWORD

When workers seeking a job are told to sign an agreement not to join a union before they are put on the pay roll, this condition is called a "yellow-dog" contract. Workers who accept such conditions give up their legal and economic rights because those dependent on them have to be fed and clothed.

To get money for these immediate necessities they must forego their right to plan and order their own lives, that is, the right to join with fellow workers to deal with common problems collectively. Wage earners, like all other groups of citizens, are expected to assume responsibility for their own progress. Persons who neglect opportunities to keep step with progress retard social advancement and may even become public wards.

A single wage earner is unable to make an advantageous contract with his employer. Acting jointly with other wage earners they can meet their employers on an equal footing and negotiate mutually satisfactory contracts. Employers who are unwilling to give their employees a fair chance to make progress require them to sign "yellow-dog" contracts.

When there is evidence of efforts to promote the organization of a union among workers who have signed "yellow-dog" contracts, employers usually apply to the courts for injunctions enjoining union activities. Thus the full force of government is put behind contracts which take advantage of the necessities of workers and these workers are denied the right to do things which the law regards as legal and which society regards as necessary and constructive.

Clearly, "yellow-dog" contracts and their enforcement by injunctions are in conflict with American principles of liberty and with orderly social progress.

Labor believes that such contracts should not be actionable. Our position is supported by many lawyers and experts who believe that law should be an effective social instrument. To be such an instrument, law must be something more than a mechanical application of precedents—it must be the application of principles of human justice to specific conditions and problems.

Quotations from authorities in different fields have been compiled for the ready use of wage earners studying this problem.

WM. GREEN,
President American Federation of Labor.

CONDEMNED BY EXPERTS

Theodore Roosevelt: "It is all wrong to use the injunction to prevent the entirely proper and legitimate actions of labor organizations in their struggle for industrial betterment, or under the guise of protecting property rights unwarrantably to invade the fundamental rights of the individual. It is futile to concede, as we all do, the right and necessity of organized effort on the part of wage earners and yet by injunctive process to forbid peaceable action to accomplish the lawful objects for which they are organized and upon which their success depends." (42 CONG. RECORD 1347–1348 (1908).)

William Howard Taft: "They [trade unions] were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer." (American Foundries *v.* Tri-City Council (257 U. S. 184–209).)

Woodrow Wilson: "Governments must recognize the right of men collectively to bargain for humane objects that have at their base the mutual protection and welfare of those engaged in all industries. Labor must not be longer treated as a commodity. It must be regarded as the activity of human beings, possessed of deep yearnings and desires. The business man gives his best thought to the repair and replenishment of his machinery so that its usefulness will not be impaired and its power to produce may always be at its height and kept in full vigor and motion. No less regard ought to be paid to the human machine which, after all, propels the machinery of the world and is the great dynamic force that lies back of all industry and progress." (From message communicated to both Houses of Congress at the beginning of the 66th Cong.)

Charles Evans Hughes: "I trust there will be no more struggles in futile opposition to the right of collective bargaining on the part of employees. The recognition of the right of representation and the prompt hearing of grievances provide the open doors to reasonable and just settlements." (From address before the Institute of Arts and Sciences, Columbia University, November 30, 1918.)

"Notwithstanding the decisions of the Supreme Court of the United States that the so-called 'yellow-dog' contract is legal, the commission is of the opinion that it is a source of economic irritation and is no more justifiable than any other form of contract which debars the individual from employment solely because of membership or nonmembership in any organization. The right of an employer to discharge for disloyalty, dishonesty, and incompetency or other unlawful conduct should not be abridged, but he should not be permitted to blacklist a discharged laborer for any other reason than disloyalty, dishonesty, or unlawful conduct." (Report of United States Coal Commission, 1925, pt. 1, p. 179.)

"We recommend that such destructive labor policies as the use of spies, the use of deputy sheriffs as paid company guards, house leases which prevent free access and exit, and individual contracts which are not free-will contracts be abolished." (Summary of recommendations, September 14, 1923, United States Coal Commission in Bituminous Coal Mining. Government Printing Office, 1925.)

"The individual contract is closely tied up with the suppression of civil liberties. It has been used as a basis for securing injunctions against the attempts to organize the field by any means whatsoever. It has also been used as a basis for claiming damages from the United States Workers." (Report of the United States Coal Commission on Labor Relations in Bituminous Mining. Government Printing Office, 1925.)

"* * * When an applicant for work is compelled to sign a contract pledging himself against affiliation with a union, or when a union man is refused employment or discharged merely on the ground of union membership, the employer is using coercive methods and is violating the fundamental principle of an open shop. * * *" (Federal Council of the Churches of Christ of America, press release, December, 1920.)

"* * * Religion teaches the laboring man and the artisan to carry out honestly and fairly all equitable agreements freely arranged. * * * By treating the laborer first of all as a man the employer will make him a better workingman; by respecting his own moral dignity as a man the laborer will compel the respect of his employer and of the community." (From pastoral letter of Catholic archbishops and bishops in the United States, 1920.)

Elihu Root: "* * * The individualism which was the formula of reform in the early nineteenth century was democracy's reaction against the law and custom that made the status to which men were born the controlling factor in their lives.

"It was an assertion of each freeman's right to order his own life according to his own pleasure and power, unrestrained by those class limitations which had long determined individual status. The instrument through which democracy was to exercise its newly asserted power was freedom of individual contract, and the method by which the world's work was to be carried on in lieu of class subjection and class domination was to be the give and take of industrial demand and supply.

"Now, however, the power of organization has massed both capital and labor in such vast operations that in many directions, affecting great bodies of people, the right of contract can no longer be at once individual and free. In the great massed industries the free give and take of industrial demands and supply does not apply to the individual. Nor does the right of free contract protect the individual under those conditions of complicated interdependence which make so large a part of the community dependent for their food, their clothing, their health, and means of continuing life itself upon the service of a multitude of people with whom they have no direct relations whatever, contract or otherwise. Accordingly, democracy turns again to government to furnish by law the protection which the individual can no longer secure through his freedom of contract and to compel the vast multitude on whose cooperation all of us are dependent to do their necessary part in the life of the community. * * *." (Public Service by the Bar, from address to American Bar Association, 1916.)

Roscoe Pound, dean Harvard Law School: "The attitude of many of our courts on the subject of liberty of contract is so certain to be misapprehended, is so out of the range of ordinary understanding, the decisions themselves are so academic and so artificial in their reasoning, that they can not fail to engender such feelings. (Above statement made in commenting on workmen's growing distrust of the courts.) Thus, those decisions do an injury beyond the failure of a few acts. These acts can be replaced as legislatures learn how to comply with the letter of the decisions and to evade the spirit of them. But the lost respect for courts and law can not be replaced. The evil of those cases will live after them in impaired authority of the courts long after the decisions themselves are forgotten." (Liberty of Contract, Yale Law Journal, May, 1909.)

Felix Frankfurter, Harvard Law School: "* * * The rapidly increasing use of the so-called 'yellow-dog' contracts has grown into a serious threat to the very existence of labor unions. In view of the inequitable conditions that surround the formation of such agreements and the unfair division of their obligation, to appeal to equity for their enforcement is to disregard the fundamentally ethical foundations of courts of chancery. * * *." (The Labor Injunctions, Felix Frankfurter and Nathan Greene.)

Francis B. Sayre, Harvard Law School: "The signs are all about us that labor groups throughout the country are smarting with a sense of injustice at the hands of the courts. * * * The situation calls for constructive efforts to meet the growing danger, not only on the part of labor leaders but on the part of all who believe in American law and American traditions."

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"Seizing upon the Hitchman decision, employers have found an effective way to prevent peaceful and otherwise lawful union activities by requiring present or prospective employees as the price of employment to sign individual contracts against joining any union. Thus intrenched they are in a position to defy every effort on the part of the unions to unionize their plants, and by a system of strategic individual contracts with their employees they are able in many cases to prevent unions entering into a competitive struggle with them over the price of labor. That courts would refuse in fields other than labor law to allow competition to be effectually stifled by means of strategic contracts with third parties seems clear." (Labor and the Courts, Yale Law Journal, March, 1930.)

Donald R. Richberg, attorney, Railway Shop Trades Unions: "It is a waste of time to criticize judges who chatter about equality of right and liberty of contract between a billion-dollar corporation and a man looking for a job. When judges solemnly announce that society is more interested in preserving the freedom of one man to injure himself and his coworkers than in preserving the freedom of a hundred thousand men to promote their common interests it is unnecessary to argue that the lawmakers do not know what they are talking about. That fact is obvious. It is, however, worth while to point out the misdirection of persistent efforts to combat natural laws of human conduct with artificial laws.

"* * * And it is apparent that employees sign 'yellow dog' contracts only because they feel compelled to do so. No man voluntarily puts his head in a noose and then hands the rope to his adversary with the idea that he has improved his chance of winning the contest. If courts will not recognize the facts, and hold that the employer acts illegally when he interferes with the employee's natural rights to associate with his fellow men and thus to designate representatives to advance their common interests, then it is time to have the legislatures write this law and to make it binding on the courts." (From address delivered at the joint conference on injunctions in labor disputes in Pennsylvania, Labor Institute, March 16, 1930.)

WILLIAM E. BORAH, United States Senator from Idaho: "* * * I appreciate, too, the interest which the employee has in this kind of contract. It is a vital interest and it is an interest which can not be measured at all times in dollars and cents. It sometimes

means home and family and economic freedom. I appreciate also the interest which organized labor has in this contract, because if it were universally applied and carried to its logical conclusion union labor would be at an end in the United States.

"But over and above these interests, transcending them in importance, is the interest of the public, of the State, and of the National Government. Can there be anything of more concern to the State, to the Government, to the public generally than that which is calculated to undermine, destroy or build up, to render fit or unfit for citizenship men and women who toil? Is not the public, the State, the National Government interested in striking down, as contrary to public policy, as at war with the public welfare, all those overreaching contracts which rob those who work of the discretion, of the liberty of choice as to how they shall conduct themselves so long as they conduct themselves lawfully in their interests?" (CONGRESSIONAL RECORD, April 29, 1930, p. 8223.)

ROBERT F. WAGNER, United States Senator from New York: "To the worker organization means bargaining power, security, self-respect. So long as he continues unorganized he must accept terms of employment just as they are tendered. It is only through organization that he achieves the power to withhold that which he sells. The arrangement known as the antiunion or 'yellow-dog' contract is ordinarily an undertaking on the part of the employee that he will continue to remain in the same helpless condition which compelled him to make the 'yellow-dog' promise in the first instance." (CONGRESSIONAL RECORD, April 30, 1930, p. 8338.)

KENNETH MCKELLAR, United States Senator from Tennessee: "The 'yellow-dog' contract is unconscionable, and it is doubtful if any court should have ever upheld it." (CONGRESSIONAL RECORD, April 30, 1930, p. 8341.)

FELIX HEBERT, United States Senator from Rhode Island:

"Mr. JOHNSON. Let me inquire of the Senator, does he approve that contract?

"Mr. HEBERT. I doubt very much whether I should be disposed to sign one myself.

"Mr. JOHNSON. Of course, the Senator would not sign it unless behind him was a specter of poverty and in front of him the hunger of his family. Would he?

"Mr. HEBERT. Even then I should be disposed not to sign it * * *." (From the Senate debate, CONGRESSIONAL RECORD, May 1, 1930, p. 8405.)

GEORGE W. NORRIS, United States Senator from Nebraska: "The 'yellow-dog' contract, in my judgment, is void for three reasons: First, it is without any consideration; second, it is signed under coercion; third, it violates public policy." (CONGRESSIONAL RECORD, May 2, 1930, p. 8475.)

HENRY F. ASHURST, United States Senator from Arizona: "In this morning of the twentieth century, when mankind is asking for a larger degree of liberty, the 'yellow-dog' decision is a rank injustice; it is an angry scar upon American jurisprudence." (CONGRESSIONAL RECORD, May 5, 1930, p. 8624.)

HIRAM JOHNSON, United States Senator from California: "Words utterly fail me in characterization of contracts such as that. I care not whether they have been enforced by one court or another. Legally, they are void as against public policy; socially, they are wicked and destructive of ordinary human relations; economically, they are unsound as resting upon necessity on the one side and coercion on the other; and morally, sir, they are infamous, denying fundamental rights and disrupting the dearest human associations." (CONGRESSIONAL RECORD, May 7, 1930, p. 8787.)

Morris L. Cooke, consulting engineer: "I believe that individual contracts for employment of this kind are unsound because—

"(a) They do not make for efficiency—either individual or collective;

"(b) They imply the absence of that groundwork of good will and mutual trust such as are inherent in properly conducted industry;

"(c) They do not permit that freedom of action for the individual requisite alike for his conduct and his growth in the employee-employer relationship;

"(d) They overemphasize the industrial aspects of the life of the individual citizen to the detriment of the State." (Interborough Brief.)

John R. Commons, University of Wisconsin: "No adequate argument can be made why such an injunction should lie against a labor union but not against a church or a lodge. * * * They (labor unions) are private organizations, but both in court decisions and in statutes they have been recognized as being not only lawful but useful to society. That they should now be virtually outlawed is unthinkable. Such a step inevitably leads to giving the employer complete control over the entire life of his employees—an intolerable condition, contrary to all our concepts of individual freedom." (Interborough Brief.)

Paul F. Brissenden, Columbia University: "It is also evident, I believe, that the 'yellow-dog' contract itself is an artificial protection that precludes the possibility of such an institutional rivalry in a free field. It should no more be tolerated than we would tolerate the insistence by a union that the employer of its members, on pain of their refusal to continue working for him, withdraw from or refrain from joining some particular employers' association. Such a contract, being against public policy, should be forbidden." (Interborough brief.)

Sumner H. Slichter, Cornell University: "* * * In its economic effects this contract appears to require that the workman, in order to sell his services, must also sell his right to improve his future bargaining status by joining a trade-union. The law has long been familiar with certain things which may not be bought and sold, with certain restrictive covenants on one's future freedom of action, which are denied jural recognition. * * * In my judgment, there are three outstanding economic reasons why wage earners should not be permitted to barter away the right of belonging to a trade-union:

"In the first place, the right of the worker to improve his future bargaining position involves more than merely his opportunity to raise his wages. It involves his ability to feed and clothe his family and to educate his children.

* * * * * * *

"In the second place, it is unwise to permit workmen to sell their freedom to join trade-unions because there is great disparity in bargaining power between individual wage-earners and employers.

* * * * * * *

"The third economic reason why it should be unfortunate to permit wage earners to barter away their right to join trade-unions arises from the fact that unions perform functions which are of substantial value to the community." (Interborough brief.)

Ordway Tead, editorial staff, Harpers Publishing Co.: "* * * Equality of bargaining power is in the company's interest because only as the labor contract is entered into freely and is felt by the parties in interest to be satisfactory and fair will the resulting work attitude and work performance be of a character that is productive and safe. Hence any feature of the labor contract, as in the Interborough Rapid Transit contract with its provision against labor-union affiliation, represents a very definite and successful attempt to prevent equality of bargaining power from prevailing. Such a contract thus operates both against the public interest and against the interest of good management as the phrase is understood in well-managed corporations to-day." (Interborough brief.)

Horace M. Kallen, Harvard University: "The contract itself is vicious. It is always signed under coercion. It requires of the worker not only to give an honest day's work for an honest day's pay, it compels him also to give up his right to seek such help as he may lawfully find effective to make sure that it is an honest day's pay. It requires him to surrender his constitutional freedom of association. It cuts him off from his livelihood if he exercises this freedom * * *. In fact, the sign-on-the-dotted-line contract is not only unconstitutional but a fraud. It imposes a practical peonage on people who would otherwise suffer great hardships if they did not sign * * *." (Interborough Brief.)

John A. Fitch, New York School of Social Work: "* * * The employee is free at the outset to sign or not to sign the contract, which means that he is free to accept or reject employment with the Interborough if it is offered. As a practical matter, however, considerations of physical need may at any time, in an overstocked labor market, make the exercise of such freedom impossible. When nonmembership in a trade union is made a condition of employment the employee is frequently subject to a compulsion as real and effective as if physical force were used.

* * * * * * *

"It is my belief that such contracts should be outlawed as against sound public policy." (Interborough Brief.)

Edwin R. A. Seligman, Cornell University: "* * * The essence of our modern economic life is freedom, freedom to contract, freedom to act; and this freedom attaches to both parties of the contract, the employer and the employee. The present contract leaves the freedom of the employer unimpaired; it even, as we have pointed out, increases, if possible, that freedom: On the other hand it restricts in notable respects, actually, if not technically, the freedom of the employee. This disparity of conditions is of the utmost consequence. The world has not yet succeeded in finding a solution for the so-called labor problem. Whatever that solution may be, both history and philosophy conspire to advise against the adoption of any policy which will render the solution more difficult and perhaps impossible. The conditions of this contract seem to the affiant clearly to fall within the latter category." (Interborough Brief.)

PROPOSED FEDERAL GASOLINE TAX

Mr. STEIWER. Mr. President, with the indulgence of the Senate, I invite the attention of the Members present to a subject other than the unfinished business.

It happens that to-day is the thirteenth anniversary of the first provision for a tax upon gasoline for the purpose of building and maintaining the highway system in this country. This tax was first proposed and adopted in the State of Oregon. Subsequently all the States of the Union have, I believe, adopted some form of tax upon gasoline for the purpose of providing road funds.

The matter is one of great public importance. My attention has been drawn to the subject at this time because the

Secretary of the Treasury, in a recent appearance before the Ways and Means Committee of the House of Representatives, proposed that the Federal Government also enact a tax of 1 cent per gallon upon gasoline. It is estimated that this tax will produce $165,000,000 annually for the Federal Treasury.

This matter is of such importance that I ask the Senate's consideration of it for just a moment in advance of the consideration of the revenue bill.

It is asserted that the maximum revenue is produced by a tax of 3 or 4 cents per gallon. Many of the State taxes are now in excess of that amount. The United States heretofore has never attempted to lay a tax upon gasoline for the production of Federal revenue. In the proposal of the Secretary there is, therefore, a novel element, as it involves the invasion of a tax field heretofore occupied exclusively by the States.

I shall not now detain the Senate to comment in detail upon the wisdom or unwisdom of the Federal invasion of that field of taxation. It will appear, however, to all that the wisdom of the step is most doubtful. It means that the Federal Government will engage in a competitive race with the States in seeking to obtain revenue from a source which heretofore the States have alone enjoyed. It means the imposition of an additional tax upon the automobile owners of America, and it means probably such an increase of tax that the maximum yield will not be had either for the United States or for the several States.

The matter is of especial interest now because there is before the Senate a proposal by the junior Senator from Arizona [Mr. HAYDEN], which, I understand, he will offer as an amendment to the agricultural supply bill; by that proposal there would be appropriated approximately $135,000,000 to be employed in the construction of highways without the necessity of contribution or matching by the various States.

It is almost ironical that the agencies of the Federal Government should consider the invasion of a tax field now enjoyed by the States upon a basis that would produce $165,000,000, and at the same time contemplate the appropriation of about $135,000,000 to the States under the guise of relief for unemployment. It means merely that we take money from a State source and then give it back to the States, and perhaps then claim that we have made a generous contribution by so doing.

I shall at the proper time have something further to say with respect to this matter. I have claimed the Senate's attention to this question at this time in order that I may ask to have printed in the RECORD certain data which I think will be most revealing.

I send to the desk an estimate of tax burden by States in case the proposal made before the House Ways and Means Committee shall be adopted by Congress. This estimate is prepared by the American Automobile Association, and it discloses the extent to which this tax would be a burden upon the automobile owners of the different States of the Union.

Mr. TRAMMELL. Mr President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Florida?

Mr. STEIWER. I do.

Mr. TRAMMELL. I wish to state that I have no doubt in regard to the wisdom of enacting this legislation. I am absolutely opposed to it. The Senator says that is a matter to be determined later. I think the States have been taxed to the full limit by the State authorities in the way of gasoline taxes and taxes on automobiles. I believe it would be very unfortunate to enact at this time legislation imposing a greater and an increased burden upon the users of automobiles, and I am unequivocally opposed to it. It is not a matter about the wisdom of which there is any doubt in my mind.

Mr. STEIWER. I thank the Senator for his suggestion. I had not intended at this time to enter into an expression of my own views of this tax; but, inasmuch as the suggestion of opposition comes from the Senator from Florida, I will say that in due time I also expect to voice my most resolute opposition to this proposition. The people of the State of Florida may well be opposed to it. Their present tax is 7 cents per gallon. The imposition of this Federal tax would make the tax 8 cents per gallon, and I understand that in one city in the State of Florida there is an additional tax of 1 cent per gallon, and that the total tax in that State therefore would be substantially a 75 per cent sales tax upon an essential commodity.

I can assure the Senator from Florida that he will not be alone in his opposition.

I now ask that the following compilation of costs to the car owners of the several States appear at this place in my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Estimated tax burden by States

Alabama	$1,725,370
Arizona	760,440
Arkansas	1,386,320
California	13,355,560
Colorado	1,708,550
Connecticut	2,232,970
Delaware	359,970
District of Columbia	805,380
Florida	2,270,370
Georgia	2,241,880
Idaho	612,620
Illinois	9,732,080
Indiana	4,450,160
Iowa	3,908,260
Kansas	3,867,550
Kentucky	1,682,780
Louisiana	1,847,740
Maine	1,086,790
Maryland	1,823,400
Massachusetts	5,360,830
Michigan	7,927,760
Minnesota	4,014,440
Mississippi	1,352,390
Missouri	4,452,270
Montana	774,760
Nebraska	2,238,980
Nevada	186,150
New Hampshire	647,430
New Jersey	5,479,770
New Mexico	546,610
New York	15,119,970
North Carolina	2,506,690
North Dakota	1,200,340
Ohio	9,755,820
Oklahoma	3,231,120
Oregon	1,701,690
Pennsylvania	9,288,420
Rhode Island	888,320
South Carolina	1,192,130
South Dakota	1,405,800
Tennessee	2,152,440
Texas	8,065,050
Utah	601,370
Vermont	469,980
Virginia	2,284,530
Washington	2,711,670
West Virginia	1,404,110
Wisconsin	4,378,780
Wyoming	366,150

Mr. STEIWER. I send to the desk also a table showing the gasoline tax rates by States in the United States. I shall be glad if that can follow after the table last offered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Gasoline tax rates, by States, as of January 1, 1932

(Latest tax rate per gallon shown, and date the rate became effective. Compiled from State laws and official data)

7-CENT TAX RATE (2 STATES)

*Florida,[1] August 1, 1931.
*Tennessee, December 19, 1931.

*Means tax increase in 1931.

[1] Two-year emergency tax; reverts to 6-cent tax on Aug. 1, 1933.

6-CENT TAX RATE (4 STATES)

*Arkansas, February 26, 1931.
Georgia, September 1, 1929.
*North Carolina, April 1, 1931.
South Carolina, March 16, 1929.

5½-CENT TAX RATE (1 STATE)

*Mississippi, November 1, 1931.

5-CENT TAX RATE (9 STATES)

*Alabama, July 28, 1931.
*Arizona,[2] January 30, 1931.
Idaho, March 1, 1930.
Kentucky, February 21, 1926.
Louisiana, November 27, 1930.
Montana,[3] April 1, 1929.
New Mexico, March 7, 1927.
Virginia, March 19, 1928.
*Washington, April 1, 1931.

4-CENT TAX RATE (17 STATES)

Colorado, May 1, 1929.
Indiana, April 1, 1929.
Maine,[4] October 29, 1927.
Maryland, April 1, 1927.
Nebraska, March 29, 1929.
Nevada, April 1, 1925.
New Hampshire, January 1, 1928.
Ohio, April 17, 1929.
*Oklahoma,[5] March 25, 1931.
Oregon, January 1, 1930.
South Dakota, July 1, 1927.
Texas, July 16, 1929.
*Utah, May 12, 1931.
Vermont, April 1, 1929.
West Virginia, July 1, 1927.
*Wisconsin, April 1, 1931.
Wyoming, April 1, 1929.

3-CENT TAX RATE (11 STATES)

California, July 29, 1927.
Delaware, March 24, 1927.
Illinois, August 1, 1929.
Iowa, July 4, 1927.
Kansas, April 1, 1929.
*Massachusetts,[6] May 1, 1931.
Michigan, September 4, 1927.
Minnesota, May 1, 1929.
New Jersey, December 1, 1930.
North Dakota, July 1, 1929.
Pennsylvania, July 1, 1930.

2-CENT TAX RATE (4 STATES AND DISTRICT OF COLUMBIA)

Connecticut, July 1, 1925.
Missouri,[7] January 1, 1925.
New York, May 1, 1929.
Rhode Island, June 1, 1927.
District of Columbia, May 23, 1924.
Hawaii: No gasoline tax.

REMARK.—All Canadian Provinces have 5-cent tax per imperial gallon.

Mr. STEIWER. In addition to those two tables, I send to the desk and ask to have appear as a part of my remarks two sheets of compilations of the revenues received by the States from the gasoline tax—the first one for the year 1930, the second for the first half of the year 1931.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Gasoline taxes, 1930—Total tax earned on motor-vehicle fuel, etc., refunds, disposition of fund, and gallons taxed

[From reports of State authorities]

State	Gross tax assessed prior to deduction of refund	Exemption refund (deducted from gross tax)	Total tax earning on fuel for motor vehicles [1]	Other receipts, under tax law (licenses)	Grand total earning (tax and other receipts)	Disposition of grand total earning according to law					Tax rate, 1930			Net gallons of gasoline taxed and used by motor vehicles
						Collection cost [2]	Construction and maintenance on rural roads		State and county road bond payment [3]	For miscellaneous purposes	Cents per gallon		Date of rate change	
							State highway	Local roads			Jan. 1	Dec. 31		
Alabama	$6,901,491		$6,901,491	$1	$6,901,492	$34,064	$1,958,478	$3,439,493	$1,469,457		4	4		172,537,281
Arizona	3,011,844	$341,825	2,670,019		2,670,019	[4]	1,682,596	987,423			4	4		66,750,478
Arkansas	6,702,273	275,000	6,427,273		6,427,273	47,908	4,505,108		[5] 1,802,755	[6] $71,502	5	5		128,545,469
California	38,603,808	3,733,682	34,870,126		34,870,126	[7] 51,532	23,212,396	11,606,198			3	3		1,162,337,545
Colorado	6,834,198	689,372	6,144,826		6,144,826	[8] 54,750	4,263,053	1,644,321		[9] 182,702	4	4		153,620,645
Connecticut		[10]	4,465,933	49,130	4,515,063	[11]	4,515,063				2	2		223,296,627
Delaware	1,071,363	58,006	1,013,357		1,013,357		864,170		149,187		3	3		33,778,561
Florida	13,622,215		13,622,215	32,960	13,655,175	13,280	4,540,738	756,790	[12] 5,540,738	[13] 3,803,629	6	6		227,036,915
Georgia	13,391,079		13,391,079	43,983	13,435,062	4,200	8,953,908	2,238,477		[14] 2,238,477	6	6		223,184,648
Idaho	2,941,124	272,542	2,668,582	62,280	2,730,862	12,752	2,674,080		35,609	[15] 8,421	4	5	Mar. 1	[16] 54,422,752
Illinois [17]	28,612,269	1,139,849	27,472,420		27,472,420	61,724	18,273,797	9,136,899			3	3		915,747,319
Indiana	18,247,078	1,088,332	17,158,746	88	17,158,834	40,958	12,838,407	3,209,602		[18] 1,069,867	4	4		428,968,653
Iowa	11,793,452	1,209,384	10,584,068		10,584,068	32,524	[19] 5,242,393	5,309,151			3	3		352,802,277
Kansas	10,553,021	1,732,530	9,120,491		9,120,491	[20]	7,370,491	1,750,000			3	3		304,016,374
Kentucky	8,414,733		8,414,733		8,414,733	28,364	8,386,369				5	5		168,294,655
Louisiana	7,547,292	844	7,546,448		7,546,448	[21]	5,543,453		1,847,817	[22] 155,178	4	5	Nov. 27	184,781,753
Maine	4,347,071	237,575	4,109,496	[23] 59,394	4,168,890	28,847	2,070,022	2,070,021			4	4		[24] 102,737,416
Maryland	7,285,117	293,929	6,991,188		6,991,188	9,000	5,525,759			[25] 1,456,433	4	4		174,779,703
Massachusetts	10,721,664	158,717	10,562,947		10,562,947	20,000	7,407,323	2,500,000	635,624		2	2		528,147,350
Michigan	23,783,308	2,109,429	21,673,879	39,610	21,713,489	41,373	11,508,628	6,623,880	3,000,000	[26] 539,610	3	3		722,452,626
Minnesota	11,432,686	1,073,575	10,359,111		10,359,111		6,906,074	3,453,037			3	3		345,303,709
Mississippi	6,791,177		6,791,177	[27] 126,393	6,917,575	6,645	2,848,126	3,855,364		[28] 207,440	5	5		135,823,574
Missouri	8,901,169	262,008	8,639,161		8,639,161	56,760	8,582,401				2	2		431,958,060
Montana	3,873,713	931,834	2,941,879		2,941,879	13,500	2,928,379				5	5		58,837,575
Nebraska	9,149,484	89,062	9,060,422		9,060,422	7,500	6,789,691	2,263,231			4	4		226,510,543
Nevada	744,615	69,603	675,012		675,012	[29]	675,012				4	4		16,875,292
New Hampshire	2,589,833	90,355	2,499,478		2,499,478		1,874,608		624,870		4	4		62,486,940
New Jersey		[30]	11,342,896	37,335	11,380,231	18,660	11,268,571			[31] 93,000	2	3	Dec. 1	546,685,108
New Mexico	2,719,281		2,719,231	42,606	2,761,887	55,238	1,842,649		864,000		5	5		54,385,614
New York	29,539,436	[32] 1,060,146	28,476,290		28,476,290	[33]	21,319,718	5,685,258		[34] 1,471,314	2	2		[35] 1,438,582,716
North Carolina	13,174,064	640,610	12,533,454		12,533,454	[36]	8,845,113		3,688,341		5	5		250,669,089
North Dakota	3,405,212	1,435,908	1,969,304	2,052	1,971,986	25,000	1,290,000	645,000		[37] 11,986	3	3		65,643,460
Ohio	39,023,304	1,941,853	37,081,451		37,081,451		23,175,907	7,416,290		[38] 6,489,254	4	4		927,036,272
Oklahoma	12,924,521	832,101	12,092,420		12,092,420	62,684	9,022,302	3,007,434			4	4		302,310,488
Oregon	6,787,295	588,518	6,198,777		6,198,777	14,967	6,183,810				4	4	Jan. 1	[39] 154,986,497
Pennsylvania	33,482,609	166,880	33,315,729	[39] 307,781	33,623,510	[40] 278,875	25,250,576	4,644,213	3,449,846		4	3	July 1	928,842,534
Rhode Island	1,776,773	44,514	1,732,259	3,488	1,735,747		1,301,810		433,937		2	2		86,612,980
South Carolina	7,162,945	18,635	7,144,310	1,401	7,145,711		3,475,756	1,190,952	[41] 2,479,003		6	6		119,071,835
South Dakota	5,149,295	1,645,413	3,503,882		3,503,882	12,750	2,715,155		775,977		4	4		87,597,064
Tennessee	10,719,195		10,719,195		10,719,195	53,596	6,399,359	2,133,120	[42] 2,133,120		5	5		214,383,900
Texas	32,341,499	2,814,401	29,527,098		29,527,098		22,145,324			[43] 7,381,774	4	4		738,177,457
Utah		[43]	2,104,823	706	2,105,529	3,836	1,663,193		438,500		3½	3½		60,137,811
Vermont	1,879,921		1,879,921		1,879,921	[44]	1,879,921				4	4		46,998,012
Virginia	11,426,066	651,008	10,775,058		10,775,058	[45]	7,542,541	3,232,517			5	5		215,501,157

[Footnotes for table at end of table]

* Means tax increase in 1931.

[2] In effect until Jan. 31, 1933, then tax reverts to 4 cents.

[3] Law extends 5-cent tax to Mar. 31, 1941, then tax reverts to 3 cents.

[4] Referendum in September, 1932, for 5-cent tax.

[5] Reverted to 4-cent tax from 5 cents on Jan. 1, 1932.

[6] Two-year emergency tax; reverts to 2-cent tax on Apr. 30, 1933.

[7] By constitutional amendment of Nov. 6, 1928, tax to remain at 2 cents until Nov. 6, 1938.

Gasoline taxes, 1930—Total tax earned on motor-vehicle fuel, etc., refunds, disposition of fund, and gallons taxed—Continued

State	Gross tax assessed prior to deduction of refund	Exemption refund (deducted from gross tax)	Total tax earning on fuel for motor vehicles	Other receipts, under tax law (licenses)	Grand total earning (tax and other receipts)	Disposition of grand total earning according to law: Collection cost	Construction and maintenance on rural roads: State highway	Construction and maintenance on rural roads: Local roads	State and county road bond payment	For miscellaneous purposes	Tax rate, 1930: Cents per gallon: Jan. 1	Tax rate, 1930: Cents per gallon: Dec. 31	Tax rate, 1930: Date of rate change	Net gallons of gasoline taxed and used by motor vehicles
Washington	$7,951,587	$698,338	$7,253,249		$7,253,249	[45]	$4,835,499	$2,417,750			3	3		241,774,964
West Virginia	5,615,926	257,298	5,358,628	$8,450	5,367,078		2,686,823		$2,680,255		4	4		133,965,701
Wisconsin	8,757,555	442,714	8,314,841		8,314,841	$10,900	3,057,771	4,647,465		[15] $598,705	2	2		415,742,027
Wyoming	1,447,005		1,447,005		1,447,005		1,085,254	361,751			4	4		36,175,118
District of Columbia	1,610,770	11,081	1,599,689		1,599,689					[47] 1,599,689	2	2		79,984,431
Total			493,865,117	818,293	494,683,410	1,102,187	338,927,564	96,225,637	[48] 31,049,036	[49] 27,378,986	[50]	[50]	[50]	14,751,308,978

[1] Net gasoline tax earned after deduction of refunds allowed by law.
[2] Many States pay collection costs from other State funds, and amounts reported are noted.
[3] Payments for State highway bonds, except as noted.
[4] Paid from State budget, $14,685.
[5] Includes $1,326,274 for county bonds.
[6] Includes $50,227 for State Highway Commission office expenses, and $21,275 for city streets.
[7] Includes administrative costs of State board of equalization which controls fuel tax and transportation tax.
[8] Includes all expenses of State inspector of oils.
[9] For town and city streets.
[10] Exemptions made at time of purchase on 9,349,546 gallons.
[11] Paid from motor-vehicle receipts, $30,000.
[12] Payments on county road bonds.
[13] For schools and school buildings, $3,783,949, and for reserve fund, $19,680.
[14] For public schools.
[15] Aviation gas-tax fund, for aviation purposes.
[16] Omits 173,975 gallons sold for aviation purposes.
[17] The 2 per cent allowance for evaporation and loss on gross purchases by retailers not shown here.
[18] For city streets.
[19] Includes $3,000,000, formerly a reserve for refunds on right of way, bridges, and culverts.
[20] Paid from State general fund, $15,000.
[21] Paid from State appropriation, $57,500.
[22] For dock board.
[23] Consists of 1-cent tax on all gasoline not used by motor vehicles (3-cent refund).
[24] Excludes gallonage taxed 1 cent, not used by motor vehicles.
[25] Includes $1,381,438 to Baltimore streets and grade-crossing eliminations; also $75,000 to conservation department for oyster propagation.
[26] Includes $500,000 for city streets, $35,350 for aviation fund, and $4,260 (dealers' license fees) to State general fund.
[27] Receipts from extra 2-cent tax in Harrison County and 3-cent tax in Hancock County for sea wall.
[28] Alloted to sea-wall financing (largely from extra tax receipts).
[29] Paid from tax-commission fund, $1,500.
[30] Exemption made at time of purchase on 96,681,081 gallons.
[31] Includes $90,000 for free bridge commission and department of navigation and commerce, also $3,000 for public-utility commission.
[32] Includes $764,782 refunded because of exemptions, and an allowance to distributors of 1 per cent of gross receipts amounting to $295,364.
[33] Paid from State appropriation of $65,497.
[34] Includes $50,000 to reserve for refunds and $1,421,314 to New York City funds.
[35] Includes 14,768,218 gallons taxed but taxes returned to distributors for collection costs.
[36] Paid from State highway commission maintenance fund, $8,683.
[37] Includes $11,334 to reserve for refunds and $652 (license fees) to State general fund.
[38] Includes approximately 136,579 gallons of distillate taxed 3½ cents per gallon.
[39] Includes $299,591 for previous year's taxes.
[40] Collection bonus to dealers deducted before payment of tax to State.
[41] Payments of $300,000 on State highway bonds and $2,179,003 on county road bonds.
[42] For free-school fund.
[43] An allowance of 2 per cent for evaporation and handling exempts 1,227,178 gallons from tax.
[44] Paid from motor-vehicle funds, $1,000.
[45] Paid from State appropriations of $15,144.
[46] Paid from motor-vehicle fund, $5,000.
[47] For repair and improvement of Washington streets.
[48] Includes payments of $10,179,135 on county bonds and $20,869,901 on State bonds.
[49] Includes $11,842,930 for city streets, $13,404,200 for schools, and $2,131,856 for various items.
[50] Average, 3.35 cents.

Gasoline taxes, first half year of 1931—Tax earned on motor-vehicle fuel, etc., disposition of fund, and gallons taxed

[From reports and records of State authorities]

State	Gross tax assessed prior to deduction of refund	Exemption refund (deducted from gross tax)	Total tax earning on motor-vehicle fuel	Other receipts under tax law (licenses)	Grand total earning (tax and other receipts)	Disposition of grand total earning: Collection cost	Construction and maintenance of rural roads: State highways	Construction and maintenance of rural roads: Local roads
Alabama	$3,200,225		$3,200,225		$3,200,225	$9,118	$555,605	$1,596,732
Arizona	1,788,502	$163,776	1,624,726	$501,446	2,126,172	[1]	1,627,867	498,305
Arkansas	3,267,935	212,416	3,055,519		3,055,519	67,500		378,255
California	20,723,606	2,212,544	18,511,062	[2] 735,000	19,246,062	38,898	12,804,776	6,402,388
Colorado	3,365,278	310,862	3,054,416		3,054,416	[7] 30,358	2,116,840	816,496
Connecticut	2,097,423	2,483	2,094,940	49,130	2,144,070	[3]	2,144,070	
Delaware	518,976	29,611	489,365		489,365	[9]	489,365	
Florida	7,623,982		7,623,982	[10] 14,232	7,638,214	14,232	2,541,327	423,555
Georgia	6,365,601		6,365,601		6,365,601	[14] 4,200	4,240,934	1,060,234
Idaho	1,331,087	118,503	1,212,584	388	1,212,972	8,019	1,051,396	
Illinois	13,990,088	593,733	13,396,355		13,396,355	42,601	8,902,503	4,451,251
Indiana	8,997,330	532,454	8,464,876	37	8,464,913	29,047	6,326,399	1,581,725
Iowa	5,946,968	649,830	5,297,138		5,297,138	17,000	3,128,138	2,152,000
Kansas	4,854,587	1,206,815	3,647,772		3,647,772	[17]	2,747,772	900,000
Kentucky	4,054,046		4,054,046		4,054,046	15,501	4,038,545	
Louisiana	4,462,153	222	4,461,931		4,461,931	31,000	1,653,564	
Maine	1,771,037	170,450	1,600,587		1,600,587	34,448	783,070	783,069
Maryland	3,389,018	144,345	3,244,672		3,244,672	13,573	2,584,879	
Massachusetts	6,060,946	80,452	5,980,494		5,980,494	[21]	3,209,744	902,267
Michigan	11,065,515	1,064,407	10,001,108	18,231	10,019,339	24,558	5,492,615	2,950,000
Minnesota	5,703,938	546,863	5,157,075		5,157,075	[25]	3,438,050	1,719,025
Mississippi	2,774,770		2,774,770	67,755	2,842,525	[26] 8,920	1,342,365	1,386,950
Missouri	4,463,803	112,422	4,351,381		4,351,381	22,712	4,328,669	
Montana	1,689,546	267,817	1,421,729		1,421,729	13,711	1,408,018	
Nebraska	4,452,430	32,357	4,420,073		4,420,073	3,750	3,312,242	1,104,081
Nevada	406,645	43,191	363,454		363,454		363,454	
New Hampshire	1,055,412	27,464	1,037,948		1,037,948		778,461	
New Jersey	9,802,250	1,887,223	7,915,027	6,559	7,921,626	9,500	5,367,126	
New Mexico	1,253,516		1,253,516	4,742	1,258,258	25,146	784,163	
New York	14,219,976	307,131	13,912,845	27,351	13,940,196	[32] 142,199	10,310,998	2,749,599
North Carolina	6,104,821	232,255	5,872,566		5,872,566	5,165	[33] 2,567,401	[33] 1,500,000
North Dakota	1,301,035	516,764	784,271		784,271	[33]	522,847	261,424
Ohio	18,506,660	856,906	17,649,754	400	17,650,154	[9]	9,928,212	4,412,538
Oklahoma	5,757,592	7,786	5,749,806		5,749,806	22,779	3,698,331	1,232,777
Oregon	3,408,036	314,435	3,093,601		3,093,601	9,409	2,395,080	
Pennsylvania	14,281,909	83,197	14,198,712	193,367	14,392,079	117,971	10,395,090	2,379,018
Rhode Island	883,334	29,177	854,157	2,486	856,643	[36]	642,482	
South Carolina	3,484,195	16,693	3,467,502		3,467,502	[37]	2,889,585	577,917
South Dakota	2,301,562	1,005,592	1,295,970		1,295,970	7,500	875,825	
Tennessee	4,969,312		4,969,312		4,969,312	49,693	1,967,847	983,924
Texas	16,004,109	862,840	15,141,269		15,141,269		11,355,952	
Utah	1,070,643	21,413	1,049,230	93	1,049,323	2,309	660,064	

[Footnotes at end of table]

Gasoline taxes, first half year of 1931—Tax earned on motor-vehicle fuel, etc., disposition of fund, and gallons taxed—Continued

State	Gross tax assessed prior to deduction of refund	Exemption refund (deducted from gross tax)	Total tax earning on motor-vehicle fuel	Other receipts under tax law (licenses)	Grand total earning (tax and other receipts)	Disposition of grand total earning		
						Collection cost	Construction and maintenance of rural roads	
							State highways	Local roads
Vermont	$751,806		$751,806		$751,806		$751,806	
Virginia	5,458,080	$327,315	5,130,765		5,130,765		3,591,535	$1,539,230
Washington	5,487,693	615,033	4,872,660		4,872,660	[42]	3,120,863	1,560,431
West Virginia	2,463,954	99,002	2,364,952	$4,525	2,369,477		831,375	
Wisconsin	6,420,208	413,330	6,006,878		6,006,878	$4,598	3,793,492	1,956,723
Wyoming	627,866		627,866		627,866		470,900	156,966
District of Columbia	881,646	5,087	876,559		876,559			
Total			244,746,853	1,625,782	246,372,635	823,415	158,332,132	48,416,879

State	Disposition of grand total earning			Tax rate, 1931			Gasoline, etc., taxed	
	State and county road [1] bond payments	On city streets	Miscellaneous purposes	Cents per gallon		Date of rate change	Net gallons	Per cent increase [2]
				Jan. 1	June 30			
Alabama	$1,038,770			4	[3] 4		80,005,626	−6.5
Arizona				4	5	Jan. 30	33,194,313	−1.1
Arkansas	[4] 2,558,919	$50,845		5	6	Feb. 26	54,037,015	−6.3
California				3	3		617,035,384	14.0
Colorado		90,722		4	4		76,360,389	3.4
Connecticut				2	2		104,746,999	3.2
Delaware				3	3		16,312,162	4.1
Florida	[11] 2,541,327		[12] $2,117,773	6	[13] 6		127,066,367	5.4
Georgia			[14] 1,060,233	6	6		106,093,343	−1.0
Idaho	[15] 153,567			5	5		24,251,680	−1.0
Illinois				3	3		446,545,165	3.6
Indiana		527,242		4	4		224,413,636	12.3
Iowa				3	3		176,571,279	6.0
Kansas				3	3		121,592,400	−18.8
Kentucky				5	5		81,025,634	4.7
Louisiana	1,891,181		[16] 886,186	5	5		89,238,632	−0.7
Maine				4	[17] 4		[18] 38,594,253	11.1
Maryland		[21] 646,220		4	4		81,116,787	1.8
Massachusetts		1,868,483		2	3	May 1	247,720,983	4.2
Michigan	1,500,000	35,000	[23] 17,166	3	3		[24] 333,370,258	.3
Minnesota				3	3		171,002,484	10.3
Mississippi			[27] 106,250	5	5		55,495,393	−17.7
Missouri				2	2		217,569,048	8.3
Montana				5	5		28,434,580	4.5
Nebraska				4	4		110,501,811	4.0
Nevada				4	4		9,086,441	21.6
New Hampshire	259,487			4	4		25,948,689	5.7
New Jersey		2,500,000	[28] 45,000	3	3		263,834,202	6.2
New Mexico	444,000		[29] 4,949	5	5		25,070,315	−1.8
New York			[31] 737,400	2	2		695,642,265	6.0
North Carolina	[32] 1,800,000			5	6	Apr. 1	97,876,102	−17.9
North Dakota				3	[34] 3		26,803,554	2.7
Ohio		3,309,404		4	4		1,243,859	−.6
Oklahoma			[35] 795,919	4	5	Mar. 25	134,170,623	−13.1
Oregon	689,112			4	4		77,581,843	10.8
Pennsylvania	1,500,000			3	3		473,131,367	18.6
Rhode Island	214,161			2	2		42,707,822	7.3
South Carolina				6	6		57,791,696	2.7
South Dakota	376,748		[38] 35,897	4	4		32,399,255	2.5
Tennessee	[39] 1,967,848			4	[40] 5		99,386,235	.6
Texas			[41] 3,785,317	4	4		378,531,742	7.7
Utah	386,950			3½	4	May 12	23,774,682	.7
Vermont				4	4		18,789,365	4.9
Virginia				5	5		102,581,754	4.6
Washington			[43] 191,366	3	5	Apr. 1	117,506,219	7.5
West Virginia	1,538,102			4	4		59,123,817	.9
Wisconsin		252,066		2	4	Apr. 1	187,172,123	6.6
Wyoming				4	4		15,696,651	12.5
District of Columbia		876,559		2	2		43,827,986	17.4
Total	18,860,172	10,136,541	[44] 9,783,496	[45]	[45]	[45]	7,117,874,233	4.5

[1] For State highway bonds, except as noted.
[2] Column shows percentage increase, or decrease (−), over same period last year.
[3] Increased to 5 cents on July 28, 1931.
[4] From State appropriation, $8,936.
[5] Includes $1,601,626 payments on county bonds.
[6] Refund reserve released and returned to gasoline tax fund.
[7] Includes all expenses of inspector of oils.
[8] Paid from motor vehicle license receipts, $15,000.
[9] Paid from State treasury.
[10] Includes $12,015 from dealer's licenses and $2,217 from reserve fund to cover collection cost.
[11] For county and town bonds.
[12] Includes $200,000 to permanent building fund under State board of control for buildings of higher learning, remainder to schools under county boards of public instruction.
[13] Emergency tax of 7 cents passed, and becomes effective Aug. 1, 1931 to July 1, 1933.
[14] Clerk's salary for full year taken from first collections of year.
[15] To an equalization school fund for public schools.
[16] State treasury note payment.
[17] From State general fund, $7,500.
[18] Includes $443,093 for State board of education, and $443,093 for boards of commissioners of port of New Orleans and Lake Charles Harbor.
[19] Referendum petition postponed 5 cent tax until election in September, 1932.
[20] Excludes 5,681,678 gallons taxed 1 cent for uses other than in motor vehicles.
[21] Baltimore City only.
[22] State appropriation $10,000.
[23] For aviation fund; from taxes collected from gasoline sold for airplanes, included in "other receipts."
[24] Includes 572,205 gallons sold for airplanes, tax for which is shown in "other receipts."
[25] State appropriation, $7,146.
[26] Includes expenses of State audit of accounts, $4,220.
[27] For financing sea-wall to protect road, partly paid by extra gasoline taxes in tidewater counties.
[28] For inland waterways under State department of commerce and navigation, partly paid for by 2-cent gas tax for motor boats.
[29] Undistributed suspense fund.
[30] Allowance of 1 per cent on gross receipts for loss in handling, and in addition $37,505 paid for collection cost from State treasury.
[31] Includes $687,400 to New York City general funds, and $50,000 to reserve for refunds.
[32] Disposition of funds approximate.
[33] From State appropriation, $12,500.
[34] Referendum petition prevented collection of 4-cent tax which will be voted upon in March, 1932.
[35] Includes $756,241 to special emergency relief fund, and $39,678 to suspense accounts.
[36] From motor-vehicle fees.
[37] From State tax commission appropriation.
[38] Reserve for refunds.
[39] On State highway bonds, $983,924 and same amount for county bonds.
[40] Increased to 6 cents on July 1, 1931.
[41] For free-school fund, according to State constitution.
[42] From motor-vehicle fund, $5,000.
[43] Reserve for refunds.
[44] Includes $7,405,416 for schools, $2,055,190 for special purposes (as noted) and $321,890 for suspense and reserve accounts.
[45] Average rate, 3.44 cents.

Mr. STEIWER. The revenue possibilities from taxing the sale of gasoline are, of course, based upon two things: First, the development and use of the automobile; and, second, upon the construction and maintenance of the highways. The first has been accomplished by private initiative. The Federal Government has made a substantial contribution toward the building of highways, but a much greater contribution has been made by the States; the States having furnished the roads have thus made the revenues possible. There is but little justification from the moral standpoint of the invasion by the Federal Government of this State-created source of revenue.

Without detaining the Senate further in connection with this matter, I desire to call attention to a statement just issued by the American Automobile Association. This statement is marked for release to-day, and it discloses in a most effectual way the enormous burden that would come to the automobile users of the United States if the proposal of the Secretary of the Treasury should be enacted into law. I ask unanimous consent that this statement may also appear in connection with what I am saying at this time.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

WASHINGTON, D. C., February 25.—The threat of a 33 per cent boost in the Nation's $500,000,000 a year gasoline-tax bill, in the form of a Federal levy of 1 cent per gallon, looms as a birthday gift to motorists on the thirteenth anniversary of this form of taxation.

This statement was made to-day by the American Automobile Association, which pointed out that the gasoline tax, first levied at the rate of 1 cent per gallon in Oregon on February 25, 1919, has spread to every State, with the average rate nearly 4 cents per gallon.

Pointing out that motorists have paid approximately $2,500,000,000 in gasoline taxes since it was first levied, Thomas P. Henry, of Detroit, Mich., president of the national motoring body, declared that the evils that have crept into this taxing system are without parallel in the whole history of taxation.

"The tax was conceived as one of the most equitable forms in existence," said Mr. Henry, "in that the users of the highways were to pay for the building of roads in proportion to their use of the roads. But what do we find on the thirteenth anniversay of the tax?

"We find the tax in effect in the 48 States and the District of Columbia, and in hundreds of counties and municipalities that have superimposed local taxes on the top-heavy State levy.

"We find rates ranging from 2 cents per gallon in some States to 7 cents in Tennessee and Florida, with a 1-cent levy at Pensacola, in the latter State, making the rate 8 cents per gallon.

"We find the bootlegger and the racketeer waxing rich at the expense of motorists and profiting to the extent of approximately $60,000,000 a year through wholesale evasions of the tax.

"We find the States diverting around $20,000,000 a year from the tax receipts to schools, port development, charitable and penal institutions, for the development of water supplies, and for unemployment relief.

"And at the moment we find the Federal Government threatening to enter a field that is already overexploited by the State, the county, and the city, through the levy of a Federal tax of 1 cent per gallon, which it is estimated would cost motorists $165,000,000 a year. This would bring the tax in Pensacola, Fla., for example, to 9 cents per gallon, or equivalent to a 75 per cent sales tax on a commodity selling for 12 cents per gallon without the tax. Surely it can be said that the gasoline tax is no longer equitable." Mr. Henry's statement continues:

"If a Federal gasoline levy comes as an equitable part of a general tax on manufactures, the motorists will not quarrel, highly burdened thought they are. To impose a special sales tax on gasoline, however, would be highly inequitable and hark back to the discrimination that the Ways and Means Committee has made a praiseworthy effort to avoid.

"Such a policy would hasten the breakdown of the gas-tax structure. A special Government impost for general purposes would go far to establish 'diversion' as a principle and divorce this tax from road use, its original justification.

"It would jeopardize hundreds of millions of dollars in road bonds issued by the States and which are contingent on future gasoline-tax collections by the States.

"It would greatly accelerate the evasion evil, which is already depriving the States of much revenue and adding greatly to the cost of administration.

"It would inaugurate a serious battle between the States and the Federal Government in their respective spheres of taxation and inevitably lead to retaliation in other tax fields."

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 292) to authorize the Secretary of Agriculture to aid in the establishment of agricultural-credit corporations, and for other purposes.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 6310. An act to amend section 1709 of the Revised Statutes, as amended by the act of March 3, 1911 (36 Stat. 1083), and section 304 of the Budget and Accounting Act, 1921 (42 Stat. 24);

H. R. 7119. An act to authorize the modification of the boundary line between the Panama Canal Zone and the Republic of Panama, and for other purposes;

H. R. 9349. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 9393. An act to increase passport fees, and for other purposes; and

H. J. Res. 182. Joint resolution authorizing an appropriation to defray the expenses of participation by the United States Government in the Second Polar Year Program, August 1, 1932, to August 31, 1933.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated below:

H. R. 9349. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes; to the Committee on Appropriations.

H. R. 6310. An act to amend section 1709 of the Revised Statutes, as amended by the act of March 3, 1911 (36 Stat. 1083), and section 304 of the Budget and Accounting Act, 1921 (42 Stat. 24);

H. R. 7119. An act to authorize the modification of the boundary line between the Panama Canal Zone and the Republic of Panama, and for other purposes; and

H. R. 9393. An act to increase passport fees, and for other purposes; to the Committee on Foreign Relations.

H. J. Res. 182. Joint resolution authorizing an appropriation to defray the expenses of participation by the United States Government in the Second Polar Year Program, August 1, 1932, to August 31, 1933; to the calendar.

THE WALES ISLAND PACKING CO. *v.* THE UNITED STATES (S. DOC. NO. 61)

The PRESIDENT pro tempore laid before the Senate a letter from the assistant clerk of the Court of Claims transmitting, pursuant to a resolution of the Senate and in accordance with law, copies of the special findings of fact and opinion of the court in the cause of the Wales Island Packing Co. *v.* The United States, which (with the accompanying papers) was referred to the Committee on Foreign Relations and ordered to be printed.

LEMUEL SIMPSON

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 315) for the relief of Lemuel Simpson, which was, on page 1, line 11, after the word "Cavalry," to insert "on the 20th day of February, 1862."

Mr. HAWES. I move that the amendment of the House of Representatives be concurred in.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Missouri.

The motion was agreed to.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate several messages from the President of the United States submitting a treaty and nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

PROPOSED ANTI-INJUNCTION LEGISLATION

The Senate resumed the consideration of the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

The PRESIDENT pro tempore. The clerk will proceed to read the bill and state the first amendment of the Committee on the Judiciary.

Mr. NORRIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Jones	Robinson, Ind.
Austin	Dale	Kean	Schall
Bailey	Davis	Kendrick	Sheppard
Bankhead	Dickinson	Keyes	Shipstead
Barbour	Dill	King	Smith
Bingham	Fess	La Follette	Smoot
Black	Fletcher	Lewis	Steiwer
Blaine	Frazier	Logan	Stephens
Borah	George	Long	Thomas, Idaho
Bratton	Glass	McGill	Thomas, Okla.
Brookhart	Glenn	McNary	Townsend
Broussard	Goldsborough	Metcalf	Trammell
Bulkley	Gore	Morrison	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norbeck	Walcott
Caraway	Hatfield	Norris	Walsh, Mass.
Carey	Hawes	Nye	Walsh, Mont.
Connally	Hayden	Oddie	Watson
Coolidge	Hebert	Patterson	Wheeler
Copeland	Howell	Pittman	White
Costigan	Hull	Reed	
Couzens	Johnson	Robinson, Ark.	

The PRESIDENT pro tempore. Ninety Senators having answered to their names, there is a quorum present.

Mr. REED. Mr. President, if I may have the attention of the Senator from Rhode Island, I want to ask him to look at the language on the bottom of page 9 of the substitute, particularly that part beginning in line 19. It seems to me that in perfecting the substitute there ought to be some change made in the language of that sentence. It now reads:

> Such a temporary restraining order shall be effective for no longer than five days, and shall not be extended if, in the judgment of the court, unjustifiable delay is sought by complainant.

That is all right. Then it proceeds:

> And shall become void at the expiration of said five days, unless extended, but not for more than five days at any one time, by order of the court for good cause shown.

I think what the Senator means probably is that the order shall not be extended if unjustifiable delay is sought, and shall not be extended for more than five days at any one time. I believe that the section would be improved if it were stated in that way.

Mr. HEBERT. I observe the Senator is reading from the minority substitute.

Mr. REED. Yes; the sentence beginning in line 19, page 9. I am in full agreement with the purpose of the sentence, and, of course, it is substantially the same as that in the majority bill.

Mr. HEBERT. In the majority bill, may I say, there is no provision for an extension. The substitute provides that in no event shall the extension continue for a longer period than five days in the first instance, and then it may be extended, but not for longer than five days at any one time. That is the purpose of the clause.

Mr. REED. With that I am in full agreement; but I think the language is obscure.

Mr. HEBERT. I have no pride of authorship about it.

Mr. REED. I would like to submit to the Senator for reading at his leisure the redraft I have made of it, and then later on, if he agrees with me, he may propose the change.

Mr. HEBERT. I will be very glad to take the matter up and consider it.

Mr. NORRIS. Mr. President, I hope the Senator from Pennsylvania will have his amendment printed, so that we may consider it.

Mr. REED. I will be glad to. I will state it now.

Mr. NORRIS. Very well.

Mr. REED. My suggestion would be to strike out, on page 9, line 23, beginning after the word "complainant," everything from there down to the end of the sentence and replace it with these words: "and shall not be extended for more than five days at any one time." That expresses the same intention, I think, but I think it expresses it better.

Mr. WALSH of Montana. Mr. President, will the Senator from Pennsylvania yield?

Mr. REED. I yield.

Mr. WALSH of Montana. I think the Senator should go back a little further. It provides that it "shall not be extended if, in the judgment of the court, unjustifiable delay is sought by complainant." That is to say, in order to refuse it, the judge must find that the complainant is seeking unjustifiable delay. It throws the burden on the wrong side. If a party seeks a continuance, he should show why he wants the continuance, and make clear to the court that the continuance is necessary. As it reads, the burden is thrown upon the other party to show that really what the party wants to do is to trifle with the court.

Mr. REED. I think the Senator is exactly right, and therefore I believe I would strike out the entire sentence beginning on line 19 and replace it with this sentence:

> Such a temporary restraining order shall not be effective for longer than five days, and shall not thereafter be extended unless in the judgment of the court the delay is justifiable, and shall not be extended for more than five days at any one time.

That is the end of the proposed insertion. I think we can well leave out the words "by order of the court for good cause shown," because it is obvious that if it is extended it will have to be by order of the court, and it is equally obvious that cause must be shown by the person applying for the extension.

Mr. NORRIS. Mr. President, there are one or two Senators, one at least, I think, on each side, who desire to be heard in the general debate on the bill, and neither of them is ready to proceed this evening. I would be glad, if the Senator from Oregon desires, either to take up something else or to take a recess at this time until 12 o'clock to-morrow.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock p. m.) took a recess until to-morrow, Friday, February 26, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 25 (legislative day of February 24), 1932

UNITED STATES MARSHAL

Watt H. Gragg, of North Carolina, to be United States marshal, middle district of North Carolina, to succeed Joseph John Jenkins, whose term expired January 11, 1932.

PROMOTION IN THE REGULAR ARMY

To be first lieutenant

Second Lieut. Russell Potter Reeder, jr., Infantry, from February 19, 1932.

CHAPLAIN

To be chaplain with the rank of major

Chaplain Albert Leslie Evans (captain), United States Army, from February 18, 1932.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 25, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

They that trust in the Lord are as Mount Zion, which can not be removed but abideth forever. Help us, O Lord, to set our conscience by the moral sense of God. As Thy law is so just, Thy love so bountiful, and Thy wisdom so infinite,

may they command our unquestioned obedience and our full measure of devotion. Thou knowest us altogether, wherein we are weak and wherein we are strong. Lead us toward Thyself that our strength may grow. Oh wondrously sweet and helpful is the service inspired by Thy wisdom and blest by Thy grace. Continue to establish the ideals for which our fathers gave their lives and liberties. Bless our country; and may we build our very selves into the life and character of its splendid institutions. Help us in the solution of problems that perplex mind and heart, and bless our people everywhere with the bounties of Heaven's mercies. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 4145. An act for the relief of Thomas C. LaForge;

H. R. 4150. An act authorizing issuance of patents in fee to Benjamin Spottedhorse and Horse Spottedhorse for certain lands;

H. R. 6347. An act for the relief of Neal D. Borum;

H. R. 8163. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Pecatonica River at Harrison, in Winnebago County, State of Illinois;

H. R. 8171. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Kankakee River at Momence, in Kankakee County, State of Illinois;

H. R. 8238. An act to extend the times for commencing and completing the construction of a free highway bridge across the Fox River at Algonquin, in McHenry County, State of Illinois;

H. R. 8250. An act granting authority to the Texas State Highway Commission to maintain and operate, as constructed, a free highway bridge across Trinity River between the counties of Navarro and Henderson, in the State of Texas;

H. R. 8324. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Byron, in Ogle County, State of Illinois; and

H. R. 8327. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Oregon, in Ogle County, State of Illinois.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 100. An act to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions," approved March 2, 1929;

S. 207. An act for the relief of James L. Pate;

S. 417. An act to provide a government for American Samoa;

S. 432. An act granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy;

S. 433. An act to authorize the posthumous award of a distinguished-flying cross to Eugene B. Ely;

S. 460. An act to give war-time commissioned rank to retired warrant officers and enlisted men;

S. 462. An act for the relief of certain officers of the Dental Corps of the United States Navy;

S. 466. An act for the relief of the Allegheny Forging Co.;

S. 480. An act for the relief of Peter C. Hains, jr.;

S. 816. An act for the relief of E. H. Flagg;

S. 860. An act for the relief of William Girard Joseph Bennett;

S. 863. An act for the relief of Edgar Joseph Casey;

S. 879. An act authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, retired, to chief boilermaker, retired;

S. 894. An act directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years;

S. 1047. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Historical Society of Montana, for preservation and exhibition, the silver service which was in use on the gunboat, No. 9, *Helena;*

S. 1088. An act for the relief of Cornelia Claiborne;

S. 1096. An act for the relief of Nels D'Arcy Drake;

S. 1205. An act for the relief of Edith Tolerton Lathrop;

S. 1294. An act for the relief of Harry Flanery;

S. 1470. An act providing a nautical school at the port of New Orleans, La.;

S. 1473. An act to authorize an appropriation for the relief of I. L. Lyons & Co.;

S. 1529. An act for the relief of Charles Morton Wilson;

S. 1839. An act to authorize the creation of Indian trust estates, and for other purposes;

S. 1855. An act to provide for the care and maintenance of the Guilford Courthouse National Military Park;

S. 2078. An act to amend an act approved February 20, 1896, entitled "An act to amend an act entitled 'An act to punish false swearing before trial boards of the Metropolitan police force and fire department of the District of Columbia, and for other purposes,' approved May 11, 1892 ";

S. 2200. An act to authorize the presentation of a medal of honor, posthumously, to the late Henry Clay Drexler and the late George Robert Cholister;

S. 2242. An act granting six months' pay to Louis Soluri;

S. 2269. An act for the relief of Lucy Cobb Stewart;

S. 2426. An act to authorize the Secretary of War to convey to the State of Arizona a portion of a National Guard target range near Phoenix, Ariz., for use as a burial plot;

S. 2436. An act for the relief of Alfred G. Simmons, jr.;

S. 2437. An act for the relief of the estate of Annie Lee Edgecumbe, deceased;

S. 2496. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 2915. An act authorizing A. A. Lilly, M. B. Collinsworth, and A. E. Booth, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Big Sandy River at or near where it enters into the Ohio River, and between the cities of Kenova, W. Va., and Catlettsburg, Ky.;

S. 2982. An act for the relief of J. G. Seupelt;

S. 3027. An act for the relief of James J. Jordan;

S. 3095. An act for the relief of J. J. Bradshaw and Addie C. Bradshaw;

S. 3110. An act authorizing the Secretary of the Interior to arrange with States for the education, medical attention, and relief of distress of Indians, and for other purposes;

S. 3222. An act to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ending June 30, 1918;

S. 3281. An act for the relief of Warren Burke;

S. 3409. An act authorizing the Secretary of the Interior to sell certain unused Indian cemetery reserves on the Wichita Indian Reservation in Oklahoma to provide funds for purchase of other suitable burial sites for the Wichita Indians and affiliated bands;

S. 3443. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.;

S. 3514. An act regulating the use of appropriations for the military and nonmilitary activities of the War Department;

S. 3538. An act for the relief of Nellie McMullen;

S. 3547. An act to authorize the Secretary of War to acquire, exchange, transfer, and sell certain tracts of real estate, and for other purposes;

S. 3634. An act to amend section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122);

S. J. Res. 4. Joint resolution to provide for the naming of Montgomery Blair Portal;

S. J. Res. 41. Joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of

Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof;

S. J. Res. 50. Joint resolution to authorize the Commissioners of the District of Columbia to close upper Water Street between Twenty-second and Twenty-third Streets;

S. J. Res. 55. Joint resolution to amend section 2 of the act of February 25, 1927 (44 Stat. L., pt. 2, p. 336); and

S. J. Res. 110. Joint resolution authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress.

The message also announced that the Senate had agreed to the amendment of the House to a bill of the following title:

S. 315. An act for the relief of Lemuel Simpson.

CALL OF THE HOUSE

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

Mr. BLANTON. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. Evidently there is no quorum present.

Mr. PATTERSON. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 22]

Andrews, N. Y.	Eaton, N. J.	Kurtz	Sabath
Beck	Erk	Lea	Sanders, N. Y.
Bloom	Freeman	Lewis	Selberling
Briggs	Garrett	McClintock, Ohio	Shannon
Britten	Griffin	McLaughlin	Sinclair
Brumm	Guyer	McLeod	Sullivan, Pa.
Buckbee	Haines	Mouser	Summers, Wash.
Carter, Calif.	Harlan	Nelson, Wis.	Temple
Cary	Hogg, W. Va.	Niedringhaus	Turpin
Chapman	Hooper	Norton, N. J.	Vestal
Cochran, Pa.	Houston	Palmisano	Vinson, Ky.
Collier	Hull, William E.	Parker, N. Y.	Weaver
Cooke	James	Peavey	Welsh, Pa.
Coyle	Johnson, Ill.	Perkins	White
Crowe	Johnson, Okla.	Pratt, Harcourt J.	Wyant
Curry	Kelly, Pa.	Reid, Ill.	
Doutrich	Kendall	Romjue	

The SPEAKER. Three hundred and sixty-five Members have answered to their names. A quorum is present.

Mr. STEAGALL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

THE FEDERAL RESERVE SYSTEM

Mr. STEAGALL. Mr. Speaker, I present a conference report on the bill (H. R. 9203) to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes, for printing under the rule.

PERMISSION TO ADDRESS THE HOUSE

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to address the House for five minutes, or so much thereof as I may need.

The SPEAKER. Is there objection?

Mr. ANDREW of Massachusetts. Mr. Speaker, reserving the right to object, would the gentleman from Maryland be willing to couple with that a request that I have five minutes to follow him?

Mr. LINTHICUM. Mr. Speaker, I modify my request, that the gentleman from Massachusetts also have five minutes.

The SPEAKER. The gentleman from Maryland asks unanimous consent that he may address the House for five minutes, and following that the gentleman from Massachusetts may have five minutes. Is there objection?

Mr. BLANTON. Reserving the right to object, I want to make this observation. Since these requests come from Members who have the same belief on the question, I think there should be an opportunity for those who disagree to be heard. I would like to address the House for five minutes myself.

Mr. LINTHICUM. And I ask that the gentleman from Texas may also have five minutes.

Mr. SCHAFER. Mr. Speaker, reserving the right to object——

Mr. HUDDLESTON. I object.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for five minutes. Is there objection?

Mr. SNELL. Reserving the right to object, I wish to couple with that that the gentleman from Ohio [Mr. MOORE] may have five minutes succeeding the gentleman from New York [Mr. O'CONNOR].

Mr. DYER. Mr. Speaker, there is unfinished business on the Speaker's desk, and I object to all these requests.

DEPARTMENTS OF STATE, COMMERCE, JUSTICE, AND LABOR APPROPRIATION BILL

The SPEAKER. The unfinished business is the vote on the motion to recommit the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to proceed for one minute in explanation of the motion.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON. Mr. Speaker, I desire just a minute to explain the purport of the pending motion. The department, the Budget Bureau, and the subcommittee all included in this bill sufficient money to provide tuberculosis wards in the institution at Springfield, Mo. The committee struck it out, and this motion is to restore the appropriation to the original amount recommended by the Budget Bureau and the subcommittee.

In brief here is the proposition: A vote for the motion to recommit is a vote for hospital accommodations for the treatment of men infected with active tuberculosis. A vote against the motion, on the other hand, may condemn many of these poor fellows to the ravages of an incurable disease. I trust the House will approve the recommendation of every medical authority consulted on the proposition and refuse to strike from the appropriation this much-needed facility for the treatment of these unfortunate men.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. Is there objection?

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I couple with that request the unanimous-consent request to make an announcement for two minutes.

Mr. BLANTON. If that is going to be done without a chance to answer, I object.

The SPEAKER. Objection is heard. The question is on the motion to recommit.

Mr. SCHAFER. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Wisconsin demands the yeas and nays. All in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Eleven Members, not a sufficient number, and the yeas and nays are refused.

The question is on the motion to recommit. The noes have it, and the motion to recommit is rejected. The question now recurs on the passage of the bill.

The question was taken, and the bill was passed.

On motion of Mr. OLIVER of Alabama, a motion to reconsider the vote by which the bill was passed was laid on the table.

HOUSE JOINT RESOLUTION 208

Mr. LAGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. My inquiry is as to whether, under the rules, a petition has been filed and is now at the Clerk's desk to discharge the Committee on the Judiciary from fur-

ther consideration of a resolution submitting to the States a repeal of the eighteenth amendment.

The SPEAKER. The Chair is so informed.

Mr. LAGUARDIA. Then, let us go and sign it. Come on.

Mr. SCHAFER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SCHAFER. On the motion to recommit the bill H. R. 9349, offered by the gentleman from Missouri [Mr. CANNON] on Tuesday last, an automatic roll call was ordered because it developed that a quorum was not present. The division had been taken on the motion to recommit, and the vote on division was objected to upon the ground that there was no quorum present. My parliamentary inquiry is to ascertain why the automatic roll call on the motion to recommit is not in effect to-day?

The SPEAKER. Because the House adjourned, and this being a new legislative day, the vote on the motion to recommit is taken de novo.

Mr. BACHMANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BACHMANN. As I understand it, there is now a petition on the Speaker's desk to bring up House Joint Resolution 208, the purpose of the petition being to take this resolution away from the further consideration of the Committee on the Judiciary. My inquiry is with respect to section 4, Rule XXVII, relating to discharge of committees. This petition seeks to bring before the House for consideration House Joint Resolution 208, which was before the Committee on the Judiciary of the House. That committee considered the resolution and acted upon it. By a majority vote of that committee the resolution was amended so that it would be impossible for Congress or the States to authorize intoxicating liquor to be consumed on the premises where purchased. In other words, this amendment keeps the saloon outlawed. Another amendment was adopted by that committee, being the 7-year provision, requiring the ratification by the States within a period of seven years. The committee after these amendments had been adopted, after due consideration, voted by a vote of 14 to 9 against reporting the resolution favorably to the House. In other words, it made an adverse report.

Mr. LAGUARDIA. Oh, the committee did not make an adverse report.

Mr. BACHMANN. The committee voted not to report it favorably. Then a motion was made to report it adversely, and that motion was laid on the table by a majority vote of the committee. As that resolution stands before the committee to-day, it is lying on the table with these two amendments. This petition, which I have examined, seeks to have the House consider House Joint Resolution 208. When the Members sign this petition is it understood that House Joint Resolution 208, as amended by the committee, will be considered by the House, or is it understood that House Joint Resolution 208, as originally referred to the committee without amendments, will be considered? Permit me to say also, before the Speaker answers the parliamentary inquiry, that this is the first time under this new rule that the question has been raised. It does not present the situation of a committee that has failed to take any action on a resolution or bill that was regularly referred to it by the House, but it presents a situation where the committee has considered it and has acted upon it by a majority vote of that committee. My inquiry is, If this petition is signed by 145 Members of the House, the House will vote on the consideration of House Joint Resolution 208, as amended by the committee, or as originally referred to that committee without amendments?

The SPEAKER. It is very plain under the rule that the motion to discharge, if agreed to, would bring out the joint resolution as originally introduced. The House has no knowledge of the statements made by the gentleman from West Virginia as to what happened in the Committee on the Judiciary. The only knowledge that the House has is that the House Joint Resolution 208 was introduced and referred to the Committee on the Judiciary. Whatever petition is signed to bring the joint resolution out under the rule would have to be a petition to bring out the original resolution as sent to the Committee on the Judiciary.

Mr. BACHMANN. Mr. Speaker, may I suggest that under the rules of the House that resolution was regularly referred to the Committee on the Judiciary, and that committee under the rules of the House had a right to amend it. That committee also had the right to lay it on the table.

The SPEAKER. Certainly they had that right; but the committee did not make a report to the House of Representatives as to its action thereon.

Mr. LAGUARDIA. Mr. Speaker, is it not true that up to the time the petition is signed by the required number, the resolution is before the Committee on the Judiciary, which still has freedom of action if it wants to exercise it?

The SPEAKER. That is true.

Mr. O'CONNOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. Is it not true that under the rule, when this matter comes before the House for consideration, amendments of any kind are in order at that time?

The SPEAKER. Yes. If the House takes it up for consideration, it will be considered under the rules of the House.

AGRICULTURAL-CREDIT CORPORATIONS

Mr. JONES. Mr. Speaker, I call up a conference report on the joint resolution (H. J. Res. 292) to authorize the Secretary of Agriculture to aid in the establishment of agricultural-credit corporations, and for other purposes.

The SPEAKER. The gentleman from Texas calls up a conference report, which the Clerk will report.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 292) to authorize the Secretary of Agriculture to aid in the establishment of agricultural-credit corporations, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the Secretary of Agriculture is hereby authorized to make advances or loans to individuals, under such regulations as he may prescribe, for the purpose of assisting in forming local agricultural-credit corporations, livestock-loan companies, or like organizations, or of increasing the capital stock of such corporations, companies or organizations qualified to do business with Federal intermediate credit banks, or to which such privileges may be extended.

"SEC. 2. (a) No loans shall be made to individual stockholders on the capital stock of, or to create or increase the capital stock of such corporation, company, or organization in an amount in excess of 75 per cent of the par value of the capital stock of such corporation, company, or organization owned by or proposed to be subscribed to by such individual.

"(b) No loan shall be made upon the capital stock of any corporation until the Secretary of Agriculture shall find that the financial structure of such corporation is sound and unimpaired and by him approved, nor shall any loan be made upon the capital stock of such corporation until the management of such company shall be made known to and approved by the Secretary, and the Secretary shall have the right at any time to declare the indebtedness to the Government that may be created hereunder due whenever in his judgment the financial structure of the corporation shall become so impaired or the management become so unsatisfactory as to jeopardize the interests of the Government.

"SEC. 3. No loan or advance shall be made to any individual upon the capital stock of or to create or increase the capital stock of any corporation, unless the paid-in capital stock of such corporation shall be at least $10,000.

"SEC. 4. To carry out the provisions of this resolution, including all expenses incurred thereunder, there are authorized to be appropriated, out of the unexpended balances of appropriations made to carry out the provisions of Public Resolution No. 112, Seventy-first Congress (46 Stat. 1032), as amended by the Interior Department appropriation act for the fiscal year ending June 30, 1932, and as amended by Public Resolution No. 120 (46 Stat. 1167), and out of the collections from loans made under Public Resolution No. 112, as so amended, a sum not exceeding $10,000,000, which sum shall be paid into a revolving fund. Not to exceed 2 per cent of such fund may be used for expenses of administration. All moneys received from time to time upon the repayment of any advance or loan made pursuant to this act, together with the interest, shall be paid into the revolving fund and shall thereafter be available for the purposes and in the manner hereinbefore provided."

And the Senate agree to the same.

MARVIN JONES,
H. P. FULMER,
G. N. HAUGEN,
Managers on the part of the House.
CHAS. L. MCNARY,
E. D. SMITH,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the joint resolution (H. J. Res. 292) to authorize the Secretary of Agriculture to aid in the establishment of agricultural-credit corporations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Under the House resolution the Secretary of Agriculture could not grant loans unless the individual desiring the loan submitted a credit statement to the Secretary showing that such individual was not indebted in excess of one-half the fair market value of his assets, nor unless the value of such individual's assets above his indebtedness was at least twice the value of the loan applied for; nor could any loan be made on the capital stock or to increase the capital stock of any corporation devoted mainly to the financing and/or sale of special products to farmers. Under the Senate amendment the loans were to be made under such terms and conditions as the Secretary of Agriculture might prescribe. In the proposed substitute the language of the House resolution, above referred to, is omitted because deemed unnecessary in view of the power contained in section 1 of the House resolution and in the proposed substitute authorizing the Secretary of Agriculture to make loans under such regulations as he may prescribe.

Other than the change suggested above, the substitute agreed upon in conference is the same as the House resolution.

MARVIN JONES,
H. P. FULMER,
G. N. HAUGEN,
Managers on the part of the House.

Mr. JONES. Mr. Speaker, the report states very clearly what is involved. This is the measure which provided for the establishment of agricultural-credit corporations. The only change made in the House bill is that set out in the statement, to wit, the House bill contained a requirement for a credit statement. As this is covered by the provision that the Secretary of Agriculture may prescribe the necessary qualifications for making the loan, the further House provision on this subject is unnecessary.

With this exception the conferees have agreed upon the bill as it passed the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

PARLIAMENTARY INQUIRY

Mr. CELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CELLER. I desire to propound a parliamentary inquiry relative to the discharge rule that was being considered in the House. Clause 4, Rule XXVII, relative to the discharge rule, frequently contains the words "public bill or resolution." If 145 Members sign the petition to discharge the standing committee, in this instance the Committee on the Judiciary, does that mean that the resolution or public bill as indicated in that rule is the resolution or bill unamended by any action of the committee?

The SPEAKER. It certainly does. The Chair has so stated two or three times.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the present consideration of the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes; and pending that motion I would like to ask the gentleman from Indiana if we may come to some agreement relative to the time for general debate?

Mr. WOOD of Indiana. I suggest that we do not fix the time definitely to-day, but allow general debate to run through the day.

Mr. BYRNS. Mr. Speaker, pending that motion I ask unanimous consent that the time for general debate be divided equally between the gentleman from Indiana and myself, one-half to be controlled by the gentleman from Indiana and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Tennessee.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9699, the Treasury and Post Office Departments appropriation bill, with Mr. HOWARD in the chair.

The Clerk read the title of the bill.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Chairman, I would like to submit a request, which I hope my colleagues will grant. I know, of course, that it is customary in the consideration of appropriation bills for those explaining them to yield to interruptions and inquiries. I trust that the Members of the House will allow me to conclude with my statement before I am interrupted. I have a great number of requests for speeches under general debate. We are anxious, of course, to dispose of this bill at the earliest possible moment, and I submit to Members that probably we can do so to better advantage if we would withhold some of our inquiries in regard to the appropriations carried in the bill until we go under the 5-minute rule, and at that time members of the committee will be glad to yield to any inquiry and to make reply with reference to the appropriations.

Mr. PARSONS. Will the gentleman yield for a brief question?

Mr. BYRNS. I yield.

Mr. PARSONS. For how many days is it expected this bill will be under general debate?

Mr. BYRNS. I can not tell the gentleman. I would like to see general debate close to-morrow, and that is one reason for my request. I would like to finish in 30 or 40 minutes myself, and I can do so with an explanation of some fea-

tures of this bill if I am permitted to go along without any interruptions.

Mr. LINTHICUM. Does the gentleman mean to say that Members must wait until each item is reached before they ask questions?

Mr. BYRNS. I did not say that; but I have asked the committee to do me the favor of not interrupting me until I finish my general statement.

Before I proceed with a discussion of this bill I want to refer briefly to a statement by our distinguished Secretary of War which appeared in the papers, in which he took my good friend and colleague, the gentleman from Missouri [Mr. COCHRAN], and myself somewhat to task because of certain statements we had made upon the floor of the House. I do not care to enter into any controversy with anyone with reference to that statement, but I do wish to say, in view of the fact that he claims we are trying to make a political issue of the bill providing for the consolidation of the Navy Department and the War Department into a department of national defense, that he is entirely mistaken. His statement is absolutely incorrect. Neither the gentleman from Missouri nor I have attempted to make a political issue out of that bill, and neither the gentleman from Missouri nor I intend to try to do so. It is not a political matter. It has never been considered a political matter. This suggestion of a consolidation of those two departments has been a matter which has been agitated for many years.

As far back as 1920 this matter came up, as I said the other day, in the form of a joint resolution providing for a congressional committee. Mr. Harding was inaugurated President in March, 1921, and at his request, on May 5, there was added to that commission a personal representative in the person of the present Postmaster General, Mr. Brown, who became its chairman at his instance, and no doubt shared his views. For nearly four years that commission considered the questions before it and finally submitted a report to this House. But in the meantime, be it said to his credit, the President of the United States, Mr. Harding, did not wait for Congress to ask him, but he voluntarily submitted to that joint commission certain suggestions as to consolidations which he thought should be made, thereby showing a spirit of cooperation in the public interest, which, of course, was appreciated by the Congress and which no doubt proved helpful to the commission. Among the most important suggestions coming from President Harding was that these two great departments be consolidated into one under the head of a department for the national defense. I want to ask my distinguished friend, the Secretary of War, if it was a political question then? This consolidation was advocated and urged by a Republican President of the United States, in whose Cabinet the present President sat. Will Secretary Hurley say that President Harding was trying to reduce the Army to a state of impotence?

I have before me this recommendation of President Harding. The consolidation was not recommended by the majority members of that committee. I am going to read to you the opening paragraph from the supplemental report which was made by the minority members, Senator HARRISON and Representative Moore, in which they explain why this was not done. They agreed to the report of the majority in the main, but they said this:

> It will appear from the hearings that very many of the suggestions that were submitted to the committee by President Harding—

Listen—

> As, for instance, that of consolidating the War and Navy Dedepartments have been rejected because of the conflicting views of Cabinet officials.

That is just the trouble now; and I repeat that if you are ever going to consider a bill of that sort and act upon it, you have got to do so independently of the views of some Cabinet officials who will be very seriously affected by the bill should it pass and become a law. The question is whether these Cabinet officials shall legislate or the Congress. There is nothing political about it. It is simply a question that should appeal to every Member of the House, as to whether we can have equal or better efficiency in the War and Navy Departments under one head, and at the same time save many millions of dollars to the Public Treasury.

I want to make this prediction—and I do so as one who has always voted for preparedness in the past—that the people of this country, overburdened and overtaxed as they are, are not going to continue to stand for these immense appropriations for the Army and the Navy unless Congress makes some effort to reduce the administrative expenses attendant upon them. [Applause.] If they want great appropriations for the building of ships; if they want great appropriations for the Army and the Navy, they should certainly, in the interest of the public, join those who are making an effort to save some of these great administrative costs.

I believe in the Constitution of the United States. That Constitution makes it the duty of the President of the United States to submit recommendations and his views upon the state of the Union to the Congress from time to time. There is no mention of any such duty being imposed upon a Cabinet official. It may surprise the distinguished Secretary to learn that his office is not even mentioned in the Constitution.

There is no political question involved. On the contrary—and I thought I made this plain the other day—it is an economic question, and there are members of the minority upon the Expenditures Committee who have been standing shoulder to shoulder for some such legislation as this. They are entitled to the same credit for their views as members of the opposite party who are in the majority.

In passing, let me say this, in the absence of the gentleman from Missouri who inserted a certain editorial printed in the St. Louis Star. We all know that is a great paper, a splendid paper, with a wide circulation and great influence. In that editorial, which the gentleman from Missouri read, it was stated that form set-ups had been received from the Department of the Interior, and I think it named the Secretary in person, requesting the paper to editorially advocate that Congress turn down the report of the Committee on Appropriations, and do what? Appropriate $500,000 for a survey of the public domain, which the committee and this House very properly thought could be suspended at least for one year without any detriment to the public welfare; and in the course of the same editorial it said that form letters had been received from the War Department asking it to protest editorially against any cuts in so for as the War Department is concerned, based, doubtless, upon a premature report which appeared in the newspapers several weeks ago, and which you gentlemen probably saw. All this was sent out at Government expense, written and prepared by officials at Government expense, typewritten at Government expense, sent to that office, and no doubt to many other offices of newspapers, at public expense.

I do not care, my friends, who is Secretary—whether he belongs to my party or another—I simply say that the Constitution provides for an executive department and a legislative department, and I think the Congress is capable of attending to its own business, if some of these executives who are not required to make these protests will attend to theirs. [Applause.]

I have no objection; on the contrary, I think it is their duty to appear before these committees whenever they are called upon to appear, and I make no criticism of any member of the Cabinet or any high officer of the Army or the Navy when they do appear and express their views, but what I do protest against is the fact that they do not appear as I appeared, and then leave. Talk to me about lobbying up here at the Capitol! If I wanted to, I could give you the names and cite instances where Members have been buttonholed and letters have been written by these same distinguished gentlemen who, the Secretary of War says, were not lobbying. Enough for that.

The pending Treasury and Post Office bill is the fourth of the great annual supply bills that have been reported to the

House at this session. It is the fifth bill that has been considered, which includes, of course, the deficiency bill which was taken up shortly after this Congress convened.

This bill, as reported to the House, carries a reduction below the estimates of $22,677,342, which is divided, as between the two departments, in a reduction of $14,704,430 for the Treasury Department and $7,972,912 for the Post Office Department.

The other bills, beginning with the deficiency bill, as they passed the House carried reductions under the Budget estimates. The deficiency bill is $14,171,120 under the estimates, or approximately a 10 per cent reduction under the estimates.

The Department of Agriculture appropriation bill carried a reduction under the Budget estimates of $10,834,591, or approximately 6 per cent under the Budget estimates.

The Interior Department appropriation bill carried a reduction under the estimates of $6,258,920, or approximately a decrease of 6 per cent under the Budget estimates.

The State, Justice, Commerce, and Labor Departments appropriation bill carried a reduction of $5,568,144.56, or a reduction of approximately 4 per cent under the Budget estimates.

In other words, these five bills have decreased the Budget estimates in the total sum of $59,510,117.56.

There are five more appropriation bills to follow—the District of Columbia bill, the legislative bill, the Army and the Navy bills, and the independent offices bill. Of course, no one can say how much this reduction will be increased by them.

There are a great many items in the pending bill which it is unnecessary to discuss. If I omit referring to some of them and any gentleman is interested, I will be pleased to have him call my attention to it later and I shall give him the reasons which influenced the committee in taking the action that it did.

The committee has adhered to its policy and has not increased any item above the Budget estimate, neither has it placed in this bill any appropriation which was not recommended by the Budget.

It includes, as you will see, the same provision with reference to prohibiting increases in salaries and filling vacancies during the fiscal year 1933, similar to those which have been incorporated in other bills, with certain modifications to meet the situation, particularly as it applies to these departments.

The first item to which I wish especially to call your attention, as it appears in the bill, is an appropriation under the public-debt service. There is a reduction here of $75,000 in the amount of the Budget estimate for the purchase of distinctive paper which is used in the printing of United States securities in the Bureau of Engraving and Printing.

The situation that confronts the Government with reference to this paper is such that there is only one bidder for the entire amount. That is the Crane Co., of Massachusetts.

Under the law the Treasury Department goes through the form of advertising and opening bids, but the result is there is usually only one bidder, except that a year ago another paper company submitted a bid on 200 or 400 tons at 38½ cents a pound. The entire supply was about 1,020 tons.

The bid of the Crane Co. was higher, and it had in it the alternative that if it was allowed the contract for all the distinctive paper required by the Government it would furnish it for 43 cents a pound, but if the bid was to be split and a part furnished by other companies, then the Crane bid on all less 400 tons, or 620 tons, would be 48 cents.

The Comptroller General very properly ruled when the bids were opened and there was this one bid at 38½ cents for 400 tons, and the Crane Co. bid at 43 cents for the entire quantity and 48 cents if they did not get the entire amount, that the department should accept the bid of the Crane Co. for the entire supply at 43 cents, because it would cost the Government less than it would to take 400 tons at 38½ cents from one contractor and the rest from the Crane Co., about 620 tons.

That is what we are up against for our paper. The estimate of the department for next fiscal year was based on 42 cents, a reduction of 1 cent, but the estimate was prepared last summer. This is a period of falling prices, and the committee took the position that if there was one company last year which owing to a limited capacity could only furnish 400 tons, but could furnish it at 38½ cents at that time, then in this period of falling prices certainly the Government ought to be able to procure the paper for 38 cents. Accordingly, there has been written into the bill a provision which states that the Government shall not pay for next year exceeding 38 cents a pound for distinctive paper. You will find that on page 10 of the bill.

That enables the committee to make a reduction of $75,000 in this estimate. We believe that is fair. We believe that the Government ought to get this paper certainly for 38 cents, if not less; and when we are confronted with the fact that we only have one bidder, I think it highly proper that the United States Government should fix some limit to the amount it is going to pay to protect itself, and certainly with the knowledge that another company stands ready to submit bids for a portion of the paper to be furnished at even a less price.

This bill also gives the Secretary of the Treasury the right to split bids if in his discretion he thinks it ought to be done.

Mr. FOSS. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. FOSS. Has the gentleman any assurance that the low bidder would furnish paper acceptable to the Government?

Mr. BYRNS. He would have to comply with the specifications issued by the Government.

Mr. FOSS. The gentleman will remember that two years ago these bids were split, and they had to take the contract away from the party who had it.

Mr. BYRNS. I have already stated that the Collins Co. bid for 400 tons last year, and I have stated the reason why it was not accepted.

Mr. FOSS. I beg the gentleman's pardon; I was not in the Chamber at the time.

Mr. BYRNS. Now, I want to say this in passing, that we have made some investigation of this subject. The gentleman from Indiana [Mr. WOOD] for a year or two has made a close investigation of this entire subject, and I hope he will discuss it when he takes the floor. It appeared to the committee that it would be possible to use more cotton in the paper than we are now using. As we all know, currency is not now turned into the Treasury because it gets worn-out but because it is greasy and dirty. A little more cotton in the paper would not cause it to be any more greasy or unsuitable for use. As it is now used there is 25 per cent of cotton to 75 per cent of linen.

The Treasury Department is continuing its investigation, and we have expressed the hope that we may be able gradually to put more cotton into the paper until possibly it may be on a 50-50 basis, if such a thing is deemed desirable. The Bureau of Standards has made a thorough study of the subject. The use of more cotton will further reduce the cost of the paper. The linen rags in the paper are imported. Cotton rags are manufactured in our own country. Certainly, when we can do so, we ought to give every benefit to the cotton producers of the country.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. For a short inquiry.

Mr. ALLGOOD. The statement just made pertains to the inquiry that I wanted to make a while ago, because cotton is now selling for a third of what it formerly did. The fact that this company offered to supply the paper at 38½ cents a pound, when prices were high, indicates at least that if we use a higher percentage of cotton, it could be furnished much more cheaply than 38½ cents.

Mr. BYRNS. Yes. I am aware of the views of the gentleman from Alabama [Mr. ALLGOOD], because he has discussed them with me many times.

Mr. SCHNEIDER. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SCHNEIDER. In order to ask the gentleman a question about the cotton in the paper. That is a practical proposition. The fact is that when the paper is used for a while, with a certain percentage of cotton in it, it will become soft and difficult to handle, whereas linen paper always maintains a certain hardness, regardless of how long it is used.

Mr. BYRNS. I know that has always been the contention. I call the attention of the gentleman to the fact that during the war, if I recollect correctly, all of our currency was 100 per cent cotton. As I said a moment ago, we do not need the durability now as we once thought, because the money is not turned into the Treasury because it becomes worn out but because it becomes dirty and greasy. The objection of the gentleman, therefore, does not apply. However, that difficulty has been entirely overcome. As I said a while ago, the Bureau of Standards has been making an investigation with reference to just how much cotton can be used with the linen in order to provide our currency with a proper, distinctive paper for currency uses. There is no doubt that there can be a considerable increase in the amount of cotton used with corresponding reductions in the cost, without the slightest ill effect.

Mr. SCHNEIDER. Mr. Chairman, could the gentleman tell us how much the reduction in the appropriation will be?

Mr. BYRNS. No; I could not.

Mr. SCHNEIDER. I would like to get that information.

Mr. BYRNS. It would be considerable when they reach the point to which I alluded awhile ago. There is no effort to force the Treasury Department immediately to a full-cotton basis or even a 50-50 basis. The idea is that they shall gradually approach it. However, there is nothing in this bill which provides for that.

Mr. SCHNEIDER. I am not opposed to an experiment along that line, although I do not believe it is practicable. What is more, I have no knowledge that cotton was used entirely in the manufacture of paper money during the war. Can the gentleman submit the evidence in respect to that?

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. TREADWAY. I am very much interested in the paper item. As I understand it now, 25 per cent of the material used in the manufacture of the currency paper is cotton.

Mr. BYRNS. Yes.

Mr. TREADWAY. Has the gentleman information of the experiments being conducted by the Bureau of Standards in respect to the quantity they expect to recommend?

Mr. BYRNS. No.

Mr. TREADWAY. So that the talk about more cotton is more or less general—there is nothing definite.

Mr. BYRNS. There is nothing definite except the Treasury concedes that a greater amount of cotton can be used, but they say they do not want to go to it all at once; they want to proceed gradually.

Let us now take up the Bureau of Customs. The appropriation for the Customs Service is carried in the sum of $22,700,000, which is $1,283,600 under the current year, and $350,000 under the Budget estimates. The Budget recommended a decrease of $933,600, which was accounted for mainly by reduction in the field personnel, decreased contingent expenses, subsistence expenses, equipment purchases and installations, and payment of awards. These decreases logically have followed the diminution of customs business due to the depression. Vacancies in the field forces are not being filled and will not be filled until there is need for them. The committee, in view of these conditions, has effected a further decrease of $350,000 in the estimate by the elimination of amounts for automatic increases in salary for field clerks, and in the belief that greater decreases should and can be made in the expenses for rents, repairs, fuel, and other items where decreasing prices affect the situation Included in this committee decrease of $350,000 is the sum of $153,800, representing the abolition of 29 presidential offices.

These offices which have been omitted from this bill, and which will be eliminated from future appropriation bills if this provision goes into effect, are the offices of surveyors, appraisers, and comptrollers, with the exception of the position of appraiser in the city of New York. I think no harm would have resulted if we had eliminated the appraiser in the city of New York, and the only reason I can give for retaining that position is the fact that at least 60 per cent of the entire revenues from customs is collected in the port of New York, and the appraiser there has some 900 people under him.

However, I want to call attention to the fact that every one of these positions, without exception, was created between the years 1799 and 1889. They are obsolete. They do not perform any useful purpose that can not be performed by others now in the service.

Now, I want to give you a picture of this situation, because I think it is important. The committee is proposing the abolition of all presidential officers at any port except the collector of customs, with one single exception, and that is the appraiser at the port of New York.

There is one collector of customs for each of the 48 customs collection districts. Collectors are appointed by the President and are charged with the collection of the customs revenue and the enforcement of the customs revenue laws, the neutrality laws, and such other laws as they may be directed to enforce by the Secretary of the Treasury. They are also charged with the administration of certain navigation laws, certain functions under the immigration laws, and other laws pertaining to the Department of Agriculture.

In 32 of the 48 customs districts there are no appraisers appointed by the President, and in such districts the collector is the only officer appointed by the President, and he has complete jurisdiction over the customs organization within his particular district. The responsibility for enforcing the customs laws is placed in him alone, and the authority and responsibility are not divided as it is in the few ports where there are appraisers, surveyors, and comptrollers in addition to the collector of customs. In the ports where there is only one presidential appointee, namely, the collector of customs, the duties performed by appraisers and surveyors are expeditiously and efficiently conducted by officers under the jurisdiction of the collector. A deputy collector or a chief inspector performs the duties of the surveyor, and an examiner or other officer performs the duties of the appraiser under the additional title of acting appraiser. In such districts where there is only a collector the customs procedure is carried on smoothly and just as much revenue is collected at less expense.

Surveyors of customs are appointed by the President, and out of the 48 customs districts there are only 7 ports at which surveyors are appointed. In these seven ports the surveyor is the outdoor executive officer of the port and is required to superintend and direct all outdoor officers such as inspectors, guards, and laborers. These officers board and search vessels, supervise the unlading and inspection of merchandise and baggage imported by vessels, trains, automobiles, or otherwise. An anomalous situation arises in that while the surveyor, who is appointed directly by the President, supervises the work of the inspectors, guards, and laborers, those employees are selected for appointment by the collector of customs. Such a procedure is not good organization.

In the other 41 customs districts there is no surveyor, and the duties described above are performed by the same class of employees, namely, inspectors, guards, and laborers, under the jurisdiction of a deputy collector or chief inspector, who reports directly to the collector of customs.

There are 16 appraisers of customs appointed by the President, and their duties are to examine and appraise all imported merchandise, and to furnish to the collector of customs all information necessary for the assessment of duty on such imported merchandise in accordance with the terms of

the tariff act. The employees under the jurisdiction of the appraiser consist of assistant appraisers, examiners, verifiers, openers, packers, clerks, samplers, and laborers. A certain percentage of the number of cases in each importation is sent to the appraiser's stores for examination and appraisement. Section 500 of the tariff act of 1930 states that the Secretary of the Treasury is authorized to designate an officer of the customs as acting appraiser at a port where there is no appraiser appointed by the President. This section of the tariff act also states that such acting appraiser shall perform all the duties and possesses all the powers of an appraiser.

There are 48 customs districts, which include approximately 300 ports of entry, and there are only 16 ports at which there are appraisers appointed by the President; the other 284 ports have each an officer designated as acting appraiser. At ports where there are no appraisers appointed by the President—and some of these ports are of considerable size, such as Seattle, Los Angeles, and Galveston—the customs business is handled efficiently and expeditiously and, of course, at less expense.

The committee does not abolish the position of appraiser at the port of New York on account of the volume of customs imports at that place. About 60 per cent of the total customs receipts are collected at the port of New York, and the appraiser at that port has approximately 900 employees under his jurisdiction. The second port in size, so far as numbers of employees in the appraiser's stores is concerned, has about 100 employees, or one-ninth of the number of such employees in the appraiser's stores at New York. Furthermore, the appraising officers throughout the country depend a great deal for advice as to the value of imported merchandise from the appraiser at the port of New York.

There are seven comptrollers of customs, each appointed by the President. The comptroller of customs is an auditing officer, and his duties are to examine the collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise. The 48 customs districts are divided into seven comptroller districts, and each of the seven comptrollers of customs examines the accounts of the various collectors within his—the comptroller's—district.

The examination of the collectors' accounts is very technical work and can only be performed by officers well trained in customs procedure. There are seven assistant comptrollers, one in each comptroller's office, who are civil-service employees, well trained overa long period in customs matters. The assistant comptroller is really the active head of the office, as it can not be presumed that a comptroller appointed by the President could have the technical knowledge required to examine the accounts of the various collectors of customs.

If the seven positions of comptroller of customs are abolished, the assistant comptrollers will carry on the work under the jurisdiction of the Secretary of the Treasury in the same manner and just as efficiently as it has always been carried on, and, of course, at less expense.

I shall include as a part of my remarks the following table, which shows the principal ports, the total receipts for the fiscal year 1931 at each port, and comparative columns showing the presidential officers now provided for the various ports:

Principal ports, presidential officers, and receipts, 1931

Port	Total receipts for the port for the fiscal year 1931	Officers appointed by the President			
		Collector	Appraiser	Comptroller	Surveyor
New York	$204,937,612.66	$12,000.00	$9,000.00	$9,000.00	$9,000.00
Philadelphia	29,288,573.15	9,000.00	5,600.00	5,800.00	5,600.00
Boston	23,376,831.75	9,000.00	6,000.00	5,600.00	5,800.00
New Orleans	16,371,643.00	6,500.00	5,200.00	5,600.00	4,600.00
Baltimore	12,103,694.71	7,500.00	5,000.00	5,600.00	5,000.00
San Francisco	9,540,753.35	8,500.00	5,600.00	5,600.00	5,600.00
Chicago	8,332,791.12	7,500.00	6,000.00	5,600.00	None.
Galveston	5,425,233.02	5,600.00	None.	None.	None.
Los Angeles	5,336,546.96	6,500.00	None.	None.	None.
Savannah	4,180,302.42	5,400.00	None.	None.	None.
Pittsburgh	3,151,948.48	5,400.00	4,600.00	None.	None.
Seattle	$3,124,440.15	$7,500.00	None.	None.	None.
Norfolk	2,908,245.02	6,400.00	None.	None.	None.
Nogales	2,623,337.03	4,600.00	None.	None.	None.
Buffalo	2,548,150.73	7,000.00	$4,600.00	None.	None.
Detroit	2,367,139.43	7,000.00	4,600.00	None.	None.
Tampa	2,324,033.56	6,400.00	3,800.00	None.	None.
Providence	1,879,904.90	5,400.00	None.	None.	None.
Honolulu	1,760,323.38	6,200.00	None.	None.	None.
St. Louis	1,594,320.30	6,400.00	4,600.00	None.	None.
Cleveland	1,489,082.89	5,600.00	4,600.00	None.	None.
Rochester	1,121,338.90	5,400.00	None.	None.	None.
San Juan	1,035,459.80	6,400.00	None.	None.	None.
Cincinnati	946,661.09	None.	3,800.00	None.	None.
Portland, Oreg	872,957.28	5,400.00	4,400.00	None.	None.
Mobile	801,304.66	5,200.00	None.	None.	None.
Charleston	725,475.00	3,200.00	None.	None.	None.
St. Albans	714,807.11	5,600.00	None.	None.	None.
Louisville	658,089.94	4,600.00	None.	None.	None.
Milwaukee	596,049.98	5,400.00	None.	None.	None.
Minneapolis	477,314.54	4,600.00	None.	None.	None.
Bridgeport	303,697.18	4,600.00	None.	None.	None.
Omaha	293,753.33	4,600.00	None.	None.	None.
El Paso	290,819.57	5,400.00	None.	None.	None.
Denver	239,363.27	4,800.00	None.	None.	None.
Ogdensburg	234,254.39	6,200.00	None.	None.	None.
Portland, Me	212,818.81	6,400.00	3,800.00	None.	$3,200.00
Indianapolis	205,358.59	4,800.00	None.	None.	None.
Wilmington	160,859.48	4,800.00	None.	None.	None.
San Antonio	101,197.75	5,400.00	None.	None.	None.
Des Moines	69,972.86	3,800.00	None.	None.	None.
San Diego	58,128.37	4,600.00	None.	None.	None.
Salt Lake City	50,192.56	3,300.00	None.	None.	None.
Memphis	42,396.45	4,600.00	None.	None.	None.
Duluth	39,675.05	4,600.00	None.	None.	None.
Pembina	37,396.02	5,400.00	None.	None.	None.
Great Falls	31,009.91	5,400.00	None.	None.	None.
Port Arthur	24,395.38	3,700.00	None.	None.	None.

An effort was made—and it originated with the Committee on Appropriations as far back as 1912—to eliminate these useless offices and strike them from the pay rolls of the Government. Under the action of the Congress in 1912, the President of the United States, our beloved President Taft, was authorized to reorganize the Customs Service so as to provide for a reduction of $350,000 in its expenditures. I take it that, yielding to the immense pressure which was undoubtedly brought upon him, he did not recommend the abolition of these offices. In this period when economy is so badly needed, now is the time to strike from the rolls every man who is not rendering service consistent with, or justified by, the salary which is being paid him.

Now, I want to call attention to this, to show you how inconsistent and how ridiculous this whole proposition is. Understand, most of these positions were created a hundred years ago, as I can show if I had the time. At Portland, Me., they collected in the fiscal year 1931, $212,818.81 in customs. They have a collector at $6,400, an appraiser at $3,800, and a surveyor at $3,200, all appointed by the President. In the city of Norfolk, where they collect nearly $3,000,000 in customs, all the work in connection with customs is performed by the collector of customs and his regular force; yet, in Portland, Me., where we collect $212,000 in customs, it is costing the Government $97,000. Now, we ought to cut out these surplus offices.

A few years ago a vacancy occurred in the position of surveyor in San Francisco and also in New Orleans and for three years they were permitted to remain vacant. Why? Because everyone realized that it was not necessary. If it had been necessary, we know that the vacancies would have been filled. I have no information about it, but I venture the suggestion, it was only filled possibly after distinguished gentlemen in position of high power and influence had brought such pressure to bear upon the White House that made it impossible for the President to refuse their request to fill the place.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. COCHRAN of Missouri. As I understand, by this bill we are abolishing the office of appraiser in every port in the country with the exception of New York. Is that correct?

Mr. BYRNS. That is correct.

Mr. COCHRAN of Missouri. In St. Louis there is an appraiser, a very competent lady. I must say I have never gone into the customshouse that I did not find that lady in her office. They clear shipments in St. Louis. They come in in bond from the ports. In abolishing this office the collector of customs is to assume the duties heretofore performed by the appraiser. Is that correct?

Mr. BYRNS. Yes; if I understood the gentleman's question correctly.

Mr. COCHRAN of Missouri. The collector of customs will assume the duties of the surveyor?

Mr. BYRNS. Yes. In other words, he will have entire charge of the office.

Mr. COCHRAN of Missouri. The personnel under the appraiser has not been disturbed?

Mr. BYRNS. No.

Mr. COCHRAN of Missouri. There is no intention to close the office?

Mr. BYRNS. No.

Mr. COCHRAN of Missouri. And the committee is treating them all alike, with the exception of New York?

Mr. BYRNS. All with the exception of New York. If I were asked with reference to New York, I could only give the reply that I gave before. I do not know whether that is a good answer or not.

Mr. COCHRAN of Missouri. Was this done by the unanimous vote of the committee?

Mr. BYRNS. Yes. I want to say to the gentleman that in the office in St. Louis, and all over this country, I am not questioning the fact that the appraiser does not go to the Federal building and sit there, but I do say that that work can be done by the competent assistants under civil service under the direction of the collector of customs better than under the present set-up. These offices are simply appendages, being paid for during all of these years at these very handsome salaries, possibly to make a political berth for some man, and that has been true under Democratic administrations as well as under Republican administrations. I think the time has come to get rid of them.

Mr. COCHRAN of Missouri. The offices in St. Louis are separate. The appraiser has charge of all the examiners in St. Louis, as well as of the packers, and so forth. They are separate and they are not in one building.

Mr. BYRNS. The entire force should be under the collector of customs, who is a presidential appointee, who has deputy collectors appointed under the civil service and who are responsible to him. Here you have this sort of a situation: You have a collector of customs and an appraiser in St. Louis, and maybe a surveyor.

Mr. DYER. The collector of customs and the surveyor is one and the same person.

Mr. BYRNS. If that is true, why have these surveyors at other ports? If the collector of customs at St. Louis can do the work without a surveyor, why have a surveyor at other places? That furnishes an additional reason for the abolishment of these positions. I say to the gentleman that this work can be performed by deputy collectors and will be performed by deputy collectors just as it is now, but the trouble is that you have an appraiser and a collector of customs in St. Louis, two presidential appointees, and that does not make good administration. Who is the boss?

Mr. DYER. Each bosses his own department.

Mr. BYRNS. But the fact is that the collector of customs gives a bond, and he is the man who is responsible for every dollar collected, and he should have the authority since he has the responsibility.

Mr. DYER. Will the gentleman yield?

Mr. BYRNS. For a brief question; yes.

Mr. DYER. I am sure the gentleman from Tennessee will not object to this statement, that universally the House has the very greatest regard and affection for him as well as confidence in his judgment. Of course, naturally, we are against anything that tends to destroy the usefulness of the Government in St. Louis in the discharge of public business there. The gentleman from Tennessee, however, states, as I understand, that the service will not be detrimentally affected in any respect by transferring the duties of the surveyor to the collector of customs. The work will go on just the same. And what will the Government save, if the gentleman can give me that information? At the office in St. Louis, of course, the appraiser occupies space in a Government building.

Mr. BYRNS. They will save there at least the sum of $4,600, which is the salary of the present appraiser, not an inconsiderable sum.

Mr. DYER. What about the employees who are in that office?

Mr. BYRNS. They are all civil-service employees, and they will continue under the collector of customs.

Mr. DYER. In other words, you are simply abolishing the office of appraiser, an office which, as my colleague says, is now very well filled by an excellent lady, which no one would doubt, in view of the fact that she is a Republican, and we would not expect anything different.

Mr. BYRNS. I want to say to the gentleman that, regardless of her politics, I am sorry to see her lose her job; but we have somebody else to look after besides job holders, and that is what we are trying to do by the abolition of these offices.

Mr. CLANCY. Will the gentleman yield?

Mr. BYRNS. For a brief question; yes.

Mr. CLANCY. The gentleman is trying to achieve economies in the Customs Service. I asked one of the chiefs in the Customs Service what would be the effect if Canada put an embargo on liquor.

Mr. BYRNS. I do not want to become involved in that. The gentleman must not bring that subject in, because that has absolutely nothing to do with this. I decline to yield to my friend in that connection, because I am not going to have this discussion become involved in something wholly foreign to what we are now talking about.

Mr. BANKHEAD. Mr. Chairman, a point of order. I think it appropriate at this time to call the attention of the Chair to the almost universal infraction of the rules which takes place here every day, namely, that when a speaker declines to yield, some gentlemen insist on making statements to go into the RECORD. I think the rule in that regard should be enforced.

The CHAIRMAN. The point of order is well taken. Let the Chair in all kindness also plead with the membership to hereafter observe the general rule of not interrupting a speaker without first having addressed the Chair for that purpose. The Chair does not seek any recognition on his own account, but the Chair is here to enforce the rules of the House as far as possible, and the Chair requests that in the proceedings following the rules be reasonably observed.

Mr. BANKHEAD. Mr. Chairman, in order to effectuate that ruling, if any of the remarks of the gentleman have been taken down by the reporter after the gentleman from Tennessee declined to yield to him, they should be stricken from the RECORD.

The CHAIRMAN. I think that is a reasonable request under the rules.

Mr. SCHAFER. Mr. Chairman, I make the point of order the gentleman from Alabama is out of order, because the gentleman from Tennessee has not yielded to him.

Mr. BYRNS. I yield to the gentleman from Alabama, if necessary, for the interruption.

Mr. CLANCY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Tennessee yield?

Mr. BYRNS. No; I do not yield; and I want to say this in explanation to the committee: The gentleman from Michigan and I are good, warm, personal friends. I am willing to yield for any legitimate question based upon what is being discussed before the committee, but I am not willing to yield and start a controversy over a matter that is wholly foreign to anything that is under consideration and be kept here and detain the committee probably with a useless discussion of matters which are not before the committee at this time.

Mr. LINTHICUM. Will the gentleman yield on a matter that is in the bill?

Mr. BYRNS. If it is pertinent to the bill and to this particular proposition, I yield; otherwise not.

The CHAIRMAN. If the gentleman from Tennessee and the gentleman from Maryland will yield, the Chair would like to put the motion offered by the gentleman from Alabama.

Mr. DYER. Mr. Chairman, I make the point of order that the gentleman from Alabama did not have the floor and could not properly make the motion which he submitted.

Mr. CLANCY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The Chair is inclined to think the point of order made by the gentleman from Missouri is well taken.

Mr. CLANCY. Mr. Chairman, is a parliamentary inquiry in order?

Mr. BANKHEAD. I will state to the Chair, if the gentleman from Tennessee will yield for a moment——

Mr. BYRNS. Yes; I yield.

Mr. BANKHEAD. Mr. Chairman, I was seeking simply what I consider to be proper conduct of proceedings in the Committee of the Whole. I called the attention of the Chair to the frequent infraction of the rule, and that is in order, and the Chair has the right to enforce it and require the Reporter of Debates, if the Chair sees fit to do so, to strike such offending words from the RECORD.

The CHAIRMAN. The Chair will state for the benefit of the gentleman from Alabama and all others that it was impossible for the Chair to determine whether the words were offensive or whether they were gentle. The Chair could not hear them.

Mr. BANKHEAD. Mr. Chairman, I did not use the expression "offending words" in that sense; I meant offending against the rules of the House.

The CHAIRMAN. But the Chair could not tell. Does the gentleman desire the words read?

Mr. CLANCY. Mr. Chairman, a parliamentary inquiry.

Mr. BYRNS. Mr. Chairman, may I ask if it is in order for the gentleman to submit a parliamentary inquiry while I have the floor?

The CHAIRMAN. Only with the consent of the gentleman who has the floor.

Mr. BYRNS. I do not yield for that purpose, Mr. Chairman.

Mr. LINTHICUM. Mr. Chairman, will the gentleman from Tennessee yield to me?

Mr. BYRNS. I yield if the gentleman has a question bearing on the particular matter I am discussing.

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Maryland?

Mr. BYRNS. Under those conditions; yes.

Mr. LINTHICUM. I really do not know the exact proposition the gentleman was discussing, but I do want to ask a very important question. On page 11, line 16, I notice the bill provides:

> The offices of comptrollers of customs, surveyors of customs, and appraisers of merchandise (except the appraiser of merchandise at the port of New York), 29 in all, with annual salaries aggregating $153,800, are hereby abolished.

Mr. BYRNS. Yes.

Mr. LINTHICUM. Does the gentleman mean to say that he is going to abolish the appraiser in Baltimore and in all the other important ports?

Mr. BYRNS. I will say to the gentleman that I admit, judging from the past, it is a rather unusual thing to abolish any Government office, but that is just what the committee proposes to do, and what we hope the House will do when this bill is passed.

Mr. LINTHICUM. Upon what is that based, because we have a very important office in Baltimore?

Mr. BYRNS. I have just spent about 15 minutes here telling the committee why we have sought to do this.

Mr. LINTHICUM. Will the gentleman just give me three minutes and explain that?

Mr. BYRNS. I hate to repeat, but the best I can say to the gentleman is because they are not needed in any sense of the word. All this work can be done by the collector of customs, who is a presidential appointee, and who has a large force under him.

Mr. LINTHICUM. Why make an exception of New York?

Mr. BYRNS. I have just stated to the committee that the only reason I could give is that we collect 60 per cent or more of the revenue from customs in the city of New York. The appraiser there happens to be a pretty important person on account of the immense amount of merchandise that comes through that port. He has 900 people under him, and we thought, possibly, under the circumstances, we might leave the appraiser at New York in the bill; but if the gentleman presses me, I may say I really do not know of any particular reason why the collector of customs could not attend to that work as well as his other duties.

Mr. LINTHICUM. I am very sorry to see the committee going this far. The gentleman by my side here has asked me whether we have any deserving Democrats, and I may say that we certainly have—very deserving.

Mr. BYRNS. I know the gentleman anticipates that some deserving Democrat might hold this office after next March 4, and I rather join him in that anticipation, but even though he may be a Democrat, I do not think we ought to take money out of the Public Treasury to pay him or any other unnecessary employee.

Mr. COLE of Maryland. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COLE of Maryland. This recommendation by the committee is exactly contrary to the recommendation of the Budget; that is, there is no recommendation of this sort from the administration?

Mr. BYRNS. No; there is no recommendation from the Budget for the elimination of these positions.

Mr. DYER. And no hearings were had on this matter in the committee?

Mr. BYRNS. Yes; we had hearings in the committee.

Mr. KELLER. Was it a unanimous report?

Mr. BYRNS. Yes. Now, this idea is not new; it dates back to 1912, when Hon. John J. Fitzgerald was chairman of the Appropriations Committee.

Mr. DYER. I am not quarreling with the chairman or complaining.

Mr. BYRNS. Now, let us take up the question of tax refunds. For the current fiscal year an appropriation of $26,000,000 was carried for the refund of taxes illegally or erroneously collected. No direct appropriation was included in the Budget estimates for 1933 but a reappropriation of unexpended balances was submitted.

Mr. GOSS. I hope the gentleman will explain how the Government can pay back these illegally and erroneously levied taxes if there is no appropriation.

Mr. BYRNS. The bill carries the reappropriation. Expenditures for refunds during the fiscal year 1931 totaled approximately $70,000,000. For the first six months of the present fiscal year the expenditures for refunds have been $40,182,000, or at the monthly rate of $6,700,000. On this basis expenditures for 1932 will reach $80,364,000. The amount on hand July 1, 1931, with which to pay 1932 refunds, was $111,861,000. Deducting from this figure the estimated expenditures during 1932 of $80,364,000, there will remain as an estimated balance to be reappropriated by this bill for the fiscal year 1933 of only $31,497,000. The bureau estimates that on the basis of the figures as to refunds compiled when the estimates for 1933 were submitted to the Bureau of the Budget the expenditures for the fiscal year 1933 would amount to $63,076,500. Comparing this anticipated expenditure with the amount of the reappropriation contemplated by the Budget estimate of $31,497,000, there is an indicated deficiency at this time for the fiscal year 1933 in excess of $31,500,000. There is pending at this time a judgment against the United States for tax refunds rendered by a United States district court involving with the interest approximately $17,000,000. That case is being ap-

pealed. If the Government loses in the appellate court, the 1933 expenditures will be increased to approximately $80,000,000.

Mr. GOSS. And then that shortage could be taken care of in the deficiency bill?

Mr. BYRNS. Yes. Now, gentlemen, just a minute on the subject of public buildings, in which undoubtedly you are all interested. Gentlemen will find it on page 13 of the report. The total amount recommended for the Supervising Architect's office and for the construction, maintenance, repair, operation, and equipment of public buildings is $133,406,930, a gross increase over the appropriation for the present year of $25,991,000 and a decrease under the Budget recommendation of $12,785,840.

The appropriation for mechanical equipment of buildings, vaults and safes, operating force for buildings, furniture for buildings, and operating supplies all show substantial increases over 1932, due entirely to the new buildings anticipated to be placed in commission during the next fiscal year.

The appropriation proposed for sites and construction of public buildings is $108,000,000, an increase of $31,200,000 over 1932 and a decrease of $12,000,000 under the Budget estimate. In connection with this appropriation of $108,000,000, the committee is proposing a limitation upon the amount which may be expended for buildings in the District of Columbia of $15,000,000, leaving $93,000,000 for the remainder of the country.

I may say that under the estimate proposed, over $21,000,000 was to be expended for the District of Columbia. Your committee felt that to take one-sixth of the amount for 1933 for the District, with which Congress has already been exceedingly liberal in pushing forward the erection of public buildings, was asking a little too much, in view of the condition of the Treasury in 1933. This leaves $93,000,000 for outside work.

Mr. TAYLOR of Tennessee. Do you make any provision for new projects, where allocations have already been made?

Mr. BYRNS. No. And I will say that there is good reason for that, because if we made provision for it the money so appropriated could not be used. I have been disappointed in the case of a building in my district, and the gentleman probably has in the case of buildings in his district. Probably that applies to all gentlemen here. The Budget has determined not to send in the sixth installment until December. I expect when it sends in that sixth installment of buildings, such as the one to which the gentleman has referred, it will, of course, accompany it with a recommendation as to the amount of money necessary to do the work. Of course, we are not anticipating something that has not happened.

Mr. TAYLOR of Tennessee. The gentleman refers to Knoxville and Nashville?

Mr. BYRNS. No.

Mr. TAYLOR of Tennessee. They are in the fifth installment.

Mr. BYRNS. Yes. I am referring to those buildings which have been allocated, but which have never been reported to and passed on by the Congress. In other words, the Secretary of the Treasury has indicated that there are certain buildings on his list, and we thought they were to have been sent up this last December, but for reasons which are apparent to everyone they have been delayed until next December, until a more propitious time, so far as the Treasury is concerned.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. McMILLAN. With reference to the building situation in the District of Columbia, what action, if any, has the committee taken with regard to the Post Office Building, the Southern Railway Building, and the District Building?

Mr. BYRNS. This bill carries a limitation in so far as the State, War, and Navy Building is concerned. It provides that no money appropriated in this bill shall be used for the purpose of remodeling that building; but I call the attention of the gentleman to the fact that the deficiency appropriation bill, which passed in December last, carried a provision which prevents the demolition of the three buildings to which the gentleman refers until Congress takes some positive action.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SCHAFER. It has been stated with reference to the Federal building-expension program that it is to help relieve the depression and the employment situation. Did the Committee on Appropriations decide that it should not request information from the Department of the Treasury because the Budget indicated that the sixth allocation should not be presented at this time and appropriated for?

Mr. BYRNS. If I understand the gentleman's question correctly, of course the Committee on Appropriations would not be expected to make recommendations for appropriations for buildings which have not been authorized by the Congress, or which are not in the act of being authorized. The gentleman knows that under the law the Secretary of the Treasury allocates the public buildings and selects the site and determines when they shall be built and how much money shall be expended.

Mr. SCHAFER. He did determine that as I understand it, and submitted his determination to the Director of the Budget, but was turned down.

Mr. BYRNS. That is the sixth installment to which we have referred, which will come up in December.

Mr. SCHAFER. Why does it not come up now? We have unemployment conditions now throughout the country.

Mr. BYRNS. Because it has not been submitted, in the first place, and in that I heartily commend the Secretary of the Treasury, because he thought, even though not elected as the gentleman and I are, that the burden which confronts the people of exceeding $1,400,000,000 threatened deficit in June, 1933, should be taken into consideration. That is the only answer that I can give the gentleman. I thoroughly and heartily commend the Secretary of the Treasury in his endeavor to conserve the public money.

Mr. SCHAFER. Then the gentleman is not in favor of a big public-buildings program such as the $5,000,000,000 bond issue.

Mr. BYRNS. Oh, no; I am not in favor of any such proposition, and I hope the gentleman is not.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COOPER of Tennessee. Is it true that provision is not made for any of these buildings for which allocation is made, due to the fact that there was no recommendation made by the Budget?

Mr. BYRNS. That is correct.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. KETCHAM. In view of the fact that building costs are appreciably lower than they were when the appropriations were made, is the gentleman able to give us any information as to whether, by reason of the fact that a definite amount is allocated for buildings in a lump sum, there is to be somewhat of expansion of the buildings program, with the money available?

Mr. BYRNS. It is to be hoped so, and I see no reason why that should not result, because we all know that materials have decreased in value and the cost of construction has decreased in many respects.

Mr. KETCHAM. In some of the cases brought to my attention it appears to me that where the estimates are made for a $100,000 building they have been able to let the contract for 30 per cent less and sometimes 40 per cent less.

Mr. BYRNS. Yes.

Mr. KETCHAM. Because of this difference in the cost of materials.

Mr. BYRNS. And it is my honest judgment that this estimate might have been still further reduced for the reason the gentleman has indicated; but we do not want to do that.

Mr. KETCHAM. Is it a fair statement to say that even though a substantial cut has been made in this appropriation it will not materially lessen the number of projects over the country to be constructed?

Mr. BYRNS. In my judgment it will not lessen them.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. KELLER. I want to know what action this Congress will have to take to get the sixth zone we all sit in before this body for consideration. I want to know how to do it.

Mr. BYRNS. I can not tell the gentleman, except to say that we are under very positive promise that that sixth installment will come up here next December unless something extraordinary prevents it. Even if it were to come now, having to go through both Houses, I do not think we would gain anything by it if we could force it up for consideration at this time.

Mr. KELLER. I would like to accept the gentleman's judgment, as I do on most matters, but I may be compelled to differ with the gentleman on this; and if I do, I would like to know how to go at it.

Mr. BYRNS. I say I think it would not amount to much for the reason that, after all, when we make this appropriation, the Secretary of the Treasury executes it; and if he does not desire to begin this work before December, he will not do it.

Mr. KELLER. But could we not instruct him to do it?

Mr. BYRNS. What good will it do?

Mr. KELLER. Will he not obey if Congress tells him when to do it and how? Our instructions ought to be controlling.

Mr. PARSONS. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. PARSONS. Is there enough public work provided and appropriated for to keep the departments of planning and construction busy for the next fiscal year?

Mr. BYRNS. Yes; they will put all of their projects under contract not later than the latter part of October.

Mr. PARSONS. Then that is quite different from what I was reliably informed by a gentleman who is in a position to know. He stated that those projects had largely been provided for, and that in order to keep the organizations busy there should be an appropriation made for another $80,000,000 this year so that the organization could be planning for construction to begin July 1, 1933.

Mr. BYRNS. Of course, if Congress desires to make an additional emergency appropriation that is one thing, but I am speaking of the projects which are under this particular appropriation.

Mr. PARSONS. I understand, but I just wanted to get that observation here.

Mr. BYRNS. But I take it that if we were to make an appropriation of $80,000,000 in addition to this appropriation, we would be required to provide a much larger force than they now have. It is not necessary for the purpose of keeping these organizations busy to make that appropriation.

Mr. PARSONS. Does not the distinguished gentleman from Tennessee believe we should have an emergency appropriation toward the close of the session of probably $80,000,000, so that these buildings could be planned and construction could begin July 1?

Mr. BYRNS. I am not at this time prepared to answer that inquiry.

Mrs. KAHN. Will the gentleman yield?

Mr. BYRNS. I yield to the lady from California.

Mrs. KAHN. I would like to ask the gentleman if it would be possible to so amend this bill as to provide that nothing but American-made materials could be used in public construction?

Mr. BYRNS. I am happy to say that there is a provision in this bill dealing with domestic articles, where the cost will not be unreasonable, in the judgment of the Secretary.

Mrs. KAHN. But what determines the unreasonableness of the cost?

Mr. BYRNS. That is up to the Secretary.

Mr. DALLINGER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. DALLINGER. In line with the question asked by the lady from California, is it true that in letting the contract the specifications for the new Supreme Court Building require that Italian marble should be used? Does the gentleman know.

Mr. BYRNS. I do not know. My information is that there is some foreign marble to be used in that building.

Mr. COCHRAN of Missouri. I can answer the gentleman's question if the gentleman will permit.

Mr. BYRNS. I yield.

Mr. COCHRAN of Missouri. While the Architect of the Capitol opposed the use of Italian marble, the Supreme Court Commission overruled him, and the Supreme Court room, proper, will be in marble that will come from Italy.

Mr. BYRNS. Now, just a word with reference to the Post Office Department.

The Budget estimates for the Post Office Department for the fiscal year 1933 aggregate $813,559,487.

The appropriations for the fiscal year 1932, including supplemental amounts granted at this session in the first deficiency act, total $842,883,777.

The Budget estimates for 1933 show a reduction under the total appropriations for the current fiscal year of $27,724,290.

The amount recommended to be appropriated by this bill for the fiscal year 1933 is $805,586,575.

This recommended amount is $7,972,912 less than the total of the Budget estimates and $37,297,202 less than the aggregate of the 1932 appropriations.

The continuation of the business depression in the country has resulted in a further substantial reduction in the volume of the mails. The revenues for the fiscal year 1930, which was the last high year prior to the depression, were $705,500,000; for the fiscal year 1931 they decreased to $656,000,000; and on the basis of present indications and status of business they will not exceed $600,000,000 for the fiscal year 1932.

The appropriations for the service for the fiscal year 1932 were based upon estimated revenue of $730,000,000, a figure which it now seems will shrink to $600,000,000 unless there is marked improvement. In consequence of the decline in the amount of postal matter to be handled it has not been necessary to expend during the current fiscal year large portions of the appropriations made for that period. With the exception of a small increase in two items for clerical services in the department in Washington, every other appropriation, both for the department and the field, remains either stationary in amount or shows a marked decrease under the present year except in the instance of the appropriation for transportation of mail under subsidy contracts entered into under the merchant marine act of 1928. The increase for this purpose is $2,216,000. Eliminating this item from consideration, the total of all appropriations for the department and the Postal Service shows a net decrease under 1932 of $39,513,202.

The decrease in postal expenditures during the period of depression is not in any comparable proportion to the decrease in the volume of business or revenues. While revenues for 1930 amounted to $705,500,000, the gross expenditures were $804,000,000; the revenues for 1931 were $656,000,000 and the expenditures $803,000,000. For the present fiscal year revenues are indicated at $600,000,000 and expenditures approximately $808,000,000, which latter figure the department expects, if present conditions continue, will be still further reduced. In connection with the increase in expenditure between 1931 and 1932 it should be recalled that the 44-hour week was inaugurated on July 1 last, and it is estimated that for the entire service this new law will increase expenditures by about $7,000,000. Proportionate decrease in expenditures with a falling off of revenue does not necessarily follow. Some expenses of the Postal Service continue constant without regard to the volume of mail. The largest single factor of expenditure is the item for salaries and wages, estimated for the next fiscal year at $570,000,000, or about 70 per cent of the gross total cost of the service, including ocean and air mail subsidies.

Decreases in the appropriations and Budget estimates have been made possible largely through the falling off of business, lowered costs for rent, and decreasing commodity prices. The amounts recommended in the bill are predicated upon present conditions. Should they improve, it is evident that it may be necessary to provide additional appropriations to those carried in the bill. Should present conditions continue, it is probable that the amounts carried in the bill may be more than is necessary for the next fiscal year.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. TAYLOR of Tennessee. I am particularly interested in the air mail item of $19,000,000. Is it contemplated to include in this $19,000,000 any extensions of the air mail service? That is, will additional routes be established?

Mr. BYRNS. Well, I will say frankly to the gentleman that I very much fear there will be no extensions unless Congress shall increase the amount recommended by the committee. The Bureau of the Budget submitted an estimate of $19,000,000, which is $1,000,000 less than the amount carried for this year. They did so with the idea that that sum would be sufficient to maintain the present service and possibly increase the frequency of some of the routes, and perhaps remotely enable night flyers on some of the routes which are not now so served. They made a reduction in the rates. The gentleman will understand that the contracts which are made by advertisement are not subject to change; but under the law as it exists to-day, the Postmaster General is given the right to make extensions upon certificates without the necessity of advertising. In those certificates is reserved to the Postmaster General the right to reduce the rate or to rearrange the rates from time to time as his judgment may dictate.

Effective January 1, 1932, he reduced the rates of the air mail contractors on an annual basis which amounted to about $1,240,000. That brought the expenditures, of course, down to about $19,000,000, and, based on that, the Bureau of the Budget has submitted the estimate which the bill carries. The actual expense for this present service is going to be over $19,300,000, but it is very clear that the Postmaster General can make further reductions in these air mail contracts so as easily to bring the cost of the present service within the amount appropriated.

I want to say it is my judgment, from testimony that was presented to the committee, and which appears in the hearings, that he can make considerable reductions. There were some people who appeared before the committee who said they were willing to take every contract the Government had on hand for approximately one-half of what is now being paid. I do not say that is possible. I am not passing on the merits of their proposition; but I do say this: That when a company with $55,000,000 in assets, so they tell us, $15,000,000 of which is in cash, says it is willing to take every contract now in the hands of the Government at approximately one-half of what is being paid, it is clear to me that some greater reduction can be made in the present contracts. Whether that is a fact or not, I do not know. I want to say this, however, in all fairness and in all justice to the Postmaster General.

When that matter was called to his attention he stated that there had been no written proposition made to him to that effect. Then he mentioned some other objections, in which he said that the company which had been making these representations was not provided with radio and other up-to-date appliances such as were required of the contractors who are now carrying the mails. But I am satisfied, and the Postmaster General has assured the committee, that he will make a further study of the situation with a view of reducing the rates. If the rates can be further reduced, it is possible a considerable amount of money will be saved and then it will be possible to put in additional routes.

Mr. TAYLOR of Tennessee. I thank the gentleman for his comprehensive answer to my question.

Mr. MEAD. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. MEAD. Carrying out the argument concerning the air mail and the possibility of saving further appropriations, let me say that the Post Office Committee of the House will hold hearings, beginning on the 1st of March, to consider the matters referred to by the chairman of the committee and the objections which have been made by the Postmaster General.

I want to ask the chairman of the committee a question which pertains to the language found in the last proviso on page 67 of the bill. I can see where the committee has aimed to protect the substitutes in the service and to maintain the high standard of the Postal Service. The language of that proviso reads as follows:

> That when any vacancy is caused by the retirement, removal, resignation, or death of a postal employee in a position the duties of which make it necessary to assign permanently a substitute for an 8-hour daily period—

And so forth. In my judgment, it would be much better if, instead of saying:

> In a position the duties of which make it necessary to assign permanently a substitute for an 8-hour daily period—

we inserted some language like this:

> Which make necessary eight hours regular daily service.

I have this in mind: If, for example, a death or vacancy occurred in the clerical force of any post office, nothing would hinder the postmaster, under the language of this bill, from placing two substitutes at work, one for four hours on the morning shift and one for four hours on the afternoon shift, whereas if we wrote into the bill the language I just suggested, which provides for eight hours daily service, it would then be necessary for the postmaster to designate a substitute and make him a regular employee of the Postal Service, and I think that would in no way violate the law.

Mr. BYRNS. I catch the force of the gentleman's suggestion and I want to say there is no difference between the gentleman and the committee as to what is intended to be accomplished. We will discuss that matter before this item is reached.

Mr. FIESINGER. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. FIESINGER. I did not hear all of the gentleman's speech, and I have not read the report. I was wondering whether the expenditures provided here are based on a 2-cent rate for letters?

Mr. BYRNS. Yes.

Mr. FIESINGER. There was some talk of a 3-cent rate.

Mr. BYRNS. It is based on the present rate.

Mr. BULWINKLE. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BULWINKLE. Last summer the Post Office Department advertised for bids on twine, and they accepted a bid for cotton twine. After accepting it they rejected it and took jute instead, notwithstanding the fact that New England mills as well as southern mills bid on this contract, and they accepted the contract of a southern mill. Will the gentleman tell me what provision, if any, has been made by the committee to provide that the department shall purchase American goods?

Mr. BYRNS. It will not take long. I will read section 7 of the bill, which appears on page 69.

> In the expenditure of appropriations in this act the Secretary of the Treasury in the case of the Treasury Department, and the Postmaster General in the case of the Post Office Department, shall, unless in his discretion the interest of the Government will not permit, purchase, or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

I will say to the gentleman that is the same provision which is carried in the Navy bill and the War Department bill.

Mr. BULWINKLE. Under this provision, then, the Post Office Department would use approximately 7,000 bales of cotton in twine for one year, and the gentleman is firmly convinced that we will have nothing like we had last sum-

mer, when they turned down American products for foreign products.

Mr. BYRNS. Of course, under this provision the Postmaster General would have to find that the difference in cost was not unreasonable, and I apprehend that no such finding would be made. The committee was interested, as the gentleman is and as we all are, in seeing that our own citizens receive the benefits of these expenditures in so far as it is possible.

Mr. MEAD. Mr. Chairman, if the gentleman will allow me to make a suggestion, I may say that the Committee on the Post Office and Post Roads of the House has reported a bill, which is now on the calendar, carrying out the suggestions the gentleman has in mind.

Mr. BYRNS. I am delighted to hear that.

Mr. GIBSON. Will the gentleman yield for a question?

Mr. BYRNS. Yes.

Mr. GIBSON. This bill carries an appropriation of $115,000,000 for carrying mail by the railroads. Can the gentleman tell us the basis of payment by the Government to the railroads?

Mr. BYRNS. It is on a space-rate basis fixed by the Interstate Commerce Commission. I am not in position to give the gentleman the schedule of payments, because it is exceedingly intricate. All I can say to the gentleman is that these space rates are fixed by the Interstate Commerce Commission under the law.

Mr. GIBSON. Not by contract, but fixed by the Interstate Commerce Commission?

Mr. BYRNS. That is true.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. CAVICCHIA. I have been receiving telegrams from some of my constituents protesting against any change in contracts for the air mail, on the theory that the new contractor does not pay union wages and that he does not give as good service and does not have as good airships as the former contractor, whoever that was. Does the gentleman's committee know anything about that, or is that up to the Post Office Department?

Mr. BYRNS. I think the Committee on the Post Office and Post Roads is making an investigation of the whole air mail contract situation.

Mr. CAVICCHIA. In other words, if a new contract is going to be given out for the purpose of saving money, all things being equal, I think we ought to have service almost as good as what we had before.

Mr. BYRNS. There is no doubt about that.

Mr. CAVICCHIA. And I would like to go on record as favoring that.

Mr. BYRNS. Of course, this committee has not cut the foreign air mail or made any change in that item. Most of them are 10-year contracts, and the same is true of the domestic contracts made through the Postmaster General. They are made under law, and the same is true of the ocean mail subsidy contract on the ships. The law provides that the Postmaster General may enter into these contracts, and the contracts have been made for a term of years. Of course, Congress can not impair such a contract, and there was nothing for the committee to do, and nothing, so far as I can see, for the Congress to do, so long as these contracts continue, except to make the appropriations necessary to meet them.

Mr. CAVICCHIA. Evidently there are new contracts about to be given out, and that is why these telegrams are coming in.

Mr. BYRNS. That is in reference to ocean mail.

Mr. CAVICCHIA. No; this is in reference to air mail.

Mr. BYRNS. I do not imagine there will be any new contracts under the air mail appropriations unless savings can be effected, as I have explained.

I am very much obliged to the committee. [Applause.]

HOW SURPLUS CLOTHING MAY BE PURCHASED

Mr. JOHNSON of Oklahoma. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the matter of securing surplus clothing from the War Department by the American Legion and other organizations.

The CHAIRMAN (Mr. JOHNSON of Texas). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I am receiving numerous letters from various American Legion posts, individuals, and other organizations, not only from my home State of Oklahoma but all over the country relative to my remarks appearing recently in the RECORD with reference to House Joint Resolution 273, to authorize and direct the Secretary of War to sell surplus clothing to patriotic and charitable organizations for distribution to provide clothing for the unemployed and destitute people of the United States.

Under the resolution passed by the Military Affairs Committee of the House and agreed to by the War Department, this $40,000,000 worth of surplus clothing is now available and the following will give an idea of the present prices at which the clothing supplies can be purchased:

Caps	$0.10
Woolen underwear	.20
Shoes	.25
Gloves	.10
Mittens (canton flannel)	.02½
Overcoats	1.00
Leggings	.05
Socks (wool, heavy)	.03
Breeches (wool, new)	.25
Breeches (wool, reclaimed)	.12½

HERE IS THE NECESSARY "RED TAPE"

I am advised by the War Department that the American Legion, Veterans of Foreign Wars, Red Cross, United Charities, and other approved organizations may purchase the surplus clothing in question through their corps area commander immediately, with the proviso, however, that such organizations shall comply with the usual red tape. I am further advised that, under the plan of the War Department, all such relief agencies must be certified to the corps area commanders by the governors of the respective States. Such precautions were taken, I was assured, not for the purpose of working a hardship on the American Legion and other approved organizations but as a protection against any possible abuses on the part of individuals or alleged charitable organizations seeking to profiteer. Organizations desiring to purchase such supplies should state that all clothing thus purchased would be distributed to the needy only and without expense to the Government. The clothing order should be sent to the commanding general of the corps area. For Oklahoma applications should be made to Maj. Gen. Edwin B. Winans, commander Eighth Corps Area, Fort Sam Houston, Tex. He will transmit the order to the Quartermaster General, Washington, D. C., and I am advised that clothing will be shipped freight collect from the nearest ordnance depot where it is now held.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. THATCHER. I yield 30 minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Chairman, I want to devote a little time this afternoon to a discussion of the reorganization problems of the Government. A number of things have occurred during the session which have resulted in a good deal of feeling, and I think has done a great deal of harm to the reorganization efforts of the Committee on Expenditures in the Executive Departments. Things have been said and done that would tend to reflect upon the work of this committee and that indicate that the Democratic leadership in the House does not believe it is functioning properly. If this is not the case, why set up a select committee to carry on the work which the Committee on Expenditures was organized to conduct? Because this is so, I desire to devote just a little time to a discussion of the work of the committee since it was organized.

The Committee on Expenditures was organized and held its first meeting on January 17, 1928. From the first it was apparent that the committee would have to fight to get control of bills that properly belonged to it under the rule fixing its jurisdiction. Whatever it got must of neces-

sity be taken from other committees. The chairman repeatedly protested to the Republican floor leader and Speaker and spent considerable time arguing with the parliamentarian, but up to the end of the Seventieth Congress but a small volume of business came its way and most of the bills were of no great importance. Such bills as did come to the committee, however, were given careful consideration. None were reported without hearings. Upon some of them these hearings were extensive. It should be said in that connection that the very nature of the committee's jurisdiction brings to it bills that are highly controversial in character and for that reason require study and time for reconciling differences.

The committee considered, reported, and secured the passage of a number of bills for transfers and eliminations of bureaus and reports that in the aggregate resulted in considerable savings to the public treasury.

It held extensive hearings on the Wyant bill which had for its purpose the transfer and consolidation of all public works activities of the Government in the Department of the Interior. These hearings extended through several weeks and were exhaustive in character. Every phase of the problem was studied by the committee. The testimony is carefully digested and undoubtedly affords the best summary for and against the proposal that is extant. Sharp differences of opinion occurred in the committee.

It became apparent that if it should be forced out of the committee it would be hotly contested on the floor by a considerable number of the committee members, with prospects of enactment decidedly slender. The committee therefore decided to lay it aside.

The committee also held lengthy hearings on the Johnson (South Dakota) bill, which authorized the President to consolidate and coordinate all veterans' activities. Here we met with the most stubborn opposition of the heads of the National Home for Disabled Volunteer Soldiers and the Pension Bureau. The Secretary of the Interior also opposed the measure. A vast amount of lobbying was done against the bill by its opponents. Many Members of the House were very much against the proposed merger and lost no chance to line up their friends against it.

Here, too, differences of opinion developed in the committee, but the hearings had been sufficiently thorough and convincing in character to pretty badly demolish the opposition. A milk and water bill could have been reported that would have brought about some coordination under one head, but the chairman refused to consider anything less than a genuine consolidation under a head with authority to get results, and, rather than accept anything less, let the bill die. In taking this stand he had the support of a considerable number of his committee colleagues and of the President.

In the meantime the chairman had devoted much time and labor to a study of the whole reorganization problem, with a view to having each successive step fit into a well-considered scheme, which in the end would leave the Government organized upon sound principles with duplicate activities merged and related activities definitely grouped under one head. The most incongruous activities are now thrown together in inappropriate bureaus and departments. Manifestly, the Government can not operate with maximum efficiency nor with the greatest service to the public until its manifold activities are grouped according to major purpose.

TRANSFER OF PROHIBITION AND VETERANS' CONSOLIDATION

By the time the Seventy-first Congress convened the committee's jurisdiction had been pretty well established and it soon became apparent that it would have all the work it could properly consider. The chairman had also had time to formulate an outline of reorganization which permitted him to work toward a definite objective.

A number of investigations relating to expenditures and economies were undertaken and hearings were held upon numerous bills, some of which were highly technical and difficult to put into satisfactory form. A considerable number of bills of importance were reported. Some did not get through the House for lack of opportunity for consideration or because of objections raised when brought up on the consent calendar. Others passed the House and died in the Senate. Some 10 or 12 became law.

Among the more important measures may be mentioned the bill to transfer the Bureau of Prohibition Enforcement from the Treasury Department to the Department of Justice. The merits, and particularly certain provisions, of this bill were hotly contested in the committee. The hearings were lengthy and excited national interest. The Secretary of the Treasury and the Attorney General appeared in person and testified at length, as did representatives of their departments. The spokesmen of many private interests and industries were heard. When it came to completing the draft in executive session sharp differences had to be reconciled and some changes had to be made. Many days were spent in a minute word-for-word study of the measure. The final draft was perhaps as perfect for the purpose sought as any bill that has been submitted to the House in recent years. It became law without change.

Another measure of first-rate importance was the bill to create a Veterans' Administration and to consolidate therein the Pension Bureau, the National Homes for Disabled Volunteer Soldiers, and the Veterans' Bureau. The consideration of this measure took weeks of time. The most painstaking investigation and study of all the problems involved were made that have ever been undertaken on the subject. The phraseology of this bill was carefully scrutinized and worked out.

In a sense, the committee was pioneering and laying the foundation for similar legislation in the future. It was the beginning of a great program that had for its purpose a complete reorganization of the Government, with a view to assembling related activities under appropriate administrative and executive heads and cutting out duplication and overlapping as far as possible. The bill was bitterly fought with every weapon known to the skillful debater and parliamentary tactician. In the end it became law as reported by the committee.

HOUSE GOES DEMOCRATIC

At the opening of this session the House went into Democratic hands, and my able colleague, Mr. JOHN J. COCHRAN, of Missouri, became chairman. He has continued the reputation of the committee for painstaking work and intelligent consideration of bills. Like myself, he has found that great speed is impossible with the character of bills that come to the committee, but I submit that fair progress has been made and that if the committee is given a chance it will give this House an opportunity to pass upon some exceedingly important legislation.

Like myself, he also has had to fight for the prerogatives of the committee and to prevent the destruction of its usefulness by the hostile moves of some who should be the most interested in the success of its program.

It is not possible, nor do I think it worth while, to attempt anything like a complete review of the activities of this committee since it joined its sister committees of the House, but I believe I have said enough, in view of the highly controversial character of the legislation it handles and the unrelenting opposition it has encountered in every reform and reorganization it has undertaken, to show that it has been functioning, not only with reasonable speed, but with a degree of intelligence that has won the confidence of the House.

BRICKBATS

I now want to devote some time to the brickbats the committee has encountered in the name of economy. Economy under present conditions is not only a word of great charm but of great political potency, and therefore one to be conjured with. Instead of leaving the matter of reorganization with the standing committee that has been studying the problem and that has already made a good start in dealing with the more promising reforms that will result in large savings to the Public Treasury, the Democratic lead-

ership of the House has attempted to frustrate its work and capitalize the reforms proposed by the President.

Typical of the brickbats are House Joint Resolutions 136 and 147, introduced by my genial but "foxy" Democratic colleague from Tennessee, the distinguished chairman of the Committee on Appropriations [Mr. BYRNS].

Had either of these resolutions become law, it would have sheared the Committee on Expenditures of every shred of prestige and usefulness for the session. Fortunately for the committee, it had a fighting chairman from Missouri, who brought the resolutions to an untimely demise without benefit of clergy by a few well-directed shots.

No sooner were they dead than another appeared, much milder and so intriguing and seductive in character that even our staunch and courageous chairman yielded to its charms. So now we shall have the aid of a most distinguished company of gentlemen who have set out to revamp the whole Government structure in the space of six weeks, and the tragic part of this pretentious effort is that our fighting chairman and his predecessor in interest have become involved in this prodigious effort to save the dear people of the United States from being bogged down in a morass of debt. Lest I be misunderstood, let me say now that I shall lend my best efforts to make the findings and recommendations of the select economy committee worth while, and I am sure the Committee on Expenditures will deal with its recommendations in accordance with their merits. Let us hope, however, that it will not result in unduly hampering the Committee on Expenditures in the very important program of economy in which it is engaged on its own account.

CONSTITUTIONALITY OF CERTAIN BILLS AND RESOLUTIONS CHALLENGED

I now want to deal with another class of resolutions which would give the President almost limitless powers of reorganization and which, in my judgment, seeks to bestow upon him functions which are peculiarly legislative in character. Among these may be mentioned House Joint Resolution 298, by Mr. SIMMONS; House Joint Resolution 302, by Mr. HOLADAY; Senate Joint Resolution 76, by Mr. GEORGE; and House bill 9492, by Mr. DALLINGER.

I believe in the soundness of segregating the executive, legislative, and judicial functions of government. Their separation is laid down as fundamental to the maintenance of a republican form of government in the Federal Constitution. So important is the principle involved that I am unwilling, even to gain some temporary advantage, to yield any of the prerogatives of the Congress to the President of the United States, however great or wise. The Executive is jealous of the powers granted him under the Constitution, and has rightly refused to permit Congress to impair them. Congress should guard with equal zeal its own distinctive functions.

For the sake of clarity, and with the permission of my distinguished and able colleague from Massachusetts [Mr. DALLINGER], I have selected for discussion his bill, H. R. 9492, now pending before the Committee on Expenditures in the Executive Departments. There is no "nigger in the woodpile" in this bill. It is entirely honest. Its terms are clear and explicit. Under its terms the President could reorganize the Government in any way that he thought in the interest of efficient administration and service to the public.

ANALYSIS OF BILL

Under the Dallinger bill (H. R. 9492) the President is "authorized and empowered":

First. Section 1: To remove from office all officers and employees appointed by him or by heads of departments whether in the classified service or not.

Second. To abolish "all departments, divisions, bureaus, and commissions by him found to be unnecessary."

Third. Section 2: After dismissal of officers and employees and "reorganization of any department, or any division or bureau thereof" to restore such reorganized activities to the classified service.

Fourth. Section 3: "To appoint by and with the advice and consent of the Senate such employees and officials as he deems best for the service."

Fifth. To "establish by proclamation any new department, division, bureau, or commission that he deems necessary for the public business; and * * * to transfer divisions and bureaus from one department to another, and to consolidate or combine departments, divisions, bureaus, and commissions * * * as he deems best for the public service."

POWERS GRANTED LEGISLATIVE IN CHARACTER

Under this bill, for example, it is clear that the President is authorized, should he deem it best for the public service, to abolish the War and Navy Departments and by proclamation to establish a new department of defense with a secretary at its head and under secretaries for war, navy, and aviation.

The establishment of executive departments and new governmental activities is peculiarly legislative in character and has been exercised by Congress since the foundation of our Government. Section 8 of Article I of the Federal Constitution provides that Congress shall have power to "raise and support armies" and to "provide and maintain a navy." The creation of the War Department and the Navy Department by the first Congress was in strict accord and compliance with the Constitution. That their creation or abolishment is a legislative function requiring judgment and discretion does not seem to me to admit of doubt.

An examination of the bill makes it clear that without the exercise of legislative power by the President the bill remains incomplete so that the legislative will has not been made fully known. There is nothing in the bill to indicate what departments shall be abolished nor what activities shall be consolidated, neither does it indicate what new ones shall be created. In order to make the bill operative, if enacted into law, the President must exercise his judgment and discretion with reference to these matters. Such agencies can not exist except by the legislative will, which must be expressed in statutory enactments. To permit the President to abolish or consolidate existing departments without indicating what departments are alluded to and to set up new ones whose functions are not indicated is to endow him with legislative power which is inhibited by the Constitution. 12 C. J. 840.

Mr. LANKFORD of Virginia. Will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. LANKFORD of Virginia. Would the gentleman's constitutional objections be cured if the President was to make recommendations and report back to Congress?

Mr. WILLIAMSON. No. I do not think that would meet the constitutional objection, because his acts would not be legalized by the inaction of Congress.

Mr. LANKFORD of Virginia. Will the gentleman suggest who he thinks is better qualified to make the survey and regulations?

Mr. WILLIAMSON. I am not going to discuss who is best equipped, but in view of the experiences of the committee of expenditures during the last few days, I am not so sure that Congress can reorganize the Government departments at all. Sooner or later we may have to seek some means, within the Constitution, to let the Executive do it.

Mr. FIESINGER. Will the gentleman yield?

Mr. WILLIAMSON. I will.

Mr. FIESINGER. One of the criticisms of the bill by the gentleman is that it provides only six weeks to do this work.

Mr. WILLIAMSON. Yes.

Mr. FIESINGER. Is it not a fact that for 10 years there have been studies made of this matter, and that all the committee has to do is to recapitulate the work that has already been done and make a study of that?

Mr. WILLIAMSON. My guess is, and I am on the Select Economy Committee, that the committee will have to do a great deal of investigating on its own account. There is only one way, in my judgment, to get at reorganiaztion, and that is to know absolutely what the activities are in every depart-

ment of the Government and what their functions are. This information is indispensable if we are to locate duplication. Until that is done the committee can not deal intelligently with the subject.

Mr. FIESINGER. Do not the studies that have already been made show that?

Mr. WILLIAMSON. No; the studies made in 1920 are of practically no value to-day. The committee will have to go over the entire subject again, notwithstanding the reports already made.

Mr. FIESINGER. There have been several studies since 10 years ago.

Mr. WILLIAMSON. Yes, I know; and I am familiar with them.

Now, let me go back to the constitutional discussion where I left off.

LEGISLATIVE POWER CAN NOT BE DELEGATED

Cooley, in his sixth edition of Constitutional Limitations, at page 137, lays down the following as settled constitutional law:

One of the settled maxims in constitutional law is that the power conferred upon the legislature to make laws can not be delegated by that department to any other body or authority. Where the sovereign power of the State has located the authority there it must remain; and by the constitutional agency alone the laws must be made until the Constitution itself is changed. The power to whose judgment, wisdom, and patriotism this high prerogative has been intrusted can not relieve itself of the responsibility by choosing other agencies upon which the power shall be devolved, nor can it substitute the judgment, wisdom, and patriotism of any other body for those to which alone the people have seen fit to confide this sovereign trust.

In the case of the St. Louis Merchants Bridge T. Ry. Co. *v.* U. S. (188 Fed. 195), which involved the constitutionality of certain quarantine regulations of the Department of Agriculture, the court said:

But it (Congress) can not delegate its legislative power, its power to exercise the indispensable discretion to make, to add to, to take from, or to modify the law.

A leading case dealing with the subject is Field *v.* Clark (143 U. S. 649, 692–694), in which Justice Harlan states the law to be:

That Congress can not delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution. * * * "The true distinction," as Judge Hanney, speaking for the Supreme Court of Ohio has well said, "is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first can not be done; to the latter no valid objection can be made." * * *

The legislature can not delegate the power to make a law, but it can make a law to delegate a power to determine some fact or state of things upon which the law makes, or intends to make, its own action to depend.

To abolish a department established by an act of Congress is in effect a repeal of the law creating it. Such a power can not be delegated to the President.

Directly in point is the case of Boston *v.* Chelsea (212 Mass. 127; 98 N. E. 620), in which the court says:

Power the exercise of which would affect the repeal of existing provisions of the general law may not be delegated. * * * Manifestly the determination of the functions of counties and the distribution of governmental authority among them is purely legislative in its nature. * * * Moreover, the effect of the report (of the commissioners) when confirmed by the court would be to repeal statutes now in force, which would of itself be a legislative rather than a judicial act.

Some years ago the Legislature of South Dakota authorized the State bank examiner to require State banks to keep their reserves on deposit within the State and to establish within the State "reserve cities." This law was attacked as being unconstitutional and in disposing of the case the Supreme Court of the State, in a well-considered decision, said, among other things:

The legislature has no power to delegate to an executive or ministerial officer authority to require reserves of any bank to be kept within the State, since such delegation would be in contravention of the State constitution which vests all legislative power in the legislature or retains it in the people through the initiative. * * *

The banking act does not provide that when the public examiner shall find and declare certain facts and conditions to exist, the whole or some portion of the reserves of State banks shall be kept within the State. Neither does it attempt to confer upon the public examiner authority to ascertain and declare facts or conditions as to cities within the State, whereupon certain cities shall become "reserve cities," and banks within such cities shall become "reserve banks."

St. Charles State Bank *v.* Wingfield (S. Dak.), 155 N. W. 776.

SIMILAR LEGISLATION

Congress has enacted into law a number of bills carrying provisions far less sweeping but somewhat similar to H. R. 9492. Among these is the act of February 14, 1903 (32 Stat. 830, par. 12), which reads that—

The President be, and he is hereby, authorized, by order in writing, to transfer at any time the whole or any part of any office, bureau, division, or other branch of the public service engaged in statistical or scientific work, from the Department of State, the Department of the Treasury, the Department of War, the Department of Justice, the Post Office Department, the Department of the Navy, or the Department of the Interior, to the Department of Commerce and Labor; and in every such case the duties and authority performed by and conferred by law upon such office, bureau, division, or other branch of the public service, or the part thereof so transferred, shall be thereby transferred with such office, bureau, division, or other branch of the public service, or the part thereof which is so transferred.

Under the authority of this provision the President has transferred the Patent Office and the Bureau of Mines from the Interior Department to the Department of Commerce (Executive Orders 4175 and 4239, March 17 and June 4, 1925; see also 34 Op. Atty. Gen. 500).

The act of August 24, 1912 (37 Stat. 434) provides that:

The President is authorized to reorganize the customs service and cause estimates to be submitted therefor on account of the fiscal year 1914 bringing the total cost of said service for said fiscal year within a sum not exceeding $10,150,000, instead of $10,500,000, the amount authorized to be expended therefor on account of the current fiscal year 1912; in making such reorganization and reduction in expenses he is authorized to abolish or consolidate collection districts, ports and subports of entry and delivery, to discontinue needless offices and employments, to reduce excessive rates of compensation below amounts fixed by law or Executive order, and to do all such other and further things that in his judgment may be necessary to make such organization effective and within the limit of cost herein fixed; such reorganization shall be communicated to Congress at its next regular session and shall constitute for the fiscal year 1914 and until otherwise provided by Congress the permanent organization of the customs service.

The constitutionality of this provision does not appear to have been directly passed upon by the courts; but the President's plan of reorganization, communicated to Congress March 3, 1913, was put into effect and (with certain modifications) is undoubtedly in effect at present. It appears to have been recognized as valid by a Federal district court in Ferguson *v.* Port Huron & Sarnia Ferry Co. (13 Fed. (2d ser.) 489.)

The act of May 20, 1918 (40 Stat. 556, ch. 28), reads in part as follows:

For the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the land and naval forces, the President is hereby authorized to make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, office, or officer, in such manner as, in his judgment, shall seem best fitted to carry out the purposes of this act, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary, which regulations and orders shall be in writing and shall be filed with the head of the department affected and constitute a public record: *Provided*, That this act shall remain in force during the continuance of the present war and for six months after the termination of the war by the proclamation of the treaty of peace, or at such earlier time as the President may designate: *Provided further*, That the termination of this act shall not affect any act done or any right or obligation accruing or accrued pursuant to this act and during the time that this act is in force: *And provided further*, That the authority by this act granted shall be exercised only in matters relating to the conduct of the present war. * * *

Should the President, in redistributing the functions among the executive agencies as provided in this act, conclude that any bureau should be abolished and it or their duties and functions conferred upon some other department or bureau or eliminated entirely, he shall repert his conclusions to Congress with such recommendations as he may deem proper.

The transfer of the Coast Guard from the Navy Department to the Treasury Department by the President, under authority of this act, was upheld by a Federal circuit court of appeals in United States *v.* Houston (273 Fed. 915). See also Hartsville Mill *v.* United States (271 U. S. 43, 45) and United States *v.* McFarland (15 Fed. (2d ser.), 825).

The act of June 15, 1929 (Public, 10, 71st Cong.), under the general head of "Avoidance of Duplication," contains this provision:

(e) The President is authorized, by Executive order, to transfer to or retransfer from the jurisdiction and control of the board the whole or any part of (1) any office, bureau, service, division, commission, or board in the Executive branch of the Government engaged in scientific or extension work, or the furnishing of services, with respect to the marketing of agricultural commodities, (2) its functions pertaining to such work or services, and (3) the records, property, including office equipment, personnel, and unexpended balances of appropriation, pertaining to such work or services.

Under this provision the Bureau of Marketing in the Agricultural Department has been transferred to the Farm Board.

DISCUSSION OF SIMILAR ACTS

The enactment of the first of these acts—1903—was clearly within the power of Congress, as it was limited to the transfer of bureaus and divisions "engaged in statistical and scientific work." What bureaus were so engaged was a question of fact for the President to decide, and their transfer under the law was an administrative function.

The 1912 act authorized the President to reorganize the Customs Service in pursuance of a policy laid down by Congress so as to bring the expenses of its operation within a specified sum. While the act gave the Executive some discretion and permitted him to exercise his own judgment as to the internal reorganization of the service, his duty with respect to such reorganization was quite clearly defined. Even so, the power granted to the President trenches closely upon congressional prerogatives that may not be delegated.

The act of May 20, 1918, was clearly a war measure, and it is doubtful whether its constitutionality can be sustained upon any other theory. The Congress was careful to limit its operation for the duration of the war and not to exceed six months thereafter. But even so, it is a cautiously guarded measure and is nowhere as sweeping in its terms as H. R. 9492.

The authority of the President is limited to "such redistribution of functions among executive agencies as he may deem necessary" to meet the exigencies of the war. He was not authorized to abolish any activity created by law, but was required to report to Congress in the event that he should conclude that any bureau should be "eliminated entirely" or "abolished and its duties transferred to some other department." Upon such report Congress might take such action as it deemed appropriate.

The wary language used throughout this measure is highly suggestive of the thought that Congress felt that in enacting the law it was stretching its constitutional authority in delegating the power that it did to the executive branch of the Government.

The provision in the farm relief act is in all respects similar to the act of February 14, 1903, supra, and specifies the activities which may be transferred to the Farm Board. It was carefully drawn with a view to bringing it within the constitutional powers of Congress.

WHAT MAY BE DELEGATED

I am not unmindful of the long series of opinions that hold that the Congress may delegate authority to make needful rules and regulations to that part of the executive branch charged with the administration of the law, but the courts have repeatedly held that it is not competent for Congress to delegate to the President or the head of an executive department the power to declare what facts shall constitute an offense. The language of the act must be sufficient to fully declare and define the crime and affix the punishment. This can not be done by rule or regulation. (U. S. *v.* Louisville, etc., Ry. Co., 176 Fed. 942; U. S. *v.* Breen, 40 Fed. 402–403; U. S. *v.* 11,150 Pounds of Butter, 195 Fed. 657.)

Nor am I unaware of the decisions of the Supreme Court of the United States which hold that Congress may delegate to the President or to an executive or administrative agency the application of general rules legislatively prescribed to particular situations and ascertained facts; that Congress may delegate the power to fill up details where it has indicated its will in the statute to be administered; that Congress may delegate the power to determine just, fair, and reasonable rates for the transportation of goods in interstate commerce; that to meet changing conditions and cost of production at home and abroad Congress may delegate the power to make readjustments of tariff rates within certain limits to give effect to the principle and standard upon which the statute proceeds; and that Congress may delegate the power to determine the facts or state of things upon which the statute shall become operative or nonoperative. (Interstate Commerce Commission *v.* Goodrich Transit Co., 224 U. S. 194 (see also 231 U. S. 423); United States *v.* Grimand, 220 U. S. 506; Interstate Commerce Commission *v.* Cincinnati, New Orleans & Texas Pacific Ry. Co., 167 U. S. 479; Hampton & Co. *v.* United States, 276 U. S. 394; Field *v.* Clark, 143 U. S. 649.)

CONCLUSION

But I have found no decision from which a conclusion can be reasonably drawn that such an act as is contemplated by H. R. 9492 would be constitutional. The legislative will is not made known with respect to what departments, bureaus, divisions, or activities shall be transferred, abolished, or consolidated. It lays down no principle or guide for the President to follow. It prescribes no facts or conditions to be ascertained by him upon which the statute shall become operative.

On the contrary, it delegates to him unlimited authority to disregard all laws with respect to the establishment of existing executive departments, and to set up new departments, agencies, and functions not contemplated or provided for by existing law.

It may be contended that the very general provision that the President may reorganize the executive departments in such manner as "he deems necessary for the conduct of the public business" is sufficient, but by no process of reasoning can this expression be held to be a declaration of the legislative will as to what departments shall be retained, abolished, or consolidated. Congress has not exercised any discretion in the matter whatsoever. On the contrary, the Executive is left free, without restriction, guide, or rule, to abolish any and all existing agencies and set up any sort of an executive organization that he sees fit without regard to whether such organization has any sanction in law. If the above observations are correct, the bill is perforce unconstitutional.

Mr. DALLINGER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. DALLINGER. Congress has the power under the interstate commerce act to regulate the rates in interstate commerce, has it not?

Mr. WILLIAMSON. Yes.

Mr. DALLINGER. Is it not a fact that Congress has delegated that entire power to the Interstate Commerce Commission? Has that act ever been declared unconstitutional?

Mr. WILLIAMSON. No; that has been upheld. I may say in that connection, however, that Congress in defining the powers of the commission endeavored to set up a yardstick for the determination of rates as a guide for the Interstate Commerce Commission, and it is because of this guide that the Supreme Court upheld the constitutionality of the rate-making powers of the commission.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. FIESINGER. I have been very much interested in the gentleman's legal argument. Do I understand the gen-

tleman to say that there is no question about the legality of Congress making the investigation proposed in the resolution adopted here a day or two ago?

Mr. WILLIAMSON. Oh, none whatever.

Mr. FIESINGER. Is it the gentleman's contention that they could not effectuate the results of the investigation?

Mr. WILLIAMSON. Oh, no; Congress can do that, certainly. That is its business.

Mr. FIESINGER. I thought the gentleman said that was impinging upon Executive authority.

Mr. WILLIAMSON. Oh, nothing of the kind. On the contrary, I think the creation and elimination of Government activities is a legislative function. It is for Congress to declare what activities and bureaus we shall have, and not for the Executive. I do not think Congress has the right to delegate that to the President—the discontinuance of bureaus created by Congress. The Congress alone can repeal the law.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. MAPES. Does the gentleman have any question about the validity of legislation to authorize the different departments, the Secretaries of the Cabinet, for example, to organize in an administrative way their own departments and to consolidate bureaus and divisions in their departments?

Mr. WILLIAMSON. That authority can unquestionably be delegated, if it does not go to the extent of permitting the abolition or removal of activities which are creatures of law. If they are creatures of law, I do not think we can delegate the authority to eliminate them, because that amounts to a repeal of the law which created them.

Mr. MAPES. Could not the same result be better accomplished by consolidating different bureaus, and perhaps eliminating part of the force in one bureau and cutting down the appropriation and in that way limiting the activity of the bureaus, than by a straight-out repeal of the law?

Mr. WILLIAMSON. There is no doubt about that. You can pinch them out by refusing appropriations. You can take bureaus and put them together and authorize the Executive to do that, because in that case you are not authorizing an executive officer to change or repeal the law which created the bureaus involved. If this Congress limits the appropriation to such an extent that they can not carry on, they are pinched out.

Mr. MAPES. As a matter of practical procedure, would not more be accomplished by authorizing the Secretaries to rearrange the work in their own departments, than to attempt to say that this or that particular activity should be abolished by legislation?

Mr. WILLIAMSON. That might well be so.

Mr. FIESINGER. As a practical proposition they would not do that, would they?

Mr. MAPES. I think as a practical proposition they are more apt to do that than Congress is. I think, with the urge now on the part of the public and on the part of the President, that the time is very opportune to get them to do it if they are given that authority.

Mr. FIESINGER. These bureaus are babies under the different Cabinet officers, and it is pretty hard to get a man to destroy his own baby, from a practical point of view.

THE PRESIDENT'S MESSAGE

Mr. WILLIAMSON. Mr. Chairman, fortunately, the message of the President transmitted to Congress on February 17, 1932, and on the same day referred to the Committee on Expenditures in the Executive Departments, recommending the reorganization of the executive branch of the Government, does not call for legislation of an unconstitutional character. The recommendations made are sound in principle and in the interest of economy and efficient administration, and the country will not look with favor upon any movement that tends to thwart its general purpose.

I have already pointed out some of the bills and resolutions introduced with a view to carrying out the recommendations in the President's message that I believe give to the President legislative authority.

There are some that do not, and among them is a carefully prepared bill by the learned gentleman from Iowa [Mr. RAMSEYER]. With his usual nice regard for constitutional limitations, he has succeeded in so drafting his proposal as to avoid constitutional pitfalls, though he certainly could not have proceeded much farther without at least getting into the twilight zone. He maintains a considerable measure of congressional control and at the same time insures that something effective and constructive will be done.

Yesterday I introduced H. R. 9695, which, if enacted into law, will enable the President to reorganize the executive, administrative, and regulatory branches of the Government along the lines suggested by him in his message.

I am very confident that if the President is given the authority granted in that bill, he will quickly bring together related activities, consolidate others, and put an end to much duplication and overlapping of functions and effort. Such reorganization will not only result in very large economies in the way of reduction of overhead but in greatly added efficiency. It will also have a very notable advantage for the public in that the people will know where to proceed to get services and not be compelled to go to a half dozen bureaus, as is now often the case, when desiring information or services that should be provided by a single agency. [Applause.]

Mr. THATCHER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Chairman, first let me thank gentlemen of the Appropriations Committee—the gentleman from Indiana [Mr. WOOD] and the gentleman from Kentucky [Mr. THATCHER]—for yielding me this time. I was apprehensive that because I am known as a Member of Congress who is opposed to the eighteenth amendment and the law for its enforcement, I would not be given time. I asked my good friend the chairman of the committee, the gentleman from Tennessee [Mr. BYRNS], if he would yield to me. He cordially refused to yield to me, because, evidently, he thought I might bring in the prohibition question.

I do not think the country is pleased with the way this House has been acting lately on heavy and unjustified prohibition enforcement appropriations.

A gentleman on the Committee on Appropriations objected to-day to grant five minutes to one of the leading Members of this House, the chairman of the Committee on Foreign Affairs, when he wanted to explain to this House that there is a petition on the Speaker's desk which the Members might sign if they believed in signing it.

By a parliamentary maneuver the other day a large percentage of the Members of this House representing the wet sentiment of the American Legion, the American Federation of Labor, the American Bar Association, the American Medical Association, the American Bankers Association, the Veterans of Foreign Wars, and a great majority of the people of the United States, as shown by the poll of the Literary Digest, were denied the right to vote by roll call on any prohibition phase of the bill under consideration, and a hospital item was substituted on a motion to recommit. That is not fair, and many people of the country will express their resentment. The drys of this House, who are in close districts, will pay the penalty for such tactics.

I wanted to ask the chairman of the Committee on Appropriations, when he was explaining cuts in the Customs Bureau, in order to establish economies, about some prohibition-enforcement items which run into millions of dollars. I was in the Federal administrative service for nine and one-half years and was a customs official, and I know what I am talking about. I asked one of the highest officials in the Treasury Department what they were going to do about the customs border patrol when Canada put the embargo on liquor. He said:

> We will cut down our forces on the Canadian border because we can safely do so. There is very little liquor coming over now; but if Canada places an embargo on liquor exports, their officials are honest and efficient—they will shut out practically all the liquor.

Every one of our high officials say the Canadian preventive measures are efficient. Ogden Mills, Seymour Lowman,

Admiral Billard, and Commissioner Eble say they are efficient. What are you going to do about it? The drys object to the border force being taken away, and they are only slightly cut down, although many men are needed on the southern front.

There is great wastage in the Customs Bureau on the Canadian border. There is great wastage in the Coast Guard on that border.

Speaking of fairness, I want to be courteous to the older Members of this House, to the dignified, able men who are members of the Committee on Appropriations.

One of the Members said facetiously the other day that the Committee on the Judiciary must be stacked because there was a sizable wet vote on this amendment which is now on the Speaker's desk. The Anti-Saloon League used to say, when they induced a candidate to run against me as a wet, but had him sign a statement that he would vote dry when he was needed to vote dry, that they would protect this fake wet as they had certain committees of the House "stacked," that is, loaded with enough dry votes to kill wet legislation in committee. What is the truth with regard to the Committee on Appropriations? This bill includes almost three times as much money for prohibition enforcement as the Justice Department bill, yet I challenge anyone to point out to me one wet among the six members of the subcommittee.

I challenge any Member to point out to me among the 10 members of the subcommittee of the Committee on Deficiency Appropriations one wet. I challenge the membership to name more than two wets of the six Members who handle the Justice Department appropriation bill. Does that mean that the Appropriations Committee is stacked with drys?

Everybody who has been in the service knows that the old honest American type of official in the Customs Bureau and the Coast Guard resents the terroristic prohibition enforcement activities that were pushed upon them. What did those six dry members do when they had the high officials of the Treasury Department before them to explain items? They did not ask them any embarrassing questions on prohibition enforcement.

There have been shootings, outrages, battles between State courts and Federal courts, much wastage, and yet no questions were asked of the Treasury officials which would embarrass them. There is a dispute as to whether we shall have many ships or more airplanes in the Coast Guard; whether the main functions of the Coast Guard are to save lives and property or prohibition enforcement, seeking with tremendous expense a needle in a haystack, one little sloop or motor boat carrying rum, in the broad reaches of our Atlantic and Pacific coast lines.

The other public business in which I think the House is deficient is its handling of the Government wheat bills which have come from the Senate. I again want to pay tribute to the Senate.

The Senate passed unanimously the Capper wheat bill providing for the distribution to starving men, women, and children and to starving livestock some 40,000,000 bushels of Government-owned wheat, which is a part of the 160,000,000 bushels which the Government bought in a vain effort to stabilize wheat prices in the country.

It also passed the Norbeck wheat bill, unanimously.

Senator CAPPER says that some of this wheat is now beginning to rot. It is costing the United States Government $28,000,000 per year for storage purposes and this money is being practically thrown away in a period when Congress fights desperately to cut a $5,000 appropriation which may have considerable merit.

About 10,000,000 bushels of this wheat is stored in Canada and some of the elevators are close to Detroit, such as those at Sarnia, at Goderich, Collingwood, and in the elevators at Canadian Lake Erie ports.

The United States Government is paying about $2,500,000 storage charges to Canadians for this wheat.

In the meantime there are millions of hungry men, women, and children in the United States to whom this wheat should be given, as many of these people are being fed out of the public treasury of city, county, and State welfare funds, which are raised through general taxation.

My native city of Detroit has almost gone bankrupt in paying out tens of millions of dollars to feed hungry men, women, and children.

Recently I have been told by school-teachers that there are at least fifty to sixty thousand school children who are going to school each day hungry, and their sufferings have been so heart-rending that teachers have provided funds out of their meager salaries to feed these children, although the city finances are in such desperate condition that in the near future these teachers may not be paid their salaries and may face payless pay days.

What kind of statesmanship is it to keep this wheat in warehouses in the United States and Canada when it is beginning to rot and when it is costing the United States Government $28,000,000 per year to maintain, while worthy Americans are starving?

I have protested vigorously on the floor of this House several times against this cruelty and selfishness, and I will keep protesting until this wheat is released and this economy is achieved and this philanthropy and welfare relief win out.

I have taken up with other Members on my side of the House, notably Mr. FISH and Mr. LAGUARDIA, both of New York, the urgency of putting through a petition under the liberalized rules of the House to discharge the House Agriculture Committee from further consideration of the Capper and Norbeck wheat relief bills. The House Agricultural Committee has considered the Capper wheat bill several times and has voted to keep the bill in the committee, thus practically to kill it.

I also aim to go on the air in nation-wide radio hook-ups to tell the people of the country about this vicious condition. I am confident that if the spigot of publicity is opened on this sort of tactics the House Agricultural Committee and the House will be compelled to act favorably.

When we get favorable action I am going to organize the public-welfare agencies of Detroit and Wayne County and of the American Legion and of the American Red Cross to rush this wheat, particularly in the form of flour and bread, to hungry men, women, and children in Detroit and Wayne County just as rapidly as possible.

Mr. THATCHER. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein some data of official character in order to carry out the corollary of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. UNDERHILL. Mr. Chairman, on Friday last a new star appeared in the legislative firmament; a new leader appeared on the floor of Congress; a new Moses to lead both parties into the promised land; a new Daniel come to judgment; and for fear that his remarks might not have received the attention which they deserved I want to call the attention of the Members to a few of the inconsistencies of those remarks. He starts off by saying:

> In the beginning I wish to state that in my opinion the opportunity that the present crisis affords this Democratic House of Representatives to bring the country out of chaos by enacting constructive legislation can only be measured by the needs of the rank and file of our people, which all of us admit are without parallel in the history of the Nation.

Then he asks the question:

> Has our party met the issues courageously or has it refused to accept the responsibilities that inevitably rest upon the shoulders of the victor?

He follows that by very severe criticism of practically everything his own party, the Democratic Party, has sponsored or has carried through during this session. Then, after getting through with this tirade of criticism he turns to ridicule and he places in the RECORD, at the expense of the

taxpayers, a jingle which is nothing more or less than a piece of political apple sauce. He says:

When this legislation was suggested to Congress, it would have been ludicrous, had it not been so distressing, to see Democratic Congressmen falling over each other to support it.

In other words, everybody on that side of the House was out of step except this new leader who appeared on Friday last.

Then he turns to threats. He says:

Although I pride myself on being a Democrat, and despite the fact that I have swallowed many a bitter pill, sugar-coated with Democracy, I thank God that these are two sins against my people that I shall not have to answer for. I suspect I just do not know enough to follow the lead and have not sense enough to keep my mouth shut.

That was the nearest to a statement of fact that he made in his whole speech. Then he goes on to say:

I make this promise, however: If the leaders of my party do not go straight, I reserve the right to blaze my own trail.

I do not know what this gentleman from Georgia is going to do in his district or in his State, whether he is going to form a new party in opposition to the Democratic Party in the South or whether he proposes to go into some other section of the country in order to secure followers. Then he says:

When I go back to Georgia and render to my people an accounting, I shall meet them face to face, and not one of them can charge me with having forgotten the land of my birth, the tillers of the soil that nurtured me, nor the principles and policies of the party I love—the Democratic Party of Jefferson, Jackson, Cleveland, and Wilson.

His excuse for taking the floor on Friday last was to advocate a piece of legislation which he had introduced but which the Presidents he mentioned as being the idols of the Democratic Party would have vetoed had it been passed by Congress, because it is an absolute repudiation of what I understand to have been the attitude of these great leaders of Democracy.

Now he comes to another phase. He flatters himself that he is receiving a tremendous amount of support and he says:

I find now that many of our Democratic Senators and Representatives are beginning to think as I think, and some of them are beginning to talk as I talk.

The new Democratic leader.

He says:

Nor do I care whether or not I am returned to Congress. I would much prefer to return to my people from Congress with a clear conscience and possessed of that satisfaction that comes to those only who are courageous and unafraid to answer "Here am I" when duty calls.

A splendid sentiment. I am reminded of a story which Tom Heflin used to tell in old Congress Hall about a man who was going along the street and saw a large crowd gathered on the corner. He asked a negro who was standing near by what the man was talking about, and the old negro said, "Well, sah, I don't know what he is just talking about, but he do sure recommend hisself highly." [Laughter.]

I will not attempt to go through all of his speech, but I will call your attention to the insertion in the RECORD, absolutely against the policy which has been established by this House, and again at the expense of the taxpayers, of an editorial from a paper published in his district, which "sure do recommend him highly."

This man may have talked for home consumption only, for I am sure he does not represent the bulk of the Democratic Party and I do not believe he represents on this floor anyone but himself. He criticizes his own party for the part it has played in an endeavor to bring about a restoration of confidence and to meet the present serious crisis for the sake of making political capital for himself.

I hold no brief for the Democratic Party. There are men enough on that side of the House who are abundantly able to take care of any reflections and aspersions that are cast upon them or upon their party. I do, however, feel called upon to refute the statement he made in reference to President Hoover and to present facts which prove his inaccuracy or ignorance. Again I quote from his remarks in the RECORD:

Our President had already told us in plain English what his attitude would be toward the unfortunates throughout the country when the people of the Mississippi Valley were dying like rats from hunger and exposure. Disaster had already overtaken them and they were naked and suffering when relief for them was suggested. Despite the fact that America had previously helped the people of other nations in times of peril and disaster, Mr. Hoover proclaimed from the housetops that the Government should not contribute one dollar for relief. Will Rogers and others of his type had to go about the country and raise the $20,000,000 of funds that were needed for this purpose as best they could.

These are the gentleman's views upon a series of events familiar to a large majority of the Members of this House; and they are so at variance with the facts of record that I can only explain his statement by quoting his own words of a few moments later, when he said:

My trouble may be that I am lacking in experience. I was not elected to Congress until September 10, 1931.

That possibly does explain it. It is possibly also a specimen of the abuse which the President of the United States is subjected to by some political partisans who do not allow the facts to cramp their style.

The President never used any such terms or implications as the gentleman states. Furthermore it was President Hoover's prodigious and effective efforts in behalf of the sufferers from the drought of 1930 of the South which saved that situation. The facts are so familiar to the Democratic Members of the preceding Congress that I am sure no one of them would have made charges so patently mistaken.

Very briefly I shall recapitulate exactly what those measures were for the information of the gentleman from Georgia:

On August 5, 1930, President Hoover was the first to announce the impending drought and stated that he had ordered the Department of Agriculture to undertake a detailed survey of the drought situation and to report upon the condition in each area in the country.

Three days later President Hoover issued a detailed analysis of the situation based upon these reports outlining its probable effect both on the people and their livestock. He showed that the livestock would quickly be affected and that a food shortage would develop later in those areas. He had persuaded the railroads to reduce freight rates by one-half so that cattle could be shipped from stricken areas to unaffected feeding grounds, and so that feed could be shipped to the cattle in stricken areas where that procedure would solve the problem and directed the Farm Board to provide loans and assistance in providing feed. He pointed out further that:

There will be a great deal of privation among families in the drought areas due to the loss of income and the financial difficulties imposed upon them to carry their animals over the winter. The American people will proudly take care of the necessities of their countrymen in time of stress or difficulty. Our first duty is to assure our suffering countrymen that this will be done, that their courage and spirit shall be maintained, and our second duty is to assure an effective organization for its consummation.

This statement made on August 8, 1930, bears no resemblance to the views attributed to the President by the gentleman from Georgia.

Six days later the President invited the governors of 10 of the drought-stricken States, who, with the proxies of three others, conferred in person with the President in Washington, to decide on the form which the cooperation of the Federal Government should take. This conference agreed that the governors should appoint State drought committees, and that the President should appoint a national drought committee to cooperate with them. In reporting the conclusions of the conference the President said that information secured by State and National surveys had been carefully canvassed and that while—

the extent of the damage can not yet be determined, it is certain there are at least 250 counties most acutely affected where some degree of relief must be provided.

The procedure of appointing committees was promptly followed by all parties concerned, including President Hoover, who named for the national committee the chairmen of the Federal Farm Board, the Federal Farm Loan Board, the Federal Reserve Board, the Red Cross, and the Under Secretary of the Treasury, the president of the American Railway Association, and a distinguished banker.

The President said, in naming the committee on August 19, that continuing reports confirm the severity of the situation and the inevitability of distress over the winter in the acutely affected counties, which "now apparently number something over 300." Evincing his grasp of the problem, he asserted that the relief would be much more exacting "over the winter than at the present moment."

On the same day he received a telegram from Governor Holloway, of Oklahoma, expressing his "full approval of the steps you are taking to aid the drought-stricken areas of the country."

The national committee functioned actively and effectively throughout the drought emergency, under the personal leadership of President Hoover. The agencies embraced in this committee at once provided credits and other assistance. At the request of the President's call to duty, the American Red Cross in August established at once a preliminary fund of $5,000,000 and organized agencies for the distribution of relief in every county where help was needed.

When Congress convened in December of 1930 President Hoover's first message recommended appropriations to rehabilitate the stricken farmers.

The President called upon Congress in a communication dated January 5, 1931, to appropriate $45,000,000 for this purpose, and Congress answered the call.

The President directed the Department of Agriculture in creating an organization which effectively did its part in the problem.

On January 13, 1931, the President issued a powerful appeal to the people of the United States to contribute immediately a further $10,000,000 to the Red Cross for human relief in the drought areas.

To make the appeal fully effective, the President, on January 18, assembled a committee of 100 leading citizens, announcing that a national emergency was being faced, that the people in the drought-stricken areas were not in a position adequately to help themselves, that the American way of meeting the situation was through voluntary effort, and that such effort for years had been centered in the American Red Cross. Despite the times, the appeal met with immediate response, and the $10,000,000 was provided, making a total of $15,000,000 for human relief. With these funds, over 3,000,000 people were provided with food and clothing and medical attention. Not only was any and all suffering prevented, but a new and abundant crop was assured for that year.

For the information of the gentleman from Georgia, it may be well to explain the status of the Red Cross. He may, perhaps, indulge the common error of supposing that this great organization is a purely private affair, run by well-meaning people of kind heart in the haphazard fashion all too common in purely humanitarian enterprises.

On the contrary, the facts are that the full name of this society is the American National Red Cross, and that it is the official disaster and emergency agency of the Federal Government, listed in our own Congressional Directory along with the other independent offices and establishments of the executive branch of the Government. The President of the United States is the president of the Red Cross, and when he calls upon the American people for funds to relieve human suffering, he addresses them in his official capacity, and his call is heeded by the people as a moral obligation upon their voluntary generosity. No system of enforced taxation approaches this ingenious system of self-taxation in promptness, equity, and effectiveness. The complete success was a splendid indorsement of the wisdom of President Hoover and an indication of his good judgment. It is one of the most remarkable evidences of the powers latent in self-government, and possible only in a free and generous nation like ours.

To resume, the President delivered a radio appeal from the White House on January 22, urging his fellow citizens to contribute promptly and in accordance with their means to aid their stricken fellow countrymen. It was this appeal that made absolutely certain the Red Cross would not lack for funds.

I regret to add that the remarks of the gentleman from Georgia, disparaging the zealous sympathy and practical help of President Hoover in drought relief, comes with particularly poor grace from a representative of his particular State. Under President Hoover's recommendations and appeals, over $65,000,000 was provided for these people. Of all the States benefiting by this great sum, only one other State (and that another Southern State) received anywhere near so large a share as did the gentleman's own State of Georgia.

The South, more than any other section of the country, has benefited from the humanitarian actions of the President, whether in time of drought or in time of flood. I have recounted very briefly the record of the President in the aid of the drought sufferers. For the benefit of the gentleman from Georgia, I wish merely to add that the President has been equally zealous in his efforts in behalf of flood victims in his own section of our country. The Mississippi flood found his services instantly available. He went to the aid of the victims of that disaster, providing care for 1,500,000 people and raising $25,000,000 to aid them. I trust this brief summary will contribute to the understanding of the gentleman from Georgia. I suggest to him with all kindliness as he begins his career in statesmanship that he ascertain the accuracy of the statements he makes before he resorts to oratory.

And this goes, gentlemen, for his criticisms of the Democratic Party and his reflections and misstatements with regard to President Hoover. At this point I will insert in the RECORD the data which I mentioned in my request for extension of remarks.

In a statement issued the President said:

AUGUST 5, 1930.

The drought situation has been the subject of several conferences between Secretary Hyde, Chairman Legge, and myself. The Department of Agriculture has undertaken a detailed survey of the situation. They will report next Monday upon the condition in each area in the country. The information so far indicates great variation in the effect of the drought, both as between States, between counties in those States, and even between farms in the same counties. There can be no doubt as to its most serious character in many localities, and that unless relieved there will be real suffering. The maximum intensity seems to lie in a belt roughly following the Potomac, the Ohio, and the Mississippi Rivers.

The measures of assistance that the Farm Board and the other agencies of the Federal Government can and should undertake are being determined. It is evident already that large measures of feed movement to livestock in the drought areas, or movement of animals out of the worst areas, will need be undertaken later in the fall. It is too early to determine the precise character of relief; much depends upon the further spread of the drought, but no stone will be left unturned by the Federal Government in giving assistance to local authorities. I have asked the railways to investigate the situation from a transportation point of view.

The President said:

AUGUST 8, 1930.

As a result of conferences of the last few days, which embrace the Cabinet, members of the Farm Board and the Farm Loan Board, together with Presidents Thompson, Tabor, and Huff of the farm organizations, I have decided to ask the governors of the States most acutely affected by the drought to meet with us in Washington next Thursday in order to consider definite plans for organization of relief. Such organization will need first to be undertaken by the States, and through them the counties, with whom the various Federal agencies can cooperate.

I now have the preliminary survey of the Department of Agriculture of the situation as of August 1. It shows that the shortage of animal feed crops is most acute in southeastern Missouri, northern Arkansas, southern Illinois, southern Indiana, southern Ohio, Kentucky, northern West Virginia, and northern Virginia, with spots of less dimensions in Montana, Kansas, Iowa, and Nebraska—the latter three States being the less acutely affected. I shall ask the governors of those States to attend. The feed crops in some other States are also reduced, the amount of ulti-

mate reduction depending upon rain during the next two weeks. It may develop that we shall need to ask the governors of one or two other States also to attend. In any event, in the most acute areas we should now lay the foundation for effective local and State organization, the object of which is to prevent suffering amongst farm families deprived of support, and to prevent the sacrifice of livestock more than is necessary.

In the acutely affected area which I have mentioned there are approximately 1,000,000 farm families who possess approximately 2,250,000 horses and mules, 6,000,000 cattle, and 12,000,000 hogs and sheep. This represents approximately 12 per cent of the animals in the country. Obviously the individual farmers in the acute area are differently affected. Their losses run all the way from a few per cent up to their entire animal feed crops. The actual numbers who are in distress will, therefore, be less than those gross figures.

Secretary Hyde has instructed the county agents to make a further, more searching, and definite report upon the later progress of the drought and the nature of the relief that will be necessary in the different counties. We are in hopes that we shall have this information in hand ready for the meeting of the governors.

The situation is one to cause a great deal of concern, but it must be borne in mind that the drought has mainly affected animal feed, the bulk of the direct human food production of the country being abundantly in hand. Nevertheless, there will be a great deal of privation among families in the drought areas due to the loss of income and the financial difficulties imposed upon them to carry their animals over the winter. The American people will proudly take care of the necessities of their countrymen in time of stress or difficulty. Our first duty is to assure our suffering countrymen that this will be done, that their courage and spirit shall be maintained, and our second duty is to assure an effective organization for its consummation.

The President reported the following conclusions have been so far arrived at by the conference:

AUGUST 14, 1930.

We have canvassed the information secured by State and national surveys as to drought conditions. While the extent of the damage can not yet be determined, it is certain that there are at least 250 counties most acutely affected where some degree of relief must be provided. It was the view of the conference that the burden of effective organization to meet the situation over the winter in the acutely affected counties rests primarily upon the counties and the States themselves, supplemented by such cooperation and assistance as may be found necessary on the part of the Federal Government.

The objective of such relief is:

(a) To assist families over the winter who are deprived of means of support through failure of their crops.

(b) To prevent unnecessary sacrifice of livestock.

(c) Protection to public health.

This is to be accomplished by:

(a) Placing of loans privately or where necessary with assistance of State or national agencies.

(b) Red Cross assistance.

(c) Employment.

(d) Reduced railway rates for food, feed, and livestock to the distressed districts.

This relief can be achieved justly and effectively only upon, first, a determination of the counties where such assistance is required; and, second, upon an accurate determination of the needs of each family. In order that such determinations may be made and assistance supplied as each case may require, the following organization is agreed upon:

1. Each governor who considers that a situation requiring emergency relief exists within his State shall create a drought-relief committee under the chairmanship of a leading citizen, and embracing in its membership a State agricultural official, a leading banker, a Red Cross representative, a railway representative, and such farmers and others as the situation may require. This committee to take general charge of relief measures within the State.

2. The State committee to determine the drought counties where there is need for organized relief and to organize a committee in each such county, likewise under the chairmanship of a leading citizen, and embracing the county agricultural agent, a leading banker, county Red Cross leader, farmers, and others.

3. The county committees will receive individual applications for relief and recommend the method of treatment and coordinate the various agencies in service thereto by way of loans, Red Cross assistance, employment, etc., the State committees, in cooperation with the county committees, to determine which counties are in need beyond the resources of the people of the county and in what direction, i. e., whether loans are required beyond the ability of the local banks or Red Cross assistance beyond the resources of the county chapter, what quantities of imports of feed or food are required, etc., the State committee to cooperate with national agencies if these requirements are beyond the State resources.

4. The President will set up a committee comprising representatives of the Department of Agriculture, the Federal Farm Board, the Federal Farm Loan Board, the Red Cross, the American Railway Association, the Public Health Service. This committee, through its chairman, will coordinate national activities and national support to the State and county committees.

5. The methods for provision of credit beyond local or State resources for the purchase of feed, seed, movement of livestock, or support of families over the winter will be developed by State committees in cooperation with the Federal Farm Board, the Federal Farm Loan Board, the Intermediate Credit System, and other Federal agencies.

6. The Red Cross will organize its own committees in each drought county, the chairman of which will be a member of the county drought-relief committee. The National Red Cross has made a preliminary allocation of $5,000,000 pending determination of the aggregate need.

7. The railways have already generously reduced rates by 50 per cent on food and feed inward to the drought counties and livestock movement outward to dealers and persons who are entitled to relief and so designated by the county agents or the committees created above.

8. The Department of Agriculture will secure and disseminate information as to sources of feed supply and localities to which livestock may be shipped. It will examine the possibilities of advancing State road allotments to drought areas in order to increase employment.

9. In the States of Iowa, Nebraska, and Kansas, and others having a surplus of feed, it is recommended that a State committee be set up to cooperate with the committees in the States of surplus livestock.

AUGUST 14, 1930.

The following participated in the President's conference on drought relief: The President; the Secretary of Agriculture; Governor Caulfield, of Missouri; Governor Emmerson, of Illinois; Governor Leslie, of Indiana; Governor Cooper, of Ohio; Governor Conley, of West Virginia; Governor Pollard, of Virginia; Governor Erickson, of Montana; Governor Weaver, of Nebraska; Governor Hammill, of Iowa; Governor Reed, of Kansas; Harvey T. Harrison, as proxy for Governor Parnell, of Arkansas; Senator Robsion, as proxy for Governor Sampson, of Kentucky; Commissioner Fitts, as proxy for Governor Horton, of Tennessee; Mr. Alexander Legge, Federal Farm Board; Mr. James C. Stone, Federal Farm Board; Mr. Charles S. Wilson, Federal Farm Board; Mr. Horace Paul Bestor, farm loan commissioner, Federal Farm Loan Board; Judge John Barton Payne.

The President said:

AUGUST 19, 1930.

In accordance with the conclusions of my conference with the governors, I have appointed Secretary Hyde to undertake coordination between Federal and State activities as chairman of the National Drought Committee. The members of this committee are: Chairman Legge, of the Federal Farm Board; Chairman Bestor, of the Federal Farm Loan Board; Governor Young, of the Federal Reserve Board; Chairman Payne, of the Red Cross; Chairman Aishton, of the American Railway Association; Under Secretary of the Treasury Mills; Mr. Henry M. Robinson, chairman of the First National Bank of Los Angeles.

These members from the different national organizations will appoint alternates or additional members from those agencies from time to time to undertake the special problems before the committee. Mr. Robinson has consented to serve on the committee for purposes of coordinating Federal with State and private credit activities. The headquarters of the National Drought Relief Committee are being set up in the Department of Agriculture.

The governors of the various States are moving rapidly in the creation of their organizations. The Governors of Illinois and Virginia have reported their committees, comprising men of high leadership in their States. Their State committees are:

Illinois: Melvin A. Traylor (banker), Chicago; E. N. Hurley (manufacturer), Chicago; Earl C. Smith (president Illinois Agricultural Association), Pittsfield; Victor A. Olander (secretary-treasurer Illinois Federation of Labor), Chicago; L. A. Downs (president Illinois Central Railroad), Chicago; Harvey J. Sconce (farmer), Sidell; Julius Postel (miller and farmer), Mascoutah; John M. Krebs (farmer, banker, and representative of Red Cross), Carmi; Stuart E. Pierson (director department of agriculture), Springfield.

Virginia: Ex-Governor Harry Flood Byrd, chairman; Frederick W. Scott (banker), A. C. Needles, R. H. Angell (representative Red Cross), John R. Hutcheson.

These committees are already actively creating their county organizations.

Continuing reports confirm the severity of the situation and the inevitability of distress over the winter in the acutely affected counties, which now apparently number something over 300. The rains of the last few days have stemmed the spread of the drought and greatly improved the situation outside of the acutely affected area. In those areas the destruction of crops has proceeded to a point that is beyond any great degree of recovery, although pasturage should improve. It must be borne in mind that from a relief point of view the burden of the problem in the acute area will show very much more vividly over the winter than at the present moment.

I have received from all sections of the drought area high appreciation of the railways for their prompt and constructive action. It is a notable act of courageous cooperation and has been undertaken in the face of seriously reduced income due to the depression. It emphasizes the public interest of maintaining the

strength and financial stability of our railways that they shall be able to cooperate in times of national difficulty.

In order that there may be no failure to cover any case of distress pending the time when the States have completed their detailed organization, the Red Cross has given instructions to all their county agencies to take care of the situation.

OKLAHOMA CITY, OKLA., *August 19, 1930.*

The PRESIDENT, *Washington, D. C.:*

As the Governor of Oklahoma, I wish to express my full approval for the steps you are taking to aid the drought-stricken areas of the country. I thank you for your telegram of to-day advising that Oklahoma will receive your full cooperation and assistance in your plans. To-day we perfected the organization of a state-wide drought committee, which I appointed last Saturday. In a few days we will have perfected the full organization down to the counties, as suggested by you in press reports. The Oklahoma committee will cooperate 100 per cent with Federal Government in bringing about necessary assistance to those States which need it. At our meeting to-day I stated to the state-wide committee that while I fully appreciated the wise and timely steps being taken by the Federal Government, I thought it was a mistake for Oklahoma to expect the Federal Government to do anything for Oklahoma which Oklahoma could do for herself.

Our State is rich in resources, and our citizens expect to do everything possible themselves to relieve situation. I think it unjust and unwise for any State to expect the Federal Government to furnish all the aid necessary in this crisis. While we are anxious for any and all benefits that the Federal Government may furnish Oklahoma, yet you may expect Oklahoma to do her full part in solving her own problems.

Governor W. J. HOLLOWAY.

AUGUST 20, 1930.

The following additional State drought committees have been reported to the President:

JEFFERSON CITY, MO., *August 19, 1930.*

The PRESIDENT,

The White House, Washington, D. C.:

The following men will constitute the state-wide drought relief committee for Missouri: L. W. Baldwin, of St. Louis, president Missouri Pacific Railroad; John G. Lonsdale, of St. Louis, president Mercantile Commerce Bank & Trust Co. and president American Bankers Association; F. B. Mumford, of Columbia, dean of Missouri College of Agriculture; Sherman Houston, of Malta Bend, widely known farmer; Walter S. McLucas, of Kansas City, chairman of board, Commerce Trust Co.; Russell Dearmont, of Cape Girardeau, State senator, representing Red Cross; and Arnold G. Stifel, of St. Louis, broker.

HENRY S. CAULFIELD.

FRANKFORT, KY., *August 19, 1930.*

The PRESIDENT,

The White House.

I have to-day appointed the following persons as members of the Drought Relief Committee for Kentucky: Hon. Harry Volz, of Zorn & Co. Seed & Grain Co., Louisville (chairman); Hon. C. Frank Dunn, secretary Kentucky Progress Commission, Frankfort and Lexington; Hon. Newton Bright, Commissioner of Agriculture, Frankfort; Dean Thomas Cooper, Agricultural College, University of Kentucky, Lexington; Hon. A. B. Sawyer, president Kentucky Farm Bureau, St. Matthews; Hon. Nicholas Dosker, vice president Louisville Trust Co., Louisville; Hon. W. E. Morrow, secretary board of trade, Louisville; Hon. Marion Rust, American Red Cross, Columbus; Hon. Addison R. Smith, vice president and traffic manager L. & N. R. R., Louisville; Dr. A. T. McCormack, secretary State board of health, Louisville; Hon. D. C. Stimpson, farmer and lumber dealer, Owensboro; Hon. Curtis Park, farmer and legislator, Richmond; Col. W. A. Thomasson, farmer and breeder, Paris; Hon. Joe McCarroll, banker, farmer, Hopkinsville; Hon. Charles Land, president Farmers Union, banker and farmer, Lexington; and we are ready to proceed with the work, having already compiled a great deal of information and in large part completed survey of conditions. District and county organizations are being perfected.

FLEM D. SAMPSON, *Governor.*

INDIANAPOLIS, IND., *August 19, 1930.*

The PRESIDENT,

The White House:

Drought relief committee appointed and organized: J. H. Skinner, director of experiment station and extension service, dean of agriculture, Purdue University (chairman); Albert Wedeking, chairman State highway commission (secretary); William H. Skettle, president Indiana Farm Bureau; Elmer Stout, president Indiana Bankers Association; William Fortune, director Indiana Red Cross.

Gov. HARRY G. LESLIE.

DES MOINES, IOWA, *August 18, 1930.*

Hon. HERBERT HOOVER,

The White House, Washington, D. C.

MY DEAR PRESIDENT: As a result of the conference and in accordance with your wish, I have appointed the following persons to represent Iowa on the drought committee: Mark G. Thornburg, secretary of agriculture, Des Moines; H. H. Epperson, Sioux City; Earl Elijah, Clarence; W. Harold Brenton, Dallas Center; W. G. C. Bagley, Mason City; C. J. Weiser, Decorah; Roy Murphy, Burlington; Harry Hopley, Atlantic; R. M. Gunn, Buckingham.

I want to again commend your high purpose and fine spirit in the interest of the welfare of mankind in promoting this relief program for the drought district.

Believe me with high personal regards,

Very truly yours,

JOHN HAMMILL, *Governor.*

[From the President's message, December 2, 1930]

Aside from the misfortune to agriculture of the world-wide depression we have had the most severe drought. It has affected particularly the States bordering on the Potomac, Ohio, and lower Mississippi Rivers, with some areas in Montana, Kansas, Oklahoma, and Texas. It has found its major expression in the shortage of pasturage and a shrinkage in the corn crop from an average of about 2,800,000,000 bushels to about 2,090,000,000 bushels.

On August 14 I called a conference of the governors of the most acutely affected States, and as a result of its conclusions I appointed a national committee comprising the heads of the important Federal agencies under the chairmanship of the Secretary of Agriculture. The governors in turn have appointed State committees representative of the farmers, bankers, business men, and the Red Cross, and subsidiary committees have been established in most of the acutely affected counties. Railway rates were reduced on feed and livestock in and out of the drought areas, and over 50,000 cars of such products have been transported under these reduced rates. The Red Cross established a preliminary fund of $5,000,000 for distress-relief purposes and established agencies for its administration in each county. Of this fund less than $500,000 has been called for up to this time, as the need will appear more largely during the winter. The Federal Farm Loan Board has extended its credit facilities, and the Federal Farm Board has given financial assistance to all affected cooperatives.

In order that the Government may meet its full obligation toward our countrymen in distress through no fault of their own I recommend that an appropriation should be made to the Department of Agriculture to be loaned for the purpose of seed and feed for animals. Its application should as hitherto in such loans be limited to a gross amount to any one individual and secured upon the crop.

The Red Cross can relieve the cases of individual distress by the sympathetic assistance of our people.

COMMUNICATION FROM THE PRESIDENT

THE WHITE HOUSE,
Washington, January 5, 1931.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the Department of Agriculture, amounting to $45,000,000, for the fiscal year 1931, to remain available until June 30, 1932, for the purpose of making advances or loans to farmers, as contemplated by the joint resolution entitled "Joint resolution for the relief of farmers in the drought and/or storm stricken areas of the United States," approved December 20, 1930.

The details of this supplemental estimate of appropriation, the necessity therefor, and the reason for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

HERBERT HOOVER.

BUREAU OF THE BUDGET,
Washington, January 5, 1931.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the Department of Agriculture, amounting to $45,000,000, for the fiscal year 1931, to remain available until June 30, 1932, for the purpose of making advances or loans to farmers.

Seed grain, feed, and fertilizer loan, 1931 ..... $45,000,000

The purpose of this supplemental estimate of appropriation is to enable the Secretary of Agriculture to carry into effect the provisions of the joint resolution entitled "Joint resolution for the relief of farmers in the drought and/or storm stricken areas of the United States," approved December 20, 1930. The funds provided by this estimate will, upon written application, be used in making loans or sales to farmers as contemplated by the joint resolution. A small part of the funds will also be used for salaries and expenses of employees whose services will be used in making and collecting the loans and for printing and miscellaneous expenses.

This estimate of appropriation is required to provide for legislation which has been enacted since the transmission of the Budget for the fiscal year 1931, and its approval is recommended.

Very respectfully,

J. CLAWSON ROOP,
Director of the Bureau of the Budget.

The PRESIDENT.

Supplemental estimate of appropriation required for the service of the fiscal year ending June 30, 1931, by the Department of Agriculture

Seed grain, feed, and fertilizer loan: To enable the Secretary of Agriculture to carry into effect the provisions of the joint resolution entitled "Joint resolution for the relief of farmers in the drought and/or storm stricken areas of the United States," approved December 20, 1930, including the employment of persons and means in the city of Washington and elsewhere, printing, purchase of law books not to exceed $1,000, rent in the District of Columbia and elsewhere, and for the collection of moneys due the United States on account of loans made thereunder, fiscal year 1931, to remain available until June 30, 1932, $45,000,000, of which amount not to exceed $80,000 may be expended for departmental personal services in the District of Columbia (submitted) ---------- $45,000,000

JANUARY 13, 1931.

To My Fellow Countrymen:

There must be a very material increase in the resources of the American Red Cross to enable it to bear the burden which it has undertaken in the drought area and smaller communities over 21 States during this winter. Within the last 10 days the Red Cross has had to increase the rate of expenditures to an amount greater than during the entire preceding four months.

The American Red Cross is the Nation's sole agency for relief in such a crisis; it is meeting the demand and must continue to do so during the remainder of the winter.

The disaster reserve of the Red Cross which was pledged to this emergency last August is not sufficient to meet the increased demands. It is imperative in the view of the experienced directors of the Red Cross that a minimum of at least ten million dollars be contributed to carry the relief program to completion.

The familiarity of this situation, due to months of press reports of its progress, should not blind us to the fact that it is an acute emergency, nor dull our active sympathies toward our fellow-countrymen who are in actual want and in many cases will lack the bare necessities of life unless they are provided for.

As President of the United States and as President of the American Red Cross, I, therefore, appeal to our people to contribute promptly and most generously in order that the suffering of thousands of our fellow-countrymen may be prevented. I am doing so with supreme confidence that in the face of this great humanitarian need your response will be immediate.

HERBERT HOOVER.

THE WHITE HOUSE, *January 18, 1931.*

At the request of Hon. John Barton Payne, the chairman of the Red Cross, the President has invited a committee of leading citizens to sponsor and aid the National Red Cross and its local chapters in the drive for funds in aid of the drought sufferers. Acceptances have so far been received from Hon. Calvin Coolidge, honorary chairman; Hon. John Barton Payne, chairman; Hon. Alfred E. Smith, vice chairman; Hon. John W. Davis, vice chairman; Gen. John J. Pershing, vice chairman; Gen. Abel Davis, vice chairman.

Members: Mr. William E. Boeing, Seattle, Wash.; Mr. William Butterworth, Moline, Ill.; Rev. S. Parkes Cadman, Brooklyn, N. Y.; Mr. Herbert J. Case, New York City; Mr. Winthrop Murray Crane, jr., Dalton, Mass.; Mr. William H. Crocker, San Francisco, Calif.; Mr. George Howard Crosby, Duluth, Minn.; Mr. Harvey C. Couch, Pine Bluff, Ark.; Mr. Charles I. Denechaud, New Orleans, La.; Mr. Charles Donnelly, St. Paul, Minn.; Mr. George Eastman, Rochester, N. Y.; Mr. Howard W. Fenton, Chicago, Ill.; Mr. Herbert Fleishacker, San Francisco, Calif.; Mr. William Fortune, Indianapolis, Ind.; Bishop James E. Freeman, Washington, D. C.; Mrs. Joseph E. Friend, New Orleans, La.; Mr. Thomas S. Gates, Philadelphia, Pa.; Mr. William P. Gest, Philadelphia, Pa.; Mr. Walter S. Gifford, New York City; Cardinal Patrick J. Hayes, New York City; Mrs. Alvin T. Hert, Louisville, Ky.; Mr. Samuel Insull, Chicago, Ill.; Mr. A. Johnston, Cleveland, Ohio; Mr. Jesse H. Jones, Houston, Tex.; Hon. Frank B. Kellogg, St. Paul, Minn.; Mr. Thomas W. Lamont, New York City; Mr. John L. Lewis, Indianapolis, Ind.; Mr. John G. Lonsdale, St. Louis, Mo.; Mr. Ernest W. Marland, Ponca City, Okla.; Mr. Samuel Mather, Cleveland, Ohio; Miss Gertrude McNally, Washington, D. C.; Mr. John B. Miller, Los Angeles, Calif.; Mr. Frank Morrison, Washington, D. C.; Mr. Ralph T. O'Neil, Indianapolis, Ind.; Hon. Redfield Proctor, Proctor, Vt.; Mr. William Cooper Procter, Cincinnati, Ohio; Mr. George Rand, Buffalo, N. Y.; Mrs. Corinne Roosevelt Robinson, New York City; Mrs. F. Louis Slade, New York City; Mrs. John F. Sipple, Washington, D. C.; Mr. Myron C. Taylor, New York City; Mr. Melvin Traylor, Chicago, Ill.; Hon. Elbert Lee Trinkle, Roanoke, Va.; Mr. Felix M. Warburg, New York City; Mr. Daniel G. Wing, Boston, Mass.; Rabbi Stephen Samuel Wise, New York City; Mr. A. F. Whitney, Cleveland, Ohio; Dr. Mary Woolley, Holyoke, Mass.; Hon. Owen D. Young, New York City; Mr. Joseph Wayne, jr., Philadelphia, Pa.; Mr. William Green, president American Federation of Labor.

The President's request read as follows:

I am appointing a nation-wide committee to sponsor the American Red Cross effort to raise $10,000,000 for the relief of the sufferers in the drought-stricken areas. Mr. Coolidge has consented to act as honorary chairman. Knowing your public spirit, I am most desirous that you should be a member of this committee.

We are faced with a national emergency. Those in need in our larger cities are being and will be provided for through the generosity and self-reliance of the citizens of those communities. The people, however, in the drought-stricken areas in 21 States are not in a position adequately to help themselves and must look to their fellow citizens for temporary assistance.

The American way of meeting such a relief problem has been through voluntary effort and for many years this effort has been centered in the American Red Cross, created by the people themselves to act in just such emergencies. It has met its responsibilities magnificently in times of war and of peace.

It is essential that we should maintain the sound American tradition and spirit of voluntary aid in such emergency and should not undermine that spirit which has made our Red Cross the outstanding guardian of our people in time of disaster.

HERBERT HOOVER.

Speaking over the radio from the White House in connection with the Red Cross appeal Thursday evening, January 22, 1931, the President said:

The American Red Cross is a great voluntary organization, created by the people themselves, on whom the Nation places reliance in time of need. For some months the Red Cross has been providing for those of our fellow citizens who have suffered from the devastating effects of the long-extended drought. The area affected is roughly limited to the States bordering upon the Potomac, Ohio, and Mississippi Rivers, with limited acute areas in some Southwestern and Northwestern States. The people in this area lost a large part of their crops; and many thousands are even short of food supplies. The Red Cross now appeals for $10,000,000 of additional funds in order that that essential task may be adequately performed. There is no question but that they are needed. It is unthinkable that any of our people should be allowed to suffer from hunger or want. The heart of the Nation will not permit it. It is to the heart of the Nation that I am appealing to-night. I urge all of my fellow countrymen to contribute promptly and in accordance with their means. It is a call to citizenship and to generosity in time of trial, but it is a call for protection to our greatest American institution of charity and above all a call on behalf of those in need.

I want to take this occasion to thank the thousands of devoted members of the Red Cross throughout the land who in the drought-stricken areas are devoting their time and effort to the relief of suffering and in the other parts of the country to providing the means of doing so. In the face of calamity let us unite in a common effort to drive suffering and want from our country. There can be no higher duty. To the call of that duty the Nation will respond.

The President said:

FEBRUARY 3, 1931.

Certain Senators have issued a public statement to the effect that unless the President and the House of Representatives agree to appropriations from the Federal Treasury for charitable purposes they will force an extra session of Congress.

I do not wish to add acrimony to a discussion, but would rather state this case as I see its fundamentals.

This is not an issue as to whether people shall go hungry or cold in the United States. It is solely a question of the best method by which hunger and cold shall be prevented. It is a question as to whether the American people on one hand will maintain the spirit of charity and mutual self-help through voluntary giving and the responsibility of local government as distinguished on the other hand from appropriations out of the Federal Treasury for such purposes. My own conviction is strongly that if we break down this sense of responsibility of individual generosity to individual and mutual self-help in the country in times of national difficulty, and, if we start appropriations of this character, we have not only impaired something infinitely valuable in the life of the American people but have struck at the roots of self-government.

Once this has happened it is not the cost of a few score millions, but we are faced with the abyss of reliance in future upon Government charity in some form or other. The money involved is indeed the least of the costs to American ideals and American institutions.

President Cleveland, in 1887, confronted with a similar issue, stated in part:

"A prevalent tendency to disregard the limited mission of this power and duty should, I think, be steadfastly resisted, to the end that the lesson should be constantly enforced that, though the people support the Government, the Government should not support the people.

"The friendliness and charity of our countrymen can always be relied upon to relieve their fellow citizens in misfortune. This has been repeatedly and quite lately demonstrated. Federal aid in such cases encourages the expectation of paternal care on the part of the Government and weakens the sturdiness of our national character, while it prevents the indulgence among our people of that kindly sentiment and conduct which strengthens the bonds of a common brotherhood."

And there is a practical problem in all this. The help being daily extended by neighbors, by local and national agencies, by municipalities, by industry, and a great multitude of organizations

throughout the country to-day is many times any appropriation yet proposed. The opening of the doors of the Federal Treasury is likely to stifle this giving and thus destroy far more resources than the proposed charity from the Federal Government.

The basis of successful relief in national distress is to mobilize and organize the infinite number of agencies of self-help in the community. That has been the American way of relieving distress among our own people and the country is successfully meeting its problem in the American way to-day.

We have two entirely separate and distinct situations in the country; the first is the drought area; the second is the unemployment in our large industrial centers; for both of which these appropriations attempt to make charitable contributions.

Immediately upon the appearance of the drought last August I convoked a meeting of the governors, the Red Cross, and the railways, the bankers, and other agencies in the country and laid the foundations of organization and the resources to stimulate every degree of self-help to meet the situation which it was then obvious would develop. The result of this action was to attack the drought problem in a number of directions. The Red Cross established committees in every drought county, comprising the leading citizens of those counties, with instructions to them that they were to prevent starvation among their neighbors and, if the problem went beyond local resources, the Red Cross would support them.

The organization has stretched throughout the area of suffering, the people are being cared for to-day through the hands and with sympathetic understanding and upon the responsibility of their neighbors, who are being supported in turn by the fine spirit of mutual assistance of the American people. The Red Cross officials, whose long, devoted service and experience is unchallenged, inform me this morning that except for the minor incidents of any emergency organization, no one is going hungry and no one need go hungry or cold.

To reinforce this work, at the opening of Congress I recommended large appropriations for loans to rehabilitate agriculture from the drought and provision of further large sums for public works and construction in the drought territory, which would give employment in further relief to the whole situation. These Federal activities provide for an expenditure of upward of $100,000,000 in this area, and it is in progress to-day.

The Red Cross has always met the situations which it has undertaken. After careful survey and after actual experience of several months with their part of the problem they have announced firmly that they can command the resources with which to meet any call for human relief in prevention of hunger and suffering in drought areas, and that they accept this responsibility. They have refused to accept Federal appropriations as not being consonant either with the need or the character of their organization. The Government departments have given and are giving them every assistance. We possibly need to strengthen the Public Health Service in matters of sanitation and to strengthen the credit facilities of that area through the method approved by the Government departments to divert some existing appropriations to strengthen agricultural credit corporations.

In the matter of unemployment outside of the drought areas important economic measures of mutual self-help have been developed, such as those to maintain wages, to distribute employment equitably, to increase construction work by industry, to increase Federal construction work from a rate of about $275,000,000 a year prior to the depression to a rate now of over $750,000,000 a year, to expand State and municipal construction—all upon a scale never before provided or even attempted in any depression. But beyond this, to assure that there shall be no suffering, in every town and county, voluntary agencies in relief of distress have been strengthened and created and generous funds have been placed at their disposal. They are carrying on their work efficiently and sympathetically.

But after and coincidently with voluntary relief, our American system requires that municipal, county, and State governments shall use their own resources and credit before seeking such assistance from the Federal Treasury.

I have indeed spent much of my life in fighting hardship and starvation both abroad and in the Southern States. I do not feel that I should be charged with lack of human sympathy for those who suffer, but I recall that in all the organizations with which I have been connected over these many years, the foundation has been to summon the maximum of self-help. I am proud to have sought the help of Congress in the past for nations who were so disorganized by war and anarchy that self-help was impossible. But even these appropriations were but a tithe of that which was coincidently mobilized from the public charity of the United States and foreign countries. There is no such paralysis in the United States, and I am confident that our people have the resources, the initiative, the courage, the stamina, and kindliness of spirit to meet this situation in the way they have met their problems over generations.

I will accredit to those who advocate Federal charity a natural anxiety for the people of their States. I am willing to pledge myself that if the time should ever come that the voluntary agencies of the country together with the local and State governments are unable to find resources with which to prevent hunger and suffering in my country, I will ask the aid of every resource of the Federal Government because I would no more see starvation amongst our countrymen than would any Senator or Congressman. I have the faith in the American people that such a day will not come.

The American people are doing their job to-day. They should be given a chance to show whether they wish to preserve the principles of individual and local responsibility and mutual self-help before they embark on what I believe is a disastrous system. I feel sure they will succeed if given the opportunity.

The whole business situation would be greatly strengthened by the prompt completion of the necessary legislation of this session of Congress and thereby the unemployment problem would be lessened, the drought area indirectly benefited, and the resources of self-help in the country strengthened.

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. GUYER. Was President Hoover the first President who ever suggested any such thing or under whose administration was that done?

Mr. UNDERHILL. Perhaps he was the first President to be confronted with such a difficult problem. I do not say we have not had fire and flood and drought and other catastrophes before, but it seems as though everything under the canopy of heaven has come to plague this man since he took his seat in the White House, and no one in this country has ever shown a more earnest, a more honest, a more patriotic and unselfish effort to meet every situation and bring every possible avenue of relief to the stricken people of our country, irrespective of place or policies. It is almost beyond my imagination that a most bitter partisan should attribute to President Hoover the sentiments and statements contained in the speech which the Member from Georgia made on Friday last.

I have taken this floor at various times in defense of Congress. I am jealous of our public officials from the President down, and I think this constant reflection upon Congress, this constant reflection upon members of the Cabinet, this constant reflection upon the President of the United States only weakens the confidence of the people in their form of government; and if this form of government is not a success, to what are you going to turn?

A government with dictatorship, a government like the Soviet of Russia, a government without a head, a pure democracy, which has been absolutely futile and failed all through the years of history. This is the best form of government ever devised by the mind of man, framed by men actuated only by the highest motives, when they tried to build a firm foundation for this Government, and map out a true, safe course for us who follow after them.

Mr. PARSONS. Would the gentleman advocate the passage of an alien and sedition law against criticism that was justly due?

Mr. UNDERHILL. Oh, no; we differ on men and measures, and fight it out, but I do insist, as I have through all my remarks—and I speak of all my colleagues with the kindliest feelings—that a new Member of Congress should stick to the facts when he resorts to oratory, whether that be for his own personal political advantage, or whether it be for the purpose of arousing class hatred, prejudice, passion, partisanship, sectional, or racial sentiment. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. PARKER].

Mr. PARKER of Georgia. Mr. Chairman and ladies and gentlemen of the committee, I am greatly disturbed that the gentleman from Massachusetts should be displeased with the remarks I made on the floor of this House last Friday. I wish to say, however, that I made no attempt whatever to please him in what I had to say, as I shall not attempt to do on this occasion.

I am the last man who would say an unkind thing about the President of this great country of ours that is not capable of proof. I maintain that I made no statement in the speech that I made last Friday that is not true. I realize that I can not answer the gentleman from Massachusetts fully at this time. I shall get his speech after it shall have been reduced to writing and placed in the CONGRESSIONAL RECORD, and I will study it and see what he has said, and I promise you I will come back before you one day next week and reply to him in full. I will prove conclusively that I made no statement on last Friday that is not absolutely true.

Mr. THATCHER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, we are in the midst of the greatest emergency affecting the interests, welfare, and happiness of the American people that has occurred in the lifetime of any Member of this House. Up to now the Democratic Party, which is in power in the House of Representatives, which has organized this House and all of its committees, which has elected a very able and distinguished Member of the House to be its Speaker, and is at the present moment in control of the entire proceedings of the House, has failed to do anything to relieve the suffering and undernourishment among millions of our own people. I rise to ask what the Democratic Party in the House of Representatives has done in the last three months, or since the Democrats organized the House early in December, to relieve human misery in this great affliction? I have voted with the majority party in the House to relieve corporations, banks, and railroads.

Mr. SANDERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. SANDERS of Texas. Has not the gentleman's party control of the Executive branch of the Government, and has it not "bust" the Treasury?

Mr. FISH. That is not an answer to my question, but the weakest kind of evasion. I have voted with the majority party in this House to provide funds, millions of dollars, billions of dollars, to the corporations, to the railroads, and to the banks in this emergency, but I want to know from the Democratic leaders in all sincerity and good faith what they have done to relieve the human misery, suffering, and destitution, particularly among the millions upon millions of unemployed in our own country, where there is much undernourishment and virtual starvation.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. BANKHEAD. The gentleman has asked a question. Of course, I am not one of the Democratic leaders, and am only a private in the ranks.

Mr. FISH. Oh, I regard the gentleman from Alabama as one of the outstanding Democratic leaders.

Mr. BANKHEAD. Does the gentleman refer to relief for the destitute of the country by direct appropriations out of the Treasury of the United States?

Mr. FISH. I am referring particularly to those who are hungry, undernourished, destitute, and in absolute want and distress among our unemployed. I am urging that the Capper wheat bill be enacted into law immediately.

Mr. BANKHEAD. Who is the titular leader of the Republican Party in this country?

Mr. FISH. Oh, the gentleman knows that we are able to legislate in the House of Representatives, even under the Democratic organization, without suggestions from the White House.

Mr. BANKHEAD. Yes; but does not the gentleman know, and will he not be fair enough to say——

Mr. FISH. I shall be fair.

Mr. BANKHEAD. That the President of the United States, who is the leader of his party in this country, in his message to the Congress of the United States, expressed unalterable opposition to any act that might be passed by the Congress of the United States giving what he called a dole to the destitute of this country, so what good would it do for us to pass such a thing if we could?

Mr. FISH. If the gentleman refers to a dole or unemployment insurance, that is correct. I did not know that the Democratic Party stood for unemployment insurance or for the dole. I have heard none of their leaders express any such idea. What I am talking about is that some months ago the Senate of the United States sent over here, by unanimous vote, a bill introduced by one of the farm bloc Senators providing that 40,000,000 bushels of wheat owned by the Government of the United States be turned over to the National Red Cross to be processed into flour to be distributed by the Red Cross and other charitable organizations in the country wherever there was any distress, undernourishment, and hunger. That is not unemployment insurance or a financial dole placing a premium on unemployment.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yet the Democratic Party up to now has been deaf, dumb, and blind on this particular bill, and no action has been taken except to shelve it in the committee. I rise to ask when you expect to report that bill out to afford relief to millions of undernourished Americans, and give this grain owned by the Government to the Red Cross to be processed into flour and distributed wherever there is suffering and want in the country.

Mr. BANKHEAD. Is that on the President's relief program?

Mr. FISH. That bill passed the Republican Senate and came over here by a unanimous vote, and you Democrats have the responsibility for legislation here. You organized the House, you organized the committees of the House, you have the absolute responsibility either to report that bill out or to kill it. The distinguished Democrat from Indiana [Mr. LUDLOW] has introduced an almost identical bill, and that is still pending in the committee. The Democratic Party in the House of Representatives has so far failed to do anything to relieve the misery of our people in this affliction or to relieve the distress, starvation, and undernourishment among millions and millions of American people who are not able to come into this House and voice their views and make their wishes known.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. PARSONS. Does the gentleman know how the members on the Republican side of the aisle in committee voted on that proposition when it was being discussed, and certainly the gentleman knows what the President's attitude was toward relief last year, toward a similar measure to this, when it was up for discussion in the Seventy-first Congress.

Mr. FISH. I do not know how any single member of the committee voted and I do not believe it is right for any other member to make a statement on this floor as to how a member of his committee or any other committee voted, but I say that the Committee on Agriculture was organized by the Democratic Party and there is a Democratic majority on that committee and they must bear the responsibility for legislation. I do not think that any leading Democrat wants to shirk that responsibility.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. LUDLOW. Does the gentleman know how much it is costing to keep that wheat in storage now?

Mr. FISH. The gentleman from Indiana asks how much it costs to keep this wheat in storage. It costs between 15 cents and 18 cents a bushel. It costs approximately $24,000,000 per year to keep this wheat in storage. Is that correct?

Mr. LUDLOW. I think that is substantially correct. Can the gentleman give any reason on earth why this wheat should not be given to the hungry people of this country?

Mr. FISH. I can not give the slightest reason why this bill, which passed the Senate two months ago by unanimous vote, as an emergency measure, should not be passed. It had the support and vote of all the wheat Senators and the farm bloc. The purpose of my speaking at the present time is to try to find out why it is being held up.

Mr. LUDLOW. Will the gentleman yield further?

Mr. FISH. I yield.

Mr. LUDLOW. I, of course, agree with the gentleman that this House should pass the bill which I introduced. It is obvious that I would say that. What objection there can be to it I do not know, since this wheat is a dead load on the people of the United States and hangs like the sword of Damocles over the farmer. The best purpose in the world to which it can be put is to relieve hunger. I know the gentleman wants to be fair. The gentleman has shouldered the blame for killing this measure on the Democratic side.

I think it is a matter of understanding and it has been stated on the floor that all Members on the gentleman's side voted to kill it in the committee. So let us be fair. This should not be regarded as a political matter.

Mr. JONES. Will the gentleman yield?

Mr. FISH. I yield.

Mr. JONES. Is the gentleman making the charge that the Democratic members of the Committee on Agriculture are responsible?

Mr. FISH. Oh, not the individual members.

Mr. JONES. I challenge the gentleman to call the roll of the different members and ask them how they voted and see who is responsible.

Mr. FISH. The gentleman knows we can not do that. I will say to the gentleman I know how the gentleman voted himself in the committee. I do not know how other Members voted, but at the same time I do not think that it is in order to divulge individual committee votes in the House, because it is contrary to the rules of the House.

Mr. JONES. I understood that was the very point the gentleman was making.

Mr. FISH. Not at all. I make the point that the Democratic Party is responsible for legislation in this House. The Democratic Party has organized the gentleman's committee.

Mr. JONES. Does the gentleman think the Democratic Party has the responsibility of whipping the Republican Members into line?

Mr. FISH. Not at all. If every Republican Member voted against the bill, it would not make any difference. The Democratic Party has a majority on the committee and in this House, and the responsibility is theirs.

Mr. JONES. The gentleman does not think there is any responsibility on the part of the Republican Members?

Mr. FISH. I do not yield any further, Mr. Chairman. I do not want to get into any controversy as to how individual Members voted in the Committee on Agriculture. All I am trying to do is to get some action on this bill or some similar bill, whether it is the bill introduced by the gentleman from Indiana [Mr. LUDLOW] or the bill introduced by Senator CAPPER or some other bill; it does not matter.

Now, let us be fair. Is the gentleman trying to dodge the fact that the Democrats have a majority on his committee? Is the gentleman trying to dodge the fact that it is a Democratic committee, organized by the Democratic Party? Is the gentleman trying to shirk responsibility for legislation? That is all there is to it. Is the gentleman trying to have the Republicans legislate for him? If the gentleman wants to resign as chairman of the committee, or if the Democratic Party wants to resign as a majority, very well; but as long as the Democratic Party has the majority it has and must have the responsibility that goes with majority control.

Mr. JONES. Will the gentleman yield?

Mr. FISH. I do not yield any further.

Now, I want to recall the fact that in 1921, when there was a famine in Soviet Russia, when human beings were starving on the banks of the Volga River—5,000 miles away—we appropriated in this House of Representatives $20,000,000 to relieve the suffering, destitution, and starvation in Soviet Russia. I want to recall to the Members of this House that in 1924 I introduced a bill providing $10,000,000 to send foodstuffs to the starving women and children in Germany. That bill passed the House of Representatives by a vote of two to one, authorizing the expenditure of $10,000,000, and yet, with all the distress in our own country, the richest nation in the world, with an overabundance of foodstuffs, with Government-owned grain bulging in every granary in the land, paying even to Canada $2,500,000 a year for extra storage of wheat owned by the Government, yet the Democratic majority in the House of Representatives has had two months to report the Capper bill passed unanimously by the Senate, but it is still buried in the archives of the Committee on Agriculture of the House of Representatives.

Mr. CAMPBELL of Iowa. Will the gentleman yield?

Mr. FISH. I yield.

Mr. CAMPBELL of Iowa. Does not the gentleman think we all have individual responsibility here, and does the gentleman not believe that we modified the rules in regard to bringing bills out of committee for the purpose of bringing out just such a bill as the gentleman is speaking of to-day, and does the gentleman not feel, under the circumstances, that the gentleman, as the champion of the people who are starving, ought to bring forth a petition in which I am sure a great many of us will join?

Mr. FISH. I thank the gentleman for the suggestion, and I assure the gentleman that within three days' time there will be a petition on the Speaker's desk for Democrats and Republicans alike to sign, and then we can definitely find out where the exact responsibility lies among the individual Members of the House, but in the meanwhile the Democratic majority can not evade its responsibility for orderly legislation in the House.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES. Mr. Chairman, the gentleman from New York [Mr. FISH] has been bawling around like a sick calf for about two months upon this proposition, as if it were a matter of life and death. The gentleman knows as well as any Member of this House that there is an individual responsibility on the part of the Members of the House, both in the House and in the committee, and that each individual Republican has a vote which counts as much in the committee as a Democratic Member's vote. There has never been any great amount of politics in the Committee on Agriculture. I do not feel at liberty to disclose how the different Members voted, but I challenge the gentleman from New York or anyone else to ask every individual member of that committee how he voted, and to put that vote in the RECORD. [Applause.] Then the gentleman will know, of a truth, that his party is more responsible than the Democratic Party, by the result of that vote.

Mr. DYER. Will the gentleman yield?

Mr. JONES. I yield for a question.

Mr. DYER. The gentleman does not deny that the Democratic Party is in control, in membership, of the Committee on Agriculture, as well as other committees, and could bring out a bill if they wanted to?

Mr. JONES. The gentleman knows the slender majority the Democrats have in this House. He knows that all summer it was uncertain who would organize. He knows that in nearly all cases where there is a division of sentiment that division runs across party lines. He knows the difficulty in such circumstances of handling any measure unless some of the members of the other party will join.

This was not a partisan question, and the gentleman does himself no honor in endeavoring to make it so. In endeavoring to do so he grows very careless with his facts.

The gentleman assumes that the Members who opposed the measure—and they may speak for themselves—voted blindly, without any consideration of the facts.

I hold no brief for them, but I believe in fairness to them some of the reasons they assigned should be stated.

Another body which passed the measure did not have a line of hearings; it did not get any facts and did not get any basis for its action. The House committees try to proceed intelligently. It developed at the two days' hearings that if we were to go into this program that there were some both on and off the committee who felt that other commodities should be included. There were some cotton men on the committee who felt we should include cotton. There were some rice men on the committee who felt we should include rice. Some one suggested that the Farm Board had some coffee and that we might distribute some coffee; other commodities were suggested. Then it developed the board had money borrowed on this wheat, and that they would need a reappropriation of funds to reimburse them in order to enable them to carry out such a program. Some then claimed that if it were necessary to go into this kind of a program it would be better to take the money and buy wheat in the open market, because, perhaps, it could be bought cheaper in that way. Then it developed that if this program were as serious as some contended we had better adopt a bigger program which would take care

of the situation and not have a measure that would be insufficient. That was the viewpoint of some of the Members and that was developed in the hearings.

The American National Red Cross did not recommend it. They said they would be willing to administer it if it were laid at their feet. I offer these facts to show that the Members who saw fit to withhold approval did not refuse to give the matter thought and consideration.

Mr. LUDLOW. Will the gentleman yield?

Mr. JONES. Yes.

Mr. LUDLOW. I would like to state for the information of the committee that the bill I introduced carried the verbiage which was suggested by the chairman of the Federal Farm Board so that at least it had that official approval.

Mr. FISH. What happened to the gentleman's bill?

Mr. LUDLOW. It is still in committee.

Mr. JONES. As I have stated, the representatives of the Federal Farm Board made a statement to the effect that there was money borrowed on this wheat and it would be necessary to have a reappropriation of funds in order to reimburse them. That was developed in the hearings.

There were many angles to the proposition and it was not at all a one-sided issue. There was a good deal of feeling on the part of those who saw the matter that way, and there were some Democrats and more Republicans who took this view. Many felt that if it became necessary for our country, with its many and varied resources, to keep people from starving, it would take a much bigger program than this to handle the situation.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JONES. I do not mind stating how I stood on it. I voted for it. The gentleman accused the committee of smothering it, but they were not doing that. It was apparent there was a division of sentiment, and the Chair felt and stated in open meeting that anyone at any time might make a motion to report out that measure and he would recognize him for such purpose. [Applause.] That matter is in the RECORD. It was felt by some of them—and, I believe, by all of the members of the committee—that if it were a question of starvation, if the question became that serious, that a larger program would be required in order to keep people from starving. They felt that in view of certain developments and in the light of circumstances which had developed it might be wise, if the emergency grew to greater proportions, to recognize that to accomplish any great good it would be necessary to go into a much bigger program than that which was then under consideration.

I felt that as the Farm Board had the wheat, and it was costing something to carry it, it was more like discarding an old overcoat or an old suit of clothes that is not needed; that it was distinguishable from a dole; and for that reason I felt it would be wise to go ahead with that measure of relief; that it would relieve a portion of the suffering, and for that reason, under the circumstances, should be reported and passed.

However, I rose to state to the gentleman from New York that the statement which he makes that the Democratic Party is responsible for this action is unfair, unjust, and untrue. [Applause.] I challenge the gentleman to get a list of the committee vote. I believe every member would be willing to tell the gentleman how he voted, and I would suggest that the gentleman get such a list and put it in the RECORD.

Mr. SANDERS of Texas. Will the gentleman yield?

Mr. JONES. Yes.

Mr. SANDERS of Texas. The gentleman from New York stated that he introduced a bill, and secured its passage, to appropriate $10,000,000 for the starving people of Germany. Will the gentleman inform the committee whether the gentleman or any of his crowd in 10 years of Republican control, or the President of the United States, have made any suggestion about appropriating that much money for the relief of the starving people of the United States? [Applause.]

Mr. JONES. I think that question answers itself; but I will state to the gentleman from New York, inasmuch as he is talking about responsibility, that his party is responsible for getting the country into the debacle in which it finds itself to-day [applause], and it is ridiculous for him to say that 10 members of the Committee on Agriculture have no responsibility when it comes to voting and taking action in that committee and that the 13 members must get together in a solid phalanx on the Democratic side and expect the Republicans to indulge in sculduggery. This is a reflection on the gentleman's party that I do not join. Does the gentleman feel that his party, having gotten this country into its present sorry state, can escape all responsibility for helping to pull it out? Does he think that his party, having had tremendous majorities and with control of both branches and the Presidency for several years, and having adopted policies that have brought about the worst depression in our history—its members may now wash their hands of the whole affair? It is too much to hope that the Democrats can in a few weeks cure the results of 12 years' Republican misrule.

Mr. HASTINGS. Why does he ask that the 10 men be on the committee if they are not to assume any responsibility? [Laughter and applause.]

Mr. JONES. Anybody with a reasonable degree of intelligence, much less a man of the sharpness and brilliance of the gentleman from New York, knows he is playing the demagogue. [Applause.]

I would not have said anything if the gentleman had got up here and aired himself once. But every time he runs out of anything else to say, the gentleman gets up and jumps up and rehashes the same old speech describing a situation which his party is more responsible for than ours. There are problems—tremendous problems—that must engage the attention of the Congress and the Nation. They call for the best thought the Nation affords. A solution of these great problems will not be furthered by petty bickering and strife. Our country calls for a broader-gaged view than this. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma, Mr. Hastings.

Mr. HASTINGS. Mr. Chairman, I am not going to pursue this controversy any further. It is my hope to pour a little oil on the troubled waters and I am going to ask permission, in advance, to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HASTINGS. Mr. Chairman, part of our tax problem can be solved and much-needed revenue assured by the adoption of either the proposed tariff on foreign petroleum and its refined products or the imposition of an excise tax upon these. Neither the tariff nor the tax is sufficiently high to shut off these importations. Should either one of these be adopted by Congress, the foreign-oil importer will still have a considerable margin of advantage over the American producer. The profits on imported petroleum would be reduced, of course, but this product could still be laid down at our Atlantic seaboard at a lower price than would be possible for American petroleum. It has been estimated that the tariff would produce an annual revenue of approximately $118,000,000. The excise tax might produce $102,000,000. Simple mathematics will demonstrate this.

Even if the oil importers should be right in their claim that either the tariff or the excise tax would effectively act as an embargo on foreign petroleum, both the Federal Government and State governments would greatly profit by either measure. Many of the oil-producing States levy gross production taxes. These taxes have necessarily decreased through the impossibility of domestic producers competing with the foreign oil. Should the inflow of foreign oil be greatly reduced or entirely stopped—it is hard to understand how anyone can seriously accept this inconclusive claim of the oil importers—the increase in State revenues of many

millions of dollars annually would be worth while. That increase would be paralleled by a very marked increase in the corporation taxes and in the income taxes received by the Federal Government from sources which have run dry with the closing down of so large a part of the independent industry. At the very time when we are somewhat desperately seeking new objects of taxation which will not jeopardize our chances of economic recovery, we can not afford to overlook the double-barreled possibilities in revenue from incoming foreign petroleum and an equal or greater revenue from taxation of the domestic product.

A somewhat blatant attempt to influence the action of Congress upon this question is being made through the distribution to Members of this body of a publication entitled "O'Shaughnessy's Oil Bulletin." To the uninformed or the casual reader this may appear to be an unbiased and unprejudiced report. If one observes closely, however, one may note in fine type this phrase on the very first page of the bulletin: "Published by South American Oil Reports (Inc.)." Naturally the interests of those who are conducting this bulletin may be assumed to be South American. It might not be amiss to remind Members of this body that the Mr. O'Shaughnessy, who is the editor of this bulletin, is a gentleman who appeared at the hearings of the Committee on Ways and Means of the House in February last year in opposition to the proposed tariff on petroleum and its related products. At that time, in answer to questions put to him by Mr. GARNER, Mr. O'Shaughnessy, after evading the point through a dialogue which extended over most of a printed page of the published hearings, was finally pinned down by Mr. GARNER to a direct reply. I might quote the conclusion of that colloquy:

Mr. GARNER. Would you mind, for the record, stating just who requested you to come and testify?

Mr. O'SHAUGHNESSY. Nobody requested me, Mr. GARNER; I just said my views on this subject are very well known, and they thought it was useful.

Mr. GARNER. May I ask who they were that suggested it was useful?

Mr. O'SHAUGHNESSY. The only people in the oil business, apparently, who are taking any interest in this legislation is the Pan American.

Mr. GARNER. The Pan American?

Mr. O'SHAUGHNESSY. The Pan American.

Mr. GARNER. That is all.

With this background in mind, one may understand the reason behind some of the baseless and inaccurate matter in this bulletin, the distribution of which to Members of the House can not be entirely gratuitous. In the first place, Mr. O'Shaughnessy asserts that: "South American crude and fuel oil is imported into the United States only to provide the fuel oil and asphalt requirements of eastern seaboard consumers." Possibly if this Congress should place an embargo upon all petroleum and all its products from Venezuela except "fuel oil and asphalt requirements of eastern seaboard consumers," Mr. O'Shaughnessy would revise his bulletin more in accord with the facts in the case. He ignores here the whole question of the importation of gasoline or other products of petroleum, basing his argument largely upon the importation of fuel oil.

The American petroleum industry supplied the fuel-oil requirements of the eastern market until the advent of foreign fuel oil displaced them, a fact ignored by Mr. O'Shaughnessy, who makes the indefensible claim that nowhere in the United States can a sufficient amount of oil be secured of a similarly low grade to that produced in Venezuela to supply these fuel-oil requirements, except in California. The whole history of the fuel-oil business through the past is a sufficient refutation of that. Here, he urges, that since the Pacific Coast States have no supply of coal their economic life depends upon their reserves of low-grade oil and gas, which, he says, are not sufficient to warrant California operators depleting them to supply eastern consumers. In California to-day there are 99,000,000 barrels of fuel oil in storage available at distress prices. California production has been held up by lack of a market. If we make possible the utilization of this tremendous amount of fuel oil awaiting a consumer, the American merchant marine will be given a new lease on life transporting this oil from the Pacific to the Atlantic seaboard. Eastern consumers, however, would not be forced to rely upon California oil, for, Mr. O'Shaughnessy to the contrary, the mid-continent section could amply supply all the requirements of the eastern consumer.

The suggestion that an excess production of gasoline, wrecking the mid-continent industry, would result from an attempt to furnish eastern consumers with fuel oil, is as ill founded as other assertions made by Mr. O'Shaughnessy. Here are the facts:

In the first 11 months of the year 1931 there was an approximate average of 70,000 barrels per day of Venezuela crude imported to the United States and this, on the basis of a 69 per cent yield, would give 48,500 barrels per day of fuel oil. In addition there were imported from Venezula and the Netherland West Indies 68,500 barrels per day of fuel oil as such. An approximate estimate of fuel oil derived from Colombian crude imported during the same period is 4,000 barrels per day. This gives a total of 121,000 barrels of fuel oil per day. This same fuel oil could have been produced by refining 200,000 barrels of west Texas crude per day for a 40 per cent gasoline yield, leaving approximately 60 per cent fue loil. At current cost for west Texas crude transportation and refining and at current bulk prices for gasoline of 4½ cents per gallon Gulf coast, fuel oil can be produced at a Gulf coast refinery at a cost of approximately $1 per barrel (this without any profit to the refiner). At current charter rates this fuel oil could then be delivered to the Atlantic seaboard at a total cost of $1.15 per barrel. Current prices for fuel oil, San Pedro, Calif., range from 55 cents to 70 cents per barrel, and with current charter rates of 43 cents delivered price Atlantic coast would be from 98 cents to $1.13 per barrel.

The net result of the production of fuel oil by the mid-continent industry would be lower-priced gasoline and lower-priced fuel oil, with employment given to American workers, the only ones not profiting being the South American industry, in which Mr. O'Shaughnessy displays so much interest.

A tariff or excise tax on fuel oil or crude oil would not interfere with the bunkering business from our Atlantic coast ports to European ports, as claimed by Mr. O'Shaughnessy, unless the spirit of resentment impelled the ship owners to purchase this oil abroad at a much higher cost than in this country, due to the high duties imposed by other nations on Venezuelan oil.

The whole history of tariff protection suggests that prices of petroleum or its products would not be increased because of the adoption of a tariff or an excise tax. The usual effect of a tariff has been to open the home market to the home products, increasing production, making possible better organization of markets with the consequent decrease in production costs, and a lowering of the price paid by the ultimate consumer. This theory lies behind the tariff policy generally. On the other hand, if the great oil-importing companies are encouraged in their procedure toward a practical monopoly of the petroleum industry in this Nation, one may expect the usual price increases which are always associated with the monopoly. The only protection the consumer may have against such future increase must depend upon the amount of healthy competition existing, which can only occur if the American petroleum industry is permitted to live.

Both the fallacy and the sophistry which pervade Mr. O'Shaughnessy's bulletin are illustrated by his statement that only a noisy minority of the American Petroleum Institute is in favor of a tariff, although the figures he quotes in the same paragraph concerning the vote taken by that institute in its tariff referendum show only 433 members out of 3,673 members opposing such a tariff, while 1,047 voted for it. The usual rule that those not voting for a measure are presumed to vote in the affirmative, since an interested opposition may always be relied upon to express itself in the negative, justifies us in believing that the full strength of the tariff opposition was registered in this 433

votes out of 3,673. If there is a noisy minority, that minority is opposed to and not in favor of the tariff.

The American petroleum industry has done everything in its power to stabilize the market and to conserve the petroleum resources of the country. No other industry has a similar record for self-denial. Thousands of wells have been closed in and hundreds of others have been absolutely closed up in the vain attempt to keep production within the bounds of the market which is still permitted to American production. State regulation of the industry has been obtained in many States through the efforts of the American petroleum producer. All these efforts to stabilize the market have been repeatedly upset by the uncontrolled importation of cheap foreign oil, which has steadily engrossed more and more of the American demand.

The issue on the oil question seems fairly clear cut. The Federal Government can realize over a hundred million dollars a year in revenue from either a tariff or an excise tax, or else the Federal Government will receive increased income taxes and corporation taxes from the reviving American petroleum industry, while the oil States of the Union may look once more for the resumption of payment of the large gross-production taxes upon which their budgets rely. Accompanying these benefits there will be greatly increased employment throughout the oil-producing States, where over 300,000 oil workers are now idle. The reemployment of these will create new markets for the factories in our industrial section and more freight movement for our railroads. Practically every phase of our national economic life will be favorably affected through such a tariff or tax. No increase in the cost of either fuel oil or gasoline may properly be expected, since the great oil-importing corporations are now absorbing as their profit the advantages of the lower cost of foreign oil. The only item that would appear on the opposite side of the ledger would be the decrease in the enormous profits now being reaped by the oil importers, some of whom are paying dividends of over three quarters of a billion dollars annually, while they profiteer at the expense of an American industry, American labor, and the financial well-being of the whole Nation. [Applause.]

Mr. THATCHER. Mr. Chairman, I yield one minute to the gentleman from Missouri [Mr. DYER].

Mr. DYER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks on the bill passed this morning and to include therein a short editorial from a paper in my home town, touching the legislation itself.

Mr. BANKHEAD. Mr. Chairman, reserving the right to object, what is the editorial?

Mr. DYER. An editorial from the St. Louis Post-Dispatch.

Mr. BANKHEAD. Would the gentleman mind waiting until the gentleman from Massachusetts is present, and then make his request?

Mr. DYER. This editorial refers specifically to the bill itself, or to a portion of the bill; otherwise I would not ask such permission.

Mr. BANKHEAD. But the gentleman from Missouri will recall that just this afternoon the gentleman from Massachusetts [Mr. UNDERHILL] engaged in a rather bitter attack upon my colleague, the gentleman from Georgia [Mr. PARKER] for inserting an editorial, which he said was against the recognized policy of the committee.

Mr. DYER. I trust the gentleman from Alabama will not object.

Mr. BANKHEAD. But I am sure that the gentleman from Massachusetts would be very much incensed if in his absence we allowed a matter of this sort to go through. I commend that to the gentleman, and I shall not object.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

[Here the gavel fell.]

Mr. THATCHER. Mr. Chairman, I yield the gentleman from Missouri one minute more.

Mr. DYER. Mr. Chairman, this morning the appropriation bill for the Departments of Justice, State, and Commerce passed the House. It was desired, I believe, by a majority of the Members to include a limitation to the expenditure of the money appropriated for the enforcement of prohibition, so that none of it could be used in the tapping of wires to obtain evidence for the purpose of prosecutions. Due, however, to the fact that a member of the Committee on Appropriations insisted on his preference to offer a motion to recommit on another matter, which he must have known would not carry, no one in favor of the limitation as regards wire-tapping was able to offer a motion as to this.

I know of nothing more despised by the citizens generally than the allowing of prohibition agents to obtain evidence by tapping private telephone wires to listen in on private conversations. Such methods as this is doing more than anything else to bring general disrespect for the prohibition law. If these most despised means of obtaining evidence are not ended, the time will soon arrive when the Congress will refuse to appropriate any funds whatever for prohibition enforcement. A majority of the States prohibit by statute this practice of the Federal Government in tapping wires in prohibition cases. I am surprised that the Department of Justice permits this when the people and the press so severely condemn it. I include an editorial from the Post-Dispatch of St. Louis, Mo., of February 23, 1932, voicing the sentiment of the press and, I am quite sure, a great majority of the citizens of the United States. The editorial is as follows:

THE GOVERNMENT AS A WIRE TAPPER

Notwithstanding both Attorney General Mitchell and the Chief of the Prohibition Unit, Mr. Woodcock, have denounced wire tapping as a means of gaining evidence in liquor cases, the Government is resorting to this practice both in St. Louis and East St. Louis.

In the cases of Meyer and Sam Eastman, with offices in the Victoria Building; John Bertels, in the Railway Exchange Building; and Leo Dougherty and his wife Marie, living in East St. Louis, all now in the local Federal courts, the entire evidence was secured by tapping wires. Appearing before a United States commissioner when these people were arrested, B. F. Hargrove, chief of the squad of agents responsible for their cases, testified that the evidence had been secured by wire tapping. He said an expert on the squad had done the tapping in cable boxes by putting jumpers on the phones. The Illinois case has particularly pertinent connotations, for wire tapping is a felony under the State law.

A little more than a year ago Mr. Mitchell publicly stated that the Government would no longer countenance the practice of wire tapping as a means of getting evidence in prohibition cases. Shortly afterwards, when it was proposed to clean up Washington, D. C., by subjecting the people to unreasonable search and seizure, the Attorney General said in a letter of protest sent to Senator CAPPER:

"The Government, by violating the constitutional rights of the citizen, should not be placed in a better position than it otherwise would be in. In the long run nothing will be gained for the cause of law enforcement by such means."

Acting upon advices from Washington in September, 1931, an assistant United States attorney in Brooklyn voided cases against 15 men and 2 women upon the score that wire tapping and other unlawful means had been employed in getting evidence against them. Yet here are in St. Louis a number of such cases in which no pretense is made that the evidence was gained in any other way. It is therefore fair to ask what the policy of the Government is. Is it one thing in the public declarations of Messrs. Mitchell and Woodcock and another thing in the practices of the Federal dry forces in St. Louis and East St. Louis? Is it fish in Brooklyn and fowl in St. Louis? Has the Government one policy for political uses and another policy for criminal procedure?

It is these contradictions that have given rise to a feeling in Congress that the Government does not know what its policy is. In June, 1928, the United States Supreme Court held in a case coming up from the State of Washington that evidence of private conversations gained by wire tapping is admissible in prohibition cases. In dissenting from this opinion Justice Brandeis said:

"If the Government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy."

Senator BLAINE and Representative BOILEAU, both of Wisconsin, have introduced in the present Congress a bill which would outlaw the tapping of telephone wires to obtain evidence by making such evidence inadmissible in the Federal courts. The American Civil Liberties Union says of this bill:

"Its object is to reverse the 5 to 4 wire-tapping decision of the United States Supreme Court, which even the Department of Justice thinks it unwise to follow. Obviously this power to

tap telephone wires is dangerous; once established, it could be used for obtaining evidence of all sorts. It opens the way to prying into the private affairs of individuals and to presenting evidence of so loose a character as to make fair trials in such cases difficult, if not impossible."

As an illustration of what can happen under such abominable practices, practices which resulted after centuries of protest in such instruments as our own Bill of Rights, State Senator E. B. Benn, of Washington, has submitted to the Judiciary Committees of both Houses of Congress a statement of what happened in his State in the cases which were ultimately carried to the United States Supreme Court. Mr. Benn was at the time a United States marshal in Seattle. The evidence was obtained by tapping wires. It consisted of pencil notes made under conditions which were not conducive to very good handwriting. Mr. Benn says:

"The alleged evidence was gone over by the legal adviser and the district attorney's office, and rewritten. New conversations were deliberately and falsely added, altered, and many times changed. This book was unbound and rebound five or six times * * * and the agents were required to swear that they were true copies of the original notes which had been lost. * * * By means of this damnable evidence about 20 convictions were secured. * * * Several of the wire-tapping agents afterwards confessed their part of the crime and * * * signed confessions."

The tradition of liberty in St. Louis is one of the strongest of our characteristics. It has made itself felt in the Nation from the time of the Dred Scott decision. It is incredible that the Government, after renouncing the authority given it by the United States Supreme Court, and after abandoning its practices under it over a wide area, should choose St. Louis as the field for a fresh attack upon the Bill of Rights. The Bill of Rights is the ultimate guaranty of American freedom. It is not in defense of bootleggers that we protest against any such time serving as that which would violate these guaranties to make good an unpopular law. We protest against it upon behalf of the people themselves, whose greatest heritage it would destroy.

Mr. THATCHER. Mr. Chairman, I yield two minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, the gentleman from Texas, chairman of the Committee on Agriculture, in order to evade responsibility, both for his committee and for the Democratic majority, instead of resorting to arguments resorted to abuse and personalities.

I want the record to stand just as it is, that the Democratic majority in the House of Representatives has not done one thing in the last three months to relieve human misery or to afford relief to the millions of unemployed, the millions of undernourished and hungry among the American people, and this is the record. Evade it as you will, the facts remain the same; no bill affording relief to the hungry, the destitute, or those in need or distress has been reported from the Committee on Agriculture, of which the gentleman is chairman, or from any other committee of the House in this session of Congress. The fact is the same, and no personalities and no abuse and no amount of angry denials will confuse the issue or change the record unless the Democrats themselves, holding a majority of the House, do something to afford relief to our own people in this emergency.

Mr. JONES. Will the gentleman yield?

Mr. FISH. I yield.

Mr. JONES. Did not the gentleman make practically the same statements and did not the same conditions exist last winter when his party was in the majority in the House, and did they do anything along the line he suggests?

Mr. FISH. Of course, I put the same proposition up to the Republican Party, and the Committee on Agriculture then said there was no need for any emergency relief.

Mr. JONES. The gentleman did not expect anything then?

Mr. FISH. The situation has changed. The gentleman knows that, and my Democratic colleague from Indianapolis knows that. He has introduced a similar bill since then. What has happened to his bill? If you will not give us the Senate bill, give us a Democratic bill.

Mr. THATCHER. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. GARBER].

Mr. GARBER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, and incorporate therein a letter from a citizen upon the subject of adequate protection of the oil industry.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GARBER. Mr. Chairman and members of the committee, to furnish jobs for the unemployed still remains the most important problem before this country to-day. There is no substitute for the actual job furnished the unemployed. He does not ask charity but just the opportunity to earn a livelihood for himself and family. Through no fault of his own he is without employment, and only those who have experienced such a misfortune can appreciate in any degree the anguish of mind of the head of a family, with a wife and three or four children at home hungry and without sufficient food to meet their needs and without prospect of relief.

And thus far our unemployed, numbering between six and seven million, many of whom are entering upon their third year of unemployment, have proven and demonstrated a high quality of citizenship rarely seen in any country during any period. There has been no mob violence nor organized disobedience to law nor disregard of the rights of property. It is evidence of a self-controlled, law-abiding, orderly citizenship under the most trying circumstances.

The Federal Government should respond to meet this law-abiding citizenship in the exercise of its powers to furnish employment. This can be done to a large extent through protective legislation without the appropriation of the tax moneys of the people.

During the years 1929 to 1931, inclusive, there was admitted, free of duty, oil and its refined products of the value of $377,321,374. This oil and its products was produced from the cheap concessions and peon labor of the subsidiaries of the major oil companies in foreign countries. These subsidiary producing companies in foreign countries pay no taxes here, contribute nothing to the maintenance of government here, nothing to the employment of labor here. In fact, they made their investments in cheap concessions of enormous tracts of land for the express and deliberate purpose of producing oil for export into this country in direct competition with American labor and American capital invested at home.

By reason of these imports of oil into this country our producers have been forced to curtail their production, which curtailment was as low as 1½ per cent, 3 per cent, 5 and 7 per cent in the flush production fields of this country, or as low as an average of 9 per cent of their potential production. In fact, we had to close down our own producing fields to as low as on an average of 9 per cent of what they would produce in order to reduce our oversupply to the consumption demand and to stabilize the production end of the industry. We even had to undergo the restrictions of military rule when the fields in Oklahoma and Texas were placed under martial law and not permitted to produce anything in excess of the proration production.

This policy of drastic curtailment cut off the only supply of revenue coming to the independent producers upon which they were dependent to pay their obligations in drilling their wells and conducting their operations. Cutting off such supply for several years and their obligations coming due forced many into bankruptcy and the disposal of their property at forced sales. Curtailment of production forced curtailment of leases to the farmers in a total amount of $46,000,000, of royalties to the farmers in an estimated value of $117,000,000, of the discharge of 350,000 workers in the oil fields, of an annual wage of $735,000,000.

During this period of desolation and destruction in the producing industry and the discharge of labor and employees, and at a time when we were in the greatest need of all the assistance possible, through free imports to the Big Four oil companies in this country, we gave the preference to foreign production and peon labor over our home producers and American labor in production of the value of $377,321,374. The question naturally arises, with such an oversupply of oil and refined products in our own country, why should we buy the products of foreign countries? Why not buy at home?

Curtailment with free imports is simply the cunning device of the major monopolistic companies to destroy our independent producers, and yet it is being supported by those in high position in the public affairs of the Nation.

The oil program should and must be a tariff or a tax on the imports of oil and its products sufficiently high to shut out the foreign products, giving our home market to our home people and reemploying our unemployed workers in the oil fields. Then, through the exercise of the police power of the several States, regulate production by the control and regulation of the drilling of wells and the requirement of storage. [Applause.]

The next number is the exercise of Federal power in the divorcing of the pipe lines from the production industry, the same as the railroads have been divorced from hauling their own coal.

We attach a letter received from a personal acquaintance with 30 years' experience in the oil business, which will be of interest to the students of the many problems arising from the production end of the industry:

FEBRUARY 19, 1932.

Hon. M. C. GARBER,
House of Representatives, Washington, D. C.

DEAR MR. GARBER: A compact between oil-producing States has been advocated as a nation-wide system of conservation and proration.

In a letter to the Enid News, written and published in October of last year, I stated my position on proration of oil production, and, as you may recall, I said my theories were based on 30 years of actual experience in the drilling and handling of oil wells.

It is probable that an attempt will be made to introduce and secure passage of a bill, a conservation bill, based on the curtailment of production, and in anticipation of that event, and knowing that you will hear plenty of testimony and arguments from so-called experts and others favoring such a procedure, I am writing you this letter.

Curtailment of production (proration) is not conservation. True conservation is strict regulation of drilling and proper storage. It ought to be obvious to all men that we can not seal so efficiently the oil and gas bearing strata as it has been sealed by nature. Literally, thousands of unnecessary wells have been drilled, and the very companies that are loudest in their opposition to the oil tariff and the most insistent for proration have been the leaders in this wasteful drilling.

Through conversations with my father, who started in the oil business in 1865, and my own observations, I have never known, nor do I believe it has ever been recorded, that the Standard Oil Co. ever gave up an advantage when once gained. Therefore it is my prediction that if you succeed in your efforts for a tariff or a tax on imports, the importers will force enough new development to offset the imports shut out thereby. To somewhat bear me out in this statement, I am inclosing clipping taken from the Daily Oklahoman of February 16.

"INDIANA STANDARD PLANS EXPANSIONS

"Subsidiary companies of the Standard Oil Co. of Indiana are said to have made plans for an extensive expansion program in the south Texas district, in case a tariff is placed on crude oil and its products. The Indiana's directors are reported to have been considering a proposal that total of $18,000,000 be spent in expansion of the company's interests in Texas. This would include a well-rounded program of production development, pipe-line building, refinery construction, etc.

"Execution of the plans is contingent upon passing of the tariff measure. Should importation of foreign oil be cut off or limited, it is likely that the details of the expansion program will be announced."

I sincerely hope that we do get the much-needed tariff, but I am just as sincerely convinced that the national conservation bill, soon to be pending, should consider not proration of production but the regulation of drilling and storage.

Proration is wasteful; for one thing, it centers attention on flush fields, and the older fields and smaller wells are neglected. Many small wells are being abandoned simply because they are small wells and not needed, and it does not pay to recondition when they have immense potentials from giant gushers to draw from. The Wolfe farm, of which you know, in the Garber field, has been entirely abandoned, all 14 wells plugged, yet there are producing offsets on all four sides.

If I had the space, I could show the wastefulness of proration in many other ways.

I have mentioned storage; there is oil in tanks to-day that has been in storage and not moved for many years. All oil going into the market channels should go through storage; that is, in plain words, storage should be emptied and refilled at least every two years to prevent undue evaporation.

With the set-up as we have it now, it is possible to determine fairly accurately the consumption demand from month to month, or for 12 months ahead; therefore there should be a maximum and minimum amount of oil to be kept in storage.

Proration ought to be outlawed once and forever.

If we are really interested and want to conserve our oil and gas, the limitation of drilling and scientific storage is the proper way. And I hope you and your fellow legislators can see it in that light.

It would help employment and encourage competition. Employment in production is only about 25 per cent of normal now. I would hesitate, as an independent, to drill a well under proration, not knowing whether I could produce it. The operators are confused; they have done nothing only make matters worse.

I hope Congress does do something.

Very respectfully,

C. A. JOHNSON.

Box 22, *Garber, Okla.*

Mr. ARNOLD. Mr. Chairman, I yield 30 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I arise to call the attention of the House and the country to the outrageous salaries paid to executives of affiliates of the Federal Farm Board, and to urge favorable consideration of legislation I have proposed to place a proper limitation on those salaries.

This particular group of executives comprises the millionaire's club of officialdom, as far as salaries are concerned.

It will surprise, if it does not shock, Members of this House to learn that 10 officials of the group referred to draw salaries amounting to $340,000 per annum, or an average of $34,000 per official per year. While these are the top notchers on these salary rolls, there is an amazing list of subordinates who also receive overstuffed salaries, running up into the millions.

Unless some curb is placed on these 10 officials, they will draw in less than three years more than $1,000,000 in salaries. Think of it!

This is certainly astonishing, and I can not conceive that in these times of great distress, with unemployment on every hand, with millions out of work and hungry, the Congress of the United States would permit these salary grabs to continue with its consent.

One of the officials referred to, Mr. E. F. Creekmore, vice president and general manager of the American Cotton Cooperative Association, receives a salary of $75,000 a year. In about 13 years, unless he is restrained, he will have received a million dollars in salary.

The efficient and hard-working Speaker of this House receives $15,000 a year. He will have to be Speaker for the next 67 years consecutively to attain the same salary goal that Mr. Creekmore with his plethoric salary will reach by the crosscut route in 13 years. Are we willing to concede that Mr. Creekmore is so much more valuable than our Speaker?

This millionaire's club ought to be disbanded by act of Congress, and as far back as February 8, in a letter to James C. Stone, chairman of the Federal Farm Board, I proposed a limitation on appropriation that will accomplish that purpose.

With the indulgence of the House I shall now read my letter to Chairman Stone. It is as follows:

FEBRUARY 8, 1932.

DEAR CHAIRMAN STONE: I have been greatly surprised, as I think others have been, to learn of the enormous salaries paid to executives of marketing organizations which, although not strictly governmental agencies, nevertheless have a very direct relationship to the Federal Farm Board under its sphere of influence and which are financed, or in the past have been financed, from Federal appropriations through the Federal Farm Board.

I believe these salaries are ridiculously high; that they are indefensible from the standpoint of public morals; that they are a severe and unjustifiable infliction upon the farmers of the Nation to the extent the raising of the money to pay them falls upon the cooperatives, and a severe and unnecessary infliction upon the general taxpayers, including the farmers, to the extent that the money to pay these salaries has come or is coming from the United States Treasury.

I refer, for illustration, to such salaries as the following:

E. F. Creekmore, vice president and general manager of the American Cotton Cooperative Association, $75,000 a year.

George S. Milnor, president and general manager of the Grain Stabilization Corporation and vice president and general manager of the Farmers' National Grain Corporation, $50,000 a year.

J. M. Chilton, vice president and assistant general manager of the Farmers' National Grain Corporation, $32,500 a year.

W. I. Beam, treasurer of the Farmers' National Grain Corporation, $30,000 a year.

Henry W. Collins, vice president of the Farmers' National Grain Corporation, $25,000 a year.

William Engel, vice president of the Farmers' National Grain Corporation, $27,500 a year.

W. B. Joyce, district manager Farmers' National Grain Corporation, Milwaukee office, $20,000 a year.

F. W. Lake, vice president of Hall-Baker Grain Co., owned and operated by the Farmers' National Grain Corporation, $25,000 a year.

Henry G. Safford, vice president of American Cotton Cooperative Association, $35,000 a year.

Stanley Reed, general counsel of the Federal Farm Board, $20,000 a year.

The 10 employees mentioned above draw $340,000 a year, or an average of $34,000 per annum. Space will not permit me to set forth the names of all those who are drawing from $7,500 to $20,000 a year. The annual pay roll of the Grain Stabilization Corporation is about $420,000, of the Farmers' National Grain Corporation about $2,242,000, and the American Cotton Cooperative Association nearly a million dollars a year. The American Cotton Cooperative Association has 56 employees to whom it pays salaries ranging from $3,000 to $4,000 per annum, 16 who receive from $4,000 to $5,000 per annum, and 23 to whom it pays $5,000 to $7,500 per annum. I can not escape the conclusion that this makes it look more like a cooperative for the job holders than for the farmers.

The Farmers' National Grain Corporation had been financed to the extent of $47,000,000 by the Federal Farm Board up to June 30 last year and the American Cotton Cooperative Association to the extent of $63,000,000. Altogether $110,000,000 has been drained from the Federal Treasury to these activities, and it is to be assumed that part of it has gone to maintain these long and luxurious pay rolls.

To the extent the salaries paid are excessive, this is a shocking and an indefensible burden on the farmers and taxpayers in general, especially in times of acute distress like the present, when so many of our farmers are unable to meet their taxes and interest charges and are in the depths of despair. It is noted on page 289 of the hearings before the Senate Committee on Agriculture and Forestry last November the following dialogue occurred:

"Senator WHEELER. What is the average income of the 185,000 farmers comprising the American Cotton Protective Association?

"Mr. CREEKMORE. I would say about $300 a year.

"Senator WHEELER. About $300 a year. And you, as a representative of those poor devils making $300 a year, are drawing down a salary of $75,000 a year?

"Mr. CREEKMORE. That is correct."

Speaking merely as one Member of Congress. I do not intend to sit idly by and permit this sort of thing to continue with my sanction. I propose to offer the following, with a suggestion that it be incorporated in the act which carries the appropriation for the Federal Farm Board for the next fiscal year:

"No part of the money appropriated by this act shall be paid or loaned to any cooperative association that has in its employ any person who receives more than $15,000 a year for his or her services in connection with the activities of said association."

The salary I propose as the limit for an executive of a cooperative association receiving Federal benefits is the salary paid to the Speaker of the House of Representatives and the Vice President of the United States. It is $5,000 more per annum than the salary of a Senator or a Representative. Members of Congress are heavily burdened, some dropping in their tracks from overwork, but they do not complain of their salaries. Executives of cooperative associations should be just as patriotic. They should not overlook the fact that they are public servants, and should be content to accept as part of their reward the consciousness that in times of deep trouble like the present they are permitted to be of service to their distressed fellow men. Why should a cooperative executive, performing public duties, receive several times the salary paid to the Chief Justice of the United States? Please understand, I am not writing this letter in a spirit of captious criticism but because I believe a wrong exists for which a remedy should be found.

For you, Mr. Chairman, I have the highest respect. You were not chairman of the Federal Farm Board when these huge salaries were fixed, nor can I believe that if you had your way you would approve them.

I am writing to tell you candidly about the legislation I have in mind and to ask your opinion in regard to it. If you can not speak for the Federal Farm Board in this matter, I would be greatly obliged if you would give me your personal opinion, with such suggestions and advice as you may be prompted by your good judgment to give.

May I hear from you soon, and oblige,

Very sincerely yours,

LOUIS LUDLOW.

I have not so far been favored with a reply from Chairman Stone but assume that later I shall have an answer. On February 18 I received a letter from his secretary saying:

Mr. Stone is at present out of the city, but your letter will be brought to his early attention upon his return.

I am aware, of course, that if a cooperative desires to pay $75,000 a year as a salary to one of its executives, or even a million dollars a year, Congress can not prevent it from doing so, outrageous as such action would be on the individual farmers and taxpayers who have to foot the bill, but as far as I am concerned as one Member of Congress I am not going to vote one cent of the money of the burdened taxpayers of this country to any organizations that pay such indefensible salaries, and I hope and believe that the Congress, after looking into the matter and realizing the wrong that is being done, will sustain that position with practical unanimity, and the gentlemen who have been thriving in these luxurious berths will have to take a little potluck with the rest of the country.

Mr. MAPES. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. MAPES. I think we would be interested to know where the offices of these people are.

Mr. LUDLOW. I can not give the gentleman the detailed locations of the offices to which he refers. I collated this information from the hearings before the Senate committee.

Mr. MAPES. They are not in Washington, are they, but scattered all over the country?

Mr. LUDLOW. They are scattered over the country. The Grain Stabilization Corporation has headquarters in Chicago.

Mr. GARBER. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. GARBER. I commend the gentleman for his position on the question of these unwarranted salaries in connection with the organizations. The Farm Board, while not directly employing these men at high salaries, yet they occupy a position of power and influence to regulate the operations of these subsidiary organizations, and could have prevented this waste and extravagance in funds that should have been directed to proper channels for the benefit of the farmers.

Mr. LUDLOW. I thank the gentleman for his contribution.

Mr. GARBER. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. GARBER. I certainly approve of the proposed amendment to the agricultural marketing act. It is imperatively necessary, and I will support it. This Farm Board could have withheld the extension of loans to these cooperatives, if their set-up was not satisfactory, and they can not escape the responsibility for the tragedy.

Mr. LUDLOW. I am glad to know the gentleman will support the amendment. I can not fix the responsibility, because I do not know the facts, but I do know that these salaries are paid and that they are outrageous.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. LANKFORD of Georgia. While we have no direct control of the salaries of the stabilization corporations or cooperative marketing associations, do not these associations and corporations by fixing such large salaries make unpopular the Farm Board through which they obtain loans?

Mr. LUDLOW. There is no doubt about this adverse reaction on the Farm Board, and I think it was one of the contributory causes of the unpopularity of that board. The Farm Board suffers by reason of the payment of such unreasonable salaries to executives of subsidiary and affiliated organizations. That is certain.

Mr. Chairman, the bill now before the House, like its companion supply bills that have preceded it in this Congress, is a substantial beginning in the direction of balancing the Budget, and as such I am sure it will be hailed with satisfaction throughout the country.

Under the wise and able leadership of the statesman from Texas, Speaker JOHN N. GARNER, and with the cooperation of both sides of the Chamber, the House of Representatives is making a splendid record of constructive service in the interest of all the people. Speaker GARNER has captivated the country by his dependability and sound judgment and has abundantly demonstrated his exceptional capacity for high office. Never in history has the branch of Government that is closest to the people arisen more unitedly and patriotically or more effectively to its responsibilities in a crisis. Never have its purposes been nobler or its wellsprings purer. It has been motivated by reason and not by radicalism, by patriotism and not by partisanship. The country is well pleased with the achievements of the House and expects its future performances to be controlled and determined by the same sincerity and poise, the same sound policies that have fashioned its program to this date.

One of the important factors toward molding public confidence in the House of Representatives is the earnestness with which the Committee on Appropriations under the leadership of its great chairman, JOSEPH W. BYRNS, is tackling the problem of reducing the expenses of government. The probe is being inserted into every unnecessary expenditure and the pruning knife is being used with telling effect. Witnesses before the committee are subjected to the most searching examination in efforts to locate administrative leaks. No excuse is sufficient to save wasteful appropriations which in the heyday of governmental extravagance were allowed to pass unchallenged. The necessity of balancing the Budget is vividly impressed on all of the members of that committee as, indeed, I think it is on all of the Members of the House. What more striking admonition of the necessity of balancing the Budget can be imagined than the fact that all of the Government bonds, including all Liberty bonds, have fallen below par, some issues dropping as low at 82 and 83? In an analytical discussion of this phenomenal drop in Government securities, and commenting on it as a danger signal, Secretary of the Treasury Ogden Mills said to our subcommittee on appropriations:

> One of the reasons is the fact that no one knows what the Government is going to do about its Budget and to what extent we are going to keep on borrowing, and until we set a dead line and adopt a sound fiscal policy, Government bonds are going to stay at a discount.

Collapse of the credit of the United States Government not only would be ruinous to America but it would precipitate a world debacle. There is only one way to make our credit sound and keep it sound and that is by balancing the Budget.

These are serious times and the thinking people of the United States are in a serious mood. They do not want nor expect any opera bouffe performance on these appropriations, a love tap here and there and let it go at that. They want an dexpect us to make real cuts. They want major operations. They want every useless bureau and commission, every useless agency of whatever kind and description, and every useless individual officeholder that is doing nothing but eat taxes, cut out of the structure of Government.

APPENDIXES RIPE FOR THE KNIFE

The human anatomy has one feature that has baffled physicians, physiologists, and scientists of all of the ages, who have never been able to find the slightest use for it. That is the appendix. Its very name indicates that it is superfluous—excess baggage, as it were. It does no good and is capable of doing a vast amount of harm. When it becomes sore and inflamed the patient gets a fever and unless relief comes through an operation he is likely to die.

The Government of the United States has become ramified throughout with bureaucratic appendixes that are ripe for the surgeon's knife. Applying the analogy to the public temperament of the times I will say that the people who think deeply on the trend toward paternalism and bureaucracy, especially business men who find enterprise halted and hog-tied by the mounting cost of government, are becoming exceedingly appendix conscious. They are becoming sore and inflamed over having to maintain so many useless bureaus and support so many officeholders who do nothing but draw their salaries. They do not intend to die, but they do propose to see that the surgeon's knife is used to cut out these cancerous excrescences of government, these tax-consuming appendixes which suck the lifeblood that should vitalize industry; and unless we who are Members of the Seventy-second Congress do the job of excision or unless we at least get the patient on the operating table, dust off the chloroform bottle, sharpen the cutting tools, and show that we mean business about it, they will elect a Congress that will apply the knife.

The Committee on Appropriations in framing the great supply bill now before the House—the Treasury and Post Office appropriation bill—has cut out a lot of appendixes and it has given surgical treatment to a lot of other appendixes that probably will make those appendixes behave better in the future. It has cut out of the Customs Service alone 29 appendixes that have absolutely no justification in governmental economy. The offices in that service that are abolished are political appointments carrying salaries ranging from $3,200 to $9,000 per annum and not one of those offices has now, or ever has had, the slightest reason for existing. The offices referred to are the surveyors, comptrollers, and appraisers of customs. These offices are an outgrowth of our political system, with no more justification for ever being created than comes from the necessitous situation of a hard-pressed statesman who finds himself under the duress of having to find a luscious plum for a faithful henchman. Other appendixes that are cut out by this bill are four assay offices where the business transacted does not justify the upkeep. These are just a few of the wholesome features of this new legislation. There are many others which will be discussed as consideration of the bill proceeds.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. GOSS. Does the gentleman agree to cutting out the office at New York?

Mr. LUDLOW. I am told that an exception should be made in that case. It is not included among those to be eliminated because of the very exceptional nature of the office.

BEST WAY TO BALANCE BUDGET

There are two ways to balance a budget. This truism applies with equal force to the budget of the most humble citizen, inconsequential save to him alone, and to the greatest budget in the world—the Budget of the Government of the United States, which is of vital consequence to 125,000,000 people.

One way to balance a budget is to raise more revenue. The other way is to cease spending. Application of this principle to national finances suggests that one way to balance the Budget of the United States is for us, as Members of Congress and trustees of the American people, to rack our brains in devising new and ingenious methods of taxation to squeeze a few more drops of blood out of taxpayers who already are bled white. The other way is to use the pruning knife on every nonessential bureaucratic activity—to cut, cut, and then cut more.

I have the greatest respect and sympathy for the members of the Ways and Means Committee who are laboriously considering and mentally weighing every conceivable taxing device that promises to raise more revenues with a minimum of burden on the taxpayers. I know their task is not a pleasant one. I know there is not one of them who does not feel a load on his heart when he thinks of the sweat and toil that will be involved in the payment of these new levies. I know that every one of them would infinitely rather be engaged in drafting bills to repeal existing tax laws than in preparing measures to add new ones.

Somehow I can not help wondering when I behold them in their heavy labors and when I review the elaborate proposals of the Treasury Department for new taxes, whether we are not approaching this very vital undertaking of balancing the Budget mainly from the wrong angle—from the wrong end, as it were. I am wondering whether we have heretofore been giving sufficient thought to cutting down the cost of government as a method of balancing the Budget. Somehow, perhaps because I sprang from the commons and had a rough row to hoe, I can not get away from the idea that the word "economy" has vanished during the last decade from our governmental lexicon and that it ought to be restored there and that the plan of budget balancing to which every American ought to be wedded in bonds of indissoluble devotion is the one which proposes to cut down expenditures until tongue and buckle meet.

Of course, I realize that with a $2,000,000,000 deficit staring us in the face the Budget can not be balanced overnight and that it will be a process of a few years, at least, until tongue and buckle come together. I realize, also, that some emergent tax measures will be imposed upon the common burden to bring the country through its present financial crisis, but, speaking for myself, I would very much rather witness a reduced use of the taxing power and a greater use of the pruning knife.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. McCORMACK. Permit me to state to the gentleman as a member of the Committee on Ways and Means that we have a $903,000,000 deficit for 1931, which has been added to the national debt. Then we have an estimated deficit of two billion one hundred and some odd million dollars for the fiscal year 1931–32. In addition to that, there will be a $500,000,000 revolving fund for the Reconstruction Finance Corporation loans, and $125,000,000 for the Federal farm banks, and whatever other appropriations are made, minus $450,000,000 that we paid on our national debt. Those two deficits will be added to our national indebtedness. We are confronted with the task of trying to balance the Budget for the fiscal year 1933, with an estimated deficit of about $1,240,000,000, and it must be done through additional taxation. I agree with the gentleman that we should use the pruning knife as much as possible as a means of reducing the measure of taxation as much as possible.

Mr. LUDLOW. I appreciate the difficulties of the gentleman and his great committee.

SOW THE WIND AND REAP THE WHIRLWIND

As I conceive it, that policy of trying as far as possible to balance the Budget by using the pruning knife, applied to present conditions would be sound business and sound patriotism. The Government, no less than the individual that sows the wind of extravagance, is certain to reap the whirlwind of its folly. In these times of widespread and general distress, with business broken down and prostrate; with 7,000,000 men out of work and 25,000,000 human beings without incomes to sustain life; with millions hungry and more millions undernourished; with farmers by the thousands surrendering their farms, their homes of a lifetime, because they can not pay taxes and interest charges; with untold numbers of men and women walking the streets looking for work and finding it not, it is time for level-headed patriots to be analyzing the causes of the existing saturnalia of misfortunes and to be seeking with clear vision and steadfast purpose to find constructive remedies.

At the root of our national troubles, germinating in the soil of popular indifference and spreading with mushroom growth into every field of private and industrial effort, is the evil of waste and extravagance, now developed under fostering bureaucratic care into a reign of profligacy unparalleled in American history.

Every warning on the horizon, every dictate of common sense, is crying to us to stop, look, and listen and to apply the reverse lever. The signs are clear as noonday and he who runs should be able to read them. Plain as a flag on a pikestaff is the warning that this bureaucratic waste must stop and old-fashioned economy must be reestablished in governmental operations before social and industrial health and happiness can be restored throughout this Nation.

BUSINESS IS ADJUSTING ITSELF

Business is quicker to recognize this exigency and adjust itself to it than is government. Business began retrenchment more than a year ago. The dominant thought in the minds of thousands of business men over the United States to-day is that the solution of the fiscal problem must start with expense reduction; that the answer to deficits is not to be found in the continual increase of expenditures. These business men are holding, and I think rightly so, that the balancing of the Budget is a matter of expense reduction rather than to tax increase and that, while some temporary tax increases may be justified and may be even vitally necessary, permanent relief can come only from cutting the costs of government. All of those engaged in business have been taking large cuts in earnings and salaries. For months every business and industry in the country has been going through the process of having every unnecessary expense squeezed out of it and there is a widespread feeling that government should try the same medicine. Because our Government secures its income through the levying of taxes is no reason why it should not operate on the same sound economic principle of adjusting expenditures to income.

The retrenchment policy now in evidence in the business world if applied to government would mean that personnel would be reduced, contracts would be revised to effect savings wherever legally possible, salaries of the higher brackets would be brought down, and every nonessential bureaucratic activity would be grubbed up at the roots or clipped to a mere semblance of its present plethoric proportions. Untold millions would be saved by eliminating overlappings and duplicate overhead expenses. Thumbs would be put down on such unsound projects as the squandering of vast sums for the purchase of wheat in futile efforts to regulate the law of supply and demand and Federal Farm Board subsidiaries would no longer be drained to pay fair-haired favorites salaries ranging as high at $75,000 per annum while people are starving.

The country is in an appalling condition. Federal and State taxes are now at their height, costing the United States taxpayers in excess of $13,000,000,000 a year, more than the annual value of all of our crops. More than half a million individuals are members of boards, bureaus, and commissions, created to exercise paternalistic guardianship over the people, although, as a matter of fact, when they do function they usually do nothing more or less than push the average business and the average business man's head one more time under the water. Is it any wonder that Americans are becoming tax conscious? As they await the coming tax bill they are in about the same attitude as a man nursing a felon who knows that in a short while his sore place will be stuck with a pin.

LARGE SAVINGS ALREADY INDICATED

Mr. Chairman, while the situation is bad it is not hopeless. The great committee on appropriations has made a good start toward balancing the Budget by deep cuts in appropriations for the next fiscal year. As I sense the sentiment of the members of the committee from Chairman BYRNS down they believe that the best welfare work in which Government or any of its units can engage is in preserving the homes, the earnings, and means of livelihood of the people, not in wasting them through pretentious tax-spending schemes. They have adjourned politics in that committee and have put their shoulders to the common cause of serving the taxpayers by reducing the cost of government. How well they have performed that task is shown by the fact that the bill now before the House—the Treasury and Post Office Departments appropriation bill—comes into the House with a total $22,677,342 below the Budget estimates and $44,688,327 below the amount appropriated for those departments last year, while preceding bills have been reported with reductions below the Budget in the following amounts: General deficiencies, $13,443,900; Agricultural, $10,799,591; Interior, $6,273,020; State, Justice, etc., $5,382,818. In other words, the first five supply bills of this Congress show a saving of $58,577,551 below the Budget. The Budget Bureau first overhauls the departmental estimates with a sharp pencil, looking for places to cut, and the Appropriations Committee has followed the Budget with a still sharper pencil, finding more places to cut. In many instances the Appropriations Committee has cut below the Budget and not in a single solitary instance has it raised an item above the Budget figure.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. It is late and I must finish, but I will yield to the gentleman.

Mr. GOSS. They have reduced every appropriation except the appropriation for prohibition enforcement. Is not that true?

Mr. LUDLOW. I would rather not enter upon such a wide field of discussion at this late hour.

The patriotic and nonpolitical spirit in which the committee operates is well illustrated by an incident that occurred when the present Congress convened last December. With the gallantry that might be expected of such a courteous gentleman, Mr. BYRNS went to the White House to pay

his respects but especially to assure the President of the full cooperation of himself and the members of the Appropriations Committee in effectuating a greatly needed program of economy in Government expenditures.

We are committed to a program of economy, Mr. President—

He said.

We want you to know that we will be glad to work with you to that end and you may feel as free to consult any Democratic Member of that committee as you would one of your own party.

The President thanked Mr. BYRNS and in his turn gave assurance that if the committee finds it possible to still further reduce appropriations below the Budget estimates without crippling any essential activity "it will be very pleasing to me."

In this atmosphere of regard for the public interest and with no other incentive than to serve the American taxpayers faithfully and well, the committee has proceeded to make drastic cuts where cuts could be justified; and while its work to date is only a beginning, the people of America will not err if they believe that the committee, with a patriotic House of Representatives supporting it, has made a splendid start in the right direction. [Applause.]

Mr. ARNOLD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOWARD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9699 and had come to no resolution thereon.

LEAVE OF ABSENCE

Leave of absence was granted to—

Mr. WHITE, for one day, on account of sickness.

Mr. REID of Illinois, indefinitely, on account of sickness.

Mr. ROMJUE, for 10 days, on account of death in family.

PANAMA CANAL MEMORIAL COMMISSION

Mr. THATCHER. Mr. Speaker, I ask unanimous consent for a rereference of the bill (H. R. 9552) to provide for the creation of a Panama memorial commission from the Committee on Rules, to which it was referred, to the Committee on Interstate and Foreign Commerce. I have consulted with the chairmen of these committees and they are agreeable to this.

The SPEAKER. Is there objection?

There was no objection.

THE STUDY OF SILVER

Mr. SOMERS of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a statement made by the subcommittee of the Committee on Coinage, Weights, and Measures, which is investigating the silver question.

The SPEAKER. Is there objection?

There was no objection.

Mr. SOMERS of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement of the subcommittee investigating the causes and effects of the depreciation of the price of silver:

Recognizing the complexities attending the investigation of the fall in silver prices and its effect upon commodity values, the subcommittee of the Committee on Coinage, Weights, and Measures, desirous of proceeding with the greatest possible efficiency, and realizing the ease with which it may be diverted from the main stem of its investigation, believes it advisable to set forth the premise from which the proper conclusions should evolve. This statement is set forth with no intent at finality but is to be used for the purpose of guiding the witnesses along the path of directness. All witnesses shall be asked to consider this statement before presenting their testimony, and are invited to sustain or disprove its contentions or to add whatever information they may consider essential. The conclusions reached are made sufficiently broad to serve as a measure of precedence upon which the maximum number might agree.

It appears to the subcommittee that the silver problem being international in scope can best be solved by international cooperation, but whether this cooperation is possible at this time is a question that must be determined. It appears desirable that a reasonable relationship should be established between gold and silver. By this it does not mean that these two metals should be placed upon the normal production ratio, nor is bimetallism envisaged. It is suggested that no nation acting alone is at present in a position to restore the falling metal. Yet the possibility of individual action, although difficult at present to discern, may at a later time be developed. In this event the subcommittee will not be disposed to reject it.

To all appearances there is no other way of restoring world values except by giving a general validity to the purchasing medium of the East, since that part of the globe embraces more than 50 per cent of the people of the world. Many different peoples are engaged in the commerce of the world; some use gold, some can use only silver. Changes in the values of these metals are therefore always disturbing, but when the difference in value is as great as at present the channels of trade naturally dry up, and the result is chaotic.

Unless international trade is revived it is not possible for this or any other nation to continue developing its natural resources and producing its wares. Therefore the urgency of immediate action in this respect is apparent to all.

Unemployment, international obligations, tariffs, and budget deficiencies, the problems which face every parliamentary body in the world, are perplexities that can never be solved until monetary equilibrium is restored, and as long as the ability to exchange the fruits of our labor is nonexistent the problem of one having too much and the other too little will be with us forever.

In laying before those interested the present low price of silver the subcommittee invites attention to the following facts:

THE COURSE OF SILVER PRICES

First. The table showing the average price of silver for the better part of a century (annual report of the Director of the Mint, fiscal year ended June 30, 1932, p. 126) reveals extraordinary steadiness for the period 1833 to 1872, both inclusive. The adoption of the gold standard by Germany in 1872, and by the Latin Union and the United States in 1873, caused a steady decline, which brought silver prices to a level of about one-half that obtaining prior to the general adoption of the gold standard by the occidental world. During the period 1900 to 1914, both inclusive, silver fluctuated between an average annual high price of about 67¼ cents (1906) and a low of about 52 cents (1909). It averaged slightly over 58⅛ cents per fine ounce.

HISTORY OF THE RISE AND FALL OF SILVER, 1914–1932

Second. The war brought about a complete change in that the fortunes of the European nations and those of the East reacted to that war in inverse ratio. The allied nations were obliged to draw on the Orient for vast quantities of men and raw materials needed to prosecute this war to a successful end, and in this wise India and China rolled up against the Allies balances of such magnitude as to make the question of their settlement a precarious one. The reason for this was that neither India nor China possessed the economic machinery which makes possible the postponement of the settlement of balances by means of bank credits or bond issues. The status of the individual oriental being what it is, few are those who lay aside funds in sufficient amount to permit of their indulging in foreign investments. Settlements of balances had, therefore, to be effected either in commodities or in precious metals. With the dislocation of European industry, the entire machinery of which was diverted from commercial ends to the immediate war needs, the settling of adverse balances by means of shipments of commodities of European origin was out of the question. Precious metals were therefore the only alternative, but the European nations could not draw upon their gold reserves because these are the foundation stones on which rests their credit, and this credit had been largely expended through war necessities. It was preferable to ship silver rather than gold, and so the white metal began to flow eastward. All visible stocks quickly made their way to the Far East, until Europe found herself entirely denuded of the metal.

EFFECT ON THE INDIAN CURRENCY SYSTEM

Third. The only available stocks of importance remaining in the western world were in the possession of the Spanish Government and such silver as was deposited in the American Treasury as a reserve against the issue of silver certificates. Despite all metal shipments to India and the Far East, the oriental balances were not settled and silver went higher, additional impetus being given to the rise by important speculation throughout the Orient. The bullion value of the Indian rupee reaches its nominal value (16 pence, approximately 32 cents) when silver sells at 86.4 cents per fine ounce. This price had been reached and crossed in 1917, so that the bullion value of the rupee (when expressed in gold or gold exchange) was greater than its nominal or face value. As a result, myriads of Hindus presented for redemption to the Indian treasury large amounts of rupee notes so as to obtain the silver coin, which they promptly melted and sold at a profit in the bazaars. The higher silver went the greater became the incentive for such operations and the greater the profit. The rupee note issue then outstanding, being considerably in excess of the stocks of silver rupees held by the Indian treasury, the Indian Government was forced into the silver markets of the world to acquire at any cost the silver needed for the minting of additional coins. In 1918 the Indian Government purchased from the United States approximately 200,000,000 ounces of silver at $1 per ounce. This operation called for the passage of the so-called Pittman Act, under which our Government accepted the gold obligation of the British Government for the silver which it sold. Despite the fact that all this silver was minted into rupees the demand persisted and silver continued to rise.

EFFECT ON OTHER CURRENCY SYSTEMS

Fourth. The old Mexican peso (which contained 377.1396 grains of pure silver) reaches parity when the price of silver is $0.634 per fine ounce. It will be seen that when silver crossed that price in 1916 Mexico faced a major currency problem similar to that of India. Melting and export restrictions were resorted to by the Mexican Government, but hoarding became general nevertheless. Similar problems developed in Peru and other South American countries, resulting in hoarding and in the illicit export of subsidiary coins. Shortly after the end of the war, when the sterling exchange broke from parity, to which it only returned in 1925, the bullion value of the British fractional currency r'so crossed its nominal value. Great Britain applied silver export restrictions and made the melting of silver coins of the realm punishable by heavy fines; yet the gold value of the British fractional currency exceeded its nominal value, a fact which had to be faced. Like problems confronted virtually all the gold-standard countries, including the United States. When in 1919 silver reached a high of $1.37½ (it actually sold in the Shanghai market at $1.50), the American "cartwheel" was worth in our own silver market $1.06, and was immediately exported in quantity. It will be readily observed that the rise of silver disturbed the monetary systems of most of the western nations in that their fractional silver coins were subjected to hoarding, melting, and export, which would have made them disappear from circulation in due course unless drastic corrective measures were adopted. It is for this reason that debasing and demonetizing were generally resorted to, because governments recognized the danger to trade of the disappearance of their fractional currency.

SEIGNORAGE AND CONSEQUENCES OF THE ABUSE OF THE RIGHT OF SEIGNORAGE

Fifth. Seignorage is the due levied by the authority that possesses the right of coining on the metal that it manufactures into coin. The original purpose of seignorage was to defray the expenses of coinage to government. When the gold standard was generally adopted in the latter part of the nineteenth century silver was still recognized as the auxiliary metal through its general adoption for fractional currency. However, the price of silver having been seriously affected by the general adoption of the gold standard, it will be seen that the seignorage charge accruing to most treasuries no longer covered the mere cost of coinage, but did in fact represent considerable profit. While giving a profit to government it also constitutes a tax upon the people who accept at its nominal value a coin which has little intrinsic value. The issuance of paper notes or of coins manufactured from the base metals to take the place in currency systems formerly held by silver coins is tantamount to the issuance of fiat money. Debasement of silver coinage is precisely the same thing but in lesser degree. Increase in the circulation of debased or fiat currency is dangerous because it furnishes an incentive to the hoarding of other currencies of intrinsic value in accordance with Gresham's law. It is an abuse of the right of seignorage and becomes the instrument by which the destruction of monetary systems is achieved. This is best illustrated by the discount to which, immediately the peso was debased, Mexican silver went in terms of Mexican gold despite the fact that silver was legal tender. When the currency systems are threatened because a high price for silver causes the intrinsic value of fractional coins to cross their nominal value debasement is justified as a measure of emergency. When, however, such condition is nonexistent debasement and demonetization are no more justified than is the issuance of fiat money. At no time since the beginning of 1921 has the price of silver been such as to justify debasement or demonetization by any nation, so that such governments as have altered their currency systems in this manner have done so with the intention of securing additional income and without regard to the disturbing consequences of their acts upon the currency systems of other nations. The Government of the United States is the conspicuous exception in this particular; it has maintained unaltered both the weight and the fineness of its fractional currency.

EFFECT UPON SILVER OF THE ABUSE OF THE RIGHT OF SEIGNORAGE

Sixth. Debasing and demonetizing by the western nations implied a lessened future demand for coinage by their mints, thereby robbing the silver market of a constant support; they also resulted in making available for sale vast quantities of metal heretofore unavailable. Between 1914 and 1929, both inclusive, no less than 31 countries debased or demonetized their silver currency. While estimates vary somewhat as to the amount of silver derived from debasement and demonetization of silver coin the total amounts were, nevertheless, sufficiently large to throw the silver market completely out of equilibrium. The amount of metal derived from these operations from 1920 to 1930, both inclusive, is estimated to be well in excess of 400,000,000 ounces.

ESTABLISHMENT OF THE GOLD BULLION STANDARD IN INDIA

Seventh. In 1925 the Royal Commission on Indian Currency and Finance sat in London under the chairmanship of Mr. E. Hilton-Young. As a result of their deliberations, the Indian currency system was changed from a gold exchange to a gold bullion basis and the rupee fixed to sterling at the rate of 18 pence (36 cents) as against 16 pence (about 32 cents) in the pre-war period. A gold-bullion system necessarily implies gold reserves for the country which adopts it. The Indian gold reserves were to be partially created through the sale by the Indian treasury of its stock of silver rupees consisting of several hundred million ounces. This laid the basis for the great monetary dislocation which we are witnessing to-day, because it superinduced flight of capital.

"COVERING" BY CHINA RESULTING FROM CHANGED INDIAN MONETARY POLICY

Eighth. The corrective measures (debasing and demonetizing) which the governments of the western nations had adopted in defense of their currency systems when these were threatened through the high price of silver acted as a daily depressant upon silver prices. In addition thereto, when in 1926 the Indian Government decided to sell its stock of silver rupees they automatically served notice on the world that the most important of all factors was entering the silver market as an active and formidable seller. All those possessed of silver, either as money or as savings—or, in other words, one-half the population of the world—were put on notice that their money and savings were about to be destroyed. Obviously, in so far as the Chinese were concerned, they could not remove their capital from the country and still continue in business. But there was a way open to them whereby they could insure their capital, and they promptly took it and have followed it ever since. Under threat of seeing their money destroyed, they took out insurance by means of "cover" operations—that is, they purchased gold and/or gold exchanges. These "cover" operations by China were tantamount to sales of silver, and had the double effect of disrupting the silver market through abnormal pressure and disturbing the gold and gold-exchange markets through abnormal demand.

SIGNIFICANCE OF "COVER" OPERATIONS

Ninth. Flight of capital through the metals and the exchanges began in China in 1926 and is still continuing in 1932. Gold or gold-exchange operations, which are not commercial in nature but which are solely established for purposes of insurance, have a sterilizing effect upon the funds or the metals involved in such operations unless they be turned once again into investments. Obviously, capital in flight primarily seeks security and liquidity, and not investment. However, even though invested, their very nature as "cover" or insurance robs them of any quality of permanency in that they are subject to sudden withdrawal on short, if any, notice, in which event, through further flight, they again become major disturbing factors to the security markets as well as to the exchanges and the money markets.

"COVERING" BY INDIA AND DESIRABILITY OF REVERSING THIS POSITION

Tenth. While conditions in India are not the same as in China, they are nearly analogous. The savings of the people of India are almost entirely in the form of precious metals and, owing to custom and tradition as well as to the lowly status of the average individual, silver is their principal hoard. The average Hindu has little or no banking facilities; he is unaccustomed to instruments of credit, which he distrusts. His attachment to the white metal transcends every effort made to encourage him to utilize in its stead any forms of instruments of credit. This is evidenced by his takings of silver despite the imposition of heavy import tariffs. Debasing and demonetizing and the thrusting of the gold-bullion standard upon their own country gave to the Hindus the same inducements to "cover" as to the Chinese, but, in addition thereto, they had the further inducement to "cover" of having gold made cheaper for them by act of Government which fixed the rupee at 18 pence in lieu of 16 pence. And so the Indians of means, more especially in the important centers, sensing the threat to the value of their hoards, emulated the example of the Chinese and promptly took out insurance by the establishment of "cover" operations. The sum total of these operations is impossible of accurate estimate, but it can not fail to be gigantic. Their effect upon the exchange and money markets of the world should not be underestimated, nor should we overlook the desirability of reversing them for the purpose of restoring equilibrium in the exchanges. The reversal of the "cover" operations on Chinese and Indian accounts would not alone have a far-reaching effect on the relative prices of silver and gold, but it would also substantially benefit the general commodity price level through the cheapening of gold in relation to the auxiliary metal which forms so great a part of the purchasing power, direct or indirect, of one-half of humankind.

COMPARATIVE INFLUENCES OF THE EXCHANGES UPON COMMODITY PRICES

Eleventh. A characteristic of the present situation is its international aspect. Without exception whatsoever, all nations have been affected; it is merely a matter of degree. The readjustment to present-day conditions has been the least severe in China judging by current commodity prices as compared with peak levels reached since 1926. This is an unmistakable indication of the effect of the exchanges upon commodity prices which, when seeking their level, tend to fall the least in the low-exchange countries and the most in those countries with the highest exchanges. This is proof of the fact that under conditions of interdependence, such as have been made possible by our highly developed system of communication, the prices of all commodities, including labor, are influenced by international considerations. Everything else being equal, once conditions of monetary dislocation remain uncorrected, return to equilibrium can only be achieved at the expense of the high-exchange countries which, through the inexorable functioning of the exchanges, automatically become the dumping grounds for the low-exchange nations.

DUMPING, UNDERCONSUMPTION, AND TARIFFS RESULTING FROM EXCHANGE DISLOCATION

Twelfth. Of course, open dumping may be prevented by the erection of tariff walls, but those who erect our tariffs only recognize the open seller. They can not see the more insidious accomplice of the dumper who, because of his elimination through the adjustment upward of prices through exchange, is dumping upon the markets his inability to buy. The action of the nonbuyer, while more insidious because it is invisible, is none the less effective than the action of the underseller. The effect upon trade of the former's nonconsumption results in overproduction of goods in all markets despite the lower industrial operating ratio. Tariffs are erected for the purpose of defending local markets, but by their very nature they are an impediment to trade. It therefore follows that if trade is contracted by monetary dislocation it is further impeded by the erection of tariff walls, all of which would suggest the desirability of solving the monetary question which, in turn, would go a long way toward simplifying the problems of tariff. It is on this score that the western industrial nations are on common ground so that the restoration of equilibrium in the exchanges is their common concern. It challenges their cooperation and renders negligible other selfish considerations.

EFFECT OF MONETARY DISLOCATION UPON POLITICAL RELATIONS

Thirteenth. By debasing and demonetizing their silver currency the industrial nations may enrich their treasuries by small nonrecurring profits, but the infinitely larger amounts which governments and their people lose in consequence of trade contraction through the disruption of the exchanges more than counterbalances all seignorage profits and does lasting damage to their established industries. Moreover, their former customers are turned into necessitous competitors, who slowly, but none the less surely, capture new markets once held by the citizens of the very nations which have forced them into competition. The repercussions of dislocated economic conditions upon the political relations of nations never fail to be disastrous. The nationalist movement of India is a typical illustration, as is the effect upon the economic life of Japan of the depressed China exchanges. It therefore follows that the restoration of the equilibrium between gold and silver must necessarily improve the political relations between the eastern nations and the gold-standard countries, because economic pressure will have been removed.

RELATIVE POSITIONS OF DEBTORS AND CREDITORS

Fourteenth. Urgent necessities created by the war and by the conditions prevailing in the immediate postwar period brought about a condition of inflation wherein obligations payable in gold were established on an altogether unprecedented scale. These obligations were individual, corporate, national, and international in character, and to-day are to be met by the borrower under conditions of acute deflation, which have changed the relative position of both lender and borrower to an extent so great as to make inevitable their repudiation in whole or in part. A rise in the general commodity price level is desirable, if for no other reason than that it will restore the proper relation between the debtor and creditor classes, and this because the creditor faces repudiation, which is the inevitable consequence of the debtor's bankruptcy. Herein once again is a field for cooperation between both creditor and debtor nations, because the establishment of the principle of repudiation entails moral and material considerations which are their common concern.

RELATION OF SILVER TO INTERNATIONAL DEBTS AND INVESTMENTS

Fifteenth. Under conditions of good trade, neither banking nor budgetary questions of importance exist, but under adverse trade conditions the reverse is the case. Moreover, international debts and investments are predicated upon favorable trade conditions which in turn create a capacity to pay, whereas under adverse trade conditions a capacity to pay is so much reduced as to render the discussion of international debts and foreign investments both futile and academic.

RELATION OF LOW SILVER TO UNEMPLOYMENT

Sixteenth. The cost of unemployment resulting from trade contraction goes up in inverse ratio to the decline in the volume of trade. The correction of the problem of unemployment, if viewed by itself without proper consideration of its basic causes, implies the use and abuse of palliative measures which involve the expenditure of vast sums of public moneys; thereby adding to the tax burden. On the other hand, the correction of the causes which make for trade contraction reduces unemployment and with it the necessity for the application of costly palliatives.

RELATION OF SILVER TO BANKING, BUDGETS, AND TAXES

Seventeenth. Regardless of the angle from which the present situation is approached, it is increasingly evident that no measures can be effective which do not go to the root of the trouble. Banking being essentially ancillary to trade, it must needs follow the course of trade, contracting and expanding with it. In so far as the income of budgets is predicated on taxes levied on the profits from trade, so must it decrease in equal ratio with the decrease in the profits from trade, the balancing of budgets becoming increasingly difficult as trade contracts. In the meantime debts fixed in terms of gold are immutable so that they do not decrease when trade decreases. On the contrary, their very stationary quality renders them more onerous in times of adverse trade conditions. It is because of the very fact that debts are payable with commodities, services and labor included, that we must once again recognize the desirability to all concerned of raising the general commodity price level, so that any measure which fails of that purpose can not be considered as going to the root of the evil.

SILVER AS A LINK BETWEEN NATIONS

Eighteenth. In the handling of this essentially international problem governments have been primarily influenced, and quite naturally so, by purely national interests and aspirations. Far from being admitted, interdependence has been resented because of selfish considerations, yet the consequences of this attitude merely emphasize the interdependence of all nations instead of disproving it. The world system of intercommunications which had leveled geographical frontiers is being brought close to destruction through tariff walls erected for the defense of local markets, and every nation is seeking to devise ways and means for its complete independence from others. It is perfectly obvious to the careful observer that such a condition can at best only retard progress while exposing us to such evils as are the natural consequences of the economic pressure on the present social and political order.

PSYCHOLOGY OF THE SITUATION IN ITS RELATION TO THE GOLD STANDARD

Nineteenth. The edifice of credit, which is built in the shape of an inverted pyramid, is generally believed to rest only upon that small apex of precious metals represented by the metallic reserves of our central banks. In fact, nothing could be further from the truth, because our financial structure has a much broader, if intangible, base which is constituted by the faith and the confidence of the people, without which no instrument of credit could exist. It therefore follows that a program of restoration must include psychological correctives, because faith and confidence "per se" are purely psychological in nature. Moreover, because the question of money is of international character, it is essential when handling it that we take into consideration not alone our own psychology but that of the people of other nations as well. Herein lies the necessity for recognizing the truth of the saying that "east is east and west is west." Monetarily speaking, custom and tradition divide both halves of the world so that, if we wish successfully to deal with one another, it is imperative that we should recognize and respect one another's customs as to money and not inflict our own monetary standards upon those who are unwilling to accept them or who are unprepared for them. Least of all should we perpetuate such measures in the alteration of our monetary systems as tend to disrupt and destroy the moneys and savings of the peoples of the eastern world. During war times the western nations, forced by circumstances beyond their control which involved their self-preservation, adopted measures of that character because their monetary systems had been threatened by high silver until correctives were applied. To-day conditions are reversed and their monetary systems and their trade are threatened by low silver. It is therefore imperative that corrective measures of a reverse nature should be adopted by the governments of the occidental nations unless a further flight from silver be invited, thereby making necessary further economic readjustment downward and rendering existing gold stocks hopelessly inadequate to carry on world trade and maintain the integrity of the gold standard.

DIRECT AND TRIANGULAR ASPECTS OF TRADE

Twentieth. The effect of low silver prices upon American trade can not be determined by the statistics of our direct trade with the Orient, because trade is necessarily both direct and triangular. If India's trade with Great Britain suffers as a result of the repercussion of her economic on her political relations with that country, American trade with India may increase, but direct American trade with Great Britain suffers because of the adverse effect on Great Britain's commerce with the world resulting from her loss of trade with India. The same reasoning may be applied to our trade statistics with any single country, thus proving that our economic welfare is predicated on the total volume of our trade with all countries. The enormous contraction in the volume of world trade and the complete dislocation of the exchanges are no mere coincidence.

METHOD OF INFLUENCING THE COMMODITY PRICE LEVEL

Twenty-first. Commodities of all kinds obey the natural law of supply and demand. Whereas the rationing of demand to restricted supply denotes an abnormal condition, approach to normal equilibrium in the commodity markets is had by the adjustment of production to consumption, so that the consumer ultimately fixes the prices of all commodities by the very demand which he creates. World commodity prices can therefore be raised by such international cooperative action as will improve the purchasing power of the consuming masses, whereas measures of a purely local character can but feebly affect the world commodity price level while rendering the local market more vulnerable to external pressure.

RELATION OF METAL PRODUCTION TO SILVER PRICES

Twenty-second. Silver is unlike any other commodity in that approximately two-thirds of the total silver output is a by-product of other metal production so that it is forced upon the market regardless of demand. If the important support to the silver market formerly given to it by the mints of the world is withdrawn through the debasing and demonetizing of silver currencies, the commercial demand for the white metal alone remains; this demand is insufficient to maintain prices so that silver goes down despite reduction of output by the purely silver-producing mining

companies. The consumers of silver are chiefly the oriental nations, whose faith and confidence in the white metal have been shattered by the alteration of monetary policies by the gold-standard nations, among whom are the chief silver producers. Any measures undertaken by the gold-standard group of nations tending to stabilize the price of silver are predestined to failure unless they succeed in restoring the faith and the confidence of the consuming nations in their once-favorite metal.

THE POSITION OF THE UNITED STATES AS A PRODUCER

Twenty-third. The cost of silver coinage to the treasuries of the world, if viewed by itself, assumes importance, but it falls into insignificance when measured in terms of budgets and trade figures. Therefore, were the United States to take the initiative in the field of international cooperation on matters pertaining to silver as money, their action should not properly be translated as an expression of the interest of the merchant in his product. The British Empire produces an overwhelming proportion of the total world output of gold, yet in matters monetary Great Britain is never approached from the angle of a metal producer seeking a market for his product.

CENTRAL BANK DISCOUNT RATES UNDER NORMAL AND PRESENT CONDITIONS

Twenty-fourth. The orthodox method of influencing exchange movements for the purpose of reversing or redirecting the flow of gold from one center to another is the raising or lowering of central bank rates of discount. Under conditions of monetary dislocation, capital in flight gives no consideration whatsoever to such measures as is evidenced by the complete lack of relation between the rates of the principal central banks on the one hand and between money rates and security prices on the other. Curiously enough the reverse is the case, in that a higher bank rate is accepted to-day as a sign of weakness and immediately precipitates flight of capital, thus acting in a manner contrary to the very purpose of the measure adopted. It is therefore evident that maldistribution of gold can not be corrected through the manipulation of bank rates. Nor can it be corrected by reinvestment of their funds by the gold holders when, owing to trade conditions, the status of the debtors is such that they can offer no adequate security for their loans. Another method must be found.

RELATION OF SILVER TO MALDISTRIBUTION AND HOARDING

Twenty-fifth. When the question is examined from every angle, the logical conclusion is that "All roads lead to Rome," in that accurate diagnosis of the money problem invariably points to the two metals which form the bases of the money systems. Once this is conceded it is simple enough to accept the principle that if the "quality of money" is destroyed in one metal, mankind will desert the one so debased and reach out for the other to which value is still attached. Hence the universal rush for gold or gold exchanges which plainly explains maldistribution, hoarding, and all those attendant evils that make for the destruction of values through the disruption of trade via the exchanges. It is monetary dislocation which has set in motion the vicious vortex of deflation that is gaining in velocity as its evil consequences multiply because they feed upon each other. We have abundant evidence of the failure of palliatives everywhere, yet we dismiss the evidence and persist in treating effects and ignoring the cause. It is time to call a halt and to recognize the urgency of reestablishing a proper relation between the two world yardsticks of value because this is indispensable to proper equilibrium in international trade. Any serious dislocation of a reasonable relation calls for immediate correctives by cooperative action because it disturbs the fundamental bases of world trade in that readjustment must be effected in all human activities.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that all gentlemen who spoke this afternoon have permission to extend their remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4145. An act for the relief of Thomas C. LaForge;

H. R. 4150. An act authorizing issuance of patents in fee to Benjamin Spottedhorse and Horse Spottedhorse for certain lands;

H. R. 6347. An act for the relief of Neal D. Borum;

H. R. 8163. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Pecatonica River at Harrison, in Winnebago County, State of Illinois;

H. R. 8171. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Kankakee River at Momence, in Kankakee County, State of Illinois;

H. R. 8238. An act to extend the times for commencing and completing the construction of a free highway bridge across the Fox River at Algonquin, in McHenry County, State of Illinois;

H. R. 8250. An act granting authority to the Texas State Highway Commission to maintain and operate as constructed a free highway bridge across Trinity River between the counties of Navarro and Henderson, in the State of Texas;

H. R. 8324. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Byron, in Ogle County, State of Illinois; and

H. R. 8327. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Oregon, in Ogle County, State of Illinois.

ADJOURNMENT

Mr. ARNOLD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until to-morrow, Friday, February 26, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Friday, February 26, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

Postgraduate school of the United States Naval Academy.

COMMITTEE ON THE MERCHANT MARINE, RADIO, AND FISHERIES

(10 a. m.)

General inquiry into the American merchant marine, the United States Shipping Board, and Merchant Fleet Corporation affairs.

COMMITTEE ON THE JUDICIARY

(10 a. m.)

To forbid the transportation of any person or persons in interstate or foreign commerce kidnaped or otherwise unlawfully detained (H. R. 5667).

COMMITTEE ON PATENTS

(9.30 a. m.)

American Society of Composers, Authors, and Publishers.

COMMITTEE ON THE DISTRICT OF COLUMBIA—SUBCOMMITTEE ON THE JUDICIARY

(10.30 a. m.)

To provide for the incorporation of credit unions (H. R. 7808).

To provide for the incorporation of the Big Brother and the Big Sister Federations (H. R. 8911 and H. R. 9060).

To regulate the sale of firearms (H. R. 8754).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

453. A letter from the Public Printer, transmitting a request to dispose of, as waste paper, the files listed in the attached statement, as these papers have no further value or historical interest; to the Committee on Disposition of Useless Executive Papers.

454. A letter from the Secretary of War, transmitting a copy of a resolution adopted December 7, 1931, by the Provincial Board of Cavite, Philippine Islands, relative to Philippine independence; to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 8379. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.; with

amendment (Rept. No. 608). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 8394. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.; with amendment (Rept. No. 609). Referred to the House Calendar.

Mr. IGOE: Committee on Interstate and Foreign Commerce. H. R. 8396. A bill granting the consent of Congress to the State of Illinois to construct a free highway bridge across the Rock River at or near Prophetstown, Ill.; with amendment (Rept. No. 610). Referred to the House Calendar.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 8506. A bill to extend the times for commencing and completing the construction of a bridge across the Mahoning River at New Castle, Lawrence County, Pa.; without amendment (Rept. No. 611). Referred to the House Calendar.

Mr. PARKER of New York: Committee on Interstate and Foreign Commerce. H. R. 8696. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.; with amendment (Rept. No. 612). Referred to the House Calendar.

Mr. ROBINSON: Committee on Interstate and Foreign Commerce. H. R. 9066. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa; with amendment (Rept. No. 613). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 9264. A bill to extend the times for commencing and completing the construction of a free highway bridge across the St. Francis River at or near Madison, Ark., on State Highway No. 70; with amendment (Rept. No. 614). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 9266. A bill granting the consent of Congress to the State of Arkansas, through its State highway department, to construct, maintain, and operate a free highway bridge across the St. Francis River at or near Lake City, Ark., on State Highway No. 18; with amendment (Rept. No. 615). Referred to the House Calendar.

Mr. BURTNESS: Committee on Interstate and Foreign Commerce. S. 3237. An act to legalize a bridge across the Mississippi River at Grand Rapids, Minn.; without amendment (Rept. No. 616). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. S. 3282. An act to extend the times for commencing and completing the construction of a bridge across the Bay of San Francisco from the Rincon Hill district in San Francisco by way of Goat Island to Oakland; with an amendment (Rept. No. 617). Referred to the House Calendar.

Mr. ALMON: Committee on Roads. H. R. 9642. A bill to authorize supplemental appropriations for emergency highway constructon, with a view to increasing employment; with an amendment (Rept. No. 618). Referred to the Committee of the Whole House on the state of the Union.

Mr. CABLE: Committee on Immigration and Naturalization. H. R. 7793. A bill to secure the departure of certain aliens from the United States; without amendment (Rept. No. 622). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LINTHICUM: Committee on Foreign Affairs. H. R. 924. A bill for the relief of Sophie de Sota; without amendment (Rept. No. 619). Referred to the Committee of the Whole House.

Mr. LINTHICUM: Committee on Foreign Affairs. H. R. 1942. A bill for the relief of Mary P. Deane; without amendment (Rept. No. 620). Referred to the Committee of the Whole House.

Mr. LINTHICUM: Committee on Foreign Affairs. H. R. 4057. A bill for the relief of Jeannette S. Jewell; without amendment (Rept. No. 621). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1259) for the relief of Frank Kroegel, alias Francis Kroegel; Committee on Pensions discharged, and referred to the Committee on Military Affairs.

A bill (H. R. 9661) granting a pension to Emily Cecil; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 9552) to provide for the creation of the Panama Canal memorial commission; Committee on Rules discharged, and referred to the Committee on Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAPES: A bill (H. R. 9741) to establish a bureau of purchase and supply, and for other purposes; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H. R. 9742) to provide for the reorganization and more effective coordination of the Department of Commerce, and for other purposes; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H. R. 9743) to provide for the reorganization and more effective coordination of the Department of the Interior, and for other purposes; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H. R. 9744) to make the Bureau of the Budget an independent establishment, and for other purposes; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H. R. 9745) to provide for a reorganization of the administrative branches of the Government, to create the reorganization board, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mrs. KAHN: A bill (H. R. 9746) to readjust the pay of certain warrant officers and retired enlisted men; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H. R. 9747) to establish the United States border patrol, to regulate the entry of persons into the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9748) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended, and for other purposes; to the Committee on Roads.

By Mr. MAPES: A bill (H. R. 9749) to provide for the more economical and effective administration of the executive departments of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. BLACK: A bill (H. R. 9750) to establish an athletic commission to regulate boxing, sparring, and wrestling exhibitions; to the Committee on the District of Columbia.

By Mr. HOWARD: A bill (H. R. 9751) relative to leasing restricted lands of Indians of the Five Civilized Tribes of Oklahoma, and for other purposes; to the Committee on Indian Affairs.

By Mr. DISNEY: A bill (H. R. 9752) to abolish the Federal Farm Board, to secure to the farmer a price for agricultural products at least equal to the cost of production thereof, and for other purposes; to the Committee on Agriculture.

Also, a bill (H. R. 9753) to confer jurisdiction on the Court of Claims to hear and determine certain claims of the

Pawnee Indians against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. BOYLAN: A bill (H. R. 9754) to establish a national seminary for the education of the blind; to the Committee on Education.

By Mr. STRONG of Kansas: A bill (H. R. 9755) providing for the transfer or sale of Army and Navy equipment to the Boy Scouts of America; to the Committee on Military Affairs.

By Mr. MORTON D. HULL: A bill (H. R. 9756) granting the consent of Congress to the County of Cook, State of Illinois, to construct a bridge across the Little Calumet River on Ellis Avenue, 1,200 feet south of One Hundred and Thirty-fourth Street, city of Chicago, in Cook County, State of Illinois; to the Committee on Interstate and Foreign Commerce.

By Mr. SELVIG: Joint resolution (H. J. Res. 318) making an appropriation to enable the Secretary of Agriculture to cooperate with States and local agencies in the control of grasshopper infestations; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 9757) for the relief of Mrs. J. R. Clark; to the Committee on Claims.

By Mr. BACHMANN: A bill (H. R. 9758) granting an increase of pension to Amelia Crickard; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 9759) granting an increase of pension to Rosanna J. Peters; to the Committee on Invalid Pensions.

By Mr. CANNON: A bill (H. R. 9760) granting an increase of pension to Lavina E. Douglas; to the Committee on Invalid Pensions.

By Mr. CARTER of California: A bill (H. R. 9761) for the relief of Edward Garlin; to the Committee on Military Affairs.

By Mr. CRAIL: A bill (H. R. 9762) for the relief of George A. Whitlock; to the Committee on Naval Affairs.

Also, a bill (H. R. 9763) for the relief of Ray A. Anderson; to the Committee on Military Affairs.

By Mr. DISNEY: A bill (H. R. 9764) granting a pension to Jesse J. Stanberry; to the Committee on Pensions.

Also, a bill (H. R. 9765) granting a pension to Susan Knowles; to the Committee on Pensions.

Also, a bill (H. R. 9766) granting a pension to Lena Edna Pollock; to the Committee on Pensions.

Also, a bill (H. R. 9767) for the relief of Jim German; to the Committee on Military Affairs.

By Mr. DOXEY: A bill (H. R. 9768) for the relief of Benjamin Wright; to the Committee on Naval Affairs.

By Mr. EVANS of California: A bill (H. R. 9769) granting a pension to Emma A. Probasco; to the Committee on Pensions.

By Mr. FINLEY: A bill (H. R. 9770) to extend the benefits of the employees' compensation act of September 7, 1916, to Susan Chesnut; to the Committee on Claims.

Also, a bill (H. R. 9771) granting an increase of pension to David Turner; to the Committee on Pensions.

By Mr. FREE: A bill (H. R. 9772) granting a pension to Kathe Haugh; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H. R. 9773) granting a pension to Michael Thomas Tippie; to the Committee on Invalid Pensions.

By Mr. KELLER: A bill (H. R. 9774) granting an increase of pension to George W. Beaty; to the Committee on Pensions.

By Mr. KLEBERG: A bill (H. R. 9775) for the relief of Harry L. Haberkorn; to the Committee on Claims.

By Mr. LARRABEE: A bill (H. R. 9776) granting a pension to Virginia Reed; to the Committee on Invalid Pensions.

By Mr. LOVETTE: A bill (H. R. 9777) granting a pension to Charlie Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9778) granting a pension to Joke Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9779) granting a pension to Francis French; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9780) granting a pension to Joseph Early; to the Committee on Pensions.

Also, a bill (H. R. 9781) granting a pension to Henry Garfield Clemons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9782) granting a pension to Willie R. Phillips; to the Committee on Pensions.

Also, a bill (H. R. 9783) granting a pension to Harry G. Brockus; to the Committee on Pensions.

Also, a bill (H. R. 9784) granting a pension to Mary E. Casey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9785) granting a pension to Hattie Campbell; to the committee on Invalid Pensions.

Also, a bill (H. R. 9786) granting a pension to Charles Edgar Bouton; to the Committee on Pensions.

Also, a bill (H. R. 9787) granting a pension to Dicey P. Breeden; to the Committee on Pensions.

Also, a bill (H. R. 9788) granting a pension to Margaret C. Abel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9789) granting a pension to Albert E. Allen; to the Committee on Pensions.

Also, a bill (H. R. 9790) granting a pension to Rue S. Jackson; to the Committee on Pensions.

Also, a bill (H. R. 9791) granting a pension to David W. Jennings; to the Committee on Pensions.

Also, a bill (H. R. 9792) granting a pension to Charlie Jones; to the Committee on Pensions.

Also, a bill (H. R. 9793) granting a pension to Crockett Howard; to the Committee on Pensions.

Also, a bill (H. R. 9794) granting a pension to Russell M. Huff; to the Committee on Pensions.

Also, a bill (H. R. 9795) granting a pension to Annie Hankal; to the Committee on Pensions.

Also, a bill (H. R. 9796) granting a pension to Mrs. Italy Good; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9797) granting a pension to John F. Julian; to the Committee on Pensions.

Also, a bill (H. R. 9798) granting a pension to Tanner S. Litton; to the Committee on Pensions.

Also, a bill (H. R. 9799) granting an increase of pension to John M. D. Jones; to the Committee on Pensions.

Also, a bill (H. R. 9800) granting an increase of pension to Sarah J. Lake; to the Committee on Pensions.

Also, a bill (H. R. 9801) for the relief of Rufus May, deceased; to the Committee on Military Affairs.

Also, a bill (H. R. 9802) for the relief of George T. Larkins; to the Committee on Claims.

Also, a bill (H. R. 9803) for the relief of H. G. Lewis; to the Committee on Military Affairs.

Also, a bill (H. R. 9804) for the relief of the heirs of James Kirk, deceased; to the Committee on Claims.

Also, a bill (H. R. 9805) for the relief of David E. Goodwin; to the Committee on Military Affairs.

Also, a bill (H. R. 9806) for the relief of Ralph Hart; to the Committee on Military Affairs.

Also, a bill (H. R. 9807) for the relief of Dewey Bonine; to the Committee on Military Affairs.

Also, a bill (H. R. 9808) for the relief of John W. Benson; to the Committee on Military Affairs.

Also, a bill (H. R. 9809) granting a pension to George W. Trent; to the Committee on Pensions.

Also, a bill (H. R. 9810) granting a pension to George C. Trent; to the Committee on Pensions.

Also, a bill (H. R. 9811) granting a pension to William E. Slimp; to the Committee on Pensions.

Also, a bill (H. R. 9812) granting a pension to Marshall E. Richards; to the Committee on Pensions.

Also, a bill (H. R. 9813) granting a pension to John M. Saylor; to the Committee on Pensions.

Also, a bill (H. R. 9814) granting a pension to Walter B. Shipley; to the Committee on Pensions.

Also, a bill (H. R. 9815) granting a pension to Nancy J. Vesey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9816) granting a pension to Martha Story; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9817) granting a pension to Julia A. S. Richardson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9818) granting a pension to Anna Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9819) granting an increase of pension to Oscar Sheffield; to the Committee on Pensions.

Also, a bill (H. R. 9820) granting an increase of pension to Thomas Scott; to the Committee on Pensions.

Also, a bill (H. R. 9821) granting an increase of pension to William Woodby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9822) for the relief of Carl Edgar Smith; to the Committee on Military Affairs.

By Mr. McFADDEN: A bill (H. R. 9823) for the relief of Genevieve S. McKibbin; to the Committee on Claims.

By Mr. NELSON of Missouri: A bill (H. R. 9824) granting a pension to Janie Hack; to the Committee on Invalid Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 9825) for the relief of Harold S. Morris; to the Committee on Military Affairs.

By Mr. SHANNON: A bill (H. R. 9826) for the relief of Charles Cubberly; to the Committee on Military Affairs.

By Mr. SPENCE: A bill (H. R. 9827) authorizing the President of the United States to appoint Sergt. Samuel Woodfill as a captain in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. STRONG of Kansas: A bill (H. R. 9828) for the relief of Percy C. Wright; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: A bill (H. R. 9829) granting an increase of pension to Douglas B. Jenkins; to the Committee on Pensions.

By Mr. TIERNEY: A bill (H. R. 9830) granting a pension to George Philip Steppe; to the Committee on Invalid Pensions.

By Mr. TILSON: A bill (H. R. 9831) granting a pension to Mary T. Benson; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 9832) for the relief of William L. Allison and Ada F. Allison; to the Committee on Claims.

By Mr. WOLCOTT: A bill (H. R. 9833) granting a pension to Gussie Gates; to the Committee on Pensions.

By Mr. WOLVERTON: A bill (H. R. 9834) granting an increase of pension to Mary A. Pendergrast; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2813. By Mr. BACON: Petition of the Women's Bible Class, Baptist Church, Port Jefferson, N. Y., opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2814. Also, petition of 337 residents of Roslyn, Long Island, N. Y., urging the repeal of the eighteenth amendment; to the Committee on the Judiciary.

2815. By Mr. BOHN: Petition of Leo E. Richmond Post, No. 178, the American Legion, Onaway, Mich., supporting the widows and orphans pension bill, the payment of the balance of the adjusted-compensation certificates, and against the limitation of armaments; to the Committee on Pensions.

2816. Also, petition of the Parkerville Woman's Christian Temperance Union, of Dafter, Mich., protesting against the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2817. By Mr. BRUNNER: Petition of the Woodhaven Post, No. 118, opposing the different bills now being introduced in Congress for the reduction in salaries of Government employees; to the Committee on Expenditures in the Executive Departments.

2818. By Mr. CANFIELD: Petition of E. T. Andrew and 24 other citizens, of North Vernon, Ind., petitioning against the compulsory Sunday observance law; to the Committee on the District of Columbia.

2819. Also, petition of Ernest Smith and 35 other citizens of Greensburg, Ind., petitioning against the compulsory Sunday observance law; to the Committee on the District of Columbia.

2820. By Mr. CLAGUE: Petition of B. O. Engen, of Wells, Minn., and 130 others, protesting against the passage of House bill 8092, compelling barbers to observe Sunday in the District of Columbia; to the Committee on the District of Columbia.

2821. By Mr. CONNERY: Petition of the veterans and citizens from the Thirty-eight Regiment, American Legion Post No. 7, Buckhammon, W. Va., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2822. Also, petition of the veterans and citizens from the Two hundred and fourth Regiment, American Legion, New Haven, Conn., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2823. Also, petition of the veterans and citizens from the Two hundred and fourth Regiment, American Legion, New Haven, Conn., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2824. Also, petition of the veterans and citizens from the Two hundred and fourth Regiment, American Legion, New Haven, Conn., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2825. Also, petition of the veterans and citizens from the Two hundred and fourth Regiment, American Legion, New Haven, Conn., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2826. Also, petition of the veterans and citizens from the Thirty-eighth Regiment, American Legion, Post No. 7, Buckhannon, W. Va., favoring immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2827. Also, petition of the veterans and citizens from the Two hundred and fourth Regiment, American Legion, New Haven, Conn., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2828. Also, petition of the veterans and citizens from the Two hundred and fourth Regiment, American Legion, New Haven, Conn., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2829. Also, petition of the veterans and citizens from the Two hundred and fourth Regiment, American Legion, New Haven, Conn., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2830. Also, petition of the veterans and citizens from the Two hundred and fourth Regiment, American Legion, New Haven, Conn., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2831. Also, petition of veterans and citizens from New York, Michigan, Pennsylvania, Wisconsin, Massachusetts, New Jersey, and Illinois, favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2832. By Mr. DALLINGER: Petition of A. Lawrence Lowell, president of Harvard University, and 10 others, appealing to the President and Congress to signify to the League of Nations that the United States will concur in economic measures against Japan to restore peace in the Far East; to the Committee on Foreign Affairs.

2833. By Mr. DAVENPORT: Petitions of Group No. 1502, of the Polish National Alliance of the United States, Utica, and Group No. 2169 of the same organization, of Middleville, N. Y., favoring the enactment of House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's memorial day; to the Committee on the Judiciary.

2834. Also, petition of the Woman's Christian Temperance Union of Mohawk, N. Y., favoring the maintenance and enforcement of the eighteenth amendment and opposing its resubmission to the States; to the Committee on the Judiciary.

2835. Also, petition of the Emily Simpson Bible Class and the Woman's Christian Temperance Union of Little Falls, N. Y., favoring the maintenance of the eighteenth amendment, opposing its resubmission to the States, and favoring adequate appropriations for education in law observance; to the Committee on the Judiciary.

2836. Also, petition of the Woman's Christian Temperance Union and Grange No. 1431, of West Winfield, and the Woman's Christian Temperance Union, of Rome; the Brokaw Missionary Society, First Presbyterian Church, the Women's Alliance, South Congregational Church, and the Women's Missionary Society, Tabernacle Baptist Church, of Utica, all of the State of New York, favoring the maintenance and enforcement of the eighteenth amendment and opposing its resubmission to the States; to the Committee on the Judiciary.

2837. By Mr. DICKINSON: Petition of the Woman's Christian Temperance Union of Harrisonville, Mo., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2838. By Mr. FITZPATRICK: Petition of the Democratic Veterans' Association, of Bronx County, opposing any reduction in the appropriations for the War Department, and urging that it maintain its program on the same scale and to the same extent as in the fiscal year ending 1931; to the Committee on Appropriations.

2839. By Mr. FULLER: Petition of Mrs. R. M. Thompson, as president of the Woman's Christian Temperance Union of Rogers, Ark., Mrs. J. B. West, and many others, urging support for the maintenance of the prohibition law and its enforcement, and protesting against all measures seeking its modification, resubmission, or repeal; to the Committee on the Judiciary.

2840. Also, petition of the American Legion of Alpena Pass, Ark., H. L. Stacy, service officer, and 194 others, praying that the veterans of the World War be paid at once in full their adjusted-service certificates; to the Committee on Ways and Means.

2841. By Mr. GIBSON: Resolution of the American Legion, Department of Vermont, in behalf of the Beck-Linthicum proposed amendment to the Constitution of the United States, House Joint Resolution 209; to the Committee on the Judiciary.

2842. Also, resolution of the American Legion, Department of Vermont, in favor of the passage of the World War widows and orphans' pensions bill; to the Committee on Ways and Means.

2843. By Mr. HAUGEN: Petition of the Woman's Christian Temperance Union of Osage, Iowa, signed by 61 members, urging maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

2844. By Mr. HOUSTON of Delaware: Memorial signed by Vincent Roman, president; Albert George Nowak, secretary; and John J. Ablowski, treasurer, of Group No. 136 of the Polish National Alliance of the United States, with headquarters at 901 East Eighth Street, Wilmington, Del.; to the Committee on the Judiciary.

2845. Also, petition of 42 citizens of Magnolia, Del., protesting against modification or the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2846. Also, petition of the Woman's Christian Temperance Union of Harrington, Del., representing 60 people, and signed by A. V. Satterfield, president, and E. D. Cordray, secretary; to the Committee on the Judiciary.

2847. By Mr. JOHNSON of Texas: Petition of C. A. Middleton, of Corsicana, and E. R. Brown, of Dallas, Tex., opposing a Federal tax on gasoline; to the Committee on Ways and Means.

2848. By Mr. JOHNSON of Washington: Petition of citizens of Longview, Wash., praying for reduction of the Federal salary and wage scale, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau, and the elimination of every bureau, position, and function of the Federal service the maintenance of which is not consonant with strictest economy; to the Committee on Expenditures in the Executive Departments.

2849. By Mrs. KAHN: Resolution adopted by the board of directors of the American Society of Civil Engineers, urging the appropriation of funds with which to carry out the provisions of the Temple Act, which provides for the mapping of the United States, and also urging that certain governmental departments be expanded to perform the necessary work; to the Committee on Appropriations.

2850. By Mr. KINZER: Petition of the Woman's Christian Temperance Union of Malvern, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2851. Also, petition of the Woman's Christian Temperance Union, representing 40 people, of Rohrerstown, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2852. Also, petition of the Pearl Street Evangelical Church, representing 400 people, and the Covenant United Brethren Church, representing 1,049 people, of Lancaster, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2853. Also, petition of 40 members of the Immanuel Sunday School, Warwick, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2854. Also, petition of the Woman's Christian Temperance Union, representing 1,500 people, of Chester County, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2855. Also, petition of the Woman's Christian Temperance Union, representing 46 people, of Quarryville, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2856. Also, petition of the Little Britain Woman's Christian Temperance Union, representing 67 members, of Nottingham, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2857. Also, petition of the Woman's Christian Temperance Union, representing 68 persons, of East Petersburg, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2858. Also, petition of the Fairfield Woman's Christian Temperance Union, representing 26 people, of Greene, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2859. Also, petition of the Woman's Christian Temperance Union, representing 26 members of Bart, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2860. Also, petition of the Ladies' Adult Bible Class of Presbyterian Church, representing 30 members, of Christiana, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2861. By Mr. LANKFORD of Virginia: Petition of the Holland (Va.) Woman's Christian Temperance Union, opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2862. By Mr. LONERGAN: Petition of the Ladies' Auxiliary to Anderson-Shea Post, No. 2046, Veterans of Foreign Wars of the United States, of Manchester, Conn., favoring the passage of House bill 7230; to the Committee on Pensions.

2863. By Mr. MANSFIELD: Petition of the Woman's Christian Temperance Union of Garwood, Tex., protesting

against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2864. By Mr. MOREHEAD: Petition favoring the support and maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

2865. By Mr. MURPHY: Petition of Anna M. Galbreath, Rogers, Ohio, and 54 other residents of that vicinity, protesting against the repeal of the present prohibition laws; to the Committee on the Judiciary.

2866. By Mr. NIEDRINGHAUS: Petition of William L. Ahrens and 26 other citizens of St. Louis, Mo., asking support of House bills 4719 and 5110, substitute relief measures for postal employees; to the Committee on the Post Office and Post Roads.

2867. Also, petition of John J. Dwyer and 19 other citizens of St. Louis, Mo., asking support of House bills 4719 and 5110, substitute relief measures for postal employees; to the Committee on the Post Office and Post Roads.

2868. By Mr. REID of Illinois: Resolution of Group 1411, of the Polish National Alliance of the United States of North America, urging Congress to enact legislation authorizing the President of the United States to issue a proclamation calling upon officials of the Government to display the flag of the United States on all Government buildings on October 11 of each year in commemoration of the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

2869. By Mr. REED of New York: Resolution of Groups Nos. 690 and 1193, Polish National Alliance, of Dunkirk, N. Y., memorializing Congress to enact House Joint Resolution 144, for the observance and commemoration of the death of Birg. Gen. Casimir Pulaski; to the Committee on the Judiciary.

2870. By Mr. ROBINSON: Petition of Leota O'Brien, president of the Woman's Christian Temperance Union, and Evangelical, Methodist, and United Brethren Churches, and others, of Sumner, Iowa, opposing resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures, and favoring adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

2871. Also, statement and petition signed by Lester B. Muhlenbruch, of Hampton, Iowa, and about 30 other prominent farmers in that immediate neighborhood, calling attention to the present conditions affecting agriculture that need correcting; prices are now much below the actual cost of production; the need of money for farm-mortgage loans at a much lower rate of interest than that now prevailing; the great need of overcoming unemployment and thus bringing about a better demand for farm products; a needed increase of the amount of currency in circulation with which to do business; and the stabilization of the price level for our general commodities at a point that assures cost of production with a living profit; to the Committee on Agriculture.

2872. By Mr. RUDD: Petition of the Woodhaven Post, No. 118 (Inc.), Woodhaven, Long Island, N. Y., opposing any salary reduction of Government employees; to the Committee on Appropriations.

2873. By Mr. SHOTT: Petition of the Murvell Cook Post, No. 6, American Legion, of Hinton, W. Va., urging Congress to enact legislation that will cause the World War veterans adjusted-service certificates to be paid in full at once, without deduction of any interest due on loans already made on such certificates; to the Committee on Ways and Means.

2874. By Mr. STEWART: Resolution of the Board of Commissioners of the city of Trenton, N. J., opposing the passage of House bill 77, authorizing the construction, maintenance, and operation of a bridge across the Delaware River at or near Wilmington, Del.; to the Committee on Interstate and Foreign Commerce.

2875. By Mr. WOLCOTT: Petition of the junior department of the Methodist Sunday School of Cass City, Mich., indorsing bill of Hon. Ross COLLINS for discontinuing appropriations for military training camps, etc.; to the Committee on Appropriations.

2876. Also, petition of Deford Woman's Christian Temperance Union, opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2877. By the SPEAKER: Petition of Manuel F. Rossy, speaker of the House of Representatives of Porto Rico, requesting the passage of House bill 7230; to the Committee on Pensions.

SENATE

FRIDAY, FEBRUARY 26, 1932

(Legislative day of Wednesday, February 24, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGE FROM THE PRESIDENT—APPROVAL OF A BILL

A message in writing from the President of the United States by Mr. Latta, one of his secretaries, announced that on February 25, 1932, the President had approved and signed the act (S. 457) authorizing an addition to the Cache National Forest, Idaho.

The message also returned to the Senate the bill (S. 2179) for the relief of Alexander M. Proctor with the objections of the President thereto.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 4145. An act for the relief of Thomas C. LaForge;

H. R. 4150. An act authorizing issuance of patents in fee to Benjamin Spottedhorse and Horse Spottedhorse for certain lands;

H. R. 6347. An act for the relief of Neal D. Borum;

H. R. 8163. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Pecatonica River at Harrison, in Winnebago County, State of Illinois;

H. R. 8171. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Kankakee River at Momence, in Kankakee County, State of Illinois;

H. R. 8238. An act to extend the times for commencing and completing the construction of a free highway bridge across the Fox River at Algonquin, in McHenry County, State of Illinois;

H. R. 8250. An act granting authority to the Texas State Highway Commission to maintain and operate, as constructed, a free highway bridge across Trinity River between the counties of Navarro and Henderson, in the State of Texas;

H. R. 8324. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Byron, in Ogle County, State of Illinois; and

H. R. 8327. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Oregon, in Ogle County, State of Illinois.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Black	Bulkley	Connally
Austin	Blaine	Bulow	Coolidge
Bailey	Borah	Byrnes	Copeland
Bankhead	Bratton	Capper	Costigan
Barbour	Brookhart	Caraway	Couzens
Bingham	Broussard	Carey	Cutting

Dale	Hayden	Metcalf	Steiwer
Davis	Hebert	Moses	Stephens
Dickinson	Howell	Neely	Thomas, Idaho
Dill	Hull	Norbeck	Thomas, Okla.
Fess	Johnson	Norris	Townsend
Fletcher	Jones	Nye	Trammell
Frazier	Kendrick	Oddie	Vandenberg
George	Keyes	Patterson	Wagner
Glass	King	Pittman	Walcott
Glenn	La Follette	Robinson, Ind.	Walsh, Mont.
Gore	Lewis	Schall	Watson
Hale	Logan	Sheppard	Wheeler
Harrison	Long	Shipstead	White
Hastings	McGill	Smith	
Hatfield	McNary	Smoot	

Mr. BARBOUR. I beg to announce that my colleague the senior Senator from New Jersey [Mr. KEAN] is absent on official business, and I ask that this announcement may stand for the day.

Mr. JOHNSON. I announce the absence of my colleague the junior Senator from California [Mr. SHORTRIDGE] by reason of continued illness and ask that the announcement may stand for the day.

Mr. GEORGE. I desire to announce that my colleague the Senator from Georgia [Mr. HARRIS] is detained from the Senate by illness.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva, Switzerland.

Mr. HULL. I wish to announce that my colleague the senior Senator from Tennessee [Mr. MCKELLAR] has been called away by a death in his family.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

PROPOSED PHILIPPINE INDEPENDENCE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting copy of a resolution adopted by the provincial board of Cavite, P. I., favoring the independence of the Philippines, which was referred to the Committee on Territories and Insular Affairs.

GENERAL RULES AND REGULATIONS PRESCRIBED BY THE BOARD OF SUPERVISING INSPECTORS, STEAMBOAT INSPECTION SERVICE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a complete set of General Rules and Regulations (in four parts) prescribed by the Board of Supervising Inspectors, Steamboat Inspection Service, at the meeting of January, 1931, and approved by the Secretary of Commerce, which, with the accompanying documents, was referred to the Committee on Commerce.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Public Printer, transmitting, pursuant to law, a list of papers in the files of the Government Printing Office which are not needed in the conduct of business and have no permanent value or historical interest and asking for action looking toward their disposition, which was referred to the Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. SHIPSTEAD and Mr. FLETCHER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the board of directors of the chamber of commerce of Pensacola, Fla., remonstrating against the passage of Senate bill 1963, vesting in the United States Shipping Board jurisdiction over inland waterways transportation, which was referred to the Committee on Commerce.

He also laid before the Senate letters in the nature of petitions of Dr. M. M. Yates and Ruben Bradford, of Santa Barbara, Calif., praying for the placing of a statue of General Fremont and his wife in Statuary Hall, which were referred to the Committee on the Library.

He also laid before the Senate a letter from Samuel Colcord, of New York City, N. Y., inclosing a pamphlet entitled "A Great International Program to Give Security to France and All Nations," which was referred to the Committee on Foreign Relations.

He also laid before the Senate the petition of the Association of 100 Per Cent United States Women, of New York City, N. Y., praying the retention by the United States of its own sovereignty and policy without interference from foreign sources, which was referred to the Committee on Foreign Relations.

He also laid before the Senate petitions of two citizens of Fresno, Calif., praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a letter from George Swinnerton Parker, of Boston, Mass., favoring acquisition by the United States of islands adjacent to it owned by foreign countries, which was referred to the Committee on Foreign Relations.

Mr. AUSTIN presented a memorial of sundry citizens of Orange County, Vt., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

Mr. VANDENBERG presented petitions of sundry citizens of the State of Michigan, praying for the passage of the so-called Capper-Kelly price protection bill, relating to price-cutting practices of certain chain-store organizations, etc., which were referred to the Committee on Interstate Commerce.

Mr. CONNALLY presented a petition of sundry citizens of Chambers County, Tex., praying for the passage of legislation known as the farmers farm relief bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of sundry citizens of Kyle, Tex., praying for lasting peace, the reduction of armaments, and the taking of diplomatic measures to bring about a cessation of hostilities in the Far East, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented petitions of sundry citizens of Bronson, Meade, Wakefield, and Wallace, all in the State of Kansas, praying for the maintenance of the prohibition law and its enforcement, and protesting against any measure looking toward its modification or repeal, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Earnest Workers' Sunday School Class of Leoti, and local chapters of the Woman's Christian Temperance Unions of Bronson, Meade, and Wallace, in the State of Kansas, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. HEBERT presented the following resolutions adopted by the Senate and House of Representatives of the State of Rhode Island, which were referred to the Committee on the Judiciary:

STATE OF RHODE ISLAND, ETC.,
IN GENERAL ASSEMBLY,
January Session, A. D. 1932.

Resolution of the senate requesting and urging Rhode Island's representatives in the Senate and Congress of the United States to support the passage of House Joint Resolutions 208 and 209, being resolutions proposing similar amendments to the eighteenth amendment of the Constitution of the United States, said like amendments providing for so-called State rights with relation to the regulation of the manufacture, transportation, sale, and use of intoxicating liquors for beverage purposes

Whereas there are pending before the Congress of the United States House Joint Resolutions 208 and 209, being resolutions proposing amendments, of like import, to the eighteenth amendment of the Constitution of the United States; and

Whereas said like amendments guarantee to each State in the Union the right to authorize and regulate the manufacture, sale, transportation, and use of intoxicating liquors for beverage purposes, yet preserve to each State the right of prohibition of the same; and

Whereas the qualified electors of this State, at the 1930 regular election by a majority of more than three and a half to one, expressed disapproval of the eighteenth amendment, evidencing

thereby an overwhelming desire to be relieved of the provisions thereof and of the Volstead Act enacted by Congress pursuant thereto: Now, therefore, be it

Resolved, That this senate respectfully requests and earnestly urges the Rhode Island representatives in the Senate and the Congress of the United States to give their vigorous support to the early passage of said Resolutions 208 and 209; also be it

Resolved, That copies of this resolution be transmitted forthwith by the secretary of the senate to the representatives of this State in Senate and Congress of the United States; also to the Committee on the Judiciary of the National House of Representatives, wherein said resolutions now are pending.

STATE OF RHODE ISLAND,
OFFICE OF THE SECRETARY OF STATE,
Providence, February 16, 1932.

I hereby certify the foregoing to be a true copy of the original senate resolution No. 65, passed by the Senate of the State of Rhode Island on the 16th day of February, A. D. 1932.

In testimony whereof I have hereunto set my hand and affixed the seal of the State aforesaid, this 16th day of February, A. D. 1932.

[SEAL.] ERNEST L. SPRAGUE,
Secretary of State, ex Officio Secretary of Senate.

STATE OF RHODE ISLAND, ETC.,
IN GENERAL ASSEMBLY,
January Session, A. D. 1932.

Resolution of the house of representatives requesting and urging Rhode Island's representatives in the Senate and Congress of the United States to support the passage of House Joint Resolutions 208 and 209, being resolutions proposing similar amendments to the eighteenth amendment of the Constitution of the United States, said like amendments providing for so-called State rights with relation to the regulation of the manufacture, transportation, sale, and use of intoxicating liquors for beverage purposes (passed February 16, 1932)

Whereas there are pending before the Congress of the United States House Joint Resolutions 208 and 209, being resolutions proposing amendments, of like import, to the eighteenth amendment of the Constitution of the United States; and

Whereas said like amendments guarantee to each State in the Union the right to authorize and regulate the manufacture, sale, transportation, and use of intoxicating liquors for beverage purposes, yet preserve to each State the right of prohibition of the same; and

Whereas the qualified electors of this State at the 1930 regular election by a majority of more than 3½ to 1 expressed disapproval of the eighteenth amendment, evidencing thereby an overwhelming desire to be relieved of the provisions thereof and of the Volstead Act enacted by Congress pursuant thereto: Now, therefore, be it

Resolved, That this house respectfully requests and earnestly urges the Rhode Island representatives in the Senate and the Congress of the United States to give their vigorous support to the early passage of said Resolutions 208 and 209; also be it

Resolved, That copies of this resolution be transmitted forthwith by the recording clerk of the house to the representatives of this State in Senate and Congress of the United States; also to the Committee on the Judiciary of the National House of Representatives, wherein said resolutions now are pending.

A true copy.

Attest:

DAVID C. ADELMAN,
Recording Clerk, House of Representatives.

DISTRIBUTION OF FARM BOARD WHEAT

Mr. NEELY. I ask unanimous consent to have read from the clerk's desk a telegram in the nature of a petition.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The legislative clerk read as follows:

ELKINS, W. VA., *February 25, 1932.*

Senator M. M. NEELY,
Washington, D. C.:

Press reports Senate approval distribution through Red Cross 5,000,000 bushels Farm Board wheat to Northwest for families and livestock. Seven hundred twenty-eight children in mining district this county are fed now one meal per day. We urge legislators authorize distribution wheat to families of starving miners.

SALLIE W. S. HOOVER,
Chairman Home Service, Red Cross.

The PRESIDENT pro tempore. The telegram will lie on the table.

PROPOSED FEDERAL GASOLINE TAX

Mr. NEELY. Also I ask unanimous consent to submit 56 telegrams protesting against the proposed Federal gasoline tax, and ask that they may be referred to the Committee on Finance and that their submission be noted in the RECORD.

The PRESIDENT pro tempore. Without objection, the telegrams will be received, noted in the RECORD, and referred to the Committee on Finance.

The telegrams in the nature of memorials, remonstrating against the imposition of a Federal tax on gasoline, presented by Mr. NEELY and referred to the Committee on Finance, are from E. Bunker Reynolds, of Keyser; Standard Supply Corporation, by J. E. Bell, of Lewisburg; Standard Station, by Laura M. Brill, of Marlinton; the Northern West Virgina Auto Club, by A. R. Martin, secretary, of Morgantown; Junior Mercantile Co., of Omar; M. P. Hanna, of Renick; Ed Simms, of Whitesville; Three Point Service Station, by H. P. Keith, of Ellenboro; L. N. Thomas, K. D. Quarrier, G. K. Cabell, M. H. Hicks, G. E. Brooks, E. B. Pearse, C. A. Pearse, Charles Cabell, J. A. Page, J. C. Maddox, and W. T. Green, all of Carbon; Mountaineer Chevrolet Co., D. R. Hostetter, city of Clarksburg, by D. W. Cork, manager, Morris Grocery Co., Clarksburg Ice & Storage Co., Clarksburg Taxi Co., by Sylvester Mitchell and Dorsey L. Mitchell, all of Clarksburg; Garland West, Ideal Pressing Co., W. A. Thipps, C. D. Dillingsly, and Ray Light, all of Buckhannon; Standard Advertising Corporation, H. C. Simms, and J. W. Hinzeman, all of Fairmont; E. C. Hanna, A. T. Stanley, M. L. Kennedy, C. E. Halstead, J. E. Frazier, superintendent of Columbia Carbon Co., E. W. Hunter, Jean Hutchinson, John Grill, G. R. Rice, Kanawha Pie Bakery Co., Peoples Grocery Co., Laird Office Equipment Co., R. H. Kyle & Co., H. O. Baker Co., Elite Laundry Co., Charles L. Baker, H. P. Huddleston, and G. W. Conley, all of Charleston; O. C. Withrow, Myrtle Brackman, and H. E. McGregor, all of South Charleston; Fayette C. Smoot, Smoot Advertising Co., Athey Brooks Motors (Inc.), and Thomas Farrell, all of Parkersburg; T. B. Bowman, E. L. Iseninger, L. W. Burgess, Genuine Parts Co., F. A. Zerull, E. D. Adams, Wheeling Steel Corporation, and Abe Springer, all of Wheeling, all in the State of West Virginia; J. C. Powell, of Washington, D. C.; and John B. Corrin, of Pittsburgh, Pa.

THE SILVER QUESTION

Mr. WHEELER presented a letter from James H. Bost, of Charlotte, N. C., on the silver question, with an accompanying article by Winfield Smouse on the Financial Situation, which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

CHARLOTTE, N. C., *January 28, 1932.*

Senator BURTON K. WHEELER,
Washington, D. C.

DEAR SIR: I was very glad indeed to see you come out on the bimetallism question and believe that you are on the right road.

I am inclosing newspaper clipping on money and refer to a few quotations in the press, which you no doubt have noticed. Mr. Wiggins, chairman of the board of the Chase National Bank, largest in the world, discussing the depression, said in the press a few months ago that it was like boys playing marbles and that one boy won all the marbles, so he had nobody to play with. That appears to be an invitation to you Congressmen to give him some playmates, for we can not afford to stop the game.

Mr. Julian S. Miller, editor of the Charlotte, N. C., daily News, stated in his paper, and was quoted by other papers, that 4 per cent of the population of the United States owned 80 per cent of the wealth and that there was something rotten at the foundation.

Mr. Brisbane has said a good many things about bimetallism which I hope you have read. Once he said, "For the world to think of transacting its business with only $10,500,000,000 of real money on earth, about 10 per cent of the United States' income in a good year, is preposterous. To suggest that the world can transact its business on that amount of gold with France and the United States hoarding and monopolizing three-quarters is complete stupidity."

I have been watching the papers for arguments against bimetallism and in our local press we scarcely ever see any real good reasons against it, and, for that matter, hardly ever anyone raises his voice against the proposition. One minor New York bank official writes all about the terrible condition it would cause if the gold standard was abandoned, etc., but who told this gentleman that we were talking about abandoning the gold standard? It is terrible to see a man get clear off the question like that, but it just goes to show how desperate a man will get when he is grasping for an excuse.

Is gold all that is worth while in this world? Is the gold standard worth the morale and incentive of a majority of this generation? There can be dozens of questions asked about the welfare of the babies and children of this "the greatest nation."

Just because individuals, school districts, counties, towns, and cities have made mistakes in discounting too much the sensible

prosperity, should we all be crucified on a cross of gold? Enough is enough if we have any wisdom left.

The present debts were not made at the present value of gold, nor regardless of other loans, how can anyone borrow money and pay interest of 6 per cent or 8 per cent while there is no way now to make any profit out of it?

It seems that any set of men, regardless of party, who would come out on a clear bimetallistic platform would win by a tremendous majority.

Trusting that you can do something to help us out, I am,

Yours very truly,

JAMES H. BOST.

THE FINANCIAL SITUATION

By Win Smouse

To the EVENING JOURNAL:

Having given for some time serious consideration to the distressing condition of the agricultural, industrial, financial and business pursuits of our country, I find that the deflation in all property, country and city real estate, farm products, stocks, etc., now amounts to about half of what they were a few years ago; also the enormous amount of national, State, municipal, corporation, and individual debts total close to the total value of all properties at the present deflated values.

If property and commodities of all kinds had not fallen in price to their present level, these debts could and would be paid; but unless something is done to restore the values of the property and commodities to the level of where they were when the debts were contracted it will be impossible for the debtors to liquidate their indebtedness, which no doubt means general bankruptcy and distress. At present prices it takes about twice as much property or commodities to pay a mortgage, bond, or other debt than it would at the time the debts were contracted; this about doubles the amount of a debt.

Now, what is imperative is either cut the debts in two or restore the values in property and commodities. I don't see any way to make the creditor reduce his bonds, mortgages, notes, or accounts one-half, but I do see what I feel could and ought to be done promptly, which would restore values in the things that the debtors have to sell to pay their debts.

A great number of remedies have been and are recommended to help the situation, such as moratoriums, the farm relief bills, $500,000,000. Corporation to loan banks, the $1,800,000,000. Corporation to loan building and loan associations. Five billion bonds to be sold by the Government to spend for public works. None of these will bring the permanent relief but only create new indebtedness. We can not get out of debt by going in deeper.

There is one thing that has not been tried, and, in my judgment, will positively and permanently get our country out of this slough of despond and will not cost the Government or anyone else anything. It will restore former fair values in the deflated property and commodities, such as farm and factory products, real estate, stocks and bonds, and give purchasing and debt-paying power to the masses of our people, giving work to the unemployed, other benefits, general prosperity, and relief.

It is my conviction that the underlying influence or cause of our troubles is the small quantity of gold (the only redemption money) in our Treasury, compared with the enormous debts and commerce of the United States. It seems a self-evident fact that the volume of money in any country largely governs the price of everything else. That being the case, let us look at our own country. What is money in our country and its value? At the organization of our United States, Congress fixed gold and silver at the rate of 16 to 1, with 371¼ grains of silver in the silver dollar and about 23 grains of gold in the gold dollar, and made by law both a legal tender for all purposes for which money is used; also made the silver as well as the gold dollar the medium of exchange, and the mints of our country were open to anyone who had gold or silver metal and would make it into dollars at no expense to the owner.

This, you see, made the quantity of redemption or real money equal to all the gold and silver and gave the broad base of both metals against which to issue an equal amount or more token money which, up to 1873, was only the paper money; all money except gold since that time in our country has been token or substitute money and will only float at par when it has a sufficient volume of redemption money in the Treasury to redeem it. So this law limits the amount of token money that it is safe for the Government to put in circulation.

Let us see what happened in 1873 in our volume of redemption money. Up to that time there were about an equal amount of silver and gold at 16 to 1, and both were redemption money; but Congress in that year—a bill was introduced to revise the coinage laws; nothing said in the bill or its discussion about its demonetizing of silver; but that was the intention of the instigators of same. No one, it seems, but the schemers knew until after the bill was enacted and published that it struck down silver as one-half of the redemption money of our country and made it token money, which it has been ever since.

At that time the silver in a dollar was worth, as bullion, as much as a gold dollar, and would have remained so if this crime had not been committed. What has been the result? Silver has declined ever since until now the silver in the dollar is only worth about 30 cents, and all this time since we have only had gold as our real money, and the production of gold that has gone into money has so far lagged behind the growth of our commerce, business, and increased wealth, and greater demand for money. Since gold has been (since 1873) the only redemption or real money it has had to not only support the paper token money that both did before, but—it has to support the additional silver token money at par while its intrinsic value is down to 30 cents.

So since gold is so scarce compared with the work it has to do, by the law of supply and demand, it is so dear that it takes twice or more of other things to get dollars to pay debts. I hope I have so far made myself understood that what is needed is a large increase in redemption money; if this is so, what is the best way to do it that will not work harm but bring the desired blessing?

The remedy as I see it would be for Congress (who by the Constitution has the right to say what shall be legal tender or redemption money) to reenact the law they annulled in 1873, which would take the silver dollar off the back of gold, and place it in the column of redemption money with gold to do the work that now gold has to do alone. This would about double the amount of redemption money, reduce the volume of token money, and make it possible to more than double the volume of paper token money that the Government would be safe in issuing.

This should, and I believe would, cause a rise in everything else to at least its former average value. This would not cost the Government or anyone else anything and we would not hear so much about frozen credits, idle labor, low prices of farm products, and real estate, etc.

Congress when it meets next month could in one day enact this legislation. If our politicians and administration really want to bring about prosperity, let them show it by getting busy at once. This change in the coinage and legal-tender money would not hurt anyone. Possibly the selfish interests that hold Government and other tax-exempt bonds would object, but even they should see that in the end they would be benefited, because if relief is not given to the debtors, so they can pay the bonds and mortgages, they will have to take property that their securities are a lien on, and I take it they do not want to be bothered with lands, factories, real estate, or chattels.

This act of remonetizing silver would be just and undo the wrong that was done the debtor and property-owning class in 1873. One of the best things in my estimation that could be done for the prosperity, peace, and other benefits of the whole world would be an international adoption of bimetalism at a uniform ratio between gold and silver. This would put all nations on an equitable money basis. As it is now, our export trade with all the silver-money countries is destroyed or prohibited, because it takes about three dollars of their money to buy one dollar's worth of goods at our gold prices. There is no doubt that if this is done we could sell billions of dollars' worth of our manufactures and commodities to those countries. This, with the increased purchasing power of our own people, would give employment at good prices to all our unemployed. If anyone has a reasonable or honest objection to this proposition, I will be very glad to hear from them. Much more can be said in its favor, but this is already too long.

REPORTS OF COMMITTEES

Mr. GEORGE, from the Committee on Finance, to which was referred the following bills, submitted adverse reports thereon:

S. 1836. An act for the relief of William D. Barbee (Rept. No. 337);

S. 1879. An act granting compensation to Willard Henry Amlaw (Rept. No. 338);

S. 1881. An act authorizing the payment of war-risk insurance to Laura E. De Armoun (Rept. No. 339);

S. 1884. An act granting disability allowance to Dan V. Smith (Rept. No. 340);

S. 1886. An act granting an increase of compensation to Addie Weeks (Rept. No. 341);

S. 3052. An act for the relief of George A. Banta (Rept. No. 342); and

S. 3151. An act to authorize reinstatement of war-risk insurance of John D. Deardourff, deceased (Rept. No. 343).

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 326) for the relief of Julia Kerr O'Bleness, reported it with amendments and submitted a report (No. 344) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 3827) for the relief of Mary B. Clark; to the Committee on Claims.

A bill (S. 3828) granting an increase of pension to Jane A. McNelly (with accompanying papers); to the Committee on Pensions.

By Mr. GEORGE:

A bill (S. 3829) for the relief of Fred A. Straub; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3830) to remove a cloud on the title of certain land in the city of Corpus Christi, Tex.; to the Committee on Commerce.

By Mr. CAREY:

A bill (S. 3831) for the relief of William A. Lester; and

A bill (S. 3832) for the relief of Zetta Lester; to the Committee on Claims.

A bill (S. 3833) for the relief of Launey Crouse; to the Committee on Military Affairs.

By Mr. PATTERSON:

A bill (S. 3834) granting a pension to Pearl Laber (with accompanying papers); and

A bill (S. 3835) granting a pension to Olive Hancock Entrekin (with accompanying papers); to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 3836) to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter of section 11, township 10 north, range 8 east, Leake County, Miss.; to the Committee on Commerce.

By Mr. STEIWER:

A bill (S. 3837) to amend the World War veterans' act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War; to the Committee on Finance.

By Mr. DAVIS:

A bill (S. 3838) authorizing the President to present a gold medal to Abian A. Wallgren; to the Committee on Military Affairs.

By Mr. McNARY:

A bill (S. 3839) authorizing a preliminary examination and survey of the Rogue River, Oreg.; and

A bill (S. 3840) authorizing a preliminary examination and survey of the Umpqua River, Oreg.; to the Committee on Commerce.

By Mr. FRAZIER (by request):

A bill (S. 3841) relative to leasing restricted lands of Indians of the Five Civilized Tribes of Oklahoma, and for other purposes; to the Committee on Indian Affairs.

By Mr. LEWIS:

A bill (S. 3842) for the relief of the Cordon of Chicago, Ill.; to the Committee on Claims.

A bill (S. 3843) authorizing Walter S. Crosley, captain, United States Navy, to accept the award of the Order of the Crown of Italy tendered him; to the Committee on Naval Affairs.

By Mr. JOHNSON:

A bill (S. 3844) for the relief of David Albert Robeson; to the Committee on Naval Affairs.

By Mr. JOHNSON (for Mr. SHORTRIDGE):

A bill (S. 3845) for the relief of John H. D. Wherland, alias Henry Lowell; to the Committee on Military Affairs.

A bill (S. 3846) granting a pension to John William Boland; to the Committee on Pensions.

By Mr. METCALF:

A bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings; to the Committee on Education and Labor.

By Mr. HEBERT:

A bill (S. 3848) for the relief of Charles E. Wilson; to the Committee on Military Affairs.

BANK DEPOSITORS' GUARANTY FUND

Mr. FLETCHER. Mr. President, I wish to introduce a bill, to have it printed in the RECORD, and to make a few remarks with reference to it, if I may have permission to do so.

The VICE PRESIDENT. Is there objection? The Chair hears no objection.

The bill (S. 3826) providing for the establishment and maintenance of the bank depositors' guaranty fund, and for other purposes, was read twice by its title and ordered to be printed in the RECORD, as follows:

A bill (S. 3826) providing for the establishment and maintenance of the bank depositors' guaranty fund, and for other purposes

Be it enacted, etc., That on and after 60 days from approval of this act there shall be established and maintained by the Treasurer of the United States an account to be known as the bank depositors' guaranty fund.

SEC. 2. Within 60 days after approval of this act each and every member bank of the Federal reserve bank system shall, upon certification by the Comptroller of the Currency of its apparent solvency, deposit and maintain with the Treasurer of the United States a sum equal to 5 per cent of its capital stock, which shall be credited to the bank depositors' guaranty fund provided for in section 1 of this act.

SEC. 3. Before any bank may become a member of the Federal reserve bank system it shall file an application setting forth in detail its assets and liabilities, also the name and address of each stockholder and the number and par value of shares held by each on forms prescribed by the Comptroller of the Currency, which shall be examined and, if approved by said Comptroller, such bank shall, upon 10 days' notice, deposit and maintain with the Treasurer of the United States a sum equal to 5 per cent of its capital stock, which shall be credited to the bank depositors' guaranty fund provided for in section 1 of this act.

SEC. 4. It shall be the duty of the Comptroller of the Currency to, in order to safeguard the interests of depositors and stockholders and protect the bank depositors' guaranty fund, herein provided for, examine or cause to be examined at least twice each year the financial condition of each member bank of the Federal reserve bank system and also examine into the financial responsibility of each owner, transferee, or holder of stock in such member bank.

SEC. 5. In event any member bank of the Federal reserve bank system shall, after depositing and maintaining with the Treasurer of the United States a sum equal to 5 per cent of its capital stock, as provided for in sections 2 and 3 of this act, be examined and determined insolvent and a receiver appointed to liquidate its affairs, the receiver shall, within 30 days, ascertain and report to the Comptroller of the Currency, in triplicate, the name and last known address of each unsecured depositor and certify the net or the approximate net amount due each such depositor; and, thereupon, it shall be the duty of the Comptroller promptly to verify such reports and certificates and submit one of each to the Treasurer of the United States, who shall, within 10 days thereafter, pay each such depositor, or the legal representative of such depositor, the amount certified by the receiver and the Comptroller as due, and charge payments so made against the bank depositors' guaranty fund: *Provided*, That should the amount to the credit of the bank depositors' guaranty fund be not sufficient promptly to pay all unsecured depositors, the Treasurer of the United States is hereby authorized to advance and credit said guaranty fund any sums determined necessary to pay in full all such depositors.

SEC. 6. The total of sums advanced and credited the bank depositors' guaranty fund by the Treasurer of the United States, authorized by section 5 of this act, shall be a first lien against all net assets of the insolvent bank; and the total of sums paid by the Treasurer out of the bank depositors' guaranty fund, other than from sums advanced and credited said fund as herein authorized, shall be a second lien against all remaining net assets of the insolvent bank.

SEC. 7. The Treasurer of the United States is hereby authorized to invest and reinvest in securities of the Federal Government any part of the sums herein provided to be deposited by member banks to the credit of the bank depositors' guaranty fund, and to pay or credit member banks interest on such deposits at a rate not exceeding 2 per cent per annum.

SEC. 8. Each bank complying with the provisions of this act shall, in statements of its condition published, or otherwise make known that "unsecured depositors of this bank are protected against loss by the bank depositors' guaranty fund, United States Treasury Department" in such total amount as shall from time to time be reported by the Comptroller of the Currency.

SEC. 9. Any officer, appointee, or employee of the Treasury Department, or any officer, director, appointee, or employee of a member bank of the Federal reserve bank system, who knowingly and willfully violates a penal provision of the national bank act, or a penal provision of the Federal reserve bank act, shall, upon conviction thereof, be sentenced to and serve not less than 5 years nor more than 20 years in a Federal penitentiary, and the sentence so imposed shall not be suspended, nor shall such convicted person be paroled or pardoned.

SEC. 10. All laws and parts of laws in conflict with the provisions of this act are hereby expressly repealed.

Mr. FLETCHER. Mr. President, in introducing this bill I have in mind that we should make a serious, earnest effort by legislative action during this session of Congress to safeguard the interests of depositors and stockholders of our banking institutions.

As of December 31, 1931, the capital stock of all national banks, 6,373, was $1,621,449,000, and the capital stock of all State banks, 878, members of the Federal reserve bank system, was $331,074,000, making the total capitalization of all

banks then members of the Federal reserve bank system $2,502,523,000; and so, under the provisions of this bill the bank depositors' guaranty fund would be established with more than $125,000,000 to its credit. I doubt very much that there would be material drafts on this fund.

The one provision in the bill which will, no doubt, give some concern is whether the Comptroller of the Currency can be delegated the power to examine into the affairs, and so forth, of State bank members of the Federal reserve bank system. At the moment I see no reason why all member banks should not be examined by the Comptroller. Likewise holding companies that hold enough stock in national banks to control such banks ought to be under the supervision of the Comptroller of the Currency.

It is gratifying to note that there have been few, if any, bank failures during the past week or 10 days, but it is important that assurances be given that there may not be a repetition of the hardships recently experienced by millions of depositors throughout the country.

It will be contended, no doubt, that but a comparatively small number of State banks are members of the Federal reserve bank system and that this proposed legislation might be detrimental to them—unless they applied and were found eligible for membership. The hope would be that States would find it advisable to adopt some similar plan in respect to State banks.

It would be very difficult to frame a bill which would protect depositors and stockholders that would equally affect and be satisfactory to all concerned. In fact, it is seldom that legislation does not adversely affect one way or another the interests of those not generally provided for.

I am satisfied that legislation along the lines of this bill, improved upon, no doubt, in committee, is necessary to restore to a full measure the confidence many have—without justification in all cases—lost in some of our financial institutions. The impression prevails that our banking laws should be strengthened. The people want safety above every other consideration, and if legislation may secure that we should give it our energetic attention.

Section 9 enlarges the penal provisions of the present law. It would strengthen confidence in the banks, and no honest officers and directors should object to it. The records show that during the year ending October 30, 1930, there were 136 cases in which there were convictions for violation of the penal section of the national banking law and in which sentences were imposed and that in 70 of these cases probation was allowed and in 13 of the remainder fines only were imposed.

My impression is that during the first 40 years of the operation of the old national bank act the loss to depositors in closed national banks during that period amounted to less than one-tenth of 1 per cent per annum. On this basis a tax of one-tenth of 1 per cent per annum of the deposits in the Federal reserve banks would seem to yield sufficient protection. This guaranty fund could be placed with the director of the Federal reserve system, in which those banks are located, and invested in Government securities only, and as the interest coupons matured they could be cashed and reinvested the same way. This sinking fund in 20 years would assume such huge proportions that there would be no such thing as a "broken bank" in the United States, provided the examinations by the national-bank examiners were of such a nature as any careful business man would give the details of his own business.

Criticism of this plan would be, first, that the deposits vary to such an extent it might be very difficult to accurately ascertain the amount of the tax or levy. The capital of each bank is easily ascertained and is fixed; therefore I have thought the capital should be the basis of this protection fund.

To restore confidence and increase the business of the banks for their own benefit and for the protection of those who trust them, some plan should be devised. To emphasize this I need only refer to the figures, to wit, the bank suspensions in 1931 were a total of 2,290, with deposits of $1,759,000,000. Of these the number of national banks was 410, with deposits of $473,000,000. The number of State-bank members of the Federal reserve system was 105, with deposits of $302,000,000. The number of nonmember banks was 1,772, with deposits of $984,000,000. These figures speak for themselves and are impressive.

Mr. GEORGE. Mr. President, I wish to say just a few words with reference to the subject matter of the statement made by the senior Senator from Florida [Mr. FLETCHER]. I am glad to note that the senior Senator from Florida has introduced a bill to which reference was made the other day looking to the guaranty of bank deposits. I know that there is great difficulty involved in framing any satisfactory measure of that kind, and yet I make bold to say that the time will have come, at no very great distant date, when this Government will be shamed by its record in this regard. Particularly, Mr. President, should savings deposits be protected by an absolute guarantee. A man may take a chance with his deposit account which is subject to check, but there is no excuse, it seems to me, why appropriate steps have not been taken to guarantee savings accounts, often the last and sole dependence of men and women who are approaching old age and who must shortly pass off the stage of active life.

Mr. President, I make bold to suggest also that appropriate steps ought to be taken by the Banking and Currency Committee to see to it that the stockholders' liability in national banking institutions is worth more than the paper on which it is written. There is no reason at all why a stockholder in a national bank should not guarantee his ability to respond to any assessment that may be made upon him under the law.

These are practical things that may be done by this Congress and may be done at this time. The liability of every shareholder in every national bank should be made effective. Eighty-six and a half per cent of the bank failures during the last few years have been among the small banks. If the shareholders in the small national banks that have failed had been able to respond to their liability, the depositors would have been cared for in a vast number of instances.

I respectfully call the attention of the Banking and Currency Committee to these two remedial suggestions which, it would seem to me, should have the immediate attention of the committee: First, that all savings deposits be absolutely guaranteed; and, second, that the liability of shareholders in national banks be guaranteed by the shareholders themselves. This can be done without any great hardship, and it would go a long way toward the protection of the depositors in national banks.

The PRESIDENT pro tempore. The bill will be referred to the Committee on Banking and Currency.

MANUSCRIPT OF DR. ARTHUR MACDONALD ON "CHAPTER IN THE SCIENTIFIC STUDY OF MODERN CIVILIZED MAN"

On motion of Mr. COPELAND, it was

Ordered, That the manuscript by Dr. Arthur MacDonald entitled "Chapter in the Scientific Study of Modern Civilized Man," presented by Mr. COPELAND on March 12, 1930, and referred to the Committee on Printing, be withdrawn from the files of the Senate.

NAVAJO INDIAN RESERVATION—REPORT OF H. J. HAGERMAN

Mr. HAYDEN. I ask unanimous consent to have printed as a Senate document the report of H. J. Hagerman, special commissioner to negotiate with Indians, on the status of the Navajo Indian Reservation, land acquisitions and extensions, with specific recommendations for the outside boundaries of the reservation, and of certain additional areas to be acquired for the Indians outside the reservation. I ask leave to have printed as a preface to this document a short statement by the senior Senator from New Mexico [Mr. BRATTON] and myself.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

CHECKING PRIVILEGE FOR POSTAL SAVINGS DEPOSITORS

Mr. DILL. Mr. President, I ask to have the clerk read from the desk certain excerpts from a letter regarding the banking situation, referring particularly to a bill which I introduced a few days ago.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

THE AMERICAN MANUFACTURING CO.,
Philadelphia, Pa., February 23, 1932.

United States Senator DILL,
Washington, D. C.

DEAR SIR: An Associated Press dispatch in some of yesterday's papers announced that you had introduced a bill in the Senate authorizing the Government Postal Savings banks to permit a checking privilege to its depositors.

This is what we call a real piece of constructive legislation, and, if enacted into a law, will, as you say, do more to bring money out of hiding than any other plan that has yet been proposed.

The public have lost confidence in the privately owned banks, and nothing but a Government banking system will give them the confidence that is necessary to restore hoarded money into circulation.

If you have your bill enacted into law you will have accomplished something that will do more than restore hoarded money into circulation; it will assure the public of a banking service on an equalitarian basis like our post office—something that they will never receive from our privately owned banks.

Your bill will doubtless be vigorously opposed by the American Bankers' Association, who are probably powerful enough to prevent its enactment into law, although the public generally is in favor of it, and even though your bill can not be passed now, it is my conviction that sooner or later the Government must go into the banking business, as it has already gone into it in connection with the farmers, and surely the general public are entitled to the same consideration as the farming population.

Sincerely,

F. B. CLARK.

Mr. DILL. Mr. President, I merely wish to say that the bill I introduced does not propose to put the Government into the banking business, but it does propose that for a limited period accounts of small depositors in the Postal Savings banks may be subject to check.

THE CASE FOR GENERAL DISARMAMENT—ARTICLE BY REV. SYDNEY STRONG

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD some comments from Geneva, Switzerland, on the case for general disarmament by Rev. Sydney Strong.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

COMMENTS FROM GENEVA—THE CASE FOR GENERAL DISARMAMENT

Since I am interested especially in total disarmament, I have rejoiced to note many signs pointing toward general disarmament. As the best, I think the only, way to cure a drunkard is for him to stop drinking, so the only way to cure man of his collective-murder insanity is to take away his arms. Increasing multitudes are thinking this way about war. While the committee planned for a conference for the reduction and limitation of armaments, increasing numbers are talking about general disarmament, yea, total disarmament.

LITTLE NATIONS

It would not be difficult to persuade the majority of the nations to follow gallant, wise Denmark, but the "big powers" strut around like cocks in a barnyard, and the little fellows feel that they are not secure without a set of spurs. That is going to change. What good, anyway, is the tin sword of the little nations? Somebody ought to start a "Denmark Club." It is time that the little nations were rebelling against the big fellows. What right have big nations—Italy, Japan, France, Germany, and Britain—to sit forever on a council, like a board of directors, and hand out judgments as dictated by their own wisdom and greed? None whatever. This location of power is enough to condemn the League of Nations unless it is changed. It is morally impossible for that to continue. Get up, little nations! Assert yourselves! Form a respectable society of nonmurderers. Better be small and decent. Maybe lonesome for a while. The decent are so always—but I think I detect a spirit of sanity springing up in nations like Sweden, Norway, Holland, Spain, Canada, Australia that is ready to break, not merely shorten, the sword.

GERMANY

Everyone was deeply interested as Doctor Bruening walked forward to the platform. He was greeted with hearty applause from the galleries and the delegates. (I fear that this had a little to do with the order given out prohibiting applause. I thought when the order was given, "There, one feather gone from the bird of freedom.") I was deeply moved by Doctor Bruening's speech. Almost the first time this great people had spoken to the world about war.

Germany is disarmed down to the bone. I am personally convinced that in spite of the suffering and humility that have been the unmerited lot of the Germans, they will look back on their disarmament as a great move upward in their development, provided they go on in patience. It was tough. It is tough. She will win. And it looks as if she might be the model and the great argument for general disarmament.

Germany was in the limelight. Covetous eyes were not looking upon her, but a soft light came from all the spectators' eyes. It was the message of an oppressed people. My seat mate, an intelligent Hollander, whispered at the close, "Awfully good."

Bruening spoke of disarmament, not reduction. I am especially interested in this aspect of his words. He hoped for a "radical disarmament on the basis of perfect equality of rights and duties." (Any other way is sure to lead to failure.) And, again, "General disarmament, far from threatening the security of states, would rather strengthen it." * * * "Nothing can rid us of the responsibility that would be ours if we failed to attain a definite solution of the problem of general disarmament." * * * "The German people ask that their own disarmament shall be followed by general disarmament." * * * "The German people will stand for a general disarmament which must create for all nations an equal measure of security."

Now, some may say this would be fine for Germany. Well, what if it is? It would be fine for everybody. I rejoice that here was a great, intelligent people putting for the goal of their endeavor—not reduction nor limitation but real disarmament, general disarmament. Germany for a century has led mankind in so much of highest good. Perhaps she will lead in permanent peace, a place I covet for America. First in peace!

THE SOVIET UNION

Everyone listened intently when M. Litvinoff spoke—some to agree, some not to agree. I was especially interested in the way he put the matter of general disarmament. One may not accept Soviet economics and still be moved by the argument for general disarmament. In listening to a voice from Russia one should remember that Russians are a peace-loving people, and need not be surprised to discover idealism of a high order coming out of Russia. Some 30 years ago a proposal for world peace came from no less a person than the Czar of Russia, and it was neutralized by Anglo-Saxon common sense. If that voice out of Russia had been heeded, Europe might have been spared the last holocaust.

I thought while Litvinoff was speaking: Here is a message that would save the world from war, mankind's cancer, and yet the ears down on the floor below will not listen because of fear, prejudice, or doubt.

Let us look at his plan and note the plea for general disarmament, the idea that I think was in the message years ago. Listen while Litvinoff speaks—in plain English:

"Popular clamor for the abolition of war can not be satisfied by the slight reduction of armaments or war budgets—what is required is to find a way to put an end to war.

"My Government has for 10 years proposed total general disarmament as the only way of putting an end to war. In making this proposal my Government took into consideration the demands and claims of the peoples throughout the world as well as the spirit of its own people.

"The reduction of armaments is incapable of guaranteeing us against any war, especially if such reduction is not very radical. We must endeavor to make war itself impossible, since it is the people who suffer, both in the victorious and defeated countries, and, moreover, as the last war has shown, the people in all countries.

"We have the conviction that the only infallible way to the solution of the problem of the organization of peace, the problem of the averting of war, the problem of assuring security to all nations, is the way we have recommended—the way of general and total disarmament. Total and general disarmament is the only effective guarantee against war.

"Had our proposal of four years ago been accepted at the time, the events in the Far East would not have occurred, there would have been no threats of a new world war, and the economic crisis now being almost universally experienced would undoubtedly have been less acute.

"The idea of total universal disarmament is distinguished by its simplicity and by the ease with which it could be carried out. * * * Identical security and equality of conditions for all countries could only be arrived at by total disarmament.

"We have no illusions as to the fate in store for our proposition. (What a pity he felt the necessity of saying this—a proposition such as might have been found in the writings of the sages.) We are willing to discuss any proposal for reduction of armaments, regarding it as first steps toward total disarmament. We might add that we were the first to propose the complete destruction of the most aggressive types of armaments, including tanks, big guns, big battleships, aircraft carriers, bombing planes, chemicals, bacteriological warfare, and the like.

"We will warmly support any proposals approaching or outstripping our own. We will support the equal rights of all participants in the conference and equal security for all states.

"My country is in less favorable position as regards security than other countries. * * * Even now, one of the strongest naval powers refuses to establish normal peaceful relations with us. * * * Despite all this, I am empowered to declare here the readiness of the Soviet Union to disarm to the same extent to which others, first and foremost those at our borders, may agree. * * * The creation of effective security against war can only be carried out by means of total and general disarmament.

"Security against war must be created. This security can never be achieved by roundabout ways but only by the direct way of total general disarmament. * * * This idea is by no means Utopian in itself, but it can be made Utopian by its rejection by the other states represented here * * *."

Whoever uttered those words, I could not withhold the conviction that they were of highest importance, and in the inter-

ests of mankind ought to be made the basis of disarmament. I would be proud if the representative of my country had spoken them, instead of some good and suggestive words that do not breathe the spirit of adventure and the great West of Whitman, Lincoln, and Ben Franklin. If the cautious British delegate had offered them, I should become an Adventist, and believe that the Christ was coming, quite soon. If France should have spoken those words for total general disarmament, I should be willing to believe that Victor Hugo and Lafayette had come back.

Why is man forever rejecting the highest? This is the third time that this offer has been made. If it is sincere, test it. Surely, nothing could be blacker than the prospect of accepting a makeshift plan of reducing. If there is doubt of sincerity, then call the bluff. God has often been known to travel incognito.

OTHER VOICES

There is the Women's Peace Union, whose representative, Mrs. Frieda Lazarus, New York, is crying day and night for total disarmament now, declaring "War is a crime against humanity, and there can be no compromise on a moral issue. The League of Nations is not functioning successfully because it sanctions the use of arms. * * * No society for international amity can function until the entire war machinery is eliminated. Reduction in armaments is a shortening of the sword, leaving the nations in the same relative position. What is needed is a breaking of the sword. * * * Nothing short of laying down of arms will provide for genuine disarmament."

The voices of the millions of women—world-wide—that were heard by the conference still reside here; they will not be comforted unless the sword is sheathed forever.

And there is the European Youth Crusade, organized under Donald Grant, of the F. O. R., who propose by meetings and petitions all over Europe to "march on" Geneva, calling for disarmament and world peace.

This is the note I seem to catch from different sources—from the spokesmen of Germany and Russia, from the children and the women: There is but one thing that will satisfy us and let us lie down in peace, and that is general disarmament, and until it is done we can not rest.

PROPOSED FEDERAL GASOLINE TAX

Mr. CAPPER. Mr. President, I have here a letter from Mr. Frank Phillips, a well-known leader of industry in the Southwest and prominent in the oil industry, in which he presents convincing arguments in opposition to the proposed Federal tax upon gasoline. I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PHILLIPS PETROLEUM CO.,
New York, February 19, 1932.

HON. ARTHUR CAPPER,
United States Senator, Washington, D. C.

DEAR SENATOR: You have doubtless received many protests against the proposed Federal gasoline tax, but it is such a serious matter that I must make a record of my strong opposition.

A gasoline tax for general revenue is unjust and discriminatory.

Notwithstanding a well-sustained demand, the petroleum industry is prostrate because of a world-wide oversupply. In such a buyers' market the tax can not be passed on in fact whatever may be argued in theory.

Gasoline is already subjected to excessive taxes in all of the States, and experience has proved they can not be collected from dishonest marketers. Evasion is increasing, and the amounts involved run into millions of dollars. The money thus stolen from the State or motorist is used in destructive price cutting; increasing the demoralization of the industry.

These State taxes collected in 1931 amounted to some $550,000,000, which is more than the refiners received for the gasoline and approximately as much as the producers received for all of the oil produced in the United States that year. In addition, other taxes on the industry were about $175,000,000.

It is incredible that our Government should on the one hand deny protection from imports of cheaply produced foreign oils and on the other hand add to the staggering tax burdens of an already prostrate industry.

A manufacturers' tax, safeguarded against duplication, such as I understand is now under consideration, has much to recommend it and I hope legislation of that character will take the place of the proposed gasoline tax.

Sincerely yours,

FRANK PHILLIPS.

PROPOSED ANTI-INJUNCTION LEGISLATION

The Senate resumed the consideration of the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

Mr. NORRIS. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be considered first.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. LEWIS. Mr. President, I desire to submit a few observations upon the pending bill and the amendments to it. If any Senator has a matter that he would like to present at this time foreign to the bill before us previous to my entering upon a few minutes of discussion, I will yield to him.

Mr. President, I desire to correct an impression that seems to prevail among my brothers of the bar, as evidenced by the telegrams just this moment reaching me. They are sent from many cities. The lawyers in different parts of America have under a misconception conveyed to the public at large a misunderstanding as to the bill. It is to the effect that the Senate is considering passing a bill the object of which is to prevent the courts from issuing injunctions for the protection of persons and property. Permit me to say that there is no such measure before this body. There is no effort on the part of any Senator here on either side of the Chamber or on the part of any member of the committee, minority or majority, in any wise to affect—far less to reduce or destroy, the just jurisdiction of the courts in a full exercise of the equity power which is vested in the Federal courts by the Constitution of the United States. The effort here is to guide the exercise of the power so that the courts may not violate the Constitution and destroy the private and personal rights of men which are guaranteed under that Constitution.

Mr. President, it is a bit of humor to recall that in a former day Lord Hazelhurst, standing upon the edge of the Parliament Hall, having heard that Gibbon had issued his third volume of the Decline and Fall of the Roman Empire, remarked, "I see that Gibbon has written another damn fat book." I am bold enough, sir, to present in something of audacity to this present occasion, my own book, from the appearance of which I, too, may be accused of having written "another damn fat book"; but it just so happens that in this volume on injunctions, of which I am the author, and which has lately been finished, I have expended some time in gathering together those decisions which clearly disclose that the equity jurisdiction of the Federal courts, as is suggested in the Constitution creating our courts, is, of course, as the eminent lawyers of this body well know—and all Senators who are lawyers are eminent lawyers or they could not have gotten here—that of the English courts in the exercise of their equity jurisdiction as King's bench or chancelleries which we took by the adoption of our system, and the equity jurisdiction of the later English courts was a mere offshoot of the Roman system prevailing in the time of the Cæsars. This was a writ wholly and only for the purpose of exercising a prerogative of the sovereignty of nations, a power assumed and exercised to prevent invasion, intrusion, or any form of usurpation of royal prerogative in matters of government. There never was an assumption in the adoption of the theory of injunction that it should apply to individual conduct and to persons. That exercise of authority has grown upon the courts of this country in the growth of complete usurpation. Yet the tendency continued and multiplied until there was a general assent to allow this innovation upon the theory that the circumstances surrounding each offense justified the departure to avoid violence.

The bill before this body presents merely the proposition that in the exercise of the jurisdiction of the Federal courts granting injunctions there should be such limitation upon that exercise as prevents the violation of the Federal Constitution, particularly the provision which is intended to assure and establish the right of the individual to his life and his liberty, harking back merely to the guaranty of the Declaration of Independence and carrying out the assurance of protection by the American Government to the American freeman.

At this time I take the liberty of referring my brother members of the bar throughout the country—who, I dare say, have stormed my comrades here, as they have myself, with protests upon a misunderstanding as to the purposes of this bill—to the fact that the people who are interested in this measure are not exceptional. There is nothing about their petition here that is so remarkable in itself as to be an extreme undertaking, without precedent, without parallel.

What is it they ask? They ask that the exercise of injunction power shall not go to certain subject matter which, according to their judgment, is violative of the public policy of a free land, this their America. Also, that it shall not go to such an extreme as will prevent them from conducting such private affairs as attach themselves to their own lives in the enjoyment and the pursuit of their liberty of trade or business.

May I take the liberty to speak to my confreres a moment? I invite you to recall that there is before this body now, presented just a day past by the eminent Senator from Massachusetts [Mr. WALSH], a suggestion from a very large and commendable body of business men who desire to be relieved of the injunction power of the Sherman Antitrust Act and who ask that that injunction that is now the law shall be lifted from them, and that they may not be held responsible to comply with certain contracts which that law in its implication and its expression enforces them to obey; otherwise to be criminals in the event of its violation. They are asking to have these provisions amended; in many instances, to have them wholly repealed.

The men who are asking the favor here touching the injunction are not asking a personal favor to them, but a mere expression of a righteous law. They, like these eminent gentlemen who represent large institutions, who seek exemption before this body from a business law of oppression, merely ask the application of what they feel to be an equity of human right in their just behalf.

I invite you to the second instance. The railroads of this country are now petitioning this body—I may say, the whole Congress—for a measure that will relieve them of the injunction put on them by the interstate commerce act, which provides in many respects something of an embargo against their joining together in some form of agreement which works a compulsion for the carrying out of certain regulations which are treated as a contract between the Government and themselves, but which they say now, as between the shipper and themselves, produce such loss and such great injury to them as to disturb the revenues of their property and imperil the value of all securities. They ask to be relieved, by some fitting measure of repeal or amendment, of this particular injunction that is now upon them by virtue of the operation of the law.

I invite your attention, sir, to the fact that the eminent Senator from Virginia [Mr. GLASS] speaking in behalf of his colleagues on both sides of this body, presents a measure that asks that the bankers be relieved of the injunction policy that really prevails as to them in the form of an obligation that compels them to obey a contract which is made by statute, as they contend, and enforced upon them by the regulations of the Comptroller of the Currency but which they assert by virtue of its operation deprives them of liberty of conduct, and embarrasses the pursuit of their business, and serves as an obstruction to the ordinary course of finance in this country to the embarrassment of the banks and the threat of insolvency to the business man. They ask to be relieved, and they point out the hardship of the enforcement of such measures and, upon the basis of ordinary justice in commerce, ask to be exempted from the further hardship of its provisions.

Do the men who ask relief from this injunction ask anything further than that which these very eminent and respectable gentlemen, representing the solemn business thought of the country, ask in their own behalf?

Mr. President, I desire to protest to my brother members of the bar throughout this country against their further circulating to the profession, in their different meetings, the suggestion that this honorable body, sworn to obey the Constitution, is now upon the eve of passing a law that deprives the courts of protecting property and the rights of man merely because he may be an employer.

I invite the attention of the country, as I do that of this honorable body—all of whom will agree with me—to the fact that the provisions before this body are merely serving the object of carrying out the law as we took it from the English jurisprudence, and as they took it from the Roman system, and as we have finally devised and improved upon it in different forms of statutory enactment in our own country, providing that injunctions shall serve the uses of stopping wrongs and holding matters in suspense until the right of them can be determined. That in the case before the Senate it is merely proposed that the courts shall not perpetrate a wrong under the theory of suspending one, and shall not deprive a citizen of his liberty under the theory of enforcing it, and shall not work an oppression upon an individual and make him a criminal because of an honest difference in his mind regarding his rights under what he calls a contract. This honorable body is seeking nothing further than to construe the law and place before the country what would be a righteous declaration of it.

I favor the bill because it serves that office. I thank the Senate for its indulgence of me.

The PRESIDENT pro tempore. The clerk will read the bill for action upon the amendments of the committee.

The legislative clerk proceeded to read the bill.

The first amendment of the Committee on the Judiciary was, on page 2, line 12, after the word "employment," to strike out "wherefore" and insert "wherefore, though he should be free to decline to associate with his fellows," so as to make the bill read to the end of section 2:

Be it enacted, etc., That no court of the United States, as herein defined, shall have jurisdiction to issue any restraining order or temporary or permanent injunction in a case involving or growing out of a labor dispute, except in strict conformity with the provisions of this act; nor shall any such restraining order or temporary or permanent injunction be issued contrary to the public policy declared in this act.

SEC. 2. In the interpretation of this act and in determining the jurisdiction and authority of the courts of the United States, as such jurisdiction and authority are herein defined and limited, the public policy of the United States is hereby declared as follows:

Whereas under prevailing economic conditions, developed with the aid of governmental authority for owners of property to organize in the corporate and other forms of ownership association, the individual unorganized worker is commonly helpless to exercise actual liberty of contract and to protect his freedom of labor, and thereby to obtain acceptable terms and conditions of employment, wherefore, though he should be free to decline to associate with his fellows, it is necessary that he have full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment, and that he shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; therefore, the following definitions of, and limitations upon, the jurisdiction and authority of the courts of the United States are hereby enacted.

The amendment was agreed to.

Mr. HEBERT. Mr. President, my understanding is that we are proceeding now with the committee amendments. The minority of the committee have submitted a number of amendments which are lying on the table. I assume that when we have completed the consideration of the committee amendments we may then proceed to perfect the bill by offering the amendments of the minority.

The PRESIDENT pro tempore. That is correct.

The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment was, on page 3, line 5, after the word "enforceable," to insert "in any court of the United States"; in line 7, after the word "any," to insert "such"; and in the same line, after the word "court," to strike out "of the United States," so as to read:

SEC. 3. Any undertaking or promise, such as is described in this section, or any other undertaking or promise in conflict with the public policy declared in section 2 of this act, is hereby declared to be contrary to the public policy of the United States, shall not be enforceable in any court of the United States and shall not afford any basis for the granting of legal or equitable relief by any such court, including specifically the following:

Every undertaking or promise hereafter made, whether written or oral, expressed or implied, constituting or contained in any contract or agreement of hiring or employment between any individual, firm, company, association, or corporation, and any employee or prospective employee of the same, whereby—

(a) Either party to such contract or agreement undertakes or promises not to join, become, or remain a member of any labor organization or of any employer organization; or

(b) Either party to such contract or agreement undertakes or promises that he will withdraw from an employment relation in the event that he joins, becomes, or remains a member of any labor organization or of any employer organization.

The amendment was agreed to.

The next amendment was, on page 4, line 1, before the word "involving," to strike out "cases" and insert "any case," so as to read:

SEC. 4. No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case involving or growing out of any labor dispute to prohibit any person or persons participating or interested in such dispute (as these terms are herein defined) from doing, whether singly or in concert, any of the following acts:

(a) Ceasing or refusing to perform any work or to remain in any relation of employment;

(b) Becoming or remaining a member of any labor organization or of any employer organization, regardless of any such undertaking or promise as is described in section 3 of this act;

(c) Paying or giving to, or withholding from, any person participating or interested in such labor dispute, any strike or unemployment benefits or insurance, or other moneys or things of value;

(d) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in, or is prosecuting, any action or suit in any court of the United States or of any State;

(e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence;

(f) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;

(g) Advising or notifying any person of an intention to do any of the acts heretofore specified;

(h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

(i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified, regardless of any such undertaking or promise as is described in section 3 of this act.

SEC. 5. No court of the United States shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground that any of the persons participating or interested in a labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in section 4 of this act.

The amendment was agreed to.

The next amendment was, on page 9, line 1, after the word "proceedings," to insert "and on his filing the usual bond for costs"; in line 10, after the word "certify," to insert "as in ordinary cases"; in line 3, before the word "record," to strike out "entire"; in the same line, after the word "case," to strike out "including a transcript of the evidence taken," so as to read:

SEC. 6. No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the United States for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof.

SEC. 7. No court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as herein defined, except after hearing the testimony of witnesses in open court (with opportunity for cross-examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after findings of fact by the court, to the effect—

(a) That unlawful acts have been committed and will be continued unless restrained;

(b) That substantial and irreparable injury to complainant's property will follow;

(c) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

(d) That complainant has no adequate remedy at law; and

(e) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

Such hearing shall be held after due and personal notice thereof has been given, in such manner as the court shall direct, to all known persons against whom relief is sought, and also to those public officers charged with the duty to protect complainant's property: *Provided, however,* That if a complainant shall also allege that, unless a temporary restraining order shall be issued without notice, a substantial and irreparable injury to complainant's property will be unavoidable, such a temporary restraining order may be issued upon testimony under oath, sufficient, if sustained, to justify the court in issuing a temporary injunction upon a hearing after notice. Such a temporary restraining order shall be effective for no longer than five days, and shall become void at the expiration of said five days. No temporary restraining order or temporary injunction shall be issued except on condition that complainant shall first file an undertaking with adequate security sufficient to recompense those enjoined for any loss, expense, or damage caused by the improvident or erroneous issuance of such order or injunction, including all reasonable costs (together with a reasonable attorney's fee) and expense of defense against the order or against the granting of any injunctive relief sought in the same proceeding and subsequently denied by the court.

The undertaking herein mentioned shall be understood to signify an agreement entered into by the complainant and the surety upon which a decree may be rendered in the same suit or proceeding against said complainant and surety, the said complainant and surety submitting themselves to the jurisdiction of the court for that purpose. But nothing herein contained shall deprive any party having a claim or cause of action under or upon such undertaking from electing to pursue his ordinary remedy by suit at law or in equity.

SEC. 8. No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration.

SEC. 9. No restraining order or temporary or permanent injunction shall be granted in a case involving or growing out of a labor dispute, except on the basis of findings of fact made and filed by the court in the record of the case prior to the issuance of such restraining order or injunction; and every restraining order or injunction granted in a case involving or growing out of a labor dispute shall include only a prohibition of such specific act or acts as may be expressly complained of in the bill of complaint or petition filed in such case and as shall be expressly included in said findings of fact made and filed by the court as provided herein.

SEC. 10. Whenever any court of the United States shall issue or deny any temporary injunction in a case involving or growing out of a labor dispute, the court shall, upon the request of any party to the proceedings and on his filing the usual bond for costs, forthwith certify as in ordinary cases the record of the case to the circuit court of appeals for its review. Upon the filing of such record in the circuit court of appeals, the appeal shall be heard and the temporary injunctive order affirmed, modified, or set aside with the greatest possible expedition, giving the proceeding precedence over all other matters except older matters of the same character.

The amendment was agreed to.

The next amendment was, on page 9, line 11, after the word "cases," to strike out "where" and insert "in which," so as to read:

In all cases in which a person shall be charged—

And so forth.

The amendment was agreed to.

Mr. BLAINE. Mr. President, I ask that the amendments in section 11 be passed over until the amendments in section 14 are passed upon.

The PRESIDENT pro tempore. Is there objection?

Mr. NORRIS. I understand the object of the Senator; but I think he will be able to accomplish what he desires if we agree to the amendments in section 12, one of which is not a committee amendment that the committee acted on formally but which I will offer as soon as the committee amendments are disposed of; and then, if those amendments are agreed to, one of the amendments on page 12, in order to make it harmonious, ought to be rejected. The Senator will accomplish the same thing if we go on in the regular way, I think.

Mr. BLAINE. Mr. President, I appreciate that situation; but should the amendments proposed to section 11 be adopted, I fear that it will create a situation that will defeat the purposes of section 11 if the amendments in section 14 are all rejected.

Mr. NORRIS. No; not all of them.

Mr. BLAINE. Not all of them; no.

Mr. NORRIS. To save time, Mr. President, I withdraw any objection. I am willing to follow the course suggested.

The PRESIDENT pro tempore. The Senator from Wisconsin asks unanimous consent for the postponement of consideration of all the committee amendments to section 11 until after the committee amendments to section 14 have been disposed of. Is there objection? The Chair hears none; and, under this unanimous-consent agreement, the amendment already agreed to in line 11 on page 9 will be considered as vacated.

The next amendment under the unanimous-consent agreement was, on page 9, line 24, after the word "court," where it first occurs, to strike out "is authorized to" and insert

"may"; on page 10, line 2, after the word "the," to strike out "attack occurred otherwise than in open court" and insert "contempt occurred elsewhere than in the presence of the court or so near thereto as to interfere directly with the administration of justice"; and in line 7, after the word "as," to strike out "provided in case of the approval of an affidavit of personal bias or prejudice under section 21 of the Judicial Code" and insert "is provided by law," so as to read:

SEC. 12. The defendant in any proceeding for contempt of court may file with the court a demand for the retirement of the judge sitting in the proceeding, if the contempt arises from an attack upon the character or conduct of such judge and if the contempt occurred elsewhere than in the presence of the court or so near thereto as to interfere directly with the administration of justice. Upon the filing of any such demand the judge shall thereupon proceed no further, but another judge shall be designated in the same manner as is provided by law. The demand shall be filed prior to the hearing in the contempt proceeding.

The amendment was agreed to.

The next amendment was, on page 11, line 19, after the word "terms," to strike out "and" and insert "or," so as to read:

SEC. 13. When used in this act, and for the purposes of this act—

(a) A case shall be held to involve or to grow out of a labor dispute when the case involves persons who are engaged in the same industry, trade, craft, or occupation; or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organization of employers or employees; whether such dispute is (1) between one or more employers or associations of employers and one or more employees or associations of employees; (2) between one or more employers or associations of employers and one or more employers or associations of employers; or (3) between one or more employees or associations of employees and one or more employees or associations of employees; or when the case involves any conflicting or competing interests in a "labor dispute" (as hereinafter defined) of "persons participating or interested" therein (as hereinafter defined).

(b) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.

(c) The term "labor dispute" includes any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, or concerning employment relations, or any other controversy arising out of the respective interests of employer and employee, regardless of whether or not the disputants stand in the proximate relation of employer and employee.

(d) The term "court of the United States" means any court of the United States whose jurisdiction has been or may be conferred or defined or limited by act of Congress, including the courts of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 12, line 3, after the word "any," to strike out "provisions" and insert "provision," so as to read:

If any provision of this act—

And so forth.

The amendment was agreed to.

The next amendment was, in the same line, after the word "act," to strike out "or the application thereof to any person or circumstance."

Mr. NORRIS. Mr. President, I ask that that amendment be rejected.

Mr. KING. Mr. President, will the Senator make an explanation as to the purpose of the amendment and the position of the Senator with respect to it?

Mr. NORRIS. Mr. President, my own idea was, as I stated when the Senator from Wisconsin [Mr. BLAINE] asked to defer action on the amendments to section 11, that we ought to consider them first, and then I could have given a better reason for the rejection of this amendment than I can now.

The particular language does not make any particular change, excepting as to a degree. Section 14, before it was amended, read as follows:

If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provisions to other persons or circumstances shall not be affected thereby.

The amendment of the committee really limits the effect of the bill. It would appear more logical if we had disposed of the amendments of section 11; but the Senator will realize that if this amendment is agreed to and the other one commencing in line 6 is likewise agreed to, the effect of holding any provision of any section of the bill unconstitutional would probably be to invalidate the entire section. If section 11 is amended as we desire to have it amended, we can well imagine a case where a particular section might have more than one subject matter in it, and that one provision might be held unconstitutional and the balance of the section perfectly constitutional. The bill as it was originally drawn would permit that course to be taken, and I do not want to narrow it.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. Does not the word "provision" used in the amendment which has been tendered contemplate that if the constitutionality of one feature of a section or sentence was declared unconstitutional, it would have no effect upon the residue?

Mr. NORRIS. That is just what I want to be certain about. The Senator has stated it in a nutshell. I think that would be true, even if this amendment were agreed to; but to avoid any possibility of an erroneous construction, I want to have this amendment rejected, so that the section will read, "If any provision of this act or the application thereof to any person or circumstance is held unconstitutional, it shall not affect the balance of the act."

That we will accomplish if we reject this amendment.

Mr. KING. It is my understanding of the interpretation of statutes, as stated by Sutherland and Endlich, that the view expressed by the Senator is correct.

Mr. NORRIS. I think so; but we get into the habit of putting these provisions in measures, perhaps unnecessarily. I do not want to narrow it. I can conceive of a condition, not in this law, particularly, but in any law, where some particular provision, or its application to some particular person, might be held unconstitutional, and I do not want to take any chance of having held unconstitutional any more than the one particular item held to be unconstitutional. That is the reason why I have asked that this amendment be rejected.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HEBERT. We had some discussion of this provision in the committee, and I reached the conclusion that if no change were to be made in the language of the section as it was considered before this amendment was proposed we would meet this situation, that the Supreme Court might pass upon an act committed by John Smith which is held to be in violation of some provision of this act because unconstitutional, but that would not go to the merits of any other case which might arise, and if John Doe committed an offense, then, so far as John Doe's offense was concerned, the court would again be called upon to pass on the validity of that provision. That can not be the intent of the Senator, and yet that is the language of the section as he would have it if this amendment were rejected.

Mr. NORRIS. Mr. President, I take it just the other way, if the Senator who is objecting to this now is right—and I think he is—that because the application of a particular section to a particular individual, for instance, would be held unconstitutional, it ought not to follow that the section as applied to other conditions should be held unconstitutional. I think I ought to discuss it in connection with section 11 and have the Senate turn to section 11, and tell them what the committee is going to ask the Senate to do.

Section 11 provides—

In all cases in which a person shall be charged with contempt for violation of a restraining order or injunction issued by a court of the United States, the accused shall enjoy the right to a speedy and public trial by an impartial jury.

And so forth, with some exceptions. It is not necessary to read the balance.

The Senate will remember that the junior Senator from New Mexico [Mr. CUTTING] called attention to the fact that the very next section, section 12, provided that—

> The defendant in any proceeding for contempt of court may file with the court a demand for the retirement of the judge sitting in the proceeding, if the contempt arises from an attack upon the character or conduct of such judge and if the contempt occurred—

Otherwise than in open court, and so forth.

The Senator from New Mexico asked why in that case a defendant accused of contempt should be deprived of a jury, when it was provided in section 11 that when one was charged with contempt for violation of a restraining order or injunction he would be entitled to a jury trial.

These sections are aimed at conditions having to do with newspapers. Section 12 is intended to apply to a case where a newspaper makes an attack upon the character or the conduct of a judge, and probably will have no other application. The newspaper writer up to that time has not violated any restraining order, none has been issued, but he is charged with contempt for another reason. The Senator from New Mexico said, I think very well, "Why should not such a man be entitled to a jury trial as well as the man who is charged with contempt because he has violated an order of the judge?"

It is to afford opportunity to a newspaper or any person who, out of court, makes an attack upon a judge to have a jury trial that I want these provisions to be enacted.

When we come to section 11 I shall propose to strike out, commencing on line 12, page 9, the words "for violation of a restraining order or injunction" and to insert in lieu thereof the word "in," so that the section will read: "In all cases in which a person shall be charged with contempt in a court of the United States," and so forth. That would permit a newspaper editor who it was alleged had made a charge against a judge's character to have a jury trial. But the contention is made by some attorneys that in the case of a newspaper article charging a judge with bad conduct and misconduct the newspaper editor would not be entitled to a jury trial, because, it is claimed, it is entirely different from the other cases provided for in this bill. When we strike out the language which I have read, if we do, it will enable the newspaperman who is charged, as in section 12, to have a jury trial.

I do not believe the case I am about to state would occur; I am not intimating that it is my belief that such a case would occur, but there are other lawyers and attorneys who do believe it. Suppose a judge should say, "That is unconstitutional. This newspaperman has not a right to a jury," and then held that section 11 was entirely unconstitutional because it included a class in which the court said it was unconstitutional. Although it might be constitutional as to the other classes that it covered, if the court held that the entire section was unconstitutional, then everything in this bill providing for a jury trial in cases of contempt would be held unconstitutional.

So we wanted to leave in the provision "if any provision of this act," which is the original language "or the application thereof to any person or circumstance is held unconstitutional or otherwise invalid, the remaining provisions of the act and the application of such provisions to other persons or circumstances shall not be affected thereby." Have I made myself clear?

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. GEORGE. The Senator is now proposing to restore the stricken words "or the application thereof"?

Mr. NORRIS. That is the amendment pending, and I have asked the Senate to reject the amendment. I will ask the same when we come to the amendment on line 6, which is to strike out the words "and the application of such provisions to other persons or circumstances."

Mr. GEORGE. I did not hear the first part of the discussion. Would it interfere with the Senator if I should ask him a few questions?

Mr. NORRIS. Certainly not.

Mr. GEORGE. Is it not the Senator's view, anyway, that in passing upon the validity or the constitutionality of an act or any section of an act the court always takes into consideration the particular application being made?

Mr. NORRIS. I think so. I agree with the Senator.

Mr. GEORGE. Is not this true, that the entire section 14 is similar to a section we usually write into long acts?

Mr. NORRIS. Yes.

Mr. GEORGE. Nevertheless, it is the duty of the court, in any event, to sustain any part of an act——

Mr. NORRIS. Or any part of a provision.

Mr. GEORGE. Or any part of a provision, which itself is sufficient to reflect the legislative intent, although part of it goes down?

Mr. NORRIS. That is correct. The only thing I have in mind is not to becloud the matter by narrowing that, which I am afraid we would do if we agreed to these two amendments of the committee and also agreed to the other amendments in section 11, which I am going to ask the Senate to agree to.

Mr. GEORGE. As I understand the Senator's position, it is exactly what I have always believed to be the true position of a court in interpreting any statute.

Mr. KING. Mr. President, will the Senator from Nebraska permit an inquiry?

Mr. NORRIS. Certainly.

Mr. KING. Perhaps it is not quite germane to the discussion, but the Senator referred to the statement made by the Senator from New Mexico, and I was wondering what proceeding would be instituted under the Senator's contention against a person who is charged with violating an order of the court in commenting upon testimony, if some newspaper published inaccurate accounts, or though accurate were of such a character as to interfere with proceedings of the court, and calculated to interfere with the orderly conduct of the proceedings of the court. How would he be punished under the provisions, as the Senator interprets them? Is it an indirect or direct contempt? Would he be entitled to trial by jury?

Mr. NORRIS. We want to give him a trial by jury in every case of trial for contempt unless the offense takes place in the presence of the court or so near thereto as directly to obstruct the administration of justice.

Mr. KING. I would infer that would be so near the court as to obstruct the due administration of justice. I was trying to get the view of those who framed the provision as to whether trial by jury would be permitted.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. Certainly.

Mr. WALSH of Montana. There is no practical aspect of that part of the discussion at all, as it seems to me, because the jury determines only questions of fact. The statement is there for itself; it speaks for itself. The only question would be as to whether the man published the statement or not. That could be referred to the jury. But the question as to whether the publication is calculated to influence the action of the court is for the court itself to determine. That is a question of law. There is no question of fact there with the jury except the question, Was the publication made?

Mr. KING. I am not sure that I would assent to the particular implication that would follow from the Senator's statement.

Mr. WALSH of Montana. The Senator, of course, has in mind the law of libel, which is quite a different thing.

Mr. FLETCHER. Mr. President, will the Senator from Nebraska yield?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Florida?

Mr. NORRIS. I yield.

Mr. FLETCHER. If section 11 is amended as indicated by the Senator, what would be the need for section 12, which provides for the substitution of another judge, and that sort of thing?

Mr. REED. The need for section 12 arises where some one has made a charge against the character of the judge.

Mr. FLETCHER. Section 11 covers all contempts.

Mr. WALSH of Montana. If the Senator from Nebraska will pardon me, the point the Senator from Florida makes is that inasmuch as there is a right of trial by jury there is no occasion for bringing in another judge. But that does not seem to me to meet the situation, because, as I have just indicated, the jury simply tries the questions of fact, but the judge whose character is assailed, as it is alleged, will determine the question of law; that is to say, as to whether the publication, conceded to have been made, constitutes an imputation upon the character of the judge, and he ought not to be permitted to pass upon that question of law. The publisher has an opportunity under the provisions of section 12 to submit to another judge that question of law, namely, whether it is or is not calculated improperly to influence a court of justice.

Mr. HEBERT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. NORRIS. Certainly.

Mr. HEBERT. I can not follow the Senator from Montana in his conclusion as to what will be submitted to the jury. All questions of fact will be submitted to the jury, not only the question whether or not the publication has been had—most likely that will be admitted at the outset in every case—but the question whether the language printed is offensive so as to bring the publisher in contempt before the judge. That is not a question of law. It is a question of fact whether or not it is offensive to the judge, as I view it.

Mr. WALSH of Montana. By no means.

Mr. HEBERT. I may be mistaken about it, but it seems to me the jury is going to have cognizance of all the facts in the case.

Mr. NORRIS. They ought to, because they have to pass on the facts.

Mr. HEBERT. If the only fact upon which the jury is to pass is whether or not there has been a publication, it seems to me there is very little to be gained by that provision.

Mr. WALSH of Montana. The jury is to pass upon all questions of fact; but the publication having been admitted, the question as to whether or not the language was such as is calculated to interfere with the administration of justice is as a matter of course a question of law.

Mr. HEBERT. But whether it offends the personal dignity of the court is not a question of law.

Mr. WALSH of Montana. Why not?

Mr. HEBERT. Because it might not interfere with the due administration of justice.

Mr. WALSH of Montana. That is the only basis for the contempt proceedings. The personal feelings of the judge are not to be involved in punishment for contempt.

Mr. HEBERT. But they are brought into consideration many times.

Mr. NORRIS. Yes; but they ought not to be.

Mr. WALSH of Montana. But upon the pretense that it obstructs the administration of justice, and that is a question of law.

Mr. HEBERT. I repeat that if the only question that is to be passed on by a jury is whether or not there has been a publication of the statement, then we are not getting very far with this provision in the bill.

Mr. NORRIS. Possibly we are not. We have been considering a case—and it is a fair way to consider it because it is a case that illustrates what would happen—where an article appeared in a newspaper. That is not the only thing to which the provision might apply. It might apply to others than the case of editors and publishers of newspapers, but they are the ones to whom it does apply mostly as a practical application. Section 12 provides that the defendant may demand the retirement of the judge sitting in the proceeding if the contempt arises from an attack upon the character or conduct of the judge. There is a reason for taking that judge away in such a case and not taking him away in the ordinary contempt case, because there is an attack upon the character of the man who presides. He is really the complaining witness. He is the court to pass on the question too, and he passes on the judgment. There is a reason there for getting another judge, and that is all section 12 undertakes to accomplish.

It applies not only to a newspaper editor or publisher, but if a man goes on the street and makes insulting remarks about the judge, it would apply in a case of that kind. It is true under section 11, if we amend it as I want to do, that he is in any case entitled to a jury trial; but in the case cited by the Senator from Montana [Mr. WALSH], where the only question is the effect of the publication in the newspapers, the facts, if they were admitted, as they probably would be, would not be at issue.

But that is not an extreme case. It happens often in the ordinary trial where the evidence is introduced and one side or the other will say, "As to all this evidence, there is no dispute, but as a matter of law it does not justify anything that should follow from it." If the facts are once admitted, the question as to whether the publication is such an assault upon the character or conduct of the judge as to interfere with the administration of justice is a matter of law, of course.

But it does not necessarily follow that section 12 would apply only to the publication of something. It might involve something else where the facts themselves would be in dispute, and so we provide that in the case where the judge has been personally assaulted, if we want to go that far, he ought not to sit in judgment where he is the complaining witness. Some other judge ought to be sitting in judgment. But section 11, if we amend it as I wish to do, would give a jury trial. If the facts were not disputed, the jury would not do any good, of course.

Mr. FLETCHER. Mr. President, I agree with the Senator in that regard. I think that is perfectly sound, because the judge ought not to be the complainant and entitled to sit in judgment upon his own case like that. I quite agree with that thought and that idea in the bill. But I am a little concerned about the suggestion made with reference to what the jury is to do. Suppose a newspaper editor publishes an editorial and the judge, being rather oversensitive, brings a charge against him and he is haled into court for contempt of court. He admits the publication, but says, "I was doing it in the public interest. I feel that justice requires that I should say this much with respect to the trial, the conduct of the judge, and the whole proceeding. I contend that it does not directly interfere with the administration of justice, and I want a jury to pass on that question. I want all the facts and all the circumstances to be laid before a jury." Why should not that be done?

I quite sympathize with the position of the Senator from Rhode Island [Mr. HEBERT]. There is no dispute about the publication. There may be some question about all the facts and circumstances in connection with it, but the question is, Did it interfere with the administration of justice? Was it a thing that could interfere with the administration of justice? That ought to be submitted to a jury.

Mr. NORRIS. Mr. President, I hope that Senators will not get away on the discussion of an irrelevant matter. I do not agree with the Senator from Florida. I think when the facts are admitted it then becomes a question of law upon which the judge should pass. There may be cases, and perhaps in most cases it would occur, where the facts would be admitted, but there would be many cases in which there would be a dispute as to the facts.

But just what has that to do with the amendment now pending? We are giving the defendant a jury trial if we get this bill approved. Then the question will be one that will come before the court. We can not settle that law

question now, so it has not anything to do really with the pending amendment. All we are trying now to do is to prevent the adoption of the amendment that is now pending, because if we amend section 11 as proposed, it will have a tendency to annul the possibility of a court declaring something in the section constitutional and something else in the same section unconstitutional. That is all we want to avoid.

Mr. GEORGE. Mr. President, may I invite the attention of the Senator to the fact that in nearly all States where the defendant charged with contempt is entitled to a jury, the issue submitted to the jury is by question and answer. It is never whether or not the respondent is guilty of contempt, but facts are submitted to the jury; that is to say, mere questions and answers, and from the finding of the facts, that is upon the answering of the questions by the jury, the court must necessarily make up his judgment.

But even if the jury had some latitude beyond that, is it not quite as important that the judge be absolutely impersonal in proceeding with the trial of the case as if the jury were confined alone to the mere finding of fact? In other words, ought not the judge to recuse himself anyway if an attack has been made upon his character, whether the jury sitting under him is to find the facts or whether the jury may go somewhat beyond the mere finding of facts in particular cases and also find intent and purpose? In any event, it seems to me a judge whose personal character had been attacked or whose character as a judge was the subject of attack would be quite willing to recuse himself if contempt proceedings were instituted against those charged with the offense, unless the offense occurred in the immediate presence of the court and tended directly to obstruct or interfere with the administration of justice. In any event, of course, the amendment, as I understand it, still leaves it within the power of the judge to hear and determine the contempt.

Mr. President, because I have not been able to attend all of the debate on this very important bill, I want to beg the chairman of the committee, the Senator from Nebraska [Mr. NORRIS], to indulge me just a little and out of order while I ask him a few questions. My questions are prompted by the argument submitted by the minority of the committee on the bill. They arise because of the character of objections made by the minority.

If the chairman of the committee will refer to page 6 of the bill, paragraph (a), the suggestion has been made that the power of the equity court ought not to be taken away, even in labor disputes, to act before unlawful acts had yet occurred, and granted only in the event that such unlawful acts would be continued in the future. I wanted to ask the chairman of the committee if it is not his view—it seems to me it probably is the correct view—that any attempt to commit an act which usually is defined as a crime would fall within the definition of unlawful acts which would authorize an injunction in a proper case? In other words, the minority report raises the question as to the power to enjoin for an attempted or a threatened unlawful act.

Mr. WALSH of Montana. Is the Senator referring to subdivision (a) on page 6?

Mr. GEORGE. Yes.

Mr. WALSH of Montana. I am very sure the word "threatened" was omitted simply by inadvertence.

Mr. NORRIS. I hope the Senator will not cause a discussion of that question now. It has not anything to do with the pending matter.

Mr. GEORGE. I wanted to ascertain the construction of it; but if it is inopportune at the moment, I will wait until we reach it.

Mr. NORRIS. Personally I am in favor of the language just as it stands in the bill, though I understand that the Senator from Montana and some other members of the committee do not agree with me.

Mr. GEORGE. I am not objecting to it, but what I am asking is, Would not the unlawful act itself include any attempt to commit such an act, because any attempts to commit unlawful acts are usually themselves declared to be crimes?

Mr. HEBERT. Mr. President, let me say to the Senator that the phraseology might include an attempt to commit an unlawful act, but the minority members of the committee question that it would include a threat to commit an unlawful act, which is a different thing.

Mr. GEORGE. Yes. I may be proceeding irregularly, but I am proceeding in this way because I have not had opportunity——

Mr. HEBERT. May I say to the Senator, if the Senator from Nebraska will pardon me, that the minority have an amendment which meets all their objections to the bill?

Mr. GEORGE. I understand that.

The minority raise objections to the provision in section 8 of the bill, on page 8, which reads:

> No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration.

It is pointed out by the minority that the property of the employer might be destroyed through fraud or violence without any previous notice, so that the opportunity would not arise to resort to negotiation or other peaceful means of settling the dispute. I wanted to ask the chairman of the committee is it not his opinion that the language "or who has failed to make every reasonable effort"—every reasonable effort—"to settle such dispute," would relieve any employer from the necessity of undertaking to negotiate where he had had no previous knowledge or notice whatever of an existing dispute?

Mr. NORRIS. I have not any doubt of it at all.

Mr. GEORGE. I so construe it.

Mr. NORRIS. I think the Senator is correct.

Now, Mr. President, may we have a vote on the pending amendment? I ask the Senate to reject it.

The PRESIDING OFFICER (Mr. FESS in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. In section 14, on page 12, line 3, after the word "act," it is proposed to strike out "or the application thereof to any person or circumstance."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee. [Putting the question.]

The amendment was rejected.

Mr. HEBERT. Mr. President, I think I misunderstood the question as it was put by the Presiding Officer. May I ask that the question again be put?

The PRESIDING OFFICER. Does the Senator refer to the amendment which has just been acted upon?

Mr. HEBERT. Yes; the amendment in section 14. Was the question on the committee amendment to strike out the words in lines 3 and 4 "or the application thereof to any person or circumstance," or was it on the amendment proposing to eliminate the word "provision" in line 3?

The PRESIDING OFFICER. The vote was on the amendment striking out the words "or the application thereof to any person or circumstance."

Mr. HEBERT. I should like to be recorded as being in favor of that amendment and in opposition to its rejection. I did not understand the question at the time.

The PRESIDING OFFICER. Does the Senator ask for a reconsideration of the vote by which the amendment was rejected?

Mr. HEBERT. No; I will not do that.

The PRESIDING OFFICER. The next amendment will be stated.

The LEGISLATIVE CLERK. In section 14, page 12, at the beginning of line 5, it is proposed to insert the words "unconstitutional or otherwise."

Mr. KING. I inquire of the Senator from Nebraska what he understands the words "or otherwise" to mean in the phrase "held unconstitutional or otherwise"?

Mr. NORRIS. I suppose we can conceive of a statute being held invalid for some other reason than its unconstitutionality.

Mr. KING. Does the Senator mean as being against public policy?

Mr. WALSH of Montana. Let me remark that the Supreme Court of the United States held certain provisions of the Lever Act invalid because they were too ambiguous to be understood.

Mr. KING. I merely wanted to understand the interpretation which should be given the words referred to.

Mr. NORRIS. We want to cover the whole ground.

Mr. KING. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The LEGISLATIVE CLERK. In section 14, page 12, line 5, after the word "the," it is proposed to strike out "remainder" and insert "remaining provisions."

The amendment was agreed to.

The next amendment was in section 14, page 12, line 6, after the word "act," to strike out "and the application of such provisions to other persons or circumstances."

Mr. NORRIS. I ask that the Senate disagree to that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

Mr. NORRIS. Now, Mr. President, I ask that the Senate revert to section 11, under the unanimous-consent agreement.

The PRESIDING OFFICER. The clerk will state the amendments in section 11.

The LEGISLATIVE CLERK. In section 11, page 9, in line 11, after the word "cases," it is proposed to strike out the word "where" and to insert the words "in which."

The amendment was agreed to.

The next amendment was, in line 12, after the word "with," to strike out the words "indirect criminal."

The amendment was agreed to.

Mr. WALSH of Montana. Mr. President, I suggest to the Senator from Nebraska that he ask unanimous consent at this point to make a further amendment in respect to that provision.

Mr. NORRIS. I thought I would do so as soon as we had completed the other amendments to the section.

Mr. WALSH of Montana. I thought we had just reached the place where the amendment was to be offered.

Mr. NORRIS. I thought it might be well to allow, first, all committee amendments to the section to be agreed to. I have no objection, however, to offering the amendment referred to by the Senator from Montana now.

Mr. President, while it is not marked on the bill as one of the committee amendments, and technically it is not a committee amendment, yet those members of the committee who have been in charge of the bill, particularly members of the subcommittee, desire an amendment to be offered at this point which will be practically the same as a committee amendment. I move to strike out in line 12, after the word "contempt," the words "for violation of a restraining order or injunction issued by" and insert in lieu thereof the word "in," so that it will read:

Charged with contempt in a court of the United States.

I think I explained that amendment when we were discussing section 12 and the reason why it was desired to have it adopted.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In section 11, page 9, line 12, it is proposed to strike out the words "for violation of a restraining order or injunction issued by" and insert the word "in."

Mr. KING. Mr. President, I should be glad to hear an explanation from the Senator. I was attending a committee meeting, and was not here during the Senator's address and his explanation of the bill.

Mr. NORRIS. Mr. President, the explanation I made and to which I referred was made just a few minutes ago in answer to the Senator's own question.

Mr. KING. I beg pardon.

Mr. NORRIS. The effect of this amendment will be, taking now as an illustration the case of a newspaper man, to give him or any other person described in section 12 a jury trial when charged with contempt of court. That is all it does.

Mr. KING. I was wondering if the Senator was seeking to make this section applicable to all proceedings and not merely labor cases?

Mr. NORRIS. It is applicable to all proceedings.

Mr. KING. Whether labor cases or mining cases or irrigation cases or any case in equity?

Mr. NORRIS. It is applicable to any case where anyone is charged with contempt; and it is proposed to strike this language out because in the cases we have been discussing—the case of a newspaper man, to illustrate—the one charged with contempt may not have violated any order of the court, because none has been issued, and so, unless we strike out those words, a person so charged under such circumstances would not be able to obtain a jury trial.

Mr. VANDENBERG. Mr. President, if the amendment were adopted as a part of the bill and section 11 were declared unconstitutional, the rights provided in section 12 would still remain. Is that correct?

Mr. NORRIS. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The LEGISLATIVE CLERK. In section 11, page 9, line 17, the committee proposes to strike out the word "requirement" and insert the word "right."

The amendment was agreed to.

The next amendment was, in line 17, after the word "not," to strike out the words "be construed to."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 268) to excuse certain persons from residence upon homestead lands during 1929, 1930, and 1931 in the drought-stricken areas.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9203) to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes.

EMERGENCY CREDIT EXPANSION—CONFERENCE REPORT

Mr. GLASS. Mr. President, I call up the conference report on House bill 9203 and ask for its adoption.

The PRESIDING OFFICER. Is there objection?

Mr. NORRIS. Mr. President, it will not take very much time, I presume?

Mr. GLASS. I do not think it will take any time. The conference report has already been adopted by the other House.

Mr. NORRIS. Very well; I have no objection.

The PRESIDING OFFICER laid before the Senate the report of the committee of conferees on the disagreeing votes of the two Houses on the bill H. R. 9203.

Mr. GLASS. I ask unanimous consent that the reading of the report may be dispensed with; it is well understood.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(For the conference report see the proceedings of Senate of yesterday, CONGRESSIONAL RECORD, p. 4671.)

Mr. KING. Mr. President, I have not seen the report, and I confess that I do not know just what it contains. The press of business compelled me to be absent from the Chamber, and I have not seen the report until this moment.

Mr. GLASS. Mr. President, a minor change made by the conferees is in the provision on page 1, where the House bill required a majority of the members of the Federal Reserve Board to act and the Senate bill required six; the conferees compromised on five.

As to the outstanding questions, one was upon the question of the limitation of the capital of individual banks that might apply to use their ineligible assets. The Senate bill provided a limitation of $2,000,000; the House bill provided no limitation at all; and the conferees unanimously agreed upon a limitation of $5,000,000 capital, which excludes only 62 of the 7,600 member banks from applying under the provision of the bill relating to individual banks; and embraced in those 62 are what we believe to be the speculative-banking institutions, which will have to come under the group provision of the bill.

The other major question of difference, upon which finally we unanimously agreed, was as to the time limit of the bill itself. The House limited the first section to one year; the Senate made no limitation at all. The House readily receded from its amendment, so that the first provision is made permanent law. As to the other provisions of the bill the House bill provided a time limit of one year, upon which they insisted, and the Senate conferees receded.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

NAVAJO INDIAN RESERVATION

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Albuquerque Journal of February 19, 1932, in regard to the situation respecting the Navajo Indian Reservation in that State.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial referred to is as follows:

TO-DAY IN ALBUQUERQUE

It is hard to understand the conflicting and wavering policy of the Indian Bureau, which has procrastinated on relief to the storm-stricken Indians, and now proposes to make immediate payment of the Pueblo lands board awards to non-Indian claimants and refer the question of increased awards to Indians and white settlers back to the board as a court of claims and submit new findings.

New Mexico's representatives in Congress are unanimously behind a bill before Congress to increase the awards of the Pueblo Lands Board, the Senate subcommittee having found that the board dealt unjustly with the Indians and settlers in fixing the awards at figures below those determined by a board of appraisers. The Indian Bureau has wavered one way and another in seeking to defend the awards of this board, of which former governor, H. J. Hagerman, special Indian commissioner, was a member. The crux of the hearings has been a recommendation that the job of Mr. Hagerman be abolished.

The Pueblo Lands Board is now nonexistent. It spent more than $250,000 in arriving at its awards, which have been under fire ever since being announced. To refer the awards back to the board for new findings would only delay final settlement of a 75-year controversy and complicate a situation that now can be settled by Congress increasing the awards as fixed in the bill of Senators BRATTON and CUTTING. The board has shown itself incompetent and it would be the height of folly to return the matter to it. It is plainly the duty of Congress to settle the case without piling up more expense by extending the life of the board.

The inaction of the Indian Bureau in the emergency on the Navajo Reservation is pitiful. Despite appeals for the past three months, the bureau persists in handing out temporary relief and in conducting surveys while the sheep of the Indians are dying off. The bureau has all the facts on the situation as reported many weeks ago by the reservation superintendents, but sends out more representatives to report on the situation.

The committee of business men and traders organized at Gallup has forwarded another urgent recommendation to the Indian Bureau for a relief fund of $300,000 to feed the Navajo sheep. This committee reports that the death losses among the Indian flocks has been greater in the past 10 days than for any like period. The sheep are at the point of starvation. Unless feed is provided the flocks will be wiped out before grass comes.

Mr. Hagerman, who has been in Washington for several weeks, must be in close touch with the situation. Is he responsible in part for the delays on the part of the bureau? Will the bureau permit the flocks of the Indians to die off and then appropriate money for the purchase of some 300,000 to 500,000 sheep to replace the ones lost?

Such an action would be a boon to wool growers, who would find a market for their sheep close at home. But is it going to be a merciful thing to let Navajo sheep that might be saved die off? Does Mr. Hagerman think such a procedure would benefit the wool growers and does he have this in mind? The New Mexico Wool Growers is one of the few organizations in the State who have stood by Mr. Hagerman and by resolution expressed confidence in him and his policies.

In the face of the record it is hard to account for the policy of the bureau. On January 4 Senator ASHURST, of Arizona, pleaded for a $75,000 grant in the deficiency bill to meet the instant needs in the Navajo country. The petition was vetoed by the Budget Bureau. Indian Commissioner Rhoads then said that if the bureau did not get this he proposed to apply to the Red Cross. Later the appropriation was restored to the bill. More storms followed.

The commissioner was afterward urged by superintendents to hold a conference to decide on a three months' feeding plan for the sheep. The conference was never held. The bureau waited until February 12 to send out three men to make a survey. This after appeals by New Mexico and Arizona Senators. In the meantime sheep died by the thousands and are continuing to die. The Indian office administration is a revealing and disquieting picture. It has blustered and wavered around in its defense of Mr. Hagerman. It is equally as vacillating in meeting the Navajo situation.

PROPOSED ANTI-INJUNCTION LEGISLATION

The Senate resumed the consideration of the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

Mr. HEBERT. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Rhode Island offers the following amendment:

On page 2, line 6, strike out all the remainder of page 2, through line 24, and insert in lieu thereof the following:

"Whereas under prevailing economic conditions, a single employee is helpless in dealing with an employer, is ordinarily dependent on his daily wage for the maintenance of himself and his family, is unable to resist arbitrary and unfair treatment; and

"Whereas it is essential—

"(a) That he shall be free to associate with his fellow workers and to form unions which will afford him and them the opportunity to deal on a basis of equality with those by whom they are employed;

"(b) That they may share equitably in the product of labor and capital;

"(c) That both the employer and the employee shall have full freedom of association, self-organization, and designation of representatives of their own choosing, to negotiate the terms of employment free from any interference, restraint, or coercion in their efforts toward mutual aid or protection;

"Therefore, the following definitions of, and limitations upon, the jurisdiction of the courts of the United States are hereby enacted."

Mr. HEBERT. Mr. President, I outlined at some length in my argument yesterday the reason for this amendment.

In the first place, we propose to take out of the preamble of the bill—and this amendment refers to the preamble—so much of it as to my mind is misleading.

The preamble in the majority bill states:

Whereas under prevailing economic conditions, developed with the aid of governmental authority—

It has seemed to the members of the minority of the committee that this is a misleading statement in an act of Congress. It infers that corporations and organizations of various kinds owe their existence to acts of Congress; that they are incorporated under congressional authority, under Federal authority; and yet I think I am safe in saying that all Senators know that that is not so, except in very rare instances. It has long since been the policy of Congress to refuse incorporation to anyone, especially for business purposes.

Corporations, being organized under charters granted by the States and under laws enacted by the several States, are subject to the laws of those States. They are governed by the laws of those States, except in some particulars. For instance, where they engage in interstate commerce, those

particular activities are subject to certain rules and regulations formulated in pursuance of enactments of the Congress of the United States; but in the main, in the conduct of their business, corporations are governed by the laws of the States where they are domiciled. So it has seemed to us that we should not proceed with a misleading statement in the preamble to a bill as important as is this.

I realize that it may be considered of little moment; but I do not want to be a party to the enactment of a measure which states an untruth.

As to the purposes set out in the preamble, I think there is merit in adopting the amendment proposed by the minority, first because it is based upon and practically follows a pronouncement of the Supreme Court of the United States in the American Foundries case, to which I referred yesterday. In fact, most of it is the exact language of the court in that case. In the second place, Senators will observe upon a reading of the majority bill that it makes no reference to the rights of the employer. It goes on to say as to the employee, in line 14:

It is necessary that he—

That is, the employee—

have full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment, and that he shall be free from the interference—

Always referring to the employee.

If Senators will refer to paragraph (c) of the amendment proposed by the minority, they will observe that reference is made to both the employer and the employee. I read paragraph (c):

That both the employer and the employee shall have full freedom of association, self-organization, and designation of representatives of their own choosing, to negotiate the terms of employment free from any interference, restraint, or coercion in their efforts toward mutual aid or protection.

I assume that no one can have any serious objection to the language which we have used in this preamble; and therefore, Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island.

Mr. WALSH of Montana. Mr. President, I hope this amendment will not prevail.

It seems to me there are very substantial objections to the declaration of policy announced by the Senator from Rhode Island; and I can not think that there is any substance to the contention that the recital of policy in the bill reported by the committee is objectionable because corporations are organized under the laws of the States, and that this would imply that they exist and have their being by reason of legislation enacted by Congress.

In the first place, that is not the situation. There are a vast number of corporations that are organized by Congress. For instance, all of the transcontinental land-grant railroads exist by virtue of the acts of Congress, unless by reason of foreclosure or otherwise the property has passed into other hands. The Knights of Pythias, a very important organization, exists by virtue of an act of Congress. Applications for corporation charters from the Congress of the United States come here in such numbers that, as the Senator well knows, the Judiciary Committee has been obliged to adopt a rule or practice to check the introduction of bills of that character; and notwithstanding the antagonism that has been exhibited in the committee, from time to time one is reported and passed by the Congress. The national banks, as is suggested to me, are all organized under the law of Congress.

Mr. GORE. And the Western Union.

Mr. WALSH of Montana. The Western Union? I had forgotten about that.

However that may be, it seems to me it is a matter of no consequence in the recital of policy here whether corporations are organized under the State law or whether they are organized under the law of Congress. These are aggregations of capital which exist by virtue of statute, by virtue of laws of the various States, and we seek to put the body of workers on something like a footing of equality with these great aggregations of people who associate themselves in corporations and become the employers of labor.

So much for that. Now, I desire to inquire of the Senator from Rhode Island whether he really would like to have us announce a policy here that the employer shall have full freedom of association. It is my understanding that the Sherman Act was passed for the express purpose of forbidding this full freedom of action between employers. I should very seriously question whether that expression would not trench upon the acts enacted by Congress for curbing monopoly. But why should we make a declaration of policy concerning the right of employers to associate themselves? What occasion is there for anything of that kind? What demand has there been from any source? What obstruction is there to their associating with each other for the purpose of mutual aid and protection in the prosecution of their business, so long as they do not violate the antitrust act?

I see no occasion for making a recital of that character in connection with a bill that relates to the issuance of injunctions and is intended to correct or prevent the abuses which have crept into the issuance of that particular remedial writ.

Mr. HEBERT. Mr. President, if the Senator will yield, I may say that there is just as much reason for giving freedom to employers to organize as there is for giving freedom to employees to organize.

For the purposes of this bill we are dealing with a subject which has nothing to do with the antitrust laws. We are dealing with the subject of injunctions; and surely it can not be the contention of the Senator that employers may not have the same freedom of action that employees have in organization for purposes of this character.

Mr. WALSH of Montana. Of course, employers ought to have perfect freedom of association, so long as they do not trench upon the Sherman Act.

Mr. HEBERT. Just as employees ought to have freedom of action, provided they do not disobey the law.

Mr. WALSH of Montana. Yes; but I remark that there is no occasion for it at all. Injunctions have not been sought to prevent the association of employers for the purpose of promoting their mutual benefit.

Mr. NORRIS. Mr. President, this statement of policy in the bill is, I think, a statement of fact known to everybody who is fairly well versed upon our economic conditions. The Senator from Rhode Island says that it is not a fair statement of fact when we say:

Whereas under prevailing economic conditions, developed with the aid of governmental authority for owners of property to organize in the corporate and other forms of ownership association—

And so forth.

Mr. President, the words to which the Senator particularly objects, as I understand, are "with the aid of governmental authority." It does not make any difference what kind of authority it is, whether it is State or National or international; it developed by the aid, in many instances, of governmental authority.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. HEBERT. Then I take it, from what the Senator says, that he would not object to an amendment adding the words "either State or Federal."

Mr. NORRIS. No; I would object to that, and let me tell the Senator why I object to it—because I am suspicious of the Greeks when they are bearing gifts.

Here are amendments piled up on this desk, some of them innocent looking on their faces, that, if agreed to, would put holes in this bill through which a willing judge, such as many of them are who have issued these unconscionable injunctions, would drive a camel. We are here, and we say so, for the purpose of protecting men who are poor and unable to cope with the great aggregations of wealth that face them when they undertake to get employment to sus-

tain themselves and their families and give their children and their wives a right to eat food and wear clothes.

Mr. President, in the courts, from the Federal court down to the lowest court, lip service has been given time and time and time again in statements to the effect that laboring men must have the right to organize; they must have the right to associate themselves together; they must have the right to strike, because they are confronted with great aggregations of wealth that do not need the fostering care of a sympathetic Congress or legislature to protect them in their rights. Those expressions are common, but when it comes to the real decision, that lip service so often has been disregarded and they have not carried it into the decision itself.

Everybody knows that there exist now great aggregations of wealth, one corporation even combining with another. In the Hitchman case, the one the Senator from Rhode Island himself cited, the evidence showed that while there were several corporations engaged in the coal business in the mines in the vicinity affected, they all had their offices in the same room. There is no doubt about it. President Taft has beautifully stated the idea in several decisions and speeches and articles which have come from him.

In my judgment, there is nothing untrue in the statement that these great aggregations and combinations have come about, the economic conditions now prevailing have developed, often with the aid of governmental authority. The Senator from Montana has given us instances where they developed from Federal authority. But there are thousands of others in which they come from State authority, and the Senator says the States ought to handle it. The States issue the charters in most instances where the corporations do business.

Suppose we assume, now, for the purpose of the Senator's argument, that a State should pass just the kind of a law that those on the outside of the Senate who are opposing this law wanted, to wit, that there should be no organization of working men, that they should never have the right to associate in a single instance, and suppose the Federal court in that State should issue an injunction sustaining the law. The laboring men would be helpless. If we pass this bill, we will establish a policy for the Government of the United States. The economic conditions to which we refer here have come about from the gradual development of great aggregations of wealth, with the result that if a man is alone seeking employment, as the courts have often said, he is absolutely helpless, he must sign on the dotted line.

Mr. HEBERT. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. HEBERT. The Senator does me a serious injustice when he says that I want the States to do this.

Mr. NORRIS. I have not said the Senator wants the States to do it.

Mr. HEBERT. That is what I understood the Senator to say just a moment ago. That is as far from being my purpose as can be. I have no such desire. I simply want to make this recital a statement of fact.

Mr. NORRIS. I think we have done that.

Mr. HEBERT. That is where we disagree. I have maintained that the statement is misleading, that it leads to an erroneous inference, and I suggested to the Senator in absolute good faith, not as a gift-bearing Greek, that he make a change so that there would be no question about what was in it. I confess that I can not see how any objection could be made to adding the words "State or Federal." It is one or the other. In most cases it is the State.

Mr. NORRIS. Why does the Senator want to put that language in? What good would it do?

Mr. HEBERT. I am not particular about putting it in; I prefer to leave it out altogether.

Mr. NORRIS. So do I. Then we are agreed on that.

Mr. HEBERT. I mean all reference to governmental authority.

Mr. NORRIS. The Senator would leave our declared policy out altogether.

Mr. HEBERT. No; we have a declared policy in the substitute bill.

Mr. NORRIS. I know the Senator has. I ask any Senator who has any doubt about the proper statement contained in the statement of policy to simply read it. It does not take a lawyer to know that we have stated the facts correctly.

The Senator says that we ought to put in a provision saying that these big corporations should organize. They have already done it. But suppose we did. Does anybody think they need our assistance? Is there anybody who has the idea that these great combinations need the help of Congress? I think, as the Senator from Montana has so well pointed out, that if we put in the other provision, the Senator has in here, on account of a declared policy of that kind, these great combinations of wealth would say in the next lawsuit that this action of Congress relieved them from all responsibility of organization under the Sherman Anti-trust Act.

Let us see what this bill does when it comes to equality. Just go to the next page. When it is speaking of these undertakings and promises, it says, beginning with line 15, page 3:

> Every undertaking or promise hereafter made, whether written or oral, express or implied, constituting or contained in any contract or agreement of hiring or employment between any individual, firm, company, association, or corporation, and any employee or prospective employee of the same, whereby—
>
> (a) Either party to such contract or agreement undertakes or promises not to join, become, or remain a member of any labor organization or of any employer organization; or
>
> (b) Either party to such contract or agreement undertakes or promises that he will withdraw from an employment relation in the event that he joins, becomes, or remains a member of any labor organization or of any employer organization.

When we come to the contract we specifically make the same provision apply to one side that applies to the other. I hope the amendment of the Senator will be voted down.

Mr. HASTINGS. Mr. President, I am not greatly impressed with the importance of this particular amendment. I think it comes more nearly stating the facts than does the original bill. It is nothing like as important as other amendments which the minority propose to offer.

I rise at this time because of the statement made by the Senator from Nebraska, which clearly indicates that in his mind he has no faith in our good intentions with respect to these amendments or with respect to any part of this bill.

I say that that is not true. I say that the minority of the committee have worked as faithfully as we know how to work to try to get before the Senate this injunction bill and to get it in such form that it would do away with some bad practices which have grown up around injunctions growing out of labor disputes but, at the same time, would not violate fundamental principles. That is what we are seeking to do, and that is what we are earnestly seeking to do without any influence of any corporation or any employers of labor anywhere. Not a single one of them has talked to me about it. So far as I know, and so far as my State is concerned, they are not interested in it. They are interested to the same extent we are interested, however, and to the extent to which every good citizen ought to be interested, that is, to see that the fundamental principles upon which this country has been built shall not be destroyed in order that we may pass some legislation to correct evils which have grown up around the Federal courts.

I say, further, in this connection that if we do something here which weakens the courts of this country we do a great harm to the country itself. There are other provisions of this bill very much more important than this, but I want the Senate to know, and want the Senator from Nebraska to believe, that we come here earnestly to pass a bill, and we come here earnestly to pass a bill which will relieve these situations; and I do not think that during the progress of this debate we ought to stand under any such accusation as that.

Mr. NORRIS. Mr. President, I want to assure the Senator that I have no intention of charging him with bad faith, nor charging any of those who oppose this amendment with bad

faith, not in a single instance. I do not think I have done so. I do not think I have said anything that could be construed in that way. But I do say frankly that if those who are opposed to the bill we have produced, which we have here, would offer an amendment that I did not know anything about before it was offered, I would look on it differently from the way I would look upon one offered by those who were favoring the bill. That is perfectly natural. I see nothing wrong about that. I am not criticizing any Senator because he is opposed to the bill. If the Senator got any such idea in his mind, I wish he would disabuse himself of it. I do not question his good faith any more than I question mine, not a particle.

Mr. HASTINGS. May I inquire what the Senator had in mind when he made his remark about being suspicious of the approach of Greeks bearing gifts? I could not understand that in any other sense.

Mr. NORRIS. I think that explains itself, and I have explained it. If the Senator wants to put himself in the class of Greeks bearing gifts, I can not help it.

Mr. HASTINGS. That is the class the Senator put us in. That is what I am complaining about.

Mr. NORRIS. If the Senator wants to offer amendments like the ones suggested, which everybody, I think, knows are practically meaningless, I confess that I claim the right to oppose them, and I claim the right to look upon them in a different light from those amendments offered by Senators in favor of the bill I am advocating here.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Rhode Island [Mr. HEBERT].

Mr. KING. Mr. President, I think the Senator from Nebraska, if I understand him correctly, should not infer hostility to legislation because amendments to proposed legislation may be suggested.

Mr. NORRIS. I have not done that.

Mr. KING. I interpreted the remarks of the Senator to mean that.

Mr. NORRIS. I have not done that. Of course, I would not think of doing anything of the kind.

Mr. KING. There is great merit in the bill under consideration, but it is not absolutely perfect, and could be improved, in my opinion, in a number of particulars. There are amendments suggested which I think would improve some of the provisions of the bill.

Coming to paragraph (c), to which the Senator from Montana challenged attention, with all due respect to my colleagues, I am inclined to think that the Senator's position has merit. My attention had not been called to it before. The words are "both the employer and the employee." Of course, it is obvious that the employer ought to have the right to designate its own agents to confer with the representatives of labor, and I believe a proper interpretation of the proviso means that an employer would only have the right that the employee would have to select its own representatives and to organize for the purpose of carrying on the negotiations and carrying forward such measures as were necessary to adjust a controversy.

But the language employed is susceptible of the interpretation placed upon it by the Senator from Montana, and in its present form I would not be inclined to accept it. I am afraid that it would be construed to mean that employers had the right to combine, and in such a manner as would be violative of either the Clayton or the Sherman antitrust laws. So I suggest to the able Senator from Rhode Island that before voting upon it the words "both the employer and" be stricken out.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. HEBERT. Mr. President, listening to the Senator and his analysis of clause (c), I am quite sure he has overlooked the remainder of the language in that paragraph which reads "to negotiate the terms of employment." There is no violation of the antitrust law there.

Mr. WALSH of Montana. If the Senator will pardon me, I would like to interrupt him for a moment. That depends upon how far back the phrase "to negotiate" is a qualifying clause. Of course, we can assume that it means "shall have full freedom of association to negotiate the terms of employment" or "shall have full freedom of self-organization to negotiate the terms of employment" or "shall have full freedom to negotiate the designation of representatives to negotiate the terms of employment." That may be the proper construction, but upon immediate reading of it no one would think so, I am sure, because it provides for the designation of representatives of their own choosing to negotiate terms of employment which is readily understood, but "freedom to negotiate terms" is quite a different thing, because in all cases these organizations are not effected for the purpose of designating representatives to negotiate.

They are organized in the first place for mutual benefit and mutual association and mutual protection and so particularly the employer does not associate himself with others in order that he may more conveniently negotiate terms of employment, and so forth. He associates himself with other employers for the purpose of determining how best he can forward his business regardless of the relation of employees to himself. He will associate himself with others for the purpose of taking joint contracts, for instance, and many other purposes. The trade associations are organized without very much reference whatever to relations with other employers. The trade associations discuss the joint aspects of business in their particular line of industry. I do not believe it is a fair construction to say that the clause "to negotiate the terms" qualifies or modifies "freedom of association."

Mr. HEBERT. I confess I do not see how the Senator could reach any other conclusion in reading the language. What is the purpose sought in the clause "to negotiate the terms of employment"? That is the only thing mentioned here. What precedes reads, "Both the employer and the employee shall have full freedom of association"—to do what? "To negotiate the terms of employment." Then he shall have full freedom of self-organization and designation of representatives of his own choosing—to do what? To negotiate the terms of employment free from any interference, and so forth.

Mr. WALSH of Montana. But the Senator begs the inquiry. It is perfectly plain that "to negotiate the terms of employment" has immediate relation to "designation of representatives of their own choosing." We can understand that. If we take that clause out and if we read it that "both the employer and the employee shall have full freedom to negotiate the terms of employment," everybody would inquire, "What is the purpose of anything of that kind?" In other words, the ordinary reader, I submit, would dissociate "freedom of association" from the matter of negotiating with striking operatives.

Mr. HEBERT. The Senator is now thinking in terms of huge corporations and aggregations of wealth. I am thinking of the individual employer, the single man who has his little business employing a few men. He wants his property protected, and is entitled to the protection which the law guarantees to him. I am free to say that I can not read any such meaning in the language of the section as the Senator from Montana infers.

Mr. HASTINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Byrnes	Fess	Hull
Austin	Capper	Fletcher	Johnson
Bailey	Caraway	Frazier	Jones
Bankhead	Carey	George	Kendrick
Barbour	Connally	Glass	Keyes
Bingham	Coolidge	Glenn	King
Black	Copeland	Gore	La Follette
Blaine	Costigan	Hale	Lewis
Borah	Couzens	Harrison	Logan
Bratton	Cutting	Hastings	Long
Brookhart	Dale	Hatfield	McGill
Broussard	Davis	Hayden	McNary
Bulkley	Dickinson	Hebert	Metcalf
Bulow	Dill	Howell	Moses

Neely	Robinson, Ind.	Stephens	Walcott
Norbeck	Schall	Thomas, Idaho	Walsh, Mont.
Norris	Sheppard	Thomas, Okla.	Watson
Nye	Shipstead	Townsend	Wheeler
Oddie	Smith	Trammell	White
Patterson	Smoot	Vandenberg	
Pittman	Steiwer	Wagner	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

Mr. WALSH of Montana. Mr. President, I ask that the pending amendment may be stated.

The PRESIDING OFFICER. The clerk will report the amendment for the information of the Senate.

The CHIEF CLERK. On page 2, line 6, strike out all the remainder of page 2, through line 24, and insert in lieu thereof the following:

Whereas under prevailing economic conditions, a single employee is helpless in dealing with an employer, is ordinarily dependent on his daily wage for the maintenance of himself and his family, is unable to resist arbitrary and unfair treatment; and

Whereas it is essential—

(a) That he shall be free to associate with his fellow workers and to form unions which will afford him and them the opportunity to deal on a basis of equality with those by whom they are employed;

(b) That they may share equitably in the product of labor and capital;

(c) That both the employer and the employee shall have full freedom of association, self-organization, and designation of representatives of their own choosing, to negotiate the terms of employment free from any interference, restraint, or coercion in their efforts toward mutual aid or protection;

Therefore, the following definitions of, and limitations upon, the jurisdiction of the courts of the United States are hereby enacted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Rhode Island [Mr. HEBERT].

Mr. NORRIS. Let us have the yeas and nays.

The yeas and nays were ordered.

Mr. KING. Mr. President, with the construction which is placed upon the phrase "to negotiate the terms of employment," in the position which it occupies, and fearing that it may be interpreted by many as authorizing combinations in violation of the Sherman antitrust law, I would not feel like voting for the amendment. I shall, therefore, ask to be excused from voting upon the amendment.

The PRESIDENT pro tempore. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KING, when his name was called, answered "present."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is necessarily absent. Not knowing how he would vote, I withhold my vote.

Mr. THOMAS of Oklahoma (when his name was called). I inquire if the senior Senator from Illinois [Mr. GLENN] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. THOMAS of Oklahoma. I have a general pair with the senior Senator from Illinois. Not knowing how he would vote if present, I am forced to withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. BAILEY. I have a general pair with the senior Senator from New Jersey [Mr. KEAN], and therefore withhold my vote.

Mr. WALSH of Montana. I wish to announce that the senior Senator from Arkansas [Mr. ROBINSON] is necessarily absent. If present, he would vote "nay."

Mr. METCALF. I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote. Were I permitted to vote, I should vote "yea."

Mr. BINGHAM. I inquire if the junior Senator from Virginia [Mr. GLASS] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. BINGHAM. Having a general pair with that Senator, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. HATFIELD (after having voted in the negative). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. I am advised that if present he would have voted as I have voted. Therefore I feel at liberty to vote, and let my vote stand.

Mr. BARBOUR. I have a general pair with the senior Senator from Massachusetts [Mr. WALSH]. Not knowing how he would vote, I transfer that pair to the junior Senator from Maryland [Mr. GOLDSBOROUGH] and will vote. I vote "yea."

Mr. JONES. As I have announced heretofore, I have a pair with the senior Senator from Virginia [Mr. SWANSON]. I do not know how he would vote, and therefore I will have to withhold my vote. If at liberty to vote, I should vote "nay."

Mr. FESS. I wish to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Kentucky [Mr. BARKLEY];

The Senator from Delaware [Mr. TOWNSEND] with the Senator from Tennessee [Mr. McKELLAR];

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Iowa [Mr. DICKINSON] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from South Dakota [Mr. NORBECK] with the Senator from Illinois [Mr. LEWIS].

I also desire to announce that the Senator from Maryland [Mr. GOLDSBOROUGH] is necessarily absent. I am not advised how he would vote on this question.

Mr. GEORGE. I wish to announce that my colleague the senior Senator from Georgia [Mr. HARRIS] is detained from the Senate by illness.

Mr. SHEPPARD. I wish to announce that the Senator from Virginia [Mr. SWANSON] is absent in attendance on the general disarmament conference at Geneva.

I also wish to announce that the Senator from Virginia [Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], the Senator from Missouri [Mr. HAWES], the Senator from Illinois [Mr. LEWIS], the Senator from North Carolina [Mr. MORRISON], and the Senator from Nevada [Mr. PITTMAN] are necessarily detained from the Senate on official business.

Mr. HULL. I wish to announce the necessary absence of my colleague the senior Senator from Tennessee [Mr. McKELLAR] on account of a death in his family.

The result was announced—yeas 18, nays 47, as follows:

YEAS—18

Austin	Hale	Oddie	Walcott
Barbour	Hastings	Patterson	Watson
Carey	Hebert	Smoot	White
Dale	Keyes	Steiwer	
Fess	Moses	Stephens	

NAYS—47

Ashurst	Caraway	Hatfield	Nye
Bankhead	Connally	Hayden	Robinson, Ind.
Black	Copeland	Howell	Schall
Blaine	Costigan	Hull	Sheppard
Borah	Couzens	Johnson	Shipstead
Bratton	Cutting	Kendrick	Smith
Brookhart	Davis	La Follette	Thomas, Idaho
Broussard	Dill	Logan	Trammell
Bulkley	Fletcher	Long	Wagner
Bulow	Frazier	McGill	Walsh, Mont.
Byrnes	George	Neely	Wheeler
Capper	Gore	Norris	

NOT VOTING—31

Bailey	Harris	McNary	Swanson
Barkley	Harrison	Metcalf	Thomas, Okla.
Bingham	Hawes	Morrison	Townsend
Coolidge	Jones	Norbeck	Tydings
Dickinson	Kean	Pittman	Vandenberg
Glass	King	Reed	Walsh, Mass.
Glenn	Lewis	Robinson, Ark.	Waterman
Goldsborough	McKellar	Shortridge	

So Mr. HEBERT's amendment was rejected.

Mr. HEBERT. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. Beginning in line 1, on page 3, it is proposed to strike out down to and including line 14 and in lieu thereof to insert the following:

SEC. 3. Any undertaking or promise such as is described in this section, or any undertaking or promise which in any way restricts the freedom of either party thereto in the exercise of the rights, privileges, and immunities declared in paragraphs (a), (b), and (c) of the preamble of section 2 of this act, is hereby declared to be contrary to the public policy of the United States and shall not afford any basis for the granting of equitable relief by any court of the United States, including specifically every contract of employment whereby.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Rhode Island.

Mr. HEBERT. Mr. President, this is the amendment which was discussed at great length yesterday. It affects the status of the so-called "yellow-dog" contract before the courts of the United States. It will be observed that the amendment limits the operation of the bill to injunctive processes but does not reach legal proceedings; in other words, it leaves all legal proceedings out of consideration but limits the operation of this section to injunctive processes. It was thought that the language of the section as proposed in the amendment would not conflict with the cases already adjudicated by the Supreme Court in which have been considered the very contracts that are referred to in this section.

Mr. NORRIS. Mr. President, I should like to inquire of the Senator—I do not have the amendment before me—is the only change made the one which he indicates?

Mr. HEBERT. Yes.

Mr. NORRIS. Mr. President, one of the things that the majority bill does is to deny equitable or legal relief in the case of such contracts. It is not sufficient to prohibit the issuance of an injunction, for, if legal relief were permitted, as I understand this amendment provides, it would subject laboring men to lawsuits almost interminable; such suits could be commenced by the hundred; there would be a lawsuit, perhaps, against every individual, which would be pretty nearly as bad as an injunction.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Rhode Island. [Putting the question.] The Chair is in doubt.

On a division, the amendment was rejected.

Mr. HEBERT. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 24, strike out all of section 4, through page 5, line 8, and insert in lieu thereof a new section 4, as follows:

SEC. 4. No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case growing out of any labor dispute to restrain or prohibit either party thereto or their representatives in any labor organization or employer organization from doing or refraining from doing, either singly or in concert or whether in pursuance of any agreement such as is referred to in section 3 of this act or otherwise, any of the following acts:

(a) Ceasing or refusing to remain in any relation of employment;

(b) Giving, loaning, or otherwise affording strike or unemployment or other benefits or assistance;

(c) Assisting, by all lawful means, any party to such dispute in the prosecution or defense of any action or suit in any court;

(d) Giving fair publicity to the existence of, or the facts involved in, such dispute;

(e) Assembling peaceably and with due regard for the rights of others to act or to organize lawfully in the promotion of their interests involved in such dispute;

(f) Communicating any or all such intentions to others;

(g) Entering into lawful agreements to do or not to do any of the things hereinbefore specified;

(h) Inviting, persuading, or otherwise inducing without fraud, intimidation, coercion, threat, or violence, to do or to abstain from doing any of the acts hereinbefore specified.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Rhode Island.

Mr. HEBERT. Mr. President, the first change comes in paragraph (a), which in the committee bill reads as follows:

Ceasing or refusing to perform any work or to remain in any relation of employment.

The amendment would provide:

(a) Ceasing or refusing to remain in any relation of employment.

In other words, there is deleted from paragraph (a) of the majority bill the words "to perform any work."

I can not conceive, if I read that section correctly, that anyone who favors this bill would want to provide that an employee, while maintaining his relation of employment, might refuse to do any work—in other words, violating his contract of employment. This would ratify violations of contracts of employment, as I read the section.

To my mind, there is or should be no law which would prohibit an employee from ceasing the relation of employment, especially if he be employed under a contract at will; but to continue the employment and refuse to do the work for which an employee is hired is to my mind outside the question, and surely is not a thing which ought to be ratified by legislative enactment. So that provision has been changed so as to limit its operations to one who refuses to continue in a relation of employment, maintaining the right of contract, maintaining the right to cease a contractual relation.

Paragraph (b) of section 4 has been left out of the amendment of the minority, because we considered that it had been fully taken care of in section 3 of the bill.

Mr. WHEELER. Mr. President, will the Senator yield with reference to that matter?

Mr. HEBERT. I yield.

Mr. WHEELER. I think it is very important that paragraph (b) should remain in the bill, because it might be possible that the courts would hold that we had not any right to pass the previous paragraph; but surely we would have a right to say that the Federal courts should have no jurisdiction to grant an injunction in such a case. So, as a matter of fact, I think paragraph (b) is very much more important than the other one, because there may be some question as to the other paragraph, which the Senator says covers the matter, but there can be no question of law with reference to the authority of Congress to do what is contemplated in paragraph (b).

Mr. HEBERT. Mr. President, the Senator from Montana and I are in full accord upon the question of whether the Congress has a right to limit the power of injunction or the right to limit recovery in legal actions, and we had contemplated taking out the one in section 3 and leaving the other. Our amendment to section 4 was brought into harmony with our amendment to section 3.

In paragraph (e), which has not been changed materially, we have included in the amendment, which is paragraph (d) in the amendment of the minority, the word "fair" after the word "Giving."

Paragraph (e) in the majority bill reads as follows:

Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence.

This provision of the majority bill would prohibit injunctions from being issued to prevent that being done. We have modified that so as to read as follows:

Giving fair publicity to the existence of, or the facts involved in, such dispute.

And paragraph (f) of the majority bill has been amended so as to read as follows:

Assembling peaceably and with due regard for the rights of others to act or to organize lawfully in the promotion of their interests involved in such dispute.

In this language we followed the language used by the Supreme Court in a number of cases involving such disputes.

Paragraph (h) of the majority bill provides:

Agreeing with other persons to do or not to do any of the acts heretofore specified.

That we have modified so as to read:

Entering into lawful agreements to do or not to do any of the things hereinbefore specified.

Those are the material changes.

Mr. WHEELER. Mr. President, I did not understand the Senator to call attention to the fact that the amendment in subdivision (h) also adds the words "intimidation, coercion," and "threat." In other words, it leaves the law practically as it is to-day with reference to that; and that, I take it, is one of the things we are trying to correct by this bill.

Likewise, in the other amendments which the Senator has offered he says he is following the language of the Supreme Court. While, as the Senator from Nebraska [Mr. NORRIS] has pointed out, on the face of the language of the Supreme Court and of the other courts it seems perfectly harmless, yet in practice it has not worked out. The trouble with it is that when we put in the words "intimidation and coercion," which seem on the face of the matter perfectly proper to put in, the courts have so construed the words "intimidation and coercion" as to mean that if any group of people organize and go on a strike, that of itself is sufficient intimidation to warrant an injunction being granted, whether or not they do one single, solitary act other than to go on a strike.

Mr. HEBERT. Mr. President, let me remind the Senator that if this bill becomes a law the same conditions will not obtain that have existed heretofore, for the simple reason that heretofore courts have issued these injunctions ex parte and upon their own motion, whereas in the future cause will have to be shown why an injunction should be issued, and a jury trial is guaranteed. So an injunction, to issue, must be based on proofs submitted in open court.

Mr. WHEELER. Yes; but the trouble with that is that the Federal judges have the power to instruct juries to find a verdict of guilty or of not guilty, as they may see fit, even if we grant a jury trial.

Mr. HASTINGS. Not in a criminal case.

Mr. WHEELER. Yes; in a criminal case. A Federal judge has the absolute power to say to a jury to-day, "These people are guilty, and you ought to find them guilty by your verdict."

Mr. HASTINGS. That may be so; but he can not direct them to do it.

Mr. WHEELER. There is not a question of doubt about it. I have been a prosecuting attorney too many years to think that the courts can not do it. They can do it, and they do do it. I can tell the Senator of numerous instances where the court has expressly said, "This is the law, and this is the fact; and while you are not bound to follow the court with reference to the fact, in the opinion of the court you should find this man guilty," which, in effect, to all intents and purposes, means that the court instructs the jury to find the defendant guilty upon the basis of the facts.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield for just a second?

Mr. WHEELER. Yes.

Mr. ROBINSON of Indiana. And sometimes Federal judges have been known to say to the jury, just as they were retiring, "The court will be here and occupy the bench for five minutes, and at the end of five minutes the court expects the jury to be back with its verdict."

Mr. WHEELER. Oh, yes.

Mr. ROBINSON of Indiana. And they always come back within the five minutes.

Mr. WHEELER. The Federal courts to-day have it within their power to wield such a tremendous influence in the trial of cases that they can practically sway the trial jury whichever way they want to, if they see fit to do it; and, let me say, that it is not an infrequent practice for the trial judges to do that very thing.

The courts have construed the words "intimidation and coercion" to mean, practically, that if a body or group of men go on a strike that of itself amounts to coercion and amounts to intimidation. As a matter of fact, I do not think that was ever the correct interpretation, but it is the one that has been placed upon that language by the Federal courts. For that reason I am convinced that the majority of the committee were entirely right when they left that out of the language of this bill. If we put that language in, we will not be changing the present law at all, and I think we will find that exactly the same kind of practices will creep in under this law that we found creeping in under the old system.

Mr. HEBERT. Mr. President, on the other hand, there is this extreme. If I read this bill correctly, without the language in paragraph (h) of the minority report, notwithstanding there is fraud on the part of either side, either the employer or the employee; notwithstanding there is intimidation on either side to the controversy; notwithstanding there is coercion; notwithstanding there are threats; notwithstanding there is violence, they would still be entitled to the injunctive processes under this act. It did not seem to me that Congress ought to go that far in legislating.

I realize that there have been some abuses, as the Senator has well said, but we are protecting against those abuses by affording jury trials on the facts before injunctions may issue; and it has seemed to me that we had gone as far as Congress was justified in going, and that we should not remove these safeguards from the law.

Mr. KING. Mr. President, I would like to ask the Senator from Montana a question. Does he think that injunctive relief should be denied where there is intimidation and coercion? Let me illustrate, if I may. Cases have come to my attention where a large number of persons who were strikers, and some who were not, visited homes on the outskirts of a town or city, occupied by persons who had not joined the strike, for the purpose of intimidating or coercing such persons so that they would leave their employment. The conduct of the strikers and their associates was such as to create fear and terror upon the part of the families of the employees as well as the employees themselves. They were thoroughly intimidated and frightened and the health of some impaired, and in some instances they left their places of abode because of fear of physical violence. Does the Senator think there may not be such a condition of intimidation and coercion as to warrant protection to individuals by means of injunction?

Mr. WHEELER. I think there may be some instances.

Mr. KING. One other question. What does the Senator understand to be included within the words "fraud or violence"?

Mr. WHEELER. I was going to say to the Senator that I think the term "fraud and violence" would cover such a case as he has cited. I think such acts would amount to violence. I do not believe there is any question about it.

Surely no reasonable person, it seems to me, could go as far as the Federal courts have gone with reference to intimidation and coercion, because they have simply said in many cases that if a group of men go upon a strike, that amounts to intimidation, or if they hold a meeting in their hall, that that amounts to intimidation.

A committee of the Senate went into Pennsylvania to investigate conditions existing there during the coal strike and found that the courts had issued injunctions. They charged the strikers with intimidation, and prevented them from holding meetings in a church, because of the fact that they claimed that the holding of a meeting was an intimidation of the people of the town, and the other miners in the community.

Mr. KING. That decision was an outrage, of course.

Mr. WHEELER. Of course it was an outrage, and this bill is intended to cover that sort of thing. But if the provision is left in the law, then the courts will say that if strikers should meet in a church, under circumstances similar to those under which they met in a church in Penn-

sylvania, that amounts to intimidation, that that amounts to coercion.

The Senator from Rhode Island says, "But we are doing away with that, because of the fact that we are providing for a jury trial." But the Federal judge who tries a case, who hears that these people met in this church, has it within his power to say to the jury, "When they met in that church that, in my opinion, as a matter of law, amounted to intimidating the miners who wanted to go to work."

There is no question at all but that that is what the courts have done under the present law, and there is no question of doubt but that they would have the right to do it, even in a jury trial. So I say that if that is left in, then the man who goes on a strike will be left in practically the same situation in which he is to-day.

Mr. HEBERT rose.

Mr. WHEELER. Let me further say that I have had some experience in dealing with this sort of a case, both as prosecuting attorney and also as defending some of the labor unions, the American Federation of Labor and others, in my State. I have come in close personal contact with this sort of a case also as a member of the committee of the Senate investigating the coal situation in Pennsylvania.

Let me say to the Members of the Senate in all sincerity that to-day what is happening in the various large industries throughout the country is this: They are employing detectives, Field, Burns, and Pinkerton detectives. Not on one occasion but on several occasions have I had this expressly come to my knowledge.

A Burns agency, or a Field agency, or a Pinkerton agency, or some other detective agency, would send a man to join a union. Then after he got into the union the detective himself would go out and deliberately make some threat or commit some act so that the employers could go into court and get an injunction against the labor organization as a whole.

Then they would hold the labor organization responsible legally and in equity, because they would say, "This is a conspiracy," and the one act of this detective, though it was not known he was a detective, would make the whole labor organization responsible.

As I said a moment ago, not only have I seen that take place in one instance but I have seen it take place in many instances.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. LONG. Is it not a fact that there are quite a number of agencies which keep detectives and hirelings employed to go into labor unions for that very purpose?

Mr. WHEELER. I think there is no question at all about it. But I do know specifically that that has come to my own attention. I recall an instance when I was United States district attorney where the leaders of a union called off a strike. After they had called off the strike there was an agitation for a further quitting of work. They called a mass meeting, and when they called this mass meeting one man got up and said, "We should go ahead with the strike." The next day I brought him to my office and found that as a matter of fact both he and his associate were detectives, one of them of one agency and the other of another, and that they were actually promoting the strike for the purpose, I presume, of making employment for the members of their own detective agencies.

That is the unfortunate part of it. When I came to the Senate I asked that the Committee on Labor should investigate some of these detective agencies, because, in my humble judgment, they are doing more to bring about ill-feeling between the employers of labor and the laboring men themselves than almost anything else in this Nation.

The Members of the Senate can see how easy it is, under those circumstances, to say that if you leave in the provision about intimidation or coercion, for some detective in the employ of these great agencies to go out and deliberately do something which would come within the provisions of the measure, and then the union members would all be held responsible for it.

For these reasons I think we should hesitate about putting in the provision which the minority has included in its report.

Mr. ROBINSON of Indiana. Mr. President, furthermore, as the Senator from Montana well knows, the provision for a jury trial will probably bring some relief, but more imagined than real. Everybody in this Chamber who is familiar with procedure in the Federal courts knows that the jury is very apt to do precisely what it thinks the presiding judge wants it to do. Consequently I think we should do everything possible to make this provision strong, and to protect the weak whenever they come before a court, whether tried by the court or by a jury.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Rhode Island [Mr. HEBERT].

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Nebraska to respond to the suggestion made by the Senator from Rhode Island respecting line 6 on page 4? I was challenged by his observation that this apparently protects a refusal actually to perform labor while retaining the relationship of employee. What is the Senator's response to that?

Mr. NORRIS. Mr. President, I heard what the Senator said, and I did not suppose anybody would take it seriously.

The provision is that a court shall not issue an injunction to restrain a person from "ceasing or refusing to perform any work or to remain in any relation of employment." To say that a man would refuse to work and still remain in the employment of his employer seems to me perfectly foolish. He would not remain a minute. Why are Senators hunting little possible contingencies which not in a million cases will ever happen?

This is what the majority bill provides, that they shall not issue a restraining order to prevent one from "ceasing or refusing to perform any work or to remain in any relation of employment."

Does anybody question the wisdom of that? Is not that right? The minority say, "ceasing or refusing to remain in any relation of employment" would not apply if the injunction restrains some one from quitting work, which has been done dozens and dozens of times. I think it is illegal, myself. I do not think that any law ought to be necessary, but I have on my desk here seven injunctions issued by one judge, all from the same court, in which pretty nearly all of these things are restrained, and every one of these injunctions was issued without notice, without a syllable of evidence, without even an affidavit, and they show that on the face of the orders themselves. The only thing the judge had before him was the complaint, which was sworn to. That is all he had.

There are many things in the injunctions which on the face of them would not seem bad, but when we are hunting for some little thing, like saying here, "We do want to give you the right to issue an injunction to restrain people from quitting any work, or to cease any condition of employment; we are afraid that they might quit work and still remain in the employ of the corporation." I can not imagine such a condition existing, and we are hunting imaginary things.

Take this injunction. I will take one issued pretty recently. This temporary restraining order was issued on the 6th day of January, 1932. I have in my hand a certified copy of the restraining order. Let me read from it briefly:

> And now on this 6th day of January, 1932, at 4 o'clock p. m., this cause came on to be heard * * * and the complainant having exhibited his sworn bill to the Hon. Thomas W. Slick, judge of the District Court of the United States for the Southern District of Indiana, and the court now being fully advised of the premises—

And so forth.

All that was done was to exhibit to the judge the bill of complaint. It is stated in the injunction that it was sworn

to and the court issued a restraining order without any notice whatever to anybody. He did it on the 6th day of January, and it was set down for hearing in the order on the 16th day of January. During all of that intervening time those people were enjoined, one of the provisions being that they should not entice or coerce the families of those men or of some men. It extends to "all persons whomsoever" and sets up a statute which they must all obey.

What does this word "coercion" mean? The order reads that they are enjoined from "combining, conspiring, agreeing, and arranging with them and all other persons whomsoever from stopping or interfering with men or any of them," and so forth, and that they shall not visit their families, or something to that effect, and shall not "coerce," or something to that effect. It may be said that a fair interpretation of that language can not hurt anybody, but what would a willing judge do who would issue this kind of a sweeping statute that goes into force notwithstanding any State statute, notwithstanding any constitution, and without any notice to those against whom it is issued, although they must obey it? When he comes to construe the word "coercion," what would he hold it to mean? It would be for him to decide. Suppose he came to construe the word "fair." He would put upon it any construction he wanted. That has been done. As I said the other day in the course of the debate, a man hung a sign in his barber shop reading, "No scabs are wanted here." I do not mean to say that it was right for the barber to do that; I do not like it; but he was arrested for contempt, and the reason given was that it was an interference with interstate commerce. That was the ground for the issuing of the injunction in that case. He was fined $200.

We have to be careful what words and phrases we incorporate in the bill. If we leave a loophole, and one of the judges who wants to issue this kind of an injunction cares to do so, he will drive the whole court right through it. The language that would be stricken out by the amendment is on page 4, as follows:

> Giving publicity to existence of, or the facts involved in any labor dispute, whether by advertising, speaking, patrolling, or any other method not involving fraud or violence.

That is in our bill. The majority bill contains that language. Instead of that, innocent enough, not bad on its face, the minority proposes to substitute the following:

> Giving fair publicity to the existence of, or the facts involved in, such disputes.

Mr. HEBERT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. NORRIS. Certainly.

Mr. HEBERT. I wish to say to the Senator that the more we particularize in a legal enactment the more we limit. Our object was to broaden the scope of the provision.

Mr. NORRIS. That is very often true, I will say to the Senator, but in the injunctions which have been issued—and I think that is one of the reasons for the language used by the majority—many different words are used, such as "by talking, by speaking, by signs, by writing, by printing," and in one injunction which I read here the word "hint" was used. "You shall not even hint!" That was in a restraining order.

I listened with interest to the Senator from Indiana [Mr. ROBINSON] when he gave a description of what he had heard in a court where the judge said, "I am going to be here for five minutes and at the end of five minutes I shall expect you back here with your verdict." He told the jury what kind of a verdict he wanted. It is a difficult thing to legislate about, one of the most difficult things I ever undertook. It is difficult to try to meet these ingenious, devising methods by which the courts will put in any kind of construction if we give them the chance to do it.

The language of the minority amendment is "giving fair publicity." The judges would be called upon to construe the word "fair." I would not object to that as an ordinary proposition, but why put in the word "fair"? Why not say that they shall not enjoin anyone from giving publicity? I hardly know how it could be done unfairly, but in some of the injunctions where publicity was prohibited the courts have used 25 or 30 words so as to cover almost every imaginable method. We have used in prohibitory statutes the same or identical language that the courts have used in granting these injunctions. What would a judge do who, like the one to whom the Senator from Indiana called our attention, if he had to construe the word "fair" and had to act on it? He might say that anything was fair or that anything was not fair.

Perhaps I have gone beyond an answer to the question which the Senator from Michigan [Mr. VANDENBERG] asked me. In the first place, the provisions are all modified except one, and that is left out entirely. The one that is left out entirely is as follows:

> Becoming or remaining a member of any labor organization or of any employer organization, regardless of any such undertaking or promise as is described in section 3 of this act.

That is the "yellow-dog" contract. It applies to both sides. The court shall not issue an injunction in either case. I have read the provision in the bill and I have read the minority substitute. If there is no difference in them, why all the agitation to get these little changes? Some of them look fine on their face, but it must be remembered we are going far in some cases. The majority of courts and judges are above reproach as a rule, but there are some on the bench and there will probably be more on the bench who have been put there simply on the recommendation of the very corporations that appear before them and ask for injunctions. We have to guard against this minority. It is no assault on the courts in general. We have to guard against those judges who have been so willingly issuing restraining orders. We ought to hesitate to change language that has been well thought out and well worked out and given the consideration of a great many people. To change it in what might appear an insignificant particular is dangerous at this stage of the proceeding.

Mr. WALSH of Montana. Mr. President, I merely want to observe that I think the word "fair" as qualifying "publicity" is a rather ominous expression. I would like to inquire of the Senator from Rhode Island if he would regard parading through the streets with banners as being fair publicity?

Mr. HEBERT. Of course I would. I see nothing unfair about that.

Mr. WALSH of Montana. But that very thing has been enjoined.

Mr. HEBERT. Understand me, Mr. President, I am not supporting those courts which have issued unfair injunctions. I have repeatedly said I hope we may curb them.

Mr. WALSH of Montana. I merely ask the question to understand what kind of construction might be given to that expression. The court might say that was unfair publicity and accordingly issue an injunction. We can think of a number of methods of giving publicity that a court eager to issue an injunction, as many courts seem to be, would regard as not being fair publicity.

Mr. HEBERT. May I ask the Senator if, on the other hand, if there was unfair publicity, whether the court would be justified in refusing an injunction?

Mr. NORRIS. I would like to have the Senator give an instance of unfair publicity.

Mr. HEBERT. I am not trying to define it. I am simply asking the question of the Senator from Montana. I assume he has given some thought to it since he asked the specific question about what is fair publicity.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Rhode Island, on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GLENN (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. THOMAS]. If permitted to vote, I would vote "yea."

Mr. McNARY (when his name was called). Making the same announcement as before with reference to my pair

with the Senator from Mississippi [Mr. HARRISON], I withhold my vote.

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. WHEELER. On this vote I have a pair with the junior Senator from Utah [Mr. KING]. If I were permitted to vote, I should vote "nay."

Mr. BAILEY. I have a general pair with the senior Senator from New Jersey [Mr. KEAN], and therefore withhold my vote.

Mr. JONES. For the same reason given heretofore, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. BARBOUR. Making the same announcement as to my pair and its transfer on the last vote, I vote "yea."

Mr. BINGHAM. Mr. President, I inquire if the junior Senator from Virginia [Mr. GLASS] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. BINGHAM. I have a pair with that Senator, and therefore withhold my vote. If I were permitted to vote, I should vote "yea."

Mr. FESS. The Senator from Maryland [Mr. GOLDSBOROUGH] is necessarily absent. I am not advised how he would vote on this question.

I wish to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Kentucky [Mr. BARKLEY];

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Delaware [Mr. TOWNSEND] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from South Dakota [Mr. NORBECK] with the Senator from Nevada [Mr. PITTMAN].

Mr. SHEPPARD. I wish to announce that the following Senators are necessarily absent on official business: The Senator from Missouri [Mr. HAWES], the Senator from Nevada [Mr. PITTMAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Virginia [Mr. GLASS], and the Senator from Alabama [Mr. BANKHEAD].

Mr. HULL. I wish to announce that the senior Senator from Tennessee [Mr. MCKELLAR] is necessarily detained from the Senate by a death in his family.

Mr. GEORGE. I wish to announce that my colleague the senior Senator from Georgia [Mr. HARRIS] is necessarily detained from the Senate by illness.

The result was announced—yeas 16, nays 53, as follows:

YEAS—16

Austin	Hale	Moses	Steiwer
Barbour	Hastings	Oddie	Stephens
Dale	Hebert	Patterson	Walcott
Fess	Keyes	Smoot	Watson

NAYS—53

Ashurst	Coolidge	Howell	Robinson, Ind.
Black	Copeland	Hull	Schall
Blaine	Costigan	Johnson	Sheppard
Borah	Couzens	Kendrick	Shipstead
Bratton	Cutting	La Follette	Smith
Brookhart	Davis	Lewis	Thomas, Idaho
Broussard	Dickinson	Logan	Trammell
Bulkley	Dill	Long	Vandenberg
Bulow	Fletcher	McGill	Wagner
Byrnes	Frazier	Morrison	Walsh, Mont.
Capper	George	Neely	White
Caraway	Gore	Norris	
Carey	Hatfield	Nye	
Connally	Hayden	Pittman	

NOT VOTING—27

Bailey	Harris	McNary	Thomas, Okla.
Bankhead	Harrison	Metcalf	Townsend
Barkley	Hawes	Norbeck	Tydings
Bingham	Jones	Reed	Walsh, Mass.
Glass	Kean	Robinson, Ark.	Waterman
Glenn	King	Shortridge	Wheeler
Goldsborough	McKellar	Swanson	

So Mr. HEBERT's amendment was rejected.

The PRESIDENT pro tempore. The bill is still on its second reading and is open to amendment.

Mr. HASTINGS. Mr. President, I offer an amendment to section 5 of the bill.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 9, it is proposed to strike out section 5 and to insert in lieu thereof a new section, as follows:

SEC. 5. Any agreement to do or the doing of the things mentioned in section 4 of this act in concert shall not of itself constitute an unlawful combination or conspiracy, and no court of the United States shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon such ground.

The PRESIDING OFFICER (Mr. FESS in the chair). The question is on the amendment offered by the Senator from Delaware [Mr. HASTINGS].

Mr. HEBERT. Mr. President, in reference to section 5, the minority members of the committee, in the views presented by them, say:

Section 5 would leave unprotected by injunction those rights of property which are safeguarded by the provisions of the Clayton Act. In our opinion, what the sponsors of this measure have sought to accomplish by the language of section 5 is to remove from the field of restraining orders and injunctions those acts which when done by individuals are declared not to be unlawful by the provisions of section 4 and to permit the doing of them by any of the persons participating or interested in a labor dispute. In other words, groups of employees may not be enjoined on the ground of being engaged in an unlawful conspiracy or combination when they attempt to do, in concert, any of the acts enumerated in the preceding section. We are not averse to such a declaration, provided there be made a part of section 5 some provision excluding from its operation such combinations or acts or threats as are entered into for an unlawful purpose or with an unlawful intent.

It seemed to us, Mr. President, that the language of the amendment would fully protect those engaged in a labor dispute in doing all those acts which are not prohibited to individuals when they are done in concert, and I think that is the purpose of the original bill.

Mr. NORRIS. Mr. President, I want Senators to note that this amendment proposes to strike out section 5 of the original bill and to insert a new section 5. I want to read section 5 of the bill:

SEC. 5. No court of the United States shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground that any of the persons participating or interested in a labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in section 4 of this act.

Those acts are the very ones that we have just passed on and by a yea-and-nay vote have decided to retain in the bill, as follows:

(a) Ceasing or refusing to perform any work or to remain in any relation of employment;

(b) Becoming or remaining a member of any labor organization or of any employer organization, regardless of any such undertaking or promise as is described in section 3 of this act;

(c) Paying or giving to, or withholding from, any person participating or interested in such labor dispute, any strike or unemployment benefits or insurance, or other moneys or things of value;

(d) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in, or is prosecuting, any action or suit in any court of the United States or of any State;

(e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence;

(f) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;

(g) Advising or notifying any person of an intention to do any of the acts heretofore specified;

(h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

(i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified—

We have just passed on these acts. We have decided that no injunction shall be issued in the cases I have mentioned, and section 5 simply provides that such acts shall not be unlawful and shall not constitute a conspiracy when done by two or more persons. That is all section 5 proposes to do; in other words, it sustains the action we have just taken in connection with section 4 of the bill.

The amendment proposed by the Senator from Delaware, as read, looks innocent on its face. It provides:

Any agreement to do or the doing of the things mentioned in section 4 of this act in concert shall not—

Now notice—

of itself constitute an unlawful combination or conspiracy.

In other words, the court would have to find something else beside these acts, but the main reason for issuing the injunction might still be the very acts to restrain which we have said no injunction shall be issued.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I yield.

Mr. WALSH of Montana. Under the amendment a body of employees could agree to strike; that would not be a conspiracy. But if they actually did strike it might be regarded as a conspiracy.

Mr. NORRIS. Something else might be alleged. The amendment provides that any agreement to do, or the doing of the acts referred to in section 4, shall not of itself constitute a conspiracy. In other words, the majority bill provides that the acts which the Senate itself has approved shall not be enjoined, and section 5 says that it shall not be a crime or conspiracy for two or more persons to agree to do such acts; that is all section 5 provides, but the amendment says they shall not of themselves constitute an unlawful combination or conspiracy.

A willing judge could take anything else he wanted to and put with these things, and issue an injunction similar to any that have been issued in the past where a conspiracy was alleged.

Mr. HEBERT. Mr. President, we were quite in harmony with the majority on that provision of the bill if it is intended, as we think it is intended, to permit groups in a labor dispute to do in concert those things which in other provisions of the measure are permitted individuals to do. We are not unmindful, however, of the language of the Supreme Court. In Aikens *v.* Wisconsin (195 U. S. 194), Mr. Justice Holmes stated:

No act is so innocent or so constitutional in itself that it may not be a step in the execution of a criminal plot, and if it is a step in the execution of such a plot, then neither its innocence nor the Constitution can prevent the punishment of the plot by law.

Again Mr. Justice Holmes said, in the case of Vogelahn *v.* Buntner (167 Mass.), when he was on the supreme bench of that State:

That whatever may be the law in the case of a single defendant, that when a plaintiff proves that several persons have combined and conspired to injure his business, and have done acts producing that effect, he shows temporal damage and cause of action, unless the facts disclose or the defendants prove some ground of excuse or justification, and I take it to be settled, and rightly settled, that doing that damage by combined persuasion is actionable, as well as doing it by falsehood and force.

In the case of Arthur *v.* Oakes (63 Fed. Rep. 310) Mr. Justice Harlan said:

It is one thing for a single individual or several individuals each acting upon his own responsibility and not in cooperation with others to form the purpose of inflicting actual injury upon the property or rights of others. It is quite a different thing in the eye of the law for many persons to combine or conspire together with the intent not simply of asserting their rights or of accomplishing lawful ends by peaceful methods, but of employing their united energies to injure others or the public. An intent on the part of a single person to injure the rights of others or of the public is not in itself a wrong of which the law will take cognizance unless such injurious acts be done in execution of the unlawful intent. But a combination of two or more persons with such an intent and under the circumstances that give them when so combined a power to do an injury they would not possess as individuals acting jointly has always been recognized as in itself wrongful and illegal.

Again, Mr. Justice Lurton, in the case of Granada Lumber Co. *v.* Mississippi (217 U. S. 433), said:

An act harmless when done by one may become a public wrong when done by many acting in concert, for it then takes on the form of a conspiracy, and may be prohibited or punished if the result be hurtful to the public or to the individual against whom the concerted action is directed.

We have felt that the amendments which we propose fully protect employees in labor disputes against injunctions for the doing in concert of those things which are permitted to be done by individuals, and hence the amendment as it stands in the report of the committee.

Mr. BORAH. Mr. President, do I understand that the effect of the Senator's amendment is that if these things which are specified upon page 4 are done by combination, then they would be subject to restraint?

Mr. HEBERT. No; on the contrary, they would not be subject to restraint. That is the very purpose of the amendment.

Mr. BORAH. Exactly. I put the question wrongly.

Mr. NORRIS. Mr. President, let me suggest to the Senator from Idaho that I think he has misunderstood the answer of the Senator from Rhode Island, or the Senator from Rhode Island misunderstood the question.

The amendment provides that these things shall not of themselves constitute a conspiracy. If the Senator will read the amendment and compare it with the committee bill, he will see what its real object must be.

The committee bill, in section 5, says that the things enumerated in section 4, which we have already approved, shall not be a conspiracy when done in concert. The minority amendment says that they in themselves shall not constitute a conspiracy. In other words, they could be combined with other evidence, however small, and might then be regarded by the judge as sufficient to justify the issuance of an injunction.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island.

The amendment was rejected.

Mr. GEORGE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Georgia offers the following amendment: Insert in the proper place:

No court of the United States shall have jurisdiction, upon the hearing of an application for an interlocutory injunction, to grant a mandatory injunction compelling the performance of an act in any case involving or growing out of any labor dispute as herein defined.

Mr. NORRIS. Mr. President, as I understand the amendment—I think I understand it—I have no objection to it, and I think it would very materially improve the bill if agreed to.

Mr. GEORGE. I thank the Senator.

Mr. HEBERT. Mr. President, may the amendment be stated again, please?

The PRESIDING OFFICER. The clerk will restate the amendment.

The amendment was restated.

Mr. GEORGE. Mr. President, I will take just a moment to explain the amendment.

The true function of an injunction is to restrain anyway, but the practice has grown up of compelling the doing of affirmative acts; and in all labor disputes, beyond the peradventure of a doubt, an interlocutory injunction should not include the requirement that any affirmative act be done by any party to that dispute.

In many States, or at least in some States, mandatory injunctions are forbidden until final trial. This amendment simply provides that in labor disputes, as defined in this act, no court of the United States shall have the power to issue a mandatory injunction compelling an affirmative act upon an interlocutory hearing. Of course, the court would have the power in a proper case to restrain until final hearing or final trial; and in that event there is no attempt in this amendment to curb or to restrict the power of the Federal courts to grant a mandatory injunction.

Mr. WALSH of Montana. Mr. President, I suggest to the Senator that in the amendment the words "restraining

order" are omitted—"restraining order or temporary injunction."

Mr. GEORGE. At first I did include "restraining order"; but upon reading other portions of the bill and considering this amendment in connection with other portions of the bill, I had come to the conclusion that they were not necessary. Since the Senator calls my attention to the matter, however, and since I have now made this an independent section of the bill, I believe those words should be included, so I ask the privilege of amending my own amendment as follows——

Mr. LONG. Mr. President, I notice that the Senator says, "No court of the United States." The thought came to my mind whether the Senator did not intend that that should be "No inferior court of the United States."

Mr. GEORGE. Oh, yes.

Mr. LONG. The Supreme Court, as the Senator knows, could also be a court of original jurisdiction if it wanted to.

Mr. GEORGE. Yes; but not on an interlocutory hearing for injunction. I think the qualification "application for an interlocutory injunction" would cover that.

If I may be permitted to read it, the amendment that I offer is as follows, and is an independent one:

No court of the United States shall have jurisdiction, upon the hearing of an application for a temporary restraining order or for an interlocutory injunction, to grant a mandatory injunction compelling the performance of an act in any case involving or growing out of any labor dispute as herein defined.

The PRESIDING OFFICER. The Senator offers that amendment instead of the other?

Mr. GEORGE. I offer it instead of the other.

Mr. KING. Mr. President, may I have the attention of the Senator from Nebraska [Mr. NORRIS]? I ask, for information, whether in the hearings before his committee there was testimony showing that mandatory injunctions were granted in applications for restraining orders or for interlocutory injunctions in labor disputes? I know of a number of instances, but do not know what facts were brought to the attention of the committee.

Mr. GEORGE. Mr. President, may I answer the question? In many cases they have been granted. In some of the cases that were considered here when the nomination of a judge to be an Associate Justice of the Supreme Court of the United States was before the Senate, some of the injunctions affirmatively required the vacating of houses occupied by the wives and children of the strikers. It is that type of mandatory injunction that I am seeking to deny the courts the right to issue.

Mr. BLAINE. Mr. President, may I call the attention of the Senate to the injunction to which I referred the other day, issued out of the District Court of the United States for the Eastern District of Kentucy on January 28, 1932, which has this mandatory provision. It has two provisions. First, referring to the defendants:

Each of them is here and now and hereby enjoined and restrained, until the further orders of this court are made known herein, from remaining on the property of the complainant, or in any house or houses thereon.

And, second:

Each of them is now enjoined to remove from said premises with all his or her effects within 10 days from and after the 26th day of January, 1932.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. HEBERT. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 16, it is proposed to strike out entire section 6, through line 23, in the following words:

SEC. 6. No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the United States for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof.

Mr. HEBERT. Mr. President, this amendment was rather fully discussed yesterday.

Mr. NORRIS. Mr. President, I was talking when the amendment was read, and I am not informed what it is.

The PRESIDENT pro tempore. The amendment will be restated.

The legislative clerk restated the amendment.

Mr. HEBERT. Mr. President, section 6 in the majority bill sets up what the majority report says is a new rule of evidence in the law of agency. It has seemed to the minority that it sets up not only a new rule of evidence but a new rule of law of agency.

Let me read the section as it appears in the majority bill:

No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the United States for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof.

Let us assume that there is a labor dispute in charge of one man, who directs the members of an organization to do certain things; and by the doing of those things one of those agents commits an unlawful act—does injury to another. Under the provisions of section 6, as drawn in the majority bill, the principal would not be liable unless he participated in or actually authorized or ratified that act.

What is the rule of agency ordinarily? A storekeeper employs a delivery man. He drives a motor car along the highway, and, in the course of his employment, runs over a pedestrian and injures him. If he be negligent in doing that, the law imputes his negligence to the employer, and the employer is responsible if the act be committed in the course of the employment.

That is the rule of agency—*respondeat superior*. We propose to change that here; but if, again, as we have reason to believe, it was the intent of the majority to provide that a principal might not be held for contempt in the event that one of his agents violated a rule or a law or an order of the court, then we have anticipated such a contingency, and we have provided for it by combining section 6 of the majority bill with a new section 9, which I was going to offer, and which I think covers the requirements fully as well as and better than does the majority bill, and does not disturb the law of agency.

Let me read section 9 as it is proposed by the minority:

No officer or member of any association or organization and no association or organization participating or interested in a labor dispute as herein defined shall be held responsible or liable for contempt in any court of the United States for the violation of any restraining order or temporary or permanent injunction, if it appears that he did not actually participate in, or actually authorize, or actually ratify such acts.

In any such contempt proceeding if the person charged makes the claim that he did not actually participate in, or actually authorize, or actually ratify such act he shall be entitled upon demand to enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the contempt shall have been committed: *Provided*, That this right shall not apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice or to apply to the misbehavior, misconduct, or disobedience of any officer of the court in respect to the writs, orders, or processes of the court.

Mr. President, I move the adoption of the amendment.

Mr. WALSH of Montana. Mr. President, this provision of the bill has no relation whatever to proceedings for contempt. This provision of the bill is intended to protect the officers of a labor union from responding in damages for injuries to personal property done by some of the strikers, notwithstanding they had absolutely nothing to do with it and cautioned everybody to avoid anything of that character.

The principal officers of these national organizations, some of whom have accumulated some property in the course of their experience, are under the constant apprehension of having all of their property swept away by a judgment

against them for damages by reason of some injury done by some one who participated in a strike.

The trouble with the argument of the Senator from Rhode Island is that the relation between the officers of the union who are engineering the strike, and one of the strikers in a remote portion of the country, is not that of master and servant, or of employer and employee, or of agent and principal. The doctrine of agent and principal has no application to the thing. If the person perpetrating the offense, destroying the property or injuring the property or injuring the person, stands in the relation of an agent to some one else, the some one else is of course responsible for all the injury done by the agent.

The trouble about this is that it is contended that practically every strike is a conspiracy, a conspiracy to restrain trade, or a conspiracy to injure the business of some employer, and the rule is that anyone entering into a conspiracy is responsible for all damages done by any other member of the conspiracy, and that is what we are seeking to get rid of by section 6 of this bill, and that is all. As I have said, it has no relation at all to the provisions that relate to contempt.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

The amendment was rejected.

Mr. KING. Mr. President, I invite the attention of the Senator from Montana to the fact that there is some word which was inadvertently omitted which he desires to have incorporated in the bill.

Mr. WALSH of Montana. We have not reached that yet.

Mr. KING. There is nothing before the Senate, and I thought I would call the Senator's attention to it.

Mr. WALSH of Montana. I did say, Mr. President, and I should like the attention of the Senator from Nebraska, that my impression is that the words "or threatened" were inadvertently omitted from subdivision (a) of section 7. It seems to me that those words should be there.

Mr. KING. So that it would read, "That unlawful acts have been committed or threatened"?

Mr. WALSH of Montana. Yes.

Mr. NORRIS. What page?

Mr. WALSH of Montana. Page 6, line 7.

Mr. NORRIS. Mr. President, I judge the Senator was asking me about that?

Mr. WALSH of Montana. Yes.

Mr. NORRIS. Personally, I do not believe that amendment ought to be put in. It would give another opportunity for a court to go far afield in the issuing of an injunction. It will not be difficult for any of these very large corporations to get hundreds to prove, by affidavit, perhaps otherwise, hundreds of instances where somebody made a threat. It may be, as in the case in Indianapolis and some others, that the man making the threat was in the employ of the company itself.

If it were a fair contest between two equals before a judge who was unbiased, I would not object to it, but that is not what we are up against. There is a contest, unfair as between the parties to begin with, and if a corporation wants a judge, they will have a choice of five or six, in a place like Chicago, or Minneapolis, or St. Paul, or Omaha. They will pick out the judge.

The junior Senator from Utah [Mr. KING] shakes his head.

Mr. KING. I want to ask the Senator a question.

Mr. NORRIS. I have confidence in the Senator's great ability as a lawyer and a judge, as he knows. At the same time, in my reading and my study of this injunction question, I have been impressed over and over again with the willingness of a judge to issue an injunction against laboring men, when he would not do it against anybody else.

Mr. KING. Will the Senator permit a question?

Mr. NORRIS. Certainly.

Mr. KING. Permit me to ask what advantage or benefit would there be in seeking injunctive relief when the act against the commission of which an injunction was desired had already been committed? If employees or others commit a wrongful act, if they destroy property or injure persons, what is the good of getting an injunction?

Mr. NORRIS. I can imagine a case where that would be true, but I do not believe there is a Senator here who can point to a single instance where an injunction was issued in a labor dispute where there was not knowledge of the difficulty weeks before the injunction was issued. The employers waited until the last day, and then until late in the afternoon, to get the injunction, before a judge who was willing to issue it, and they issue the injunctions without a scintilla of evidence except the petition itself, which, under the law, of course, must be sworn to; and nobody has any notice.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WAGNER. I was going to suggest to the Senator that the words "and will be continued unless restrained" cover the same question as the threatening of an act of violence.

Mr. NORRIS. I think so.

Mr. WAGNER. I think that language really sufficiently covers the case.

Mr. WALSH of Montana. But it requires that the act shall first have been committed. It does not cover the case at all.

Mr. WAGNER. If there has been no violence of any kind, and some is claimed to have been threatened.

Mr. WALSH of Montana. Exactly.

Mr. NORRIS. Mr. President, I was going to call attention to a case showing the unfairness we are up against. Two cases arose, one in St. Paul and one in Minneapolis, two cities right together, one injunction being sought right after the other, within a reasonable time.

The first injunction was sought by an organization of business men. I do not know the name of the organization, but an organization of laborers was about to strike and these business men got an injunction out of the Federal court prohibiting the strike. Shortly afterwards in the other city there was a small organization of laboring men which had been boycotted by an organization of business men, just the same thing that had happened over in the other city. The laboring men said, "They got an injunction over there against us; we will get one against them. We will feed them their own medicine." But, lo and behold, when they went into court, the court denied the injunction against the business organization.

It will not be found that injunctions are issued as they are issued against laboring men, and that is one reason why the country has not been more alive to the evils which have come. These injunctions are practically limited to laboring men. They can not be gotten out of courts against anybody else, and that is what the policy stated in the legislation means when it is announced that under present economic conditions, brought about in part by governmental action—and that includes action of the courts as well as legislatures—a man standing alone is absolutely helpless against these combinations.

Mr. LOGAN. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. LOGAN. I am very much interested in this question of threatened violence. Suppose there should be such a thing as a meeting of the members of a labor union, and there should be an agreement that they would destroy a factory or a plant. Under this bill it would not be possible to enjoin that act before it had been accomplished, would it?

Mr. NORRIS. Let me tell the Senator what I think in that case he ought to do. Let us assume that the Senator and myself and others were laboring men; or suppose we were not laboring men, suppose we were just common Senators, and organized together and agreed that we would go to the home of the senior Senator from Florida [Mr. FLETCHER] to-morrow and murder him and burn his house; just make it as bad as you want to. Suppose the Senator from Florida should hear about it. Does the Senator from Kentucky suppose he would ask for an injunction against

us? What would he do? He would have us arrested; and when you get evidence that a threat has been made that men are going to commit a crime, you can have them arrested, because in any State in the Union it is a crime to make such a threat.

Mr. LOGAN. Let me pursue my inquiry a little further. I recall a case where a stave company became involved in a dispute with its men who were engaged in preparing the timber to be hauled out. The men held a meeting because of their dissatisfaction with the wages paid. There was a disagreement with the company on that point. The men struck. The company undertook to fill their places. The staves had to be hauled over a long bridge to get them to the loading place. The men simply held a little meeting and agreed that they would blow up the bridge. The only way to meet that situation was through a temporary restraining order to prevent their doing it, because it would have caused incalculable damage and would have done the men no good.

Mr. NORRIS. Why not arrest the men?

Mr. LOGAN. It is impossible to get evidence on which to arrest them in a case of that kind.

Mr. NORRIS. If it can not be done in a case of that kind, how did they get the evidence to enjoin them?

Mr. LOGAN. It is not necessary in a case of that kind in order to prevent danger to property or life. An injunction in a case of that kind is merely in order to furnish an opportunity to investigate.

Mr. NORRIS. In the particular case stated, an injunction, if it had been confined to the one thing, would not have done any special harm. It is not usually done that way in practice, however. In other words, I would not care if the Senator enjoined me from murdering some other Senator. I do not intend to do it anyway; but if he did enjoin me from committing a crime which I was about to commit, I would commit it anyway, because I might almost as well go to jail for contempt as to go to jail for murder.

Mr. LOGAN. I am in entire sympathy with the principle of the provisions set forth in the bill, but at the same time I doubt whether we ought to go so far as to establish an injunctive procedure of this nature. So far as I know, in nearly every case a threat to do an injury is ground for a temporary injunction. Is not that true?

Mr. NORRIS. Yes; that is the ordinary ground.

Mr. LOGAN. Where does the Senator provide that one may not be enjoined if the evidence discloses no more than a threat?

Mr. NORRIS. In my judgment, I will say to the Senator, if this expression goes into the bill, we will have made it possible for a willing judge to continue this kind of injunctions. On the other hand, I do not know of an instance in any of the injunctions I have read where, in my judgment, there would have been any harm if the court had required notice before he issued the injunction. If notice had been given, it would not have been necessary to wait until the last day. In the musicians' case in Chicago, where Judge Wilkerson issued an injunction, the parties had been negotiating for weeks, but the injunction was not applied for until the day before the present existing contract expired. The injunction was obtained Saturday afternoon or Saturday evening, when by the terms of the contract it expired on Sunday, restraining those people from quitting work. I suppose it was alleged, although I have not seen the petition, that those people threatened to quit work and perhaps made other threats.

In other words, it would be an easy thing for a great big wealthy corporation to show threats. If they would have to show the absolute commission of a crime or an offense or something of that kind, it would be a different proposition. It would be easy to make a showing as to threats. Men could be obtained who would testify, and probably testify to the truth. Under conditions of that kind men get excited; they are worried and frightened; some of them do not understand what it all means; some of them are uneducated. They meet some one who is engaged on the other side of the controversy, and there is a quarrel and perhaps a fight, and during that time I presume all kinds of threats are made, but the officials of the union who are going to call the strike do not know anything about it.

Mr. LOGAN. The argument of the Senator is well made were it confined to conditions as they exist before the passage of the bill; but if the bill becomes a law, then the threats of the individual members can not be imputed to the organization itself; and if an injunction should be issued, it would be against only those who have made the threats. It is a quite different situation from that which we have at the present time as compared with that which we will have if the bill passes.

Mr. NORRIS. The Senator will find that the injunction will not be confined to the ones who made the threat. There will be some irresponsible party that made the threats who is not an officer, who is not an official, who is not acting in harmony with the wishes or the commands or the requests of any of the officials. He will be the one who made the threat.

Mr. LOGAN. The Senator could get an injunction only against him under the terms of the bill.

Mr. NORRIS. If it stopped there, I would not object.

Mr. LOGAN. Does not the bill make the court stop there?

Mr. NORRIS. No; I do not think so.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. LONG. Is there anything in the bill that destroys the provision of law that any person having an opportunity for reasonable notice of the terms of the injunction which has been issued can be punished for contempt, if he violates those terms, the same as though he were one of the defendants? I do not know that I make my point clear.

Mr. NORRIS. No; the Senator did not.

Mr. LONG. In a United States court, in strike cases, an injunction is obtained against a single individual laboring man. If the injunction stopped with that individual it would be all right, but the court holds that any man living within the town who has a reasonable opportunity to have had notice is equally enjoined. He does not even have to have actual notice; he need have only constructive notice. If there is an injunction issued against John Doe prohibiting him from committing any act, then everyone else is supposed to have constructive notice and to be likewise enjoined. A merchant who published an advertisement in the paper that he does not wish to sell or credit a man connected with the strike breakers has been lodged in jail and served 30 days' imprisonment under such an injunction.

If the word "threatened" is inserted in the bill, then the gate has been thrown open. That is all a Federal judge needs for a ground upon which to issue the injunction. The threat of one man is as good as the threat of a thousand men, because under the power of a Federal court the injunction generally is not restricted to the man who is directly enjoined.

Mr. NORRIS. The Senator is correct in saying that some of the injunctions include the phrase "and to all persons whomsoever." It thus becomes a general statute. The threat may be made by one person, but everyone is enjoined.

Mr. LOGAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. Certainly.

Mr. LOGAN. While we are working on the matter, why not do something to prevent the very thing the Senator from Nebraska and the Senator from Louisiana have suggested? There is not much occasion to have legislation if this practice is going to be continued just the same.

Mr. NORRIS. I do not think it will go on unless amendments like the one now pending are incorporated in the bill. We ought to remember that a court of equity has no criminal jurisdiction. Injunctions are issued by courts of equity. Their jurisdiction is civil entirely. In one of the injunction orders which I have on my desk the defendants

are restrained from committing murder. I do not know what the facts are, but the probabilities are there was not any evidence justifying such action. There might have been a fight; somebody might have been killed; but that had not anything to do with the question of whether there should be an injunction issued. In the Debs case, where they sustained the injunction, the Supreme Court said:

> It is outside of the jurisdiction of a court of equity to enjoin the commission of crime. This as a general proposition is unquestioned. A chancellor has no criminal jurisdiction.

Threats to commit unlawful acts are crimes in themselves. It is just as easy to get the evidence in one case as in the other if the evidence is genuine. If anyone makes a threat that he is going to commit a crime or murder somebody or is going to commit arson, that threat is a crime under every State statute. He can be arrested and sent to the penitentiary for it. But unless we want to enjoin people from committing crimes that are outside of the jurisdiction of a court of equity we ought not to authorize the courts to enjoin them. That is particularly true in a case of this kind, which, in my judgment, is entirely different from the ordinary case. Where we have fair and equal parties fighting on each side and a fair tribunal to pass on their discussion it is an entirely different matter.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. Certainly.

Mr. KING. In a case of this character does the Senator think an injunction ought to be granted? I have in mind a case where some of the employees of a mining company engaged in a strike. In order that the mine might not be flooded, it was imperative that the pumps be constantly operated. My information was that those operating the pumps were either driven away or prevented from performing their work. As I understand, the strikers threatened those who sought to take their places. The result was that water flooded the mine, causing great damage to the same. Does the Senator think that no injunction should issue in a case of that kind?

Mr. NORRIS. No; I do not. I want to ask the Senator in that particular case whether an injunction was obtained?

Mr. KING. I do not think so.

Mr. NORRIS. Against whom did the injunction run?

Mr. KING. I do not think an injunction was obtained, because it was too late. The damage was done.

Mr. NORRIS. They ought to have had an injunction in that case.

Mr. KING. There was a threat to commit damage.

Mr. NORRIS. The danger of the injunction we are going to permit here is that it will not be against the perpetration of a crime or a threat to destroy a building or other property or some other crime. The danger here is that we are going to enjoin somebody who is entirely innocent. We are going to lay the foundation for these iniquitous injunctions to continue.

Mr. KING. It seems to me that because there is the possibility of a writ being too comprehensive it should not be denied, or the court stripped of power to issue it, when persons or property are threatened with injury, and the facts show that the threats will be carried into execution. Even in these cases when, under the provisions of the pending bill, injunctions may be issued, the courts' process might be too broad or too inclusive. It must be assumed that courts are not corrupt and that most if not all judges will attempt to observe their oaths of office and discharge their duties with fidelity. The Senator will recall that a street-car strike occurred in the city of Washington in 1917. There were threats, it was reported, that cars would be injured, and as I was informed several derailed and damaged. It was reported, as I was advised, that threats were made that cars would be burned. The Senate took cognizance of the matter and conducted an investigation. It would seem, when such threats were made with the evident purpose of executing them, that the courts should not be powerless to prevent the destruction of property, with the consequent injury to the owners of the property, as well as the general public. There would be but little comfort to the public or the unions if an injunction was granted after the property was injured or destroyed.

An injunction may be used for the purpose of preventing crime. An injunction may issue to prevent the publication of a threatened libel or for the purpose of protecting person or property. Yet the bill, if I interpret it correctly, would deny injunctive relief to protect life or property under any circumstances. One would have to wait until he was seriously injured or until his property was destroyed before he could obtain an injunction.

Mr. LONG. Mr. President, the bill only proposes to restrict the power of Federal courts. To begin with, it does not affect any State statute. It does not affect any State court nor any right of a State court. It only purports to restrict the power of the district courts of the United States to issue injunctions.

How do injunctions usually issue? The first thing we know a man is enjoined, usually some laboring man. I think I can make the statement based upon some experience, for as a member of the Public Service Commission of Louisiana I have had as many as 15 injunctions hanging over my head at one time and did not know just what I was enjoined from doing or enjoined to do. One could get an injunction against John Doe prohibiting him from doing or inciting or counseling or aiding or abetting—the sentence going on with half a dozen verbs or adjectives until the injunctive order finally got to the act which the man enjoined—that act which he is to be prohibited from doing.

The injunction is usually advertised in the newspapers, and while the Senator says it may be directed to "all persons," it does not have to say that. The injunction does not have to say, "John Doe and all other persons"; that does not even have to go on the face of the injunction; the injunction merely is to forbid a certain act, and when the injunction is issued there is not a man within the realm of human hearing and human circulation where that injunction is issued who is not enjoined.

I will cite a case to show how far the Federal courts have gone. In Monroe, La., when the Vicksburg, Shreveport & Pacific Railroad strike occurred there was a man named Lynch who was running a grocery store. He had received the trade of the employees of the Vicksburg, Shreveport & Pacific Railroad Co. for from 20 to 25 years. They all went out on strike. He inserted a little notice in the newspapers that he did not care for the trade at his store of any man who was brought into Monroe, La., and used as a strike breaker in order to break that strike. Lynch was immediately brought before the United States court in Shreveport, La., one hundred and some odd miles away, on the charge that he was guilty of contempt because there had been an injunction issued against certain specified employees of the Vicksburg, Shreveport & Pacific Railroad. There the court entertained jurisdiction against Lynch and several other persons because of nothing on earth except they had inserted in the newspapers a notice that they were loyal to the citizens of the town and did not care for the trade of people who came in there in order to break the strike.

We can sit up at night and write all we want into this bill, but we are still going to have plenty of difficulty keeping the ingenuity of lawyers who are seeking injunctions from finding a door wide enough to leap through. I prophesy that when we get through writing this bill we are going to find that we have got to take a spirit level and a compass and go over it again within two years, in order to keep judges from issuing about as many injunctions as they issued last year.

The bill reads in this way:

> That unlawful acts have been committed and will be continued unless restrained—

When we write into this bill a provision under which the threat to commit an unlawful act is made a ground for injunction, there will not be a single citizen in the State of Louisiana on strike in that State as to whom a Federal court has not unlimited authority to enjoin him without a hearing.

If we put in the bill a provision that a judge may issue an injunction whenever there is any unlawful act threatened, knowing that to-day there are half a dozen agencies in the United States which are advertising publicly that they will supply any information that anyone wishes in any camp of any labor union and that they have had spies in every hall where a labor union has ever met—and they have—then the threat of one of those spies will be sufficient to have the subject matter go before the court and have an injunction issue, and the Federal court will not have been restrained at all by this measure, and injunctions can issue the same as heretofore.

My friend the Senator from Kentucky [Mr. LOGAN] brings up this point: He asks, "Suppose that a number of laboring men have met and are going to blow up a bridge; what are you going to do?" Here is what you could do, I will say to the Senator: This bill will not arrest the processes of the State of Kentucky; that State will have the right to arrest them, and the right will still exist to go into the courts of Kentucky and enjoin them there. If there is such a case—and I do not think one such case will be found in forty million—but if there is such a case where the sheriff of the county will not do his duty and the police authorities of the State will not do their duty, if there is no right to arrest, then there will still remain the right to go into the courts of the State of Kentucky and have those men enjoined under the State statutes.

Everyone has realized that it is necessary, if there is to be any such thing in this country in connection with the labor unions except government by injunction, to put a curb on the Federal courts of this country in their right to issue these wide-sweeping injunctions. A judge has even been so bold as to sit in his court in Chicago and issue injunctions covering the country from the Gulf to the Pacific. If there is going to be any such thing as imposing restraint upon the Federal courts in issuing injunctions, it is going to be by letters and by terms that do not permit of evasion and equivocation. There may be some little case where perhaps it would be better if we could provide a specific exception; I do not doubt that. It may be that there is some particular isolated case where it would be better to do that; but in undertaking to do that let us not put something in the bill that is going to destroy every virtue it contains, because once we give the right to the Federal courts to issue injunctions there will be plenty of them issued.

There is one statement the Senator from Indiana [Mr. ROBINSON] made to which I wish to refer. There has been a great deal of talk about trial by jury. I myself have seen some of those trials by jury. It would be just as well to let the judge go ahead and try 90 per cent of them; in fact, the only one in which I ever remember having secured a verdict of acquittal in our last strike was one the judge tried. The jury convicted nearly everybody coming before them the whole day long, and I think the judge took pity on us and gave us a verdict of acquittal without any jury. So far as the power of the district court is concerned, under the jurisprudence of this country, the judge is practically unlimited in his right to tell the jury that a defendant is guilty or that he is innocent. In exercising their authority in various matters I have seen some Federal judges go far. I have knowledge of a case where, after we had gone through a trial and actually secured a verdict of acquittal, the judge in the district court in the western district of Louisiana, in the Alexandria division, made the poor defendant rise up and then lectured and defamed him for one hour in the Federal court, and the defendant could not open his mouth lest he would be promptly adjudged guilty of contempt and sent to jail for it.

If we are going to curb these abuses, let us not be blindfolded in doing it; let us put the proper terms in the bill; let us not leave it open so that various and sundry excuses, threats, intimidations, and force may be presented to the court. If we put this kind of provisions in the law, there is nobody who is going to be hurt; there is no right that is going to be taken away; there is no one left without a remedy. I submit that we should not weaken the effect and weaken the language of the bill.

Mr. WALSH of Montana. Mr. President, it is a matter of regret to me that I should have any difference with respect to this bill with the Senator from Nebraska [Mr. NORRIS], with whom I have worked in its preparation from the very beginning, but I feel perfectly satisfied that this was an inadvertence. It certainly was on my part, or I should have presented this matter in the committee if it had not in some way or other escaped my attention.

The only purpose of an injunction is to prevent threatened injury; that is all, except in the case of a mandatory injunction, which we are not considering here. The very bill itself, it will be observed, provides that an injunction shall issue only when injury is committed and will be continued unless restrained; that is to say, the proof must show not only that the injury is committed—that will not justify an injunction—but the proof must go beyond that and show that further injury is threatened. Whether the threatening occurs before the injury is committed or after the injury is committed, it is necessary to have the threatening in order to obtain the injunction. That is all there is to that. One is in just exactly the same peril from perjured testimony and from the testimony of spies when it comes to proving that further injury will follow by reason of threats made as he is in the first place in the matter of proving that the threats were made. A railroad company comes in and proves that their roundhouse was burned down by strikers; they can not get an injunction; in order to do so they have got to satisfy the court by some proof or other that the same people are going to burn down some other building or do them some other injury or wrong. So that one is open to exactly the same peril from the testimony of spies and perjured witnesses. Of course, we are all open to peril from perjured testimony.

Anybody can go in and give perjured testimony against any of us; we have got to take our chances on prosecutions for perjury against the man who gives the perjured testimony; we can not help that; but the point I am making is that there is no purpose at all of any injunction except to prevent threatened injury, and that would be the case whether the injury has been committed or whether it has not been committed. It is necessary to make that proof in order to get the injunction.

Mr. KING. Mr. President, will the Senator permit an interruption?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH of Montana. I yield.

Mr. KING. I ask the Senator if this amendment is not inserted would it not imperil the rights of employees who might be threatened with discharge and to prevent it may desire to invoke the injunctive power of the courts to restrain the employer from discharging them? An injunction against the employer would be of but little benefit after the employees had been discharged.

Mr. WALSH of Montana. I would not think there would be any peril there, because the master can dismiss at any time he sees fit, and no injunction could be secured against a threatened dismissal.

Mr. KING. I am not so sure about that, in view of the recent decision of the Supreme Court. For instance, take the case referred to by the Senator from New York [Mr. WAGNER]. My recollection of that case is that an injunction was obtained to restrain the employer from violating a contract and discharging his employees.

Mr. WAGNER. From threatening to abrogate a collective-bargaining agreement where the employment was for a period of months?

Mr. KING. Yes; I have citations of a number of cases where injunctions have been obtained.

Mr. WALSH of Montana. I would not think we would be obliged to legislate very extensively to take care of a situation like that.

Mr. KING. No; but I was just showing the converse of this proposition. If you can not restrain by injunction the

commission of a wrong upon the part of strikers or anybody else, can it be contended that the employer can be restrained from unlawfully discharging employees or abrogating contracts entered into with his employees?

Mr. LONG. Mr. President, will the Senator yield?

Mr. KING. I yield the floor.

Mr. LONG. Does the Senator know of any case where laboring men have received from injunctions much protection by way of preventing discharge?

Mr. KING. I do not care to argue that question now. I have said all that I care to upon this proposition at this time.

Mr. WAGNER. Mr. President, I should like to say to the Senator from Louisiana that there are several such cases. Of my own personal knowledge I know of one where a labor organization secured an injunction against an employer for threatening to abrogate a collective-bargaining agreement It is true there are not very many such cases on record. I think that was the first instance of the issuance of such an injunction in the State of New York in favor of a labor union. The reason that there are not more, I take it, is that labor organizations have always opposed the institution of suits for injunction, and therefore have not themselves indulged in the practice.

The PRESIDENT pro tempore. Is the Chair correct in understanding the Senator from Montana to offer an amendment?

Mr. WALSH of Montana. Yes; I do.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Montana.

Mr. BLAINE. Mr. President, I ask that the amendment be stated, and then I desire to discuss it briefly.

The PRESIDENT pro tempore. May the Chair have the attention of the Senator from Montana? The Chair understands the amendment to be, on page 6, line 7, after the word "committed," to insert the words "or threatened."

Mr. WALSH of Montana. No; before the word "committed."

The PRESIDENT pro tempore. The amendment is, then, to insert the words "threatened or" before the word "committed."

Mr. BLAINE. Mr. President, my view of this provision, and the view I entertain from discussions had before the subcommittee and the committee, is to the effect that paragraph (a) has no reference whatever, specifically or otherwise, to property; that paragraph (a) refers to unlawful acts, not as against property; and I call attention to the fact that not all unlawful acts are overt acts. The allegation that must be set up in order to obtain an injunction relates to some unlawful act other than an act against tangible property.

Paragraph (b) is the paragraph that protects property. The word "threat" need not be used. The act provides that certain allegations must be made, and, in order to sustain those allegations it will be necessary to obtain evidence. What evidence? Evidence showing that substantial and irreparable injury to complainant's property will follow.

We can not anticipate, now and here, what that evidence may be. I doubt if there is any Member of the Senate who can state a case. A variety of evidence may be necessary to prove that substantial and irreparable injury to complainant's property will follow; and perhaps that evidence may embrace evidence as to threats having been made. But those threats, if they constitute evidence to sustain paragraph (b), have nothing whatever to do with paragraph (a), which includes unlawful acts that may not be overt acts at all.

So, as I conceive this bill to provide, and as I understood before the committee, in obtaining an injunction to protect property, evidence would be produced, if it existed and were possible to produce it, showing that substantial and irreparable injury to complainant's property would follow unless a restraining order were issued.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. LOGAN. I should like to ask the Senator if it is not true that every fact called for in paragraphs (a), (b), (c), (d), and (e) must be established before an injunction can be granted, and that an injunction can not be granted on the basis of either of them separately?

Mr. BLAINE. Oh, there must first be, of course, a petition or complaint, and then there must be hearing of witnesses, or taking of testimony of witnesses with opportunity for cross-examination.

Mr. LOGAN. But that complaint must cover every one of those paragraphs?

Mr. BLAINE. Exactly. Not only must the complaint cover the matter but testimony must be produced in open court by witnesses, with the opportunity for cross-examination; and we can not here conceive now what evidence may exist or which may be produced to sustain the issuing of a restraining order, a temporary injunction, or a permanent injunction.

Mr. LOGAN. Mr. President, will the Senator yield further?

Mr. BLAINE. I yield.

Mr. LOGAN. There must be established, then, under this language, first the commission of some unlawful act.

Mr. BLAINE. Yes; it must be established that unlawful acts have been committed.

Mr. LOGAN. And will be continued.

Mr. BLAINE. And will be continued.

Mr. LOGAN. Then, in addition to that, it must be established that the unlawful act which has been committed, and will be continued, will cause great and irreparable injury.

Mr. BLAINE. No; the second proposition in the injunction proceeding must be an allegation and the production of testimony to the point that substantial and irreparable injury to complainant's property will follow. I do not know, and there is not anyone here who can now anticipate, what evidence may be necessary to sustain that allegation. That will depend upon each individual case. For that reason, I do not see why we should engraft upon this bill the language respecting threats.

I do not know but that a threat may be evidence, or some evidence, that there will be substantial and irreparable injury to complainant's property. I can not tell. We do not know. It may be that a threat will be material. A threat may be proven. It may be one of the elements respecting the allegation and the showing to sustain the proposition that substantial and irreparable injury to complainant's property will follow.

Mr. LOGAN. Mr. President, will the Senator yield for just one question?

Mr. BLAINE. As I understand, however, we are not writing a bill including rules of evidence.

Mr. LOGAN. What I desire to ask the Senator is on that very point. Is it the contention of the Senator that an injunction might be granted without the establishment of the fact that an unlawful act had been committed?

Mr. BLAINE. And will be continued?

Mr. LOGAN. Yes. Can an injunction be obtained under that state of facts without first establishing that an unlawful act has been committed? That must be established before it is possible to issue an injunction.

Mr. BLAINE. And that that act will be continued unless restrained. Why should an injunction issue if an unlawful act has not been committed?

Mr. LOGAN. Suppose it has only been threatened. Suppose they have said, "We are going to commit this act," and it has not yet been committed?

Mr. BLAINE. I do not think we ought to base this bill upon the proposition that somebody has a fear that somebody is going to do something. There ought to be proof that unlawful acts have taken place—they may not be overt acts at all; they may be of some other character—and that those acts will continue and that irreparable and substantial injury to complainant's property will follow, besides the other necessary allegations.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. GLENN. As I understand the Senator's position, it is that no restraining order or injunction should be granted until some unlawful act has been committed. That is the position?

Mr. BLAINE. That precedent to the commencement of this suit there must have been an unlawful act committed and an allegation that it will continue.

Mr. GLENN. Suppose that in a dispute, a controversy, a crowd forms, with the avowed purpose of marching or proceeding a considerable distance to destroy property and to destroy or injure persons. Is it the position of the Senator from Wisconsin that it would be improper to restrain or to interfere with that crowd on their way to commit this act of violence, and that the courts should be required to wait until after persons have been injured and perhaps killed, and the property unlawfully destroyed, before they could step in to protect against a condition like that?

I have in mind a case——

Mr. BLAINE. Let me answer the Senator's question. Sometimes we get so far away from the question that it becomes very uncertain just what a speaker is called upon to answer. From the description that the Senator has given, I assume that he has described a situation that in most jurisdictions implies a riot.

Mr. GLENN. No; not a riot up to that time. They meet peaceably, and they proceed on their way with the evident purpose of committing some great damage or violation of law when they arrive at their destination. Is it the idea of the Senator from Wisconsin that that crowd should be allowed to proceed, and that no action should be taken until after the damage is done which they set out to do?

Mr. BLAINE. I should say that in most jurisdictions the acts which the Senator has outlined constitute a riot if the persons have an evident purpose to do damage; and if they do, if it is unlawful, that is a matter for proof before the court. My view is that we ought not to write into this bill certain provisions that fear is the basis for injunctive process, and that we should leave that matter to the established rules of evidence and the practice that prevails generally in the respective jurisdictions.

When we engraft upon this bill language such as "threat" and "coercion" in this connection we are simply writing into the bill a rule that permits the courts to do what we are trying to prevent. I take the position which the Senator from Nebraska [Mr. NORRIS] has taken, that it would be a most unfortunate situation indeed if that language should be incorporated in the bill, because every Senator knows that when that word is incorporated in the bill and the bill becomes a law that means that all of the vicious and violent practices that obtain respecting allegations of conspiracies will obtain in every case in the future.

In our criminal practice to-day, men charged with crime under a conspiracy statute practically stand no show at all. Every rumor, the most distant rumor far removed from the case and from the defendant, is dragged in as part of the evidence to sustain a conspiracy in a criminal trial; and that is exactly what we will sanction and encourage if we write into this bill the very language that is written into most legislation of that type.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Texas?

Mr. BLAINE. I yield.

Mr. CONNALLY. I should like to ask the Senator from Wisconsin a question.

Suppose, in the case suggested by the Senator from Illinois [Mr. GLENN], that a group of people are actually threatening to do damage to property, and in the process of carrying out that threat are marching along the street in the direction of the property. Is the Senator opposed to an injunction in that case?

Mr. BLAINE. I do not know about these imaginary cases.

Mr. CONNALLY. That is not imaginary; that is an actual case. Is the Senator opposed to enjoining that sort of thing?

Mr. BLAINE. Will not the Senator state his case just as he imagines it to be? Here is a mob of people; they are furious; they are marching; they are actually proceeding toward the commission of an act.

Mr. CONNALLY. Yes.

Mr. BLAINE. Is not that an overt act?

Mr. CONNALLY. I ask the Senator if he is not in favor of enjoining that sort of thing? Overt or invert, is he in favor of enjoining that sort of proposition?

Mr. BLAINE. I do not think that proposition is involved.

Mr. CONNALLY. No; but the Senator is not in favor of an injunction to stop a threatened destruction of property.

Mr. BLAINE. Does the Senator say that it is an unlawful act?

Mr. CONNALLY. It might be, according to the jurisdiction.

Mr. BLAINE. Does he say it is an unlawful act?

Mr. CONNALLY. It is certainly an immoral one, whether it is unlawful or not, and it ought to be enjoined, if it is a threat, and is in the process of being carried out; but, as I understand the Senator, he wants to wait until after they burn down the factory or destroy the railroad, and then enjoin them.

Mr. BLAINE. I have no such conception at all.

Mr. CONNALLY. An injunction can not be made retroactive.

Mr. BLAINE. I have not made a statement from which anyone could infer that I suggested such a proposition. I say that if the case which the Senator has described is an unlawful act—and it seems to be, in his mind, an unlawful act—that is covered in this bill.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. LONG. The case mentioned by the Senator from Texas would certainly come within the criminal laws of any State I know of. I am sure the State of Texas has a law against such an act.

Mr. CONNALLY. Whether it is unlawful or not, does the Senator oppose an injunction?

Mr. LONG. It comes within the criminal law.

Mr. CONNALLY. I am not talking about that. Does the Senator oppose an injunction in that kind of a case?

Mr. LONG. I do not know what he opposes.

Mr. CONNALLY. I am speaking of the Senator from Louisiana.

Mr. LONG. The language of the measure as now written, without the amendment, would cover the case suggested by the Senator from Texas.

Mr. CONNALLY. Then the amendment will not hurt anything, if it simply does what the Senator says the bill already does. It certainly would clarify it.

Mr. LONG. The Senator would infer that that is about the only threat there could be. I am talking about threats where men meet in a hall and one says, "To-morrow morning I am going to blow up that factory."

Mr. CONNALLY. Does the Senator oppose the granting of an injunction, or would he wait until after the man blew the factory up? Does the Senator oppose an injunction against that kind of a threat?

Mr. LONG. Not against that man.

Mr. CONNALLY. The Senator would be in favor of allowing him to blow up the factory?

Mr. LONG. The Senator does not catch the point. What I was undertaking to express was this, that the injunction does not lie solely against that man.

Mr. CONNALLY. I am talking about that man. Is the Senator in favor of enjoining him?

Mr. LONG. Yes.

Mr. CONNALLY. Then there is no difference between the Senator and me on that point.

Mr. LONG. Oh, yes, there is.

Mr. WAGNER. Mr. President, I want to direct a question to the Senator from Montana [Mr. WALSH], if I may, as to whether or not a threatened act is not covered by subdivision (a) as it stands, because if I threaten to injure some one's property or person may I not commit in that very threat an unlawful act? Is not a mere threat an unlawful act, and is it not already included under subdivision (a)?

Mr. WALSH of Montana. I would say that a threat to do injury is not an unlawful act. I can not think what kind of a criminal action could be brought against a person, or, for that matter, what kind of a civil action one could bring against a person for such an act.

Mr. WAGNER. If I threaten to burn some one's house, is not that very threat an unlawful act?

Mr. WALSH of Montana. I do not think so. I have in mind an attempt to commit an unlawful act, but I have yet to learn of threats being generally, at least, made penal.

Mr. WAGNER. It might lead to a long controversy, but I am satisfied that a threat to commit an injury to personal property is an unlawful act.

Mr. CONNALLY. If it is, then there is no harm in making it clear by saying so.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 315. An act for the relief of Lemuel Simpson; and

H. R. 9203. An act to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes.

ALEXANDER M. PROCTOR—VETO MESSAGE (S. DOC. NO. 63)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read, printed in the RECORD and in the Journal at large because of the provisions of the Constitution, and also printed as a document, and referred to the Committee on Military Affairs.

The message was read, as follows:

To the Senate:

I return herewith Senate bill 2179, an act for the relief of Alexander M. Proctor.

I am advised that this bill would not operate to change the records of the War Department nor would it authorize the issue of a certificate of honorable discharge to Alexander M. Proctor, but that under its provisions Mr. Proctor would be entitled to a pension at the rate of $50 (maximum) per month under the act of March 3, 1927, known as the Indian war pension act. The relief appealed for by Mr. Proctor is for a change in his military record to an honorable discharge. This the bill does not accomplish. I am assured also that Mr. Proctor neither desires nor needs a pension. Therefore, I am returning the bill without my approval.

HERBERT HOOVER.

THE WHITE HOUSE, *February 26, 1932.*

AGRICULTURAL-CREDIT CORPORATIONS—CONFERENCE REPORT

Mr. GEORGE, on behalf of the Senate conferees, submitted the following report and moved its adoption:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 292) to authorize the Secretary of Agriculture to aid in the establishment of agricultural-credit corporations, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the Secretary of Agriculture is hereby authorized to make advances or loans to individuals, under such regulations as he may prescribe, for the purpose of assisting in forming local agricultural-credit corporations, livestock-loan companies, or like organizations, or of increasing the capital stock of such corporations, companies, or organizations qualified to do business with Federal intermediate-credit banks, or to which such privileges may be extended.

"SEC. 2. (a) No loans shall be made to individual stockholders on the capital stock of, or to create or increase the capital stock of such corporation, company, or organization in an amount in excess of 75 per centum of the par value of the capital stock of such corporation, company, or organization owned by or proposed to be subscribed to by such individual.

"(b) No loan shall be made upon the capital stock of any corporation until the Secretary of Agriculture shall find that the financial structure of such corporation is sound and unimpaired and by him approved, nor shall any loan be made upon the capital stock of such corporation until the management of such company shall be made known to and approved by the Secretary, and the Secretary shall have the right at any time to declare the indebtedness to the Government that may be created hereunder due whenever, in his judgment, the financial structure of the corporation shall become so impaired or the management become so unsatisfactory as to jeopardize the interests of the Government.

"SEC. 3. No. loan or advance shall be made to any individual upon the capital stock of or to create or increase the capital stock of any corporation, unless the paid-in capital stock of such corporation shall be at least $10,000.

"SEC. 4. To carry out the provisions of this resolution, including all expenses incurred thereunder, there are authorized to be appropriated, out of the unexpended balances of appropriations made to carry out the provisions of Public Resolution Numbered 112, Seventy-first Congress (46 Stat. 1032), as amended by the Interior Department appropriation act for the fiscal year ending June 30, 1932, and as amended by Public Resolution Numbered 120 (46 Stat. 1167), and out of the collections from loans made under Public Resolution Numbered 112, as so amended, a sum not exceeding $10,000,000, which sum shall be paid into a revolving fund. Not to exceed 2 per centum of such fund may be used for expenses of administration. All moneys received from time to time upon the repayment of any advance or loan made pursuant to this act, together with the interest, shall be paid into the revolving fund and shall thereafter be available for the purposes and in the manner hereinbefore provided."

And the Senate agree to the same.

CHAS. L. MCNARY,
E. D. SMITH,
Managers on the part of the Senate.

MARVIN JONES,
H. P. FULMER,
G. N. HAUGEN,
Managers on the part of the House.

The report was agreed to.

PROHIBITION

Mr. SHEPPARD. Mr. President, I ask to have printed in the RECORD an address delivered by me at a banquet of the Anti-Saloon League in this city on January 19, 1932.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and Gentlemen: History tells us of many efforts to accomplish the impossible. It tells us of the search for a substance called the philosopher's stone which would have the magic quality of transmuting other metals into gold. It tells us of the endeavor to devise a machine which once set in motion would operate perpetually. It tells us of efforts to shoot rockets to the moon. Lately, it has brought to light two other enterprises, most fanciful and hopeless of all—the movement for the repeal of the eighteenth amendment and the movement for intoxicating liquor while the

eighteenth amendment is in operation. Perhaps the most astounding fact is that men of wealth and business ability are found each year or every few years willing to sink hundreds of thousands of dollars in the pursuit of phantoms such as the repeal of the eighteenth amendment and the restoration of wine and beer. When you see a man fall for things like these it becomes reasonable to suppose that you could sell him an all-day sucker at 5 o'clock in the afternoon. You could sell him a hippopotamus for a household pet. Actually, a man named Pabst, the man who at one time made, or helped to make, Milwaukee famous for foam, spent a million dollars last year, or said he was preparing to spend a million dollars, to build and equip a full-fledged brewery in the confident belief that old-time beer would be legalized at this session of Congress or at an early date. I can conceive of a man building a hotel at the present time to catch the tourist trade from Mars when communication with that planet begins but my imagination and my dreams stagger at the erection of a brewery in anticipation of the return of beer. Shortly before the earth passed through the tail of Halley's comet some two decades ago there were salesmen who sold numbers of people nose and mouth guards on the theory that they would be protected from inhaling fire as they glided through that flaming appendage, but these salesmen were amateurs compared to the artists who periodically hold up and shake down these tender and unsuspecting financial "angels" of the wet burlesque. The continuance of so lavish a policy on the part of these "angels" may leave them in the position of a man in the Southwest who was described by a local poet as follows:

"His horse went dead, and his mule went lame
And he lost six cows in a poker game;
Then a hurricane came on a summer day,
And blew the house where he lived away;
An earthquake came when that was gone,
And swallowed the land the house stood on.
And then the tax collector came around,
And charged him up with the hole in the ground."

The arguments the wets advance in opposition to prohibition are almost as fantastic as the prospect of its overthrow. They tell us in one breath that there is no prohibition and then they spend hours and columns telling us of what they call the evils of prohibition. They tell us that you can go into any place in the United States and get liquor in 24 hours, not realizing that they pay a tribute to prohibition enforcement when they make such a remark, because you can go into any place in the United States and violate any other law in far less than 24 hours. They tell us that we can not make people good by law, forgetting that while we can not make people inwardly good by law we can by legislation make their outward conduct conform to the rights of others and of society. They tell us that the way to overcome evil is to give it legal existence and then to regulate it, to allow evil to operate under regulation—an argument the mere statement of which is its own refutation. In order to obtain a few hundreds of millions of revenue for the Government they would restore the liquor traffic which in order to produce such revenue would exact from the people billions of dollars for intoxicating drink, billions now going for shelter, clothing, food, support of church and education, for healthful recreation, for normal entertainment and diversion. They would multiply waste in order to tax waste—waste of morals, health, vitality—physical and mental—of the supply of capital for the fundamental needs, facilities, and comforts of mankind.

The most vicious waste brought about by the liquor traffic is the waste of income that would otherwise bring health and comfort and security to the women and children of America. The mother and the child comprise the basic group of history and society.

The love of the mother for the child transformed the savage into the civilian, the cave into the palace, the family into the state. The care of the mother for the child was the beginning of all progress, the initial point of civilization. Practically all industry and progress are traceable to that love and care. Our complex industrial life of modern times, with its myriads of iron arms and hands, its millions of laborers, its billions of capital, finds there its origin. It was the woman who in primal eras carried on her back for the nourishment of her young the game her lord had slaughtered. She thus provided the first mode of transportation. To-day the railroad and the steamship perform this function. She plowed with a stick and reaped with a knife; to-day the machines of the harvest field are among our modern wonders. She tamed and gathered the first cattle; to-day vast ranches teem with multiplying herds. She wove the grasses and the bark; to-day great edifices of stone and iron mount the skies. She crushed the grain with heavy rocks; to-day huge roller mills perform this labor. She drew crude characters on the cliffs and sands, whispered a primeval prayer; to-day universities and churches rise. All in our civilization that is permanent and pure, all that induces peace and faith and hope and progress may be traced to the exhaustless fountain of a woman's sacrifice, a woman's love. To-day that love endures, unshaken through the ages, the shield of the modern as well as the ancient home. In return for that affection we shall continue to protect its chief beneficiaries, the home, the child, from the destructive influences of alcoholic drink. In return for that affection and in behalf of the purity and welfare of our institutions we shall continue to sustain and guard that hope of freedom, that light of progress, that radiance of the ages—our dry United States.

"The poet sings of sunny France,
Fair, olive-laden Spain,
The Grecian isles, Italia's smiles,
And India's torrid plain;
Of Egypt, countless ages old;
Dark Africa's palms and dates;
Let me acclaim the land I name—
Our dry United States.

"The poet sings of Switzerland,
Braw Scotland's heathered moor,
The shimmering sheen of Ireland's green,
Old England's rock-bound shore,
Quaint Holland, and the Fatherland,
Their charms in verse relates;
Let me acclaim the land I name—
Our dry United States.

"I love every inch of her prairie land,
Each stone on her mountain's side;
I love every drop of the water clear
That flows in her rivers wide;
I love every tree, every blade of grass,
Within Columbia's gates.
The queen of the earth is the land of our birth—
Our dry United States."

EXECUTIVE SESSION

Mr. McNARY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting two nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REPORTS OF POST OFFICE COMMITTEE

Mr. McNARY (for Mr. ODDIE). Mr. President, from the Committee on Post Offices and Post Roads I report favorably several nominations of postmasters.

The PRESIDENT pro tempore. The reports will be received and go to the Executive Calendar.

Are there further reports of committees? If not, the calendar is in order.

TREATIES

The Chief Clerk proceeded to read Executive KK.

Mr. VANDENBERG. Mr. President I ask that the treaties on the Executive Calendar go over.

The PRESIDENT pro tempore. The treaties will go over.

FEDERAL FARM BOARD

The Chief Clerk proceeded to read sundry nominations to the Federal Farm Board.

Mr. McNARY. Mr. President, I ask that those go over.

Mr. TRAMMELL. Mr. President, I have noticed recently in the press reports that the Federal Farm Board has been guilty, in these times of distress, of paying salaries of $50,000 or $75,000 to employees. Under those circumstances I think we should ascertain which of these appointees are responsible for such extravagance, waste of public funds, and abuse of the rights of the taxpayers of America, and I would like to have these nominations go over until we can look into that matter.

The PRESIDENT pro tempore. Without objection, the nominations will go over.

CUSTOMS SERVICE

The Chief Clerk read the nomination of Fred A. Bradley, to be collector, customs collection district No. 9, Buffalo, N. Y.

Mr. COPELAND. Mr. President, I ask that this nomination may go over.

Mr. WATSON. Mr. President, may we have some sort of an understanding with the Senator about when he will be ready and willing to take up this nomination?

Mr. COPELAND. There are certain reports which I have asked for from the Treasury Department and the Department of Justice, and when they are ready, and I have had time to study them, I shall be glad to confer with the leader on the other side regarding a time when we may consider this nomination.

Mr. WATSON. Does the Senator think it will be very long?

Mr. COPELAND. It will be several days.

Mr. WATSON. The nomination has been on the calendar two weeks already.

Mr. COPELAND. It may be two weeks more. If the reports are voluminous, I shall have to take the time necessary to study them.

Mr. WATSON. I have no objection to the Senator having due time, of course, and I do not think the Senator would ask to have it postponed merely for the sake of postponing it.

Mr. COPELAND. I have no desire to postpone it for the sake of postponing it. I desire to postpone it for the sake of being informed, and ultimately informing the Senate regarding the matters at issue.

The PRESIDENT pro tempore. The nomination will go over.

TREASURY DEPARTMENT

The Chief Clerk read the nomination of James H. Douglas, jr., of Chicago, Ill., to be Assistant Secretary of the Treasury.

Mr. LEWIS. Mr. President, I beg to commend to the Senate the appointment of Mr. Douglas. He is a gentleman very worthy, completely so in his character, and eminently fitted in ability.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McNARY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, all postmaster nominations on the calendar are confirmed en bloc.

IN THE NAVY

The Chief Clerk proceeded to read sundry nominations for promotion in the Navy.

Mr. HALE. I move that the Navy nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, all Navy promotions on the calendar will be confirmed en bloc.

The Senate resumed legislative session.

RECESS UNTIL MONDAY

Mr. McNARY. I move that the Senate take a recess until 12 o'clock Monday.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p. m.) took a recess until Monday, February 29, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 26 (legislative day of February 24), 1932

COLLECTOR OF CUSTOMS

Carl Eastwood, of Le Sueur, Minn., to be collector of customs for customs collection district No. 35, with headquarters at Minneapolis, Minn., to fill an existing vacancy.

COAST GUARD

Ensign (Temporary) Preston B. Mavor to be an ensign in the Coast Guard of the United States, to take effect from date of oath.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 26 (legislative day of February 24), 1932

ASSISTANT SECRETARY OF THE TREASURY

James H. Douglas, jr., to be Assistant Secretary of the Treasury.

PROMOTIONS IN THE NAVY

To be captains

George H. Bowdey.
Garret L. Schuyler.

To be lieutenant commanders

John B. Barrett.
William M. Fellers.

To be lieutenant

Louis A. Drexler, jr.

To be paymasters

Murray L. Royar.
Joseph A. Rebentisch.
Maurice T. Scanlan.
Joseph Simon.
Richard D. Micou.
Miles R. Finley.
William B. Young.
Robert A. Shotwell.

To be chief electrician

Delmar H. Barnes.

To be chief machinists

Albert B. Clapp.
Harry N. Glickson.

POSTMASTERS

COLORADO

Paul P. Huston, Calhan.
Emma B. Champie, Kersey.
Lillian D. Watson, Louisville.
Leona E. Backus, Two Buttes.
James C. Wilson, Yampa.

NEW YORK

Philip W. Burdick, Old Forge.

NORTH CAROLINA

James H. Darden, Faison.

SOUTH CAROLINA

Dora C. Folk, Brunson.
David H. Taylor, Cameron.
Carl M. Norton, Estill.
Oleda H. Garrett, North Charleston.
Robert E. Ragsdale, Pelzer.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 26, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we come to Thee with no complaint; we find no fault; we trust Thy love and are sure of the way. It is very sweet, as time passes by, to look back and trace the finger of God where we saw once only the forbidding uncertainties along our pathway. Always day by day may love of country transfigure every duty and make it an exalted pleasure. O magnify the strong cardinal virtues in us and keep us aroused to wise, earnest, patriotic service. O Thou, the Christ of God, fill the world with hope. In Thee there is power to obtain justice and mercy for this tired and disappointing day. In Thy name there is more power, a thousandfold more, than in any other name in the wide world. Bind up the broken-hearted, proclaim liberty to the captives, and open the prison to them that are bound and give the garment of praise for the spirit of heaviness. Amen.

The Journal of the proceedings of yesterday was read and approved.

EMERGENCY HIGHWAY CONSTRUCTION

Mr. POU, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 163

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. J. Res. 9642, a bill "To authorize supplemental appropriations for emergency highway construction, with a view to increasing employment."

That after general debate, which shall be confined to the bill and shall continue not to exceed two hours—to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Roads—the bill shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion except one motion to recommit.

SIGNING OF PETITION TO DISCHARGE

Mr. O'CONNOR. Mr. Speaker, I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. Yesterday there was filed at the desk a petition to discharge the Committee on the Judiciary from further consideration of House Joint Resolution 208, to amend the eighteenth amendment, and the Members have been in process of signing that petition. Of the 23 Democratic Members from the State of New York, 22 Members have signed that petition. The reason that it has not been signed by the only remaining Member is that the gentleman is confined in the naval hospital. I am informed he will be there for at least three weeks. The doctors to-day said it was not even possible to move him here on a stretcher, which hardship he would be glad to endure, even at the risk of his life, to affix his name to this petition. But the doctors have positively forbidden such a hazard. I refer to the distinguished gentleman from the twenty-second district of New York, the Hon. ANTHONY J. GRIFFIN.

My parliamentary inquiry is directed, Mr. Speaker, to the question whether or not there is any possibility of having the petition sent to the naval hospital, in the custody of the Clerk or some other officer of the House, so that it may be signed by the gentleman from New York [Mr. GRIFFIN].

I call the attention of the Chair to the following sentence in Rule XXVII, clause 4:

The motion—

Which means the petition—

shall be placed in the custody of the Clerk, who shall arrange some convenient place for the signatures of Members.

We are accustomed to call it a "petition" rather than a motion and have been led to believe it must be placed on the desk in the House and must be signed at that desk. There is, however, no such exact requirement in the rule. I think, for instance, that the Clerk could have the petition signed in his office or anywhere else.

The SPEAKER. Undoubtedly the rule contemplates that petitions shall be filed at the Clerk's desk and that Members shall sign the same at the desk. It could not possibly be considered that it might be used as a sort of round robin, to be sent from place to place for the purpose of securing signatures of Members. The petition can only be signed while the House is in session. Speaker Longworth so held in the first ruling made, touching this particular matter.

It seems to the Chair that that is a consistent and sensible interpretation of the rule.

Mr. O'CONNOR. May I call the Speaker's attention to a somewhat parallel situation? Of course, as the Speaker well knows, many times a Member has been sworn in at some place other than in this Chamber. On those occasions the Speaker has deputized in writing a Member of this House to submit the oath.

The SPEAKER. That is when the House gives specific authority for that purpose. If the House desired to give specific authority that this petition may be carried to the naval hospital for the purpose of securing a signature, of course, that could be done. The House by vote can authorize that to be done; but the Chair does not think he has authority, under the rules, to permit the petition to leave the Clerk's desk, since it can only be signed while the House is in session.

Mr. O'CONNOR. Would the Chair recognize me to move that the House grant such authority?

The SPEAKER. The Chair would rather not do that.

Mr. O'CONNOR. Will the Chair recognize me to ask unanimous consent that it be done?

The SPEAKER. Yes. The Chair will recognize the gentleman to ask unanimous consent that such privilege be granted.

Mr. O'CONNOR. Mr. Speaker, I therefore ask unanimous consent that the petition now in the custody of the Clerk, to discharge the Committee on the Judiciary from further consideration of House Joint Resolution 208, to amend the eighteenth amendment, be placed in the hands of the Clerk after the close of the session of the House to-day, and shall be taken by the Clerk or some one of his deputies, or a designated Member of Congress to the naval hospital in the city of Washington to be presented to the gentleman from New York [Mr. GRIFFIN] for his signature, and shall thereafter be returned to the office of the Clerk of the House.

The SPEAKER. The Chair will state that when 145 signatures are attached to the petition, under the rule, it is referred immediately to the calendar and is printed in the Journal and the RECORD, and additional signatures are not necessary. The Chair does not know that they could be included in the petition.

Is there objection to the request of the gentleman from New York?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I have the kindliest of feeling for both gentlemen from New York, the one in the hospital and the one making the request, but I think that establishes a very unwise precedent, and I object. The motion to discharge the Judiciary Committee from the consideration of a resolution proposing to amend the Constitution of the United States is a crucial step toward legislation than which there is none other more serious and important. The signing of such motion is a legislative act, and the floor of this House is the place for all such legislative acts to be transacted. To establish such an unwise precedent might lead to others even more important. I regret that I must object to the request.

ORDER OF BUSINESS

Mr. WARREN. Mr. Speaker, my colleague the gentleman from North Carolina [Mr. POU] has just reported a rule calling for the consideration of a very important bill, which is of great interest to a large number of the membership of the House, the emergency Federal aid road appropriation. I would like to ask the gentleman from North Carolina when he intends to call up that rule for consideration?

Mr. POU. The first thing to-morrow after the disposal of any other matters on the Speaker's desk.

IMPROVEMENT OF THE FACILITIES OF THE FEDERAL RESERVE SYSTEM

Mr. STEAGALL. Mr. Speaker, I call up conference report on the bill (H. R. 9203) to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9203) to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert:

"That the Federal reserve act, as amended, is further amended by inserting, between sections 10 and 11 thereof, a new section reading as follows:

"'SEC. 10. (a) Upon receiving the consent of not less than five members of the Federal Reserve Board, any Federal reserve bank may make advances, in such amount as the board of directors of such Federal reserve bank may determine, to groups of five or more member banks within its district, a majority of them independently owned and controlled, upon their time or demand promissory notes, provided the bank or banks which receive the proceeds of such advances as herein provided have no adequate amounts of eligible and acceptable assets available to enable such bank or banks to obtain sufficient credit accommodations from the Federal reserve bank through rediscounts or advances other than as provided in section 10 (b). The liability of the individual banks in each group must be limited to such proportion of the total amount advanced to such group as the deposit liability of the respective banks bears to the aggregate deposit liability of all banks in such group, but such advances may be made to a lesser number of such member banks if the aggregate amount of their deposit liability constitutes at least 10 per cent of the entire deposit liability of the member banks within such district. Such banks shall be authorized to distribute the proceeds of such loans to such of their number and in such amount as they may agree upon, but before so doing they shall require such recipient banks to deposit with a suitable trustee, representing the entire group, their individual notes made in favor of the group protected by such collateral security as may be agreed upon. Any Federal reserve bank making such advance shall charge interest or discount thereon at a rate not less than 1 per cent above its discount rate in effect at the time of making such advance. No such note upon which advances are made by a Federal reserve bank under this section shall be eligible under section 16 of this act as collateral security for Federal reserve notes.

"'No obligations of any foreign government, individual, partnership, association, or corporation organized under the laws thereof shall be eligible as collateral security for advances under this section.

"'Member banks are authorized to obligate themselves in accordance with the provisions of this section.'

"SEC. 2. The Federal reserve act, as amended, is further amended by adding, immediately after such new section 10 (a), an additional new section reading as follows:

"'SEC. 10. (b) Until March 3, 1933, and in exceptional and exigent circumstances, and when any member bank, having a capital of not exceeding $5,000,000, has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal reserve bank or any other method provided by this act other than that provided by section 10 (a), any Federal reserve bank, subject in each case to affirmative action by not less than five members of the Federal Reserve Board, may make advances to such member bank on its time or demand promissory notes secured to the satisfaction of such Federal reserve bank: *Provided*, That (1) each such note shall bear interest at a rate not less than 1 per cent per annum higher than the highest discount rate in effect at such Federal reserve bank on the date of such note; (2) the Federal Reserve Board may by regulation limit and define the classes of assets which may be accepted as security for advances made under authority of this section; and (3) no note accepted for any such advance shall be eligible as collateral security for Federal reserve notes.

"'No obligations of any foreign government, individual, partnership, association, or corporation organized under the laws thereof shall be eligible as collateral security for advances under this section.'

"SEC. 3. The second paragraph of section 16 of the Federal reserve act, as amended, is amended to read as follows:

"'Any Federal reserve bank may make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section 13 of this act, or bills of exchange indorsed by a member bank of any Federal reserve district and purchased under the provisions of section 14 of this act, or bankers' acceptances purchased under the provisions of said section 14, or gold or gold certificates: *Provided, however*, That until March 3, 1933, should the Federal Reserve Board deem it in the public interest, it may, upon the affirmative vote of not less than a majority of its members, authorize the Federal reserve banks to offer, and the Federal reserve agents to accept, as such collateral security, direct obligations of the United States. On March 3, 1933, or sooner should the Federal Reserve Board so decide, such authorization shall terminate and such obligations of the United States be retired as security for Federal reserve notes. In no event shall such collateral security be less than the amount of Federal reserve notes applied for. The Federal reserve agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal reserve notes to and by the Federal reserve bank to which he is accredited. The said Federal Reserve Board may at any time call upon a Federal reserve bank for additional security to protect the Federal reserve notes issued to it.'"

And the Senate agree to the same.

HENRY B. STEAGALL,
C. H. BRAND,
W. F. STEVENSON,
L. T. MCFADDEN,
JAMES G. STRONG,
Managers on the part of the House.

F. C. WALCOTT,
JOHN G. TOWNSEND, JR.,
CARTER GLASS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9203) to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The first section of the House bill added a new section 10 (a) to the Federal reserve act, as amended, under which it was provided that upon receiving the consent of not less than a majority of the Federal Reserve Board any Federal reserve bank might make advances for a period not exceeding one year from the date of the approval of the bill to groups of five or more independently owned and controlled member banks if such banks had no adequate amount of eligible and acceptable assets to obtain sufficient credit accommodations through rediscounting at the Federal reserve bank.

The Senate amendment provides that such advances may be made upon receiving the consent of not less than six members of the Federal Reserve Board and removes the 1-year limitation contained in the House bill. The provision of the House bill limiting the advances in cases where the banks did not have eligible and acceptable assets to obtain sufficient credit accommodation through rediscounting is also clarified by the Senate amendment. The amendment also provides that such advances may be made to a lesser number of member banks if the aggregate amount of their deposit liability constitutes at least 10 per cent of the entire deposit liability of the member banks within the district of the Federal reserve bank from which the advances are to be obtained.

The first section of the bill as agreed to by the committee of conference provides that not less than five members of the

Federal Reserve Board must consent to the making of such advances to groups of five or more member banks and retains the provision of the Senate amendment under which a lesser number of such banks may obtain such advances if their aggregate deposit liability constitutes at least 10 per cent of that of all the member banks in the district. The 1-year limitation contained in the House bill is eliminated.

Section 2 of the House bill added a new section 10 (b) to the Federal reserve act, as amended, under which it was provided that in exceptional and exigent circumstances and for a period of not exceeding one year from the date of the approval of the bill, any Federal reserve bank might make advances to any member bank of its district if such member bank had no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations from the Federal reserve banks through rediscounting or any other method provided by the Federal reserve act other than through advances to groups of banks under the section added by section 1 of the bill and if the advance to the member bank was approved by not less than a majority of the Federal Reserve Board.

The Senate amendment provides that such advances may be made until March 3, 1934, and that they must be approved by not less than six members of the Federal Reserve Board. It also imposes the limitation that the member banks applying for any such advance must have a capital of $2,000,000 or less. The other provisions of the second section of the bill and of the Senate amendment are the same except for minor clerical changes made by the Senate amendment.

As agreed upon at the conference, this section is to remain operative until March 3, 1933, which in effect restores the time limitation contained in the House bill. It is also provided that an advance to any member bank must be approved by at least five members of the Federal Reserve Board, and that member banks having a capital of not exceeding $5,000,000 shall be eligible to apply for such advances.

Section 3 of the House bill amended the second paragraph of section 16 of the Federal reserve act, as amended, so as to provide that Federal reserve banks might be authorized to offer direct obligations of the United States as collateral security for Federal reserve notes for a period of 12 months from the date of approval of the bill if the Federal Reserve Board deemed it to be in the public interest upon the affirmative vote of not less than a majority of its members. At the expiration of the 12 months' period, or sooner if the Federal Reserve Board shall so decide, the authorization to the Federal reserve banks was to terminate and the obligations of the United States accepted as such collateral security were to be retired.

The Senate amendment extends the time for which such direct obligations of the United States may be offered as collateral security for Federal reserve notes to March 3, 1934.

At the conference it was agreed that the use of direct obligations of the United States as such collateral security should not extend beyond March 3, 1933. This in effect restores the time limitation contained in the House bill.

H. B. STEAGALL,
C. H. BRAND,
W. F. STEVENSON,
L. T. MCFADDEN,
JAMES G. STRONG,
Managers on the part of the House.

Mr. STAFFORD. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. STAFFORD. I think it is due the House to have a brief explanation of the changes in the bill as it originally passed the House and as found in the conference report. It is a matter of such moment that I think it is owing the House that some explanation be made of the essential changes.

Mr. STEAGALL. Mr. Speaker, there were but three essential points of difference considered by the conference committee. The first section of the bill provides for loans to groups of bankers. It requires that not less than five banks are necessary to form a group. There is also a provision in the bill, as reported by the conference committee, that a less number of banks than five may form a group to apply for loans, provided they have deposit liabilities amounting to 10 per cent of the total of deposit liabilities in the particular Federal reserve district. The House bill struck out the qualification that less than five members might be considered as a group to which loans could be made, but the conference committee adopted the Senate provision. The loans to groups are to be made upon their joint liability.

Mr. STAFFORD. Does the provision that less than five banks may join together in case their deposits are less than 10 per cent——

Mr. STEAGALL. Not that they are less than 10 per cent but that their deposits equal 10 per cent of the total deposits in the district.

Mr. STAFFORD. Does that provision permit those banks having a larger capital than $5,000,000 to avail themselves of the provisions of this bill?

Mr. STEAGALL. Yes. That is exactly what section 1 is designed to accomplish. Section 2 of the bill provides for direct loans to individual banks, with certain limitations. Section 1 provides for loans upon the joint liability of a group of banks. Of course, in practical effect, there will be no group organized of such banks as are permitted to apply for loans under the provisions of section 2. Section 2 of the bill provides for direct loans to any bank upon such collateral as is satisfactory to the Federal reserve bank, with the additional requirement that five members, which is a majority, of the Federal Reserve Board, shall approve the loan.

Mr. McFADDEN. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. McFADDEN. I would call the gentleman's attention to the fact that the security back of these loans can be any assets of the banks and that they do not necessarily have to come under the eligibility rule.

Mr. STEAGALL. That is quite true, and I was about to explain that. Under section 1 the Federal reserve bank may loan upon the joint liability of the group provided for. Under section 2 the Federal reserve may loan to any individual bank upon such security as the Federal reserve bank officials find to be satisfactory, provided it meets the approval of five members of the Federal Reserve Board.

There is in section 2 also the requirement that any bank applying must be shown not to have sufficient eligible paper under existing law upon which a loan may be made, and there is an additional requirement that loans made under section 2 shall bear a penalty rate of interest, amounting to 1 per cent in excess of the highest rate charged by the district reserve bank. There is in both sections 1 and 2 specific provision that no loans shall be made upon foreign securities of any character whatsoever.

Mr. BACON. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. BACON. On what theory was the limitation in section 2 placed at $5,000,000 capital, thus excluding some 62 banks?

Mr. STEAGALL. I was coming to that next. I will give the Members the entire history of the legislation in that connection. The Senate bill as introduced in the Senate provided that loans should not be made directly to individual banks under the provisions of section 2 where the capital of the bank exceeded $500,000. The Senate amended the bill so as to provide that loans should not be made under that section to banks whose capital exceeded $2,000,000. The House bill did not have any specific limitation based upon the capital stock of applying banks. We left it to the rules and regulations of the Federal Reserve Board, and subject to the other limitations and restrictions to which I have called attention embodied in section 2. The conference committee agreed upon $5,000,000 as the highest capital to be possessed by a bank applying for a loan. Of course, it was a compromise between the extreme views. It

was the thought of the committee that we should follow the fundamental purpose of this legislation, namely, the liberalization of the credit facilities of the Federal reserve bank to relieve an emergency.

I have not called attention to it, but another point of difference in the legislation, worked out in conference, was with reference to the period within which these provisions should operate. The House provision terminates the operation of section 2 and section 3 of the bill after one year. The Senate provision was that the operation terminate in two years. The agreement reached in conference limits the operation of sections 1 and 2 to a period of one year, or until March 3, 1933. So, following the theory that it was an emergency undertaking, and in view of the limitations embodied in the bill, we thought we would make it liberal as to the number of banks that would become eligible for loans under section 2. So we agreed to place the limitation as to capital stock of applying banks to $5,000,000. We raised the limit of capital requirement from $2,000,000 to $5,000,000.

I may say one word further to the gentlemen. There are many banks of $5,000,000 capital that accommodate a large number of small banks, many of them State banks. I have in mind the case of one bank that I am informed has a capital of $5,000,000 and has among its customers 75 or 80 banks, most of which are State banks, that are receiving accommodations. We let that bank come in and receive the benefits of section 2 of this bill because we see in that way an opportunity to accommodate a large number of small banks, most of which are State banks, and which do not have direct access to the facilities of the Federal reserve banks.

Mr. BACON. What happens to the State bank that is not a member of the Federal reserve system?

Mr. STEAGALL. A State bank, of course, can not obtain loans directly through the Federal reserve bank; but as I have stated, a State bank may borrow from a national bank or from another State bank that is a member of the Federal reserve system, and under the liberal provisions of section 2 of this bill such a State bank has its paper indirectly fed into the Federal reserve bank and indirectly gets the benefit of this legislation.

Mr. BACON. That is exactly the point I wanted to bring out. What happens to a State bank not a member of the Federal reserve system that may be a correspondent of a bank with a capital of over $5,000,000?

Mr. STEAGALL. They can not come in under section 2, but they come in under section 1, which permits banks of that type to form groups, just as I explained in the first part of my statement.

Mr. BACON. It seems to me that this limitation may defeat the purpose of the bill, because a bank having a capital of over $5,000,000 might not be willing to lend aid to the State bank not a member of the Federal reserve system that happens to be its correspondent and who applies to the larger bank for aid.

Mr. STEAGALL. Of course, that is possible.

Mr. BACON. My concern is with the State bank that is a correspondent of a city bank that may have a capital of over $5,000,000.

Mr. STEAGALL. That city bank would come under the provisions of section 1; and I may say that I do not believe an exception would be found where the banks that will be left out, because of the limitation which provides no loans shall be made to banks whose capital exceeds $5,000,000, will have the slightest difficulty in availing themselves of loans under section 1 of the bill. Besides, the banks that go above $5,000,000 in capital stock have now in their portfolios ample eligible paper to secure all the accommodations they will ever desire through the Federal reserve banks.

Mr. BACON. I think that is a very correct statement. The large city banks are in excellent shape—in fact, may be too liquid.

Mr. STEAGALL. That is the situation.

Mr. JONES. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. JONES. In the event one of these State banks is taken care of, would the national bank that takes care of the State bank have to assume responsibility for its paper?

Mr. STEAGALL. Oh, of course. It would already have assumed responsibility for its paper when it made the loan to the State bank in the first instance. Its attitude in that respect would not be changed at all because of its having used the paper of that bank to secure a loan through the Federal reserve. Its position would only be better because the paper of the State bank is more desirable when it can be used as a basis for loans through the Federal reserve bank.

Mr. JONES. Then the gentleman does not think that accommodating a State bank in that way will add to its burdens at all?

Mr. STEAGALL. Its burdens will be lessened, because under these provisions the security or collateral which a member bank or a national bank holds, covering loans made to State banks, under the provisions of this section, may be used as a basis for loans at the Federal reserve bank, whereas they could not be so used under existing law.

Mr. FIESINGER. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. FIESINGER. With reference to the 5-bank proposition, who passes upon their collateral? That is the thing that has been bothering me. When they offer collateral, do they themselves pass upon the collateral?

Mr. STEAGALL. Here is what the provision is in that respect: The five banks get together and form a group, and they elect a trustee, into whose hands they place the collateral put up by each bank as a protection to the entire group upon their joint liability for the loan, and the group applies to the Federal reserve bank, and the loan is made without any reference to the collateral or to any security whatever but simply upon the joint liability if satisfactory to the Federal reserve bank.

Mr. STAFFORD. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. STAFFORD. As I understand from a reading of the conference report, section 1 is permanent law and the provisions in sections 2 and 3 are temporary, being only for the period up to March 3, 1933.

Mr. STEAGALL. That is entirely correct.

Mr. STAFFORD. So it is the opinion of the conferees that at all times, whether conditions are exigent or not, the member banks of the Federal reserve system, when five banks make joint application, should be privileged to bulk their assets, if approved by five members of the Federal Reserve Board, and avail themselves of the additional credit as herein provided.

Mr. STEAGALL. Yes; it was thought that that was an entirely sound thing to do under all conditions and that it should be made permanent law, and that is what the bill embodied in the conference report provides.

Mr. Speaker, I yield one minute to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, my colleague, Mr. STEAGALL, has just pointed out to you that the provisions of this bill were entirely sound under all conditions and should be made a permanent law.

Upon the adoption of this conference report, and upon the subsequent signing of the law by the President, this country will have the direct means of completely breaking this panic and depression. I want to say to you that if the situation is not entirely relieved it will be because the men in whose hands we have placed the administration of this measure refuse to act under the broad powers that we have given them.

The responsibility for its success rests entirely upon the shoulders of those who will administer the act. We have heard much from the supporters of this administration, and

I refer particularly to the editorial support which has been given it, and which has attempted to lead the people of this country to believe that this measure was originated in the minds of the President and his advisers. These same men should now make it perfectly clear that the responsibility of the administration of this act can not be divided with the Democratic Party, but that they must assume the whole burden.

However, I can not allow these statements of origin to go unchallenged, for the very provision of this act which is being held up to the country as being the one provision which is sure to lift us from the depression is not only of Democratic origin but has been advocated by Democrats for more than 30 years, and in order that there can be no confusion in the minds of anyone I submit the following legislative history, which has been taken from the CONGRESSIONAL RECORD and which can not be effectively disputed by anyone, however partisan he may be.

Obviously the measure bears the names of two Democrats, Senator GLASS and Representative STEAGALL.

On page 2429 of the CONGRESSIONAL RECORD, February 25, 1908, there appears a letter addressed to Hon. Robert L. Owen by Hon. James K. Jones, who was a Member of the United States Senate in the year 1900. It reads in part as follows:

> I inclose copy of the amendment which I offered to the financial bill on February 6, 1900 (CONGRESSIONAL RECORD, p. 1534).
>
> You will of course, recall the fact that you prepared the original draft of this proposed amendment, which I introduced in almost, if not exactly, the form submitted by you. * * * If that amendment had been adopted at that time, and it had been written in the law, it would, in my opinion, have prevented the late panic. [Refers to panic of 1907.]

The amendment referred to in this letter also appears on page 2429 and provides that emergency currency could be issued against United States Government bonds, under a penalty requiring contraction when the emergency was over.

This amendment, when offered to the Senate in 1900, was turned down by the Republican Senate without a record roll call.

Subsequently, a Republican Senate in 1908 refused to consider the same provision in connection with the Vreeland-Aldrich bill before the Senate at that time, when it was presented by Senator Robert L. Owen (Democrat, Oklahoma).

On March 25, 1908, Senator Robert L. Owen first made the demand for the National Monetary Commission whose work preceded the Federal reserve act. (CONGRESSIONAL RECORD, p. 3874.) His demand was accepted by Senator Aldrich, then in charge of the Vreeland-Aldrich bill.

On January 4, 1932, I introduced H. R. 6704, providing for an emergency circulation fund, safeguarded against inflation by 5 per cent interest charge and 10 per cent forfeiture. (CONGRESSIONAL RECORD, p. 1277.)

On January 5, Hon. DAVID I. WALSH introduced the same bill in the Senate. (CONGRESSIONAL RECORD, p. 1290, S. 2675.)

On February 15, Hon. HENRY B. STEAGALL, in addressing the House concerning the provisions of H. R. 9203, stated as follows:

> A similar bill, in principle, has been before the Banking and Currency Committee of the House for some weeks in the form of a measure introduced by the able and distinguished gentleman from Maryland [Mr. GOLDSBOROUGH], and other bills of similar purpose and principle, one of which was introduced by the distinguished gentleman from Illinois [Mr. KELLER], who is a student of economic questions, and whose views are held in high regard. (CONGRESSIONAL RECORD, p. 3963, February 15, 1932.)

Hon. HENRY T. RAINEY, Democratic floor leader, in his remarks on H. R. 9203 (CONGRESSIONAL RECORD, p. 4136, February 15, 1931), said in part as follows:

> It is the same principle introduced by a Democratic Senator from Oklahoma, the Hon. Robert L. Owen * * *. It is the same principle as the bill introduced by the Hon. James K. Jones when he was chairman of the Democratic National Committee and Democratic leader of the Senate * * *. This is the identical provision in principle with that set forth in the bill H. R. 6704, by Hon. KENT E. KELLER, of Illinois, on January 4, 1932. Congressman KELLER is a Democrat.
>
> The only substantial difference between section 3 and the bill introduced by Congressman KELLER is that the Keller bill dealt with the matter without red tape and authorized the Treasury notes to be issued direct to any bank, corporation, or individual up to 90 per cent of the face value of the bonds, an interest charge of 5 per cent, payable to the Treasury, and a forfeiture of 10 per cent if the currency was not returned within 12 months. The Keller bill offers to the public a wider and better distributed relief.
>
> * * * The country can now be congratulated for this Democratic doctrine becoming effective. It took a terrifying depression to twist this concession out of the Republicans.
>
> Perhaps the exigency of the pending campaign and the absolute necessity for getting some reaction may have facilitated the consent of the administration. It is certain that during the last month the administration leaders have expressed their vigorous disapproval of bond-secured currency and, having sworn they never would consent, consented.

Subsequently Senator JOSEPH T. ROBINSON of Arkansas directed the attention of the United States Senate to the legislative history of a Democratic doctrine then about to be enacted into law and brought to fruition at the insistence of a Republican administration to save them and the country from an impending disaster, so very apparent to every citizen of the country. (CONGRESSIONAL RECORD, pp. 4223–4224, February 18, 1932.)

In conclusion, permit me to point out to you that my fear that the administration of this measure in the fullest interest of the country is well grounded and is based on the expressed disapproval of the provisions of this measure by the very men who are charged with its administration. In support of this I direct your attention to page 4328 of the CONGRESSIONAL RECORD of February 19, 1932, to the letter of Hon. Eugene Meyer addressed to Hon. DAVID I. WALSH, which clearly states his objections to the principle of bond-secured currency, the identical principle contained in section 3 of the Steagall-Glass bill and without equal safeguards. I therefore repeat that if this bill is administered sympathetically that the back of this greatest of all panics will be speedily broken.

Let it therefore be remembered that whatever the extent of the benefits under this act may be, it will be in direct proportion to the liberality and intelligence or the lack of these qualities shown in its administration.

If this bill had been thought of and enacted during the Seventy-first Congress immediately following the stock crash of October–November, 1929, it would have exerted an immediate curative effect, and the unemployment and suffering for the last two years would have been largely mitigated.

If the American people wish to enjoy in full measure the benefit of a Democratic doctrine, they should put the Democrats in control and let them administer the Federal reserve act, which they certainly originated, and so well administered that there was but one bank failure in the last year of Democratic control, whereas in the last two years there have been 3,635 bank failures, a record which should make even the Republican leaders blush with shame.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

HOMESTEAD LANDS

Mr. EVANS of Montana. Mr. Speaker, I call up the bill (H. R. 268) to excuse certain persons from residence upon homestead lands during 1929, 1930, and 1931 in the drought-stricken areas, with Senate amendments.

The Clerk read the title and the following Senate amendments:

> Page 1, line 4, strike out "years 1930 and" and insert "year 1929, 1930, or."
>
> Page 1, line 4, strike out "necessary" and insert "necessary, or during 1932 should find it necessary."
>
> Page 1, line 6, strike out "and" where it appears the second time and insert "or."
>
> Page 1, line 8, after "register" insert "of the district."
>
> Page 2, line 1, strike out "1930 and 1931" and insert "1929, 1930, 1931, and 1932."
>
> Amend the title so as to read: "An act to excuse certain persons from residence upon homestead lands during 1929, 1930, 1931, and 1932, in the drought-stricken areas."

The Senate amendments were agreed to.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9699, the Treasury and Post Office Departments appropriation bill; and pending that, with the permission of the Speaker, I want to make a statement to the House. The gentleman from Illinois [Mr. ARNOLD], who has charge of the time, tells me that he has requests for time. I do not know just how much time the gentleman from Indiana has requests for.

Mr. WOOD of Indiana. About two hours.

Mr. BYRNS. It is evident, if all time is taken, that we can not conclude the general debate on the bill to-night unless we sit until a very late hour in the session. We are anxious to have general debate close to-day if we can. I merely wanted to make the statement and to say to Members, particularly on this side, that there is no disposition to cut anybody off, but there is another appropriation bill to follow, and another to follow that, and another to follow that, and unless it is extremely urgent, they might defer their speeches to the next appropriation bill. I make that suggestion with no idea of cutting anybody off in general debate.

Mr. TILSON. Will the gentleman yield for a suggestion?

Mr. BYRNS. I yield.

Mr. TILSON. Would it not be a good idea to get the permission of the House for Members to extend their remarks in the RECORD? Later in the day, when there are very few on the floor, as sometimes happens, if Members had leave to extend their remarks, they might do so, and consequently take very little time. They might curtail the remarks delivered on the floor if they have permission to extend them in the RECORD.

Mr. BYRNS. I have no objection to that. Mr. Speaker, I ask unanimous consent that all Members who speak on the bill may have five legislative days from the date of the passage of the bill in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Tennessee.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. HOWARD in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read the title of the bill.

Mr. ARNOLD. Mr. Chairman, I yield myself 30 minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for 30 minutes.

Mr. ARNOLD. Mr. Chairman and ladies and gentlemen of the committee, we have before us for consideration at this time the Treasury and Post Office Departments appropriation bill. Those of us who have sat in this subcommittee and listened to the evidence presented have had a very pleasant task, and at the same time it has been a rather strenuous one and one filled with grave responsibility.

We all realize the fact that the condition of the Treasury is such that it is absolutely necessary for us to pare down appropriations to the very lowest possible point, where it will not interfere with the ordinary functioning of the governmental departments.

With that object in view we have reduced the appropriation under the 1932 appropriation something over $44,000,000. We have reduced the appropriations carried in this bill something over $22,000,000 under the Budget estimates. We are aware of the fact that in doing so it was necessary to curtail some activities in these departments, and yet the committee feels that the curtailments have not been to such an extent as to interfere with the proper functioning of these departments.

We are faced with a very, very serious situation, so far as the Treasury is concerned. With a deficit of something like $900,000,000 for the fiscal year 1931, with a deficit something over $2,000,000,000 for the fiscal year 1932, and with an estimated deficit of something over $1,200,000,000 for the fiscal year 1933 the task of balancing the Budget is a most difficult one. It becomes necessary for us as Members of Congress to do everything within our power to bring our expenditures and our receipts a little more nearly in balance.

That matter can not be accomplished entirely through retrenchment in appropriation bills. It would be absolutely impossible to reduce appropriation bills to the extent of taking care of this deficit that faces us for 1933. It is necessary to operate at both ends, not only to reduce appropriations to the very limit but to devise means through taxation methods and legislation that will help to bring the Budget more nearly in balance, and, of course, we know that it hurts both ways. Retrenchment pinches, but it does not pinch quite as badly as the imposition of additional taxes. When the tax bill comes from the Ways and Means Committee and we see what is necessary to face in that tax bill, it is going to hurt much more than the retrenchment we are trying to make in our appropriations.

The gentleman from Tennessee [Mr. BYRNS] made a wonderful exposition of this bill yesterday, and it is not my purpose to undertake to discuss the bill as a whole. There are two or three features of this bill that I want particularly to call your attention to, not that we will be able to do any more than has been done in the bill, but more with the idea of calling attention of the Congress to the advisability of remedial legislation, and calling it to the attention also of the Committee on Merchant Marine, Radio, and Fisheries, and the Committee on the Post Office and Post Roads with a view to bringing out some legislation that will remedy these conditions of which I speak.

In this bill we carry $38,816,000 for ocean mail. That amount is an increase of $2,216,000 over and above the appropriations made for the fiscal year 1932. The $2,216,000 is due to the fact that under the Merchant Marine Act passed here in 1928, the Postmaster General is given authority, carte blanche, to contract for the carrying of ocean mail without limit and without stint, except as to speed and tonnage of vessels employed in that service. He can enter into as many contracts as he wants to enter into, he can enter into contracts with as many competing lines as he wants to, he can enter into contracts for carrying mails whether there is mail to carry or not. The only limitation there is in that law is the amount per mile that he may contract to pay for mail space, based on the speed of vessels and their tonnage. I am not censuring the Postmaster General, and anything that I may say here to-day I do not want to be understood as a censure of the Postmaster General or his department in any way. In my opinion, however, we have placed entirely too much power in the hands of any one man. We have authorized and empowered the Postmaster General to enter into these contracts and bind the Appropriations Committee and the Congress in such a way that makes it absolutely necessary for us to make these appropriations to fulfill the contracts made by the department, whether we want to do it or not.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. PARSONS. For how many years at a time are these contracts entered into?

Mr. ARNOLD. Ten-year contracts.

Mr. PARSONS. The statement was made yesterday by the gentleman from Tennessee [Mr. BYRNS], with reference to air mail contracts that many of those were expiring, and they were getting much better rates now, at least that some of the air lines had come in and offered to take contracts for half of what they are paying now. Will that same thing apply to the ocean mails?

Mr. ARNOLD. It does not apply to the carriage of ocean-going mails. We find ourselves confronted with this situation. Forty-four contracts have been entered into by the Postmaster General with adjustable rates of compensation

based on speed and tonnage, obligating this Government to pay by way of subsidy $18,911,474.60 for the fiscal year 1931. In other words in 1931 it cost this Government almost $19,000,000 more to carry the ocean mail than it would cost on a poundage basis for the carrying of that mail. It is a pure, unadulterated subsidy, with the power and authority vested in one man to make contracts and obligate the Government to an unlimited extent and when the contracts are made, it is an obligation of the Government, for which we can not refuse to appropriate. If we should refuse to appropriate the money for the fulfillment of those contracts, the contracting party can go into the Court of Claims, bring suit against the Government, and, of course, recover.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. KELLER. Is there any provision in this bill for subjecting these contracts given out by the Postmaster General to the supervision of the Comptroller General?

Mr. ARNOLD. All of these contracts, of course, are under the supervision of the Comptroller General. As far as the Comptroller General could go is to see whether or not the Postmaster General has exceeded his authority given him by the law.

Mr. KELLER. Does he have no right to inquire into how the contracts are given and why?

Mr. ARNOLD. I do not think he would have that authority. The question for him to determine is whether or not these contracts are authorized by law; and if the contracts are authorized by law, necessarily he must approve the payment of the money due under the contracts.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. TILSON. The gentleman has been fair, as he should be, to the Postmaster General. He admits that this important official has done no wrong in connection with these contracts. Is it not a fact that under the policy established by the Congress the Postmaster General is authorized to and is actually carrying out what the gentleman characterizes as a pure subsidy? It is a subsidy, but a legitimate subsidy, in order to maintain the merchant marine. It costs a few millions of dollars, but at that it is much less expensive than for the Government itself to run the ships by the Shipping Board or any other governmental agency.

Mr. ARNOLD. I am very glad the gentleman mentioned that proposition. As I stated a moment ago, I do not censure the Postmaster General. It was claimed before our committee, which the hearings will show, that proposals for bids were put out by the Post Office Department in at least one instance in such a way that only a certain favored company could bid. The particular instance that I call attention to, and you will find it in the hearings, is the so-called Seatrain Corporation. That is a concern that was engaged, or expected to be engaged, in shipping between New Orleans and Habana, Cuba. They had a vessel that was built in England, a company that was incorporated under the laws of the Dominion of Canada, American capital, it is true. The vessel was built or construction work on the vessel begun before the dead line fixed in the law for the construction of vessels in this country, and it had a 90-car capacity for carrying railroad cars between the ports that I have mentioned.

Another company, the Flagler interests, was engaged in a line of traffic that had ships of 40-car capacity. The proposal for bids that went out specified only 90-car capacity. That made it absolutely impossible for the Flagler interests to bid on a contract of that kind. They complain that they were not given a fair chance. Under the merchant marine act money is advanced by the Government through the Shipping Board for the construction of new vessels. An interdepartmental committee, composed of the chairman of the Shipping Board, the Secretary of Commerce, the Secretary of the Navy, and the Postmaster General, pass on the advisability, kind, and character of ships to be built. The Government advances 75 per cent of the cost of the construction of these vessels, and the Post Office Department gives them a subsidy contract under the guise of carrying the mail. Under that provision a number of vessels have been built and are being built now, but the program already begun under this law is fast reaching the point where it will cost this Government $30,000,000 a year by way of subsidy for space for carrying mail, whether there is any mail to carry or not. I submit the Congress should have the right and power and authority to determine to what extent we are going to subsidize our merchant marine and not have delegated that authority.

Mr. GLOVER. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. GLOVER. Can the gentleman tell us how much of the present postal deficit is due to this abuse which the gentleman has spoken of?

Mr. ARNOLD. The cost-ascertainment committee for the fiscal year 1931, as I say, listed this differential as $18,911,474.60

Mr. FREAR. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. FREAR. What do other countries do in this direction; that is, in the line of subsidy and mail contracts to help their merchant marine, if anything?

Mr. ARNOLD. I can not tell the gentleman just how the matter is handled by other countries. I know that other countries do subsidize their merchant marine. I think it is proper that we should subsidize our merchant marine within due limits, but I think that the Congress of the United States should have retained within its own power the right to say to what extent we are going to subsidize, and not place the matter in the hands of one individual.

Let me repeat, I am not charging that the Postmaster General is guilty of malfeasance in office. As far as the Committee on Appropriations is concerned and as far as Congress is concerned, we are blown about like straws before the wind, absolutely unable to help ourselves.

Mr. PARSONS. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. PARSONS. Does the gentleman not believe, if we are going to subsidize ocean-going ships and air service, it should be done out of some other fund and not be chargeable to the deficit in the Postal Department?

Mr. ARNOLD. A law was passed by Congress in 1925 authorizing a method of accounting in the Post Office Department, segregating the purely postal revenue and expenditure items from other items. Permit me to say that the total distributable loss from all sources in the Post Office Department—that is, the excess of expenditures over revenue—is $146,545,199.72. There are certain items that the Post Office Department was authorized to eliminate from their accounting on the theory that they are not properly chargeable to the Post Office Department, non-revenue-producing items. Among those is $9,886,456, revenue-equivalent value for carrying penalty matter for the various departments of Government.

There is franked matter for Members of Congress, $723,671; franked matter for other than Members of Congress, $128,970. In addition to that, there are publications going free in the county. Under the present laws newspaper circulation confined to the county limits pays no postage. The cost-ascertainment committee found that the equivalent-revenue value of that would be $704,579. Mail matter for the blind is carried free of charge, amounting to $132,161. Then there are certain differentials in second-class postage favoring religious, scientific, philanthropic, agricultural, labor, and fraternal organizations, with a revenue equivalent of $392,495.64. Then the excess cost of airplane service over postal revenues derived from air mail, $17,167,501.04. The theory of that is to develop aviation by way of a subsidy. In addition to that is this differential favoring vessels of American registry of $18,911,974.60, or a total of nonproductive and extraordinary items which should not properly be chargeable to the Post Office Department of $48,047,308.28.

Now, deducting that from the total deficit of $146,545,199.72 leaves a net operating deficit, exclusive of nonproduc-

tive and extraordinary items, of $98,497,891.44 for the fiscal year 1931.

That really, Mr. Chairman, is the proper deficit in the Post Office Department for the fiscal year 1931. I think it is proper that these other items should not be charged strictly to the Post Office Department, because some are for the benefit of other departments of the Government and others public policy for the benefit of our merchant marine and developing aviation throughout the country.

Mr. REILLY. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. REILLY. What branch of the Post Office Department is not paying its way?

Mr. ARNOLD. I can give the gentleman that information, but it will take some time. I think, Mr. Chairman, in order to avoid taking the time, if I may, I will ask unanimous consent to extend my remarks in the RECORD by including this table so that the House may be advised as to what the situation is on the various classes of mail.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The table referred to is as follows:

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1931 to the classes of mail and special services, not taking into account relative priority, degrees of preferment, and value of service in respect to expenditures

Fiscal year 1931	Revenues	Expenditures	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
1	2	3	4	5
Classes of mail:				
First class—				
Other than local-delivery letters	$255,213,353.11	$221,610,703.18		$33,602,649.93
Local-delivery letters	80,621,882.76	55,935,504.83		24,686,377.93
Air mail	6,210,344.86	[1] 17,593,410.00	$11,383,065.14	
Total, first class	342,045,580.73	295,139,618.01		46,905,962.72
Second class—				
Publications exempt from zone rates on advertising under act of Oct. 13, 1917 (par. 4, sec. 412, Postal Laws and Regulations)	2,235,846.34	19,453,782.82	17,217,936.48	
Zone-rate publications—				
Daily newspapers	11,589,084.86	46,155,332.83	34,566,247.97	
Newspapers other than daily	2,031,879.08	12,451,425.26	10,419,546.18	
All other publications	10,113,039.72	36,457,784.38	26,344,744.66	
Free in county, all publications		8,425,242.11	8,425,242.11	
Total, publishers' second class	25,969,850.06	122,943,567.40	96,973,717.40	
Transient	1,501,397.67	1,202,298.20		299,099.47
Total, all second class	27,471,247.67	124,145,865.60	96,674,617.93	
Third class	58,274,996.73	81,663,891.55	23,388,894.82	
Fourth class—				
Local delivery	2,234,928.15	2,006,806.04		228,122.11
Zones 1 and 2	47,326,063.72	70,922,577.04	23,596,513.32	
Zone 3	28,008,484.49	32,203,060.98	4,194,576.49	
Zone 4	26,034,488.63	24,008,458.11		2,026,030.52
Zone 5	18,123,563.93	15,784,940.20		2,338,623.73
Zone 6	6,184,932.95	5,288,110.01		896,822.94
Zone 7	4,001,329.76	3,279,099.47		722,230.29
Zone 8	5,741,154.16	4,674,354.75		1,066,799.41
Total, fourth class	[2] 138,135,806.79	158,167,406.60	20,031,590.81	
Foreign—				
Other than air mail	17,199,855.98	38,041,487.70	20,841,631.72	
Air mail—				
Postage revenues	514,543.56			
Service revenues	265,878.71			
Total, air mail	780,422.27	[1] 6,564,858.17	5,784,435.90	
Total, foreign	[3] 17,980,278.25	44,606,345.87	26,625,067.62	
Penalty—				
For the Post Office Department		4,306,609.02	4,306,609.02	
For other branches of the Government		4,336,691.44	4,336,691.44	
Total, penalty		8,643,300.46	8,643,300.46	
Franked—				
By Members of Congress		530,298.50	530,298.50	
By others		98,680.03	98,680.03	
Total, franked		628,978.53	628,978.53	
Free for the blind		106,932.85	106,932.85	
Total, all mail	583,907,910.17	713,102,339.47	129,194,429.30	
Special services:				
Registry—				
Paid registrations	[4] 11,896,526.10	20,412,913.62	8,516,387.52	
Free registrations—				
For the Post Office Department		2,171,771.35	2,171,771.35	
For other branches of the Government		239,040.68	239,040.68	
Total registry	[4] 11,896,526.10	22,823,725.65	10,927,199.55	
Insurance	[5] 7,613,667.25	10,655,612.23	3,041,944.98	
C. O. D	5,109,278.78	10,431,116.78	5,321,838.00	
Special delivery	11,043,969.60	11,210,600.49	166,630.89	
Money order	16,410,351.84	27,704,726.09	11,294,374.25	
Postal savings	2,296,569.03	1,898,261.75		398,307.28
Total, special services	54,370,362.60	84,724,042.99	30,353,680.39	
Total, mail and special services	638,278,272.77	797,826,382.46	159,548,109.69	

[1] These items represent the payments made to contractors for the transportation of mail by airplane on domestic and foreign routes, respectively, together with the cost of transporting the mail to and from air mail fields and the cost of distribution in air mail transfer offices.

[2] Includes $480,861 revenue from special-handling service.

[3] Includes $370,734.86 receipts from foreign countries for handling foreign mail in transit through the United States and $119,553.66 revenue from miscellaneous special services in connection with foreign mail.

[4] Includes $939,577.70 revenue from return receipts for registered mail.

[5] Includes $23,428.96 revenue from return receipts for insured mail.

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1931 to the classes of mail and special services, not taking into account relative priority, degrees of preferment, and value of service in respect to expenditures—Continued

Fiscal year 1931	Revenues	Expenditures	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
1	2	3	4	5
Special services—Continued				
Unassignable	$17,217,178.16	$3,716,446.09		$13,500,732.07
Total related [6]	655,495,450.93	801,542,828.55	$146,047,377.62	
Unrelated	1,852,637.15	2,350,459.25	497,822.10	
Grand total, 1931	657,348,088.08	803,893,287.80	146,545,199.72	
Revenue credits (act of June 9, 1930):				
Penalty matter, other than that of Post Office Department, including registration	9,886,456.00			
Franked matter—				
By Members of Congress	723,671.00			
By others	128,970.00			
Second-class matter—free-in-county	704,579.00			
Free matter for the blind	132,161.00			
Publications exempt from zone rates	392,495.64			
Expense credits (act of June 9, 1930):				
Aircraft service		17,167,501.04		
Differential favoring vessels of American registry		18,911,474.60		
Grand total, 1931 (adjusted to the act of June 9, 1930)	669,316,420.72	767,814,312.16	98,497,891.44	

[6] Service of the United States, exclusive of the Territories and island possessions.

NOTE.—The above segregations of the computed total expenditures chargeable to first class, second class, fourth class, foreign, penalty matter, franked matter, and to registry service, and of the revenue from fourth-class matter have been developed by processes of approximation.

Mr. TILSON. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. TILSON. Before leaving the table the gentleman proposes to insert will he indicate what percentage of this deficit is caused by mail that is franked by Members of Congress? There is sometimes newspaper criticism to the effect that a large portion of this deficit is caused by reason of the franked mail of Members of Congress. As I caught the gentleman's figures, the entire amount for all mail sent by the legislative department, if it paid full postage, would be less than $1,000,000, or, as the gentleman states it, $723,671. In other words, if all Members of the Congress paid full postage on all mail matter sent to their constituents or to the departments, the net deficit of the Post Office Establishment, instead of being $98,497,891.44, would be reduced to $97,774,220.44.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield myself 15 additional minutes. May I state to the gentleman that the cost of carrying franked mail for Members of Congress, as compared with the entire cost of the Post Office Department, is less than one-tenth of 1 per cent. Not one-half of 1 per cent but one-tenth of 1 per cent.

Mr. ADKINS. Will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. ADKINS. Has the gentleman any information as to the amount of postage that comes into our office here in response to the franked mail we send out?

Mr. ARNOLD. That goes into the general receipts of the department and there is no segregation of that made here. It all goes into the general receipts.

Mr. McFADDEN. Will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. McFADDEN. I have in my hand the Post Office Department's statistical report for the month of December, 1931, dated February 5, as regards the amounts paid for carrying mail on the 34 air mail routes. I notice, for instance, on route 2, from Chicago to Memphis, a distance of 523 miles, the amount paid is $24,655.08, or $4.23. I notice also that from Salt Lake City to San Diego, a distance of 782 miles, where the same number of trips is made, the amount is $65,456, or $1.15. What is the cause of the discrepancy in the rates paid on these different routes? There seems to be a great difference.

Mr. ARNOLD. Well, there are several things that have to be taken into consideration by the Post Office Department in awarding these contracts for domestic air mail. Of course, new routes are subject to competitive bidding. Companies in some sections of the country, I presume, bid lower than those in other sections of the country. It depends quite a good deal also upon the amount of night flying. Night flying is much more expensive than day flying. It depends also upon the character and kind of equipment which the Post Office Department requires in its set-up. Then there are various other elements that have to be taken into consideration, such as the terrain of the country, the weather, and many other things. There are so many elements that enter into it that I could not give the gentleman a specific answer.

Mr. McFADDEN. The gentleman says these contracts are let on competitive bids. My understanding is that some of these contracts are not let in accordance with the Watres law and that no competitive bidding takes place.

Mr. ARNOLD. I have not come to the domestic air mail as yet.

Mr. CLAGUE. Will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. CLAGUE. One of the lines of which the gentleman speaks has a very large passenger traffic and that enters into it very much.

Mr. ARNOLD. The gentleman is correct. I want to get to this other matter. The foreign air mail service cost us during 1931, $7,070,178.96, and we got back out of that in revenues $1,014,105, so that there was a net loss of $6,056,073. In other words, we are paying out $7 for our foreign air mail for every dollar we get back. These are 10-year contracts. The contracts have been made by the Postmaster General and therefore we could not reduce the appropriation in the bill for those purposes if we wanted to do so, because the obligation of the Federal Government has already been pledged by those contracts, and the only thing we could do in this bill was to go along and allow the amounts which the Government had already obligated itself to pay.

I now want to get to the domestic air mail service. In 1931 we expended $16,942,454.39 and we got back in revenue for that $6,210,344.86. I see there is some discrepancy in some of these figures, but that is approximately what it is, leaving a deficit of something like $11,000,000. This last amount is the Government's contribution to the development of aviation through the carriage of domestic air mail.

Now, gentlemen, under the Watres law, with which many of you are familiar, the Post Office authorities were given the power to contract for this domestic air mail service supposedly on competitive bidding. Yet a great amount of complaint has come to our committee because it is claimed

this matter was not handled as it should have been handled by the Post Office Department. In fact, we had one concern come before our committee and tell us that they would be willing to carry all the air mail of this country, both foreign and domestic, for practically one-half of what we are paying now. That statement caused those of us who had the responsibility resting on our shoulders of recommending to you the amount Congress should appropriate for this purpose to give the matter our careful and serious consideration.

In answer to the gentleman from Pennsylvania [Mr. McFADDEN], when he spoke about some of these contracts not being let by competitive bidding, there is a provision in the Watres Act that permits the Postmaster General to make extensions of existing air lines without competitive bids, and we have been told that many of these extensions that have been made are almost major portions of the air line that was let under competitive contracts. Whether this is right or wrong, whether there is abuse of this power or not, I am not saying. I am simply telling you gentlemen what came before our committee.

Now, this concern that came before us and said that the mail could be carried and that they would be willing to carry it for approximately one-half is none other than the Cord Manufacturing Co. These people, I understand, are absolutely reliable financially. They have assets back of them of something like $50,000,000, $15,000,000 of which is in cash. They say they are willing to enter into contracts with the Government, give approved bond for faithful performance, and surround their service with all the safety appliances now required or that may be required by the Post Office Department, and by so doing, save the Government something like eight or nine million dollars a year in carrying our domestic and foreign air mail.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. COCHRAN of Missouri. Is it not impossible at this time for the Post Office Department to cancel the contracts they have made for a given period, and is there not also a proviso that they can be extended?

Mr. ARNOLD. The only limitation there is in the Watres Act on that score is that the Postmaster General can not contract beyond the authorized limits given by Congress through appropriations; and permit me to call the attention of the committee to the necessity of legislative committees scanning most carefully legislation that is proposed by heads of departments.

When this so-called Watres bill came down here there was absolutely no limitation on the authority of the Postmaster General to award mail contracts as to number and frequency. When that bill was before the legislative committee this watchdog of the Treasury over here on my left, Mr. WOOD of Indiana, and our genial friend from Tennessee [Mr. BYRNS] looked over that bill and they say that for the protection of the Public Treasury something should be done, and these gentlemen thereupon insisted that a limitation be put on the Watres bill limiting the action of the Postmaster General on such matters to the appropriations provided by Congress, and I want to say that these gentlemen, Mr. WOOD and Mr. BYRNS, deserve the thanks not only of the Congress, but of the entire people of the United States for their scrutiny in detecting this defect in the Watres bill in the form in which it came down here from the department. [Applause.]

Mr. McFADDEN. Will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. McFADDEN. Supplementing what the gentleman has said, I am inclined to believe that that act has not been made strict enough. I hold in my hand here extracts from opinions of the Comptroller General, Mr. McCarl, in which he criticizes the action of the Postmaster General in extending these routes thousands of miles, in some cases, and states that something further should be done by the Congress in limiting the authority of the Postmaster General in regard to these mail contracts.

Mr. MEAD. Will the gentleman yield so that I may answer that question?

Mr. ARNOLD. I yield to the gentleman from New York.

Mr. MEAD. I am just about to introduce a bill covering the criticism offered by the Comptroller General in respect of the awarding of these contracts, and I trust the gentleman from Pennsylvania and other Members of the House will aid me in securing its passage.

Mr. McFADDEN. I shall be very pleased to do so, because I think there is discrimination by the Postmaster General here that should be corrected.

Mr. ARNOLD. Before leaving that point let me call your attention to this fact: By vesting this power and authority in one man it is made possible for him, if he is inclined to do so—and I am not charging that the Postmaster General is doing so—to favor certain transport companies to the exclusion of others and to drive those out of business that he does not care to contract with.

Let me call your attention to a very serious matter. I have not gone into this very far or very thoroughly, but it is charged that the Cord Manufacturing Co., through one of its subsidiaries, was engaged in carrying passengers from Chicago to St. Louis and from Chicago to Detroit; and after they had started and had been in operation carrying passengers on these lines, along comes the Postmaster General with an award of a mail contract to a line that had started in business something like 30 days after this Cord concern had established this line. Of course, with the subsidy carried by the air mail contract it was possible for the one favored by the mail contract to flourish and for the other concern not so favored to suffer thereby. In other words, if these two acts—the Watres Act for domestic air mail and the merchant marine act—are for the purpose of building up and developing these industries, there should be no discrimination practiced in favor of one company over another.

Here is a concern with $50,000,000 back of it. I understand they manufacture 60 per cent of the air equipment of this country and actually have in use by themselves something like 30 per cent of the total air equipment of this country, and they claim they are discriminated against and can not get contracts for carrying the mail. They are, perhaps, doing as much or more to develop aviation in this country than any other, and yet they claim they are discriminated against in the awarding of air mail contracts at the expense of the Treasury.

I am giving you that for what it is worth. I do not know anything about it. I hold no brief for the Cord Manufacturing Co. I am telling you some of the things disclosed before the subcommittee; and if it is true, as reported to us, it is a practice that ought to stop, and stop at once. [Applause.]

As I say, we have no power to control that. But there is only one thing we can do, and that is to bring the bill here to you recommending appropriations for these activities that the Government has already been bound and obligated to pay for.

The Bureau of the Budget cut these airplane costs a million dollars. We left the figures at $19,000,000, the same as the Bureau of the Budget recommended.

Early in 1932, under that provision of the Watres Act, which gave the Postmaster General the right to call in contractors and go over the rates, issue certificates at reduced rates, an arrangement was made whereby $1,240,000 was saved to the Government by readjustment of these rates. Other rates are in the process of adjustment, which might bring a further saving and a further retrenchment in this department of the post-office service. It is most earnestly hoped that the Postmaster General will be able to further retrench.

It is impossible for us to bring about a retrenchment on these expenditures, where contracts have been entered into, and refuse appropriations, because suits would immediately follow in the Court of Claims and judgment, of course, rendered.

This whole matter, gentlemen, ought to be thoroughly sifted and thoroughly investigated. [Applause.] There is

a feeling on the part of some that matters are not as they should be. I can not say that there is anything wrong, but certainly if a concern with the financial backing of the Cord Co. comes to us and says that they can not get any contract from the Government, and say that they are willing to carry the mail at substantially one-half of what we are now paying, and surround their activities with all safeguards required, and thus making a saving to the Federal Government of $8,000,000 or $9,000,000 a year, we are derelict in our duty as Members of Congress if we do not do what we can to bring about a saving in this activity. [Applause.]

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I appreciate the courtesy of the gentleman from Indiana, in charge of the time, in yielding to me at this time, because I think he appreciates the fact that I am going to be somewhat critical of the action of his subcommittee on one matter, and possibly of him personally. However, it will all be in the best spirit on both sides.

I find a very peculiar provision in the bill as reported by the committee on pages 9 and 10, having to do with distinctive paper purchased by the Government for its money and bonds. It is something that practically never has been done in general practice, namely, placing a positive price on articles we are proposing to purchase by bids.

Bids are to be called for, with a suggested proviso that this distinctive paper, now being purchased at 42 cents a pound, is to be bought for not exceeding 38 cents per pound in price.

There is also a provision that the Treasury Department may in its wisdom split the bids. Now that, of course, is entirely contrary to the method of bidding. The Comptroller General has held time and again that it was necessary under the law to accept the lowest bid. This is an effort to divide the award on the ground that as now made there is a monopoly.

There may be a monopoly, Mr. Chairman, but it is not an arbitrary monopoly; it is not one in which any advantage has ever been taken of the Government.

A little later, when the bill is under consideration under the 5-minute rule, I may want to discuss the merits of that subject more in detail. What I am concerned with at the present moment is the references that have been made to this contractor in the hearings before the subcommittee.

The hearings on the Treasury Department appropriation bill became public the day before yesterday. I was very much surprised to find certain statements in that report. I shall quote one or two sentences. At page 135 Mr. Broughton, of the Treasury Department, was the witness, and in the course of the examination of Mr. Broughton the gentleman from Indiana [Mr. WOOD] made this comment:

> Well, Crane so manipulated his contract as to make that possible. Crane has had a monopoly of it, and he keeps it just by doing that sort of thing. I think, if there ever was a hold-up in this country, it is the Crane hold-up of the Government in furnishing this distinctive paper. He has facilities for manufacturing it that nobody else has.

There are several extracts that I would like to read if I had the time, but I shall refer to only one other and that is this, also made by the gentleman from Indiana [Mr. WOOD]:

> There is no more fraud practiced on the Government anywhere than in this paper business.

With all due respect to my good friend from Indiana, he is unfamiliar with the character of the people to whom he is referring when he makes those statements. We may sometimes exaggerate in the heat of debate. Sometimes we speak without due consideration of what we are saying. Allowances must be made for that sort of thing, but when a Member of this House deliberately makes statements of that nature about a man not represented at the hearing in executive session of the committee he ought to know what he is talking about, and with all due regard to my friend from Indiana, he does not know what he is talking about when he makes those references to the Crane family of Massachusetts. If there ever has been a family which, through a period of a century, has stood for all that is good in citizenship not only in Massachusetts but in the United States, it is that same Crane family. For 100 years that family has been making paper of the very highest quality in Dalton, Mass., and in addition to making paper they have been leading citizens in every philanthropic movement that has ever arisen. No one has ever gone to a member of the Crane family with any just cause for sympathy or support or aid, that he has not secured it in liberal measure. No fraud is practiced, and I can honestly say to-day without having the word of the present generation to which the gentleman from Indiana referred in that statement, that the good name of the Crane family is more valuable to them than any Government contract conceivable, and I stand back of that statement. Pride of family is a great thing, particularly when it means what it does to that particular family. It is too bad that the gentleman would so forget his position here as one of the most prominent Members of the House as to make such personal reference to an individual who to-day bears that honorable name and is bearing it in a manner worthy of his ancestry. I must feel that the gentleman from Indiana in using that language was ignorant of the facts of which he spoke. Fraud? How absurd! It is not worthy of discussion here on the floor, and I rise simply to offer this word of explanation to my colleagues relative to the statements I have quoted.

What is back of this whole proposition? I do not object to a man differing from my views on any subject, political or otherwise. I have the highest regard for the gentlemen on the Democratic side of the aisle, not one of whom agrees with my political thinking. That is nothing to their discredit. There was a personal animosity back of the proposition I refer to when those insulting words were put into the hearings. It is this: Last year, under the influence of a certain official, who admitted at the hearing that he did not know anything about the paper business, a bill was introduced and hearings were held thereon before the Committee on Expenditures, the purpose of which bill was to build a paper mill in the District of Columbia for the manufacture of this distinctive paper. The gentleman from Indiana [Mr. WOOD] was beaten to a standstill; you could not hitch anything to any evidence that he submitted, and the committee practically turned him out. I was astonished when I saw that he was going to continue this fight. Let us be good losers. If you get licked, take it for what it is worth. Do not come back and insult the man you tried to beat but could not. That is the situation as it appears here to-day.

The language of the gentleman from Tennessee [Mr. BYRNS] yesterday was characterized with the utmost courtesy in connection with this matter. There is no exception whatever to that type of remarks, but the peculiar language that I have quoted and this effort to discredit the firm of Crane & Co. is purely a result of the defeat the gentleman from Indiana met last year when he tried to set up a Government paper mill. There is the whole story in plain English. As I say, it would have been becoming of the gentleman from Indiana to have been a good loser. He did not have a case. Every witness that appeared, except himself and this henchman of his, Mr. Brown, of the Efficiency Bureau—and he says he does not know anything about making paper—was on the other side with reference to that bill. The paper people themselves testified that the prices offered by the Crane Co. were fair prices in the market value. One of the big concerns that could be a competitor for this contract if it saw fit testified that the value of that paper would be 10 to 15 cents higher in the open market than the Government paid for it. There is no arbitrary monopoly of any kind whatsoever, and over a period of 75 years there never has been a day that that firm has not cooperated with the officials of the Federal Government in producing the best article conceivable. The only kick that has ever come, the only complaint that has ever been made, came from the Bureau of Efficiency. I do not know what

the deuce that bureau is for; it is not aiding anybody in any way and is not doing any good. The Assistant Secretary of the Treasury testified as to the manner in which Crane & Co. filled its contract. Every official of the Government, with the exception of this one particular man and our good friend from Indiana [Mr. WOOD], said that they had cooperated over a period of years under all circumstances and on all occasions to improve the paper that they made under the Government contract.

Mr. BLANTON. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. BLANTON. I quite agree with the gentleman in his castigation of the so-called Efficiency Bureau.

Mr. TREADWAY. I did not use all the language I had in mind. The parliamentary rules would not permit it.

Mr. BLANTON. Well, everything the gentleman would say about it I will indorse, but does the gentleman think it would be wise party policy to discredit so great a Republican leader as our friend the gentleman from Indiana [Mr. WOOD]?

Mr. TREADWAY. I said a few moments ago that I respected just and fair differences of opinion, political or otherwise, but I do not think this is any place to bring in personalities and make personal feeling the object of legislation.

Mr. BLANTON. All of us have so much confidence in the utterances of our friend the gentleman from Indiana [Mr. WOOD] when the gentleman tells us about high public officials that we do not want to lose our confidence.

Mr. TREADWAY. Well, I do not believe the gentleman from Texas or his colleagues have voted with the gentleman from Indiana very often. If the gentleman has such confidence in the gentleman from Indiana, the gentleman should vote with him.

Mr. BLANTON. We follow him sometimes when he tells us about the extravagant leaders of the Nation.

Mr. TREADWAY. We will not follow him when he tells us about paper making or about Mr. Crane. I am one Member who will not follow him, in any event.

Now, I think I have explained in fairly plain English what my feelings are in this matter. A little later on we may discuss the merits of the item that has been inserted, under the leadership of the gentleman from Indiana [Mr. WOOD] into this bill, perhaps not contrary to all precedent, but contrary to established procedure in making Government contracts.

Permit me to make one other reference. I notice that certain distinguished gentlemen, including the gentleman from Indiana [Mr. LUDLOW], were interested in the same thing. I wish all those gentlemen who sympathize with the position taken by the gentleman from Indiana [Mr. WOOD] would read the hearings and the evidence, which are matters of record and which appeared last year when this subject was being debated by the Committee on Expenditures.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOOD of Indiana. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I want to congratulate the gentleman from Massachusetts [Mr. TREADWAY] upon further endearing himself to the manufacturer of distinctive paper for the Government. The gentleman has done a good job of it and certainly is entitled to the further support of the Crane Co.

I have no word to retract that is set forth in the evidence with reference to what I said about the Crane Co. I said nothing personal about the gentleman who is at the head of that company. The gentleman from Massachusetts [Mr. TREADWAY] may infer as he pleases to whom I referred in using the language I did.

Briefly as I may, I wish to state the facts and let the membership conclude whether or not fraud has been practiced upon the Government of the United States by this concern that has had a monopoly of manufacturing this distinctive paper for very nearly a half century.

About a year ago, at the time the bill was introduced to which the gentleman has referred, to build a Government mill to manufacture our own distinctive paper, the gentleman now at the head of this concern, the junior Mr. Crane, came to see me and attempted to justify himself in the fact that they had a monopoly upon the manufacture of this paper. He said they had had it for all these years, and, in consequence of their having had that monopoly this long, they were entitled to its continuance. That was a very strange proposition to me.

Mr. PARSONS. Will the gentleman yield?

Mr. WOOD of Indiana. I do not have time now.

Mr. PARSONS. I simply wanted to ask where they were located.

Mr. WOOD of Indiana. I do not yield.

Now, we have fixed a limitation in this bill of 38 cents for the manufacture of this paper, and we fixed it because of the fact that a competing company had offered previously to manufacture a certain proportion of it for that sum. We are using about 1,000 tons of this paper every year. This concern which offered to take a portion of the contract made a bid upon 400 tons of it at 38 cents a pound. You may be assured that this gentleman was not proposing to manufacture this paper at a loss.

The Crane Co., in order to freeze out this man who could only manufacture 400 tons of it, submitted a bid in the alternative. He would manufacture all of it for a certain figure, but if he were only given a portion of it he would manufacture it at a higher figure, and, taking the two sets of figures together, he would manufacture the entire amount of it cheaper than the man who would manufacture the 400 tons of it.

Mr. YON. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. YON. Has the price varied much during the past 10 years?

Mr. WOOD of Indiana. It has varied but very little.

Now, the facts are that all kinds of paper have been reduced. The finest paper that is being used to-day at the United States Government Printing Office is costing us 16 cents a pound, whereas a year ago or two years ago it was costing 23 cents. There is not any reason on earth why these gentlemen should not reduce the price in proportion to the cost of their raw materials.

The gentleman from Massachusetts [Mr. TREADWAY] says that Mr. Brown, head of the Bureau of Efficiency, admitted that he did not know anything about paper. Mr. Brown never admitted anything of the character. Mr. Brown is responsible to-day, or his Bureau of Efficiency is responsible for the Bureau of Standards having developed a paper made 50 per cent cotton and 50 per cent linen that is as good as or better paper, upon which we print our money and our bonds, than the 75 and 25 per cent paper. So Mr. Brown certainly knows something about paper, for it was through his ingenuity and his suggestion that this paper has been made by the Bureau of Standards and has been or will be adopted by the Crane Co. and all of the other companies.

Now, if Mr. Crane, during all of these years has been taking advantage of this monopolistic control of the manufacture of this paper, as he has been doing, charging the Government from 5 cents to 8 cents a pound more than it could be manufactured for by any other concern which had the facilities to do it, I want to ask, What is it but fraud? You will find that the paper will be manufactured within the limitation we have placed upon it. [Applause.] Last year we paid the Crane Co. 43 cents. There is not any reason why we should pay that to this concern. Well might he be philanthropic. Well might he be charitable and generous to his Congressman. The Government of the United States has been furnishing the wherewithal for that generosity and philanthrophy. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. BLANTON. Notwithstanding the fact that they have been large contributors to the Republican campaign, our friend from Indiana nevertheless has told us what he deems the truth about them.

Mr. WOOD of Indiana. I have tried to tell the truth. If they have been contributing anything to the campaign fund, I am thankful for that. We need it. [Laughter.]

Mr. PARSONS. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. PARSONS. Where are the headquarters of the Crane Co.?

Mr. WOOD of Indiana. Some town in Massachusetts; I forgot the name of the town, but it is somewhere in Mr. TREADWAY'S district.

Mr. PARSONS. Where is the company located that proposes to take the contract at a lower figure?

Mr. WOOD of Indiana. It is also located in Massachusetts.

Mr. ARNOLD. Mr. Chairman, I yield one hour to the gentleman from Illinois [Mr. KELLER]. [Applause.]

Mr. KELLER. Mr. Chairman, I assure you I appreciate the honor this committee has done me, a new Member, in giving me this unusual allotment of time of one full hour, the most that can be given to anyone under our rules. I shall do the best I can to lay before you those things which, in my judgment, are the most necessary for our consideration at the present moment.

We have been considering for the last two days a bill providing for the appropriation of money. Another great committee is considering the way of getting money. I shall address myself to another subject, that is, to restoring the national income, so we can get money and can appropriate money hereafter. It can be done—it must be done.

I am going to speak largely from my notes, for this reason: It would be an easier matter for me, and probably more pleasant for you, if I talked with entire freedom, but there is so much to be said on this subject that I do not feel I am at liberty to encroach on your time and on your patience by leaving out something that ought to be in or forgetting something that ought not to be forgotten.

UNEMPLOYMENT—ITS CAUSE AND CURE

The misfortunes under which we are existing to-day have not arisen from accidental causes. They are the direct result of some failure in government or misgovernment, or both. These terrible hardships could have been prevented, every one of them. If this were not true, then we are the creatures of circumstance, without any possible defense against the recurrence of other and greater cataclysms than these. We are compelled to take one position or the other. If we are the creatures of circumstance, subject to the winds that blow, then government is a travesty on reason, and our efforts necessarily are vain.

But the plain truth is, this nightmare of existence could have been prevented by law. These misfortunes can be cured by law. Their recurrence can as certainly be provided against by law. The full power to do all these things lies clearly within the hands of this Congress.

WHAT ARE THE CAUSES?

To find the causes and fix the responsibility is our first duty. Then, with clear vision, let us like statesmen lay the ax to the root of the evil without fear and without trembling. If I were not very sure that all these things lie well within human reason and human action, I would not impose upon your time or patience.

There is not a reason in the world why we shall not restore a higher state of prosperity than we have ever had before and maintain it permanently. There is every reason why we shall.

TECHNOLOGICAL UNEMPLOYMENT

Unemployment is the most ominous question that has ever faced the industrial world. No other question approaches it in importance. This is true because the production of all wealth is the result of labor. If we reduce the production of wealth, then to that extent we reduce all business, delay progress, and hinder or prevent the payment of debts. Whatever the origin may have been, the direct continuing cause of the present widespread depression is unemployment. There is one simple, certain remedy—a job for every man and woman who wants to work. Solve unemployment and we solve all.

In this February, 1932, we have in the United States 8,000,000 men and women in enforced idleness. Twice as many more are subsisting on part-time employment. Those who still have jobs are very generally working at reduced wages. Of the 8,000,000 entirely in enforced idleness 2,000,000 are technologically unemployed. Six million are out of employment from purely financial causes.

By technological unemployment I mean the unemployment caused by labor-saving machinery, whose victims will not be reemployed in industry unless we enter into an era of greater prosperity than that of 1923 to 1929. Otherwise these make up our ever-increasing army of the permanently unemployed. This is the new element in our economic life in America. These technologically unemployed must be given work. There is no other remedy. But that is easily and certainly within our power.

IDLENESS PREVENTABLE

It was entirely within the power of the Government to have prevented any and all of this enormous enforced idleness. If foresight had been used, provision could easily and certainly have been made to take care of the technological unemployment as it arose. If the powers certainly within the hands of the Government had been used vigorously and intelligently, the financial collapse, which precipitated the unemployment of the other six million, could also surely have been prevented. All these can as certainly be reemployed when we correct the conditions which brought about unemployment.

CAPITAL ALSO UNEMPLOYED

Legitimate capital is also unemployed just as labor is and to the same extent. The very same causes that have thrown laborers out of work have thrown the capital usually devoted to productive industry out of investment. We will restore prosperity by putting idle men and idle dollars to work again. Men and dollars working together produce all the wealth of the land. If we increase the production of wealth up to the limit of universal employment, we can pay as we go and pay all we owe and do it easily and quickly. If we do not largely increase the present rate of producing wealth, we can not by any means pay what we already owe.

WHICH METHOD SHALL WE ACCEPT?

Two methods of meeting present conditions are slowly but surely taking form in this Congress. One group of thought seems to be coming to the opinion that by scrimping and pinching we can starve through this difficulty again, just as we have done so many times heretofore; to let localities provide against actual loss of life through local charity and to repeat this operation as many more winters as necessary. Let us see just what this means. First, it means the reduction of wage scales along all lines. It means reduction of the amount of wages to be paid out; this in turn means reduction in the amount of money available for expenditures in business; that means in turn the reduced volume of sales; reduced amount of manufacturing, of transportation, of production. It means the continued low price of farm products. Carried to its ultimate result it means the reduction of salaries along all lines; reduction of all labor to a minimum. It means the reduction of all pensions. In short, it means that prosperity is not to return; that we must accept a lower standard of living; that we must march backward. That is the policy of the defeatist. That is the program of the deflationist.

I can accept no part of such a program. Humanity is on the march. It is not going to turn back. It is not going to accept defeat at the hands of the greedy few. It will not permit itself to be misrepresented by the timid timeservers in politics. The people demand deliverance from this unpardonable misery. We must awake to the fact that 8,000,000 idle men are not going to remain idle.

The other method of meeting this emergency and solving it holds that by borrowing as much as necessary to put men to work and keep them at work, we may the more certainly not only cure the present condition but restore prosperity and, by proper additional safeguards, make prosperity permanent and national income secure.

ANALYZATION NECESSARY

To judge between these two proposals it is necessary to analyze the conditions which preceded this present most unfortunate state of affairs and arrive at a rational conclusion as to the principal causes which are responsible. It is not necessary to consider the many minor causes that may have contributed to these conditions, but only those without which present conditions would not have resulted. It is evident that the condition of enforced idleness, the resulting poverty, bankruptcy, and misery are nation-wide. It varies only in degree. They touch large numbers in every congressional district represented in this body.

It is my intention to present an analysis of the facts leading up to these conditions so distinctly as to leave no room to doubt what I regard as the causes of the panic of October, 1929, and the devastating depression which necessarily followed it. To this I shall only add a statement of the remedies which, to my mind, automatically suggest themselves. The statement of these remedies shall be no less specific than the statement of the causes. Both statements are offered for the consideration of my colleagues in the hope that if they be found inadequate, they may at least offer opportunity for discussion and development of a more correct basis for assignment of causes and a more certain discovery of the remedy. In doing this I shall guide clear of political partisanship or personal antagonisms, but shall by no means refrain from calling to account those policies or agencies which, in my judgement, are responsible for our present misfortunes.

SEVEN YEARS OF PROSPERITY

During the seven years from 1923 to near the end of 1929 we experienced a period of comparative prosperity in most lines of endeavor. Then out of an apparently clear sky came a thunderbolt. The New York Stock Exchange on October 24 went into a panic the extent, severity, and continuity of which has never been equaled.

THE INVISIBLE GOVERNMENT BECOMES VISIBLE

Prior to and during this same period we had experienced the complete dominance in government of what were held out to the world as big business men. It was an opinion, very generally promulgated and freely expressed, that only great financiers, very rich men who had "made a success of their own business"—whatever that may mean—were at all qualified to direct or to advise about government. A propaganda long continued and assiduously directed taught the people to believe that Congress was an evil which the country would do well to abolish altogether, or at most permit to meet as seldom as possible, and to adjourn without action, leaving the affairs of the country actually in the hands of those same self-appointed captains of somebody elses industry. "The invisible government" of the period before the World War had become the visible, clearly ostensible dominating power of political action.

I call attention especially to this condition because an entirely mistaken idea has been permitted to arise as to what is called "Business in government."

BUSINESS IN GOVERNMENT

Under our capitalistic system business is for one certain purpose—for making money for the men who carry on that business. That is the sole business of business. The making of money is necessarily essentially selfish. It always has been and always will be, and very properly so. Because of this vital fact it always has been the necessity that government interfere in business to protect honest business against crooked business and to protect the laborer against oppression. It always has been the rule that business should not interfere in government. And it always has been and always will be a misfortune when business is permitted to interfere in government; because business, whatever be the original motive, naturally and invariably interferes for its own selfish purposes.

DIFFERENCE IN BUSINESS

There is a vast difference between legitimate business and big business. For the purposes of this address I shall distinguish constantly between the two by naming them. The utter failure of this big-business interference in government was never better illustrated than in the things that have recently happened in this Congress. That spectacle should never be forgotten, nor its lessons ever again go unheeded. After shouting from the housetops for two years past that there must be "No governmental interference in business," that if left alone they, the big-business men, would bring back prosperity, these same gentlemen come pleading behind closed doors for "governmental interference"; pleading that the Congress which they had decried should save them and their fortunes from impending disaster. And it ought to be perfectly plain that as soon as they get what they want from Congress they will openly return to their former attitude and practices in denouncing the impotence of this body.

BIG BUSINESS CONFESSES

The special representatives of big business have come and confessed—behind closed doors only, be it remembered—their utter inability to save industry and business from general bankruptcy without governmental interference. They asked for and received $2,000,000,000 as a fund for the reconstruction of finance. So far as we know they did not tell us why finance should need reconstruction. They did not tell us what caused the conditions that require reconstruction. No agency of Government has asked what caused this reign of financial terror. That question is left up to Congress, and it must not go unanswered. When the danger of the utter collapse of our financial system is past, our committees will doubtless bring out into the open the full confessions of failure on the part of big business in its attempt to run the country. The facts are vital to the remedy. For the present, suffice it to say that these confessions of failure are abundant proof that no imaginable Congress could ever have made such a tragic mess of running the country as big business admits it has done. But just here I want to call your attention to the fact that this was a confession for a purpose, and the method presented for meeting the requirements, to save the business of the country, provides for leaving control of the business of the country in the hands of the very same group who have brought unemployment, ruin, poverty, and disaster to the people of this country. They will repeat unless we prevent it.

PANICS ARE NOT BATTLES OF DOLLARS

A panic is a thing of tragic human import. It is primarily a force destructive of human happiness. It involves the lives of men, women, and children. Under the Declaration of Independence life is recognized as the first inalienable right. The right to work is the right to life. We can no longer sit back and regard panics as battles of dollars. Panics and their ever ensuing depressions involve human liberty as well as human life. Ideals must be accepted as real things. The right to life, liberty, and the pursuit of happiness becomes a question of bread and meat, of clothing and fuel, and a roof over our heads. The least that government can offer is the opportunity to earn those things. Government owes no man a living. But the primary purposes of government is to guarantee those conditions which will assure every man the opportunity to earn a living—a job for every man and woman who wants to work.

It ought to be clear to any rational mind that in this the richest country on earth, only very partially developed, with the most efficient army of workmen along all lines of any people in all history, with abundant resources in capital and credits, with great stores of amassed wealth, that the conditions existing at the present time can be no less than the result of misgovernment, failure of government, or both. The whole theory that the individual can meet these conditions is no longer tenable. The presence of 8,000,000 men anxious to work, but compelled, through no fault of their own, for the first time to accept charity for their starving wives and children, is the unanswerable argument against that outworn theory. Government permitted the development of these devastating conditions. Government must permanently do away with them. And it can.

The poverty which we see all about us is but the physical expression of the mental and spiritual poverty of the men who have directed and administered government in these latter years.

We have had many panics and depressions in America. They have offered plenty of opportunity and time to study the causes of them and to work out a solution. The repeated refusals in the past to investigate the causes of panics must not be repeated again, no matter how urgent the pleading of those who wish to suppress it. That very thing is the task of this Congress—nothing less.

It is in the hope of directing the attention and enlisting the sincere active interest of this body along these lines that I am at all presuming on the time of my colleagues.

PRIMARY CAUSES OF 1929 PANIC

There were three primary causes for the panic of 1929 and for the ensuing and continuing depression.

The first was technological unemployment.

The second was the contraction of currency and credits.

The third was the concentration of wealth through the enormously extended major bull movement and its correspondent bear movement on the New York Stock Exchange.

These will be taken up in their order. It is not quite possible to draw perfectly sharp lines between these three closely related subjects. A certain amount of overlapping will necessarily result. Especially will this be apparent in the second and third causes stated. But I hope that even these may be sufficiently differentiated to justify these divisions.

Technological unemployment is the element comparatively little noted in past political considerations. It is the loss of jobs through labor-saving machinery that will not be restored unless higher levels of prosperity than that of 1923–1929 are reached. It is, therefore, important in proportion to its numbers and its influence on other labor, both as to the wage rate and the insecurity of employment which an element of outside competition always exercises. Financial arrangements can be made to reabsorb all the other idle men back into ordinary channels of industry at former wage rates, with the resulting purchasing power. It is, however, quite as vital to the industry as a whole that these 2,000,000 dispossessed shall be reemployed as that any other 2,000,000 shall be. We have come to understand finally that employment, jobs, permanent work for all, is equally important to the business of the country, to the farmers, to all producers, to all manufacturers, transporters, and sellers of goods as it is to the men themselves who work. All legitimate business is interdependent.

INTERESTED IN GIVING MEN JOBS

I am as much interested in giving a job to the idle man on the sidewalks of New York as I am to the coal miner in my district. I am as much interested in giving work to the dispossessed in Chicago as I am to bringing fair prices to the farmers who have always been my neighbors.

I am as much for the white-collared man whom business combinations have thrown out of work as I am for the railroad man whose train no longer runs. Let us understand that the farmer is no longer a capitalist. The deflation of 1920 settled that. He is a worker for existence, affected by exactly the same influences as the wage earner is. We ought to get this clear in our minds once for all. I observe, and by no means forget, that Congressmen from our great cities support loyally the programs that seek to benefit our farmers. We ought all to see that we can not bring prosperity permanently to one section without bringing it to all sections alike; nor to one business or group of industry without applying the same to all groups everywhere; that for permanent prosperity there is but one group, and that is the group that makes up the great American Nation.

There was no such thing as widespread unemployment as we have it to-day until power was applied to machinery. When labor-saving machinery first came into use the basic cause of our present unemployment was born.

THE MACHINE AGE

This is the age of machinery—the use of power to do the work of men. To-day one American using labor-saving machinery produces on an average in all lines of work ten times as much as his revolutionary ancestor did working by hand, and he works only half as many hours per week. Wealth has increased just as ability to produce has increased. Ninety-five per cent of all the wealth produced in America is produced by labor-saving machinery.

The most important single result of labor-saving machinery has been to so cheapen everything manufactured that all those things, the cost of which originally prevented their purchase, have now come into very general use. This makes such conditions of living possible to the average man as were undreamed of a hundred years ago. Men with steady labor in any American industry live better than the kings of our Revolutionary period. It is only natural and right that men shall seek to continue that constantly increasing betterment of living conditions; and we are going to do that very thing.

But we ought at the same time to see clearly that if the increased use of constantly improving labor-saving machinery is to result only in throwing men out of employment, with no other labor to be had, that we are simply forcing men into starvation for our own selfish benefit. That is unthinkable. That is not going to be done. America is not going to let anybody starve who is willing to work. American workingmen do not want doles and will not accept them save under the stress of dire necessity. They want work, opportunity to serve. They have a right to demand and receive that opportunity. And I say to you now that America, acting nationally, is either going to pay out money for work or for idleness. We are compelled to take our choice between the two, whether we want to or not.

IDLENESS IS A DESTRUCTIVE FORCE

And in this connection, let us hold in mind that the most destructive force in the social world is idleness; the most constructive force is contented employment; the most expensive thing is poverty; the cheapest thing is efficient well-rewarded labor.

Since it is so clearly to the benefit of all the people that men have been thrown out of employment, and that men shall continue to be thrown out of work by labor-saving machinery, it naturally follows that all who are benefited shall share in the responsibility of guaranteeing other employment for these men whom labor-saving machinery displaces.

Now, the Government of the United States is the agency of the people to accept responsibility for and put into effect the obligations which the people owe. It, therefore, is the duty of Government to employ these dispossessed men for the benefit of all the people, as well as a protection and assurance to those who must continue to lose their jobs for the people's benefit. And this is not an abstract theory at all.

MUST EXTEND USE OF MACHINERY

We ought not to falter a moment in extending constantly the use of machinery for saving labor and for infinitely improving the present living conditions of men. And this must and can certainly be done in such a way that all men shall participate in the benefits and advantages which result from labor-saving machinery, the men who labor and the men who are thrown out of work by the machine, as well as all others. We can do all that if we use the opportunity at hand.

LAND VENT NOW CLOSED

As long as we had a West to go to, the throwing of men out of employment by labor-saving machinery was not such a hardship. Little by little this new West was settled up. All the land of any value was taken and all the opportunities embraced, until for the past few years there is no longer any West to go to. And during these last few years where the machine went in the man went out to part or total enforced idleness.

MACHINERY BUILDS FORTUNES

Another result of the use of labor-saving machinery has been the building up of fortunes of such magnitude and incomes of such extent as men could not have believed possible a hundred years ago.

No man has such towering ability as to be able through his own talents and own energy alone to amass any one of these great fortunes. No man has such exalted genius as to alone earn any one of the tremendous incomes which many rich men of the present day receive. Every one of them owes the vastly greater part of these great fortunes and stupendous incomes to the opportunity which the American people, through the power of their cooperative efforts, have afforded them. And these fortunes and these incomes would soon melt away without the protection with which the American Government surrounds them.

MEN OWE GOVERNMENT FOR OPPORTUNITY

It therefore follows as a matter of justice and common sense that these most-favored beneficiaries of opportunity afforded by the Government should pay to the Government a sufficient part of these incomes, whatever part that may be, to maintain the Government in continuing opportunity equal to their own for the rest of its citizens, and for protecting them equally in participation of opportunity. The income tax, the estate and gift taxes are the means of collecting for this opportunity.

TAXES

The system of taxation which until very recent years America has followed had been in use in some form time out of mind. There were many variations of it, but the central idea was and always has been that men should pay taxes according to their ability to pay. Up to and at the time of the writing of our Constitution land constituted the principal source of income. The power to tax this principal source of income was retained by the States; and land taxes from that time till the present have been the chief source of revenue for States, counties, townships, municipalities, and schools. At the time the Constitution went into effect the income from the ownership of land provided 90 per cent of the income of the wealth of the country.

INTERNAL REVENUE TAXES

The General Government, therefore, had to subsist on internal revenue taxes, on import duties and excise taxes, and on the small receipts accruing to the Government for its part from sales of public lands. From first to last the gross amount received from the sale of public lands amounted to $535,000,000, and the Government's small share in this helped to carry the new and growing Republic over many otherwise lean years. As the land was sold to the people by the Federal Government, it became assessable by the States. The value of this real estate, including the lands already in private ownership at the time the Government was formed, increased in price from $535,000,000 to $200,000,000,000 in 1929, or three hundred seventy-three fold, or 37,300 per cent of its original cost price. This tremendous increase in value gave the States an immense basis for taxation for the innumerable improvements which the founding of a new civilization in the midst of a wilderness required. During this period of physical expansion the power of the States was paramount because of their power to raise revenue and carry on improvements.

SOURCE OF INCOMES

By the time the sale of public lands neared its end, another power had grown into great importance and the Federal Government found it necessary to tap that source of income. Fortunately for our national existence, industry as a whole had been left free of control by the States. The Federal Government therefore appeared to be free to raise taxes on incomes arising from industry. In fact, during the Civil War an income tax had been laid and paid. In due course this law was repealed and until 1893 no income tax law was passed, but the Supreme Court by a decision of five to four declared the law invalid and held that the original law had only been held valid as a war measure. But the necessity for other sources of revenue besides import duties and internal revenue was pressing, and in 1913 the sixteenth amendment to the Constitution was ratified. It granted Congress the right to tax incomes from whatever source and the power to tax inheritances and gifts.

In the meantime the source of income from industry had vastly increased. In 1929 the incomes reported consisted of 5 per cent from real estate and 70 per cent from industry. Comparatively this income on real estate had fallen from 90 per cent originally to 5 per cent, and conversely the revenue available to the Federal Government from industry had risen to 70 per cent in 1929.

POWER OF STATES TO TAX DECREASED

The power of the States had decreased comparatively and the power of the Federal Government had increased in proportion to its ability to raise revenue and carry on the expending responsibilities of a national government. The weak nationalism of early days had given place to the strong nationalism which necessarily resulted from national control of industry as a whole.

Industry had during this period expanded from the handwork of the individual to the vast power of machine production. The sole personal ownership of small industry had given way to corporate ownership and control of large industry with its immensely divided ownership. The comparatively small, but generally well distributed, wealth of the many individuals had gradually given place to the large wealth of the few individuals. The necessity to control and limit this concentration of wealth is clearly understood, and can only be done by the action of national government.

While the national income was increasing tremendously the power to continue raising sufficient revenue from land to continue the same proportionate improvements was constantly declining. The extent and meaning of this decline of revenue from real-estate taxes seems to be but little known or understood.

REAL ESTATE OF INDUSTRY

From the beginning of time to the present moment men had been taught that the safest investment to be had was an investment based on real estate. But little by little incomes had shifted away from real estate. Real estate did not pay; therefore its desirability as an investment waned to such an extent that "nobody wants real estate." The extent to which this extreme statement is true seems to be little if at all understood by our lawmakers.

As yet there are no statistics available on this subject because this depression for the first time accentuates it. However, the deficiency judgments very generally being taken all over the country in mortgage foreclosures is an indication of this vital trend. But the conditions at present existing in southern Illinois are no doubt typical. In one county, the tax sales in 1930, more than 9,000 pieces of real estate were forfeited to the State because no one would bid the taxes for any of that large number of parcels of land. In the same county in 1931 more than 13,000 parcels failed to receive a bid of the taxes due, and only 65 per cent of the taxes assessed were paid at the end of the State moratorium of six months. The same condition exists to a greater or less extent in many if not most of the counties in that rich State. There is evidence of the same condition in many other States The import of such a widespread condition can not be overlooked. The insistence of the governmental authorities that the States, counties, and municipalities go deeper into debt for the purpose of providing work for the unemployed who have been thrown out of jobs by industry opens the whole question for consideration; first, have these agencies, depending on property tax, ability to meet that demand?

If the people can not or will not buy United States Government bonds for the purpose of providing labor for the unemployed over into a period of prosperity, as the representatives of big business are now announcing they will not, how can they expect an overburdened State, county, or municipality to sell their bonds based on real estate which will not pay an income to its owners, and which, therefore, nobody wants?

Is it not also clear that where forfeitures of property to the State are made the real estate still remaining in the

hands of owners must not only pay its present assessment but pay also the amount formerly due from the property now forfeited? This must in turn bring another series of forfeitures, and so along to final forfeiture of all property except that owned by the wealthy. It is well to look the matter squarely in the face. It is of fundamental importance.

WHOSE RESPONSIBILITY?

The second question is, What agency is morally responsible for carrying over periods of unemployment the workers who during prosperity create the wealth of the country and who have been denied their fair share of the wealth they created during prosperity?

If industry profits by the work of men, then industry must in all justice be responsible for seeing those men safely through seasons of unemployment or they can not justly hope to profit from the work of these men when opportunity for profit again returns.

As long as industry can profit more by letting men "starve through" periods of unemployment, than it can by keeping men at work clearly industry will let them starve, as it is now doing on a nation-wide scale.

But if industry as a whole is held responsible, as it is morally and legally, then industry will set about doing away with unemployment—and not otherwise.

If industry as a whole is made to provide work through taxes, work for the benefit of the whole people, for industry alike with all the rest through permanent national improvements, then we are assured of the exercise on the part of industry of its best efforts to employ men in making profits for industry and keeping them continuously at work.

But as long as industry can get along without accepting the responsibility it will do so. If industry is permitted to unload its own burden onto the real estate through a misunderstanding of State rights, it will utterly destroy real-estate ownership.

BACKDOOR COMMUNISM

I appeal to the common sense of men to face facts and to recognize that any theory that does not fit the conditions under which men may live in peace and happiness is no longer worth considering.

The captains of industry are perfectly willing to unload their natural, moral, and legal burdens upon the owners of homes and farms if they can.

No man who takes the facts now available can fail to see that the burden of taxation already laid up on land is rapidly consuming much of it. It should be equally clear that to add further to these direct tax burdens on land will result in increasingly continued forfeitures to the State for nonpayment of taxes that can lead to only one thing—communistic ownership of land and the necessary communistic control of it.

CONGRESS ALONE HAS POWER

Congress alone has the power and duty to compel the acceptance of national responsibility by industry. It would be a vital mistake for the States, under any theory, however old and honored, however often misinterpreted for selfish purposes, to permit the unloading of the responsibility of national industry upon the already overburdened real-estate tax rates. It will, if effected, destroy the real-estate values completely. This whole question of unemployment and employment is a national question. The States are not responsible for this condition. The National Government is responsible.

INDUSTRY ABLE TO CARRY BURDEN

Industry, on the other hand, is abundantly able to carry this burden without injury. It is purely a question of spreading this burden equally among all of the units of industry according to their ability. When that is done no given industry will be laboring under any other conditions than are all the rest of industry, and no injustice will be done.

WHO PAYS THE INCOME TAX?

There seems to be a great deal of misunderstanding as to who pays the income tax. Many seem to think that the producer pays all of the taxes. That, of course, is a mistake. It is true that the man who labors and the man who cooperates with him do produce all wealth. But he does not pay income taxes unless his income is large enough to pay directly to the Government under the law for this very simple reason: Income taxes are laid on profits, not on wealth; whatever profit a man gets from any source belongs to him. Whatever profit a corporation makes from its business belongs to the corporation.

Under our system the men who produced the wealth, after their wages are paid or the sale is completed, have no further direct interest in those profits. If the Government does not intervene and take part of those profits for its use, the whole amount remains the property of the individual or corporation who received it. It is therefore a tax direct on net profits, not on wealth.

The result is that where the individual or corporation pays income taxes, he or it contributes just that much to the use of the Government for furnishing the opportunity to make those profits. It is, in short, a forced sharing of profits, not of wealth, with all of the people through their Government. The result is that the profits arising from business are reduced just to the extent of the income taxes taken by the Government. Otherwise these amounts would remain the property of the individual or corporation, not of the producer.

That this is true in practice is well set out by Senator SMOOT at the time Congress gave back to the rich individuals and successful corporations nearly a quarter of a billion dollars of income taxes which were already due, immediately following the stock panic in New York in October and November, 1929. (See Senate CONGRESSIONAL RECORD, December 13 and 14, in which that subject is fully discussed.) And Senator SMOOT is entirely right, for the simple reason that all business charges and collects all that the freight will bear; that is, it sells for the highest price it can get.

If anyone has heretofore thought that the income taxes were passed along to the ultimate consumer, let him consider further that were this actually true the men and the corporations who pay the income taxes not only could have no objection to paying income taxes, since it would really cost them nothing, but be assured they would see to it that income taxes were laid on the ultimate consumer high enough to prevent any deficit.

In fact, if by such an easy and simple method they could raise revenue, they would set propaganda to work and by every means at their command insist on putting sufficient income taxes onto themselves, by way of the ultimate consumer, to provide for all the idle men and women in America. They would bring pressure, exert influence, plead to Congress, arouse sympathy for the poor and the downtrodden—if only they could compel these poor and downtrodden to pay the cost of it all. No, no; let us understand that the payers of income taxes can not and do not pass it along; that they resist increased taxes because they must pay them out of their profits, which they otherwise would keep.

MACHINERY REDUCES LABOR REQUIREMENTS

It is true that labor-saving machinery has created countless new jobs, several new industries, a whole new era, indeed. Nevertheless, as machinery continues to be improved all the time it constantly reduces the number of men required in all lines of industry, including these new industries which it has itself created. It is beyond doubt an ultimate result that every time a labor-saving machine goes in men go out. And this constantly operating principle accounts entirely for the normal and constantly increasing army of the technologically unemployed. It is not a temporary condition which can be met and cleared away by any temporary measure, however well intended. Barring only the increase of the percentage of employment over previous levels of prosperity, it is a permanent condition that can be met only by permanent provision and on a scale to guarantee against failure.

HIGH WAGES

Up to a few years ago men who employed labor honestly thought that the cheaper they could get labor done the better off they were. But in the last decade some of the

wiser ones have learned that the rights of humanity are actually involved in plain economics—that steady employment and high wages are the best boon the business world ever found.

As soon as we began paying wages high enough so men could buy, they did buy everything they wanted, and every line of business began to thrive. As long as men were employed business of all kinds flourished greatly. As soon as employment began to wane business of all kinds naturally began going down, and as unemployment increased we began to have hard times. There are always "good times" when everybody is at work; there are always "hard times" when large numbers are idle. Good times or hard times is a matter of employment or unemployment—nothing more, nothing less.

IMPROVING BUSINESS

To increase the ability of the people to buy is the only way we can improve business. The only way we can do that is to provide employment. We can not do that by property tax, because property tax is already so high and property values so low that we have reached, if we have not indeed already passed, the taxable limits.

Income depends entirely upon prosperity and in the long run will vary as the tide of prosperity rises and falls. When prosperity is general, taxable incomes will be numerous and the rates of income high. When prosperity wanes, the taxable incomes will decrease and the rate of income will be low. Employment is the basis of all prosperity; unemployment the destruction of it.

Every hour wasted in enforced idleness is irretrievably lost to the service of mankind. Every dollar not assisting in useful industry is a dead dollar. The streets are full of idle men. The hoards of hidden places and the banks are full of idle money. Bring the two together and industry springs instantly into life. All that is required to bring permanent happiness to the one and prosperity to the other is the use of a little vision and the application of common sense by giving men employment. We have learned in the last 10 years that low wages, part-time employment, and bad working conditions is bad business—that high wages, steady employment, and good working conditions is good business.

A NATIONAL POLICY—WHICH?

Now, we must learn to apply the same rule to our governmental affairs—that a tight-wad policy is a bad national policy; that expenditures in keeping with the national wealth and proper national income is a good national policy.

There is only barometer of business and that is the proportion of people actually engaged in gainful pursuits.

CURRENCY

We now pass to the consideration of the second cause of this somber period of unemployment, poverty, destitution, bankruptcy, and industrial ruin, of which we are still in the midst. I refer to the contraction of currency and credits.

POWERS AND DUTIES OF CONGRESS

It is necessary first to inquire what are the powers and duties of Congress in relation to money. Article I, section 8, clause 5, of the Constitution says, "The Congress shall have power to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures." This is the stability clause of the Constitution. This is specific in itself, and the holdings of the Supreme Court in the several cases under this clause still further clarify the intent and powers actually conferred upon Congress. In United States *v.* Marigold (9 How. 568) it is held that this clause confers upon Congress the exclusive power to coin money and regulate its value. Other cases under this clause extend and add to this decision, justifying the uses of all the different kinds of money we have found it necessary or convenient to use. We have obeyed that part of this clause in relation to the coinage of money. We have provided that 23.22 grains of pure gold are the standard American dollar.

DOLLAR VALUE NOT REGULATED

But we have not regulated the value thereof as the Constitution empowers us to do. Therein lies the devastating failure of Congress in this absolutely vital matter. I appeal to my colleagues to remember that this is a part of our sworn duty. We talk about a standard. Now, what is a standard actually? A standard is an exact measure, one that does not vary. The fact is, therefore, we have no actual monetary standard of value. We have a name—dollar. The dollar contains 23.22 grains of pure gold. But it is no standard of value, because that gold dollar has fluctuated ever since it was adopted, just as the bimetallic standard of our own and other countries had fluctuated before that time and just as the silver standard has fluctuated wherever it has existed. No metallic standard has ever in itself constituted an actual unvarying standard of value.

Yet an actual unvarying monetary standard is the absolute requirement if we are to have business security and permanency of prosperity once it is reestablished.

I FAVOR THE GOLD STANDARD

I answer your question without your asking it. I favor maintaining the gold standard as a practical matter. It is not at all necessary to change it. If we use our great supply of gold wisely and patriotically it will not become necessary to change it.

But I am for regulating the value of our gold dollar. I am for carrying out that provision of the Constitution which empowers Congress to regulate the value of our money.

The reason, nay, the necessity, for that regulation lies in these basic facts: A man has a right to pay back his debt in exactly the same unit of value as that which he borrowed. If he pays his debt in a unit of less value than that which he borrowed, he cheats his creditor. If he is compelled to repay in a unit of higher value, his creditor cheats him. If the unit of value is the same, neither is cheated. A dollar that fluctuates in value is a dishonest dollar, because any fluctuation of value cheats either the debtor or creditor. I am not for a 50-cent dollar nor a hundred fifty cent dollar. Both are equally dishonest. The only honest dollar is the hundred-cent dollar. I am for an honest dollar. At the present time we have a hundred fifty cent dollar. It is a 50-cent dishonest dollar, because it compels the debtor to pay 50 per cent more than he borrowed. It is as dishonest for the creditor to want to collect a hundred fifty cents where he only loaned a hundred cents as it is for the debtor to want to pay only 50 cents where he borrowed a hundred cents.

FLUCTUATION OF THE DOLLAR

There has been much misunderstanding about the fluctuation of the value of our gold dollar.

This is the table issued by the Bureau of Labor Statistics, showing the fluctuation of one American gold dollar. It was based upon the wholesale price of 550 commodities. This number was increased to 783 on January 1, 1932.

Department of Labor, Bureau of Labor Statistics, Washington

[Purchasing power of the dollar expressed in terms of wholesale prices. 1926=$1]

Year	January	February	March	April	May	June	July	August	September	October	November	December	Average the year
1890	$1.828	$1.825	$1.818	$1.815	$1.799	$1.805	$1.795	$1.730	$1.712	$1.721	$1.751	$1.767	$1.779
1891	1.783	1.767	1.730	1.718	1.739	1.792	1.802	1.805	1.825	1.832	1.842	1.859	1.792
1892	1.898	1.908	1.938	1.980	1.969	1.972	1.927	1.908	1.905	1.887	1.852	1.818	1.916
1893	1.767	1.748	1.779	1.799	1.818	1.880	1.927	1.988	1.923	1.890	1.953	1.984	1.873
1894	2.016	2.058	2.105	2.114	2.128	2.119	2.105	2.070	2.016	2.075	2.088	2.105	2.088
1895	2.119	2.132	2.119	2.016	1.996	1.984	2.000	2.020	2.041	2.024	2.041	2.070	2.049
1896	2.083	2.105	2.132	2.141	2.174	2.198	2.217	2.217	2.208	2.146	2.079	2.101	2.151
1897	2.141	2.160	2.160	2.183	2.198	2.222	2.208	2.123	2.062	2.079	2.088	2.079	2.146
1898	2.083	2.058	2.049	2.045	1.931	2.070	2.083	2.083	2.092	2.096	2.083	2.070	2.062

Department of Labor, Bureau of Labor Statistics, Washington—Continued

[Purchasing power of the dollar expressed in terms of wholesale prices. 1926=$1]

Year	January	February	March	April	May	June	July	August	September	October	November	December	Average the year
1899	$2.045	$2.012	$2.008	$1.976	$1.972	$1.949	$1.927	$1.887	$1.832	$1.805	$1.792	$1.764	$1.916
1900	1.754	1.745	1.745	1.748	1.783	1.802	1.792	1.795	1.783	1.808	1.805	1.815	1.783
1901	1.812	1.828	1.835	1.838	1.848	1.848	1.835	1.805	1.783	1.783	1.767	1.733	1.808
1902	1.761	1.764	1.770	1.742	1.715	1.701	1.692	1.724	1.704	1.582	1.647	1.626	1.698
1903	1.597	1.613	1.658	1.667	1.695	1.695	1.706	1.701	1.681	1.704	1.715	1.718	1.678
1904	1.675	1.647	1.633	1.686	1.709	1.712	1.709	1.689	1.672	1.669	1.647	1.637	1.675
1905	1.650	1.639	1.658	1.656	1.686	1.686	1.684	1.664	1.678	1.669	1.664	1.639	1.664
1906	1.637	1.645	1.650	1.637	1.631	1.631	1.675	1.634	1.621	1.592	1.572	1.555	1.618
1907	1.563	1.541	1.555	1.550	1.524	1.513	1.513	1.513	1.504	1.495	1.548	1.582	1.534
1908	1.605	1.629	1.618	1.608	1.608	1.597	1.585	1.587	1.580	1.575	1.560	1.543	1.590
1909	1.548	1.541	1.534	1.511	1.486	1.475	1.473	1.466	1.451	1.425	1.410	1.397	1.479
1910	1.401	1.403	1.372	1.366	1.389	1.408	1.408	1.412	1.431	1.473	1.506	1.502	1.420
1911	1.513	1.553	1.546	1.580	1.587	1.587	1.565	1.527	1.513	1.511	1.517	1.531	1.541
1912	1.515	1.499	1.481	1.435	1.429	1.449	1.451	1.435	1.418	1.412	1.425	1.427	1.447
1913	1.422	1.433	1.431	1.435	1.451	1.449	1.439	1.435	1.416	1.420	1.427	1.447	1.433
1914	1.458	1.464	1.471	1.479	1.484	1.484	1.486	1.437	1.425	1.471	1.481	1.486	1.468
1915	1.458	1.458	1.466	1.456	1.449	1.464	1.443	1.458	1.464	1.425	1.395	1.351	1.439
1916	1.299	1.274	1.244	1.224	1.212	1.206	1.199	1.175	1.151	1.098	1.027	1.008	1.170
1917	.979	.967	.929	.876	.829	.820	.813	.801	.810	.818	.814	.814	.851
1918	.800	.815	.791	.779	.781	.775	.758	.745	.727	.734	.734	.734	.762
1919	.744	.770	.762	.752	.739	.737	.709	.693	.709	.706	.692	.664	.722
1920	.634	.637	.631	.604	.598	.601	.603	.620	.644	.693	.750	.829	.648
1921	.877	.953	.977	1.011	1.040	1.071	1.071	1.070	1.071	1.063	1.062	1.076	1.025
1922	1.094	1.076	1.078	1.073	1.041	1.038	1.006	1.014	1.007	1.004	.995	.993	1.034
1923	.980	.968	.957	.962	.981	.997	1.016	1.022	1.003	1.006	1.016	1.019	.994
1924	1.004	1.003	1.015	1.028	1.043	1.054	1.046	1.031	1.030	1.018	1.009	.985	1.019
1925	.972	.962	.960	.981	.984	.971	.959	.962	.967	.965	.957	.967	.966
1926	.965	.979	.996	.999	.995	.995	1.005	1.010	1.003	1.006	1.016	1.021	1.000
1927	1.035	1.043	1.058	1.067	1.067	1.066	1.063	1.060	1.036	1.031	1.034	1.033	1.048
1928	1.038	1.037	1.042	1.027	1.014	1.025	1.017	1.011	.999	1.022	1.034	1.034	1.024
1929	1.029	1.034	1.026	1.033	1.044	1.037	1.020	1.024	1.026	1.038	1.059	1.062	1.036
1930	1.071	1.086	1.101	1.103	1.122	1.152	1.190	1.190	1.188	1.211	1.244	1.276	1.159
1931	1.299	1.325	1.342	1.364	1.403	1.429	1.429	1.425	1.447	1.462	1.464	1.508	1.406

MEMORANDUM

Number of commodities included in index numbers of wholesale prices in various foreign countries

	Number of commodities
Australia	92
Austria	47
Belgium	126
Bulgaria	56
Canada	502
China	155
Denmark	118
Egypt	26
Finland	139
France	126
Germany	400
India:	
Bombay	44
Calcutta	72
Japan	56
Italy	140
New Zealand	180
Norway	95
Netherlands	48
Sweden	160
Switzerland	71
United Kingdom	150
Czechoslovakia	69
Latvia	61
Spain	74
South Africa	188

This table, as you will see, is based on the commodity price index of 1926 as the 100-cent dollar. The fluctuations of our good American gold dollar have been worked out on this basis back to 1890 in this table, and up to and including December, 1931. This 1926, 100-cent dollar also is almost the exact average over a 15-year period, that of 1915–1929, both inclusive. And this is an important item to hold in mind. You will observe that following the panic of 1893 the gold dollar reached the value of 219.8 cents in June and an average of 215.1 cents for the year 1896. Then observe that the average value of the dollar for 1920 was 64.8 cents and for May of that year it was 59.8 cents.

Then you will observe that following the "deflation" of the farmer and panic on the New York Stock Exchange that in a 6-month period—September, 1920, to April, 1921—the dollar jumped from 64.4 cents to 101.1 cents, and with that increase came wreck and ruin. Notice again that some force held the dollar near the 100-cent level from 1923 up to and including 1929. Then following the panic of that year the dollar started up again and reached 150.8 cents for last December.

So having envisioned the tremendous fluctuation of our own American gold dollar from 219.8 cents in 1896 to 59.8 cents in a 14-year period we should be ready to observe with candor other fluctuations and to consider the reasons for and the effect of these changes in the value of the gold dollar on the economic changes of the country.

WORLD WAR BRINGS MONEY REVOLUTION

Let us pass to that most interesting and instructive period beginning in 1914 and extending to the present moment. The World War brought about as great a revolution in relation to money as in any other possible line. The students of the subject of money, currency, and credits here find a veritable storehouse of information, the like of which does not exist in any other period of history. True enough, there had been individual experiences and isolated cases paralleling many of those which we find in this prolific war period. But in those isolated cases there had been many conditions which offered room for different opinions and divergent conclusions. Thus it was that when the World War came on the economists of the world were not at all agreed as to the wise course to pursue, so that mistake after mistake was made, which, in the light of the full experiences of this World War period, seem utterly inexcusable. The national tragedies which resulted will for all time to come supply the student with invaluable material and the statesman with a source of such enlightenment as ought to prevent the recurrence of any of those devastating conditions which stunned mankind.

It is true in every instance in all these countries that business thrived and prices rose just as currency and credit increased.

It is perhaps sufficient to point out that whatever conditions had existed prior to, during, and following the war, whether the country had been forced off the gold standard or not, as most of them had, and whether the deflation was for the purpose of restoring the gold standard to pre-war values or not, that following the World War every country which deflated its currency where inflation had really taken place, or which contracted its currency where expansion of currency had occurred—every country following this course of decreasing the amount of currency went invariably into financial panic, with the universally resulting depression, unemployment, poverty, bankruptcy, and ruin to the business of that country. To this there is not a single exception. The efforts to deflate slowly were quite as tragic as those where deflation was carried out rapidly. Those where

deflation was carried out only partially had the same proportionate difficulties till stabilization at some figure was finally effected. It should be noted that after considerable difficulty trying to deflate France stabilized her franc at 4 cents instead of 20 cents, as before the war. Since stabilization France has thrived greatly.

GERMAN INFLATION

German inflation, on the other hand, with its unlimited paper currency, led as certainly to tremendous business activity, increase in wages, and extraordinary increase in property prices as the amount of currency in actual circulation constantly increased. When the peak was finally reached, and no attempt was made to stabilize, the inevitable collapse came, and with it the same paralysis of business, unemployment, poverty, and bankruptcy occurred from inflation of currency which had resulted from a contraction or deflation of currency in so many other countries. The folly of both these courses, with the unnecessary and heartbreaking losses, is clearly shown by the action especially of two small countries, Finland and Belgium. Both immediately stabilized their currency where the war had left it, and not a sign of panic or depression has occurred in either country, though both had been sorely tried, one an old government, one a new government.

And now let us proceed to examine the action taken in our own country on this subject of currency.

PURPOSE OF FEDERAL RESERVE SYSTEM

The primary purpose of the Federal reserve system was to prevent the fluctuation of the value of the dollar by keeping the supply of money adequate for that purpose. A section specifically providing for stabilization of the dollar when the bill was first written was very unfortunately rejected by this House. The tremendous flexibility of the emission of Federal reserve notes was wisely provided for. The intention was to provide a sufficient amount of currency to keep business at an unvarying level to give the people assurance against the very tragedy which mismanagement of that law brought to the country in 1921 and again in 1929. Because of the intent and possibilities of the Federal reserve system, the great banks of the country opposed that law viciously. But defeated in that they bided their time, and finally after that splendid system had carried us triumphantly through the World War the superbanks got control of the system apparently by convincing the Federal Reserve Board that following the example of the other countries of the world we too should deflate.

INFLATION AND EXPANSION DEFINED

It is necessary here to define inflation, deflation, expansion, and contraction. Expansion of currency is the legitimate increase of currency required to carry on business to the best advantage; inflation of currency, on the other hand, is the improper, abnormal, imprudent increase of currency.

CONTRACTION AND DEFLATION DEFINED

Contraction and deflation, of course, are the opposites of these two terms. It is very necessary to get the definition and understanding of expansion and inflation clearly in mind, because there has been so much misuse and misunderstanding of the words as to have completely muddled the entire matter in the minds of many. This seems to have been willfully done by those who desire to prevent public understanding of this simple matter.

A very great fear of inflation has been instilled into peoples' minds, so much so that the mere word "inflation" inspires timid souls with terror. No one ever tells them the plain fact that vastly greater damage has been inflicted on the producers of wealth by contraction of currency and credits than has ever been done by inflation.

Nobody ever seems to tell them that we never have had an inflation of national currency in America. That we have had the expansion of currency necessary to carry on business as it should be done only once, that during and immediately following the World War. And that the contraction of currency of 1920, when the farmers were "deflated," brought wreck and ruin in its track.

We can not, of course, deflate what has not been inflated. The expansion of currency and credits during the World War period was made very properly and very necessarily to meet the business conditions of that period. It therefore was not inflation at all. Nevertheless, immediately following the war the cry was sent up from every controller of large amounts of currency and credits to "deflate" what had not been inflated. What it really amounted to was the demand that their cheap war dollars should be converted into high-priced dollars; that is, that the value of their dollars should be increased.

We had expanded our currency and credits from necessity during the war to meet the conditions which required a large amount of currency and credits. The necessary result was that the large supply of currency and credits reduced the value of the dollar. This was brought about by three purely temporary conditions: First, 30,000,000 producers had been taken out of producing and put to destroying. This gave a fictitious value to every commodity.

Second, the countries of the world issued tremendous credits to pay for the supplies for the contending armies.

And, third, sent their agents to the United States to "Go get it."

These conditions necessarily decreased the value of the dollar in proportion to the increase in the number of the dollars. Under the stress of war business responded and adjusted itself to the new conditions, to the new dollar value. Business made money rapidly. The war was won on these cheap dollars. The war millionaires were cheap-dollar millionaires. Those who increased their already millions, as the great majority did vastly, increased their millions by adding other millions of cheap dollars.

This condition would have passed without difficulty if conditions had been permitted to adjust themselves. Because when the war ended what was left of 30,000,000 producers were turned from destruction back to production. The emission of great credits ceased. The orders of the agents to "Go get it" were canceled. These three conditions being the reverse of what had existed, the matter would have worked itself out beyond question of a doubt if it had been left alone.

During the war the farmers and stock raisers of the country had been powerfully solicited by the Government to borrow money to enable them to produce as much grain and livestock as possible. They were assured that the prices to be received for their livestock and grain would be such as to make it a matter of profit to the farmers to meet this great war need of the Government. The farmers had obeyed that call to duty. The military authorities expected the war to go a very much longer time than it did go. The result was that when the war ended suddenly the farmers found themselves in this position: They had gone in debt to meet the demands of Government for war. They were in possession of livestock and grain on a very large scale. The prices were high, the world was hungry and needed the food. If left alone, the farmers could easily have sold their livestock and grain at sufficient prices to have paid their debts without difficulty. The world was at work and could easily, and would willingly, have paid those prices for these farm products.

THE FARMERS ARE DEFLATED

However, this was not permitted to them. In August, 1920, the order went forth from the Federal Reserve Board that the farmers should be deflated. The banks which had made the loans were ordered to call on the farmers to pay their loans.

The livestock, therefore, was started for the market. It became evident very quickly that this would glut the livestock market completely and reduce the price so low that the farmers and stock raisers could not pay. Instead of admitting the mistake and cancelling the order to call these loans, as common sense dictated, it was considered sufficient to save the face of this big board by the means indicated in the following circumstance: At Belle Fourche, S. Dak., the stockmen, as they always did before, called on the station agent of the railroad to deliver stock cars on certain dates. The cattle for a distance of 50 miles around began coming in to Belle Fourche. The cars did not arrive. The stock-

men "burnt the wires" calling for these cars. The cars still did not come, though there were plenty of cars available. But with more than a million dollars worth of cattle filling the pens, the lots, the stables, the surrounding fields of Belle Fourche, a blizzard came out of the Northwest and froze these poor dumb brutes and ruined the stockmen and small banks of that section. It afterwards leaked out that through some mysterious force the agency which had ordered the deflation had arranged secretly with the railroads not to deliver the cars.

EFFECT OF CURRENCY CONTRACTION

The ghastly effect of this contraction of currency was to break 6,000 banks, and in connection with the stock panic of 1921 to compel the rehabilitation of the War Finance Corporation to restore what business was left from the wreck.

Within two years from the order for deflating the farmer, the value of farms and stock farms had fallen from $79,000,000,000 to $58,000,000,000, a net loss to the farmers of America of nearly $21,000,000,000, in a period of two years. This was a ghastly price to pay for an unwarranted folly of the Federal Reserve Board in ordering the deflation of what had not been inflated. The farmers had hardly begun to recover from this terrible loss of 1921–21 when they were hit again with a still greater loss of another much more extensive and still more unwarranted contraction of currency and credits, through the stock gambling and resulting panic of 1929.

FARM VALUES FALL NEARLY 50 PER CENT

The total farm values at the present time have fallen from seventy-nine billion to less than forty billion. And what was the other result of this postwar contraction? It brought bankruptcy; it brought business failure; four and a half million men were thrown out of employment by this contraction of currency, and the total dislocation of credits brought about by the collapse of stock prices on the New York Stock Exchange. The general result of this deflation was to increase the price of the dollar from 60 cents in 1920 to 100 cents in 1923, and there the price of the dollar remained until 1929 with very slight variation.

METHODS OF CONTROLLING PRICE LEVELS

There are four principal methods or ways of controlling price levels; that is, of increasing or decreasing commodity prices or holding them at one level.

The first is by selling or buying securities—preferably, of course, Government securities.

To illustrate: Other things being equal, if the commodity price level is too low, and the Federal reserve banks begin buying bonds and paying out currency for the bonds, that currency will not be kept idle because it draws no interest. But it will at once seek investment. This creates a demand for property, for service, and ultimately for commodities of all kinds. The demand for commodities increases just as currency is expanded or put into actual circulation. When any desired price level is approached, the paying out of currency ceases and the increase in commodity prices soon stops.

On the other hand, if securities are sold by the governmental agencies, currency—or cash credits convertible into currency—comes in. The urge of investment in commodities slackens and the price falls in proportion to the drawing in or contraction of currency.

By varying these operations as required, a very close approximation to any desired commodity price level can be maintained—that is, the commodity price level is stabilized, held close to the desired average price for all commodities in common use.

The second powerful means for encouraging the carrying on of business is by the control of the interest rate. If the rate of interest is set at a low figure and liberal time allowances made, enterprising men very soon begin trying for ways to make higher returns on this borrowable money. This loaning of money to the banks through the Federal reserve banks, and through the banks to the people, is simply a means of expanding currency; that is, of getting money into actual circulation, which always increases commodity prices. On the other hand, the calling of loans outstanding at a low rate, and raising the rate of interest and shortening the time lessens the use of money in business and contracts the amount of currency in actual circulation, invariably reducing the commodity price levels. This interest charge is a tremendous weapon of offense or defense and should be used with very great precaution.

The third way to prevent expansion or to bring about contraction of currency is to limit the right of member banks of the Federal reserve system to the acceptance of other than such securities for loans as the Federal reserve system shall direct. Of course, the liberalization of rules in the acceptance of a wider range of securities will act in the opposite direction and tend to expand the use of currency. But this third way, while it may be a very effective way of controlling credits, is, in my judgment, fundamentally wrong. The general remonstrance of business and banks against this practice classes it at least as a way capable of very great abuse. It is not necessary at all, in my judgment, and should be discontinued.

The fourth way of affecting commodity prices is through psychological means, by propaganda calculated to stimulate or depress business, as may be desired. It is very often effective. A rumor may boost a stock, while another rumor is putting a bank broke. It is questionable because it is capable of such great abuse. It might never be necessary if the first two methods or ways are used intelligently and courageously.

If, on the other hand, publicity could be used, always intelligently and conservatively, by the Federal reserve system for the purpose of stabilization, it would be tremendously valuable. It is simply one of the ways that can be used.

IMPORTANCE OF STABILIZATION

The importance of stabilization on a fair basis can hardly be overestimated. An average or standard commodity price level has actually been established—that of 1926 as the 100 per cent. This is almost exactly the average over a 15-year period, as has already been pointed out. Actual stabilization would have automatically prevented any of the extreme fluctuations that have been so destructive to employment, to industry, to farming, to banking, and to small business everywhere. It is an interesting thing to calculate the economic saving that could have been or now can be made by this process of stabilization over any given period, and to compare this saving with all our attempts at saving through what we consider "economies in governmental expenditures." All the great farm organizations are entirely right in demanding a return to the 1926 wholesale commodity price level. If possible, they are still more justified in demanding stabilization of the dollar at that price level when it is reached. Unless that is done no farmer now in debt has a chance to pay out. If that is done, the farmers will, the next year, receive $5,100,000,000 more than they received in 1931 for their products.

But unless men are put to work we can not restore commodity price levels within a reasonable time. Because it is only possible to do so by restoring the purchasing power of the people equal to that which automatically established that price level originally.

PEOPLE NOW PAY 50 PER CENT MORE INTEREST

The total indebtedness of every kind in the United States is about $200,000,000,000. The average rate of interest is around 5 per cent. In short, the American people are paying out $10,000,000,000 in interest on borrowed capital every year. The tremendous importance of this fact lies just here. At present our gold dollar is worth a hundred and fifty cents, instead of 100 cents. The result is that we are actually paying out 50 per cent more interest than we appear to be paying. That is, we are paying $10,000,000,000—each worth a hundred and fifty cents—or actually $15,000,000,000 a year. This is "the nigger in the wood pile" of this 50 per cent increase of the dollar in the last two years. If the powers which are to profit most by this 150-cent dollar shall now resist the return to the 100-cent dollar of 1926, we shall be justified in suspecting that the increase in the dollar was not accidental but was a conspiracy on the part of big business to pile an additional $5,000,000,000 of

interest onto the people by this means, thinking the people will be too dumb to understand.

The fact that prices increased with the increase of money in actual circulation was well understood and commented on following the bringing into Spain, and from Spain to the balance of Europe, of the large amounts of silver and gold from Mexico and Peru. The low prices resulting from a shortage of coin was constantly experienced and equally well understood.

As the business of the world began to be carried on on borrowed capital, that is, as soon as debts were contracted for carrying on of business, the necessity for keeping these debts on an even keel compelled the study of the question of supply and demand of money and its relation to debts.

Little by little the fact that the fluctuation of values was actually in the money and not in the commodities began to take form. The idea of the existence of a commodity price level was first put into simple form about 1750 by an Italian named Carli. The idea grew among the thinkers and writers.

When the wage system came into being along with labor-saving machinery, the unemployment, the poverty, and destitution which always resulted from violent fluctuations of commodity prices, from whatever cause arising, were noted and commented on by all the writers of the period of the industrial revolution in England.

A commodity price index as the basis for calculating the value of money developed slowly but surely. A fair understanding of the idea and a practical application of it began taking place about 130 years ago. Since that time the fact that money varies in value and that the price of commodities depends on the supply of money has grown constantly. For 50 years there has been a general and constantly growing acceptance of that idea among the economists of the world, and the statistics slowly accumulating and tediously gathered from industry have abundantly proven that fact. At the present time all the important countries of the world fully accept that view and have their own commodity price indices. All scholars understand perfectly that the amounts of currency may be varied in such a way as to maintain a given average price for the commodity price index. They accept the corollary that if that is done that the currency by that method is being held at one regular value, or is stabilized. Then there follows the clear understanding that if that price level is constantly maintained that money or dollar value will not vary. So that if a man borrows a dollar he will be permitted to repay in a dollar of the same value.

COMMODITY INDEX A STANDARD

It is from this long experience that our own very exact and excellent commodity price index has been developed. There can be no question of its correctness. It is accepted as the standard by all scholars and governments all over the civilized world. Our price index, from which the value of the dollar is constantly calculated, is made from the principal commodities in the simpler forms men constantly use. There are 550 articles listed in this price index. The new commodity price index which went into effect on January 1 is made up of 783 articles, the addition being largely from the manufactured forms of the 550 commodities making up the former price index. The result indicates a slightly lower dollar value. They include everything used by men to a sufficient extent to find continuous sale in the wholesale markets. Each article is given its proportion in making these calculations in accordance with its relative use. Because the commodities making up this list constitute the chief commodities which men constantly use to any extent—other things being equal—the average or index price will vary but slightly. It is for this reason the best standard for economic uses yet arrived at. All other civilized governments are using their own commodity price index for the same purpose that we are. Other things being equal, the individual articles making up the list may and do vary sometimes widely in price without any marked variation in the average price. Because when one or a few articles for any reason go down in price some other one or more will go up in price, so they constantly operate to keep the average very near to one level.

If dollars are supplied in sufficient quantity to maintain a constant average price for all these commodities at some unvarying figure over a sufficient period of time, all other articles of ownership—stocks, bonds, real estate—if unaffected by outside means, will tend also to take on a price level commensurate with this commodity price level, individual articles varying always, but the average remaining largely the same, just as in the commodity price index. Men only starve for food, where business starves for money. Let us note the facts as shown by experience. No theories are necessary.

Every time our dollar increases in value we have hard times, unemployment, poverty, and bankruptcy just in proportion to that increase of value. Every time our dollar decreases in value we have good times—increased employment, business success. And that continues to increase as long as the dollar continues to decrease in value. Other things being equal, it has always resulted that way in our country, as well as in every other country. There is a place where the decrease of the dollar value must end to prevent the disaster of inflation, as German experience so dramatically warns us. There is a place also where the increase of the dollar value must cease if we are to prevent the financial destruction which the contraction of currency always brings. As long as the dollar value varies there can be no security in business, because there is no stability. Business can not stand great fluctuation in prices. The experience immediately following the war was tragic in the losses of nearly every new business established during that period of high prices and cheap dollars. Then the dollar was shot up in value through the withdrawal from circulation of a billion and a half dollars in currency and six billion in credits in a 2-year period. The sudden drop in prices ruined these new high-priced shops and the high-priced materials for use in them.

HOARDING MONEY

Hoarding is the taking money out of general use. It is the most effective means of contracting currency and credits.

There is now said to be in circulation $5,100,000,000. That is, there are that many dollars somewhere in the United States or elsewhere, not in the Treasury or Federal reserve banks.

Where is this money? Is it turning over rapidly, carrying on the exchange of commodities? That is what money is for. But perfectly clearly a large part of it is not being used for that purpose. Of this five billion one hundred million that is supposed to be actually in circulation there is apparently no less than two billion that has been withdrawn from circulation and put into safety-deposit boxes or hidden away for sake of having it when needed.

More than a quarter of a billion has been withdrawn from the banks since December 20. Another two hundred and fifty million is tied up in failed banks. There is a very large amount of our American money in Latin America, in Europe, and in Asia, because it is everywhere preferred to bank drafts and commercial exchange. The total actually out of use in the United States is certainly as much as one-half of the total amount alleged to be in circulation.

Of that remaining half, another large part is practically hoarded because the great majority of the banks all over the country are not loaning any considerable proportion of what they do in prosperous times. The effect on business of this failure to loan is the same as if this were also put in safety boxes and locked up.

CAUSE OF HOARDING MONEY

There is one principal cause of hoarding money; that is, the fear that it will not be available when needed. This fear does not exist without good reason. Lack of confidence has developed through lack of safety, through actual insecurity, through the terrible losses to millions of depositors, through the failure of 3,700 banks since November 1, 1929. This record of losses from bank failures abundantly justifies the present fear, the resultant lack of confidence. Business is going to ruin and people are starving purely for lack of money for

carrying on business. It is worse than childish to wonder at the present lack of confidence or to blame the people for their fears. The shame is that this Government standing idly by should have permitted these thousands of bank failures. It was not necessary; it was inexcusable. We can only remove that fear when we remove the cause of the fear. We can only restore confidence when we restore actual security, which is the only just basis of confidence.

To do that, the very first necessity, the absolute requirement, without which there can only be continued disaster, is the providing and keeping always available a sufficient supply of money, whatever that amount may be, to give the people the certain knowledge that they can always have money to carry on business as it ought to be and can be carried on. As a part of this plan it ought clearly to be recognized that it is absolutely necessary for government to provide adequate means for safeguarding the bank deposits of the people as a matter of national security. We insure everything else under the sum with great good sense. We can, beyond question, also insure the people against loss when they deposit their money in the banks. The failure of a few States in attempting to safeguard the depositors of their State banks has furnished us with the experience necessary to assure success to the National Government in providing security to bank depositors.

The fact is, people are not going again to deposit their money in banks with the freedom and continuity which our credit stream requires unless they are guaranteed against loss. National security and safe banking both require this insurance. The business can well afford to pay the cost. This is too vital a matter to be treated superficially. Let us go to the root of the whole matter like statesmen and correct it all, and hoarding will soon be forgotten, a thing of the past.

CONCENTRATION OF WEALTH—WORLD-WIDE DEPRESSION? NO

The claim is made and widely heralded to the Nation that there is a world-wide depression that grips all nations and that we are merely a part of that depression with no fault of our own. Let us examine this claim, because if it is true, then we face the task of curing a world and not a Nation. Unemployment is the one inevitable result and final proof of depression. There is never any depression where the great majority of men are at work. There is always depression where large numbers are idle. The very first result of depression is unemployment.

Let us hold in mind that Europe and America together carry on 90 per cent of the world's business. If depression is world-wide, it must include all the principal countries of Europe. If it does not include all the principal countries of Europe, then it is not and can not be a world-wide depression at all.

Let us see. Let us first name the countries that have unemployment. The only two large and important countries in Europe that are suffering from depression as indicated by large numbers in enforced idleness are Great Britain and Germany. In addition to these two large countries there are to be added the small and economically comparatively unimportant countries of Yugoslavia, Czechoslovakia, Hungary, old Austria, Poland, Rumania, and Greece, all of which are experiencing more or less difficulty, all of which have some unemployment as a result. But all of these small countries taken together do not do 2 per cent of the business of the world.

Now, what of the other countries of Europe?

France, with 40,000,000 people, and her vast colonies, the richest country in Europe, has no unemployment. Russia, with her 150,000,000, has not an idle or hungry man or woman in all her wide borders. The same is true of Finland, Norway, Sweden, Denmark, Holland, Belgium, and Switzerland. There is no unemployment in Italy because the Italian Government has known enough to put men to work making needed permanent governmental improvements. What little unemployment Italy has had Premier Mussolini charges was due to our American panic, and he points to dates and facts as proof of his contention. These countries do much more than half of the business of Europe. There is no depression in any of this long list of important countries. There is, therefore, no world-wide depression at all. It is purely and simply a political alibi to get away from the responsibility for these awful conditions.

PANIC NOT DUE TO WORLD WAR

The next very general claim is that this panic and depression is the result of the war. Let us see. We had a panic in 1920–21. That was charged to the war. But this panic came almost 11 years after war had closed. Between the end of the panic of 1920–21 and the panic of 1929 we had seven years of actual prosperity along most all lines and increased our national wealth and annual national income tremendously. The Congress of the United States in 1921 reduced the income taxes—the war taxes, as they were called by the men who voted the reduction—because the war was over. In 1924 the Congress again reduced the income taxes, giving as its reason that that reduction represented a fair peace-time rate. In 1926 the Congress again reduced the income taxes and emaciated the inheritance and gift taxes almost to the point of destruction. The reason assigned was that that action would recall into useful industry the $14,000,000,000 already tied up in supposed tax-proof securities. Since that time the amount invested in these supposed tax-proof securities has more than doubled. In 1928 the Congress again reduced the income tax, because, foorsooth, we had too much money in the Treasury. On December 14, 1929, in the midst of tumbling prices, panic, and ruin, with 3,000,000 men already out or facing immediate unemployment, the Congress again reduced the income tax, and it remitted a full year's taxes already due (as they had done at every other previous reduction).

This gift was supposedly $160,000,000—ninety millions to the corporations and seventy millions to the individual income-tax payers. It turned out to be a much larger amount. This reduction was made for psychological reasons, again because the Government did not need the money. Too low a tax rate is as bad as too high a tax rate. The first denies the growth which the best interest of the people requires; the second confiscates the money which should go into savings for investment. All reductions were made in the full conviction that the war was over, that prosperity was permanent, that there was no danger of a relapse. Such reductions and remissions of taxes already due are unthinkable if the influence of war still affected or was at all likely to affect the prosperity of the country.

But these statements by no means justified the action of Congress in the reductions and remissions of income taxes that were made. That was, as a whole, a withering mistake. If the very moderate rate of 1924 had been retained and the technologically unemployed had been put to work with that surplus making permanent national improvements as fast as these men lost their jobs, there need not have been an idle man in America.

OUR PANIC—OUR DEPRESSION

No! No! There is no world-wide depression. This depression is not due to the war.

This is our panic. This is our depression. We made them both ourselves. They did not come through accident. Eight million men in enforced idleness can only result from definite causes, capable of clear ascertainment. This terrible panic and the resulting ominous depression came for the very same reasons, resulted from the very same basic causes which produced the panics and depressions of 1921, 1907, 1893, of 1873.

PANICS ARE PREVENTABLE

They were all preventable, every one of them. But the sinister import of this whole matter lies in the fact that the causes of panics have been so well studied by the interests which have profited by them in the past that they know how and why panics come, if not actually how to induce them at will. At each succeeding panic they are enabled the more thoroughly to profit as a result of these repeated experiences.

On the contrary, the misfortune of the American people lies in the other most significant opposing fact that our

Government has done nothing to learn why and how panics come and has made no move at all to prevent the recurrence of panics. This is an inexcusable failure of Government.

ONLY ONE CONGRESSIONAL ATTEMPT TO FIND CAUSE

In all our congressional history I find only one serious attempt to inquire into the causes of panics and the part which the stock exchanges play in creating them. The Pujo committee of this House carried on an investigation with great intelligence, 1912–13. It did not have the power nor authority which it ought to have been granted. Yet, if the report which it brought in had been acted upon, we would not have had either the panic of 1921 nor the panic of 1929. And if the committee appointed in 1926 had fought for and compelled the stabilization of the dollar on the commodity price index of 1926 there would have been no depression to-day. If the income tax of 1924 had been retained, as it ought to have been, and the technological unemployment had been met as it arose, there would not to-day be an idle man in America. It is the failure of government that has permitted unemployment, contraction of currency, and the desolation of nation-wide robbery in the name of speculation.

THE COMING OF THE PANIC

If we trace the coming of the panic of 1929, we shall understand how all the rest have come about, because the main points will closely coincide. Prosperity came as soon as men were put to work after 1922. The value of the dollar was in effect largely stabilized by the Federal reserve system, whether consciously or unconsciously we can not say, from 1923 to 1929, inclusive. The result was that business flowed along very securely and very successfully, as it always does under stabilized standard of values. This tremendously profitable stabilization of the dollar was permitted to lapse with the coming of the peak of the major bull movement on the New York Stock Exchange and the dollar started precipitately upward when the crash came on that market. In the 27 months since that stock crash the dollar has increased exactly 47 cents, or nearly 2 per cent a month.

Our dollar, which remained at 100 cents for our 7-year period of prosperity and security, in the last two years has contributed largely to the poverty and chaos by its 47-cent increase in value.

The period from 1923 to 1929, both inclusive, was a period of very general prosperity. Outside of the building or buying of houses, automobiles, and many articles of service or luxury which they could never afford before, people had saved unheard-of amounts out of their earnings. These savings had as a rule been invested along the lines of ordinary conservatism—loans to business and mortgage loans. Many had intrusted the investing of their savings to their local bankers. That meant bonds and mortgages and current loans to local business at the ordinary rates of interest. This class of investment reached into every nook and corner of the country. The amount saved in this 7-year period by the 40,000,000 people occupied in all lines of gainful pursuits ran into many billions of dollars—very many billions. This stimulated enterprise and interest in investments and money making along many lines and among many more millions of people than ever before. There were many combinations of companies already in existence and many new ones were formed on the expectation of getting part of the country's savings invested along these new lines. The favorite method was to list the stocks on the New York Stock Exchange, encourage speculation, and start the price upward.

BANK AFFILIATES

Several powerful banks and banking houses of high standing and reputation, in New York especially, either already had or soon formed affiliates; that is, actual stock-selling companies owned or controlled by the same directors as the banks, though not legally connected with them. These affiliates, dealing on the reputation and good name of the banks and using the names and reputations of those banks whose officers generally owned them, sent out several thousand high-powered salesmen into every section of America.

These salesmen sought out everyone who had money or investments in every community in America. These salesmen pointed out that these stocks, as a rule, were listed on the New York Stock Exchange and could always be converted into ready cash at a higher price than they were selling at. They showed that over a long period the prices of stocks had, on the average, gone up steadily. These thousands of high-powered salesmen talked to millions of people about stocks and the extraordinary profits being made constantly. A propaganda of nation-wide extent and peculiar appealing power to the ordinary man's imagination was carried on everywhere. The leading newspapers of the country were induced by the tremendous interest aroused to devote from 10 to 30 per cent of their entire space to the stock markets. The advertising value of this space repeated day after day is almost beyond calculation. The psychological effect on the minds of men was tremendous. The two to three million originally investing or speculating grew by leaps and bounds, until at the peak of the market, on September 5, 1929, 17,000,000 men and women in America had invested their savings in outright purchases of stocks for good cash money or had "bought stocks on margin"—that is, purely for speculation—on the New York Stock Exchange. A constantly increasing horde speculated; that is, gambled in stocks.

These same famous banks, through these same affiliates, themselves put out new stock issues, so little justified as to amount to little less than plain thievery. The bonds of foreign countries of questionable ability to pay were eagerly sought by these affiliates. In one case a relative of one of the officials received a plain bribe of nearly half a million dollars for granting to one of these organizations the privilege of selling one of these foreign bond issues to the American people.

Most of these sales by salesmen were outright purchases and had some percentage of actual value as a rule, often amounting, however, as experience proved, to only a few cents on the dollar. But the amount of money taken out of the usual local investments in this manner in the aggregate was very great.

MARGIN BUYING

But the greatest injury came from the buying "on margin," that is, gambling on the rise or fall of stocks. This required the withdrawal of the cash resources of the speculators from local uses and resulted almost invariably in complete loss. And it came out of every community however small, and from one end of America to the other. Several million new "operators" were induced to gamble. These were quite incapable as a rule of competing with the men who literally controlled the market and manipulated it to suit themselves. The mania increased. The small banks all over the country, and the larger banks only to a less extent, were drained of cash to send to New York for gambling in stocks.

The margin required by the brokers was constantly increased so that when the peak was reached the margins required were 50 and 60 per cent of the price of the stock purchased. This fact should be clearly noted. As the mania spread the dealings were so large that the New York banks could by no means supply the tremendous brokers' loans required to carry the market.

The interest rates on call loans began going up, and this being a perfectly safe loan, the high interest rates began attracting more and more money from all over the United States, taking it increasingly away from the regular legitimate business of the country, and sending it to New York to be used for purposes of speculation. The interest rates constantly rose and called more and more money away from the business which had depended on this money, and which could not carry on without it. And legitimate business could not possibly pay 10, 15, and finally 20 per cent interest—which money was bringing in New York on call—and survive.

LEGITIMATE BUSINESS SUFFERS

The result was that the legitimate business of the country suffered sharply and unemployment began to result perceptibly in the spring and early summer of 1929. This un-

employment increased markedly as the summer and fall wore on.

The Federal Reserve Board, after limiting the securities which member banks might accept, itself began raising interest rates, ostensibly to discourage speculation, it being one of the old and senseless fallacies that high interest rates tend to curb speculation on the stock market. The fact is and always has been that the winnings in stock gambling are often so large in proportion to the amount risked, and are always expected or hoped for, that the interest rates cut no figure. (This fact had been fully dealt with in the book by Owen and Hardy and published to the world in 1925. The Federal Reserve Board did not seem to know either the fact or the book.)

But it is equally true that increased interest rates always limits business and, if carried far enough, finally destroys it. And that is the very thing our Federal Reserve Board helped to bring about.

The full extent to which capital had been withdrawn from the business of the country may never be known. But at the peak of the boom $8,600,000,000 in brokers' loans, carrying these stocks bought on margin, was outstanding on the New York Stock Exchange alone. Facing this was the margins put up by speculators at the time of purchase of the stock—much of it a 50 to 60 per cent margin, be it remembered—a total amount probably approximately equal to the brokers' loans on call money.

SEVENTEEN BILLION CASH CREDITS CONCENTRATED

This $17,000,000,000 in margins and call loans combined is by no means all that was engaged in stock gambling in New York. There are always very large amounts loaned privately and never reported. There are several other smaller stock exchanges to be accounted for. There are vast interests requiring no loans. It is probable that no less than twenty-two billions of bank credits, ordinarily available for and used in ordinary business, were taken away from business and used in stock gambling on the stock markets in 1929. The total bank credits available for that year for all business was $55,000,000,000. When 40 per cent of the total amount of cash and cash credits upon which business necessarily feeds and exists is withdrawn from business any schoolboy will be able to understand what was the inevitable result of such tremendous withdrawals. The deluge was impending. It only required two things—the calling of these brokers' loans to compel the selling of the stocks held on margin, and that sabotage of finance known as selling short—to sweep the business of the whole country into the abyss. Both occurred. Loans were called in tremendous amounts. There was no hope or expectation of these call loans being paid; the certainty was that the holder of stocks on margin would be sold out. Three and a half billions of these loans were called the first 30 days. No financial system so far invented could withstand such a strain. The bulls had suddenly turned bears, and with the hammer of Thor they smashed the very prices they had so assiduously built up and unloaded on "the innocents." The profits to the controllers and manipulators of the New York Stock Exchange during the nation-wide major bull market of long duration were enormous. To these same controllers and manipulators in the terrible ensuing crash the profits were appalling.

Ninety-nine out of each hundred who speculated only knew how to make money through buying at one price and selling at a higher price. They were "the innocents." The other 1 per cent knew as well how to make money on a falling as on a rising market.

If by any means the gambling in stocks could be limited in its effects to the individuals directly engaged in it, we might only be under the same obligation to declare the agencies carrying it on "national gambling institutions," and provide the law necessary for their abatement, as we did in the Louisiana State lottery.

But that is not at all possible for this reason: Out of the savings of some years by the whole American people the controllers of currency and credits, the controllers of the New York Stock Exchange for a purpose, gained for themselves approximately $13,000,000,000 as the total net result of the major bull movement culminating in the major bear movement in the stock crash on the New York Stock Exchange following October 24, 1929. The loss to the several million "innocents" actually engaged in stock gambling was, therefore, $13,000,000,000. But the loss to the other 120,000,000 people who had no hand in the gambling, who had no fault in the whole matter, lost the staggering sum of not less than fifteen times as much as those who did gamble, and from which only a few actually profited.

THE CONCENTRATION OF WEALTH

The extent to which the concentration of wealth into the hands of the few has already taken place and the rapidity with which that operation is constantly progressing seems to be but little understood. The significance of it is but little appreciated.

Yet in a report to the Senate in 1926 the Federal Trade Commission shows that at that time 1 per cent of the people owned 60 per cent of the national wealth; that the 99 per cent of the people owned the remaining 40 per cent of the national wealth. It shows further that of this 40 per cent of the national wealth, 22 per cent of the people own 35 per cent out of the 40, and the remaining 77 per cent of all the people of America owned the remaining 5 per cent of the national wealth.

This concentration of wealth here set out was for the prosperous year of 1926. The great major bull movement culminating in the stock panic of 1929 resulted in the greatest concentration of wealth of any other 10-year period in the history of the world. What the proportion is to-day no man knows. But that the 1 per cent of the people now own largely more than 60 per cent of the national wealth and the 77 per cent of the people now own much less than 5 per cent of the national wealth there can be no reasonable doubt.

The same year that 7,000,000 men were in enforced idleness with no income at all, 504 individuals reported a net income of $1,185,000,000.

COSTS OF PANICS

Let us recall that we had no difficulty in meeting our costs of government, nor meeting our payments of the costs of war, till the panic of 1929 swept us into financial chaos.

We are not suffering from the costs of war. We are not suffering from the costs of government. We are suffering from the costs of our panics. The shrinkage in prices resulting from the panic of 1929 in the 2-year period has cost the United States alone more money than the war of 1914 to 1919 cost all the countries of the world engaged in it combined. The total direct cost of the World War for all countries combined was $186,000,000,000. The shrinkage in prices which have already resulted from the panic of 1929 has passed the $200,000,000,000 mark. We have in this same 2-year period irretrievably lost in national income more than double our total direct cost of the World War. Our national income fell from $90,000,000,000 in 1929 to $70,000,000,000 in 1930 and to $60,000,000,000 in 1931. In wages alone we have lost more than $24,000,000,000 in this 2-year period. The total irretrievable loss for the year 1930 was $20,000,000,000; in 1931 the total irretrievable loss was $30,000,000,000.

The question I put to you gentlemen is this: Supposing it does cost $5,000,000,000 per year to put all our men to work and five billions more each year to keep them at work, which is the better economy, to spend that five billion and stop the $30,000,000,000 annual loss or to leave them idle and go on accepting the loss of $30,000,000,000 and more every year, for it will increase if we do not go to work.

BUDGET CAN NOT BE BALANCED WHILE MEN ARE IDLE

There is no department in this Government, there is no committee in this Congress which can show any method of even balancing our Budget within the next three years or five years without putting our idle men to work creating wealth. The answer to the whole thing is that we must create wealth before we can pay our debts. If we make employment universal our income will reach $100,000,000,000 a year. At the present time our total indebtedness, including currency charged as a part of our indebtedness is

$17,000,000,000. To this must be added the two billion already voted for reconstruction of finance. To that must be added one billion more for the deficit already existing, a total of twenty billions. Now, if we add to that amount $5,000,000,000 of prosperity bonds, assuring universal employment over a period of two years, we will owe a total of $25,000,000,000. That is about 6¼ per cent of our national wealth before the panic struck us. No man would consider it bad business to put that proportion of a mortgage on his property if it enabled him to succeed in business. A wise government will not hesitate to put 6¼ per cent, or 10 per cent, for that matter, if it takes us certainly out of this depression with its tremendous continuous losses. If we put our indebtedness up to $25,000,000,000 there is no need to worry about it, because we earned $30,000,000,000 every four months when we were 85 per cent at work in 1929.

IN DEBT BEFORE

Let us see whether we have ever before been so deeply in debt in proportion to our national wealth as we would be if we should issue $5,000,000,000 of prosperity bonds. Let us see. At the close of the Civil War our national wealth amounted to approximately $20,000,000,000. Our total indebtedness was $2,775,000,000; that is to say, we owed 13.37 per cent of our total national wealth. With $25,000,000,000 of indebtedness now, we would owe a little less than half of that proportion, or 6¼ per cent of our national wealth. We ought to see that it is not the amount of indebtedness that is the important factor. It is the relation which the debt bears to the national earning capacity. Billions or millions is not the question. If we are earning—that is, creating wealth—in billions we can pay billions just as easily as we can pay millions when we are only earning millions. And our ability to produce wealth has increased fivefold on the average, man for man, since the Civil War period when we owed 13.37 per cent of our national wealth.

Our difficulty is that we go into mental panic over a few million or a few billion dollars. We are being told that penury is economy. It is not. This is a $500,000,000,000 country when we were all at work. It is only a $200,000,000,000 country now because we are idle. When we were 85 per cent at work in 1928 and 1929 our national income was $90,000,000,000 a year. If we put 95 per cent of our able-bodied men and women at work our national income will pass the hundred billion a year mark. And that is not more than a normal percentage of employment in a young, undeveloped country like this.

It is true we are in the midst of a great emergency. But we are not defeatists. True enough the emergency is greater than that which we faced at any time during the World War. It is therefore a war condition we are facing. War measures are necessary to meet it. If we restore the full war taxes at the highest period, it will not be too much. To that rate should be added a minimum tax of $50 on all jobs paying $2,000 or more, and then increase that rate as the incomes increase. That would be the best possible insurance for keeping jobs. The security afforded would abundantly repay the cost. And let me repeat to you, it is jobs we must provide, and permanency of jobs we must guarantee. Even that rate would not be sufficient to meet the requirements because incomes depend on prosperity, and with the present low production of wealth we could not get enough to balance the Budget in three years or four years unless men are put to work. But if and when the rich people of this country willingly accept the full war-time rate of taxation on incomes and inheritances and gifts you will, under that condition, find the laboring men and farmers of America willing to accept a sales tax sufficient to carry the balance. I doubt whether any man in this body will accept the principle of a sales tax with greater regret than I do. But "It is a condition, not a theory, which confronts us." This condition, as I have pointed out, is the result of misgovernment. The way to correct that is as open to one party as it is to another, and to the men of one party as it is to the men of another. We must accept conditions as we find them. We must cure this condition by whatever means we find necessary. A half-hearted, halfway policy only sufficient to balance the Budget would be fatal. It would only drive us farther into helplessness.

Any policy which fails to provide means to put all our idle men to work would lead us inevitably into disaster.

We must face these facts. We must consider men and women and children. We must know that we can not provide for a balanced Budget except by providing a balanced ration.

If we say honestly and frankly to our people that these charges are necessary, the patient, long-suffering, patriotic people of this country will march with us and cheer us on and trust to better days.

THE SALES TAX

If the men who labor and have jobs know that 2 per cent or 3 per cent, for that matter, of their income will assure jobs to their idle buddies—2 per cent on everything they use, mind you—not a one will deny them. If the idle men of America are shown, as we can and must show them, that only by putting a tax of 2 per cent on all they use can we assure them work they will take the jobs with a cheer. It will cost the wage earners a half billion dollars, but it will increase their present income by twelve billions a year. What man who labors will object to that change? If the farmer, now able to pay almost nothing, has the assurance which universal employment would bring, that the 1926 price level is to be restored and the dollar stabilized at that point, all his produce will meet with a ready sale at a fair price. A 2 per cent universal sales tax would cost the farmer a quarter of a billion dollars a year. But he will not hesitate to accept the 2 per cent, much as he dislikes sales taxes, because it would increase his gross income $5,100,000,000 each year. That would give the farmers of the country four billion eight hundred million net more than they had last year, an average of $800 for every family now on the farm. Do you think any farmer would object to that under present conditions?

TARIFF ON OIL

Let us grant a tariff on oil for the benefit of American producers and then put a 3 cent national tax on gasoline—not 1 cent, not 2, no less than 3. That would bring us half a billion a year. These three sources will balance our Budget the first six months. By the time the increased income, inheritance, and gift taxes are effective, always a year off, the incomes will have increased so largely that these three sources of taxation at that time will balance the Budget, provide from there on out $5,000,000,000 a year to keep men at work, making permanent improvements for the Government, and in a 10-year period pay off every dollar of our indebtedness if we should desire to do that. When the emergency is passed, we may then stop and argue about the injustice of a sales tax, the injustice of high rates of income taxes, if they are unjust; but in the meantime, if under such taxation we put every man to work, and keep them at work, it is not only the greatest service we can render our country at the present time but it is the only way out of our present condition.

We must put aside all theories which apply to ordinary times. No precedent applies. No action which we find it necessary to take need establish any precedent for the future. This is a geat national emergency. We must meet it the best we can with the means we have at hand. The people who are suffering will understand this necessity every time and justify our acts if we have courage to meet these conditions as we must.

This is a matter of putting men to work. This is a matter of providing jobs. Unless we do that, we fail utterly.

THE UNCOUNTABLE COST OF PANICS

Then, there is another loss that never can be estimated, never can be expressed in dollars, however many billions we may use in the attempt. It is the loss of human enterprise, the sense of human waste, the lessening of abiding faith in our Government, the eternal question mark that must hereafter be put by every man who considers investment, the sense of insecurity of the man and woman whose hearts' desire homes and children, the question that every father and mother of children already in being as to whether they

may be able to bring up and educate those children as they ought to be educated, what will be the effect of partial starvation of some millions of children—what price will they pay, and what price will society in afterlife pay for them.

These are some of the losses utterly beyond calculation—beyond estimation—losses that touch the souls of men and bring the deformities of civilization that are to mark future centuries.

There is another loss, vast, incalculable, which will not be put off to future time but which will follow us and dog our footsteps till we answer the riddle it propounds. That loss is expressed in the profound questioning of our Government and the system upon which it is founded and upon which our Nation has grown up.

Taken as a whole, the American people have never heretofore faltered in their faith in our Government, or the capitalistic system underlying it.

But under present conditions it is equally certain that as a whole, among all the men and women of America taken together, the question is being asked and discussed whether that faith has been well founded; whether a system that permits unemployment, bankruptcy, and poverty on a nation-wide scale in the richest country in the world is worth saving; whether some other system may not be found that will prevent such catastrophes. Those questions are in the minds of the American people on every farm, in every hamlet, village, and city in America to-day.

They are considering the questions sanely and patriotically, with every doubt resolved in favor of their country and its institutions.

They are reserving judgment where the evidence is not clear and complete.

But of certain facts the people have taken cognizance and can not and will not be shaken in their decisions. They know that big business, a comparatively few men with similar interests, working purely selfishly, have for years past been in control of industry through control of government. They know from hard experience this terrible condition, existing and becoming constantly more difficult since October, 1929. They know that big business did not prevent this misfortune. They know that the interests in control could or could not have prevented this cataclysm. If they could not have prevented it, they are weak and unworthy of leadership; if they could have prevented it and did not, they are criminal. That in either case control of industry must be taken from big business for all time to come. They are not only ready but demanding that the officials whom their votes elected shall step in and accept the duty and responsibility of restoring prosperity and guaranteeing its permanency. They will accept nothing short of that. And they ought not to.

I hear repeated within this body two statements which I must not overlook.

One is, "We can not borrow ourselves rich."

Now, the fact is that is exactly what is done by ninety-nine men out of every hundred who ever get rich, and every one of us who stops for a moment to think, knows that. I doubt whether there is a man in this body who ever made any considerable amount of money except on borrowed capital. That is exactly the way most men have got rich, by borrowing enough money—not half enough, mind you, but enough money—to do business on properly and by putting other men to work making money for them. It is nonsense to limit ourselves with such fallacies. Every wise business man and every wise government borrow money wherever it is thought that they will be better off by borrowing than they will be by not borrowing. It is a matter of common sense, and no other means will solve this problem.

The next one is this, repeated with even greater gravity and, if possible, folly: "The power to tax is the power to destroy." I answer back, "The power to tax is the power to employ."

We can not be timid souls and serve our country in times like these.

We must look the facts straight in the face, keep our feet firmly on the ground, know that God is guiding us, that this is America, and go straight ahead.

70-YEAR PERIOD

It is now 65 years since the close of the Civil War. During this time labor-saving machinery has progressively improved and enormously increased its field of usefulness. Wealth has increased as our power to produce has increased. Our national wealth at the close of the Civil War was $20,000,000,000. Our population at the close of the Civil War was around 30,000,000 people. In 1929 our national wealth was $400,000,000,000 and our population 125,000,000 people. Our power to produce wealth as a nation has increased twentyfold in that period, and our population has increased fourfold, so that, man for man, our ability to produce wealth has increased fivefold during this same period.

If we extend this to a 70-year period, ending in 1936, and calculate that our present depression shall end and all its wounds be healed by that time we can make a fair estimate of the effects of the panics of those years.

During that 70-year period we have submitted to five major panics—those of 1873, 1893, 1907, 1921, and 1929. Each panic was invariably succeeded by industrial depression, unemployment, bankruptcy, poverty, and destitution.

The panic of 1873 and its resulting depression required seven years for economic recovery.

That of 1893 required seven years.

That of 1907 required two and a half years.

That of 1921 required two and a half years.

That of 1929, the most severe of all, will require no less than a 7-year period for recovery.

In short, out of the 70-year period we must count that we have spent a total of 26 years recovering from our major panics and their inevitable resulting depressions. If we count that only 40 per cent of this 26-year period has been lost to progress and normal growth—and that is far too low—if we disregard entirely the minor panics of this same period, if we eliminate the endless human suffering and misfortune of those years, and place it all purely on an economic basis, what does that statement mean? It means that full 10 years has been taken out of the lives of all our people and cast into the bottomless pit of wasted toil. It means that throughout that whole 70-year period the producers of all our wealth will have bent their backs one day out of every seven to repay the terrible losses resulting from panics and depressions which they had no part in making. If we are willing to face the apalling total of that economic loss, we may get some idea of what our panics mean. If we open our ears to the cries of suffering and despair that have gone upward in the nights of those desolate years, we can no longer sit idly by. If we open our eyes to the meaning of the scars which those struggles against poverty must carry over into the future, we will arise in protest against such inhumanity. If we open our hearts to the poverty and destitution all around us, we can not fail to see that these millions of unemployed are flesh of our flesh and bone of our bone. They are in veriest truth our blood brothers and sisters and our own children under our protection. Our first duty is to them, to relieve their present suffering, to make certain that they be never again subjected to such ignominy. These be the duties of this Congress; these its great opportunity to serve, and this Congress will not falter in fulfilling those duties.

I understand our very efficient Appropriations Committee hopes to figure out by various and sundry economies the splendid saving of $125,000,000 a year under the Budget estimates. That is a princely sum. It requires great ability, endless labor, breadth of viewpoint, devotion to principle, and the courage of the American soldier to accomplish such a result. I would not detract one iota from such service and sacrifice, and I do not. But that I may appeal to these men to render even a greater service when their present work is completed, I point out to them that the $125,000,000 they are saving is exactly the amount of income earned by the American people each three and a third working hours during the years of 1928 and 1929.

That through idleness we lost the total sum of their saving each 10 hours working time during the entire year of 1931. It is a great economic service to save a hundred and twenty-five millions to the American people, but it is a two hundred and forty times greater economic service to

restore the thirty billions of national income now being lost each year.

The great Committee on Ways and Means is engaged in the search for four billions a year to run this mighty Government of ours. The same great ability, resourcefulness, persistent effort, and courage are at work there that we have found in our Appropriations Committee. May I not, with the same praise for them and their efforts, also point out to them that when America was at work we earned that full $4,000,000,000 every 14 days; that because of our idleness we have lost seven and a half times that much in 1931 as compared with 1928 and 1929; that if we restore men to work, give jobs back to men, we can earn seven and a half times more than our Government needs each year out of that increase over our present national income?

I plead with my colleagues, whose experience in shaping legislation to our needs is of such inestimable value to the country, that they turn for a moment to this vastly greater field of restoring national income. For therein lies our way out of our present economic difficulties.

But there is a vastly greater service to be rendered by restoring this national income than any economic service can be. It will do away with unemployment, poverty, and destitution. It will set the wheels of industry humming again. It will restore prosperity. It will revive faith in our institutions. It will bring gladness and rejoicing to the children of our country, and thanksgiving and songs to the women who have borne these hardships so heroically.

If we provide a job for every man and woman who wants to work, we would have 100 per cent prosperity. Our national income under those conditions would reach a hundred billion dollars a year against sixty billions for the year 1931. In short, universal employment would be worth $40,000,000,000 a year more than our present condition of idleness, poverty, destitution, and despair. Three hundred and twenty new dollars apiece for every man, woman, and child more than we had in 1931, an average of $1,600 apiece for each family more than they had in 1931. That is worth fighting for. That totals twice as much as our national debt, including our deficit and our two-billion-dollar dole to the financial institutions. This must be the gift of this Congress to the American people for the next fiscal year.

It can be done, it must be done.

I do not propose any new plan. I only propose the doing of those things which we have always done from the beginning—only doing them on a sufficient scale to meet our present needs.

Build a great national system of trunk-line highways to connect up the State highways—all we need of them—wide enough and heavy enough to outlast the roads of Rome.

A great series of national buildings for all purposes, permanent and beautiful.

A great system of canals—one from New York all the way to Brownsville, Tex., on the Mexican border, safe in storm or in war for the increased traffic which it will bring.

A great canal from the Gulf of Mexico to the junction of the Ohio and Mississippi for the greatest ships afloat, to bring the very heart and center of our vast country down to the seven seas.

The canals from Chicago and the Great Lakes to the Atlantic seaboard. The many other canals which only our poverty complex has prevented our building before this time.

The deepening and equipping of our harbors for the carrying on of our foreign commerce, which must more and more increase as time goes on.

The reforestation of those sections which should never have been brought under cultivation.

The control and improvement of all our national rivers against overflow, for navigation to fullest extent practicable.

All these things to be done permanently and economically, and to do the other new things which will constantly arise in the same permanent manner.

In this program there will be found 50 years of work for every surplus idle man in America—great national betterment, physically and spiritually. And they will extend with the doing of them. These can be done; these must be done. [Applause.]

Mr. ARNOLD. Will the gentleman yield?

Mr. KELLER. Certainly.

Mr. ARNOLD. Does the gentleman feel that the country can absorb the additional $5,000,000,000 of prosperity bonds that he mentions in addition to the bond issue that will have to be absorbed to take care of the deficit for 1931, plus the deficit for 1932 and the prospective deficit for 1933?

Mr. KELLER. There will not be any deficit in 1932 or 1933 if you follow this plan; and there will not be any responsibility for the $2,000,000,000 we have voted for the Reconstruction Finance Corporation. Because if we restore the national income, the businesses which have received that $2,000,000,000 dole can and will pay it all back. If we do not restore the national income, business can not repay, and the people must pay for them.

To answer the question directly, following the Civil War our national wealth consisted of approximately $20,000,000,000. Our national indebtedness was $2,775,000,000, or 13.37 per cent of our total national wealth. If we issue $5,000,000,000 of prosperity bonds, this will be 6¼ per cent, or less than one-half what it was following the Civil War. Does this give the gentleman an answer?

Mr. ARNOLD. My inquiry is, Who is going to buy the bonds? Has the gentleman any assurance that the country is in shape to buy the bonds?

Mr. KELLER. All right; I am going to answer that, if I can. In other words, if we are not able to carry 6¼ per cent of our national wealth in the form of bonds, when we carried 13.37 per cent of it following the Civil War, when did we get so poor? Certainly, they will take the $5,000,000,000 as rapidly as we need the money. If you tell the people of this country that this is to put men to work, every man, every woman, everywhere, will do their bit, as they did during the war, because we are facing much more difficult conditions now than we ever faced during the World War. [Applause.]

Mr. McGUGIN. Will the gentleman yield?

Mr. KELLER. Certainly.

Mr. McGUGIN. Does the gentleman think the situation now is comparable with the situation after the Civil War, when a few years thereafter we fell into possession of a great domain?

Mr. KELLER. Yes; if we have the courage to do what we ought to do. Certainly, it is.

Mr. FIESINGER. Will the gentleman yield?

Mr. KELLER. Certainly.

Mr. FIESINGER. The gentleman said that France is enjoying great prosperity.

Mr. KELLER. That is true.

Mr. FIESINGER. Has the gentleman any information received within recent days?

Mr. KELLER. Oh, in the last three or four weeks they have been having some squabble among themselves.

Mr. FIESINGER. My reading has been that they are having the same difficulty, but not to the same extent, in balancing the budget in France that we are having in this country, and that unemployment is on the increase; but I read in the New York Herald Tribune of last Sunday two articles from which I want to quote in part:

LONDON, February 21.—The money market received a genuine surprise on Thursday when the Bank of England announced a reduction of the bank rate from 6 to 5 per cent. During the first week of this year, with sterling showing every sign of stability and the discount rate steadily dwindling, the change has been expected.

PARIS, February 19.—French economists are beginning to see signs of financial recovery in Britain, which makes them fear that refugee capital may start back across the channel soon. Writing in Information, the most important financial daily, Lucien Lamourex, reporter general of the budget, says: "Britain's financial recovery has been as remarkable and swift as France's in 1926. The budgetary situation is much improved and credit strengthened, with sterling firm. The day is coming when the London market will be made entirely sound and foreign capital again will be drawn to it."

On the same day, speaking in Paris, Pierre Quesnay, director of the Bank for International Settlements, said: "London will begin soon again to play the rôle of distributor of credit. Money that has sought refuge in Paris then will go to England.

Mr. KELLER. Let me suggest to the gentleman that during the entire period it has been my pleasure to work constantly over these things, I can assure the gentleman there has been no difficulty in France and there is no difficulty of any importance in France at the present time.

Mr. FIESINGER. What I wanted to point out was that business seems to be picking up in England, and Canada, I am informed, is showing signs of recovery. Both are off the gold standard. The same paper reported unfavorable trade balance for January in Germany of 100,000,000 marks.

Mr. KELLER. Certainly.

Mr. FIESINGER. Now, the United States, France, and Germany are on the gold standard, Canada and England are off the gold standard. If the above facts are true would the gentleman attribute anything in connection herewith to the gold standard?

Mr. KELLER. Not necessarily to the gold standard. It is all a question of having sufficiency of currency and credits upon which to carry on the business of the country to the best advantage. England decided she had not sufficient currency and credits to carry on her business on the gold standard. She therefore decided to go off the gold standard and enjoy the increase in business, employment, and profits arising from foreign commerce which the cheaper pound sterling afforded her. The results so far seem to justify the judgment of British statesmen on that matter.

Mr. FIESINGER. Then does it not follow that we must also deflate our gold dollar?

Mr. KELLER. The gentleman from Ohio is entirely correct. We must do that very thing through the means I have already pointed out, that is, through restoring the commodity price level of 1926.

Mr. FIESINGER. Would improving the price of silver help conditions in the United States?

Mr. KELLER. The gentleman opens up a subject of tremendous import and one which I should not presume to answer without more time at hand. But that the question may receive the best consideration which my rapidly expiring time will permit, I answer: In my judgment a way will be found for a very wide use of silver to the very great advantage of American business, both domestic and foreign, without at all disturbing the gold standard. We have a highly intelligent committee working on that subject at the present time. I refer to the Committee on Coinage, Weights, and Measures, of which I think the gentleman [Mr. FIESINGER] is not only a member but also a member of the subcommittee carrying on these most important investigations.

Mr. BANKHEAD. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Alabama.

Mr. BANKHEAD. With reference to that part of the gentleman's argument on the proposition of stabilizing commodity values, is there any concrete legislation now pending before the Banking and Currency Committee seeking to effectuate, in a broad way, the gentleman's theory upon that proposition?

Mr. KELLER. There is. I can not speak fully, of course, but I can speak of my own work. On January 4 I introduced H. R. 6720, which provides for making all Government securities eligible for the circulation privilege. I did this so as to provide the Federal reserve system with the power to issue as much currency as conditions should require, and at whatever time it might be required. In other words, it is an enabling act for the whole system along this line.

Second. On January 22 I introduced H. R. 8246, declaring it to be the leading purpose of the monetary policy of the United States to stabilize the dollar on the basis of the 1926 commodity-price index, and making the policy mandatory on the Federal Reserve Board and the Federal reserve banks.

[Here the gavel fell.]

Mr. THATCHER. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Chairman, when this Congress convened, with the Democrats in control of the House, I, in common with the people of the country, expected some sharp division. We all expected the Democratic majority to effect some marked changes in some of the Republican principles which the Democratic orators and press had for years denounced. Such has not been the case. Everyone expected the Democratic majority in this House to cut the heart out of the Hawley-Smoot tariff bill. Not so. The Democratic majority brought in a tariff bill by name only. It never lowered a single schedule. The leader of the Democratic Party in this House stood upon this floor and said: "The Republicans will not lower the tariff and we, the Democrats, do not dare to lower it when our markets are about to be flooded by foreign products." This surrender upon the part of the Democratic Party in its century-old opposition to tariff should forever silence opposition to the tariff policies of the Republican Party.

After the Democratic Party's frank repudiation of its assault upon the tariff in the campaign of 1930 the people have been in a quandary as to what would be the program or policy of the Democratic Party in opposition to the Republican Party. Weeks and months of this Congress went by before the country was finally informed as to the policy of the Democratic leadership, which is in opposition to the program of the Republican Party. Our genial and capable Speaker [Mr. GARNER] on last Saturday informed the country as to the line of demarcation between the Democratic Party and the Republican Party.

The Speaker told the country that the Democratic Party would go to the country and fight to the last ditch, demanding that Congress and not the President should take the responsibility of consolidating the bureaus. I despair of the calamity which would fall upon the country if the Speaker should be taken from the Congress and transferred to the White House. That would mean that the people had decreed that Congress, not the President, should consolidate the bureaus. Then with the gentleman from Texas in the White House and no longer in Congress, the country would be denied his guiding hand in the momentous problem of consolidating the bureaus.

I am not such a hidebound partisan but that I can see a great opportunity for the Democratic Party to render a great service to the country in taking opposition to the Republican Party. Monopoly and concentrated greed have been in the councils of my party too long for the good of the party and the country. The Democratic Party could render a great service by making the political line of demarcation the issue of concentrated wealth. If it will make that issue, I make the prophecy that the Republican Party will in a few weeks be forced to surrender and join the Democratic Party as the Democrats have surrendered and joined the Republicans on the tariff issue.

From the record to date in this Congress, it is apparent that the Democratic leadership would rather court monopoly in the hopes of matching Republican campaign contributions than to raise the only issue vital to the country and in which the people are interested.

I commend to both parties the policy of writing their platforms here in Congress by legislative deeds rather than waiting for the Chicago conventions. If both parties continue to fiddle along, silent on this question of monopoly and wholly unmindful of the traditions and principles of Roosevelt, Wilson, and Bryan, then the people may take over either or both parties. Again, they may establish a party of their own. The people will not forever permit concentrated wealth to prostitute the two and only political parties with campaign contributions.

Some of the things which partisan leadership can effectively perform at this time include shortening the hours of labor, starting the movement to get several million unemployed back to the farm, providing the same credit and banking facilities for individual business as are enjoyed by large business, waging war upon the system of chain ownership of all profitable business in the local communities, and, last but not least, restoring the antimonopoly laws until all combinations and conspiracies in restraint of trade, reasonable or unreasonable, are unlawful. The antimonopoly laws should be restored to the same force they were for the first 20 years after their enactment and until the decisions of the

Supreme Court in the Standard Oil and American Tobacco cases in 1911.

If one had no source of information except the CONGRESSIONAL RECORD, and had read every word which has fallen from the lips of congressional leaders during this session of Congress, he would not believe that in the United States a great industry like the tobacco industry is so highly monopolized that it can dictate starvation prices for the producers of tobacco, then rob the consuming public until one company made so much in 1930 that it could pay a million-dollar salary to its president. In the following year, 1931, it displayed more monopolistic insolence by increasing the price which the consuming public should pay for tobacco. This is exactly what the tobacco monopoly has done in the United States during the last two years.

Tobacco is produced in the Southland, the bulwark of the democracy. I do not know of any Democratic leader in either House of Congress so far this session having uttered one word against the tobacco monopoly and in defense of the tobacco producers.

If one were obtaining his entire information from the CONGRESSIONAL RECORD, he would likewise never understand or believe that there existed in the United States a chain monopolistic system which has been set up on every main street of the country and is daily draining every community of its financial sustenance. I think I am safe in saying, without fear of any contradiction, that the congressional leadership in both parties are purposely and designingly remaining as silent as a tomb in this session of Congress about this monopolistic program which is destroying the respective communities which we represent.

One receiving his sole information from the CONGRESSIONAL RECORD would not believe or understand that the industrial world is so highly monopolized that it is still arrogantly maintaining its war-time prices on steel products and that the 27,000,000 farm people are still obliged to pay virtually war-time prices for the steel products which they buy while the price received for the raw products of the farm is on an average of 40 per cent below the pre-war level.

One receiving his sole information from the CONGRESSIONAL RECORD of this session of Congress could scarcely believe that there are eight and one-half million people out of employment largely because American industry has forever lost some foreign markets which were enjoyed while its European competitors were at war, and that a goodly part of these unemployed must find their way back to the small farm. No one will insist that there has been any aggressive leadership in either party to promote any sort of a program which will be helpful toward the getting of several million men back to the farm.

One receiving his sole information from the CONGRESSIONAL RECORD of this session of Congress would scarcely believe that there are eight and one-half million men out of work largely because modern machinery has been installed in American industry during the last 10 years. At least there has been no aggressive leadership in this Congress advocating a reduction of the hours of labor rather than reducing the number of employed in order to take up the slack in labor brought about by modern machinery.

From anything which Congress has done during the last three years one would not believe that two of the five great American industries, the oil industry and the coal industry, are bankrupt with hundreds of thousands of people engaged in these industries suffering dire human distress because the oil industry is denied the benefit of the traditional American policy of giving American industries tariff protection from ruthless foreign competition. The oil industry is denied this protection primarily because this ruthless foreign competition consists of four great monopolistic American oil companies. So that there will be no misunderstanding, these four monopolistic companies are the Standard Oil of Indiana, the Standard Oil of New Jersey (two Rockefeller companies), the Gulf Oil Co. (a Mellon company), and the Shell Oil Co. owned primarily by foreign capital.

If the waging of congressional warfare on monopoly is not the crying need of this country, then Wilson and Roosevelt should not have been in the White House. To-day, monopoly is the deadly foe of American liberty and opportunity, whereas in the days of Roosevelt and Wilson it was only a competitor and an embarrassment to liberty and economic opportunity for the American people. If to-day the crying need is not congressional warfare against monopoly, then Lincoln was a misfit, he should never have been in the White House, and it is a frivolous waste of money for this generation to erect monuments to his memory. In his latter days he expressed more anxiety for the future of the Republic growing out of monopoly than he ever expressed over the future of the Republic growing out of rebellion.

Ironical as it may be, yet the fact remains, if one obtained his sole information from the record of this session of Congress he would undoubtedly believe that monopoly and concentrated wealth is not an issue, and that the great and burning issue of the day is whether or not the President will reorganize the bureaus or Congress will reorganize the bureaus. [Applause.]

Mr. ARNOLD. Mr. Chairman, I now yield to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I want to call the attention of Members of the House, and especially those who, like myself, have the honor to represent districts which are in large part agricultural, to the fact that the pending bill carries a considerably reduced appropriation for Rural Free Delivery Service, and to the additional fact that this reduction is certain to result in injury in many ways to that branch of the Postal Service unless corrected.

The appropriation for rural free delivery for the fiscal years 1931 and 1932 was $107,550,000 each. The appropriation contained in this bill is $106,000,000, or a reduction of $1,550,000. An examination of the hearings had before the subcommittee considering this bill shows that the most material items of reduction contemplated by the department consist entirely of an estimated decrease in operation costs through rural-route consolidations, the entire abandonment of the previous policy of the department of establishing new routes where needed, and the practical elimination of rural-route extensions.

Referring to these in their order, my observation has been, and I am sure it is supported by the observations of many Members of the House, that the department for some years has been pusuing a policy of rural-route consolidation which has tremendously damaged the service. I have no question but that in some sections of the country, where good roads exist in all rural sections, it is possible for a carrier to make 50, 60, or 70 miles in a day conveniently and without bringing about unreasonable delay in the delivery of mail; but when the authorities of the Post Office Department attempt to apply the same rules to routes which run through hilly, mountainous country, where many of the roads get almost impassable in winter, they create by some of these route consolidations conditions whereby not only are insufferable burdens placed on the carriers but service to the people is so long delayed oftentimes as to be inferior in character to that formerly afforded by the old star routes and fourth-class post offices.

The second item of saving I mentioned is in the proposal not to establish any more rural routes. Expenditures for this purpose have been steadily decreased during the last three years, but the Chief of the Bureau of Rural Mails, testifying before the subcommittee, testified that this decrease is not brought about by there not existing any need for new routes. On the contrary, he said that about a hundred proposed new routes have been inspected and approved. The chairman of the committee upon these hearings, I regret to say, indicated his opinion that all rural routes necessary have been established. He lives in a large city, with a rural area surrounding it traversed by excellent roads, upon all of which rural service has doubtless already been established; but he should not forget those of us who come from districts where thousands of farmers are still without Rural Free Delivery Service, despite the requirement of the act of 1916 to the effect that this service should be extended as rapidly as possible to the entire rural population of the

United States. Let not those who have be too negligent of the rights of those who have not, but who are equally with them entitled to these benefits. In this connection let me state that the third item of reduction contemplated by the bill is in extensions of existing routes. These, according to the evidence delivered before the subcommittee by the Chief of the Bureau of Rural Mails, run into many hundreds, extensions that have already been approved, but which can not be granted if this bill is passed without increasing the amount of this appropriation. It carries, it is true, $50,000 estimated for rural-route extensions, but there is no suggestion in the evidence that this sum will be anything like sufficient. There is a suggestion that the department in some way not definitely outlined expects to or, rather, hopes to effect some savings by which a few of these extensions may be granted. How it can reasonably hope to effect any savings in such fixed charges as the salaries and equipment maintenance of rural-route carriers I do not understand, and the chief of the bureau was not requested by the subcommittee to explain. For the fiscal year 1930 this item of extensions was $581,336.35; for 1931, $483,014.50; for 1932, $200,000; and now it is proposed to continue the decline by providing only $50,000 for this purpose. There is not only no suggestion that a great deal more is not needed, but there is positive evidence indicating that it is.

Many Members of Congress, I feel sure, have had for several months the same experiences that I have had with rural-route extensions. All of such applications, whether approved or not, have been denied on the basis of economy, and this during a fiscal year when the department had at least $200,000 available for that purpose. Now we are asked to reduce the amount to $50,000, and when we do, we must know that the effect of our action will be to cut off any rural-route extensions, under the present policy of the department, for at least a year and a half. In the meantime I have people in my district who were assured that Rural Service would be extended to them if they would place their roads in good condition and who have expended large sums of money, as well as labor, in complying with the requirements of the department on this point, only to be told now that while their applications are now approved they can not have the promised service "for reasons of economy."

I assume from the evidence before the subcommittee that there are thousands of people similarly situated throughout the United States. The denial to them of service accorded to others similarly situated is not economy; it is rank injustice. If the administration is reduced to such straits as that in order to make ends meet, if it is necessary to deprive the farmers of the United States of some of the small benefits of government that they receive and must cut off the comparatively small sum of $1,550,000 from the Rural Free Delivery Service, then, indeed, the condition of the Treasury must be desperate.

When this item is reached in the bill I am going to offer an amendment. I am not going to ask the House to even do the just thing of restoring the figure to what it was last year; but, accepting the department's estimate that it will save $400,000 in operating costs through rural-route consolidations already effected and that it can properly effect a further saving during the next fiscal year of $300,000 in this way, I am going to ask the House to put the other $850,000 of the $1,550,000 reduction back in the bill for the express purpose not only of making necessary extensions and establishing routes that have already been approved, but for the purpose also of making it unnecessary for the department to effect rural-route consolidations, which damage the service, in order to stay within the limits of its appropriation.

We have many Members on this floor who, in frequent arguments on prospective, idealistic, and impractical legislation that can never come to pass, and would not help conditions any if it did, pose as the friends of the farmer. Here is something—not much, it is true, in amount; but still something—which no man can deny will not only be of benefit to the farmer, but which is his undoubted legal and moral right. Will these friends of the farmer unite to give it to him?

Mr. Chairman, I wished to take advantage of this time accorded me by the gentleman from Illinois to call the attention of the House to these facts. I feel that if the Members of the House will read the hearings on the subject they will reach the conclusion that I have reached. I therefore ask unanimous consent to extend my remarks in the RECORD and include as a part of my remarks excerpts from the hearings before the committee relating to this subject matter, with the hope that the membership of the House will study these hearings and will arrive at the same conclusion I have—that the amount of the reduction should be restored, at least in part, so that there will be no injury to the Rural Free Delivery Service.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

The excerpts referred to are as follows:

PAY OF RURAL CARRIERS

The CHAIRMAN. The next item is for pay of rural carriers, $106,000,000.

Mr. GEORGE L. WOOD. That represents a decrease of $1,550,000 from this year's appropriation. The expenditures for this fiscal year are estimated at $106,323,000.

The CHAIRMAN. Does that represent any new routes that you are going to put in; and if so, how many?

Mr. GEORGE L. WOOD. The appropriation of $106,000,000 for next year will be substantially enough to run the present service, and such extensions as are absolutely needed to maintain the service we now have in operation.

The CHAIRMAN. It does not, as a matter of fact, contemplate any new routes, although, of course, some might be put in?

Mr. GEORGE L. WOOD. Some might have to be put in, for one reason or another.

The CHAIRMAN. Have we not gotten almost to the point where we have covered the country with rural routes; I mean in those sections where they will probably ever be needed?

Mr. GEORGE L. WOOD. No; not from the number of applications, Mr. Chairman.

The CHAIRMAN. How many applications have you, Mr. Wood?

Mr. GEORGE L. WOOD. I think I have now nearly a hundred in my office that have been inspected and approved.

The CHAIRMAN. You mean you have a hundred approved applications?

Mr. GEORGE L. WOOD. New routes that have been inspected and that we have approved. There are about a hundred of them. We also have many hundreds of approved applications for extensions.

SAVINGS THROUGH CONSOLIDATION OF RURAL ROUTES

Mr. ARNOLD. Are you still adhering to the policy of consolidation?

Mr. GEORGE L. WOOD. Oh, yes.

Mr. ARNOLD. Have you anything that you could put into the record to show the number of consolidations and the savings due to consolidation during the past year?

Mr. COLEMAN. Yes; it is all here.

The CHAIRMAN. You will save in the year 1932, you estimate, $400,000. In 1931 you saved through consolidations $447,770.61.

Mr. GEORGE L. WOOD. I will revise those figures. In 1931 we saved $447,770; for 1932 we expect to save half a million dollars. For 1933 it is problematical, but I am anticipating at least $400,000.

The CHAIRMAN. What about these 100 routes that have been approved and are waiting for action? Are you going to take care of those out of your savings?

Mr. COLEMAN. We will try to do so. We have not any money to take care of them now.

AVERAGE SALARY AND ROUTE OF RURAL CARRIER

Mr. LUDLOW. What is the average salary of a rural carrier?

Mr. GEORGE L. WOOD. About $2,100, not including the equipment allowance.

Mr. WILL R. WOOD. What is the highest?

Mr. GEORGE L. WOOD. On a very long route it will run much higher. We have one route in southern California that is nearly 90 miles long, and that carrier gets, including his equipment allowance, nearly $5,000 a year.

Mr. WILL R. WOOD. Does he make the round trip on the same day?

Mr. GEORGE L. WOOD. He makes the round trip in a day.

Mr. THATCHER. You had better give him an airship.

Mr. GEORGE L. WOOD. He makes it all right. He is satisfied.

Mr. LUDLOW. What is the standard length of a rural route?

Mr. GEORGE L. WOOD. There is no standard length, Mr. Ludlow.

Mr. WILL R. WOOD. What is the average length?

Mr. GEORGE L. WOOD. The average is about 32 miles. It is growing all the time.

Mr. WILL R. WOOD. Take the man who has a route of 32 miles. How long does it take him to cover his route?

Mr. GEORGE L. WOOD. You mean on the average, of course?

Mr. WILL R. WOOD. Yes, sir.

Mr. GEORGE L. WOOD. I would say it might average about four hours. Of course, to that you have got to add the office time.

Mr. WILL R. WOOD. That depends somewhat on the condition of the roads, the weather, and so forth?

Mr. GEORGE L. WOOD. Surely. I was speaking of the average only.

Mr. WILL R. WOOD. In good weather that 4-hour man could cover it, I imagine, in three hours.

Mr. GEORGE L. WOOD. Well, it not only depends on the route; it depends on the man.

Mr. WILL R. WOOD. That is true.

Mr. GEORGE L. WOOD. Some men will make it quicker than others.

Mr. WILL R. WOOD. And it also depends on the machine?

Mr. GEORGE L. WOOD. And on the machine, possibly.

Mr. ARNOLD. Do you have any seasonal variance in the number of rural carriers?

Mr. GEORGE L. WOOD. No, sir; the number remains steady all the year.

Mr. ARNOLD. Could not a plan be worked out that would result in quite a saving along that line? For instance, in the winter time, when the roads are bad, of course, we know they can not cover the territory. In the summer time, when the roads are good, they can cover two or three times the amount of territory. Could not some plan be worked out whereby that seasonal necessity for additional carriers could be avoided?

Mr. GEORGE L. WOOD. To lengthen the routes in the summer time, of course, the number of rural carriers would have to be reduced.

Mr. COLEMAN. There is no seasonal time for bad roads. In many places it is a mud condition in the spring, and at times in the summer; in other places it is in the fall, and in other places it is snow in the winter, with periods of bad roads in the summer and in the spring, when they are thawing. In North Dakota to-day the carriers are probably averaging nearer 10 hours a day than 4.

Mr. ARNOLD. Do you have anything in your office showing the comparative amount of unimproved roads that the carriers traverse?

Mr. GEORGE L. WOOD. No, sir.

Mr. ARNOLD. Have you any way of getting that information?

Mr. GEORGE L. WOOD. Only this: We do not establish routes unless they are on pretty good roads.

Mr. ARNOLD. I understand. You put them on unimproved roads?

Mr. GEORGE L. WOOD. They do travel unimproved roads; yes.

Mr. ARNOLD. But you have no data on that?

Mr. GEORGE L. WOOD. I have no ready way of getting that information.

Mr. ABERNETHY. When you establish a new route, you usually abolish a number of offices, which helps some?

Mr. GEORGE L. WOOD. At times. The smaller offices which are located along the lines of the rural routes are usually discontinued.

Mr. COLEMAN. Or we discontinue one, perhaps, and it may be an office that pays two or three hundred dollars a year or less to the postmaster. There is not much saving in that.

Mr. LUDLOW. What is the rule as to the number of families to be served on a route before the route will be established? Is there any standardization of that?

Mr. COLEMAN. No. We rather feel that there ought to be four to a mile. That is used for a standard.

Mr. WOOD of Indiana. How much annual leave do you allow these people? How many days?

Mr. COLEMAN. Fifteen.

Mr. WOOD of Indiana. I see that the annual-leave practice costs the Government $3,485,000 a year.

Mr. COLEMAN. That is right.

Mr. THATCHER. What is the situation with reference to sick leave for the department?

Mr. COLEMAN. Ten days a year, and it is cumulative.

Mr. ABERNETHY. I want to make this observation, if I may, without any impropriety. I hope the time will never come when the Government will cease the extension of the Rural Mail Service. I think it is one of the greatest services rendered in the country. If there is any Government service that is really in the interest of the people, this is it.

BASIS OF SALARY FOR RURAL CARRIER

The CHAIRMAN. The salary of a rural carrier is based altogether upon mileage, is it not?

Mr. GEORGE L. WOOD. Absolutely.

The CHAIRMAN. In addition to the salary he gets a certain amount for equipment?

Mr. GEORGE L. WOOD. Four cents a mile.

The CHAIRMAN. How much of this $106,000,000 is for equipment?

Mr. GEORGE L. WOOD. About $17,000,000. To be exact it is $16,570,000.

CONSOLIDATIONS OF RURAL ROUTES

Mr. GEORGE L. WOOD. Special attention is invited to the savings in the Rural Delivery Service which have been accomplished on account of the consolidations of rural delivery routes as included in the statement.

	Actual saving
Consolidations effected during 1931 (842)	$447,770.61
Consolidations already ordered for 1932 (400)	343,698.60
Probable additional consolidations during 1932, estimated (236)	56,301.40
Total for 1932 (636)	400,000.00
Probable number of consolidations that can be effected during 1933, estimated (575)	300,000.00

DISTRIBUTION OF ESTIMATE

The following tabular statement shows in detail the expenditures, actual and estimated, for the various items that are paid for from this appropriation, being submitted in comparative form for four consecutive fiscal years:

	Expenditures, 1930	Expenditures, 1931	Appropriation, fiscal year 1932	Estimate, fiscal year 1933
Annual rate June 30, preceding year	$85,489,137.39	$85,710,792.99	$85,508,000.00	$85,100,000.00
Equipment maintenance	15,915,187.67	16,189,535.88	16,495,000.00	16,570,000.00
Additional routes	143,815.79	62,398.34	44,000.00	
Extensions of existing routes	581,336.35	483,014.50	200,000.00	50,000.00
Annual leave	3,464,977.98	3,484,291.54	3,485,000.00	3,485,000.00
Sick leave	962,832.35	963,112.55	975,000.00	975,000.00
Station clerks	55,421.58	58,113.18	58,000.00	60,000.00
Tolls, ferriage, etc	4,738.94	4,435.05	5,000.00	5,000.00
Lock-pouch allowances	53,094.10	52,075.95	53,000.00	55,000.00
	106,670,542.15	107,007,770.61	106,823,000.00	106,300,000.00
Savings through consolidations	332,636.15	447,770.61	400,000.00	300,000.00
	106,337,906.00	106,560,000.00	106,423,000.00	106,000,000.00
Balance	662,094.00	990,000.00	1,127,000.00	
Appropriation	107,000,000.00	107,550,000.00	107,550,000.00	106,000,000.00

Mr. THATCHER. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. HORR].

Mr. HORR. Mr. Chairman, I was highly amused and received a considerable amount of information from the remarks of the gentleman from North Carolina who addressed you a short time ago. He said he was dry because his district was dry, and that he intended to be dry as long as the district was dry, and maintained that attitude.

Having soldiered down in North Carolina and having had an opportunity of spending a considerable period of time in that State, I can readily see why prohibition had no effect whatever in North Carolina. I can see why they can vote dry and still receive all the benefits that were theirs before prohibition. [Laughter.]

As a matter of fact, and I have listened and tried to be patient as a new Member should, but having seen the wonderful demonstration by several new Members, I have taken heart, and for the purpose of trying to call attention to a few things, I have taken the floor.

It has been the one cry since I entered Congress to save money, to economize. Everywhere we hear it on the floor of the House, until in my opinion we have reached the hysterical stage of saving money. [Applause.]

I call attention to the fact that we preach economy in all branches of the Government, and then, when we come down to one particular item—the prohibition item—we must have the exact amount of money that was appropriated a year ago. No economy is practiced here. No curtailment is made in this item.

Permit me to call attention to just what you have done with appropriations in other departments of Government. In the State Department you have saved approximately $3,276,942.22, a 17 per cent reduction in that department. In the Department of Commerce you have saved $10,292,393, a reduction in that department of 20 per cent. In the Department of Labor—and you all emphasize that you want to do much for the poor downtrodden laboring man—you have reduced the appropriation this year over the appropriation of last year $14,403,119, approximately 11 per cent. In the Department of Justice, which includes the item of prohibition enforcement, we find the only department of the Government that does not show any appreciable reduction; scarcely 0.04 of 1 per cent is saved over the appropriations for last year. The Army and the Navy appropriations are to be reduced. As I understand it, every bill that carries any appropriation whatsoever, under instructions from leaders, is to be reduced. You people who are for economy, how are you going to tell the people of the country that you are saving in every line, cutting down the national defense, excepting in the matter of prohibition? The other day you refused an appropriation in the deficiency appropriation bill for the reserve aviators, the men who give their time and lives for the benefit of their own country.

Still, when it comes to the prohibition item, you say that you must not reduce it.

One gentleman the other day said that this is in keeping with the reduction of the appropriation for immigration and the appropriation for the enforcement of the antitrust law. It is far from the truth. If he had read the report closely he would have found that that remark applied only to the unexpended balances, and that in the item for antitrust enforcement there was a reduction in appropriation of $10,300 and in the immigration item a reduction of $14,700.

The committee report is very deceiving. Turn to page 12 of the report and we read:

> The majority of the committee felt that as this appropriation is for the enforcement of a law which presents unusual difficulties at times in its enforcement the appropriation should not be reduced. Similar action was taken by the committee for like reasons in the appropriations carried for enforcement of antitrust laws and immigration laws, under each of which heads unobligated balances are shown from the present fiscal year.

The unobligated balances do still exist. This would lead one to believe that the appropriations for the enforcement of antitrust laws and immigration laws had not been tampered with, and it requires several readings to disabuse one of this thought.

However, if we turn to page 33 of the report we find that the appropriation for antitrust enforcement has been reduced $10,300 and immigration $14,700.

The country, naturally, will be led to believe that the appropriation of $11,000,000 plus will be the cost of enforcement of prohibition laws during 1933.

The bill submitted shows an appropriation as follows:

Penal and correctional institutions	$13,866,012
Marshals and deputies, district attorneys, clerks, commissioners, justices	10,917,980
Fees, jurors, witnesses, bailiffs, criers	4,900,000
Or a total of	29,683,992

Approximately 50 per cent of this goes for prohibition, or $13,534,522. Add $11,369,500, which brings the cost up to $24,904,022.

How do we arrive at these figures? Let us analyze the appropriation item by item. We appropriate $13,866,000 for criminal institutions, and approximately 52 per cent of these offenders are violators of the Volstead law. Why not put this under the head where it belongs and charge the Prohibition Department with $7,207,320?

The appropriation calls for $10,917,980 for marshals, deputies, district attorneys, and assistants, clerks, commissions, and justices. Approximately 40 per cent of this should be charged where it belongs. Let us, then, add $4,367,192.

Appropriation is made in this bill of $4,900,000 for juror fees, witnesses, bailiffs, and criers. Forty per cent of this should be charged to the Prohibition Bureau, adding in the other costs to the bureau of $1,960,000. The total cost, then, not provided for in the prohibition budget, but which should be charged to that bureau, is $13,534,522; adding to that sum the money directly appropriated, $11,369,500, the true amount appropriated for the Prohibition Bureau is $24,904,022.

Would you go to the country with the statement that we are appropriating $24,904,022 to carry out a policy that has made us the laughingstock of the world?

And this is not the entire financial enforcement burden you have placed on the country. Commissioner Woodcock, in his November report, stated that one-fourth of the Federal arrests were taken into the State courts. Add another $4,000,000 on your cost of prohibition, and people have to pay it. Approximately $29,000,000 for enforcement alone. Add to this $13,389,135 for extra cost of the Coast Guard Service due to prohibition and we have the startling amount of $43,293,151.

Would you dare to bring in a report that the United States Government has lost $10,984,000,000 in revenues in the 12 years we have been so nobly experimenting?

And $1,000,000,000 a year loss in revenue to the Federal Government alone, not considering the immense loss in revenue to the cities and States. Professor Seligman, of Columbia, among other eminent economists, is authority for this figure.

Would you who are from the farming districts dare to tell your farmers that when the brewing and distilling interests ceased operations in 1920 that a legitimate market for 40,000,000 bushels of corn, 60,000,000 bushels of barley, and 10,000,000 pounds of hops was lost? Add that to your cost of prohibition and think what fools we have been to permit our revenues to go to racketeers and bootleggers. Your farmers in the Corn Belt may get some solace out of the fact that the production of corn sugar has increased from 157,000,000 pounds a year in 1919 to over 857,000,000 pounds a year in 1929.

Have we gained by this huge expenditure and loss?

We have established an illegitimate business estimated at almost $3,000,000,000 a year—greater than the entire automobile industry.

We grow oratorical when the folks from home are present in the gallery. Gentlemen will remember when some members of National Education Association were in the galleries a few days ago how members struggled to be recognized on the floor so as to send word back through the school-teachers that Congress was taking good care of prohibition. The Members little realize that there are really some sensible people in that association. I wish the gentleman from Michigan [Mr. KETCHAM] were here to-day so that I could read to him what one of these educators stated in their convention relative to the conditions that exist to-day. Permit me to read this news item.

Expressing grave concern over the increasing rate of criminality among the young, David Snedden, professor of education at Teachers College, Columbia University, yesterday challenged educators in session here to find a solution. He said:

> We spend more dollars on public schools, we have more of our youth in high schools and colleges than all the rest of the world together. Quantitatively we have gone far. But the actual achievements of our millions of learners seem to fall sadly short of popular expectations. Perhaps our schools have helped to reduce old-fashioned criminality, but in the meantime automobiles and machine guns and prohibition have made new kinds of crime immensely profitable and moderately safe.

With all of your appropriations, what have you done? Do you prohibit, or have you created a fanatical atmosphere of which we are all ashamed? I have heard California boast of her climate, tell of her sunny days or her sun-kissed fruit, but I hold in my hand an advertisement that I hope the drys will permit me to get into the RECORD, which I shall do unless I am stopped. I am going to read it so that all will know. Here is the advertisement which I show to you printed in blue and red:

> Yes, we have no wine; but what do we get from California? Pure as a baby's dream; what will you have? Port, sherry, Tokay, champagne, muscatel, angelica, Riesling, Rhine, claret, sauterne, Moselle, Burgundy.

If any of you desire to purchase, I have here a little card which goes with this, so that you can fill it out and send it down, and I guarantee delivery of any of the advertised brands. You say that is bootlegging. I admit it; but let me show you something else. To those of you who have a thirst does not this bring back memory of the olden days? You think this to be a pamphlet of ancient vintage. Far from it. It was recently issued, and by whom? By a company whose attorney is Mrs. Mabel Willebrandt. And they call her a dry and label me a wet! Oh, they related the other day how the school people would tell how they would protect the youth of the land, and the gentleman from Michigan [Mr. KETCHAM] told us how this law was being enforced in the State of Michigan, and, gentlemen, read this article in the American Weekly: "Seven college dormitories raided for rum and padlocked."

One hundred and eighty-two University of Michigan students tumbled out of bed in the early morning hours and the famous old fraternity houses searched from attic to cellar. The photographs of seven leading fraternity houses I show you. Seven fraternity houses at the University of Michigan, in the State where the gentleman comes from. And he tells

this House and tells that prohibition is effective in Michigan—Michigan the home of wort. I tell you, Mr. Chairman, it is the youth of the land that we should be thinking about.

Mr. HART. Mr. Chairman, will the gentleman yield?

Mr. HORR. I have only a little time and I know the gentleman is with me, so what is the use of further contribution? This appropriation that you make goes to pay what and whom? We have a prohibition agent by the name of Chidester to-day in the city of Seattle who was run out of the Territory of Alaska. He was ordered to Tacoma, and there was caught by the sheriff as he was loading his automobiles with linens, rugs, silverware, and personal belongings of the owner—a common thief. Afterwards he was taken from the city of Tacoma and was placed in my own city of Seattle. To-day he is stationed there.

They talk about conditions in the early days of enforcement. It happened in our State within the month. I asked Mr. Woodcock to dismiss him and he has not. Two of the agents went out of our city and set fire to a little building. The fire spread, and you have now before you for consideration a bill for the payment of moneys due because of the vandalism of those agents in setting fire to private property owned by innocent people. You will be asked by me to reimburse those people. There, in fact, is how your appropriation is being used.

Surely, gentleman, it is not the lack of courage to meet the issue which allows of such an appropriation. Your experience here in Washington should convince you of the terrible conditions existing under this law.

Speak-easies being maintained within a block of the President's mansion, operating on Government property. Social teas that invariably turn out to be cocktail parties. Punch for squirrel whisky that would make one climb a tree.

It can not be that we are completely under the domination of the Anti-Saloon League; that those religious racketeers like Bishop Cannon and his ilk are the controlling factors in legislation.

Because he hovers like a vulture above us in the galleries, are we fearful of him and his kind? A man who, under the cloak of religion, plies his nefarious trade and brings discredit upon his church and God.

Do we fear a man whom Doctor Van Dyke, of Princeton, characterized as a man who has not the truth in him—a man of many bank accounts; a man who gambled in the market and who escaped the penalty of a wronged church by the subterfuge "I am sorry"; a man who has betrayed a church that stands for the highest ideals and in whose edifice dwells the spirit of God?

Will such a man mold and dictate legislation? I, for one, say "no," and now throw the gantlet of defiance in his face. The Anti-Saloon League and Bishop Cannon do not control my vote, and my vote will be against any appropriation to continue this "era of fanaticism," as this period will be known in history. We may not repeal the eighteenth amendment at this session of Congress, but the people will repeal it for us. Read the Literary Digest and beware!

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. THATCHER. Mr. Chairman, I yield 10 minutes to the gentleman from Nevada [Mr. ARENTZ].

Mr. ARENTZ. Mr. Chairman, I rise this afternoon in order to say a few words about the manner in which some $196,000 was cut from the Commerce Department appropriation bill, in the item of the Bureau of Mines, which was done by the gentleman from Arizona [Mr. DOUGLAS]. I called the matter to the attention of the gentleman from Arizona [Mr. DOUGLAS] and told him that some time this afternoon I would have 10 minutes, and that, if present, he would have an opportunity to answer me. In view of the absence of the gentleman I shall ask unanimous consent that the gentleman from Arizona [Mr. DOUGLAS] have permission to extend his remarks by inserting immediately after my remarks a letter that he said he would have prepared sometime this afternoon.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ARENTZ. Mr. Chairman, the Budget allotment for the Bureau of Mines for 1933 was $214,233 less than the appropriation for that bureau in the previous year. A further cut of $11,580 was made by the Appropriations Committee of the House, so that the total reduction amounted to about 10 per cent. Thereafter, on February 22, when many Members of the House were absent attending ceremonies in observance of Washington's Birthday, the gentleman from Arizona offered committee amendments cutting off an additional $194,635 from the appropriation of the Bureau of Mines, and they were hurriedly passed. The total reduction thus amounts to $402,450, or nearly 18½ per cent, without counting a reduction of $64,768 in the revolving fund for the Government fuel yard.

It is surprising that the representative of the great mining State of Arizona identified himself with such an act. He is a mining engineer descended from distinguished miners who made important contributions to the development of the mineral industries upon which the wealth of this country is largely founded. Yet it is evident that he had slight interest in the welfare of the Bureau of Mines, which may be excused by the fact that he appears to know little or nothing about it, as indicated on page 4470 and other pages of the CONGRESSIONAL RECORD for February 22, from which I quote:

Mr. KVALE. The gentleman, in the subcommittee, has probably broken down this item so that the gentleman from Arizona (Alabama?) will be able to tell us how many people will lose employment as a result of this cut.

Mr. DOUGLAS of Arizona. I will have to state frankly to the gentleman that I do not know how many will lose employment.

Evidently the gentleman from Arizona had not deemed it important to learn in advance the number of people who would be thrown out of employment, the number of research and experiment stations in mining areas which will have to be closed, what field crews may have to be retired, what mine-rescue cars or trucks will have to be put out of commission, what health and safety courses and accident-prevention instructions will have to be discontinued; yet it is apparent that all these things require careful consideration.

I should like to ask the gentleman from Arizona whether, before introducing these amendments, he had written the Department of Commerce asking questions as to the effects his proposed cuts might have, or as to the damage or distress this further withdrawal of Federal support might occasion. If he has done so, may I ask that he spread on the record the reply he received from the department in which an analysis appears, so that we may learn the opinion of the department and the bureau concerned as to what mischief would be done.

The Bureau of Mines, like all other bureaus, should contribute to curtailment of appropriations, but it is not one to be singled out for destructive treatment. The raw materials of industry are derived from agricultural or mineral industries, and without raw materials of either group modern civilization would vanish. Not the slightest difference in importance can be established as between the two industries, because they are mutually dependent. Though people are fed by agricultural products, the production of food required by so large a population as that of the United States is made possible only by use of farming implements and machines made of metals, and, in addition, the necessary distribution of food products is made possible only by a transportation system, including traffic on land by railroads, trucks, busses, automobiles, and traffic on water by vessels, all made of metals and moved by the energy of mineral fuels. In modern times we no longer live by bread alone, and all manufactures, including those based upon agricultural products, are made possible by the mineral industries that provide the metals for machinery and power for its operation.

In 1930 the primary production of agriculture was valued at $9,402,000,000; that of mineral industries was $4,810,000,000—a ratio of less than 2 to 1. But a large part of agri-

cultural production is promptly consumed with little added value, while all primary mineral production requires manufacture of some sort so that the value in consumption is probably at least equal, and possibly greater, for mineral products. The latter, moreover, tend to create permanent forms of national wealth, including organized means of production and distribution represented by the buildings, factories, streets, and other facilities of the cities, by roads, railroads, and ships, and by accumulated stocks of metals in use that are to a remarkable degree a measure of the civilization attained by nations.

In 1930 agricultural products could have had no distribution at all without support of the mineral industries, as the railroads would have ceased to operate had they been deprived of the 831 millions of tons of freight, 74 per cent of their total traffic, provided by mineral industries, as against the 229 millions of tons provided by agricultural industries, the ratio here being about 4 to 1. Likewise, the railroad freight revenue paid by mineral industries was $2,048,000,000, compared with $1,338,000,000 paid by agricultural industries.

In that year there were 13,617,811 paid workers engaged in agriculture and related industries, and 5,523,454 paid workers in mineral industries, a ratio of 2½ to 1. Yet in spite of the fewer workers in mineral industries, the Federal income taxes paid by the mineral industries average about twice as much as those paid by agricultural industries. The estimated figures in this respect for 1928, selected as a recent year more normal than those subsequent to it, was $172,000,000 for agricultural and $332,000,000 for mineral industries, a ratio of about 1 to 2.

In spite of these facts the one basic industry, agriculture, is represented, as it assuredly should be, by a great department having a member of the President's Cabinet at its head, while the other basic industry is accorded merely a small bureau, now joined in the Department of Commerce, as a seemingly casual afterthought, with such unrelated activities as the Patent Office, the Coast and Geodetic Survey, aeronautics, radio, the Bureaus of Navigation, Fisheries, Lighthouses, Census, and the Steamboat Inspection Service. It has no voice in the Cabinet or even an Assistant Secretary to protect it from encroachment of other bureaus more highly favored by the department. And now the gentleman from Arizona would single out the Bureau of Mines for especially drastic curtailment of its activities.

In 1930 appropriations for the Department of Agriculture, exclusive of $106,400,000 for rural roads, $4,602,000 for the Weather Bureau, $500,000,000 for the Federal Farm Board, and $1,020,000 for the Federal Farm Loan Bureau, amounted to $109,286,164.

In the same year the appropriation for the Bureau of Mines, exclusive of that for helium plants that are chargeable to national defense, was $2,258,870. Another $442,000 appropriated for the Geological Survey is directly chargeable to the benefit of mineral industries, and likewise $110,000 appropriated for the Bureau of Standards. The total of direct appropriations to the three bureaus for the benefit of mineral industries was $2,810,920. The appropriations for agricultural and mineral industries thus derived were in a ratio of 39 to 1.

These figures lead to the astonishing conclusion that for every dollar of appropriations made for agriculture, as reckoned above, $1.56 is paid in Federal income tax, while for every dollar appropriated for the mineral industries $118.21 is paid in Federal income tax. The ratio here is 1 to 75. Putting the facts in another way, agriculture receives back in appropriations 63.4 cents of every income-tax dollar it pays, while the mineral industries receive back 8½ mills.

It should be stated emphatically that I, myself, am a farmer as well as a mining engineer, and that I represent many more farmers than miners. I believe in liberal support of agriculture as a great basic industry which returns incalculable benefit to the Nation for all encouragement it receives. I would not assent to further reduction of its appropriations unless after careful study and investigation justification is found for such reduction, but I think the great disparity in treatment of the mineral industries should be made plain when those who are obviously ignorant of the facts in regard to it lightly attack the already niggardly appropriation for the Bureau of Mines.

I have been informed by the bureau that to meet the decrease in appropriations first proposed, its work must be contracted to such a limit that further cuts, represented by amendments of the gentleman from Arizona, must be met by abolishing activities, by the discharge of 175 employees, and the closing of stations and offices in many States.

If this should happen, I trust those responsible will still be present here when the inevitable happens and we learn through increase of mine disasters and accidents, through lack of authoritative statistics for guidance of mineral industies, and by many other means that such drastic economy costs the Nation many times the amount it saves. [Applause.]

Mr. DOUGLAS of Arizona. Mr. Chairman, the letter referred to above is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 26, 1932.

Hon. WESLEY L. JONES,
Chairman Committee on Appropriations,
United States Senate, Washington, D. C.

MY DEAR SENATOR: On Monday last there were several amendments offered by me and accepted by the House to the Bureau of Mines item in the appropriation bill for the Department of Commerce. The amounts of reductions carried in some of the amendments were hastily arrived at and without adequate supporting evidence.

As a result of subsequent investigation, it is my opinion that some of the reductions were too drastic. It is, however, my belief that substantial reductions can be made below the Budget estimate.

I am calling this to your attention so that you may before your committee, in the event you see fit to do so, hear the proper officials of the Bureau of Mines in order that there may be repaired any substantial impairment of necessary and requisite functions of the bureau effected by the amendments.

Very sincerely yours,

L. W. DOUGLAS.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman, the Secretary of State, through either error or the logic of events, is enveloped by an international dilemma that may well have disastrous results to our own country. Japan, through either economic pressure or the crafty timing of a long-planned Asiatic thrust, has defied world opinion, popular and legalized.

Were China a strong state, the world would not be in confusion as to the Asiatic situation. Had not the world confused the Asiatic situation, China would be a strong state. The confrontation of war despite a barrage of antiwar treaties is a rebound from a general injustice meted by all powers to China. The solution of to-day's dilemma may be in fair play by all toward China. The Nationalists' government of China, with a program for domestic rehabilitation, was hampered by all the powers, not excluding the United States. We, in spite of protestations of devotion to Chinese reconstruction, interfered for no apparent reason in the Nationalists' endeavors. For this departure from ideals we may pay the price in war. Japan quite properly reminds us that we fired on Nanking. However, we did that on the rather broad thesis of protection of American lives and property, if that is a justification. A safer thesis would call for the evacuation of American lives and movable property, leaving the irremovable to international arbitrament. Japan offers the same excuse as we did at Nanking, with more particulars. But we quit after one day's firing and a Chinese protest to the League of Nations. Japan seems bent on permanent occupation, which, of course, violates the whole gamut of peace guarantees—the League of Nations, the Kellogg pact, and the 9-power treaty.

Secretary Stimson in his note to Senator BORAH stresses the Japanese violation of the 9-power treaty. But had we lived up to the full spirit of the treaty China to-day would have been a strong sovereign state and Japan would not have been so ready to question her rights. Of great importance to national control of China was the abolition of foreign courts in China. Congress, by a vote of 262 to 43 for the Porter resolution, urged that we give up our extraterritorial claims. Our courts are still there for the trials of American

divorces and petty American criminals. The prestige of the Nationalist government would have been enhanced tremendously by the withdrawal of these courts, but Americans in China insisted on them, and now we have to send troops and ships to China to protect them. Kellogg, the author of the famous peace pact, which if it means anything now means war, coordinated with the British in molesting China. This was done because we had no real American foreign policy and tailed Great Britain. Our hostility retarded Chinese political development and we shared the bad grace of Great Britain. The responsibility for most of China's political retardation, and Japan's excuse for action on the ground of a disorganized China, lies at the door of the Coolidge administration. Hoover was heir to a bad Asiatic problem and made the worst of it.

Stimson has had the questionable courage to try to have a strictly American policy. Kellogg coordinated when he should not have. Stimson is on his own when he should coordinate. At the outbreak of the present difficulties, he waited for the League of Nations, which, true to the policy of the powerless and the procrastinators, appointed a commission. Japan went ahead with an army. In October the plain course for Stimson, representing the country responsible for the 9-power treaty, was to have called the signers of the same to Washington. This would have checked Japan. But now Japan has obtained vast territory at a terrible cost in blood. In time a realistic world will recognize the de facto situation in Manchuria as de jure. The possession of Manchuria and the Japanese blood loss in the present Japanese temper is more important to Japan than the Kellogg pacts, Stimson notes, the 9-power treaty, or the League of Nations.

Stimson's most recent suggestion is entirely out of line with Hoover peace reasoning. Based on Japanese violations of the 9-power treaty as a part of the disarmament resolution, he suggests a violation by us of the latter. The pacifistic reasoning has been that naval races create war. That is as well Hoover reasoning. So, accepting the pacifist philosophy, we must conclude that Stimson to stop one war would sow the seeds of other wars.

It should be quite evident that the League of Nations will take no aggressive step in the Far East, and the Stimson blustering will go for naught unless he plunges us into a war. There are critics of the administration who believe that in war it sees political salvation, but I can not subscribe to that view of an American political party. The Japanese contentention that the 9-power treaty is not part and parcel of the Washington Disarmament Conference will not stand the test of inspection of the minutes of the conference, for the invitation of the President of the United States plainly states that the powers are "to participate in a conference on the subject of the limitation of armament in connection with which Pacific and Far Eastern questions will also be discussed."

The Japanese contention that the 9-power treaty rested on a Utopian China instead of a China in a state of flux will not stand the test of the minutes of the conference. Only in the case of the abolition of extraterritoriality was there a reservation as to treaty obligations. No amount of argument at a conference of the nine powers could convince the conferees that the position of Japan was correct, and such a conference would organize world opinion against the Japanese. The League of Nations is to meet on March 3. Why can not the nine powers as such meet contemporaneously and resolve on behalf of all the signers to live up to the obligations of the treaty. Russia should also be invited to the conference. It requires self-denial on the part of all, but the treaty was predicated on self-denial. Japan would lose its excuse for military aggression if China were granted the fullest powers of sovereignty.

The League of Nations can not invoke the boycott having in mind the trade interests of constituent nations without knowing our position nor can we invoke a boycott without knowing the extent of cooperation. No American wants any war with Japan and surely no American wants America of and by itself to war with Japan. This is the time for coordination.

It may be true that the force of economic events has caused the Japanese onrush. That can be put before a conference of the nine powers and they may be able to ease the Japanese pressure. Let Stimson calm down and try by conference to arrange an adjustment satisfactory to China and Japan. Let us lead in peace and not in war.

Mr. THATCHER. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. SCHNEIDER].

Mr. SCHNEIDER. Mr. Chairman, the purpose and intent of H. R. 6589, a bill which I have introduced, is well explained by its contents which read:

> That on and after the passage of this act no money appropriated by act of Congress, to be used to provide food for human consumption for any person entitled thereto by virtue of any law, rule, or regulation of the United States of America shall be expended for the purchase of oleomargarine.

Regulating the sale of oleomargarine is nothing new in the history of legislation in the Congress of the United States. We find that on August 2, 1886, a bill was approved that placed a 2-cent tax on every pound of oleo manufactured. This law also taxed manufacturers $600 per annum, wholesalers $480, and retailers $48. In 1902 the so-called Grout law was passed, which reduced the tax on uncolored oleo to one-fourth cent per pound and increased the tax on colored oleo to 10 cents per pound. The Grout law reduced the tax on wholesalers of uncolored oleo to $200 and on retailers to $6.

Recently manufacturers of oleo made a very important discovery from their point of view. They found that by the introduction of certain vegetable matter they could color oleo in such a manner as to make it look like butter to anyone except an expert.

The Bureau of Internal Revenue ruled that the introduction of this vegetable matter, palm oil, was not artificial coloration. Being used as one of the ingredients, oleo so colored could not be brought under the law requiring the 10-cent tax. To cure this situation the 1931 act was passed, which provides that oleo colored in any way of any shade of yellow shall be taxed 10 cents per pound.

During the consideration of the 1931 act on the floor of the House, I was one of several who tried our best to have the 10-cent tax applied on all oleomargarine, both colored and uncolored, thereby making it impossible for the sellers of oleo to evade the 10-cent tax.

WISCONSIN'S OLEOMARGARINE LAWS

Wisconsin is one of the great dairy States of the Union. Many State laws have been passed in protection of the industry. In addition to the Federal laws, Wisconsin has placed a State tax of $1,000 on manufacturers, $500 on wholesalers, $25 on retailers, hotels, and restaurants, and $5 on boarding-house keepers. All oleomargarine is taxed 6 cents per pound under this law. This legislation was passed by the recent short session of the State legislature and is known as the Loomis Act.

The stringency of this law in my State shows the feeling in the dairy industry about it. The Wisconsin farmer has been facing a terrible problem, and his vigorous demand for protection has compelled the legislature to enact such laws virtually ruling out completely the production and sale of oleomargarine. However, the Wisconsin farmer is not alone in his predicament. Practically every phase of agriculture to-day is in a similar situation.

AGRICULTURE IS AMERICA'S BASIC INDUSTRY

The farming industry is the basic American industry. It is so essential that should it perish civilization would descend to a condition unimaginable. Coincident with the fact that agriculture is our greatest industry it follows that its problem is our greatest problem. Every effort should be expended toward its solution. I believe that farm-cooperative organizations, honestly and efficiently managed and farmer controlled, offer the farmer the best chance of securing the standard of living that the wealth and resources of this country entitle him to receive.

COOPERATIVES IN DENMARK

What cooperative associations can do for the farmer is well illustrated by what they do for the farming industry of Denmark. That country is hailed as the model agricultural country. It is not menaced, as our farmers are, by speculators in farm products. When the Danish farmer markets his product he does it as a cooperative-enterprise. Denmark has no horde of middlemen to take the lion's share from the consumer and give a beggar's pittance to the farmer. In these United States all must live, but facts are that all of these middlemen live better than the real producer, the farmer.

FARMERS AND CONSUMERS GYPPED

A vivid illustration of the way the middlemen are working both consumer and farmer was presented to the Senate Committee on Agriculture last November by Mr. John Simpson, president of the Farmers Educational and Cooperative Union, Oklahoma City. Mr. Simpson spoke before this committee as follows:

Out in Denver about 60 days ago I met a man by the name of W. B. Estes, who was secretary of the State Chamber of Commerce of Oklahoma for many years. He recently has become a farmer near Denver. He sent on July 6 of this year, on his own truck, seven sheep, and he delivered them to the A. A. Blakely Livestock Commission Co., at Denver, and they sold them for him. I have the sales sheets here. Two of those sheep were sold to the Hurlburt Packing Co., at Denver, weight about 125 pounds, and brought $1 a hundred, $1.25. Five were sold to the Swift Packing Co., and they weighed a little over 410 pounds. They brought 50 cents a hundred, $2.05—a total gross of $3.30. Charges were, yard insurance 10 cents, yardage 70 cents, inspection 80 cents, and commission $1.75, a total to deduct from the gross of $2.55. This left net to him 75 cents. Here is the check they gave him. He made me a present of it. Seventy-five cents he got for those seven sheep. He took these sales sheets to the representatives of the Department of Agriculture and had them figure out what the consumer would pay for those seven sheep, and their figures on the back of this sheet show the consumer will pay $83.70 for the sheep that he got 75 cents for. Now, something is the matter when we have conditions like that.

I know personally a great many of just such illustrations as this in which the farmer gets practically nothing for his labors and the consumer pays a tremendous price therefor. It is a common condition and one that can not and should not be permitted to continue. A system that will permit such a condition is not only outrageous but criminal.

FARM EXPERIENCE

I was born on a farm in Outagamie County, Wis., and lived there until 20 years of age. I therefore know something of its hardship and drudgery. All of my people so far back as I can trace them were farmers. The farm problem has, therefore, been one of great interest to me. Moreover, as a progressive Member of the House of Representatives, every legislative measure that has had for its purpose the promotion of agriculture has received my support.

COMMON CAUSE

Where a stable American wage is paid, the worker can purchase the things produced, and that spells prosperity in any world. It applies as well to the price the farmer receives for his produce. When the worker can purchase agricultural products to meet all his needs at a price permitting farmers to maintain an American standard of living, then agriculture will be in a position to buy upon the market the commodities manufactured by labor, thus keeping the wheels of industry and commerce turning. The American farmer provides America's best market.

ONLY THE DESTITUTE BUY OLEO

No one eats oleomargarine knowingly except from compulsion. Certainly no one buys it for his own use except when economic conditions make it impossible for him to buy wholesome butter. In a country so rich in resources as America, with an abundance and even surpluses of products of all kinds, there should be no need for anyone to purchase cheap and inferior foods as a substitute for the wholesome and nutritious.

It is, I believe, unnecessary to take the time to cite authorities to establish the inferiority of oleomargarine as a food. It is generally admitted that oleo is made from oils and fats which do not compare at all with the wholesome ingredients of butter in nutritious value.

USE IN GOVERNMENT HOSPITALS

The astounding thing to me, Mr. Chairman, is that notwithstanding the known fact that oleo is a very inferior food, so much of it is used in our soldiers' homes, veterans' hospitals, Army, Navy, and marine hospitals, Indian boarding schools, sanitariums, and the numerous other Federal institutions.

Our Army hospitals used 13,756 pounds of oleo last year. The naval hospitals used 5,752 pounds, the marine hospitals 4,658 pounds. Veterans' Administration hospitals used 176,754 pounds. These institutions, however, used a great deal of butter also, which is some consolation. The national soldiers' homes used the enormous sum of 410,110 pounds of oleo during the fiscal year 1930–31. Over the same period they used only 340,697 pounds of butter. In the face of the technical information available to all of these institutions, it seems little short of criminal to serve oleo to our sick and convalescing Civil, Spanish, and World War veterans and their widows, who need the most nutritious food to regain the health they have lost and are seeking in these hospitals and homes.

The foregoing figures on the use and consumption of oleo in Government institutions were taken from a study made by Senator BLAINE, of Wisconsin.

INCONSISTENCY OF GOVERNMENT POLICY

The Federal Government attempts to encourage, promote, and assist agriculture by the expenditure of millions of dollars each year. By laws—Federal, State, and local—the farmer is required to maintain certain standards of sanitation. He is obliged to lay out a large capital investment for properly constructed barns, milk houses, and equipment. Many farmers lose some of their cattle because Government regulations require the eradication of tuberculosis in their herds. These expenditures and exactions are made in the interest of the public health. They assure the public a wholesome dairy product for its consumption.

Since the Government requires the expenditure of these enormous sums in the interest of the production of wholesome dairy products, thus raising the cost of production tremendously, it ought to spend its money for the purchase of wholesome butter for consumption by its wards rather than a manufactured product which is made from imported materials produced under costs of production much below ours and under sanitary conditions frequently known to be filthy. There is no justification for the use of oleomargarine by our governmental institutions. I can not criticize too harshly the policy that allows this product to be used in our hospitals.

The Hoover administration will not do the practical thing in the interest of the farmer or the common folks, but when it comes to serving the great financial and manufacturing interests of the country it responds to the call without delay. This is just another illustration of the failure of the Hoover administration to carry out its 1928 platform pledge to place agriculture on a parity with other industries.

The enactment of this bill will add somewhat to the cost of government, but the benefits to the sick and to the farmers will more than justify it. My bill if enacted into law would require no elaborate machinery for its enforcement. A simple order from each department head would prevent further use of oleo in any Government institution. Its effect on the dairy industry would be felt within a month.

Mr. THATCHER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, as a member of the subcommittee conducting the hearings on this measure and formulating the provisions, I wish to join in the tribute that has been paid to our distinguished chairman of the subcommittee and the Committee on Appropriations, the gentleman from Tennessee [Mr. BYRNS]. It has been my pleasure during the past eight or more years to be a member of this subcommittee, of which the gentleman has been a member during all of the same period.

Throughout that service I have been struck with his uniform fairness and his splendid ability. As I have said before, the Committee on Appropriations through these years

of which I have any knowledge of its work has been one that has been distinguished by its freedom from political considerations in dealing with the items of appropriation which come before it. [Applause.]

Under the late lamented Martin B. Madden, under Mr. WOOD of Indiana, and now under Mr. BYRNS, of Tennessee, it has been the spirit and purpose of the committee to serve the taxpayers of America. [Applause.] Sometimes the committee finds its work difficult, especially when legislation is ground out like the salt of the sea calling for ever-increasing appropriations.

I agree with the suggestion which has often been made that it is not the purpose of that committee to legislate nor to endeavor to take over the prescribed duties of the legislative committees of the House, nor to restrict the scope and sphere of those committees.

Mr. BLANTON. Will the gentleman yield?

Mr. THATCHER. Yes.

Mr. BLANTON. During the gentleman's long and able service on that committee has he known of any rule or regulation that in any wise circumscribes or limits the rights of a member of the committee to question a bureau head or to exercise his rights and prerogatives as a Representative?

Mr. THATCHER. Certainly not.

Mr. BLANTON. Has he not just as many rights on that committee as he has on any other committees of the House?

Mr. THATCHER. Absolutely.

Mr. BLANTON. And he asks questions whenever he desires to do so?

Mr. THATCHER. Certainly; and I think that right is pretty well exercised by its members.

Now, on the general subject of appropriations. I can not go into that subject at any length, but one or two thoughts occur to me, and I venture to make some observations. One thought is that unless there is cooperation on the part of the legislative committees of the two Houses we of the Appropriations Committee can not at all accomplish the service we ought to accomplish in protecting the taxpayers of the country.

During the past few years, because of the prosperity, or apparent prosperity, of the Nation, it seems that all departments of government—national, State, municipal, and local—have engaged in the pleasant pastime of creating obligations for every type of public improvement. Of course, that is altogether worthy if the governmental treasuries may justify it. But we have been engaged in the great practice of spending money in this Nation—Federal, State, and municipal funds—and this is undoubtedly one of the contributing factors to our condition of depression to-day.

Also the great burden brought about by the World War—$45,000,000,000 of indebtedness—has undoubtedly been another very important factor in this equation. Doubtless there are yet other factors, about which there is more or less disagreement. So it is the province of this particular committee—that on appropriations—to do what it can to protect the Federal taxpayers of the Nation, because you can not make appropriations indefinitely without increasing taxes indefinitely.

In this particular bill, which is the largest supply bill coming before the House, we have the combination of the Treasury Department and the Post Office Department.

The measure carries a total for the year 1933 of $254,311,988 of "regular annual appropriations" as distinguished from "permanent and indefinite appropriations." The estimated permanent and indefinite appropriations for 1933 amount to $1,161,522,917. They are made up in large measure of the amounts necessary to be set apart for the sinking fund, to amortize or pay off our national indebtedness, to pay the interest on the national indebtedness, and to meet various other items which come under that same heading of "permanent and indefinite appropriations."

While we have been able to save on the regular annual appropriations in this bill as compared with those of 1932 the total sum of $7,391,125, yet under the heading of "permanent and indefinite appropriations," which are automatic in character and not subject to our control, we have an increase over 1932 of $118,701,533, or a net increase for 1933 in both classes of appropriations amounting to $49,718,300 for the entire Treasury Department.

As to the Post Office Department, this bill carries, as reported to the House, $805,586,575, as compared with total regular annual appropriations for 1932 for the department the total of $842,883,777.

The Budget estimates for 1933 for the Post Office Department were $813,559,487. The decreases under the appropriations for 1932, as carried in this bill, amount to $37,297,202, or a decrease in this bill under the Budget estimates of $7,972,912.

Then for the Post Office Department there are carried some permanent and indefinite appropriations similar to those I have just mentioned with reference to the Treasury Department. Those for 1932 were $200,000, and the estimate for 1933 is $165,000, making the decrease there $35,000. So the total "regular annual appropriations" for 1933 as carried in this bill are $813,559,487; and this total supplemented by the automatic items falling under the head of "permanent and indefinite" appropriations, yield a grand total for the next fiscal year, 1933, of $813,724,447.

[Here the gavel fell.]

Mr. THATCHER. Mr. Chairman, I yield myself five additional minutes.

I herewith include, as a part of my remarks, the following self-explanatory data:

1933 Treasury-Post Office Departments appropriation bill

TREASURY DEPARTMENT

Total regular annual appropriations for 1932	$261,703,113
Budget estimates for 1933	269,016,418
Amount carried in this bill (1933)	254,311,988
Decrease under 1932 appropriations	7,391,125
Decrease under 1933 Budget estimates	14,704,430

PERMANENT AND INDEFINITE APPROPRIATIONS

Estimated appropriations for 1932	1,042,821,384
Estimated appropriations for 1933	1,161,522,917
Increase over 1932	118,701,533

PERMANENT AND INDEFINITE APPROPRIATIONS INCLUDE PUBLIC-DEBT REQUIREMENTS

Thus, for 1932, sinking fund	411,771,300
Interest on public debt	605,000,000
Total, 1932	1,016,771,300
For 1933, sinking fund	426,489,600
Interest on public debt	640,000,000
Total, 1933	1,066,489,600
Increase, 1933 over 1932	49,718,300

SUMMARY, TREASURY DEPARTMENT

Total regular annual appropriations, 1932	261,703,113
Permanent and indefinite appropriations, 1932	1,042,821,384
Total for 1932	1,304,524,497
Total regular annual appropriations, 1933	254,311,988
Permanent and indefinite appropriations, 1933	1,161,522,917
Total for 1933	1,415,834,905
1933 increase over 1932 total regular annual appropriations and permanent and indefinite appropriations	111,310,408

Though the decrease of the 1933 regular annual appropriations under those for 1932 is $7,391,125, there is an increase in permanent and indefinite appropriations for 1933 over those for 1932 of $118,701,533; making the net increase of grand total of 1933 appropriations for the Treasury Department over those for 1932 of $111,310,408.

POST OFFICE DEPARTMENT

Total regular annual appropriations for 1932	842,883,777
Budget estimates for 1933	813,559,487
Amount carried in this bill for 1933	805,586,575
Decrease under appropriations for 1932	37,297,202
Decrease under 1933 Budget estimates	7,972,912

PERMANENT AND INDEFINITE APPROPRIATIONS

Estimated appropriations for 1932	200,000
Estimated appropriations for 1933	165,000
Decrease under 1932	35,000

SUMMARY, POST OFFICE DEPARTMENT	
Total regular annual appropriations, 1932	$842,883,777
Permanent and indefinite appropriations, 1932	200,000
Total for 1932	843,083,777
Total regular annual appropriations for 1933	813,559,487
Permanent and indefinite appropriations for 1933	165,000
	813,724,487

In the preparation of these estimates by the Budget and by the departmental heads it is apparent that they have made an earnest effort to pare the expenses for these two great departments as much as they deemed it to be wise, and the Appropriations Committee and the subcommittee reporting this bill have had the benefit of their work.

Conditions often develop, however, after estimates are submitted by the Budget which, even from the standpoint of the department and the standpoint of the Bureau of the Budget, justify further decreases. In other cases the subcommittee upon its hearings reach the conclusion that reductions may be made.

It is to the credit of the Appropriations Committee that during all the years of its history since the Budget was inaugurated in 1921, in session after session, it has been able to cut below the Budget figures without any serious impairment of governmental functions. The total which has thus been pared from the Budget estimates since the Bureau of the Budget was installed has amounted to several hundred millions of dollars; and in this session of Congress, running true to form, our committee and the Congress are cutting below the Budget estimates.

Mr. BLANTON. Will the gentleman yield?

Mr. THATCHER. Yes.

Mr. BLANTON. Our friend from Nevada a moment ago criticized our friend from Arizona [Mr. DOUGLAS] for the amendments he offered and had passed. I want to ask our friend from Kentucky if it is not a fact that the amendments offered from the floor by our good friend from Arizona were not committee amendments authorized by the committee?

Mr. THATCHER. Yes.

Mr. BLANTON. Backed by that committee of 35 Members of the House?

Mr. THATCHER. They were considered by the committee.

Mr. BLANTON. And our friend from Arizona, who is an active member of the committee, is probably working on committee work now, and that is the reason he was not here to answer our friend from Nevada. They were committee amendments, all of them.

Mr. ARENTZ. If the gentleman will yield for a moment, I will say that I spoke to the gentleman from Arizona and gave him fair warning that I was going to make my little talk this afternoon.

Mr. BLANTON. Yes; I realize that.

Mr. ARENTZ. I was perfectly fair with the gentleman from Arizona.

Mr. BLANTON. But what I wanted to call attention to was the fact that those amendments were committee amendments, authorized by the Appropriations Committee of 35 members.

Mr. ARENTZ. All right; we will leave it to the gentleman from Arizona to answer, and when he does I believe that the gentleman will find that he will admit himself that he was wrong. He is a little impetuous sometimes.

Mr. THATCHER. I may say, touching that particular matter, as a member of the committee I had great faith in the ability and knowledge of the gentleman from Arizona who proposed these amendments; and I felt that, as he is a representative of the mining interests of the country, or at least represents sections of the country interested in mining, his judgment was a more mature one than my own, and that the items that were omitted or scaled were items that might reasonably wait for a future time for consideration, and for that reason I was influenced to vote in committee as I did.

Mr. BLANTON. May I ask the gentleman further, if he happened to hear the address over the radio last night of Merle Thorpe, the editor of the Nation's Business?

Mr. THATCHER. I did not hear it.

Mr. BLANTON. It is such a splendid address and it so well upholds the position taken by our friend from Kentucky with regard to the paring of Budget estimates, I thought the gentleman might want to attach some of those remarks to his speech this afternoon.

[Here the gavel fell.]

Mr. THATCHER. Mr. Chairman, I yield myself seven more minutes.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. THATCHER. Yes.

Mr. EATON of Colorado. Surely the committee was not informed by the gentleman from Arizona that in cutting the item of "Economics of mineral industries" from $273,430 down to $225,000, which was the amount left in the bill, "$221,000 may be expended for personal services in the District of Columbia," leaving only $4,000 for all the field work throughout the entire United States to furnish the material for $221,000 worth of office work here in Washington. That was not explained to the gentleman, was it?

Mr. THATCHER. The matter was not gone into in detail.

Mr. EATON of Colorado. That is the fact.

Mr. GOSS. Will the gentleman yield for a question?

Mr. THATCHER. I yield for a short question.

Mr. GOSS. I propounded an inquiry of the gentleman from Arizona with reference to those items when the bill was being read under the 5-minute rule, and the gentleman admitted on the floor of the House that these reductions were purely arbitrary, one of them as much as $50,000.

Mr. THATCHER. My understanding was, and has been, that these were items relating to matters that could reasonably, or properly, wait, because of the financial stress of the country.

Mr. KELLER. Will the gentleman yield?

Mr. THATCHER. Yes; for a brief question.

Mr. KELLER. I would like to ask whether the statement made by the gentleman from Colorado is correct?

Mr. THATCHER. I do not know the details, and, as I have said, the details were not discussed, and they were included in the Treasury and Post Office Departments appropriation bill. The representation was made that these were matters that could go over, and that they would represent a legitimate saving under present conditions.

Mr. EATON of Colorado. If the gentleman will yield, I will state that he will find they are correct by looking at page 4469 of the CONGRESSIONAL RECORD of February 22 last.

Mr. THATCHER. I may say that the gentleman from Arizona, who can usually take care of himself, will doubtless undertake to do so as regards these matters. So far as my own purpose is concerned, I always want to vote for what seems to be reasonable and just with respect to appropriations; and my own judgment was, from the representations that were made by a man who is an experienced engineer and who represents a mining State, that these were legitimate cuts; and under present conditions were fully justified.

Mr. BLANTON. Will the gentleman yield further?

Mr. THATCHER. Yes.

Mr. BLANTON. Mr. Merle Thorpe, editor of Nation's Business, said last night that Congress could cut these appropriations down if they would and that the business men of the Nation expected Congress to do it, and that they did not want it put off. They wanted the appropriations cut down and the Nation's Budget balanced now.

Mr. KELLER. I wonder if the gentleman will yield?

Mr. THATCHER. For a question; yes.

Mr. KELLER. The question I would like to ask is: Who are the business men that Mr. Thorpe speaks for, and how many of them are there?

Mr. BLANTON. They are the taxpayers of the Nation.

Mr. KELLER. Wait a minute. I asked specifically. That is a very general statement, and I do not want that. I want an exact statement.

Mr. BLANTON. He purported to speak for the taxpayers of the Nation.

Mr. KELLER. Oh, yes; so do I—a darned sight more than he does; but I do not make any pretense about it. I am just asking the question whom he really does speak for.

Mr. THATCHER. I will say to the gentlemen now raising the question, and for whose judgment I also have great respect, that if these items of decrease concerning mining operations are going to work a hardship, I am sorry; but as to that I do not know. The information that came to the committee was to the effect that these operations would not be impaired.

Now, concerning the items for air mail and the ocean-going mail, which call for substantial appropriations for the Post Office Department. The Postmaster General is charged with the duty and responsibility, which Congress gave him, to make the contracts for these operations.

In the limited time which our subcommittee must sit, it had not the opportunity to go into the basic questions of policy. As a member of the subcommittee, I have believed that we should take the opportunity, after this bill is passed, to go into the subject more thoroughly—not only for the protection of the subcommittee, not only for the protection of the Appropriations Committee, but for the protection of the House as well.

The Postmaster General told our subcommittee that he was charged with this responsibility, and that to the best of his experience and capacity he was seeking to discharge that responsibility, both as to the ocean-going mail and the air mail.

Mr. ARNOLD. Mr. Chairman, I move that the committee do now rise informally.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOWARD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9699 and had come to no resolution thereon.

EXTENSION OF REMARKS—APPLICATION OF NEW ORLEANS & SOUTH AMERICAN STEAMSHIP CO. FOR A MAIL CONTRACT

Mr. FERNANDEZ. Mr. Speaker, the New Orleans & South American Steamship Co. (Inc.) (Nosa Line) operators and pioneers of the only direct steamship service from United States ports of the Gulf of Mexico to the west coast of South America, have requested the certification of a foreign mail route—from New Orleans (via other United States Gulf ports at which contractor's vessels may be required to call to load and/or discharge cargo) to Talcahuano (via ports in Colombia, Ecuador, Peru, and Chile)—distance about 4,872 nautical miles—and suggested that a contract for the carriage of the United States foreign mails on this route be advertised. This action was taken on December 9, 1931, in a communication to Hon. Walter F. Brown, Postmaster General.

The application of the New Orleans & South American Steamship Co. was prompted by the serious situation in which the line found itself, its current losses being so great that unless it can obtain aid authorized for American shipping under the merchant marine act it may be obliged to discontinue operation. In this event the trade flowing from the entire Mississippi Valley through Gulf ports to South America would fall largely to the ships of other nations operating at far lower costs and supported by aggressive Government policies.

The high cost of operating ships under the American flag as compared with foreign competition is such that the diminished cargo and current low freight rates (depressed by competition) permit no escape from severe losses on every voyage. There is no prospect of early substantial improvement in either volume of cargo or freight rate.

That the line provides an essential service is amply demonstrated by the fact that the American exports carried originate at points throughout the entire Mississippi Basin as far west as Denver.

Incorporated under the laws of the State of Louisiana in 1918, the company has been continuously engaged in steamship operations in the Caribbean and to the west coast of South America. It owns six vessels, all, except one, of which were originally purchased from the United States Shipping Board. For three of these vessels the United States Shipping Board received about $200 per dead-weight ton. Under existing conditions the steamship company is able to operate only three, but has to carry the capital investment of all.

It is interesting to note that this is one of the few essential services in the American foreign trade which, in its early stages, was not left dependent for development upon the United States Shipping Board. This steamship company operated Shipping Board vessels in this trade for only one year (1920); since this time it has continuously operated to date in the west coast of South American trade wholly for its own account and risk. It does not operate any foreign-trade tonnage. The pioneering and development of this service has, therefore, cost the United States Government very little, if anything.

The benefit of this route and service to American foreign trade is apparent in the fact that while the line in its early development carried outward a limited number of raw materials and crude manufactures originating from a limited number of shippers, it is now carrying a widely diversified list of higher-class merchandise originating throughout a much wider territory from a heavily multiplied number of shippers. Many manufacturers and merchants formerly strangers to the South American markets have found their way into export trade through this line. The Mississippi Valley region has received its South American products by this route. Their service, coordinated with the railway and barge-line systems, maintains special rates to foster the movement of freight for South America through Gulf ports. This national policy, sanctioned by the Interstate Commerce Commission, would be of little value in the foreign trade without American steamship lines from the Gulf ports to the foreign markets, of which Latin America is the most promising. In fact, this steamship line may be considered an extension of the north and south railroads and the barge system, and is equally deserving of assistance provided by Federal law in the interest of the country's domestic and foreign transportation.

DESCRIPTION OF MAIL ROUTE

The ports of call are as follows:

Ports:	Miles between ports
Cristobal, Canal Zone	1,390
Through canal	44
Buenaventura, Colombia	356
Guayaquil, Ecuador	612
Talara, Peru	186
Callao, Peru	539
Mollendo, Peru	459
Arica, Chile	132
Tocopilla, Chile	222
Antofagasta, Chile	112
Valparaiso, Chile	571
San Antonio, Chile	42
Talcahuano, Chile	207
Total	4,872

Direct calls are also made at minor ports when sufficient cargo is offered.

DESIRABILITY OF MAIL SERVICE

The Nosa Line provides the only direct service with United States flag vessels from the Gulf ports of the United States to the west coast of South America, affording shippers an opportunity of forwarding and receiving their mail by the same vessels carrying their merchandise. The route and service have the full support of the shippers interested in the development of Latin American trade with the United States, as well as the commercial indorsement of the various civic organizations and associations at Gulf ports and located at the great centers of the Mississippi Valley.

REASONS FOR DIRECT SERVICE

It will be noted that the fact is stressed to some extent that the Nosa Line is the only direct service to the countries of the west coast of South America from the Gulf. Goods shipped by other lines operating from the Gulf destined for west coast ports require to be transshipped at the Panama Canal. A large part of these goods originating in the United States are thus handed over to foreign-flag vessels for delivery at destination.

MISSISSIPPI VALLEY AND MIDDLE WEST ENTITLED TO DIRECT SERVICE

In my opinion, this point is worthy of consideration. Goods of American manufacturers are produced and sold in competition with those produced abroad, and in order to compete successfully with foreign producers, American manufacturers must keep their costs down to a minimum. This has led manufacturers to look to the costs of packing and crating with the result that in many instances goods are packed in crates of so light a structure that with the additional handling necessitated by transshipment at the canal, the shipments are liable to considerable damage and may arrive at port of destination badly mutilated in contrast to goods shipped from Europe, which are carried direct by foreign lines without transshipment. We believe that American manufacturers are entitled to the same direct service and should have the assurance that a direct service will be maintained so that they will not be subject to the vagaries of foreign lines and the delays which may arise on account of transshipment. Again, when we consider the stupendous amount of American capital invested in the various enterprises in the South American countries—Isaac Marcosson has stated in a recently published article that American capital invested in South American countries amounts to $3,000,000,000—it seems logical that the means of transportation of the goods required in the development and operation of these enterprises, and to a large extent the transportation of their products to the United States should be by means of American vessels.

MISSISSIPPI VALLEY NEEDS DIRECT SERVICE FROM GULF

Furthermore the industries of the Middle West and on the areas located in the Mississippi Valley have grown apace in the last few years, and a considerable amount of capital has been invested in improving inland waterways and in providing barge equipment to give an easy and cheap means of transporting their products to New Orleans for export. It would, therefore, seem that the next step should be to provide regular sailings of American vessels to receive these products and transport same direct to the various countries to which they are consigned.

COMPETITION

The Nosa Line encounters severe competition from two regular lines out of New Orleans, the United Fruit Co. and the Standard Fruit Co. These lines operate several vessels from New Orleans to the Panama Canal and solicit freight destined for ports on the west coast of South America, which cargo is transshipped at the canal to other lines. The majority of these connecting-line vessels are of foreign registry.

The United Fruit Co. operates American vessels to the canal. The Standard Fruit Co. operates only foreign-flag ships on this route.

FOREIGN TRANSSHIPMENT COMPETITION

These two companies have various transshipment arrangements with other lines which extend their competition with us for the west coast of South America business.

These companies are as follows: Pacific Steam Navigation Co. (British), Campagnie Generale Transatlantique (French), Roland Line (German), Hamburg-American Line (German), Royal Netherlands Steamship Co. (Dutch), Navigazione Generale Italiana (Italian), North German Lloyd (German).

These companies are some of the strongest European steamship companies, and in addition to the serious competition that we have from them on cargo originating in the United States, we also suffer from their competition on coastal business; furthermore, strong competition is encountered from foreign vessels operating out of east-coast ports of the United States.

FOREIGN COMPETITION FROM UNITED STATES PORTS

It is of interest to note the different nationalities and number of transits made by the vessels operated by the various steamship companies from United States ports to the west coast of South America during this period. These are as follows:

Transits westbound: Cia. Sud. Amer. de Vapores, Chilean 14; Grace Line (Inc.), American 49; Isthmian Steamship Co., American 2, British 1, Greek 1; Dupont de Nemours, British 3, Danish 5; Panama Railroad Steamship Co., American 14; Pacific Steam Navigation Co., British 28; Nosa Line, American 25; William Hansen, Norwegian 2; Chile Steamship Co., American 4; International Freighting Co., British 4; R. W. James & Co., Chilean 2; Moore & McCormack, British 1, Norwegian 1, American 1; Wessel Duval & Co., British 3, Danish 1; others, American 1, British 5, Swedish 1, Norwegian 2.

Summarized, this shows that of 171 transits of vessels originating in ports of the United States, only 96 were American-flag vessels.

EUROPEAN CARGO TO WEST COAST OF SOUTH AMERICA

The competition to which American exporters are subject from European manufacturers: According to the official record of the Panama Canal, the traffic passing through the Canal from Atlantic to Pacific destined for ports on the west coast of South America for the calendar year of 1930 was as follows:

From:	Tons cargo
United States	310,903
Europe	727,640

This competition is bound to increase, inasmuch as European countries are making strenuous efforts to increase their field in the markets of Colombia, Ecuador, Peru, Chile, and Bolivia. American steamships are a vital arm of the American exporters, inasmuch as every line—American and foreign—is vitally interested in developing a flow of commerce to and from its home port, at which its voyages must begin and end.

It should be further noted that the average cargo per transit of vessels operated from ports of the United States is 1,915 tons, as against 3,817 tons average per transit on vessels from European ports. This would indicate a surplus of foreign-flag vessels being operated on the United States of America route. On account of their low operating costs they are evidently enabled to operate on a small revenue and thus are in a position to operate where American vessels find it practically impossible.

VALUE IN NATIONAL DEFENSE

The officers and crews of the Nosa Line vessels, by reason of their familiarity with the route, possess exceptional knowledge of the waters of the Gulf and Caribbean Sea, and the west coast of South America. They are obliged to enter and leave the open roadsteads of South America in all kinds of weather and to load and discharge cargo by means of lighters.

The value of this knowledge and training to the national defense must be apparent. The maintenance of a large fleet of fine cargo vessels under the American flag can be considered an asset to the naval forces in times of emergency.

A majority of officers are enrolled in the United States Naval Reserve.

FOREIGN-FLAG TIME-CHARTERED VESSELS

It would be more profitable for them to operate chartered vessels of foreign registry on this route, but this, they consider, would be a backward step in the history of the American merchant marine. Having in mind the amount of pioneering which was done during the past years and the money invested in securing suitable American vessels for the trade, they prefer to carry on. However, this service can not be maintained with American-flag vessels without some form of Government assistance, and such aid can only be extended through the medium of a postal contract.

Table showing Nosa Line expenditures in Gulf ports for years indicated 80 per cent of which money was spent in New Orleans

	1931	1930	1929
Wages	$215,668.14	$247,021.63	$279,717.91
Stevedoring	86,026.67	119,376.41	110,879.20
Food	28,614.83	41,601.87	42,870.70
Stores and equipment	35,120.13	49,428.65	61,854.88
Repairs	53,148.83	51,928.57	47,616.65
Fuel	66,104.12	106,530.45	103,742.19
Port charges (dock board, etc.)	20,567.39	17,717.43	12,873.32
Pilotage and towage	13,545.47	12,404.49	7,063.96
Customs fees	2,197.39	3,453.84	1,910.13
Brokerage and fees	1,771.72	2,113.40	2,350.01
Laundry	1,338.06	2,054.48	2,973.33
Miscellaneous	18,007.85	21,823.14	39,501.74
Total	542,180.60	675,457.36	713,354.02

The company spends many hundreds of thousands of dollars annually in New Orleans and other Gulf ports. It spent in the port of New Orleans and other Gulf ports for wages and supplies in 1929, $713,354; in 1930, $675,457; and in 1931, $542,180. Of this, about 80 per cent was spent in New Orleans and 20 per cent elsewhere around the Gulf. It is subject to the severest kind of competition from foreign steamship lines, which operate on a far lower operating scale. The company, in its application to the Post Office Department, reported that it had not had a profitable voyage since the spring of 1930. If it is forced to suspend, the officials of the company expect that they would be superseded by a foreign line directly from New Orleans to the west coast of South America, which would result in a direct loss to American labor and business incident to ship repairs and ship supplies. The German lines which operate south of the Panama Canal are flooding the country with advertisements and solicitation, asking shippers to route their cargo south of the Canal via the large number of German ships from Europe which call at all the west coast ports south of Panama.

The New Orleans & South American Steamship Co. is not a Shipping Board line. It has been operated for private risk and account and, it would seem, is deserving of the help which the Jones-White Act contemplated for American steamship lines. I understand that the chief difficulty is the lack of appropriation. The amount which the company seeks is, however, not large, as they do not wish a contract at this time for the full 10 years authorized by the Jones-White Act, or even at the maximum rate for ships of the class they operate. The amount of the contract would probably not exceed $100,000 per annum.

I hope that the Appropriations Committee can make provision for this small amount, to keep in existence a line which is not only serving the export trade of the Delta and the entire Mississippi Valley but also by its expenditures gives employment to much labor not only on its ships but in the port of New Orleans. It is the only direct service under the American flag that has ever been operated between the Gulf and the west coast of South America.

The executive assistant to the Postmaster General, under date of February 29, this year, advised me, because of the necessity of keeping down expenses and conserving appropriations, no new mail routes under the merchant marine act are being established at this time. This, of course, without prejudice to the consideration of the company's application when it becomes possible to authorize additional routes.

In view of the foregoing convincing arguments I would reasonably anticipate that the department would advertise for bids which would ultimately prove the sustenance of this line and the elimination of any foreign line from superseding this Louisiana incorporated American steamship line.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9203) entitled "An act to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes."

The message also announced that the Vice President had appointed Mr. SHIPSTEAD and Mr. FLETCHER members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the United States Government Printing Office.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9203. An act to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 315. An act for the relief of Lemuel Simpson.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4145. An act for the relief of Thomas C. LaForge;

H. R. 4150. An act authorizing issuance of patents in fee to Benjamin Spottedhorse and Horse Spottedhorse for certain lands;

H. R. 6347. An act for the relief of Neal D. Borum;

H. R. 8163. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Pecatonica River at Harrison, in Winnebago County, State of Illinois;

H. R. 8171. An act granting consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Kankakee River at Momence, in Kankakee County, State of Illinois;

H. R. 8238. An act to extend the times for commencing and completing the construction of a free highway bridge across the Fox River at Algonquin, in McHenry County, State of Illinois;

H. R. 8250. An act granting authority to the Texas State Highway Commission to maintain and operate, as constructed, a free highway bridge across Trinity River between the counties of Navarro and Henderson, in the State of Texas;

H. R. 8324. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Byron, in Ogle County, State of Illinois; and

H. R. 8327. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Oregon, in Ogle County, State of Illinois.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9699.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. HOWARD in the chair.

Mr. THATCHER. Mr. Chairman, resuming my remarks, I want to say that as regards the work of the Post Office Department, these contracts have been delegated to the department by Congress, and Congress can not complain because the responsibility has been exercised. If there is

any abuse of the discretion, that is a proper subject for complaint; but unless or until an abuse is shown, no criticism can properly be lodged against the department.

We are spending a great deal of money for these matters. Other nations of the world are spending money for air mail purposes and for their shipping. We see a state of war to-day in the Orient, induced chiefly by economic considerations. We are constantly told in this House and out of it of the great importance of increasing our foreign trade; and that is, indeed, an important feature of our economic welfare. Congress adopted the policy which is embraced in the present merchant marine act and the policy embraced in the air mail acts; and if we are to keep ships on the sea and in the air, we have to meet the competition of subventions at the hands of foreign governments. Yet the payment of subsidies always involves, in my judgment, a dangerous procedure, and it must be attended with the greatest care and scrutiny.

If I were the Postmaster General of this country, I would not want as much responsibility in those matters as obtains with him to-day. I have no doubt that this is his view of the subject, because the activities involved are so great, the expenditures so large, and the likelihood of criticism so sure that I think any man who is thoughtful and considerate would feel that there ought to be a community of responsibility in the inauguration and carrying out of policies of this character. However, we are building up on the seas under these laws a wonderful fleet of ships, which will be second to none in the entire world when the program is completed.

As to the air, this is the day of a million contacts, the age of wonderful adventures. We have to meet the competition of other countries. To-day two great air lines operate from Europe to South America—once from France and one from Germany. Our own Latin American air lines cost this country something like $1.89 per mile for operation. France pays about $3.30 per mile, as I recall, for operation of its air line to and over South America.

The postal receipts that come through the operation of our Latin American air lines flow into our Treasury, and amounted in 1930 to $823,000 and in 1931 to $1,432,000; whereas the receipts which the French concern—the Corporation Aero-Postale of France—through the operation of its lines in South America, go into its own coffers. France, during the past year, I am advised, expended something like $37,000,000 for the expansion of its aviation services and activities; and so we have to meet that competition, and to meet it the expenditure of money is required. We may be going too fast in this program. I am not sure about that; but it is shown by the testimony in these hearings that the receipts being derived by our Government through the operation of our Latin American air lines—the lines extending out of this country to the southward—are constantly increasing; and the testimony is also to the effect that possibly within a few years—some say four or five years—the receipts may be sufficient to pay the basic cost of these Latin American air-line operations. I do not know about that, but the receipts are increasing at a goodly rate. There was established down the west coast at first a line about 6,300 miles in length, once a week each way, operated by the Pan-American Grace Airways—a home concern—seven days out of New York via the Panama Canal, and southward where the lone condor flies, to Chile, thence across the Andes Mountains to Buenos Aires and Montevideo—a 7-day service. That frequency was later increased until we have now a twice-a-week service, back and forth, between these widely separated termini, and these great planes are carrying passengers and mail and making important contacts of trade.

The postal receipts on the west-coast route have quadrupled, as I recall it, by reason of the fact of this twice-a-week frequency. Down the east coast, out of Miami southward to San Juan, thence on to Paramaribo; thence onward to Buenos Aires by Rio de Janeiro, another line, nearly 7,500 miles long—operated by the Pan-American Airways, also an all-American concern—has been established under appropriations made by Congress. This is a once-a-week service each way. The postal receipts on that line are also increasing at an excellent rate; and testimony before our committee was to the effect that if there were a twice-a-week frequency, the receipts might be greatly augmented. But at this time neither the committee nor the Post Office Department has deemed it wise—because of the financial situation—to increase the expense of this operation. Whether or not the charges are too much for the carrying of domestic and foreign mail I do not know. The postal officials insist that they have been handling these matters to the best of their ability, and that they have secured the lowest rates consistent with the conditions of safety involved; and it is a remarkable fact, and a testimony to the scientific genius and capacity of American business men, inventors, mechanics, and pilots that in all these flights to Latin America running over several years of service no single loss of life in the air has occurred. Such has been the condition of safety obtaining in the operation of those lines. The record of safety in our domestic air mail operations is also of the most creditable character. In fact, our own country leads the world in its aviation safety record.

If we are to have Latin American trade we must reach out for it. We must have our contacts there, because trade follows the flag, whether it be our flag or a flag of some other country. For years it has been a reproach to the American people that only about 3 per cent of American commerce was carried in American bottoms. That was the reason that led to the enactment of the present merchant marine act. Reasons of that sort also obtained in respect to our foreign air service. So if this money is expended seasonably and wisely, we will get proper returns for it. I am one of those who believe that in the years to come, in the generations of the future, when this goodly land of ours shall be filled with a teeming population, we will have to go more and more to other lands for trade, for commerce, and possibly for settlement; and, naturally, the regions to which our people will go will be to Central and South America. The Latin American nations have forms of government like our own; they are Republics. They face in the same direction that we face.

These countries have resources, potential and great beyond computation. There in that quarter lies the great Amazon River country; and Brazil, larger than continental United States, the Argentine, Chile, Peru, Venezuela, Columbia, Bolivia, Equador, the great Andean Plateaus, and Central America, with its tropical conditions, and its manifold fruits and products. Those vast and fertile regions, needing population and capital and development, in a proper and friendly sense, will constitute, perhaps in the far future, the safety valve for our own Nation, for our excess population, where our people may go in good spirit, to become part and parcel of those lands, of those peoples. Thinking in terms of generations and centuries, the value of all this to our own land and to the lands to the southward will prove to be of an inestimable character; and the trade and social contacts between the United States of America and these sister republics should be cultivated, for purposes of mutual good and benefit, to the utmost.

Every nation is looking out for trade. War is made for the sake of trade. We prefer peaceful penetration. It is a question as to whether our contacts are wisely made; whether expenditures are reasonable; whether we are proceeding too fast or too slowly. But the purpose is a legitimate one, and every forward-looking nation under the sun to-day is reaching out for trade and commerce, just as we are reaching out; and if we are to have our just share of Latin American trade, we must have these contacts. American shipping and American air mail operations will help us, as the figures will show. Notwithstanding the depression, world-wide as it is and sweeping all through Latin America, our trade and commerce are growing, as far as the percentages are concerned, in those sections of the world.

I here insert certain tables of information concerning our foreign air mail lines.

Weights of air mails carried on route 9, Cristobal (Canal Zone) to Montevideo (Uruguay) before and after increase in frequency from one to two flights a week (July 1, 1930); also the weights carried on route 10, Paramaribo (Dutch Guiana) to Buenos Aires (Argentina)

ROUTE 9

	Weights of mails carried (pounds)	
	Outbound	Inbound
1929		
May	158	59
June	79	87
July	194	135
August	128	180
September	190	187
October	332	235
November	279	314
December	379	274
1930		
January	359	245
February	346	276
March	377	296
April	573	274
May	514	459
June	597	403
July	818	586
August	820	613
September	673	720
October	892	799
November	950	434
December	930	822
1931		
January	479	719
February	437	655
March	560	842
April	463	816
May	697	930
June	572	717
July	630	686
August	561	922
September	573	802
October	589	783
November	548	663

ROUTE 10

1930		
November	153	5
December	43	261
1931		
January	87	225
February	84	172
March	79	250

Weights of air mails carried on route 9, Cristobal (Canal Zone) to Montevideo (Uruguay) before and after increase in frequency from one to two flights a week (July 1, 1930); also the weights carried on route 10, Paramaribo (Dutch Guiana) to Buenos Aires (Argentina)—Continued

ROUTE 10—continued

	Weights of mails carried (pounds)	
	Outbound	Inbound
1931		
April	140	230
May	161	157
June	136	197
July	171	156
August	171	237
September	170	167
October	186	178
November	150	184

Foreign air mail service—contractors, poundage, revenue, and expenditures for foreign air mail, 1931

	Miles	Trips	Rate	Amount
1. New York to Montreal (one way)	334.0	313	$0.96	$100,360.32
2. Seattle to Victoria	74.0	144	.76	16,197.12
3. New Orleans to Pilottown	75.0	396	(1)	39,600.00
4. Miami to Habana	231.0	365	2.00	366,460.00
5. Miami to San Salvador	1,302.0	52	2.00	270,816.00
Habana to Merida	491.5	52	2.00	102,232.00
San Salvador to Cristobal	918.5	104	2.00	283,096.00
Miami to Cristobal (direct)	1,667.5	104	2.00	693,680.00
Barranquilla to Maracaibo	264.0	104	2.00	109,824.00
Maracaibo to Port of Spain	764.0	52	2.00	158,912.00
Port of Spain to Paramaribo	626.0	52	2.00	130,208.00
6. Miami to San Juan	1,253.0	156	2.00	781,872.00
San Juan to Port of Spain	752.0	52	2.00	156,416.00
7. Miami to Nassau (one way)	193.5	103	1.25	24,913.12
8. Brownsville to Mexico City	501.0	365	2.00	731,460.00
Tampico to San Salvador	1,005.0	104	2.00	418,080.00
9. Cristobal to Montevideo	4,545.5	52	1.80	850,917.60
Cristobal to Montevideo	4,545.5	52	1.60	756,371.20
10. Paramaribo to Buenos Aires	4,840.5	52	1.80	906,141.60
12. Bangor to Halifax (one way)	281.0	131	2.00	73,622.00
Total				7,070,178.96

[1] $100 round trip, estimated.

The service as above stated is that to be authorized from Nov. 1, 1931, and includes only once-a-week service from San Juan via Paramaribo to Buenos Aires.

Air mail routes and contractors

Route and contractor	Fiscal year	Poundage			Revenue	Expenditure
		Air mail	Ordinary and air mail combined	Ordinary		
1. New York to Montreal; Canadian Colonial Airways (Inc.)	1929		106,396		(1)	$67,678.08
Do	1930		115,115		(1)	90,969.60
Do	1931		122,510		$12,301.00	92,672.64
Do (6 months)	1932	5,778		49,851	13,080.00	47,094.48
2. Seattle to Victoria; Seattle-Victoria Air Mail (Inc.)	1929			64,924	(2)	19,878.75
Do	1930			67,864	(2)	15,614.37
Do	1931			61,699	(2)	15,527.89
Do (6 months)	1932			42,398	(2)	7,973.79
3. New Orleans to Pilottown; Arthur E. Cambas	1929			84,525	(2)	31,409.00
Do	1930			79,620	(2)	42,500.00
Do	1931			94,497	(2)	39,700.00
Do (6 months)	1932			69,011	(2)	13,500.00
4. Miami to Habana; Pan-American Airways (Inc.)	1929		362,341		(1)	181,319.00
Do	1930	7,424		340,027	(1)	188,442.00
Do	1931	26,420		134,087	68,764	289,654.00
Do (5 months)	1932	11,812			31,978	152,603.00
5. Miami to Cristobal and Paramaribo (5 months)	1929	3,542			(1)	362,866.00
Do	1930	33,239			(1)	1,594,200.00
Do	1931	71,975			450,284	1,999,740.00
Do (5 months)	1932	30,900			220,416	809,904.00
6. Miami to San Juan and Port of Spain (6 months)	1929	6,064			(1)	425,688.00
Do	1930	22,365			(1)	1,027,898.00
Do	1931	42,361			144,817	942,298.00
Pan-American Airways (Inc.) (5 months)	1932	21,053			90,103	395,464.00
7. Miami to Nassau (6 months)	1929	617			(1)	30,400.00
Do	1930	1,109			(1)	54,800.00
Pan American	1931	6,331			4,117	33,378.74
8. Brownsville to Mexico City and San Salvador (4 months)	1929	7,415			(1)	105,728.00
Do	1930	31,498			(1)	483,960.00
Do	1931	46,923			$131,063	1,099,403.00
Pan-American Airways (Inc.) (5 months)	1932	20,330			65,721	479,980.00
9. Cristobal to Montevideo (2 months)	1929	363			(1)	57,213.00
Do	1930	7,546			(1)	803,616.03
Do	1931	16,944			176,916	1,595,457.90
Pan-American-Grace Airways (Inc.) (5 months)	1932	6,757			78,927	671,643.20
10. Paramaribo to Buenos Aires; Pan American Airways (Inc.):						
8 months	1931	2,410			25,843	457,023.00
5 months	1932	1,770			17,792	332,051.00
12. Bangor to Halifax; Pan-American Airways Co. (2 months)	1932	913			1,826	18,974.00

[1] Not available.

[2] No air mail revenue.

Concerning domestic air mail, I do not know whether we are paying too much money for that service or not. That is a question that will require great care and study, as far as the duties of Congress may be concerned. The Post Office Department officials insist that they are making the best contracts, the best consistent with the character of the service that should be rendered. I am one of those who believe that the service in the air should be of the very best type and character. Human life is so precious that every safeguard for its safety should be provided. I must commend the officials of the Post Office Department, the Postmaster General, Mr. Brown, the Second Assistant, Mr. Glover, and the air mail staff for the splendid conditions of safety they have insisted on; and, also, I would equally commend the operating companies in both the foreign and domestic air mail service for their great work in providing safety. I do not know whether the Cord Co., or some other company, may be able to carry the mails at one-half the cost to-day or not. Apparently they have submitted no bona fide proposition to that effect; but if they can do it, then, of course, as far as future contracts are concerned, they can get into the picture. If that showing can be made, that fact will influence, and must influence, the Post Office Department in the discretion exercised concerning extended routes in this country.

If the $19,000,000 carried in this bill may be insufficient to maintain our domestic air mail operations as now in effect, I should be glad to see a Budget supplemental estimate for the additional funds required. The question is one of fact, and I am willing for the Bureau of the Budget to determine it. I do not wish the service to be crippled.

I believe that the present set-up of our air mail lines, domestic and foreign, has been wisely made. For this work the department is deserving of our thanks and appreciation. Across our country, east and west, north and south, and over the vast stretches of the two Americas, these great carriers shuttle the air, bearing their precious cargoes of passengers and mail, with the very best pilots in charge and with the best mechanical equipment possible for human ingenuity to create. We are advised that these operating companies have paid no dividends. Some of them may have too many high-priced officials. I do not know about that, and can not know, in the absence of full inquiry.

All of these matters ought to be examined carefully, not in order to tear down but in order constructively to benefit our people and to aid this great industry which means so much to the Nation. We are concerned not only as to commerce but also because of the protective value to our country of a fully developed aviation service. The wars of this age must be largely determined by the air forces of the nations which may be involved. Every pilot that is trained in this service becomes a potential defender of the Nation; and if these routes be wisely planned and operated, not only will our trade and commerce be served thereby but their operation will prove of the greatest protective value to our country and to our flag. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, I desire to take a few minutes to discuss briefly the splendid record which has been made in this body since it came under Democratic control last December, at which time we elected as Speaker that brilliant Texan plainsman, the Hon. JOHN N. GARNER, who, I predict, will take rank among the first in the long line of distinguished statesmen who have held the high and honorable office he now so capably fills. [Applause.]

I do not believe I can be successfully challenged when I claim for this House a record to date that has not been paralleled by any legislative body in 20 years. It is a record which has won the confidence, the respect, and the praise of the country for the Democratic Party, and is a record which, I believe, will cause the people of the country, almost without respect to party affiliations, to determine to place upon our party, in the election next November, an even broader responsibilty under which we will not only have a larger majority than we now have in this body but will also assume control of the Senate and of the executive branch of the Government. [Applause.]

During the long months which elapsed between the adjournment of the Seventy-first and the convening of the Seventy-second Congress it was freely predicted—and I have no doubt generally expected—that the session of the new Congress would be attended by chaos, and that there would be a continuous struggle between the Democratic House, the Republican Senate, and the Republican President, with the result that little or nothing in a constructive way could or would be accomplished.

The best answer to those who made these predictions and who entertained that opinion is the record of this House, a record to which every Member of this body, indeed every citizen, no matter what his political affiliations may be, may point with pride. In making this record, Democrats have shown that they are willing to cooperate in every possible way for the best interests of the country, that they are patriots before they are partisans, and have given proof that they can and do put mere partisan considerations aside when the interests of the country are at stake, as well as demonstrating that they are willing and have the capacity to legislate in the interest of all of the people.

This policy of cooperation could, and in my opinion would, have continued throughout this session of Congress had the President and some of the leading Republicans not tried to convey the idea to the country that the President and the Republican Party, and they alone, were entitled to all of the credit for every constructive move that has been made during this session of Congress. Many statements have been made, and I think unwisely, by Republican spokesmen who were more interested in the success of their party than they were in the welfare of our country and, in my opinion, for the good of the country should have never been made.

Early in the session I heard Speaker GARNER say, "Any constructive legislation passed by this Congress would have to be almost by unanimous consent," and that is true. In other words, a Democratic House, a Republican Senate, and a Republican President must cooperate in every way possible in order that legislation be passed that could and would relieve the present national chaotic condition that prevails throughout the country brought on by the mismanagement of the party that has been in power for almost 11 years.

The Democratic leaders in the House have proven to the country by their records in this session that they are, at all times, willing to cooperate in every way possible in order that constructive legislation may be passed that will relieve the present national crisis, but they are not going to stand idly by and let the President and his Republican spokesmen claim all the credit for whatever is accomplished during this session, when the President and the country knows that no constructive legislation can be passed during this session without the full cooperation of the Democratic leaders in the House.

Let me, for a moment, direct your attention to some of the outstanding achievements which go to make up this unsurpassed record of wise, constructive, and patriotic legislation.

Under Democratic leadership this House liberalized its rules so that it is no longer possible for a few individuals, as it was in the last Congress, to defeat any opportunity for the House to vote on matters of major importance.

Under Democratic leadership this House passed the bill creating the Reconstruction Finance Corporation, endowed with all the strength of $2,000,000,000, to ease strained circumstances of the banks, railroads, and insurance companies, and to provide new capital for the farm-loan banks with which to afford greatly needed and much desired aid to agriculture.

Under Democratic leadership this House passed the Steagall bill, now known as the Glass-Steagall bill, a measure

designed to liberalize credit facilities or expand the credit of the Federal Reserve System, to check deflation by making available $750,000,000 of gold now tied up in the banks and at the same time make available almost $2,000,000,000 of paper securities. This measure, it is believed, will save hundreds of banks from closing and make it possible for a great many business houses to avoid bankruptcy if the Federal Reserve Board will do what they are authorized to do. I am of the opinion that had this legislation been enacted six months or a year ago hundreds of banks and thousands of business institutions that are now closed would have been in business this very day, and that conditions generally would have been very much better than they now are at the present time.

Under Democratic leadership legislation has been enacted whereby a revolving fund of $100,000,000 has been made available out of which the Treasury Department may make advances to Federal land banks with which to increase the borrowing facilities of agriculture and thus avoid the necessity of foreclosing farm mortgages.

Under Democratic leadership this body passed a bill under which the tariff-writing power would be restored exclusively to Congress, where it was intended by the framers of the Constitution it should be; and, furthermore, under this same tariff bill, should it become a law, steps could be taken to bring about a general lowering of the world tariff barriers, which would make possible a freer flow of merchandise and do much toward speeding the return of normal conditions in business and employment.

Under Democratic leadership this House is making a record for economy that, I believe, has not been approached for more than a generation. The work of the Appropriations Committee deserves the praise, not only of every Member of this House, but of every citizen and taxpayer in the country. Confronted with a huge deficit, that by the end of the present fiscal year will be between two and three billions of dollars, the Appropriations Committee set about curtailing expenditures. Notwithstanding the President's order for economy, notwithstanding the paring of requests for appropriations by the Budget Bureau, the Appropriations Committee has, in the four bills which have thus far been reported out—the first deficiency, the Department of Agriculture, the Departments of the Interior, State, Justice, Labor, Commerce, and Treasury and Post Office Department bills—cut the recommendation for appropriations more than $59,509,000 below the estimates of the President and the Budget Bureau. This, ladies and gentlemen, is genuine economy under Democratic leadership, because it is being done, I am certain, without impairing in the slightest the efficiency of a single department or bureau of the Federal Government.

Under the leadership of Democrats the Ways and Means Committee will soon report out a tax bill. I do not know what its provisions will be, but I do know that we are under the imperative necessity of levying not only additional but new taxes. As I have said, the Treasury is faced with a deficit that, by the close of the current fiscal year, will amount to between two and three billions of dollars. It is necessary to balance the Budget, and this can be done only by getting an increased revenue.

The Ways and Means Committee, of which I have the honor to be a member, has been working diligently, faithfully now for many weeks, seeking new revenue and endeavoring to place the additional tax burden where it will rest most equably and lightly, and we hope to be able to report out a tax bill that will be approved as the fairest and the least burdensome to all of the people of any bill it is possible to write. So that, with the Appropriations Committee at one end, paring the appropriations down to the lowest point consistent with Federal efficiency, and the Ways and Means Committee at the other end, devising new taxes and tapping new sources of revenue in an equitable and fair manner, we will before long accomplish that most necessary end, a balancing of the Budget, which is so essential to the preservation, without impairment, of our national credit, and which should revive public confidence and help to bring about a restoration of prosperous conditions among all classes.

In the foregoing I have briefly sketched the major accomplishments of the Democratic House of Representatives during the first part of the first session of the Seventy-second Congress. I repeat, it is a remarkable record, one to challenge the admiration and inspire the confidence of the country. It is an example of what the country may expect when, as I am sure it will do next November, turn over to our party the full responsibility of every branch of government. It is a record in the making of which I, as a Member of the House and as a member of the Ways and Means Committee, am proud to have played a humble part.

I assert again that the record we have made is an enviable record and gleams all the brighter when we compare it with the record of the present administration and of the Congress last preceding. Doubt has given way to determination, and delay to definite action. For two years the Hoover administration and the Republican Congress hesitated between one course and another, with the result that no course was taken, no definite accomplishments were achieved, no constructive program was enacted or even advanced. It was only when the Democratic Party took control of this House that things began to happen. In the very organization of this body we gave evidence of our capacity to work together when, in the election of a Speaker, out of 220 Democratic Members of this body, 219 votes were cast for our candidate, Mr. GARNER, and the two hundred and twentieth vote, his own, could and would have been cast for him had it been necessary. From that day to this we have given proof not only of our capacity to develop a constructive program but of our readiness to cooperate with the opposite party, with the result that confidence is beginning to supplant despair in the business world and we can at least, after more than two long years of gloom and depression, begin to feel that our feet are again planted on the high road that will lead us to a lasting prosperity.

My chief regret is that what we have been able to accomplish in the brief span of less than three months since the Democratic Party took over control of the House of Representatives we were not permitted to do many months ago. During the depressing days of last summer, when the long lines of unemployed extended themselves from the doors of every charitable institution in the land, when banks were failing by the hundreds, when the hum of industry had almost ceased, if the President had called Congress into special session, as he was pleaded with to do, and we had done then what we have done since December under Democratic leadership in this House, it is my firm conviction that the worst would have long been over, that confidence would have been restored, and that business and industry generally would by this time have progressed substantially on the upgrade. Had the President—and he must accept the responsibility for his failure to act—called the Congress together last summer or in the early fall, many a bank that is now closed would have been solvent, many a factory that is now silent would have been running and giving employment to men who need it, and conditions would, in my opinion, have by this time been far—yes, very far—better than they are to-day.

Again, Mr. Chairman and ladies and gentlemen, I repeat the Democrats in the House have proven to the country by their actions in this session of Congress that we are willing, can and will cooperate in order that constructive legislation may be passed that will relieve the present chaotic condition that prevails throughout the country, and let us hope that the President and Republican Members of the House and Senate will show the same spirit we have shown instead of trying to take all the credit to themselves for emergency legislation that can only be passed by the House, the Senate, and the President cooperating with one another, for with conditions the way they are to-day it is no time to play partisan politics. [Applause.]

Mr. THATCHER. Mr. Chairman, I yield one minute to the gentleman from Colorado [Mr. EATON].

(Mr. EATON of Colorado asked and was given permission to revise and extend his remarks by including a circulation statement of the United States money, a report from the Bureau of Mines, and three sections of the statutes of the United States.)

Mr. EATON of Colorado. Mr. Chairman, on February 15 I referred to the December 31, 1931, circulation statement of United States money. I now ask that the January 31, 1932, circulation statement be set forth at this place in the RECORD.

Circulation statement of United States money—January 31, 1932

Kind of money	Total amount	Money held in the Treasury					Money outside of the Treasury				Population of continental United States (estimated)
		Total	Amount held in trust against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal reserve banks and agents	All other money	Total	Held by Federal reserve banks and agents [5]	In circulation [6]		
									Amount	Per capita	
Gold coin and bullion	[1] $4,415,914,085	$3,494,554,185	$1,674,580,839	$156,039,088	$1,580,633,136	$83,301,122	$921,359,900	$514,463,035	$406,896,865	$3.27	
Gold certificates	[2] (1,674,580,839)						1,674,580,839	824,332,670	850,248,169	6.82	
Standard silver dollars	539,958,135	499,289,446	490,349,931			8,939,515	40,668,689	9,072,510	31,596,179	.25	
Silver certificates	[2] (489,120,681)						489,120,681	122,349,303	366,771,378	2.94	
Treasury notes of 1890	[2] (1,229,250)						1,229,250		1,229,250	.01	
Subsidiary silver	307,556,762	8,612,691				8,612,691	298,944,071	38,507,816	260,436,255	2.09	
Minor coin	126,586,168	4,490,688				4,490,688	122,095,480	7,514,875	114,580,605	.92	
United States notes	346,681,016	2,951,055				2,951,055	343,729,961	62,039,372	281,690,589	2.26	
Federal reserve notes	2,922,711,780	1,248,295				1,248,295	2,921,463,485	273,611,026	2,647,852,459	21.25	
Federal reserve bank notes	2,830,140	10,325				10,325	2,819,815	300	2,819,515	.02	
National-bank notes	715,764,616	16,634,764				16,634,764	699,129,852	22,046,070	677,083,782	5.43	
Total Jan. 31, 1932	9,378,002,702	[3] 4,027,791,449	2,164,930,770	156,039,088	1,580,633,136	[4] 126,188,455	7,515,142,023	1,873,936,977	5,641,205,046	45.26	124,636,000
Comparative totals:											
Dec. 31, 1931	9,421,224,505	[3] 4,089,914,415	2,246,927,985	156,039,088	1,564,818,834	122,128,508	7,578,238,075	1,931,465,187	5,646,772,888	45.34	124,556,000
Jan. 31, 1931	8,642,545,161	[3] 4,067,096,370	2,262,895,270	156,039,088	1,559,696,578	88,465,434	6,838,344,061	2,228,656,747	4,609,687,314	[7] 37.26	[7] 123,707,250
Oct. 31, 1920	8,479,620,824	[3] 2,436,864,530	718,674,378	152,979,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,960	5,698,214,612	53.21	107,096,095
Mar. 31, 1917	5,396,596,677	[3] 2,952,020,313	2,681,691,072	152,979,026		117,350,216	5,126,267,436	953,321,522	4,172,945,914	40.23	103,716,000
June 30, 1914	3,797,825,099	[3] 1,845,569,804	1,507,178,879	150,000,000		188,390,925	3,459,434,174		3,459,434,174	34.93	99,027,000
Jan. 1, 1879	1,007,084,483	[3] 212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.92	48,231,000

[1] Does not include gold bullion or foreign coin other than that held by the Treasury, Federal reserve banks, and Federal reserve agents. Gold held by Federal reserve banks under earmark for foreign account is excluded, and gold held abroad for Federal reserve banks is included.

[2] These amounts are not included in the total since the money held in trust against gold and silver certificates and Treasury notes of 1890 is included under gold coin and bullion and standard silver dollars, respectively.

[3] The amount of money held in trust against gold and silver certificates and Treasury notes of 1890 should be deducted from this total before combining it with total money outside of the Treasury to arrive at the stock of money in the United States.

[4] This total includes $55,961,836 gold deposited for the redemption of Federal reserve notes ($692,300 in process of redemption), $27,917,010 lawful money deposited for the redemption of national-bank notes ($16,600,564 in process of redemption, including notes chargeable to the retirement fund), $1,350 lawful money deposited for the retirement of additional circulation (act of May 30, 1908), and $16,162,107 lawful money deposited as a reserve for postal-savings deposits.

[5] Includes money held by the Cuban agency of the Federal Reserve Bank of Atlanta.

[6] The money in circulation includes any paper currency held outside the continental limits of the United States.

[7] Revised figures.

NOTE.—Gold certificates are secured dollar for dollar by gold held in the Treasury for their redemption; silver certificates are secured dollar for dollar by standard silver dollars held in the Treasury for their redemption; United States notes are secured by a gold reserve of $156,039,088 held in the Treasury. This reserve fund may also be used for the redemption of Treasury notes of 1890, which are also secured dollar for dollar by standard silver dollars held in the Treasury; these notes are being canceled and retired on receipt. Federal-reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal-reserve bank. Federal-reserve notes are secured by the deposit with Federal-reserve agents of a like amount of gold or of gold and such discounted or purchased paper as is eligible under the terms of the Federal reserve act. Federal-reserve banks must maintain a gold reserve of at least 40 per cent, including the gold-redemption fund which must be deposited with the United States Treasurer, against Federal-reserve notes in actual circulation. Lawful money has been deposited with the Treasurer of the United States for retirement of all outstanding Federal-reserve-bank notes. National-bank notes are secured by United States bonds, except where lawful money has been deposited with the Treasurer of the United States for their retirement. A 5 per cent fund is also maintained in lawful money with the Treasurer of the United States for the redemption of national-bank notes secured by Government bonds.

Questions having been asked in debate of the silver stocks of the world, I asked Hon. Scott Turner, Director of the Bureau of Mines, in regard thereto, and he sent me under date of February 11, 1932, a memorandum of Charles W. Merrill, of his bureau, which I set forth here for your information.

DATA ON SILVER STOCK

(For use of Mr. Hedges in connection with request for information by Representative EATON.)

FEBRUARY 11, 1932.

Complete records of gold and silver stocks are not available, but it is possible to estimate their size with a fair degree of accuracy.

The production for the period 1493–1927 of gold and silver has been compiled in Economic Papers 6 and 8, respectively. Precious-metal production prior to the discovery of the Americas, although of great importance to the ancients, would appear relatively insignificant compared to present-day outputs. It can, therefore, be said without fear of serious error that the total possible stocks of gold and silver could not greatly exceed the production since 1492. This production is as follows:

	Gold (fine ounces)	Silver (fine ounces)
1493–1927	1,003,563,329	14,356,724,911
1928	19,700,049	257,925,154
1929	19,500,152	260,970,029
1930	20,160,355	248,139,133
1931 (estimate)	21,000,000	196,100,000
Total	1,083,923,885	15,319,859,227

The Bureau of the Mint makes the following estimates of gold and silver monetary stocks for the end of the calendar year 1930:

Gold:	
Authenticated stocks	$11,008,564,000
Unauthenticated stocks	514,015,000
Total monetary gold stocks	11,522,579,000
Fine ounces total monetary gold stocks	557,404,749
Silver: Total monetary silver stocks	4,781,741,000

The figure here given for silver can not be translated to fine ounces, because it represents the face value of coins combined with value of bullion. One item, for instance, is the $851,665,000 monetary silver stock of the United States, which is the face value of coins containing 643,093,000 fine ounces of silver. In other words, this silver is thus priced at $1.324 a fine ounce.

In order to compute the total stocks it would be necessary to add to the monetary stocks figures the quantities of gold and silver held as jewelry, bullion, and in other forms by individuals and by organizations that do not report their holdings as monetary stocks. Precise data on these nonmonetary stocks are lacking. There have been some estimates made by silver students which, although admittedly conjectural, are probably reasonably close to the true figures. The following quotations from a paper by H. N. Lawrie, "The Silver Situation," delivered before the Washington Section of the American Institute of Metallurgical and Mining Engineers, December 18, 1930, present estimates of the stocks of silver in India and China:

The total number of rupees coined in India from 1835 to 1922 was 6,475,000,000, which, at 165 grains of fine silver per rupee, amounts to about 2,226,000,000 fine ounces. There has been practically no silver coined since 1922. Prior to 1835 large quantities of silver coins were put into circulation and the above figures also exclude a large coinage of half-rupee coins. Taking these coin-

ages into account and the net silver imports into India for private account, it is conservatively estimated that the silver reserves in India amount to no less than 5,000,000,000 ounces, representing more than one-third of the world's output since the discovery of America. About one-half of the total reserve was minted into coins, of which 1,200,000,000 1-rupee coins, or about 16 per cent, are now held in government reserves, the remaining 84 per cent being in circulation or hoarding. The 2,500,000,000 ounces which can not be accounted for by minting are in the form of hoarded jewelry or bars.

The silver reserves of China are estimated at 3,000,000,000 ounces, of which over 1,000,000,000 ounces was the net import of silver for the 30 years 1901–1930, and the remainder was brought into the country during the 300 preceding years. An authority on Chinese currency, E. Kann, estimated that the mintage of silver dollars and subsidiary coins since 1891 has a face value of about $2,200,000,000, which, at the rate of 374 grains of fine silver to the dollar, would amount to about 1,700,000,000 fine ounces. The same authority estimates a visible supply of silver in sycee of about 200,000,000 ounces. Foreign silver coins, which formerly had a large circulation in China, such as the Mexican, British, and Saigen dollars, are now being rapidly eliminated, so that 100,000,000 ounces would probably be a close estimate of their silver content. This makes a total of 2,000,000,000 ounces accounted for and 1,000,000,000 ounces still hoarded in the form of jewelry or bullion.

The following is quoted from Huge Indian Gold Stocks Cushion Sterling's Fall, Wall Street Journal, volume 99, No. 22, January 25, 1932, page 1:

"Estimates regarding the amount of commercial gold in India available for export vary widely, but it is generally agreed that the sum total is large enough to have a most important bearing on Great Britain's monetary position so long as factors now favoring Indian gold sales continue. The 'shroffs,' or private bankers, whose agents are scouring the country for metal and who have been engaged in the gold trade for generations, estimate the amount at £1,500,000,000. Official returns show that the net import of metal since 1900 amounts to £365,000,000, calculating the rupee at 1s. 6d."

From the above data and estimates it appears that over one-half of the gold produced since the discovery of the New World is known to be held as monetary stocks; added to this there is a substantial stock of nonmonetary gold held in various forms in both the Occident and the Orient. The situation in connection with silver can not be defined so precisely. Nevertheless, it appears that well over one-half of the 15,000,000 ounces of silver mined since Columbus discovered America is available but is held largely in the mysterious precious-metal hoards of the Orient.

CHARLES W. MERRILL.

May I also direct the attention of the House to sections 311, 312, 313 of the United States Code of 1926 and ask just how far do the statutes commit the United States to bimetallism? They include full authority to the President to appoint commissioners to an international conference. They are as follows:

SEC. 311. Policy of United States as to bimetallism: It is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And it is hereby further declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts. (November 1, 1893, ch. 8, 28 Stat. 4.)

SEC. 312. International monetary conference commissioners: Whenever the President of the United States shall determine that the United States should be represented at any international conference called by the United States, or any other country, with a view to securing by international agreement a fixity of relative value between gold and silver as money by means of a common ratio between the metals, with free mintage at such ratio, he may appoint five or more commissioners to such international conference; and for compensation of said commissioners, and for all reasonable expenses connected therewith, to be approved by the Secretary of State, including the proportion to be paid by the United States of the joint expenses of any such conference, the sum of $100,000, or so much thereof as may be necessary, is appropriated. (March 3, 1897, ch. 376, 1, 29 Stat. 624.)

SEC. 313. International bimetallism: The provisions of sections 146, 313, 314, 320, 406, 408, 411, 429, 455, and 751 of this title and sections 51, 101, and 178 of title 12, "Banks and banking," are not intended to preclude the accomplishment of international bimetallism whenever conditions shall make it expedient and practicable to secure the same by concurrent action of the leading commercial nations of the world and at a ratio which shall insure permanence of relative value between gold and silver. (Mar. 14, 1900, ch. 41, 14, 31 Stat. 49.)

(Sections 311, 312, and 313 of the Code of the United States, 1926.)

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, I am glad that the House, during the present week, has by resolution provided for an Economy Committee that is to begin the serious business of reducing the expenses of government here in the Capital and elsewhere. Of late years we have had too much Government in business and not enough business in Government. The changes we are bringing about will be helpful to the people and a saving in their taxes. I congratulate the Congress, and the country, on having a real patriot, a real economist, and a man of the people at the head of the Committee on Appropriations. I am glad to pay to my distinguished colleague from Tennessee this deserved tribute. He has served faithfully and well the interests of the people of Tennessee and the Nation for more than a quarter of a century. We are justly proud of Representative J. W. BYRNS, from the Hermitage district of the Volunteer State.

I am glad that in this bill now under consideration we find that many millions of dollars have been saved to the taxpayers through reductions in appropriations over former years. This is the result of his labors and that of his associates on this all-important committee. I hope that this will continue to be the action of the Members of the House on legislation throughout the remainder of this session.

In undertaking to enact laws for the people of the Nation the Congress should continually keep in mind the wisdom and necessity of reducing the cost of government.

This must be stressed from day to day and practiced at all times. Economy and reduction of expense is absolutely essential. We are confronted with a crisis. It must be met and overcome. We are told that there was a deficit in the Treasury for the year 1931 of over $900,000,000, a deficit for 1932 of over $2,100,000,000, and for 1933 an estimated deficit of $1,250,000,000.

With these figures before us we know there must be a change. No nation, no individual can continue to live beyond his income from year to year without financial ruin, distress, and disaster.

We should seek to reduce cost not only of the National Government, but likewise the cost of State, county, and municipal government in our respective districts. The people, as well as Congress, should become aroused to the needs of the hour. There are too many needless offices and too many officers. We are suffering with too much government. It has been wisely said that "a people are best governed who are least governed."

The Capital of the Nation is a fitting place for the right example to be set for the States and counties, along the lines of economy and reduction in expense. Unfortunately, we do not find this here. Instead, millions of dollars are being spent in condemning and destroying entire city blocks of valuable business houses, tearing them down, committing criminal waste in the midst of the greatest panic this country has ever known, and preparations are under way and new buildings are going up, block after block of them, where when completed, thousands of clerks and employees will be placed on the Government pay roll. This, too, must all be paid by the people in taxes. They are already burdened with local, State, and county taxes beyond their ability to pay. More than 600,000 employees are on the Government pay roll to be supported by an already tax-ridden and oppressed people, and this, too, continues in the midst of this most disastrous panic, which has wrought such serious consequences in the broken fortunes of thousands of our people.

Where is the end, and when will we reach it?

MORATORIUM

President Hoover and Congress made a great mistake in extending to the European countries another 12 months' time in which to pay the debts due our people in June last. Germany and the allied governments should have been forced to pay, and to promptly pay, the money they had borrowed of us. I do not believe our own people should be required to raise this extra $100,000,000 in taxes just because the President, through a practice which has now

become a fixed habit with him, and a bad one at that, continues to favor Europe at the expense of his own people and country.

I am glad I could register the protest of my people and vote against this proposition, which I did. It is a wise and homely saying that "charity begins at home." How full of wisdom is this saying and how apparent it is to us when we hear the cry for help coming from our own people in the cities and congested centers where there is no employment.

Why not have the $100,000,000 in our Treasury to enable us to minister to the needy and suffering at home. He who fails to provide for his own has already denied the faith.

Republican leadership under President Hoover has reached the stage of political insolvency and clearly is entitled to be adjudged a bankrupt. Its affairs and effects will be wound up in the court of last resort in November, when the jury of sovereign voters of 48 States pass upon the case. There will be no appeal from the verdict. We will again have a Democratic President, who will be first interested in our own people and administer the affairs of America for Americans and not for an ungrateful and selfish people in Europe.

For years the Republican leaders have boasted that only they were capable of running the affairs of this Government, that only under their control could prosperity come and the full dinner pail exist.

How often have we heard of the managers of so-called big business, before elections, telling their employees that their wages and their jobs depended upon the success of the Republican ticket at the polls.

President Hoover, when a candidate, said:

A continuation of the policies of the Republican Party is fundamentally necessary to the further advancement of progress and to the further building up of prosperity.

He even went so far as to predict that poverty would be abolished from the land under Republican rule.

What a false prophet. In less than one year after his election what took place? Bank failures occurred throughout the length and breadth of our Nation. Bankruptcy proceedings on every hand; mortgages foreclosed; securities, stocks, and bonds of all kinds became worthless; industry and business were paralyzed; and to-day 8,000,000 of our people are out of employment and bread lines exist all too often in our cities. In many places State and local charity can not cope longer with the situation. The communities themselves are debt ridden and tax burdened. Revenues have decreased. Mills, mines, factories, and farms are all practically shut down.

Surely this is not the boasted party of prosperity and the full dinner pail. If so, lo, how the mighty hath fallen!

REDUCTION OF EXPENSE

We need to reduce the number on the pay roll in both State and Federal Governments. This is especially true in my own State, where reckless expenditure of the taxpayers' money has been carried on for years. Waste and extravagance is on every hand and should be stopped. Every dollar of taxpayers' earnings should bring honest return from those in control or they should be driven from power.

Duplication, waste, and extravagance is grinding the people to financial slavery and rapidly over the hill to the poorhouse. God forbid that it continue. Honesty should prevail in government, in politics, and in public life. Money spent to win elections should vanish from the earth. None but honest, conscientious men should be placed in charge of the destiny of a great and free people.

Corruption at the ballot box is at the very taproot of our trouble.

BANKERS

Big interests, big bankers, and financiers have done more to bring on the present panic than everything else combined. The bankers of the country forced the moratorium which prevented our collecting $100,000,000 and with this the sacrifice has only begun, and we may, if bankers continue to have their way, assume the burden for ourselves and our children and grandchildren after us, the war debts of the 15 European nations. How long will it take an outraged people to rise up and drive the money changers from the temple—drive them from power—drive them to the same judgment that was pronounced against Judas Iscariot, Benedict Arnold, and all other traitors of the earth?

What a pitiful spectacle at this time, when we look around about us and see what the bankers, who were the advisors for their customers, the keeper of their earnings and savings through life, those whom we trusted, to see now how miserably and cowardly they have failed us in this hour of distress and need. Twenty billion dollars of worthless foreign bonds and stocks and securities have been sold by the bankers here in America and the money sent out of the country. All of it is now lost, while hunger, suffering, and want and suicide from failures and wrecked homes face a suffering and tolerant people.

INTERNATIONAL BANKERS

Our great moneyed interests have been the cause of much of our present trouble. They were the instigators of the President's great mistake made June last when he announced a 12-month delay in the collection of debts due us by foreign nations. The international bankers have been so in love with Europe and other nations and countries that they have lifted the burden of $18,000,000,000 in debts off the people in Europe and fastened it on their own people and customers here in America. They have betrayed their own people. They sold their own customers out to foreigners and lined their pockets with gold from the commissions on the sales of worthless foreign securities to the people of this Nation. On December 31, 1931, America held foreign investments abroad to the amount of $17,968,206,000.

Instead of international bankers we might well call them international betrayers.

We have loaned in past years from our Treasury billions of dollars to Europe. This money was used for Europe's benefit, for national purposes there, and not for international purposes. Some of it was used to equip her armies and build up her navies; some to strengthen her industries.

Now, when we seek to collect a just debt, which is due and unpaid, and for value received in real money, we are denominated as selfish and told we are seeking to destroy, when we need so badly to collect. Legitimate and honest money loaned makes no difference to them—they borrow but do not pay back. Why? Because Europe would have to tax her own people to get and repay the money. And if the money is not had from those who borrowed and used it, where is it to come from?

From the pockets of our people. We sacrifice America for Europe and call this internationalism and a world vision.

Would France, England, or Germany do this for us if conditions were reversed? Not in a million years. We have had enough, and too much of this propaganda fostered in the White House by the President through his boards, bureaus, and bankers.

Let us not longer sacrifice America and Americans. Let us stay within our own borders and develop here a great people and build great institutions of, for, and by Americans. When children in Belgium were hungry we fed them, when children in France were hungry we fed them, when children in Germany were starving we fed them, when Russian children were without food we furnished it—out of the American Treasury. But now when our own people are suffering where are the tears for them?

We must have a new vision; we must have new leadership; we must have another Andrew Jackson to smite our betrayers and drive our bankers from power and restore simplicity of government and honesty of government, and bring it back and lodge it with the people, whence comes all power.

FARM RELIEF

There are 27,000,000 people engaged in farming and agriculture in this country. They produce the wealth of the country; they feed the world; they represent in a very large measure the Nation's purchasing power. Unless agriculture is prosperous, the rest of the Nation soon feels the shock. The farmers are not organized into big companies, with capital behind them. They have no opportunities to raise

millions of dollars by floating bonds or selling stock to the public, as do the corporations. Farming is the business of the individual. To-day we have a farm-loan system and a Federal Farm Board; these include certain credit corporations, land banks, intermediate credit banks, and other agencies of credit, on short-term loan basis as a rule, and usually there is so much red tape involved and expense required on the part of the farmer before he can comply with the regulations governing the loans in these institutions that when he seeks relief through these channels he is ofttimes wound up in a foreclosure suit either before he can get the loan or before he is able to repay it.

Surely the farmer is entitled to greater consideration at our hands, and certainly he is entitled to an equal show with industry. The so-called farm relief measures have all too often in the recent past had the effect of relieving the farmer of his farm.

One thing is apparent, that it is necessary under present conditions for the farmers to organize more extensively and to trade cooperatively as much as possible to keep step with industry and other corporations. These organizations must follow as rapidly as possible.

The farmers should organize that he may buy more cheaply and should organize that he may sell his produce at the highest possible price. He should be organized to aggressively fight for his rights before State legislative bodies, and before the Congress.

There should be State and National associations for the protection of the farmers' market and the price he has to pay. The price of farm machinery is out of all proportion to the price of farm products. Machinery that he is required to use and to buy is criminally high. This should be remedied, and if necessary, farmers' cooperative organizations should enter the field and begin the manufacture of such farm machinery as it is possible for them to manufacture, and if need be, the convicts in our State institutions should manufacture certain kinds of farm implements and machinery to be sold to the farmer at cost to the State.

A reduction of the present high-tariff walls and a rigid enforcement of the antitrust laws would help to bring relief in prices and would cheapen machinery. I hope these tariff regulations will soon have the attention of the Congress. Let us negotiate reciprocal tariff agreements and adjustments with other nations and get the wheels of trade in motion and restore friendly feeling once again with the outside world. This will promote the cause of peace.

What the farmer needs is a market for his products. He needs to sell at a fair profit. He must sell at a price in excess of the cost of production. The farmer should be able to sell his corn from 75 cents to $1 per bushel; wheat from $1 to $1.25; cotton at 20 cents per pound, and wool at 30 cents per pound. If these prices prevailed now, the farmer would sell his surplus, take his money and pay off the mortgage, or pay the merchant, and then the merchant could pay the banker, and money would once again circulate. The price of all real estate, all farms, and all the homes would increase in value. The price paid to labor, both on the farm and off it, would increase overnight. Poverty would vanish and no longer would the bread line exist. Agriculture affords $58,000,000,000 of our national wealth. It affords the security for all other kinds of industry. It feeds and clothes the world. It can not and must not longer suffer.

The farmer must be saved any further or greater losses. An industry which produces $10,000,000,000 of wealth per year should have the interest and protection to the fullest extent that this body can give it. For farming is really the only one big industry that this country has. Without the farmer, without the happy farm home, there can be no national security, there can be no permanent peace. He is the sheet anchor of our safety and the keystone in our arch of progress.

The relief projects put into effect here by Congress in the present session have been those largely favoring banks, railroads, and other interests of the capitalistic kind, and not for the relief of the common man. What the farmer needs is not to have more loans but a market to enable him to pay his present loans. He needs to sell his crops and livestock at a reasonable profit, and then he can take care of himself without Government interference. What he wants most is to pay now and not to borrow more money. The trouble is that the farmer's income has been cut 75 per cent as a result of decreased prices on what he produces and sells. There is no equality of opportunity in so far as the farmer is concerned, because of the difference between the inflated value of money and the deflated or lessened value of commodities.

The farmer is compelled to sell in a low market and forced to buy in a high market. He can not pay an inflated debt, or inflated taxes, with a deflated price on commodities. His mortgages fall due and he can not sell enough from his farm at present prices to pay the taxes and interest, to say nothing of the principal of the debt. When his farm is sold it is sacrificed in price, and all is lost to the former owner of his years of toil and effort.

Instead of granting extension of time to the foreign nations, as was done in granting the extension of European debts, it should have been collected, every dollar of it, and our own people saved this extra amount in taxes we must now raise. I favor a moratorium for our own people first. Why not delay for 12 months the debts due by the farmers to the Federal land banks until conditions are improved? This would be a much greater public service and one rendered to our own people. I am glad that I did not vote for an extension of time to these European powers while distress is abroad in our own land and among our own people, who need time in which to pay their obligations. I hope that the committee having in charge the bill introduced by me, being H. R. 8015, for the extension of time for the farmers to pay the Federal land banks their seed, feed, and fertilizer loans, for a period of 12 months, with interest at the rate of 3 per cent per annum, will pass this Congress, or a bill of similar import. The farmers need this time in which to pay these debts.

Money is too high. Its value is now excessive. It must be cheapened, and I hope some of the measures that we have heretofore passed may have this effect. The paying and buying power of our people will be restored when money is cheapened and restored to circulation in greater quantity. This would end the need for delay or cancellation of debts at home and abroad.

A great many farmers have lost their farms, thousands of others are about to do so, and a general collapse in agriculture is certain unless we have more money and its value reduced. It is a crime within the law to rob the people of their homes. It has made already many suicides; it has wrecked many happy homes, and through no fault of those who suffer most. A citizen thus deprived of all his property becomes humiliated and depressed, he can no longer have the same high regard for the law and the institutions of his country as before. He does not respect the law which does not afford him protection and equal opportunity with others. So we must stabilize money at a lower value, and then debts can be paid, and automatically an increase in the price of farm commodities would follow.

Let us see what has happened to our people, to our farmers, in the past 10 years, and then we can better understand their difficulties.

Let us take the high prices of 1919 to 1921 on our farm products and the prices that prevail now. Look at the comparison.

	Then	Now
Wheat, per bushel	$3.30	$0.47
Corn, per bushel	1.60	.30
Oats, per bushel	1.00	.20
Eggs, per dozen	.60	.08
Hogs, per pound	.22	.04
Cattle, per pound	.10	.04
Total for commodities	6.82	1.13

A reduction and a loss to the farmer of 80 per cent or better. His purchasing power is now only one-fifth what it was 10 years ago. So, when he pays 8 per cent interest on debts made in 1921, he now really pays five times 8 per

cent, or 40 per cent, as interest. And when he made his note 10 years ago for $5,000, and if he is still carrying that same note, he actually owes $25,000 measured in his capacity to pay it from off the farm. For he is compelled to sell five times as much of his farm crops and livestock to meet the debt as when it was made. It is impossible to continue this. We can not pay $5 in return for $1, or even $2 for $1. Something must be done to bring relief. Since 1929 almost two-thirds of the people maintain their prices artificially and prospered at the expense of the other one-third—agriculture. When the reserve of the farmers was used up and their buying power destroyed, and so-called big business had drained the country of the money, then came the stock-market crash. Unfortunately our money supply was gone before our debts were paid. The only honest and just plan now is to enable the people to pay their debts with money as near the same value as when the debts were originally made. This, and this only, is fair to the farmer.

WHAT IS THE REMEDY FOR OUR PRESENT PLIGHT?

Let us reduce the present high-tariff walls, let us reduce the expense of government, let us increase and levy additional income taxes against the wealth of the country, let us begin to live within our incomes, let us deprive ourselves of some of the needless luxuries that we have enjoyed and begin to practice some of the homely virtues advocated by Benjamin Franklin. Let us practice thrift and economy in every branch and in every department of government and in our own business and private affairs. Let us get rid of any favoritism, let us legislate for the masses and not for the classes.

Let American enterprise and energy again assert itself in the world markets. Let the law of supply and demand take its rightful place in our economic structure. Give industry and human enterprise an opportunity. Let us give equal and exact justice to all and special favors to none.

Let us have once again an honest day's work with an honest day's wage. The rich asked for high tariff walls. They got them. We made it difficult for other nations to trade with us. Many American factories moved away and located abroad. Our market was destroyed and labor was discharged.

Relief now is needed by both the farmer and the manufacturer. The tariff law has failed. Confidence is destroyed in present leadership. The happiness and prosperity of a million homes lie buried in the wreckage and the ruin. Suicides, too numerous to mention and too sad to contemplate, have been the harvest. The results have been unfair to the living and unjust to the dead.

AMERICA FIRST

Let us begin to legislate for the common people of America. Let us give our own people and our own institutions our best efforts at public service. In short, we need to get back home and stay at home, within our own borders and attend to our own affairs and business for a season.

Let us forget internationalism. Let Americans stand for America. Europe does not appreciate the sacrifice we have made for her, and we should learn anew the law of self-defense for our own necessary preservation. Let us have friendship for all, entangling alliances with none. Let us have peace, commerce, and honest dealings with all nations and people. Let us have freedom of speech and the press. Let us have religious liberty and personal freedom within the law.

LOCAL SELF-GOVERNMENT

Let our States be and remain sovereign. Let our counties be and remain sovereign. Let us again have local self-government and let us have self-supporting communities. The people should control their local affairs. We do not need boards or commissions to tell us what is best for us. This we already know from our own experience in the affairs of men.

We do not need centralization of power here in Washington.

We do not need to burden the public with taxation to support bureaus to carry out centralized functions.

There is danger to a people and a nation when 125,000,000 population, with an abundant supply of the necessities of life, finds itself faced with a deficit in government and almost universal poverty and want, bankruptcy, and ruin on every hand.

In the midst of seeming plenty we starve. The people and the Nation are entitled to a change in party government. A favored few have amassed fortunes under the present régime, while those who have toiled and struggled to produce the wealth of the country have not been permitted to enjoy the fruits of their labor.

The expenditure of a billion dollars a year in excess of receipts is enough to create distrust and misgivings in the minds of the many. Let us remove the Government from Washington back to the people, who are the source from whence comes all its power. Nothing is paid out here which does not come from them in hard-earned taxes.

SOLDIERS' BONUS

I do not favor bond issues ordinarily, but we are not faced by an ordinary situation. The crisis is acute, the demands are great, the homes of our people, the farms, the firesides are at stake. Let us issue bonds whenever necessary to save the lives of our people. To save little children and to give them an equal chance in life. Work and employment must be made available to every man who is honest and willing to work. If he is not able to work, he must be fed. None should go hungry in our midst.

I favor the full and complete payment in cash of the adjusted-compensation certificates of all ex-service men, or the so-called bonus due the soldiers, without any deductions for interest charges against them. This I provided for in House bill No. 8016, which was introduced by me several weeks ago and is now pending before the Committee on Ways and Means. I hope it may become the law of the land and hope that it will meet with the favor of the present Congress. I know it is meritorious and just, for the Government recognizes that it owes to the soldiers these debts. I favor pensions for widows and orphans of all ex-service men regardless of service connections. Why not pay them now, when the money could go into circulation, help relieve poverty and distress in every section of our common country? It would help to clothe the needy and feed the hungry. By paying this debt we would say to the defenders of our Nation that their services were as necessary and as much appreciated as were the services of the railroads, the shipbuilders, and the war profiteers. But we are told that the Legion, in their national convention, did not favor this. I deny that their action was a true expression of the will and wish of a majority of the veterans in this country. Certainly not at the present time. I believe that I can truthfully say that practically every post in the district I have the honor to represent has expressed in resolutions and through individual members a desire for full and immediate cash payment. I know the Members of this House realize this is true over the United States generally.

To illustrate what will take place throughout the country in the event the soldiers' bonus is immediately paid in cash I quote below the records from the Veterans' Bureau in my own congressional district opposite the name of each county, the amount of money that would be available to the soldiers in that county upon the settlement of their certificates, viz:

In my congressional district the following amounts are due the soldiers in the counties therein:

Bedford	$290,862.60
Cannon	123,303.00
Clay	132,162.60
Coffee	231,853.80
Cumberland	157,872.00
De Kalb	196,139.40
Fentress	152,296.80
Franklin	300,784.80
Jackson	187,528.20
Lincoln	350,823.60
Macon	191,433.60
Marshall	214,921.20
Moore	55,710.60
Morgan	187,721.40
Overton	249,490.20

Pickett	$77,487.00
Putnam	327,874.20
Rhea	191,319.80
Rutherford	445,546.80
Smith	213,577.40
Sumner	394,983.60
Trousdale	77,680.20
Wilson	330,220.20

PEACE AND PREPAREDNESS

I deny that the members of the American Legion and its auxiliary are militarists. That charge is unfounded and untrue. The men who have faced machine guns, who have suffered the hardships of war, who have fought in the trenches of Flanders field Crateau Thierry, and the Argonne Forest do not desire another war. They abhor the thought of conflict, death, and destruction. They want peace and stand for peace above all others. They think of war as heartless and cruel. They know of its bloodshed and sacrifice. The memories of their experience are too recent. They know that it frequently fails to settle the very question over which they fought, bled, and saw so many comrades die. The mothers are all against war. The wives are against war. The sisters are against war. Millions of children cry out against war. But the veterans are not sentimentalists. They know the surest way to keep peace in America is for us to be reasonably well prepared for war. It is foolish for America to disarm or to reduce materially the Army, Navy, or aircraft while Europeans arm to the limit. It would be national suicide for us to disarm at this time and under conditions existing in the Far East.

Let the present Congress notify the Nation and the war profiteers now and make it plain that before our young men are again called upon to serve in Army ranks against a foreign foe that all the wealth and materials necessary for the war will be furnished without profit to anyone. That the wealth of this country shall be placed under military control and shall defray the expense of the conflict. Our wealth is not so dear as the most humble life, but it will go far in the future to keep peace. Those who most often promote wars are the ones who stay at home and do not fight, but seek to profit by the sacrifice of the lives of their fellow men. If the wealth of the country is made to bear the expense in the beginning, and it is taken over by the Government, and this is known to be our policy in future wars, then that will mean more to the safety and security of our people than great armies, navies, or aircraft. Machine guns, death-dealing gas, and huge cannon balls and explosives or big battleships will not prevent war half so much as will the announced program, made the law of the land, that in future conflicts the wealth and resources will be brought under Government requisition and title vested in the Nation, as well as the services of its soldiers requisitioned.

This will mean a permanent and lasting peace if all the nations of the earth will adopt and enact laws to put this into effect. World peace will then be assured.

This is much more practical and more effective than all the peace conferences we can call at Geneva or elsewhere. This would be less expensive to the people than our present delegation from America to the so-called peace conference now in session in Europe, who will spend three or four hundred thousand dollars in wining and dining the delegates of foreign nations, who are at heart all unfriendly to us and who would be glad to have the United States involved in every trouble that arises in the Old World. We will have peace in the future when profit is taken out of war. When the profiteer is killed in advance, the war will not materialize. Our property is not certainly as valuable as our lives. Then let it be known that in the event of future war we will conscript every available resource of the wealth of the country; then we will have permanent peace without future conferences, without the League of Nations, without the international court, or without the aid of a visionary and impractical panacea known as world disarmament. When the profits of war are made impossible, then is peace enthroned permanently among the nations and peoples of the earth.

It is an inspiring thought that the party of the common man is again in sight of victory, and when it comes let the Democratic Party administer the Government upon the principle of equal and exact justice to all men and special privileges to none, which is but the recognition of the universal brotherhood of man. That principle, if applied throughout the earth, would usher in the Kingdom. It means the doctrine of the golden rule among men. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, it is regrettable that there are those in the United States, largely identified with commercial and big-business groups, who ardently insist that we retain the Philippines permanently, or for an indefinite or prolonged period, professedly on the alleged ground that the islands are not sufficiently prepared for self-government, but in truth and fact they want to retain them for all time, primarily for the purposes of exploitation. Seemingly these persons give no consideration to the ethical side of this proposal. They look with indifference on the fulfillment of our promises to grant the Philippines complete independence. Obviously the obligation to keep our national covenants rests very lightly on their consciences. It has probably never occurred to them that in denying self-government to the Philippines we are violating the vital principles that called our own Nation into being and which furnish the only enduring foundation for our governmental structure.

While I do not challenge the good faith and absolute sincerity of my colleagues who oppose or would unreasonably delay Philippine independence, I do question the soundness of their arguments and the existence of many alleged facts on which such opposition is based. The financial, commercial, and big-business groups are the head and front of the opposition to our withdrawal from the Philippines and that their opposition is based on purely selfish reasons is not only conclusively demonstrated but frankly admitted by certain business groups who testified at the hearings. They want us to keep the Philippines because of their rich natural resources, which they hope to appropriate and exploit under the protection of a bureaucratic government, very largely controlled by Uncle Sam. Their plans, though skillfully concealed and artfully disguised, are nevertheless plainly apparent. Measuring my words, I assert the plan to permanently or indefinitely hold the Philippines is as weak as it is wicked, and I will forego no opportunity to speak my sentiments in condemnation of this unholy, inexpedient, unjust, unwise, and unethical proposal.

It may not be inconsistent for monarchies to rule subject people on the other side of the globe, hold in subjection alien races, and deny their subjects to the birthright of self-government, but those policies are absolutely repugnant to the genius and spirit of our institutions. We must not allow this cynical and baneful doctrine to swerve us from the old paths and landmarks or permit it to override the sober judgment, destroy the high ideals, dull the conscience, repress the better impulses, or smother the overwhelming sentiment of the American people.

I think the Filipinos should be commended for their patience, poise, and fortitude while waiting for our Government to make good its promise to liberate them. The Good Book tells us that "hope deferred maketh the heart sick; yet while weeping may endure for a night, joy cometh in the morning." Intrusted with a large measure of responsibility in the management of their own domestic affairs, the Filipinos have joyously, efficiently, and honestly performed their allotted tasks, thereby furnishing convincing evidence of their capacity for self-government. The ease with which the Filipinos have met the governmental responsibilities placed on them has been apparent from the day they were first entrusted with the management of their local affairs. In the history of the world no race has made more rapid progress in mastering the science of self-government than the Filipinos in the last 30 years.

Is our promise to give self-government to the Philippines to remain forever unredeemed, or be delayed 15 or 20 years, as is now proposed by some Members of the Congress? Does it mean no more to us than a promise written in the air, or on

shifting desert sands, or on the ripple of a swiftly flowing stream? I do not believe the conscience of the American people is dead, or that we have become so greedy for power, wealth, and influence that our obligations weigh lightly upon us, or that we may with impunity ignore them. I rejoice that I do not belong to that small yet nevertheless too large group of Americans who have a cynical disregard for any and all national ideals that can not be coined into dollars and cents. I want for my country no territorial expansion, no national aggrandizement, no world markets, no new wealth and influence that are not supported by moral considerations that appeal mightily to the minds and consciences of men.

We now have the affection of the Filipinos. They have trusted and still trust us. They look upon us, not as ruthless conquerors but as big brothers who rescued them from three centuries of Spanish misrule. They have confidence in us, and God grant that this confidence may not be abused. We have assured them that we will grant them independence just as soon as they shall have established a stable government. This they have done.

In the past 30 years they have administered their domestic affairs in an able and efficient manner, have conclusively demonstrated their genius for statecraft, and their ability to establish and maintain a stable and benevolent government patterned after that under which we live. Under these circumstances, right and reason suggest that we no longer veto their independence, or hold them in leash 15 or 20 years longer.

The magic fingers of destiny have touched and tempered the heartstrings of the Filipino race and inspired them with a patience, courage, faith, and fortitude that will lead them on to an early and full realization of their age-long aspirations for freedom.

The proposal to delay for 15 or 20 years, or indefinitely postpone a settlement of the Philippine problem, lurks behind a mask of insincerity, wears the livery of insidiousness, and is so disingenuous that even the most unsophisticated Filipino will readily comprehend its sinister aspect. This policy will alienate and provoke, rather than soothe and satisfy, the Filipino. If those who oppose Philippine independence are now strong enough to postpone such action for 15 or 20 years, it is almost certain that before the expiration of that period they will be strong enough to force another postponement of 15, 20, or 50 years. I warn the friends of Philippine independence that a delay of 15 or 20 years is the first step in a well-formed plan to enforce further delays and ultimately defeat Philippine independence.

It is the proud boast of Americans that as long as our Republic survives liberty will never be without an asylum. A proper appreciation of our own liberties would move us to give to the 13,000,000 Filipinos the same brand and degree of self-rule that we enjoy. The passion for liberty is the same no matter from what brain it springs or what race or region gave it birth.

Throughout our national history the fundamental principle that no race or people has a right to hold another race or people in subjection has stood out like a beacon on a waste or a rock above the restless and raging ocean.

We do not attempt to monopolize our religion, and why should we withhold from the Filipino the blessings of civil liberty that are so precious to us? While enjoying the unpurchasable benefits of free government, how can we deny to the Filipino the same privileges that we count more valuable than life itself? George Washington gave expression to the principle I am trying to emphasize when he said:

> Let us impart all the blessings we possess or ask for ourselves to the whole family of mankind.

And again:

> The propitious smiles of heaven can never be expected on a nation that disregards the eternal rules of order and right which heaven itself has ordained.

Of a truth, all men are mystically united. The Filipinos are small in stature but tenacious in their purposes. Their skins are as brown as walnut, but who will say their hearts are not white? They are as human as we and feel the restless urge of all men for freedom. The Philippine Islands are their native land. There they and their sires and sons were born. There they have been placed by the God of all the earth. There an overruling Providence will keep them. They have overrun no nations and have made no conquests. They have tendered no unrighteous or unreasonable demands. They merely ask the boon of personal and political freedom. They ask us to grant them the same inherent, God-given privilege of self-government that we took from Great Britain at the point of a bayonet. They ask only the poor privilege of living in the land of their birth and building for themselves free institutions patterned after ours. Their lungs are opening to receive the same air of freedom that we breathe and which animates our national life. Shall we deny their reasonable request? I think not.

When the Roman emperors set about to subvert the liberties of the people they cunningly reasoned that by giving the people food and amusement they could be kept contented while being despoiled of their birthright of freedom. "Bread and circuses" was the slogan of Nero.

We woefully misjudge the Filipinos if we imagine they will sacrifice their national aspirations for a mess of financial pottage, preferential tariff relations, or a profitable commerce.

Those who oppose immediate or early Filipino independence are placing property rights above human rights, sacrificing principle and patriotism on the sharp edge of expediency, and measuring the aspirations of 13,000,000 people by a dollar-and-cents yardstick. They are industriously seeking to intimidate the Filipinos by appealing to mercenary motives and holding over them the loss of certain trade advantages with the United States which they now have under our flag. The honorable Secretary of War and those who accept his selfish and sordid political and economic philosophy most miserably misunderstand the psychology of the Filipinos, who, like any other self-respecting race, will refuse to surrender their age-long aspirations for self-government in exchange for a more satisfactory balance of trade.

The proposal that we retain the Philippines 15 or 20 years longer is not sound in principle or wholesome in practice. Let us not pay our obligations to the Filipinos with counterfeit promises, which have no more substance than echoes from a ruined castle. As certain as the trembling needle points to the magnetic pole; as certain as the mills of the gods alternately grind grists of fortune and penury; as certain as the adamantine spindle separates and winds up the tangled threads of destiny—just as certainly will the Filipinos win their struggle for independence, and just as certainly justice, wisdom, and expediency dictate that we retire from the Philippines without waiting 15 or 20 years. I favor the withdrawal of our flag from the Philippines in five years.

I am not willing to destroy the laudable ambition of the Filipinos for self-government in order that a few American traders may retain this fruitful field for exploitation. I am not convinced by the philosophy of those, who, in order to keep a credit balance on the ledgers of a few men engaged in trade in, or commerce with the Philippines, are seemingly willing to ignore our promises to grant Philippine independence. However sincere their motives, they are nevertheless sanctioning a policy fundamentally un-American, and in every essential detail violative of the principles on which our free institutions were builded.

After the American people here climbed the ladder of self-government to the temple of liberty, it is unthinkable that they will draw up the ladder and prevent the Filipinos and other less-favored races from mounting the rungs by which we ascended. The benefits of self-government and our supply of blessings therefrom are not dissipated by dividing them with the 13,000,000 Filipinos on the other side of the world. Like love, happiness, virtue, and the Nibelungs' hoard, the stock of the unpurchasable blessings of free government increases the more it is drawn upon, and

> Were all the world bought from it, and all the price outpaid,
> Not one the less would the jewels seem nor the gold heaps lower laid.

In seeking a solution of the Philippine problem we should be as just as Aristides and as inflexible as Cato. While the economic interests of the American people will be promoted by our withdrawal from the Philippines, and our strategic position as a world power tremendously strengthened by such action, I would nevertheless base our relinquishment of sovereignty over the Philippines primarily on moral, ethical, and altruistic grounds, and because such action is imperative if we are to keep our national covenants.

A German philosopher has said:

I know but two lovely things in the universe—the starry skies above our heads and the sense of duty within our hearts.

It is not only our inescapable duty but an exalted privilege to hand back the Philippine Islands to their rightful owners, the native inhabitants. Expediency, reason, and righteousness are harmoniously blended in such action. Let us weigh the Philippines in an honest balance that all nations and the God of all the earth may know our national integrity. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. COCHRAN]. [Applause.]

Mr. COCHRAN of Missouri. Mr. Chairman, a few days ago I read on the floor of the House an editorial from the St. Louis Star, a large responsible metropolitan daily newspaper of St. Louis, in which there was some criticism of the War Department and the Interior Department for sending out propaganda in opposition to a reduction in Government expenditures. At the same time I called attention to the fact that the Department of Agriculture, through its Secretary and others, was doing likewise. Their appearance was before the Senate Committee on Appropriations.

The Secretary of War states in a public interview that his department did not send out the propaganda which was referred to in this editorial. I have here the letter which was received by this newspaper, printed on War Department stationery, paid for by the Government, containing the name, in one corner, of the civilian aide to the Secretary of War for the Seventh Corps Area, Omaha, Nebr., and in the other corner the name of the civilian aide to the Secretary of War for the State of Missouri. The Adjutant General told me this morning this stationery is printed at the expense of the War Department and given to the organization known as the Military Training Camps Association of the United States, Seventh Corps Area, a part of the War Department.

Mr. Chairman, I ask unanimous consent to place this letter in the RECORD. I also have the release of the Department of the Interior on February 11, which was referred to in the editorial. I ask unanimous consent to place that in the RECORD also.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The letter and release follow:

Gould Dietz, civilian aide to the Secretary of War for the Seventh Corps Area, Omaha, Nebr.

Carl F. G. Meyer, civilian aide to the Secretary of War for the State of Missouri.

WAR DEPARTMENT,
MILITARY TRAINING CAMPS ASSOCIATION
OF THE UNITED STATES,
SEVENTH CORPS AREA,
St. Louis, Mo., February 10, 1932.

EDITOR ST. LOUIS STAR,
St. Louis, Mo.

DEAR SIR: For your information, beg to submit the attached extracts of editorial comment made by various newspapers on citizens' military training camps, which have so effectively contributed to the stabilization of young American patriotism through the training these camps give each summer to boys between the ages of 17 and 21.

You are, of course, aware of the fact that for a number of years we have had the citizens' military training camp at Jefferson Barracks here in St. Louis. Thousands of young men from all parts of the State have had a fine influence exerted upon them through this instrumentality. Healthful outdoor exercise, substantial food, proper discipline, and delightful entertainment have been a part of the curriculum, and I venture to say that as a result the influence for good has been far-reaching in its effect.

It seems to me that particularly at this time, with conditions prevailing, the undercurrent of unrest and the need for a proper influence to be exerted, it will be a serious mistake to discontinue the functioning of an organization that has been in the building and has now reached an almost perfect state of development, with but little cost, comparatively speaking, to our Federal Government. The facilities are already available; the man power for the training of these young men is ready and prepared to continue its functioning; the good will has been established. All of this would be thrown into the discard for lack of funds were they denied at this time.

While the fundamentals of military tactics are emphasized, the citizens' military training camps have no ulterior motive beyond the direct benefits accruing to the young men attending the camps, morally and physically speaking.

Perhaps, under the circumstances, you would be willing to make editorial comment favoring a continuance of these camps, sending a marked copy to Mr. Charles B. Pike, Chief Civilian Aide to the Secretary of War, Chicago.

Yours very truly,

CARL F. G. MEYER,
Civilian Aide to the Secretary of War
for the State of Missouri.

DEPARTMENT OF THE INTERIOR,
February 11, 1932.

Memorandum for the press, immediate release.

A study of the record at the Department of the Interior shows that the proposed appropriation for the survey of the public domain, one of the Government's hundred-million-dollar engineering jobs, will cut that agency's working fund below any figure provided for it in more than a third of a century.

The sum made available is $500,000, while appropriations have run around $1,000,000 a year for the past two decades and have not run so low as that proposed since the period following the depression of 1893.

Secretary Wilbur has protested against this cut, arguing that these fundamental tasks of government should be continued without interruption, particularly since the bulk of the money is spent in wages.

The issue raised calls attention to one of the large tasks of the Government which has been prosecuted so quietly through the decades that the average citizen hardly knows of its existence. Few taxpayers realize that this hundred-million-dollar undertaking has been under way constantly throughout their lives and that their tax money goes into it every year.

The General Land Office holds that no task of government since George Washington has left so strong an imprint on the physical aspect of the Nation. This survey has laid the ground plan for the greater part of the Nation, has determined the subdivisions, has located the roads through every western countryside, has been the basis for streets in towns and cities, has provided the foundation for determining property ownership. They believe it is the most important surveying job ever executed by man.

The task began in 1785, when the new Government took over the public domain and began its survey at Pittsburgh that it might be equitably distributed to settlers. Never before had such an area been made available for distribution. The young Government mapped out its system of dividing its domain into townships and sections, based on lines of latitude and longitude, in such a way that any tract could be simply described and would be the only piece of land in the world answering that description. This has turned out to be the most perfect scheme of land identification ever devised.

The engineering task begun at Pittsburgh in 1785 has contemplated placing a marker at the corners of each quarter section of land between that point and the Pacific Ocean. There were 2,000,000,000 acres to be surveyed. After 157 years of work without cessation there remains 135,000,000, a mere 7 per cent, to be surveyed.

Frank M. Johnson is supervisor of surveys for the Government and has had charge of this huge undertaking for 25 years. His headquarters are in Denver, from which point he sends out about a hundred parties every summer, with six to eight men in each party. The work is largely in the wild country, where the chuck wagon and the pack mule still survive. He is in Washington at present, arranging the work for the coming season.

Mr. COCHRAN of Missouri. Mr. Chairman, yesterday I criticized the Secretary of War for declining to appear before the committee of which I am chairman to give his views in reference to bills to consolidate the construction activities of the Government. I might say that seven-tenths of the bills have the approval of the President of the United States. He wants an administrator of public works.

The Secretary of War is credited by the Associated Press this morning in saying he did not interpret my letter as a direct and personal invitation to give the committee his views on the two measures.

I have great respect for the dignity of the office over which he presides, and in order that he may understand that I mean no offense to him I will say I have great respect for him also. I seek no controversy with him. I desire to place in the RECORD my letter to the Secretary of War inviting him to appear before the committee. I admit it was not a demand. It was a request, a proper request, to send to a

Cabinet officer. Had I sent him a letter demanding his appearance I do not know what he might have said to me in reply. He would have been justified in attacking me. I do not issue demands to Cabinet officers.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that he be permitted to place in the RECORD his letter to the Secretary of War. Is there objection?

There was no objection.

The letter follows:

FEBRUARY 20, 1932.

Hon. PATRICK J. HURLEY,
Secretary of War.

MY DEAR MR. SECRETARY: The committee this morning voted to commence hearings on the bills providing for the creation of an administration of public works (H. R. 6665 and H. R. 6670) at 10 o'clock a. m. on Thursday, February 25. It was also agreed to set aside this day for the War Department, and the chairman was directed to invite the Secretary of War to be present and make a statement, or to designate the representatives of the department whom he wishes to be heard.

With kind regards, I am,

Sincerely yours,

JOHN J. COCHRAN, *Chairman.*

Mr. COCHRAN of Missouri. Mr. Chairman, the Secretary of War also says that the communication he sent to me was not a refusal to appear before the committee. In justice to him, I ask unanimous consent that his letter be printed in the RECORD. I call special attention to the last paragraph.

The CHAIRMAN. The gentleman from Missouri makes the request that the letter addressed to him by the Secretary of War be printed in the RECORD. Is there objection?

There was no objection.

(The letter follows:)

FEBRUARY 24, 1932.

Hon. JOHN J. COCHRAN,
Chairman Committee on Expenditures in the Executive Departments, House of Representatives.

DEAR MR. COCHRAN: Referring to your letter of January 7, 1932, containing a request for reports on the two bills providing for the creation of an administration of public works, H. R. 6665 and H. R. 6670, and to your further letter of February 20, 1932, advising of the date set for the hearings on the same, permit me to inform you that while the War Department favors the creation of such an administration in accordance with the suggestions contained in the message of the President on this subject, there are serious objections to the enactment of the proposed legislation in the form represented by these bills.

From a military standpoint the transfer of Army construction to another Government agency is considered entirely impracticable. The construction, maintenance, repair, and operation of War Department structures are so intimately related to the military control and administration of the Army that the responsibility for the proper execution of such work must be delegated through the established chain of command. The introduction of a civilian agency into this work would result in a divided responsibility that could never be successful in an effective military organization. Aside from this fundamental defect of the proposal there is the further objection that the removal of such construction from War Department control would render it impossible for the Secretary of War to prepare officers to discharge the extensive construction duties which would devolve upon them in time of war. In view of the foregoing the War Department does not favor the enactment of either of these bills in their present forms.

After a thorough study of the features of the proposed legislation it is believed that the recommendations for the reorganization of the executive departments contained in the President's message of February 17, 1932 (H. Doc. No. 254), are far superior to the proposals contained in the two bills under consideration, and would, if enacted into law, accomplish the desired end much more effectively.

It is, therefore, believed unnecessary to submit any further statement in the matter as requested in your letter of February 20, 1932, or to present any witnesses to represent the War Department before the committee. However, if the committee in the course of its hearings should desire the presence of anyone specifically, the Secretary of War will be pleased to send such witness at such time as the committee may designate.

Sincerely yours,

PATRICK J. HURLEY,
Secretary of War.

Mr. COCHRAN of Missouri. Mr. Chairman, to-day I received a letter from the Secretary of the Treasury. It is in reply to a letter I wrote him, or his predecessor 20 days before the President delivered his message to Congress February 17. For the committee I had asked the Secretary for his view on the bill I offered to abolish the Bureau of Efficiency. He tells me the President transmitted a message to Congress dealing with the subject of a more effective organization of the executive branch of the Government. He quotes that part of the President's message in which he asked for authority, under proper safeguards, to be lodged in the President to effect transfers, and so forth. The Secretary then tells me the department joins in the view of the President, and in view of the President having submitted to Congress the recommendations for carrying into effect any reorganization, the enactment of my bill would appear to be unnecessary.

Mr. Chairman, I crave cooperation from the members of the President's Cabinet. I submit the record speaks for itself. It shows what cooperation I am receiving in my efforts to carry out the demand for consolidations and the abolition of useless Government bureaus.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOWARD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. EATON of New Jersey, indefinitely, on account of illness.

CONSTITUTIONAL AMENDMENTS

Mr. BLACK. Mr. Speaker, I ask unanimous consent, on behalf of my colleague the gentleman from New York [Mr. GRIFFIN], that he be permitted to extend his own remarks in the RECORD on one of his own bills.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, in the Sixty-fifth Congress, and I think in every Congress since, I introduced a proposed amendment to the Constitution requiring all constitutional amendments to be submitted to a direct vote of the people.

In the present Congress it was introduced on December 8, 1931, House Joint Resolution 49, which reads as follows:

The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes as part of this Constitution when ratified by the people of three-fourths of the several States, the electors of which shall have the qualifications requisite for electors of the most numerous branch of the State legislatures: *Provided*, That no State, without its consent, shall be deprived of its equal suffrage in the Senate.

Article V of the Constitution now provides that amendments to the Constitution may be submitted to and ratified either by the legislatures or by conventions in the respective States.

All of the amendments up to date have been submitted to the. State legislatures. The reasons are quite obvious One reason is that the legislatures meet annually or biennially and that method of submission has therefore seemed to offer the most convenient and quickest means of securing action.

But the most potent reason, perhaps, for resort to the legislative tribunals is to avoid thrusting on the backs of the taxpayers of the respective States the heavy expenditures which would necessarily be entailed in the nomination and election of delegates to State constitutional conventions, besides the expenses of the conventions themselves; namely: Pay and mileage of the delegates, clerks and doorkeepers, reporters, stationery and printing—all practically a duplication of the cost of legislative sessions.

There was therefore much practical wisdom in the preference for legislative action as against the convention method.

It is difficult now to understand the recent revival of a demand for the convention method. Both methods are equally objectionable.

EVILS OF LEGISLATIVE METHOD

It took a long time to comprehend the evils of the legislative method of ratification. In practice the proposed amendment was frequently submitted to the legislatures of the States before the people of the States had the opportunity to instruct their representatives specifically on the proposal. This meant that legislatures voted on the question without a specific mandate from their constituencies. The worst evil was that the legislatures of the respective States became the targets of propaganda and their members were often menaced by threats of influential and loud-mouthed, heavily financed minorities.

Perhaps the strongest argument ever made against submission of constitutional amendments to State legislatures was presented to this House on January 21, 1925, by the Hon. Finis Garrett, then minority leader, in a speech memorable for its historical retrospect. He said, quoting from page 2332 of the CONGRESSIONAL RECORD of January 21, 1925:

As the situation now stands fewer than 4,000 individuals in this Nation of 110,000,000 people can, if they choose, alter every sentence and paragraph of the Constitution of the United States, except the clause as to equal suffrage in the Senate, and with just a few hundred added they could change even that. Two-thirds of a majority of the House and Senate and a majority of a quorum of 48 legislatures can completely revolutionize our dual forms of government within the space of a few fleeting months, and upon any efforts so to do there rest no legal restraints, either State or Federal. So far as law is concerned, either organic or statutory, the people have no means of prevention nor any method of recourse or review.

I have here a tabulation by States of the number of members composing the two houses of their respective legislatures.

I think it is true that in all save two States a majority constitute a quorum. In Tennessee, I am certain, and in Indiana, I think, the constitutions require two-thirds.

It would be a rather tedious task to figure out the exact minimum number that could change the Constitution, and I have not attempted it, but it is accurate to say that it can be accomplished by fewer than 4,000 individuals.

But abandoning the legislative method does not mean that we are obliged to accept the convention method.

EVILS OF CONVENTION METHOD

In addition to heavy expenditures involved in the convention method, to which I have referred, it is a method which is absolutely wasteful of time and utterly unnecessary.

If, as is constantly preached, we are trying to get close to the people and want to get a direct mandate from them on constitutional as well as on other questions, why not put the proposals up to them directly, promptly, and economically by letting them vote on the proposed amendments directly, without the stupid intervention of utterly unnecessary spokesmen?

Why go through the rigmarole of primaries to elect delegates; then a general election; then a convention—under great additional expense—only to have them meet and vote "aye" and "nay" as they happen to be instructed? Why not let the people vote on policies instead of on men?

NO EXCUSE FOR CONVENTION METHOD

There is no excuse whatever for a resort to the convention idea in these modern days, except to keep open the devious ways of intrigue and put a brake on the will of the people. How? Quite simple: The nominees for the convention would, in the first place, be selected by party bosses. Then their candidacy would be molested and threatened, if not influenced, by the same loud-mouthed and sinister minorities that so often thwart, direct, or influence legislative action.

Then in the campaign for election of delegates the asperities and rivalries of the contest are likely to cause the voters to lose sight of the real issue of the constitutional proposal. In other words, delegates will be elected not because of what they think on the paramount issue but because they make a better personal appeal or have the strongest social or political backing.

THE NEW YORK CONSTITUTIONAL CONVENTION OF 1915

If I may be pardoned for mentioning a personal experience, I will say that I was a member of the New York State constitutional convention of 1915. The campaign for delegates was marked by keen personal rivalries. Outside of that, it was purely a party contest. Not once do I recall that the real problems that necessitated the calling of the convention were discussed or put before the people.

Consequently, it was a helter-skelter election and a helter-skelter convention. Its work was repudiated and overwhelmingly beaten at the election in which its proposed amendments were submitted to the people for ratification. A few of the amendments of real merit that had come out of the convention mill, notwithstanding its partisan character, were subsequently adopted by popular votes as the propositions were in subsequent years submitted to them.

In closing, I hope I may be pardoned in repeating my remarks on another occasion:

THE PEOPLE RESENT THE RESTRAINTS OF INDIRECT GOVERNMENT

I am satisfied that the people of this Nation want more liberty and a greater emancipation and resent the restraints of indirect government. They should not be treated as children. They want to, and should be permitted to, vote on fundamental changes in their organic laws. They do it now in the States on constitutional amendments, and it is unblushing arrogance to assert that they are incompetent to pass on constitutional amendments affecting the entire Nation. They tired of the corruption and disorder incident to the election of United States Senators by State legislatures. They are prepared now to take the final step which will give the voters of the land an opportunity to express their will as to how and under what laws they shall be governed. (CONGRESSIONAL RECORD, February 19, 1925.)

DEBATE ON TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that further debate upon the bill making appropriations for the Treasury and Post Office Departments be limited to 80 minutes, one-half to be controlled by the gentleman from Illinois [Mr. ARNOLD] and one-half by the gentleman from Kentucky [Mr. THATCHER].

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS—POSTAL WAGE STANDARDS

Mr. KENDALL. Mr. Speaker, under leave to extend remarks on the postal appropriation bill, I desire to submit a very informative statement on the general question of postal wage standards by Thomas F. Flaherty, secretary-treasurer of the National Federation of Post Office Clerks.

Mr. Flaherty is known to many Members of Congress as one who has given much thought and attention to postal employment questions, and his views are deserving of the careful consideration of House Members.

The United States Treasury needs more than $2,000,000,000 to balance the National Budget this year, according to the chairman of the Ways and Means Committee of the House of Representatives. The deficit is due to failure of revenues in the face of continuing expenditures—revenues which have fallen off because industry, commerce, and the taxable incomes of individual citizens are reduced to a level which fails to yield the former tax returns. Should postal salaries be cut in order to reduce this deficit?

Clearly the constructive need is a revival of industry and commerce. But this can only come about by reestablishing markets, and markets depend upon the buying power of the potential consumers of goods. Markets are wanting now, first of all, because the people's buying power is low. The Federal Trade Commission reported in 1926, a "prosperous" year, that 77 per cent of the people in sample areas of the United States possessed only 5 per cent of the wealth. Among that 77 per cent were more than 40,000,000 wage earners, who, with their dependents, were buying the products of industry so far as they had the money. Now a fifth of these wage earners, or more, are out of work entirely, and therefore without wages. Other millions are on part time or a reduced wage scale or both, and these have had to stop buying anything beyond what will barely keep them alive.

In order to break this vicious circle vast expenditures for public works have been undertaken by the Federal Government, and more are being proposed. To provide them with employment will restore the buying power of the unemployed millions. To sustain the buying power of the people who still have work the President of the United States, all the labor leaders, and some distinguished corporation heads have urged upon all the captains of industry that they refrain from the old and mistaken practice of wage cutting in a depression. What labor has contended for 60 years is widely accepted now; namely, that to assure consumption by the masses of the people is the only means of providing sufficient markets for what producers have to sell.

This sound and logical program has been thus far the Government program as applied to its own employees. But shortsighted chambers of commerce and some politicians are calling for a reversal of policy. They demand a reduction in the buying power of another million people, in addition to those already reduced. They would cut the salaries of the more than a million men and women who constitute the civil and military establishments of the United States, as a "saving" to offset the Federal deficit.

The proposal should be examined from several points of view: What good would it do? And then it should be asked, What harm would it do? Is it fair to break a contract under which people are working on stated terms? And finally, Is it safe to set a wage-cutting example to private industry?

WHAT GOOD WOULD IT DO?

The first question to ask would seem to be this: How much money would be "saved" if the Treasury paid out 10 per cent less in salaries to a million people who earn it and must immediately spend it for goods that farmers and builders and manufacturers produce for profit, that merchants sell for profit, that railroads and trucking companies transport from place to place as a means of revenue, and the whole country gains by using? The total number of Government employees, including the Army, Navy, and Marine Corps, is 1,023,373. Civilian employees number 732,460, or nearly three-fourths of the million.

The Budget Bureau reports that all the Government services combined receive $1,315,690,467 in salaries, the civilian personnel receiving $1,055,970,636. A flat reduction of 10 per cent of all salaries of the civilian personnel, as has been proposed by one Member of Congress, would yield $105,597,063. Another proposal is a 10 per cent reduction for all civilian employees receiving more than $2,000, none to fall below $2,000 after reduction. This would yield, from the civilian personnel, $55,382,465, according to Budget Bureau figures. Applied to civilian salaries of $2,300 and over, a 10 per cent reduction would yield $40,192,394.

The Treasury deficit for 1933, which is estimated now at $2,100,000,000, would stand at $1,994,462,939 after a flat 10 per cent reduction of the Government's civilian pay roll, and would remain well above $2,000,000,000 with either of the other proposed reductions. In other words, the reduction of Government workers' salaries would "help" to the extent of about 2.6 per cent of the total deficit, or at most a fraction over 5 per cent.

Not that much really, of course. From the total "savings" must be subtracted the income tax the Treasury now receives which would no longer be yielded by the reduced salaries of married civilian employees now receiving more than $3,500 a year, and the single workers now receiving more than $1,500.

So much for the "good" a Federal salary cut would do. Let us turn the question around:

WHAT HARM WOULD IT DO?

To the business interests of the country, which depend upon the consuming power of the people, a 10 per cent cut in the salaries of three-quarters of a million Federal workers would mean withdrawal of $105,587,063, or $55,382,465, or $40,192,394, as the case might be, from the channels of trade. Government employees would be able to purchase just that many less millions of dollars' worth of meat, breadstuffs, vegetables, fruits, and foods of whatever kind, clothing, household goods, house rent, gas and electric light, automobiles, radios, or what you will. By that many millions of dollars the earnings of farmers, cotton growers, manufacturers, producers, and dealers of all kinds would be reduced. The reduction of Federal salaries would do that much harm to the Nation's business.

For the Government employees themselves the effect would be a lowered standard of living. The largest group of civilian employees (124,678) receive less than $1,000 a year. The next largest group (116,759) receive $2,100 to $2,200. More than three-fourths (558,034) receive less than $2,300. Nearly 65,000 (64,693) post-office clerks receive $1,700 to $2,300, and of these, 48,011 receive $2,100. A 10 per cent reduction on a $2,300 salary would reduce it to $2,070. How far would $2,070 go in a typical family of five, with the modest living standards of the typical post-office clerk?

It happens that some figures on this point are at hand from California, where investigations begun by the California Civil Service Commission some years ago and brought down to date by the Heller Committee for Research in the Social Sciences have presented a typical budget for a clerk's family of five. At San Francisco prices of November, 1931, that budget is as follows:

Annual quantity and cost estimates, budget for clerk, family of five

(Prices for San Francisco, November, 1931. From cost-of-living studies compiled under the Heller Committee for Research in the Social Sciences, Jessica B. Peixotto, chairman)

	Cost
Food	$677.64
Meals at home	572.64
Husband's lunches	105.00
Clothing	339.97
Man	95.32
Wife	111.36
Boy, 11 years	54.21
Girl, 5 years	43.19
Boy, 2 years	35.89
Housing	$396.00
House operation	252.69
Light, heat, and fuel	90.86
Replacements	79.21
Other items	92.62
Miscellaneous	498.89
Life insurance	130.00
Medical care	75.00
Recreation	126.54
Car fare	60.00
Other	107.35
Total	2,175.19

At this modest scale of living the $2,300 clerk reduced to $2,070 would run short by $105. The $2,100 clerk would be $175 in the hole. Even the $2,400 clerk would not get by in San Francisco, while in Baltimore, Boston, New York, and Chicago the greater housing costs alone would run the year's expenditures up by several hundred dollars.

It has been found, in fact, that 90 to 98 per cent of the families of Government workers in five cities where costs of living for the year 1928 were studied by the United States Bureau of Labor Statistics were unable to keep their expenses within the husband's salary of $2,500 or less, and his earnings had to be supplemented by extra work on his part or by the earnings of his wife or children. Even then the family income fell short. The average expenses of the 506 families from whom costs of living were obtained in the five cities of Baltimore, Boston, New York, Chicago, and New Orleans were as follows:

	Average expenses
Baltimore	$2,435
Boston	2,498
New York	2,598
Chicago	2,928
New Orleans	2,270

The average size of the families represented in this table was a little less than five (4.7) persons. The average Government salaries and the total income, as increased by extra earnings, were as follows:

	Government salary	Income with extra earnings
Baltimore	$1,797	$2,336
Boston	1,809	2,411
New York	1,812	2,483
Chicago	1,879	2,745
New Orleans	1,704	2,193

The Government salaries in these families fell short of the family expenditures by an average of $449 in New Orleans, $519 in Baltimore, $556 in Boston, $655 in New York, and $851 in Chicago. What will these families do if a 10 per cent cut is applied to them? What will the families of postal clerks do? Their salary schedules run like this:

Number of clerks	Salary grade
9,211	$2,300
645	2,200
48,001	2,100
3,138	2,000
2,084	1,900
1,156	1,800
448	1,700

Applying the cut of 10 per cent all down the line of these postal salaries the yield to the Federal Treasury from salaries of post-office clerks would be $13,650,540, or 0.6½ of 1 per cent of the Treasury deficit, most of which would come from the 48,011 clerks in the $2,100 grade.

IS IT FAIR?

To consider the proposed Federal salary cut only in terms of its money value is, of course, to omit certain other very important considerations. Federal salaries are a matter of law, a contract entered into between the Government and the employees with a definite mutual obligation which is both material and moral. They set a standard of far-reaching social importance.

Postal salaries represent not competitive wage rates—for there is no similar employment in outside industry—but an ethical principle in wage policy. The gradual increase that postal employees have fought for all these years, and have in part achieved, is based upon the theory that the Government, as an employer, should set a standard in advance of the purely competitive wage-fixing policy of private industry. This is good business as well as good ethics. The postal system is indispensable as a channel of commerce, and it is one of the great arteries of governmental and social service. When it breaks down disaster follows—disaster to business and the public welfare. Its personnel, therefore, should be drawn from the cream of the working population, and they should be given an incentive which will insure high-grade applicants. This, however, is only another way of saying that the postal personnel should be adequately paid for their work. Like all other wage earners, they are entitled not only to a living wage

but to a wage proportional to their productivity and importance. What has thus far happened, in reality, is this:

(1) While postal wage rates have almost doubled since 1913, their purchasing power declined steadily from 1913 to 1918, and has risen but irregularly since that time, only just now coming back to a little more than the purchasing power of postal salaries before the war.

(2) While the working day of the postal clerk has been shortened and the postal force has expanded in numbers to meet the constantly greater pressure for speed and volume of service, the individual postal clerk has become 100 per cent more productive than the individual clerk of 1913; that is to say, he produces twice as much postal revenue.

The postal salary scale of to-day, therefore, in terms of purchasing power, is a little better than the pre-war scale, in return for twice the output. In other words, the postal salary classification enacted by Congress in 1925 reaffirmed the principle upon which previous postal wage increases were predicated, but went only part way toward the goal of justice. To reduce postal salaries now would be to nullify and to stultify that position.

IS IT SAFE?

If postal salaries were reduced now, what ends would be satisfied?

To answer this question is to point to the great industrial menace of this country and the world—the determination of great industrialists to deny to labor its due share of the products of labor. Specifically, in the case of postal salaries, this menace appears in a recent pronouncement of the United States Chamber of Commerce. The postal service committee of the chamber in a recent report recommends "that further increase in postal salaries, such as are occurring now under the system of automatic increases, should be discontinued for the time being and that adjustment of postal salaries be so handled as to put them on a differential scale rather than on a flat nation-wide basis." The reason for the committee's recommendation is frankly stated, in the familiar language of competitive industry: "There has been no suggestion of inability to secure sufficient qualified employees."

This, of course, is the hard-boiled business philosophy which says in effect: "Never raise wages unless you must do it to hold your men. Whenever you can get them standing in line at the gates, reduce the pay."

That is precisely the wage philosophy that makes or deepens all depressions, the blind futility that hopes to profit by killing the goose that lays the golden egg. In the case of certain local chambers of commerce and the Postal Service the blindness is peculiarly dense. No other public service is so wholly indispensable to business men as the Postal Service. No other service deserves more at their hands. Yet some of them would reduce postal pay to the local cost-of-living basis, computed, doubtless, by their standards for their own employees who are now out of work, or working on half time and at a reduced wage rate. No chamber of commerce can consistently seek markets for its members' goods and at the same time agitate for a reduction of the buying power of 370,000 workers and their families.

Results of the low-wage policy on private industry are evident now in silent machinery and closed plants. Has not this country had enough of that?

The salary scale of postal clerks ranges from $1,700 to $2,100 a year, by act of Congress. There are two higher grades for special clerks at $2,200 and $2,300. The rates are not the ideal, but they do represent principles and standards in Government wage policy which should not be abandoned but rather advanced. On the other hand, for many thousands of clerks with families, this salary scale does not actually meet the cost of living. To reduce it by 10 per cent would lower standards of living but would make a very slight impression on the Treasury deficit. The postal pay roll does, however, the sum all told, put millions of dollars into the channels of trade—preventing to that extent a deeper slump into business depression. Why reduce these consumers' buying power now?

The National Federation of Post Office Clerks for the reasons above outlined is requesting the Seventy-second Congress not to enact legislation lowering existing wage standards in the Postal Service.

ADJOURNMENT

Mr. ARNOLD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 33 minutes p. m.) the House adjourned until to-morrow, Saturday, February 27, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

455. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting report dated February 23, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of waterway from Choctawhatchee Bay to West Bay, Fla., was taken from the Speaker's table and referred to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. POU: Committee on Rules. H. Res. 163. A resolution providing for the consideration of H. R. 9642, a bill to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment; without amendment (Rept. No. 623). Referred to the House Calendar.

Mr. MONTAGUE: Committee on the Judiciary. H. R. 4624. A bill to amend the Judicial Code by adding a new section, to be numbered 274D; without amendment (Rept. No. 627). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BUTLER: Committee on Claims. H. R. 1256. A bill for the relief of John A. Rapelye; without amendment (Rept. No. 624). Referred to the Committee of the Whole House.

Mr. BACON: Committee on Claims. H. R. 3822. A bill for the relief of Joseph Mossew; without amendment (Rept. No. 625). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 6208. A bill for the relief of Barney Rieke; without amendment (Rept. No. 626). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on Claims. H. R. 7815. A bill to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum*, for damage to said vessel; without amendment (Rept. No. 628). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 659. An act for the relief of William J. Ryan, chaplain, United States Army; without amendment (Rept. No. 629). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WILLIAMS of Texas: A bill (H. R. 9835) to authorize payment of farm-loan mortgages with bonds issued by the mortgagee banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. JOHNSON of Washington: A bill (H. R. 9836) to authorize the refund of visa fees in certain cases; to the Committee on Immigration and Naturalization.

By Mr. HILL of Washington: A bill (H. R. 9837) authorizing an appropriation for the construction of a highway across the Colville Indian Reservation, Wash.; to the Committee on Indian Affairs.

By Mr. HESS: A bill (H. R. 9838) to authorize the erection of a United States Veterans' Administration hospital and regional office in the city of Cincinnati, Ohio; to the Committee on World War Veterans' Legislation.

By Mr. DEROUEN: A bill (H. R. 9839) adopting and authorizing the improvement of the Lake Charles deepwater channel; to the Committee on Rivers and Harbors.

By Mr. FREEMAN: A bill (H. R. 9840) providing a nautical school at the port of New London, Conn.; to the Committee on Naval Affairs.

By Mr. MEAD: A bill (H. R. 9841) to amend the air mail act of February 2, 1925, as amended, further to encourage commercial aviation; to the Committee on the Post Office and Post Roads.

By Mr. GLOVER: A bill (H. R. 9842) to amend the Federal highway act of November 9, 1921, so as to provide Federal aid to the States in building lateral post roads over which the United States mail is now or may hereafter be carried; to the Committee on Roads.

By Mr. WICKERSHAM: A bill (H. R. 9843) to establish a supreme court in and for the Territory of Alaska, to con-

fer judicial powers thereon, and for other purposes; to the Committee on the Judiciary.

By Mr. POU: Resolution (H. Res. 163) for the consideration of House bill 9642, a bill to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment; to the Committee on Rules.

By Mr. DOUGLAS of Arizona: Joint resolution (H. J. Res. 319) to provide for levying and collecting an import duty upon copper in various forms, copper ores and concentrates, alloys or combinations of copper, and other copper products; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLGOOD: A bill (H. R. 9844) granting an increase of pension to Alex H. Burns; to the Committee on Pensions.

By Mr. ARNOLD: A bill (H. R. 9845) granting a pension to Sylvester Williams; to the Committee on Invalid Pensions.

By Mr. BLACK: A bill (H. R. 9846) granting an increase of pension to Ellen Brennan; to the Committee on Invalid Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 9847) granting an increase of pension to Clarinda Orahood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9848) granting an increase of pension to Anna LeFever; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9849) granting an increase of pension to Elizabeth Elliott; to the Committee on Invalid Pensions.

By Mr. BUCKBEE: A bill (H. R. 9850) for the relief of the heirs of Garret Walsh, sr.; to the Committee on Claims.

By Mr. COYLE: A bill (H. R. 9851) granting a pension to Cora F. Kitchen; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 9852) for the relief of William L. Clark; to the Committee on War Claims.

By Mr. FREEMAN: A bill (H. R. 9853) for the relief of Thomas F. Gibbons; to the Committee on Military Affairs.

By Mr. GILBERT: A bill (H. R. 9854) granting a pension to Addie Holcomb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9855) granting an increase of pension to Lizzie Pennington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9856) for the relief of Lucien M. Grant; to the Committee on Claims.

Also, a bill (H. R. 9857) granting a pension to Sarah L. Hadley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9858) granting an increase of pension to Vie Morrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9859) granting a pension to Mary Hurt; to the Committee on Invalid Pensions.

By Mr. GILLEN: A bill (H. R. 9860) granting a pension to John R. Rogers; to the Committee on Pensions.

By Mr. LANHAM: A bill (H. R. 9861) to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas pipe line; to the Committee on Claims.

By Mr. LINTHICUM: A bill (H. R. 9862) for the relief of the estate of Oscar F. Lackey; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 9863) for the relief of James E. Daniel; to the Committee on Claims.

By Mr. MONTET: A bill (H. R. 9864) for the relief of Edward Lopez; to the Committee on Claims.

By Mr. PALMISANO: A bill (H. R. 9865) granting a pension to Marie Denhard; to the Committee on Invalid Pensions.

By Mr. PARKER of Georgia: A bill (H. R. 9866) for the relief of Caroline V. King, growing out of the death of her minor son, Carl Calder King; to the Committee on Claims.

By Mr. PARKER of New York: A bill (H. R. 9867) granting an increase of pension to Albina Williams; to the Committee on Pensions.

By Mr. SUTPHIN: A bill (H. R. 9868) granting a pension to Blanche Ricklefson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9869) granting a pension to Marie Ricklefson; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 9870) for the relief of William Noel Drew; to the Committee on Claims.

By Mr. TIERNEY: A bill (H. R. 9871) granting a pension to Joseph J. Harris; to the Committee on Pensions.

By Mr. TILSON: A bill (H. R. 9872) granting an increase of pension to Gertrude E. Shorey; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 9873) granting a pension to Dora A. Behnken; to the Committee on Pensions.

Also, a bill (H. R. 9874) for the relief of Sue Hall Erwin; to the Committee on Naval Affairs.

By Mr. WYANT: A bill (H. R. 9875) granting a pension to Nora Remaley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9876) granting an increase of pension to Margaret J. May; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2878. By Mr. ANDREWS of New York: Resolution adopted by Groups Nos. 354 and 1436 of the Polish National Alliance of the United States, memorializing Congress to enact legislation which will provide for the carrying out of the celebration of October 11 as General Pulaski's memorial day; to the Committee on the Judiciary.

2879. Also, resolution adopted by Buffalo Nest, No. 1, of the Fraternal Order of Orioles, urging modification of the prohibition law; to the Committee on the Judiciary.

2880. Also, resolution adopted by 330 members of the Niagara County Pomona Grange, opposing the proposal of any appropriation for the irrigation of the Columbia Basin; to the Committee on Irrigation and Reclamation.

2881. Also, petition of 50 citizens of the fortieth congressional district, urging support of the prohibition law; to the Committee on the Judiciary.

2882. By Mr. BACON: Petition of Sunshine Club, Presbyterian Church, Port Jefferson, N. Y., opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2883. Also, petition of 175 residents of Hempstead, Long Island, N. Y., urging repeal of the eighteenth amendment; to the Committee on the Judiciary.

2884. Also, petition of several hundred residents of the villages of Hewlett, Woodmere, Lawrence, and Cedarhurst, urging repeal of the eighteenth amendment; to the Committee on the Judiciary.

2885. By Mr. BOHN: Petition of citizens of Bayne City, Mich., protesting against increased taxation; to the Committee on Ways and Means.

2886. By Mr. BOILEAU: Petition of Group 1653, Mosinee, Wis., of the Polish National Alliance of the United States, memorializing Congress to proclaim October 11 of each year as General Pulaski's memorial day; to the Committee on the Judiciary.

2887. Also, petition of 201 members of the Farmers' Union, all of whom reside in the town of Halsey, Marathon County, Wis., petitioning Congress to pass the farmers farm relief bill, and in which they ask that American agriculture, which has been all but destroyed through the period of price fixing and deflation be placed on a basis of equality with other industries; to the Committee on Agriculture.

2888. By Mr. BOHN: Petition of the Ladies' Aid Society and the Woman's Christian Temperance Union, Rudyard, Mich., opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

2889. Also, petition of Alden (Mich.) branch of the Woman's Christian Temperance Union, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

2890. Also, petition of Frances Willard Woman's Christian Temperance Union, Sault Ste. Marie, Mich., opposing the

resubmission of the eighteenth amendment to be ratified by State conventions or State legislatures; to the Committee on the Judiciary.

2891. By Mr. CAMPBELL of Iowa: Petition of 34 farmers of Clay County, Iowa, urging the passage of House bill 7797 and Senate bills 1197 and 2847; to the Committee on Agriculture.

2892. Also, petition of 131 voters of Cherokee County, Iowa, both service and nonservice men, urging the passage of House bill 1, which provides for the payment of the adjusted-service certificates in full and providing for the issuance of Government money direct without making any future loans; to the Committee on Ways and Means.

2893. By Mr. CHIPERFIELD: Resolution of Fowler Christian Sunday school, Fowler, Ill., opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2894. Also, petition of the Knoxville, Knox County, Ill., Woman's Christian Temperance Union, opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2895. By Mr. CHRISTGAU: Resolution adopted by members of the Alden Post, No. 404, of the American Legion, of Alden, Minn., at their regular meeting on February 15, 1932, requesting that favorable action be taken on the proposal for the cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

2896. Also, resolution adopted by members of the Meighen-Thompson Post, No. 161, of the American Legion, of Le Roy, Minn., at their regular meeting on February 15, 1932, requesting that favorable action be taken on the proposal for the cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

2897. Also, resolution of Group No. 1629 of the Polish National Alliance, Winona, Minn., memorializing the Congress of the United States to enact House Joint Resolution 144, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

2898. By Mr. CLARKE of New York: Petition of 164 members, Veterans of Foreign Wars, Oneonta, N. Y., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

2899. By Mr. CONDON: Petition of Mantra W. Pollard and 32 other citizens of Rhode Island, opposing the repeal, resubmission, or modification of the eighteenth amendment; to the Committee on the Judiciary.

2900. Also, petition of the Polish National Alliance of the United States of North America, Group No. 677, of Central Falls, R. I., supporting House Joint Resolution 144 directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

2901. By Mr. CRAIL: Petition of the Southern Counties Economic, Political, and Commercial League of Southern California, denouncing any act or efforts denying the negroes an equal opportunity to work on Government projects; to the Committee on the Judiciary.

2902. By Mr. CROSS: Petition of G. H. Spears and others, of Belton, Tex., favoring the regulation of interstate bus-and-truck operation; to the Committee on Interstate and Foreign Commerce.

2903. Also, petition of Bert Ezell and others, of Holland, Tex., favoring the regulation of interstate trucks and busses; to the Committee on Interstate and Foreign Commerce.

2904. Also, petition of John R. Fellrath and others, of Belton, Tex., favoring the regulation of interstate busses and trucks; to the Committee on Interstate and Foreign Commerce.

2905. Also, petition of C. O. Robison and others, of Troy, Tex., favoring the regulation of interstate bus-and-truck operation; to the Committee on Interstate and Foreign Commerce.

2906. Also, petition of E. B. Queen and others, of Hewitt, Tex., favoring the regulation of interstate bus-and-truck operation; to the Committee on Interstate and Foreign Commerce.

2907. Also, petition of R. L. Williams and others, of Little River, Tex., favoring the regulation of interstate bus-and-truck operation; to the Committee on Interstate and Foreign Commerce.

2908. Also, petition of W. E. Seifer and others, of Temple, Tex., favoring the regulation of interstate bus-and-truck operation; to the Committee on Interstate and Foreign Commerce.

2909. Also, petition of W. M. Rucker and others, of Lorena, Tex., favoring the regulation of interstate bus-and-truck operation; to the Committee on Interstate and Foreign Commerce.

2910. By Mr. CULKIN: Petition of Lakeport Woman's Christian Temperance Union, Chittenango Station, Madison County, N. Y., urging against any change in the eighteenth amendment and favoring adequate appropriations for law enforcement and education in law observance; to the Committee on the Judiciary.

2911. Also, petition of Arthur Jay Stevens, Lila Ann Stevens, Mrs. R. Hill, and others, all of the city of Oswego, N. Y., protesting against the enactment of Senate bill 1202 providing for the Sunday closing of barber shops in the District of Columbia; to the Committee on the District of Columbia.

2912. Also, petition of Reliable Taxi Service, Perl W. Devendorf Corporation, Sprague Chevrolet Co., Peters Bros., L. E. Brown, Frederick C. Carter, W. J. McCormack, Gerald V. Carr, Bolia & Son, all of Watertown; Standard Oil Co., Eldred Refining Co., Wilson & Cotter, C. E. Van Alstine, Ball & Wilson, all of Oswego; Gustav D. Hermann, of Oneida; Earl D. Keith, of Poolville; and Blount Lumber Co., of Lacona, all of the State of New York, protesting against a proposed Federal tax on gasoline; to the Committee on Ways and Means.

2913. By Mr. CURRY: Petition of Red Bud Union, Woman's Christian Temperance Union, opposing the resubmission of the eighteenth amendment to the several States; to the Committee on the Judiciary.

2914. Also, petition of Federated Metal Trades and Central Council of Vallejo, Calif., requesting modification of the Volstead Act to legalize the manufacture, sale, and transportation of light wines and beer; to the Committee on the Judiciary.

2915. Also, petition of Ethel L. Blass and others, of Sacramento, Calif., opposing the modification or repeal of prohibition laws; to the Committee on the Judiciary.

2916. Also, petition of Culinary Workers Local, No. 560, indorsing Senate bill 2415 and House bill 5597; to the Committee on the Judiciary.

2917. By Mr. FITZPATRICK: Petition of the Gun Hill Post, No. 271, Veterans of Foreign Wars of the United States, opposing any legislation which would tend in any way to return the United States to the state of unpreparedness in which this country was before the World War; to the Committee on Appropriations.

2918. By Mr. GIBSON: Petition of Prof. G. Filosa and certain other voters of White River Junction, Vt., urging submission of the eighteenth amendment by referendum to the States; to the Committee on the Judiciary.

2919. By Mr. GOLDSBOROUGH: Petition of Woman's Christian Temperance Union, representing 200 people, of North East, Md., opposing resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures, and favoring adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

2920. Also, petition of Rising Sun (Md.) Woman's Christian Temperance Union, representing 125 people, at a George Washington banquet, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures, and favoring adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

2921. By Mr. HILL of Washington: Petition of the Monitor Woman's Christian Temperance Union, opposing repeal, modification, or resubmission to the States of the eighteenth amendment; to the Committee on the Judiciary.

2922. By Mr. HOOPER: Petition of numerous residents of Battle Creek, Mich., protesting against the enactment of Senate bill 1202 or House bill 8092, to compel barbers to observe Sunday in the District of Columbia; to the Committee on the District of Columbia.

2923. By Mr. KELLER: Petition of members of Auxiliary No. 77, Benton, Ill., United Spanish War Veterans, urging support and favoring passage of House bill 7230; to the Committee on Pensions.

2924. By Mr. LINDSAY: Petition of the Merchants Association of New York, favoring the appropriation for the maintenance of the air mail service between the United States and Latin America; to the Committee on Appropriations.

2925. By Mr. MAGRADY: Resolution adopted by executive boards of districts Nos. 1, 7, and 9, United Mine Workers of America, assembled at Hazleton, Pa., February 18, 1932; to the Committee on Appropriations.

2926. By Mr. MAPES: Petition of Herbert Wilson, route 1, Hudsonville, Mich., and 28 others, opposing the so-called Sunday observance bill; to the Committee on the District of Columbia.

2927. By Mr. MEAD: Petition of the Polish National Alliance, Group No. 1846, urging enactment of House Joint Resolution 144; to the Committee on the Judiciary.

2928. Also, petition of the Polish National Alliance, Group No. 38, urging enactment of House Joint Resolution 144; to the Committee on the Judiciary.

2929. Also, petition of the Fraternal Order of Orioles, Buffalo Nest, No. 1, favoring modification of the Volstead Act; to the Committee on the Judiciary.

2930. Also, petition of Western New York League of Savings and Loan Associations, opposing Senate bill 2959; to the Committee on Banking and Currency.

2931. By Mr. MURPHY: Petition of Peter Miernik, president of the Polish National Alliance 1623, of Flushing, Ohio, asking that Congress designate October 11 of each year as General Pulaski's memorial day; to the Committee on the Judiciary.

2932. Also, petition of Tony Rynkiewicz, president Polish National Alliance, 1581, Blaine, Ohio, asking Congress to designate October 11 of each year as General Pulaski's memorial day; to the Committee on the Judiciary.

2933. By Mr. NIEDRINGHAUS: Petition of Mrs. Basil Baker and 31 other citizens of St. Louis, Mo., asking support for House bills 4819 and 5110, substitute relief measures for postal employees; to the Committee on the Post Office and Post Roads.

2934. By Mr. PARKER of Georgia: Petition of the Huff-Vinson Chapter, No. 4, Disabled American Veterans of the World War, of Milledgeville, Ga., urging the immediate cash payment of the adjusted-service certificates without deduction of interest; to the Commitee on World War Veterans' Legislation.

2935. Also, petition of E. A. Johnson and nine other citizens of Burke County, Ga., urging the enactment of Senate bill 2793, providing for the regulation by the Interstate Commerce Commission of busses and trucks carrying passengers and freight; to the Committee on Interstate and Foreign Commerce.

2936. Also, petition of Mayor Walter Harrison, Jennie Dawson, Frank Holt, W. A. Smith, Guy C. Lunsford, and William Woodrum, protesting against the contemplated Federal tax on gasoline; to the Committee on Ways and Means.

2937. By Mr. PRATT: Petition of Jessie B. Sinclair and others, of Greene County, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2938. By Mr. ROBINSON: Petition signed by C. A. Goodsell, county secretary of Rural Mail Carriers, Austinville, Iowa, urging the passage of House bill 137, post roads bill, believing that it will be of great benefit to the rural mail service and the carriers, as well as to the rural communities; to the Committee on the Post Office and Post Roads.

2939. Also, petition signed by C. M. Rueler, James Rowen, C. E. Campbell, Ira I. Carrell, Hugh O'Neill, and H. A. Davis, of Clarion, Iowa, urging the passage of legislation helpful to the rural as well as other branches of the Post Office Service rather than adverse legislation, which can only disrupt the service of thousands of people and work untold hardships on the employees; to the Committee on the Post Office and Post Roads.

2940. Also, petition signed by C. M. Rueler, C. E. Campbell, Ira I. Carrell, and James Rowen, of Clarion, Iowa, urging the passage of House bill 137, post roads bill, believing that it will be of great benefit to the rural carriers; that it will be a life-saver to the unemployed; and that it will be of untold benefit to the millions of rural people; to the Committee on the Post Office and Post Roads.

2941. By Mr. RUDD: Petition of Harmonia Council, No. 99, Sons and Daughters of Liberty, Woodhaven, Long Island, N. Y., favoring the passage of House bill 1967; to the Committee on Immigration and Naturalization.

2942. Also, petition of the Merchants Association of New York, favoring appropriation for the maintenance of the air mail service between the United States and Latin America; to the Committee on Appropriations.

2943. Also, petition of Hugh Coccoran, United States veterans' hospital, Fort Bayard, N. Mex., favoring the passage of House bill 1, for the cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

2944. By Mr. SELVIG: Petition of Vivian Mink, Annis Washburn, and 16 other young people of Crookston, Minn., urging drastic reduction of armaments; to the Committee on Appropriations.

2945. Also, petition of clerks of Fergus Falls, Minn., post office, opposing reduction in any salaries under $2,500 of postal clerks; to the Committee on the Post Office and Post Roads.

2946. Also, petition of Eddie Middagh Post, No. 1696, Hawley, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

2947. Also, petition of Hans E. Lian Unit of the American Legion Auxiliary of Middle River, Minn., urging enactment of House bill [illegible] and also the widows' and orphans' bill; to the Committee on World War Veterans' Legislation.

2948. Also, petition of Branch No. 1058, National Association of Letter Carriers, Hibbing, Minn., opposing any legislation to decrease salaries of the postal employees; to the Committee on Appropriations.

2949. Also, petition of Geraldine Clapp and five other young people of Crookston, Minn., favoring reduction of armaments and establishment of world peace; to the Committee on Appropriations.

2950. By Mr. SHOTT: Petition adopted by the State executive committee of the West Virginia Woman's Christian Temperance Union, setting forth that West Virginia adopted constitutional prohibition in 1914 with only three dissenting votes in the legislature and accepted full responsibility for concurrent power in enforcement, and in the State school laws enacted provisions for the teaching of the evil effects of alcohol which the State superintendent of schools, Hon. W. C. Cook, is carrying out through the cooperation of the good people of the State, and therefore attention of Congress is called to these facts as proof that West Virginia is moving forward to perfect the principle of prohibition of the liquor traffic in her political life and shows no disposition to welcome a vote on resubmission; to the Committee on the Judiciary.

2951. By Mr. SHREVE: Resolutions of 100 people of the United Church of Springboro; 1,031 people of the Erie County Woman's Christian Temperance Union, Erie; 58 people of the Woman's Christian Temperance Union of North East; and 20 people of the Anna Gordon Woman's Christian Temperance Union, Erie, all of the State of Pennsylvania, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

2952. By Mr. SPENCE: Petition of the Woman's Christian Temperance Union of Falmouth, Ky., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2953. By Mr. SUMMERS of Washington: Petition signed by Mrs. M. J. Rulaford and 13 other adult residents, of College Place, Wash., protesting against the compulsory Sunday observance bill, S. 1202; to the Committee on the District of Columbia.

2954. By Mr. TARVER: Petition of Lena Mason and many other members of the Woman's Christian Temperance Union and other citizens of Ochlochnee, Ga., protesting against the modification or repeal of our prohibition laws and resubmission of the eighteenth amendment to the States; to the Committee on the Judiciary.

2955. By Mr. TURPIN: Petition of citizens of Luzerne County, Pa., protesting against the passage of Senate bill 1202 or any other compulsory Sunday observance bills; to the Committee on the District of Columbia.

2956. Also, petition of citizens of Hazleton, Pa., urging the maintenance of the prohibition law and its enforcement and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

2957. Also, petition of citizens of Luzerne County, Pa., protesting against the passage of Senate bill 1202 or any other compulsory Sunday observance bills; to the Committee on the District of Columbia.

2958. Also, petition of members of Central Woman's Christian Temperance Union, of Wilkes-Barre, Pa., opposing the resubmission of the eighteenth amendment to the States for a vote, and requesting their representatives in the House and Senate to vote against such a resolution; and for adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

2959. Also, petition of citizens of Luzerne County, Pa., protesting against the passage of Senate bill 1202 or any other compulsory Sunday observance bills; to the Committee on the District of Columbia.

2960. By Mr. WHITE: Resolution of the council of the city of Toledo, Ohio, indorsing cooperation of the Federal Government with the several States in relieving the hardship and suffering caused by unemployment; to the Committee on Labor.

2961. By Mr. WYANT: Petition of Trafford Ministerial Association, adopted at a mass meeting of five churches, representing about 1,300 people, in Trafford, Westmoreland County, Pa., opposing resubmission of eighteenth amendment to be ratified by State conventions or by State legislatures, and urging Congressmen and Senators to vote against such resolutions, and to vote for adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

SATURDAY, FEBRUARY 27, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

The Lord God omnipotent reigneth and in His holy hands all things rest. Surely we are encompassed by Thy mercy and no good thing dost Thou withhold from us. Let us feel this day the impulse and the restraint of Thy presence. May our opportunities for public service be held as sacred trusts for Thy glory and for the peace and contentment of our whole country; impress us with a solemn sense of our responsibility. In every way may we be worthy of the very best traditions of the Republic. Enable us above all things to maintain the sanctity of Thy precepts, follow the way of Thy revealed truth, and to love Him who first loved us. Our Father, we pray Thee to hear those whose dumb entreaties are written on their hearts and whose language can not be told. For Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 292) entitled "Joint resolution to authorize the Secretary of Agriculture to aid in the establishment of agricultural credit corporations, and for other purposes."

SENATE BILLS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 100. An act to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions," approved March 2, 1929; to the Committee on the District of Columbia.

S. 207. An act for the relief of James L. Pate; to the Committee on Military Affairs.

S. 417. An act to provide a government for American Samoa; to the Committee on Insular Affairs.

S. 432. An act granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy; and

S. 433. An act to authorize the posthumous award of a distinguished-flying cross to Eugene B. Ely; to the Committee on Naval Affairs.

S. 460. An act to give war-time commissioned rank to retired warrant officers and enlisted men; to the Committee on Military Affairs.

S. 462. An act for the relief of certain officers of the Dental Corps of the United States Navy; to the Committee on Naval Affairs.

S. 466. An act for the relief of the Allegheny Forging Co.; to the Committee on Claims.

S. 480. An act for the relief of Peter C. Hains, jr.; to the Committee on Military Affairs.

S. 816. An act for the relief of E. H. Flagg; to the Committee on Claims.

S. 860. An act for the relief of William Girard Joseph Bennett; to the Committee on Naval Affairs.

S. 863. An act for the relief of Edgar Joseph Casey; to the Committee on Naval Affairs.

S. 894. An act directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years; to the Committee on Naval Affairs.

S. 1047. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Historical Society of Montana, for preservation and exhibition, the silver service which was in use on the gunboat, No. 9, *Helena;* to the Committee on Naval Affairs.

S. 1088. An act for the relief of Cornelia Claiborne; to the Committee on Claims.

S. 1096. An act for the relief of Nels D'Arcy Drake; to the Committee on Claims.

S. 1205. An act for the relief of Edith Tolerton Lathrop; to the Committee on Claims.

S. 1294. An act for the relief of Harry Flanery; to the Committee on Military Affairs.

S. 1529. An act for the relief of Charles Morton Wilson; to the Committee on Military Affairs.

S. 1839. An act to authorize the creation of Indian trust estates, and for other purposes; to the Committee on Indian Affairs.

S. 1855. An act to provide for the care and maintenance of the Guilford Courthouse National Military Park; to the Committee on Military Affairs.

S. 2200. An act to authorize the presentation of a medal of honor, posthumously, to the late Henry Clay Drexler and the late George Robert Cholister; to the Committee on Naval Affairs.

S. 2242. An act granting six months' pay to Louis Soluri; to the Committee on Claims.

S. 2426. An act to authorize the Secretary of War to convey to the State of Arizona a portion of a National Guard target range near Phoenix, Ariz., for use as a burial plot; to the Committee on Military Affairs.

S. 2496. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; to the Committee on the District of Columbia.

S. 2915. An act authorizing A. A. Lilly, M. B. Collinsworth, and A. E. Booth, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Big Sandy River at or near where it enters into the Ohio River, and between the cities of Kenova, W. Va., and Catlettsburg, Ky.; to the Committee on Interstate and Foreign Commerce.

S. 2982. An act for the relief of J. G. Seupelt; to the Committee on Indian Affairs.

S. 3027. An act for the relief of James J. Jordan; to the Committee on Military Affairs.

S. 3110. An act authorizing the Secretary of the Interior to arrange with States for the education, medical attention, and relief of distress of Indians, and for other purposes; to the Committee on Indian Affairs.

S. 3222. An act to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ending June 30, 1918; to the Committee on the District of Columbia.

S. 3409. An act authorizing the Secretary of the Interior to sell certain unused Indian cemetery reserves on the Wichita Indian Reservation in Oklahoma to provide funds for purchase of other suitable burial sites for the Wichita Indians and affiliated bands; to the Committee on Indian Affairs.

S. 3443. An act to authorize the Secretary of War to grant a right of way to the Alameda Belt Line across the Benton Field Military Reservation, Alameda, Calif.; to the Committee on Military Affairs.

S. 3514. An act regulating the use of appropriations for the military and nonmilitary activities of the War Department; to the Committee on Military Affairs.

S. 3538. An act for the relief of Nellie McMullen; to the Committee on Claims.

S. 3547. An act to authorize the Secretary of War to acquire, exchange, transfer, and sell certain tracts of real estate, and for other purposes; to the Committee on Military Affairs.

S. 3634. An act to amend section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122); to the Committee on the District of Columbia.

S. J. Res. 4. Joint resolution to provide for the naming of Montgomery Blair Portal; to the Committee on the District of Columbia.

S. J. Res. 41. Joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River joint commission and specifying the powers and duties thereof; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 50. Joint resolution to authorize the Commissioners of the District of Columbia to close upper Water Street between Twenty-second and Twenty-third Streets; to the Committee on the District of Columbia.

S. J. Res. 55. Joint resolution to amend section 2 of the act of February 25, 1927 (44 Stat. L., pt. 2, p. 336); to the Committee on Claims.

S. J. Res. 110. Joint Resolution authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress; to the Committee on Agriculture.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on February 26, 1932, present to the President, for his approval, a bill of the House of the following title:

H. R. 9203. An act to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes.

HENRY WADSWORTH LONGFELLOW

Mr. PARTRIDGE. Mr. Speaker, to-day is the one hundred and twenty-fifth anniversary of the birth of the poet Henry W. Longfellow. Although born in the city of Portland, Me., he belongs to the Nation. I therefore deem it fitting that this body give some recognition of the day, and I ask unanimous consent to insert in the RECORD two brief proclamations issued by the city council of that beautiful city by the sea. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

The proclamations are as follows:

PORTLAND'S TERCENTENARY AND CENTENNIAL, 1932

Proclamation

Whereas the year 1932 is the three hundredth anniversary of the first settlement of Portland by George Cleeves and Richard Tucker; and

Whereas on March 26, 1832, after 200 years of development, Portland was chartered as a city: Now, therefore,

It is urged that 1932 be made memorable by a fitting celebration of this most remarkable coincidence of centennial and tercentenary; and it is now

Resolved, That the citizens of Portland extend not only a general invitation to cities and towns but to organizations, individuals, and native sons and daughters the world over to join with the city of Portland, Me., in recognition and observance on any or all of the 366 days of 1932.

ARTHUR W. JORDAN,
Chairman Portland City Council, 1931.

PORTLAND, BIRTHPLACE OF LONGFELLOW, THE WORLD'S BEST-LOVED POET

Proclamation

Whereas Portland, Me., is the native city of Henry W. Longfellow, the world's best-loved poet, as well as one of the greatest names in all literature, whose beautiful life and work is a never-ending source of inspiration for young and old as one of the most perfect examples of noble living, of loving and helpful service in all human history: Now, therefore,

The people of Portland and all lovers of Longfellow everywhere are hereby urged to observe each succeeding anniversary of Longfellow's birth, February 27, as Longfellow Day, with flags and decorations, musical and other programs, in such ways and by such means as may suit their inclination and convenience.

RALPH D. BROOKS,
Chairman Portland City Council, 1930.

"AND THE MULE THAT WAS UNDER HIM WENT AWAY"

Mr. DALLINGER. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech by my colleague Hon. FRANK L. BOWMAN, of West Virginia, before the United Republican Club, Clarksburg, W. Va., on the one hundred and twenty-third anniversary of the birth of Abraham Lincoln.

The SPEAKER. Is there objection?

There was no objection.

Mr. DALLINGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by Hon. FRANK L. BOWMAN before the United Republican Club, Clarksburg, W. Va., on the one hundred and twenty-third anniversary of the birth of Abraham Lincoln, February 12, 1932, on the subject, "* * * And the Mule That Was Under Him Went Away." II Samuel xviii, 9.

This is the one hundred and twenty-third anniversary of the birth of Abraham Lincoln. A great Nation pays tribute to his immortal name; but no section of the United States is endowed with greater significance of honor and homage than this city—the birthplace of Stonewall Jackson. Abraham Lincoln and Stonewall Jackson represented two contending forces in the field of political thought. The one advocated the preservation of the Union; the other defended the rights of separate States to secede from the Union. The one was endowed with the noble virtues of human sympathy and kindly patience and quiet forbearance inherited from a loving mother, whose first inspirations of life came from the wooded dells and mountain sides of West Augusta. The other was characterized by those noble qualities of a fearless bravery and a rugged courage and a divine consciousness possessed by the pioneer men of the hills. In national life both demonstrated un-

swerving fidelity and devotion to their honest convictions; and each traveled the lonely and uncertain pathway to a martyr's grave. When Stonewall Jackson fell on the field of battle the Confederate States lost their most courageous defender in the times of war; when Lincoln fell by the hand of an assassin the South lost its greatest friend in the reconstruction days of peace. It is not for us to reason why. We can not interpret the motives of fate, but we do know that the lives of these two national characters exemplified and personified those rare and essential qualities of a patriotic citizenship found in the State of West Virginia—the sympathetic soul of a great statesman and the courageous heart of a brave soldier.

In 1860 Abraham Lincoln was elected president of the United States, and this date marks the birth of a great political party whose platform proclaimed to a demoralized and decadent Nation two great doctrines or principles of national moment: (1) The maintenance of the integrity of the Union and the paramount authority of the Constitution and the laws of the United States. (2) The sound economic policy of a protective tariff in order to encourage and stimulate the development of industry, to secure for American labor a high standard of wage, and to bring to this Nation commercial prosperity and economic independence. The successful termination of the Civil War preserved the integrity of the Union and restored the authority of the Constitution and the laws of the United States; and the phenomenal rise of the United States to the commercial and industrial supremacy of the world is conclusive evidence of the wisdom of a national economic policy sustained and supported by a protective tariff.

Nations can grow and develop commercially and industrially only under favorable economic conditions. Without them, nations perish and decay. Favorable economic conditions are to a nation what the fertility of the soil and proper climatic conditions are to plant life. Both the life of a nation and the life of a plant must be sustained, cultivated, stimulated, and nurtured under conditions favorable to growth and development. In national life these conditions are designated as national policies, and under our democratic form of government national policies of our Government are determined by the application of the policies and principles of the party in power. It is evident, therefore, that the rapid growth and development of the United States must be attributed to national policies conducive and favorable to the growth and development of commerce and industry, and under our 2-party system these national policies must find their sources in the declared doctrines and principles of some great political party.

The Socialist Party can not lay claim to this distinction, because it has not been in power. Since 1860 the Democratic Party has been in power only 16 years in the 72-year period, and its efforts to apply its policies and principles in national life, except during the stimulus of the World War, reversed the economic order of our Nation and ended finally in the political maelstroms of economic depressions.

On the other hand, the Republican Party has been in power in the United States for 56 years, which have witnessed, in the main, the most marvelous period of our country's prosperity and growth. The political application, therefore, in the life of the Nation, of its declared economic policies and principles must necessarily have created most favorable conditions for the growth and development of commerce and industry. There can be no other conclusion. Thus, in defending the tenets of the Republican Party and its contribution to the economic life of the Nation, we honor that brave defender of the Union, who, having preserved the Union, placed its economic destiny in the hands of the Republican Party—Abraham Lincoln.

The proof of our conclusions challenges us to a comparative study or analysis of our political history. The protagonists of Christian conduct go to the Bible for authority and parallel, and the students of political science study the lives of Washington, Jefferson, and Lincoln for example and precedent; but on this occasion I do not want to appear sacrilegious, neither do I want to be charged with political heresy, if I should find a political parallel from the sacred literature of ancient times. I have chosen a Biblical text for my political address, and it is found in a portion of the ninth verse of the eighteenth chapter of II Samuel in these words: "* * * and the mule that was under him went away."

David was King of Israel. It is recorded that the people were hungry and weary and thirsty in the wilderness. Absalom, the son of King David, stood by the way of the gate and kissed the hands of those who sought King David, and reviled and rebuked and condemned and criticized the King, and openly declared that if he were King justice would be done in the kingdom. Absalom was a politician. He had no reforms for Israel. He wanted to rule and reign. The day came when Absalom rebelled against King David, and in his flight before the mighty host of Israel's army through the woods of Ephraim, Absalom's head caught in the thick boughs of a mighty oak and "* * * he was taken up between the heaven and the earth; and the mule that was under him went away."

This was the tragic ending of the political career of a young man whose political philosophy was founded upon the fallacies of condemnation and abuse, and whose consuming ambition to rule and reign was inspired only by the purely selfish motives of political expediency.

This historical incident symbolizes the cruel and tragic fates of others in more recent years, who, having censured and severely condemned Republican administrations and having lifted high their unfurled banners, scrolled with empty issues of political expediency, have rebelled against the Republican Party in a desperate effort to ride the mule into political power of the Nation. Like the erring Absalom, they have been unable to ride under the strong economic boughs of Republicanism and they have been lifted up between the heaven and the earth and the mule that was under them went away.

The Democratic Party has been a party of paramount issues. Every four years bring a new paramount issue or a complete renunciation of a former paramount issue. This political vacillation has been due to the lack of a definite national program and has also accounted for its reliance upon political suitability and partisan subterfuge to attain its end or purpose.

In 1896, the Democratic Party declared that the paramount issue was the free and unlimited coinage of silver at the ratio of 16 to 1; and that courageous young Lochinvar of the West, William Jennings Bryan, was nominated for President. William McKinley, the Republican nominee for President, maintained that the return of the Nation to the protective policies of the Republican Party would reopen the doors of the closed factories, would stimulate trade and commerce, and would give to labor its heritage of a high wage. William McKinley was right, and his administration proved the fallacies of the free-silver plank. Like the story of old, William Jennings Bryan was lifted up between the heaven and the earth, and the mule that was under him went away.

Twice again, 1900 and 1908, William Jennings Bryan rode this Democratic mule in a futile attempt to rebel against the national doctrines and principles of the Republican Party. In 1900, the Democratic Party forsook its paramount issue of free and unlimited coinage of silver and declared that the paramount issue was "imperialism." In 1908 it was necessary for the Democratic Party to secure another paramount issue, and the platform declared that "'Shall the people rule?' is the overwhelming issue which manifests itself in all questions now under discussion." The Democratic Party was a party of opportunism. The people would not follow.

We can visualize Miss Democracy with the mantle of David's grief for his son, Absalom, upon her shoulders, crying out, "Would to God I had died for thee, O William, my son, my son!" when she learned that twice again her eloquent son had encountered the boughs of confidence and faith in Republican principles, and the mule that was under him had gone away.

In 1904 the Democratic Party was convinced that a resurrection of the free-silver plank and the imperialism plank would not bring success at the polls, and a new plank against trusts was discovered as a paramount issue. In this convention we have a political fiasco of a great political party repudiating its platform of eight years ago. The convention had nominated Alton B. Parker and was awaiting his wire of acceptance. His acceptance was predicated on the adoption of a gold plank, and to satisfy its nominee for President it repudiated its free-silver plank of 1896. Here is a practical lesson in political expediency and political suitability—a great national convention changing its declarations on national policies to meet the mere whims and ideas of a single individual. If free silver was right in 1896, it should have been right in 1904. The feeble attempt of Mr. Parker to rally the broken ranks of a great party left no sting of regret when the mule that was under him went away.

The bitter factional controversies in the Republican Party in 1912 permitted Woodrow Wilson, the standard bearer of the Democratic Party, to ride unmolested between the hostile and contending ranks of the Republican Party to success and victory. During this administration the smouldering embers of European hatred and intrigue burst forth into a raging conflagration of war. International treaties and rights were violated. American lives were ruthlessly destroyed upon the high seas. War was inevitable; neutrality was feigned. This insincere neutrality continued throughout the campaign of 1916, when Woodrow Wilson was again nominated for President by the Democratic Party on the issue, "He kept us out of war." Already President Wilson and his close political advisers had agreed secretly that war was inevitable; but political expediency dictated the withholding of actual facts until after the election and inauguration. It is most significant that Woodrow Wilson was inaugurated March 4, 1917, and on April 6, 1917, the United States declared war against Germany.

We remember the spectacular campaign of 1920 in which the Democratic Party endeavored to commit the United States to membership in the League of Nations. The people of the United States repudiated that effort by an overwhelming vote. Twelve years later, in 1932, we find the leading candidate for the Presidency of the Democratic Party backtracking on a definite, declared policy of his party, which he, as the Democratic nominee for Vice President, advocated with great zeal and earnestness in 1920. Franklin Roosevelt now says: "* * * that he would not advocate our entrance into the league, as the league is not now what it was when he advocated our entrance." In the light of the conflict between Japan and China over the protest of the League of Nations, which claims the membership of both warring nations, it is therefore the part of political wisdom and expedience to declare that the league is not what it should be and therefore we should not enter; but, my friends, that league is to-day just what the Republican Party in 1920 predicted it would be. Who was right? The Republican Party was right in 1920 and it does not have to change its political creed or dogma to be right on this issue in 1932.

Like Absalom, the fearless rider of the mule in 1920 found himself lifted up between the heaven and the earth by the sturdy

boughs of national independence from entangling alliances with European powers, and the mule that was under him went away.

The political hysteria of the Democratic Party in choosing and changing paramount issues has been excelled only by dangerous symptoms of political amnesia concerning its declarations on the tariff. The Democratic Party was originally a free-trade party. To its everlasting credit, the party digressed from this dangerous pathway only to wander aimlessly in the fields of economic thought. It has been on all sides of the tariff question. The proof of my assertions is founded on the declarations of the various Democratic platforms.

In 1876 the Democratic platform denounced a protective tariff as a masterpiece of injustice, inequality, and robbery, as "fostering smuggling and enriching dishonest officials." The tariff plank closed with the following: "We demand that all customhouse taxation shall be for revenue only."

In 1888, at the close of Grover Cleveland's first administration and the Democratic Party's first experience in attempting to enact a tariff law consistent with its declarations and professions, the Democratic Party faced about and demanded a tariff written "with due allowance for the difference between the wages of American and foreign labor, which should promote and encourage every branch of industry and enterprise by giving them assurance of an expanded market and steady, continuous operations."

In 1904 it denounced protection as "a robbery of the many to enrich the few." In 1908 it qualified and modified its position so as to demand free trade on all articles when entered into competition with articles made in the United States by trusts, without defining a trust.

In 1912 history records a great political phenomenon. The Democratic Party completely abandoned its decided trend toward the protective features of a tariff and began its platform with the following declaration:

"We declare it to be a fundamental principle of the Democratic Party that the Federal Government under the Constitution has no right or power to impose or collect tariff duties except for the purpose of revenue."

In other words, it had taken the Democratic Party from 1860 to 1912, a period of 52 years, to discover that under our Constitution there legally can not be a protective tariff, and it embraced that theory and declared it to be a fundamental principle of the Democratic Party; but four years later, when the country was in the throes of an approaching economic depression under a Democratic tariff, which depression was stayed only by the bloody hands of the World War, the Democratic Party discovered that America could have a protective tariff, and declared: "We recognize that tariff rates are necessarily subject to change to meet changing conditions in the world's progress and trade."

Four years ago in the Democratic convention at Houston, Tex., amid the noisy acclaim and enthusiasm of Tammany, Alfred E. Smith, a favorite son of that renowned organization, was nominated for President. Into his care was intrusted that faithful mule, which despite its age still retains the fractious qualities and disposition of all mules; and into his hands were placed the standards of a great party, which he deliberately cast to the ground and substituted his own standard, thereby repudiating his own party platform and the paramount authority of the Constitution and the integrity of the laws of the United States. A few days before the election, John J. Raskob, a pseudo-Republican who had become chairman of the Democratic National Committee, saw the unmistakable signs of defeat and immediately endeavored to have each Democratic candidate for election to the House of Representatives declare himself for a competitive tariff, camouflaged as a protective tariff. History will probably never complete the interesting story of the number or the personnel of those who actually committed themselves. It was too late, however, to save Mr. Smith by any ruse of political expediency. On that fateful day in November, 1928, Alfred E. Smith, like many eminent predecessors, was lifted up between the heaven and the earth and the mule that was under him went away.

This brief, but accurate record of the Democratic tariff declarations and professions may have been uninteresting; but, my friends, upon that record hangs the economic fate of this great Nation. The enemies of the Republican Party have repeatedly declared that the protective principles of our present tariff are responsible for the present national depression. The friends of a protective tariff have asked these enemies to name the rates and schedules that are too high and should be reduced; but no voice has been raised in reply.

In this connection, I want to call your attention to the flexible provisions of the much-maligned Hawley-Smoot tariff bill. Upon petition, the United States Tariff Commission is authorized to investigate any and all of the rates and schedules of the Hawley-Smoot tariff bill and recommended either an increase or decrease in rates in accordance with petitions filed. The approval of the recommendations of the said commission by the President of the United States establishes new tariff rates. No tariff law is without its inconsistencies and irregularities, and the Congress of the United States delegated its power of correcting and adjusting rates to the Tariff Commission. It may be interesting to note that those who have endeavored to transform our economic tariff walls into "wailing walls" of dissatisfaction and distrust have not availed themselves of the flexible provisions of our tariff laws; but on the other hand the records before the Tariff Commission show that a majority of the petitions filed for reduction in tariff rates are filed by foreign manufacturers and importers of foreign goods. Every protest against our present tariff rates, without attempting to take advantage of the flexible provisions of our law, is political hypocrisy and demagoguery; and is also an eloquent plea in defense of the petitions filed by representatives of foreign interests seeking the markets of America.

The Democratic Party has given recent utterance to a new tariff policy. It has spoken by a legislative enactment which is a faint and feeble echo of the many vehement charges against our present tariff law. The House of Representatives in the United States Congress is Democratic. That party has absolute control of every committee and every office of authority. If it believes the statements and assertions of its spokesmen that the present tariff law was responsible for our depressed economic conditions, it was the patriotic duty and privilege of that party to correct the present economic conditions and restore the country to prosperity. This plan, however, was not adopted; and the legislative action of the Democratic Party placed the seal of insincerity upon each statement of its friends in denouncing and condemning our present tariff policies. Without attempting to reduce the rates and schedules of a single article, the Democratic Party in the House of Representatives declared a new economic policy, which is found in H. R. 6662. This bill destroys the elasticity of the flexible provisions of our present tariff and commits this Nation to a permanent international economic conference. The Republican Party stands squarely against any policy of submitting our domestic problems to any international court, and certainly this great Nation should forever reserve the right of fostering our agriculture, developing our industries, and protecting our labor without the advice and consent of a single foreign country. In truth, the Democratic Party has spoken and the economic fate of a Nation hangs in a balance.

There is, however, a concerted movement on the part of many Democrats to rewrite our present tariff law. This effort will naturally result in the reduction of our present tariff rates and in the complete abandonment of our markets to foreign competition. History may repeat. During the economic depression of 1896 and 1920 the Nation was suffering from the effects of the low revenue rates and schedules of Democratic tariffs. Under these laws the Nation passed quickly from prosperity to depression, and the immediate application of the protective policies of the Republican Party completely restored prosperity to the Nation. In these campaigns the Republican Party was correct in its diagnosis and prescriptions; but to-day in this period of world-wide depression the Democratic Party pleads for and demands a tariff similar to those which produced depressions. I maintain that that which destroyed industry and robbed labor in the days of prosperity can not revive industry and restore labor in the days of adversity. That which destroys life can not resurrect the dead. It is strange, indeed, that our Democratic friends advocate identically the same remedy for the cure of the present depression that destroyed industry and labor in the days of prosperity.

In view of this record, if all the paramount issues and all the inconsistent tariff planks declared in the various Democratic platforms since 1860 were compiled and written into one platform, it would be a meaningless compendium of a political abracadabra. It would add nothing to the political life of the Nation.

On the other hand, from the platform planks of the Republican Party since 1860 you can trace the progress and the growth and the development of the greatest nation of the world. Nowhere do we find an abandonment of a single issue until it had been vitalized and incorporated into the social, political, and economic life of this country. In the services of the Republican Party to the country there has been no deviation from its policies and no deflection from its economic course. It has never sacrificed national principles for party success. It has been the friend of the Nation in the days of prosperity, and it remains the true friend of the Nation in this day of adversity.

This is the day of national adversity. The economic shores of America have been lashed by a tidal wave of the most destructive world-wide catastrophe of all ages, and America has felt the force and effect of a violent repercussion of the unstable economic conditions of foreign nations. There is stagnation of business, there is unemployment, and there is much suffering and distress throughout the Nation. We can not close our eyes to these appalling conditions, and to correct and remedy them the united efforts of all individuals and parties are absolutely essential and necessary. Already the United States has been saved and relieved from the more acute affliction and the more intense suffering, misery, and distress of other countries. A comparative analysis of conditions affecting the nations of the world will substantiate this assertion, and the truth of this condition is also verified by the numerous statements of foreign representatives who are amazed at the manner in which America is meeting this world-wide crisis.

It is most pleasing and gratifying to know that America has been saved from the depths of the more disastrous and the more deplorable fate of other nations; but this favorable situation does not relieve us from the patriotic responsibility of reconstructing the economic forces of the Nation. In this effort to discharge our responsibilities there is no place for bitter denunciations, and it does not contemplate the capitalization of human misery and human suffering for mere political advantage and political expediency.

In the Capital City of your Nation there is a man who has been maligned, condemned, and criticized as no other man since the days of the immortal Abraham Lincoln; and, like Abraham Lincoln, with patience and forbearance and with a sympathetic understanding he silently endeavors to solve the great problems

"with malice toward none and charity for all." The vicious, unwarranted attacks of his political enemies have not stayed his guiding hands, neither have they dimmed his clear vision of his charted course for national economic recovery. With a resolute heart he stands undismayed and unafraid at the helm of the ship of state. He has submitted to the country the most comprehensive program of reconstruction ever submitted to this or any other nation. By this act he has confounded and confused his political enemies and has compelled admiration and praise from his friends. The issues of a restored economic life, which will lead us beyond the lowering clouds of gloom and despondency into the early dawn of a new day of confidence and hope, flow from the sympathetic and patriotic heart of the President of the United States, Herbert Hoover.

At the very beginning of our economic depression President Hoover called together a conference of leaders in industry and labor, at which conference verbal agreements were entered into which stabilized the wages of labor and saved this country from the repetition of more than 2,500 strikes and lockouts during the closing days of President Wilson's administration. He also inaugurated a program of public construction, including improvements of navigable rivers and harbors, and immediate construction of public roads and public buildings. In order that the stricken farmers, afflicted by the drought in 21 States, might rehabilitate themselves, a system of loans was provided. The credit of the country having been undermined, the President directed the mobilization of the banks of the country in a huge credit association, with a capital stock of $500,000,000. This act inspired confidence in our financial institutions and the withdrawal of deposits from the banks of the country was checked, and the normal flow of credit was reestablished.

In January, 1932, in a special message to the Congress of the United States, President Hoover's recommendation embodied a proposal to strengthen the Federal land bank system by extending additional credit of $125,000,000. This proposal has been translated into a law and its operation has prevented wholesale foreclosures on farm lands and has increased the facilities of the farm banks for additional farm loans to farmers throughout the country. In order to inspire and maintain confidence in agriculture, industry, and labor he recommended the creation of the Reconstruction Finance Corporation, with a capital credit of $2,000,000,000. This corporation has been duly created by the Congress of the United States, and this act of the administration gives to the Nation every assurance that credit channels will be opened and will provide financing facilities for our financial institutions, agriculture, commerce, and industry.

The President has also recommended the immediate passage of a law creating a system of home loan discount banks similar in character to the Federal land banks. This law would encourage home ownership, and would relieve the present home owners from financial embarrassment by providing facilities of renewing mortgages and deeds of trust on homes, and would relieve the heavy financial burdens of country banks, savings banks, and building and loan associations, and would undoubtedly stimulate home ownership and home building throughout the entire country.

Other recommendations of the President which are now occupying the attention of Congress are—

1. An enlargement of the discount privileges of the Federal reserve system in cases of emergency;
2. Development of a plan guaranteeing an early distribution of dividends to depositors of closed banks;
3. A revision of our transportation laws so as to restore confidence in the bonds of our railroads, a majority of which bonds are held by savings banks and insurance companies throughout the country; and
4. The revision of our national bank laws in order to safeguard the depositors of our banks and create confidence in the banking institutions of our country.

The significance of the reconstruction program of the President of the United States is based on an effort to unshackle the forces of economic recovery by releasing the credit of the Nation and directing its flow into the channels of commerce and industry, which will check the further degeneration of prices and will fortify us against continued shocks of world instability. This program of President Hoover is the only program of relief from our present economic conditions before the Nation. No other individual nor party has offered a solution or a remedy.

The Democratic press is responsible for the widespread propaganda of praise for legislative efforts of the Democratic Party to remedy our present depressed economic conditions in Congress. This is false propaganda. There is no program for relief except the program of President Hoover. The Democratic Party is without a definite program; but it endeavoring to take credit for the constructive ideas of the President. As I have already stated, the House of Representatives of the United States Congress is under the complete control and domination of the Democratic Party. Every legislative committee of the House is also controlled by the Democrats. Bills introduced in Congress are referred by a Democratic speaker to a Democratic committee. No objections can be found to this general practice of our 2-party system. When the Republican Party is in political control the organization and the procedure is the same.

At the beginning of the present session of Congress President Hoover designated several Republican friends of the administration to introduce bills carrying out his constructive recommendations to Congress. These bills were promptly referred to appropriate committees; but, these committees being Democratic in complexion, no consideration was given these bills until some Democratic member of the committee in which the bill was pending introduced the same bill without a single alteration and amendment. Then the Hoover bill introduced and sponsored by a Democrat was ready for a hearing, consideration, and favorable report. These political maneuvers are without precedent and are responsible for this false propaganda in the Democratic press. This procedure is conclusive proof that, despite vicious condemnation of the Republican Party, the Democratic Party is without chart and compass in this maelstrom of an economic depression.

Verily, the old Democratic mule can not prepare and condition himself for the coming campaign on the scant and stubble pasture of the wide and uncertain range of the Democratic Party; but must necessarily wander beyond his own political fold, in perfect step with his own raucous brays, to the more luxuriant pastures and meadows in the fertile grazing lands of the Republican issues and policies.

Early in the coming month of November the electorate of the United States will have an opportunity to determine the national economic policies of this Government for the next four years. If the Democratic Party is successful, what paramount issues declared by that party will be translated into national policies of our Government? No man knows. Not even the three unterrified "musketeers" of that party, at a Jackson Day banquet held recently in the city of Washington, while bandying and flourishing the time-worn political weapons of calumny, abuse, and defamation, were able to suggest or declare a single fundamental issue. If the broad and constructive program of the Republican Party is destroyed or abandoned, what economic principles will be substituted? Are you willing that the present economic structure of the Nation shall be razed and demolished without definite plans and specifications for the rebuilding of a new structure? My countrymen, this is not the day for the application of vague and indefinite dogma of political expediency. This day of national emergency is not the time for political experiments.

In the light of political history, I have every confidence in the American people that they will not abandon the fundamental principles and doctrines of the Republican Party, which have met the needs of a great people in every emergency. The noble spirit of Abraham Lincoln, on this occasion of the anniversary of his birth, warns the Nation in this day of national emergency, as he warned it in the darkest days of the Civil War, "that we must not swap horses in the middle of the stream." To heed this wise counsel will lead us into the paths of economic recovery, and history will again record the tragic story of an ambitious leader who, in his flight from the militant hosts of Republicanism, caught his head in the sturdy boughs of confidence and faith in the party of Abraham Lincoln and Herbert Hoover; and, like Absalom of old, "was taken up between the heaven and the earth, and the mule that was under him went away."

ROCHESTER (N. Y.) EMERGENCY EMPLOYMENT PLAN

Mr. WHITLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by setting forth the Rochester, N. Y., plan for aiding the unemployed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WHITLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following emergency employment plan:

The Rochester (N. Y.) emergency employment plan recently put into operation is designed (1) to provide additional employment, (2) to stimulate business and trade, and (3) to encourage public confidence in the country's situation by putting idle, or hoarded, dollars back into their wonted channels of circulation. The encouragement of public confidence is a natural by-product, or result, of purposes (1) and (2). The plan does not contemplate foolish or extravagant spending, or buying of things or making of improvements that are not needed or that the purchaser can not afford. In brief, under the plan the citizens of Rochester and Monroe County have signed pledges to spend a specified amount of money within three months from date of the pledge in improving their property by making needed repairs or alterations or purchasing desirable equipment, or by making other needed purchases for self, family, or friends, all of which expenditures might otherwise be deferred.

As a result of a 10-day intensive campaign to put the plan into operation, almost 11,000 individuals and firms of Rochester and Monroe County signed pledges for expenditures aggregating more than $6,000,000. While the pledges do not specify what the expenditures will be for, those actively in charge of the campaign estimate that about 75 or 80 per cent of the expenditures will be for repairs and improvements to homes, commercial, industrial, and other property. Almost immediately following the campaign merchants, materials dealers, and others connected with the building industry reported a considerable improvement in business, sales, and demand for services, and a marked increase in employment was noted. Many projects covered by the pledges are under way and are furnishing employment to many men who otherwise

might be idle and on the relief rolls of the community. Business men of Rochester state that the campaign also has brought about an attitude of increased confidence in the general situation on the part of residents of the city.

One of the most important features of the plan is the pledge and the "performance" or fulfillment-of-pledge report. The one says "I will" and the other says "I have." Blank forms for these are presented here as follows:

(Date) _____ _____.

Believing that a dollar invested in employing labor does more good than a dollar given as charity, and desiring to help to increase employment, I hereby pledge that I will, during the next three months (or before _____ _____, 1932), expend at least $_____ in improving my home, factory, store, buildings, or grounds by purchasing desirable equipment or by making needed additions, repairs, or alterations; and/or by making personal purchases for myself, family, or friends, which otherwise might be deferred.

Signed_____
Address_____

Pledge obtained by_____ _____. Ward_____. _____ District. Block _____.

Please return this report to Mr. _____ _____, Street _____ (Block worker)
_____, Telephone _____, or to Civic Committee on Unemployment, 28 Spring Street, Rochester, N. Y.

(Date) _____ _____.

The expenditure which I pledged in the amount of $_____ has been completed. The total expenditure was $_____, of which $_____ was the cost of improvements to real estate, $_____ was for equipment, furnishings, and personal effects.

Signed_____
Address_____

The plan was originated by Libanus M. Todd, a retired manufacturer and public-spirited citizen of Rochester. He first presented the idea to some of his friends and associates and to leaders in the chamber of commerce and civic committee on unemployment. This group indorsed the plan, and it was decided that before the plan was given any publicity in the press it should be tested out among a representative cross section of the residents of Rochester and Monroe County, to provide an organization committee of sponsors for the plan. Mr. Todd and a few friends conducted an informal canvass and procured 486 sponsors for the emergency employment plan. The sponsors not only indorsed the plan, but each individually signed a pledge to spend a total of $701,644 for real-estate improvements and other purchases. Among the committee of sponsors were the members of the board of county supervisors, members of the city council, of the city and county judiciary, educational institutions and public schools, and individuals connected with the community's business, industrial, professional, labor, and occupational pursuits. Virtually all classes and income groups in the community were represented in the committee of sponsors.

The campaign to put the plan into operation was conducted under the auspices of the Rochester Civic Committee on Unemployment, with Mr. Todd as general chairman. A campaign manager organized a force of canvassers to present the plan to every potential participant in Rochester and Monroe County. Campaign headquarters were established at the chamber of commerce.

The organization and drive were similar to the war-time Liberty bond drives, or a present-day community chest drive. The city and county were divided into seven divisions, comprising certain wards or townships, with two chairmen for each division. These division chairmen themselves selected a ward chairman for each ward or township, and the ward chairmen selected their own block captains, who in turn picked their own block workers or solicitors. The organization personnel comprised 14 division chairmen, 24 ward chairmen, 19 township chairmen, 100 block captains, and 994 block workers, a total of 1,151 active workers for the campaign. There also was a publicity committee.

The campaign began on Friday, December 4, and ended on Monday, December 14. A campaign fund of $11,000 was contributed by public-spirited citizens, firms, and corporations. The campaign started with an organization dinner December 4 and closed with a final-report dinner on December 14. Between those dates five noon-day luncheons were held for the workers, when reports were made public as to the amount of pledges secured each day. Stories were carried in the newspapers each day giving the total number of pledges secured and total amount pledged up to date. The expense of luncheons and dinners for the workers, and expense of printing, mailing, stenographic work, and similar services were paid for from the campaign fund. The campaign manager and canvassers received no pay for their work but contributed their time and services on a strictly volunteer basis. About $5,100 was spent for dinners and luncheons for the workers, approximately $1,200 for stenographers and clerk hire, etc., and the balance for printed matter, blanks, pledges, canvassers' manual, identification buttons for canvassers, and other material connected with the campaign. Each of the three daily newspapers donated five pages of display advertising space for the campaign, or a total of 15 pages. In addition each newspaper assigned reporters to assist in giving publicity to the plan and campaign and to help promote it.

About three weeks were required to organize the campaign and secure the workers needed. Both men and women were numbered among the volunteer workers. Before the canvassers were sent out each was given careful instructions as to the purposes of the campaign, methods of making solicitations, etc., and all were given special printed information which would enable them to answer questions put to them by residents concerning the campaign and its objects. Each canvasser also was furnished with a badge on which was printed "Emergency Employment Plan, Official Worker," for identification purposes, and each canvasser was supplied with pledge blanks and cards containing information to the householder as to how to procure workers from the Public Employment Center of Rochester. A large envelope containing the canvassers' manual and other printed material, all of which was called the "worker's kit," was furnished each canvasser. On the envelope was printed the schedule of dinner and luncheon meetings.

On a 4-page folder there was printed the citizen's pledge, the "performance" or fulfillment of pledge report, a page of information to the citizen as to how he could help relieve the unemployment situation, and a page containing a check list of improvements that might be made to real estate. The pledge and performance report were printed on one page, separated by a perforation and numbered in duplicate. The pledge when signed was torn off and turned in by the canvasser to the campaign headquarters and the citizen retained the performance report and the check list of improvements and information concerning how he could help in relieving unemployment under the plan.

No definite goal as to the amount of pledges to be secured was set at the outset of the campaign. Sponsors of the plan, however, hoped that $3,000,000 in pledges could be secured in the 10-day drive. This figure was almost reached at the end of the sixth day. At the final report dinner-meeting it was found that a total of 10,771 individuals and firms of Rochester city and Monroe County had signed pledges to spend $6,026,351.96 during the ensuing three months for repairs, improvements, or equipment for real-estate properties—homes, stores, plants, factories, etc.—and in buying articles which they needed, but which otherwise they would not have purchased during the next three months. In this total there are included expenditures by a large public utility amounting to about $600,000 for extensions and improvements which it originally had planned to make over a period of three years, but which, as a result of the campaign the company advanced to the present.

Up to December 21, the campaign organization had received reports of fulfillment of pledges from 25 individuals and firms. These 25 pledges promised expenditures aggregating $21,000, but the reports showed that a total of $25,000 had been expended, or $4,000 more than called for in the pledges. The campaign organization intends to check up on the pledges obtained and "performance" reports received at the end of the three months' period from the time the campaign ended, and those who have not sent in reports of fulfillment of pledges will be interviewed by the canvassers who made the original solicitation to ascertain why the performance reports have not been made.

One prominent citizen of Rochester who already had made repairs and improvements to his property and who wished to participate in this campaign decided to install a garbage-disposal plant at his home. Another citizen arranged with the public employment center of Rochester to send him a competent carpenter, whom he would give three days' work each week around his home or store for the next three months. Mr. Todd, originator of the plan, arranged to expend $7,000 in improving the grounds about his home. In order to make these improvements it was necessary to obtain a carload of brick from a brick manufacturer in Virginia, two carloads of shrubs and plants, etc., from Ohio and Pennsylvania, and a carload of fertilizer from Buffalo, N. Y. Thus the Rochester local unemployment plan helped out the railroads to the extent of transporting four carloads of materials, a brick manufacturer, and several workers in Virginia were furnished some business and employment, nurserymen and their employees in Ohio and Pennsylvania were given some business and work, and the brick dealer and nurserymen and their employees in Rochester were given business and work by this project. In addition, Mr. Todd has employed 15 workers full time for six weeks making improvements at his home; the force of workmen was reduced to 9 for an additional week and 4 or 5 workers will be given an extra two weeks' work on this one job. In the spring he will have some more work for several men finishing up the job.

The daily newspapers assigned their own reporters to handle the news stories relating to the campaign and "played up" the developments daily in a way to attract the attention of the Monroe County reading public to the employment plan and the campaign. The publicity committee, comprising expert advertising men of Rochester, prepared the advertisements for the campaign, using such headlines as, "Sign the pledge for prosperity to stimulate business and relieve unemployment"; "Daddy's got a job, mamma! Daddy's got a job!"; "Take a 'guest-eye' inventory to-day; be ready when the agent of prosperity knocks at your door"; "What can I do to stimulate business and relieve unemployment?"; "You personally can do a lot to cure unemployment"; "Jobs, wages, prosperity—you hold the key"; "Have you signed the pledge for prosperity?" Each advertisement was attractively designed and some were aptly illustrated, and each carried a copy of the pledge and a facsimile of the official workers' button. Several of the

advertisements also carried the check list of suggested repairs or improvements that could be made to property.

The names of persons or firms signing pledges were not made public. It will be noted that the pledges do not state what the expenditures will be made for, this being left entirely to the judgment of the signer. Every effort was made to eliminate all forms of commercialism from the canvass and from the campaign so that the residents would not be subjected to annoyance from solicitation by trade groups. Many of the business interests of the community, however, did take legitimate advantage of the opportunity to tie in with the campaign in their advertising and merchandising methods. Many merchants and other business groups gave support to the unemployment campaign by reference to it in their advertising. All interests in the community cooperated in every way possible to promote the plan and the campaign in its behalf.

In the publicity and in the canvassers' solicitations emphasis was given to the fact that the Rochester emergency employment plan was not a fund-raising campaign to provide relief but a movement to provide employment and stimulate business in expenditures for things needed and which the resident could afford to buy. The sponsors of the plan and the organization specifically declined to recommend any contractors or dealers to persons desiring to have certain work done, but the canvassers and members of the committee furnished inquiring residents with cards containing information as to how to procure a worker by telephoning or calling upon the Public Employment Center of Rochester. Also when the canvassers interviewed residents who were in need of relief they were furnished the names and addresses of the relief agencies to whom they should apply for assistance.

The information for residents as to what they can do under the plan to assist in providing additional employment and stimulating business, and which is printed on the 4-page folder containing the pledge and performance report, reads as follows:

"PROGRAM UNDER THE AUSPICES OF CIVIC COMMITTEE ON UNEMPLOYMENT

"The independent effort of an individual may be but a feeble gesture, but when he joins in mass formation with his neighbors the same effort becomes an irresistible and mighty force."

HOW YOU CAN HELP

There are two things you can do—

1. Improve and repair your home, factory, store, buildings, or grounds.

2. Exercise your normal purchasing power and buy the articles you need and want.

As you do one or both of these things jobs are provided and unemployment is relieved. Whether your real-estate improvements and your purchases be large or small, you are making a real contribution toward supplying jobs, and your efforts, joined with the efforts of thousands of others, will have an immense effect.

Many suggestions for property improvement, probably unthought of, the carrying out of which means the direct employment of labor, are listed on the next page.

While the sponsors of this plan do not urge any foolish spending, they do nevertheless believe that if every individual who is in a position to exercise even his normal purchasing power would do so instead of feeling that it is essential to cut expenditures to the minimum, there would be immediate relief from the present stagnation in building, manufacturing, and distribution.

The idle dollar benefits no one. On the other hand, every dollar which is put into circulation at the present time keeps on working for the benefit of the entire community.

For this reason this program should appeal to you to do your personal share in relieving the present situation by spending money for the direct employment of labor, as suggested, and by the indirect employment of labor in the consumption of products already made or produced.

Concretely, this means that the individual who is accustomed to buying one suit of clothes should not try to make the old one do; that the individual who usually purchases two suits should not now provide himself with merely one; and that the purchase of all other appareling should be considered in the same way; that if new furnishings or equipment for the home are contemplated, they should be purchased immediately rather than deferred; that if you want a new radio, buy it now; that if a new automobile is being considered, contact a dealer at once; that so-called luxuries should not be considered as nonessentials; that the Christmas list should be extended rather than curtailed.

The purchase of all of these things suggested and hundreds not enumerated means employment. This means jobs and wages.

The Rochester committee in charge of the emergency employment campaign is having printed a complete detailed description of the Rochester plan, form of organization, and methods employed in promoting the campaign to put the plan into operation. This material will be furnished to other communities upon request. Also, individuals familiar with the Rochester plan and procedure in organizing and carrying out the campaign probably can be procured to go to other cities and assist in putting the plan into operation if such assistance is deemed necessary by the local committee in charge of unemployment relief.

The results achieved in Rochester under the plan here described have attracted marked interest and attention from cities all over the United States, and several communities already have written to the Rochester committee for information on this subject, with the idea of putting the plan into operation in their own communities.

EMERGENCY HIGHWAY CONSTRUCTION

Mr. POU. Mr. Speaker, I call up a privileged resolution, House Resolution 163.

The Clerk read the resolution, as follows:

House Resolution 163

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 9642, a bill to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment.

That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Roads, the bill shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion except one motion to recommit.

The resolution was agreed to.

Mr. WARREN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BLANTON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will report.

The Clerk read the title to the bill.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WARREN. Mr. Chairman, I yield myself 15 minutes. Mr. Chairman, I shall not discuss the great value of a national highway system, nor shall I elaborate on how necessary one is for the happiness and progress of the American people.

I feel, on the other hand, that if I can furnish any information on this measure, the committee had rather hear that.

This is an emergency measure submitted primarily to help unemployment; and, secondly, to help the several States of the Union, who are now unable to match their Federal-aid allotments.

In connection with the unemployment feature, let me remind the committee that by to-night it will be the first measure that will have passed either branch of Congress that seeks to give a job to a single human being in this country. [Applause.]

We had a similar measure last year for $80,000,000. This bill seeks to appropriate $120,000,000 to be apportioned according to existing methods among the several States, and also there is an appropriation of twelve and a half million dollars for roads in national parks, national forests, Indian reservations, and so forth. Now, the committee has been most desirous of preserving the integrity of the Federal road law.

For that reason, and following the precedent set last year, this appropriation is in the form of a temporary loan to the States, which shall be deducted out of future authorizations in 10 annual installments, beginning in the fiscal year of 1938. If the committee will recall, the appropriation that passed last year for $80,000,000 provided for deductions in five annual payments, and $16,000,000 of that sum has already been deducted.

At this point, Mr. Chairman, I ask unanimous consent to insert in my remarks a table showing the amount that each State will receive of the $120,000,000 authorization, and a table showing the current status of Federal-aid construction, together with the unexpended balance to the credit of each State as of January 1, 1932, and the monthly average employment table on Federal and State highway work in 1931.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent to insert the matter indicated at this point. Is there objection?

There was no objection.

The tables referred to are as follows:

Amount each State would receive of an apportionment of $120,000,000, using the percentages of the regular 1933 apportionment

Alabama	$2,550,053
Arizona	1,762,636
Arkansas	2,091,431
California	4,669,711
Colorado	2,255,281
Connecticut	779,324
Delaware	600,000
Florida	1,629,204
Georgia	3,120,191
Idaho	1,508,485
Illinois	5,077,245
Indiana	3,060,266
Iowa	3,173,493
Kansas	3,276,334
Kentucky	2,259,648
Louisiana	$1,740,196
Maine	1,070,600
Maryland	1,015,296
Massachusetts	1,712,774
Michigan	3,783,179
Minnesota	3,373,560
Mississippi	2,160,628
Missouri	3,761,014
Montana	2,525,108
Nebraska	2,557,683
Nevada	1,578,025
New Hampshire	600,000
New Jersey	1,659,121
New Mexico	1,962,340
New York	6,057,965
North Carolina	2,890,203
North Dakota	1,940,325
Ohio	4,501,069
Oklahoma	2,393,101
Oregon	1,996,128
Pennsylvania	5,261,052
Rhode Island	600,000
South Carolina	1,666,492
South Dakota	2,002,076
Tennessee	2,609,757
Texas	7,668,024
Utah	1,387,190
Vermont	600,000
Virginia	2,258,196
Washington	1,905,627
West Virginia	1,316,720
Wisconsin	2,992,438
Wyoming	1,540,811
Hawaii	600,000
	120,000,000

United States Department of Agriculture, Bureau of Public Roads, current status of Federal-aid road construction as of January 31, 1932

State	Completed mileage	Under construction					Approved for construction					Balance of Federal-aid funds available for new projects
		Estimated total cost	Federal-aid allotted	Mileage			Estimated total cost	Federal-aid allotted	Mileage			
				Initial	Stage [1]	Total			Initial	Stage [1]	Total	
Alabama	2,405.4	$1,541,469.27	$748,833.58	62.6		62.6						$5,389,119.31
Arizona	1,113.5	3,100,414.28	2,038,617.71	151.7	84.6	236.3	$214,260.26	$161,316.54	18.7		18.7	1,491,162.58
Arkansas	1,919.7	3,795,361.89	1,772,437.69	86.0	72.7	158.7	362,032.53	181,016.26	17.3		17.3	1,991,752.04
California	2,214.2	10,488,440.29	4,635,262.51	222.0	44.8	266.8	2,245,227.41	1,086,831.59	47.1	14.1	61.2	1,804,409.96
Colorado	1,516.8	5,212,372.26	2,662,850.29	221.9	66.0	287.9	547,326.44	269,751.14	16.3		16.3	2,067,570.68
Connecticut	288.5	3,084,244.77	1,151,757.90	22.9		22.9						713,252.14
Delaware	361.6	154,414.00	77,207.00	4.3		4.3	465,212.50	232,606.25	25.6		25.6	338,081.68
Florida	581.7	5,239,072.77	2,432,195.81	147.0		147.0	49,004.56	24,502.28	.1		.1	3,021,969.03
Georgia	2,999.0	6,988,646.29	3,250,027.65	184.6	153.5	338.1	988,337.56	494,168.76	38.0	17.2	55.2	1,744,179.93
Idaho	1,485.3	1,726,513.35	998,918.80	85.9	80.3	166.2	252,882.85	152,007.29	18.0		18.0	1,423,480.58
Illinois	2,627.1	22,713,061.29	10,563,419.39	665.8	28.7	694.5	3,796,850.76	1,642,351.35	140.2	9.0	149.2	2,905,293.87
Indiana	1,787.9	7,155,748.04	3,559,673.88	189.2		189.2	3,897,200.83	1,789,777.42	141.4	2.9	144.3	1,584,606.30
Iowa	3,379.0	331,333.50	138,397.76		11.9	11.9	1,743,306.44	826,688.01	61.3	18.0	79.3	1,973,117.19
Kansas	3,649.7	3,005,615.48	1,391,823.86	161.2	15.3	176.5	2,923,789.57	1,427,002.36	188.8	5.4	194.2	1,760,691.19
Kentucky	1,871.7	2,348,515.36	1,067,373.05	137.2	4.0	141.2	577,471.72	269,284.62	13.3	41.6	54.9	1,727,826.78
Louisiana	1,541.7	7,216,064.49	2,803,668.93	112.6	10.6	123.2	1,295,507.93	68,270.07	.5		.5	1,666,879.52
Maine	706.0	1,804,346.15	789,080.76	31.4		31.4	37,546.34	14,085.00	.9		.9	1,318,971.43
Maryland	770.1	441,451.15	149,608.89	13.4		13.4	250,874.75	125,437.37	11.8		11.8	785,651.09
Massachusetts	803.2	7,747,403.42	2,949,352.76	70.1		70.1	784,690.49	348,347.37	8.6	.2	8.8	687,103.02
Michigan	1,974.3	10,437,694.69	4,523,057.69	374.3	58.2	432.5	800,781.24	378,823.37	34.0	8.5	42.5	3,168,443.32
Minnesota	4,291.3	2,464,947.82	876,785.45	41.1	58.7	99.8	7,747,946.74	2,474,985.76	157.5	201.9	359.4	150,028.10
Mississippi	1,792.4	4,014,998.22	1,968,703.64	169.4	78.0	247.4	103,524.13	51,762.05	9.5		9.5	5,383,500.51
Missouri	2,951.2	2,333,230.66	975,887.91	62.8	3.4	66.2	1,560,466.24	703,143.85	60.1	3.5	63.6	3,047,358.46
Montana	2,613.9	5,417,980.89	3,034,629.24	442.7	22.8	485.5	403,394.86	224,368.61	61.4	.5	61.9	3,253,079.46
Nebraska	4,152.9	4,920,915.22	2,406,758.29	206.5	76.6	283.1	84,279.58	41,975.64	2.1		2.1	2,647,063.39
Nevada	1,345.8	974,327.23	744,741.76	30.4	89.8	120.2						1,558,863.00
New Hampshire	417.6	676,512.12	265,632.44	13.4	2.5	15.9						547,810.24
New Jersey	582.1	5,708,263.52	1,976,522.53	59.5	.6	60.1						1,604,603.13
New Mexico	2,177.7	2,748,137.56	1,788,348.90	135.7	13.8	149.5	481,698.71	303,425.51	14.2	10.4	24.6	1,260,679.38
New York	3,239.0	12,643,900.00	5,610,500.06	282.2		282.2	3,514,800.00	1,350,000.00	68.7		68.7	4,438,572.98
North Carolina	2,221.6	1,348,388.13	653,221.40	59.9		59.9	245,906.23	122,953.10	17.4	4.0	21.4	3,858,352.40
North Dakota	5,118.2	1,828,691.83	918,958.57	160.4	171.9	332.3	1,327,226.48	679,129.08	149.7	259.5	409.2	2,037,725.62
Ohio	2,829.6	7,002,996.22	2,423,620.10	100.1	29.8	129.9	1,173,200.00	572,902.46	10.7	.4	11.1	4,086,869.51
Oklahoma	2,194.1	5,179,750.02	2,522,789.07	137.4	83.4	220.8	498,297.51	217,779.48	10.8		10.8	2,328,386.59
Oregon	1,545.6	3,287,004.12	1,835,226.98	84.0	35.7	119.7	454,179.00	237,632.02	12.8	11.1	23.9	1,896,364.63
Pennsylvania	3,012.1	4,193,848.20	1,917,622.88	45.8		45.8						5,096,998.06
Rhode Island	257.5	811,653.61	427,281.05	16.6		16.6	81,305.62	40,652.81	2.2		2.2	329,207.16
South Carolina	1,997.0	2,679,138.08	1,148,707.78	63.0	43.6	106.6						1,375,312.87
South Dakota	4,035.8	2,935,366.20	1,625,070.82	174.8	175.3	350.1	497,616.45	300,502.55	54.3		54.3	1,267,439.45
Tennessee	1,662.4	848,984.19	422,357.41	24.2	8.7	32.9	437,058.09	202,974.45	13.6	6.4	20.0	3,883,841.72
Texas	7,590.0	13,052,766.47	5,861,194.84	653.6	163.0	816.6	2,728,062.52	1,234,664.59	197.3	46.8	244.1	6,787,271.18
Utah	1,218.6	650,176.96	452,772.23	59.5	.4	59.9	367,710.43	272,080.68	23.1	3.3	26.4	1,294,723.37
Vermont	339.1	* 104,832.58	52,345.06	4.3		4.3						572,077.12
Virginia	1,851.3	2,748,074.56	1,320,166.66	144.2	16.3	160.5	160,977.42	80,488.71	5.4		5.4	2,090,486.72
Washington	1,195.4	1,927,757.38	947,168.56	56.9		56.9	556,682.40	222,000.00	27.5		27.5	1,779,628.99
West Virginia	884.0	1,735,061.39	761,625.34	44.6	10.5	55.1	187,685.92	86,032.31	.7		.7	1,220,976.79
Wisconsin	2,664.8	3,119,586.51	1,155,563.12	138.5	14.3	152.8	90,647.32	45,000.00		3.5	3.5	2,681,895.81
Wyoming	2,022.1	2,522,816.68	1,492,230.45	173.6	88.9	262.5	384,014.48	246,606.78		47.4	47.4	785,801.14
Hawaii	63.1	974,113.04	445,557.39	30.0		30.0	82,324.99	22,869.00	1.5		1.5	2,018,071.60
Total	100,262.6	203,386,392.15	93,715,561.81	6,559.2	1,818.6	8,377.8	44,401,309.30	19,226,256.49	1,682.4	715.6	2,398.0	106,844,531.07

[1] The term "stage construction" refers to additional work done on projects previously improved with Federal aid. In general, such additional work consists of the construction of a surface of higher type than was provided in the initial improvement.

Employment on Federal and State highway work, 1931

Month	Forest	Park	Federal aid			Total Federal	State		Grand total
			Regular	Emergency	Total		Construction	Maintenance	
January	228	107	25,944	5,000	30,944	31,279	48,621	68,700	148,600
February	548	172	26,867	10,000	36,867	37,587	53,787	80,186	171,560
March	1,278	172	28,068	25,334	53,402	54,852	58,701	91,334	204,887
April	2,663	359	39,683	54,864	94,547	97,569	72,212	93,732	263,504
May	3,808	1,002	39,518	82,387	121,905	126,715	89,764	94,452	310,931
June	4,722	2,168	40,223	107,402	147,625	154,515	101,275	107,092	363,432
July	6,617	2,625	40,299	115,167	155,466	164,708	112,638	108,003	385,349
August	6,219	2,895	39,506	102,798	142,304	151,418	121,172	117,359	389,949
September	6,048	3,189	42,203	64,660	106,863	116,100	123,404	117,113	356,617
October	5,183	2,842	41,423	39,421	80,844	88,869	116,752	124,483	330,104
November	3,550	2,054	35,534	21,328	56,862	62,466	103,198	124,687	290,351
December	1,193	920	25,973	7,905	33,878	35,991	74,543	134,437	244,971
Total man months	42,057	18,496	425,241	636,266	1,061,507	1,122,069	1,076,067	1,262,178	3,460,305
Average	3,505	1,541	35,437	53,022	88,459	93,505	89,672	105,182	288,359

Mr. WARREN. Mr. Chairman, section 3 of this bill is new legislation. It has the hearty approval of the Bureau of Roads. At the proper time an amendment will be offered by the committee to insert after the word "employment," on page 3, line 24, the words "of local labor." In connection with labor, let me say that this table which I have inserted in the RECORD shows that approximately 300,000 men received employment from the $80,000,000 fund per month last year; but twice that many will be employed in transportation and preparation of materials for construction, and it is estimated by the Bureau of Roads that this measure will directly and indirectly give employment to 1,000,000 American citizens.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Yes.

Mr. JOHNSON of Texas. Would it not be a good idea to have a provision in section 3 that the labor employed should be American citizens. It happens in my State, and I am sure in a number of other States, that foreigners are employed and do the principal part of the work, and if we are going to help local labor, would it not be well to have the bill provide that American citizens should be employed?

Mr. WARREN. I shall reserve my opinion on that and think about it during the discussion of the bill. I can tell the gentleman that in the expenditure of the $80,000,000 emergency fund last year not a single convict in America was employed on the work.

Mr. JOHNSON of Texas. It is not a question of convicts, it is a question of foreign citizens. For instance, Mexicans and others are employed. If the gentleman or some member of the committee does not offer that amendment, I propose to offer such an amendment myself.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Yes.

Mr. JONES. I have been interested in the same subject, and I have drafted an amendment that no part of the fund should be used to pay any contractor or subcontractor who employs alien labor on any of these projects. I ask the gentleman to have that in mind. I believe the work on these projects should be limited to citizens of the United States.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Yes.

Mr. WHITTINGTON. I suggest that situations of that kind can be largely covered by the laws of the several States, which are really to be considered in these public contracts.

Mr. WARREN. I understood that is true from Mr. MacDonald, the Chief of the Bureau of Roads.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Yes.

Mr. TILSON. In the gentleman's opening statement he said that this is an emergency measure. I wish the gentleman would address himself more to this feature of the bill, explaining why, when the Committee on Ways and Means is laboring to bring out a tax bill, and while the people generally are protesting against being increasingly taxed, this measure, calling for $132,500,000, as a new project, not provided for in the Budget, not recommended, should now be authorized and appropriated for.

Mr. WARREN. Here is why it is an emergency. The gentleman knows that there are over 8,000,000 people walking the streets of this Nation to-day unemployed. It has been demonstrated by all of the evidence before the committee, and given to us by the Bureau of Roads, that this will give employment directly and indirectly to 1,000,000 people.

There is also an additional reason. The several States of the Union will have in the Treasury to their credit $109,000,000 of Federal-aid funds that three-fourths of them are unable to match. That money will lapse and be turned back into the Treasury within a period of two years. To show that we have made this measure an emergency it has been provided that this money must be under contract and expended prior to June, 1933.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Yes.

Mr. MAY. Then the real effect of this measure is to make available to States the $109,000,000 they are not able to make available themselves?

Mr. WARREN. It means an immediate expenditure, which the Bureau of Roads has informed the committee it can at once get to work on of approximately $250,000,000 throughout this Nation. [Applause.] It has also been conclusively shown to the committee and approved by the Bureau of Roads and the State highway commissions in, I believe, every State in the Union that 90 per cent of the road dollar after eight successive steps goes to labor. To bear that out I ask unanimous consent to insert here a table and also a statement released to-day by the Bureau of Roads in that connection.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to follows:

Distribution of $1,000 paid for concrete highway, showing the approximate total amount which reaches labor in each of eight successive steps

The contractor's distribution of this $1,000:	
Labor	$141.00
Aggregates	324.00
Cement	324.00
Steel	27.00
Equipment	100.00
Plant installation	27.00
Bonding, etc	22.00
Gross profit	35.00
	1,000.00

After distribution of mill and quarry items:	
Salaries and wages	302.70
Freight	406.70
Materials and supplies	17.15
Fuel	35.50
Interest	14.10
Taxes	24.10
Department and repairs	131.15
Depletion	10.50
Profits	46.10
Miscellaneous	10.00
	1,000.00

After distribution of freight charges:	
Salaries and wages	$477.70
Materials and supplies	57.55
Fuel	57.20
Interest	61.70
Taxes	49.70
Depreciation and repairs	184.65
Profit	91.00
Depletion	10.50
Redistribution	10.00
	1,000.00
After distribution of fuel costs:	
Salaries and wages	516.60
Materials and supplies	64.20
Interest and rents	63.75
Taxes	51.40
Repairs and depreciation	188.75
Profit	91.00
Depletion	14.90
Redistribution	10.00
	1,000.00
After distribution of repairs and depreciation:	
Salaries and wages	572.60
Materials and supplies	170.80
Interest, rents, etc	65.65
Taxes	56.10
Depletion	14.90
Profit	109.85
Redistribution	10.00
	1,000.00
After distribution of cost of materials and supplies:	
Salaries and wages	730.25
Interest and rents	73.85
Taxes	39.50
Depletion	17.85
Profit	128.55
Redistribution	10.00
	1,000.00
After distribution of taxes and $10 for "redistribution" has been redistributed:	
Salaries and wages	770.85
Interest and rents	81.25
Profit	129.85
Reserve for depletion	18.05
	1,000.00
After distribution of profits, interest, rents, and depletion:	
Salaries and wages	910.00
Expended by owners	90.00
	1,000.00

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 27, 1932.

LABOR GETS GREAT SHARE OF HIGHWAY EXPENDITURE

At least 85 per cent and possibly more than 90 per cent of the money expended for a concrete pavement is ultimately paid out as wages and salaries, according to the Bureau of Public Roads of the United States Department of Agriculture.

This conclusion is reached as a result of studies of typical concrete construction jobs, and it is believed to be approximately true for other high-type pavements. Expenditures were traced back through various channels until the money went into personal use.

About 15 per cent of the cost of concrete pavements is paid to men employed directly on the construction jobs. About 12 per cent is paid to men employed in quarries, sand pits, mills, and factories where the materials are produced, and about 14 per cent is paid to men employed by the transportation companies (principally the railroads) for hauling these materials to the jobs. Part of the cost is paid to the men who build the machinery and equipment used in constructing highways. Even more is paid to the men who build the machinery and equipment used in the sand pits, the quarries, the cement mills, and the steel mills where road materials are produced and to those who build the equipment of companies that deliver these materials. Some is paid to the miners, the men who work in the refineries, and those who work on the pipe lines and in the oil fields—the industries which provide the fuel that produces the power used in producing materials, in transporting them, and in working them into finished pavements.

A part of the cost of high-type roads goes to those industries which furnish the supplies used all along the line. Some goes to the men who make blasting powder, some to those who make hand tools; and even the very minor items, such as cotton waste and the sheet of emery paper with which the mechanic smooths a joint on a machine he is repairing, absorb a bit of the cost at which pavements are built.

About 75 per cent of the cost of a high-type pavement filters back through the transportation companies and through industry to men who work for salaries and wages at points distant from where these highways are built. Most of these men are city workers employed by the transportation companies or in the mills and factories—men who may never see more than a few of the highways their efforts help to build but who, taken altogether, receive several times as much in salaries and wages as is paid to the men who are directly employed in building them.

The bureau's studies further show that out of every $100 paid to the contractors who build concrete pavements—and much the same thing is true of high-type highway construction generally—more than $40 passes through the hands of the transportation companies (principally railroads) and assists these companies in maintaining a profitable volume of business. Approximately $13 is paid to the producers of aggregate (sand, gravel, broken stone, and slag); about $24 goes to the cement mills. At least $16 ultimately goes to the manufacturers of machinery and equipment, including trucks, railroad cars, locomotives, etc. Some is paid to the manufacturers of explosives; some to the producers of coal; some to the gasoline refineries; and much to manufacturers who contribute in lesser degree by supplying materials used by those who produce the materials used in highway construction and those who transport them or who build the equipment used at some point in the long series of processes out of which highways result.

From these facts it is apparent that the construction of highways, particularly those of the higher types, not only provides work for those employed on the job, but it provides a great deal more work for men employed in industry and in transportation; and that, in addition to this, it supplies a large volume of business to those industries through which the materials that must be used are collected, worked, and reworked before they become a part of a finished pavement.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Yes.

Mr. EATON of Colorado. Does that statement contain the ratio to each State in the Union?

Mr. WARREN. It does.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Yes.

Mr. KETCHAM. I have listened to what the gentleman has had to say with very much interest concerning the method of distribution. As I understood him, he offers this proposition primarily as an emergency matter to meet the unemployment situation.

Mr. WARREN. Yes.

Mr. KETCHAM. If that be true, has the gentleman given any consideration to the method of distribution that would consider population as the basis, rather than consider roads as the basis, upon the theory that there is the greatest amount of need not where there is the greatest amount of roads but where there is the greatest amount of people?

Mr. WARREN. I think it is the purpose and desire of the House to maintain the integrity of the Federal-aid loan system as now existing.

Mr. COLTON. Will the gentleman yield?

Mr. WARREN. Certainly.

Mr. COLTON. That is one of the primary elements taken into consideration in the distribution of all road appropriations.

Mr. KETCHAM. I am familiar with that; but I intend to offer an amendment and some discussion a little later on, so I wanted the gentleman's reaction to the matter at this time. My amendment will be to propose distribution according to population, disregarding the road mileage and area limits that are now in the present form of distribution.

Mr. DYER. Will the gentleman yield?

Mr. WARREN. I yield.

Mr. DYER. Will the gentleman tell the committee in what way this will help unemployment in the large centers of population, particularly the cities?

Mr. WARREN. I will say to the gentleman that indirectly it helps them a great deal. I do not have time to enter into the statement that I just put into the RECORD, issued by the Bureau of Roads this morning, and appearing in practically all the newspapers this morning, but the gentleman will see that indirectly it covers all of the country.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. WARREN. Certainly.

Mr. EATON of Colorado. In answering that question, if the gentleman will go down to the place where they line up for jobs in the city of Washington, he will see that is where they go to get men to build roads.

Mr. WARREN. Absolutely.

Now, section 4 is new legislation as an amendment to the Federal highway act, and that should be particularly appealing to States like Massachusetts, Connecticut, Rhode Island, Ohio, Maryland, North Carolina, Florida, and perhaps a few others. Section 4 permits those States which have completed 90 per cent of their 7 per cent system to add 1 per cent additional mileage. I understand that in the case of Ohio there might have been some doubt if Ohio could have used all of the appropriation authorized by this bill, but under section 4, if they have completed 90 per cent of their system, they are allowed 1 per cent additional mileage.

The CHAIRMAN. The gentleman from North Carolina has consumed 15 minutes.

Mr. ALMON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9642 and had come to no resolution thereon.

Mr. POU. Mr. Speaker, I intend to make a unanimous-consent request, but before doing so I would like to make an explanation.

I should have conferred with the gentleman from Indiana [Mr. PURNELL], the ranking minority member of the Committee on Rules, as to the discussion of the rule. I had assumed that there was no opposition to the rule.

When the Speaker put the question to the House as to whether or not the rule should be adopted without debate, perhaps I should have intervened and inquired of the gentleman from Indiana [Mr. PURNELL] whether he desired debate on that side. I did not do so, and I accept whatever criticism I should shoulder for my failure in that respect.

I have been informed by my friend the gentleman from Indiana that there were requests for time on his side.

I therefore ask unanimous consent that the time for general debate on the resolution be increased to two and one-half hours, in order that the one-half hour additional may take care of such requests as the gentleman from Indiana may have for time, and that the gentleman from Indiana [Mr. PURNELL] may control the additional 30 minutes.

The SPEAKER. Will the House indulge the Chair to make a statement? The Chair will state that he should assume the major portion of responsibility of the gentleman from North Carolina [Mr. POU]. The Chair sometimes puts questions rather quickly, for the purpose of transaction of business, when he thinks there is no opposition. I think the Chair is more to blame than the gentleman from North Carolina, because the Chair put the question rather quickly and it was agreed to before any Member had an opportunity to object.

Is there objection to the request of the gentleman from North Carolina?

Mr. PURNELL. Reserving the right to object, Mr. Speaker, and, of course, I shall not object, I merely make the reservation in order to say that the statement made by the gentleman from North Carolina [Mr. POU] is entirely unnecessary. The gentleman is so thoroughly incapable of doing anybody an injustice at any time in any way that it is needless to say his apology is unnecessary. [Applause.]

I wish to say in justification of my own position that I was not entirely asleep. Gentlemen were conferring with me who had requested time, and before I realized it the Speaker's gavel fell.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WARREN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8642).

Mr. COLTON. Mr. Speaker, pending that motion, I would like to propound a parliamentary inquiry. The rule provides that the time shall be controlled one-half by the chairman of the Committee on Roads and one-half by the ranking minority member. I do not see in the Chamber to-day the ranking minority member; in fact, the two other ranking members of the committee. I would like to inquire who will control the time on this side?

The SPEAKER. It is the Chair's interpretation that the next gentleman on the committee who is present would control the time.

The question is on agreeing to the motion of the gentleman from North Carolina.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8642, with Mr. BLANTON in the chair.

Mr. COLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD of Indiana. Mr. Chairman, ladies and gentlemen of the committee, a few days ago the Speaker of the House appointed a select committee and charged it with the duty of seeing if it were possible to reduce public expenditures. That committee is now working under that appointment.

The chairman of the Appropriations Committee has repeatedly informed the House as to the efforts being made by the various subcommittees under his jurisdiction to bring about a reduction in public expenditures. He has told you time and time again, acting under the suggestion and advice of the President of the United States, that we are not following the recommendations made by the Budget but are cutting the estimates to the core, yet to my utter amazement a legislative committee of this House has reported a bill which carries an appropriation of $132,500,000, to be made immediately available.

How inconsistent that is. What a travesty it is for the Appropriations Committee and this select committee to be trying to save a few thousand dollars here and a few thousand dollars there and then with one swoop take from the Treasury $132,500,000.

I wish to say in passing that if the Agricultural Department is recommending this thing, as the gentleman who preceded me says they have done, it should be condemned by every taxpayer in the land.

Mr. WARREN. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. WARREN. The gentleman did not understand me. I did not say that the Department of Agriculture recommended the passage of this bill, but I said they approved the form of it.

Mr. WOOD of Indiana. Of course, that makes quite a difference. However, there have already been too many attempts made by the heads of bureaus and even by Cabinet members to undermine what the President of the United States is trying to do in saving money to the Treasury of the United States. [Applause.]

Now, gentlemen, look at the predicament we are in. You are asking here for an appropriation of $132,500,000. How is that amount to be secured except by adding to the burdens of the taxpayers of this country? What good is it going to do? It will be just simply like placing a thin coat of salve over the country, so far as giving employment is concerned, but you are increasing our deficit in the amount of $132,500,000 and making it necessary to raise that much more by additional taxation.

We are told that in order to restore confidence in this country we must balance the Budget. Are we going to balance the Budget by adding to the deficit? Are we going to balance the Budget by adding more and more to the burdens of the taxpayers?

The Ways and Means Committee has been laboring long and earnestly in an effort to devise ways and means of raising additional revenue for the purpose of helping to balance this Budget.

Mr. RANKIN. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. RANKIN. Did not the gentleman from North Carolina state that there is already $109,000,000 of this money appropriated?

Mr. WOOD of Indiana. I do not know what he stated, but we have the testimony of the head of the Bureau of Roads that he can not spend more than $90,000,000 in carrying out the proposals under the existing program. Of course, they can make a new program in order to carry out the program provided for in this bill. But why should we do that when we are looking for every possible means of raising revenue to balance the Budget, and why should we do anything which will add to the present deficit?

I say to you gentlemen that we are not only piling up a debt against the United States, but by this action we will pile up a debt against every State. In every State of the Union to-day citizens are complaining and crying out against the burdens of taxation. They are holding indignation meetings in Indiana. They are holding them in Illinois. They are holding them in almost every State in the Union, and protesting against additional taxation and demanding that taxes be reduced.

Now, then, this $132,500,000, if appropriated by the Congress, must be met by $132,500,000 on the part of the States which receive it. I note there is a provision in the bill to the effect that they will have 10 years of time in which to repay it. However, that is a curse to them. You pass this bill and many States which can ill afford to burden their taxpayers with this additional amount of taxation will say, "Well, we have 10 years' time in which to repay it, so we will take advantage of it." Credit of this character is one of the worst things that can ever befall a man, and it is the worst thing that can befall a State or nation.

Gentlemen, if we are in earnest; if we mean what we have been saying, that we are going to balance the Budget in order to secure the confidence of the people and make the economic situation of this country normal, so that the credit of the country will not be impaired, this bill ought to be defeated.

I hope if it passes, thus proving that this Congress is unmindful of its duty to the Treasury of the United States and to the taxpayers of the United States, the President will not have it on his desk five minutes before he vetoes it. [Applause.]

[Here the gavel fell.]

Mr. COLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. NELSON].

Mr. NELSON of Wisconsin. Mr. Chairman, as a member of the committee reporting this bill to the House, I wish to say that I am heartily in favor of its passage. Indeed, the action of the committee was unanimous. There was not a voice in opposition. The first draft of the bill contained some substantial changes in the existing law. These proposed changes had considerable merit, but it was thought that they might provoke opposition either in the House or in the Senate. And so, after discussion, our chairman was instructed to introduce a bill leaving out all controversial matters except a few minor provisions intended to extend the scope of the bill, so as to achieve more efficiently its beneficent purpose.

I appeared with our chairman and others before the Rules Committee; the urgent situation and the immediate benefits to be derived were presented; and, as a result, by unanimous vote, a rule brings this matter before the House at this time.

The Almon bill carries an appropriation of $120,000,000 to the States for emergency construction on the Federal highway system, with the main view of increasing employment. It will give the most widespread employment and achieve the widest possible distribution of the Federal funds, while the taxpayer will get what he needs. It has been estimated that if this appropriation passes, 1,000,000 men will almost immediately be put to work; and that 90 per cent of the money expended will go for labor. Under the bill local labor on the projects is given preference. In addition to the man who works directly on the road there are those who would obtain work in providing materials and producing all sorts of goods for those who directly or indirectly obtain employment thereunder; there are those who haul the sand and gravel, burn the cement, work in the manufacturing plants, are employed by the transportation companies that carry the construction materials; and there are the engineers, contractors, and manufacturers who are benefited. A leaflet issued by the National Unemployment League last April states that the direct employment of 1,000,000 men on public roads would employ indirectly at least 3,000,000 more workers in making, preparing, and transporting material.

Under this bill, States which are to-day unable to match the 50-50 per cent requirement of our present Federal aid highway act may use these emergency funds, provided they are expended by June 30, 1933, and may reimburse the Federal Government over a period of 10 years, commencing with the fiscal year 1938.

We are now in the third year of this depression. Community and local aid are nearing exhaustion. Some of the large cities are practically bankrupt. States are even in a precarious financial condition. The ranks of the unemployed are steadily increasing, and will continue to increase during the months of seasonal unemployment. With these conditions before us it is apparent that some form of Federal aid is imperative. It is now but a question of what form this relief shall take which, besides bringing immediate help, will least encourage reliance on Federal aid and will, on the other hand, stimulate local and individual contributions in conjunction with the Federal aid. It has been established that road construction is of such nature that work can be put under way in a comparatively short time and in immense volume. Speed and volume are obviously at this time necessary and vital considerations.

The American Road Builders' Association has pointed out:

1. Highways are not overproduced; the necessity for them is unquestioned; the need is nation-wide.
2. Highway departments are trained and plans are ready.
3. Highways built now are lasting and prices at the present time low.
4. Highway construction will absorb persons previously employed in varied activities without previous training in highway construction, in which they can be assigned tasks that will not impose drudgery upon them.
5. Every dollar spent for highway improvement lessens the amount communities must raise for direct relief.

No one can question the necessity of Congress doing everything in its power in this emergency. We can not ignore, forget, or deny the real conditions that exist in the country. I hold in my hand the RECORD of February 2, in which is found the speech of the senior Senator from Wisconsin [Mr. LA FOLLETTE]. His argument was addressed to the proposition, "We are confronted by the most serious economic crisis of our history." He summed up admirably and succinctly the statistical evidence. I quote:

Industrial production in the United States has declined from the peak of 1929 approximately 45 per cent.

Freight-car loadings have declined 38.40 per cent.

Prices, according to the Bureau of Labor Statistics, have declined 30 per cent.

Stock prices, according to the Standard Statistical Index, are at 58.

Manufacturing employment is at 69.4, a decline of practically one-third since the beginning of the depression.

The building industry is down approximately 50 per cent.

Residential building in the United States has declined approximately 80 per cent.

The net income of 550 of the largest industrial corporations in the United States in 1929 was $3,500,000,000; their net income for 1931 was approximately $1,100,000,000.

Defaults on all bonds, both foreign and domestic, ordinarily in normal times average about $150,000,000 to $200,000,000 per year. In 1930 there was a default of $360,000,000 of bonds and in 1931 approximately $2,000,000,000 of bonds were in default. The paper loss on these listed bonds since 1928 amounts, roughly, to $3,000,000,000.

In 1928 we had 491 bank failures; in 1929 we had 642 bank failures; in 1930 we had 1,345 bank failures; up to November 30, 1931, there were 1,932 bank failures.

The Senator concludes his masterly address by asserting:

As a consequence there has been terrific increase in the extent of the total unemployment in the United States.

The Senator supported his statement by inserting in the RECORD of February 2 replies to his questionnaire, Exhibit B,

pages 3204–3367. The evidence of detailed and universal want and suffering is simply overwhelming, conclusive to any unprejudiced mind.

Mr. Chairman, this is but one of many bills enacted by the Congress to meet the present deplorable condition that is existing among our people. And it is not the intent of the proponents of this measure in any way to sidetrack any other proper and remedial legislation.

The most important problem before the statesmanship and the citizenship of our country to-day is the right solution of the present economic depression. We seem to find ourselves in a long, dark, financial tunnel. The keys with which again to open the doors to prosperity seem to be hopelessly lost. Let us not helplessly ask, What can we do? Some economic, political, moral, or spiritual adjustment must be made. The question with us is, Are we doing all we can? Are we doing the right thing in a wise way? To get our true bearing, let us examine the situation outwardly and inwardly, to see, if we can, what we have done to bring upon us this calamity.

Out of the mass of material that has come to me through the radio and the mail, from the speeches heard in Congress, and from sermons preached from the pulpits, and innumerable publications on the present situation, I have in my own mind a composite picture of this economic or moral evil.

Pope Pius XI terms it "a new plague." He describes the affliction that has come upon us as "the financial crisis, which has descended upon every people and with steady and frightening progress is bringing unemployment to every land." As we analyze our situation, we learn from the Pope's encyclical letter and from other international authorities that these distressing times are not with us alone, but that they are world-wide in their scope. All countries, it is true, have their own peculiar problems, but all are inextricably interdependent upon one another in the common struggle to win through this present financial crisis. That we, the richest country in the world, have not escaped we know only too well.

We note first that this depression has the usual elements of an ordinary panic—lowered prices, lowered wages, unemployment, and misery—that usually attend them all.

But the present affliction is out of the ordinary. It is marked with some very strange characteristics. We find that there is want in the midst of plenty; overproduction on the one side and underconsumption on the other. We see a world bursting with goods, with limitless capacity to produce more goods, yet want, even approaching the pinch of starvation, has appeared "like a ghost at a feast."

Comment is made on every hand of the fact that many once rich are becoming poor and the poor are becoming poorer; and this is true notwithstanding that we live in what some one has called a "thing age." We are buried under the multitude of our possessions. This machine age has hurled men out of employment; and there is a tendency to return to the primitive state of barter in the exchange of goods.

Some unjust and oppressive conditions have come about. The farmers contracted billions of debts when prices were high and they are now called upon to repay them when prices are low, thus more than doubling the debt with interest. This makes payment almost impossible. Business likewise is in a contracted condition—the worst this country has ever seen. In the days of prosperity American industries built or renewed themselves on price levels about 30 per cent higher than those that now exist. This means that all fixed expenses—bond interest, rents, depreciation—have been increased by approximately one-third. And the imposition of a problem like this upon industry means either small profits, no profits, or worse than no profits—insolvency. For this reason other nations, like England; indeed, all of the nations but two—France and the United States—have been driven off the gold standard, so that trade itself creates the value of the money. Business men and farmers alike are insisting that this situation must be met by a process of inflation. They see no other way to meet it. The demand is that we decrease the value of the dollar as England lowered that of the pound sterling. We have made a partial move in that direction in the Glass-Steagall legislation.

It is found now that the worst spots are the big financial centers; the shrinkage of values of the stocks of big business has been unparalleled in history. Millionaires have suddenly found themselves almost paupers. And while the little fellow has suffered greatly, it has come to be the day of the small business man, for he is fairly secure.

When comparisons are made with other distressing times, it is a general observation that this is more enduring than them all; it has been on us several years, and the end is not yet. Indeed, things seem to be growing worse. Skilled observers assert that the present situation is "not at all comparable" to former depressions; "is the most difficult to control" and "the most incorrectable."

Students of history see in it a striking resemblance to periods like the fall of the Roman Empire, the Rennaissance, the Reformation, and the beginning of the political and social revolutions in England and in France in the seventeenth and eighteenth centuries. There are even those who suggest that we are "participants in the decline and possible shipwreck of a civilization." Predictions are made by students of prophecy that these times are warning signals of "the end of time."

Certainly it is abundantly evident that the wisest of statesmen in the country are perplexed. They do not know exactly what is coming, and the citizenship, great and small, is possessed with a powerful feeling of discontent and vague fear. It is a sort of mass failure of confidence. We seem to be passing over to some other condition of economic life.

This critical era is also marked by strange contrasts; while everybody sees and admits that no nation lives for itself alone, and statesmen appeal to one another for cooperation, there is everywhere noticed a stiffening of national sentiment, a veritable mania of economic nationalism. Nations are raising tariff walls against each other and increasing armaments. Nations are competing with one another for national self-sufficiency and isolation, while the whole world groans for international friendliness and cooperation for the world good.

Finally, Congress is confused by a multitude of counsel; and as the elections are coming on, the spirit of politics is throwing over all efforts a "preelection paralysis." There is little or no effort by statesmen to ascertain or eliminate the underlying causes. Both political parties are but temporarily treating the symptoms.

Now, Mr. Chairman, this depression is an economic, composite effect of gigantic proportions. It did not come by chance. Nothing really happens by chance. We are under the government of law; where there is an effect there also must be a commensurate composite cause or causes. As I have sifted the material that has come to me, I would select these as the primary causes of our present calamity: First in importance, the World War; next, dishonest stock manipulation and practices; third, inordinate extravagance on the part of the American people.

Taking these up in the reverse order, I need but call attention to the fact that we have been indulging in an orgy of extravagance under high-pressure salesmanship and on the installment plan. We have enjoyed everything from chewing gum to the radio without stint. I will not take the time to give you a statistical report in billions of dollars of our investment as a people in luxuries and sports. Suffice it to point out that when we indulge our appetites for these luxuries and sports, we do not practice the necessary thrift that will enable us to meet hard times and depressions without want or suffering.

We have also indulged in an orgy of stock manipulation on a most dishonest basis. I have not time now to point out the manipulation of stocks in a wide scope but wish especially to call attention to the debauch in stock gambling which we have just passed through. Figures show that investors lost through short selling seventeen billions on 25 of the leading industries, and more than $57,000,000,000

in all the stock of our industrials. Altogether too much. No wonder there is a lack of confidence in bonds and stocks of big business. No wonder they almost go begging upon the market to-day. And no wonder that there is business depression on the part of Americans who so unwisely sought to enrich themselves by taking a flyer on Wall Street.

But the primary cause, according to the President of the United States, and authorities too numerous to mention, we are suffering from the effects of our "war spree." The first result of our adventure in the World War was tremendous inflation. Immediately at the end of the war came the first deflation. This especially fell with unbearable weight upon the farms of the country.

On account of the loaning by the Government itself of more than ten billions to the warring nations of Europe after the war, most of which we may never get back even though we have compromised with these countries on the fairest possible terms, and loaning more than ten billions to countries of Europe through the agencies of private bankers who floated loans among our people and which have depreciated in value enormously, we succeeded in building up a very profitable trade with these nations of Europe. This stimulus, together with this orgy of stock gambling, made it appear that we were enjoying prosperity unparalleled. But when the bubble burst there came the second deflation of prices, in the midst of which we are now.

It is not my purpose at this time to discuss the remedies resorted to by Congress under the leadership of President Hoover. I simply wish to express my opinion that we are dealing only with symptoms. We have to do something under these conditions. But dealing with symptoms will not restore prosperity. We must remove the causes and we must prevent their recurrence. Otherwise this will be a mere warning of worse things to come. As I have already stated, much of what we have done to date is merely dealing with symptoms. This, I admit, was necessary as a temporary palliative, but the cure requires a removal of the roots of the trouble. I did not vote for the $2,000,000,000 Reconstruction Finance Corporation. I did not vote for it because I could see in it little more than a form of relief for the bankers who are responsible for the financial muddle our country now is in. I agreed with those who refused to create a $2,000,000,000 fund to "liquidate bankers' mistakes." Those who are the direct beneficiaries of this fund are the same agencies who brought on the financial debacle.

I admit, too, that what we are doing in this emergency highway construction bill is not a panacea for unemployment, which is too far-reaching for that, still in so far as this relief goes it is sound. I urge its passage. [Applause.]

Mr. ALMON. Mr. Chairman, I yield myself such time as I may desire to use.

Mr. Chairman, I have been a member of the Committee on Roads for the past 17 years. I was a member of the committee and aided in the preparation of the national aid road law of 1916, when Judge Shackleford, of Missouri, was chairman of our committee.

During all these years no politics has ever been heard or considered in the committee. It is strictly a nonpartisan committee.

This bill was considered carefully, and extensive hearings were held, and when it came to the time to vote, every member of the committee, both Democrats and Republicans, voted for it, and nearly all the members were there. I know there were four or five members of the minority party present, led by the gentleman from Utah [Mr. COLTON].

The Committee on Roads has reported out my bill, H. R. 9642, which has for a special purpose the authorization of supplemental appropriations for emergency highway construction with the view of increasing employment.

It is not necessary for me to take any time to demonstrate to the House the seriousness of the employment situation. There are various estimates given as to the total number of unemployed people now in the country. The American Federation of Labor estimates that there are at present 8,300,000 people out of employment. This figure may be larger than some other estimates, but it is evident to all that the unemployed number is sufficiently high to merit our immediate consideration in the hope that we may do something in a legislative way to help the situation.

The last Congress, with the unanimous approval of everyone who has any authority in the legislative matters, provided $80,000,000 of funds to be added to the authorization already made, to be advanced to the States for the building of roads, and also provided that this fund must all be expended by September 1, 1931. This limited the real time of this extra amount to less than nine months.

The Committee on Roads, in the hearings presented to it by those who have authority in handling this work, obtained the information that the emergency program alone aided in the construction of 13,161 more miles of roads than would have otherwise been completed, and these jobs or projects were scattered throughout the country, for they were carried on in 1,227 counties out of the 3,075 counties of the United States. The emergency advance of $80,000,000 permitted the States to use this fund in conjunction with their Federal-aid allotments as well as State funds, thus making a road program of $256,250,000.

In this connection it should also be noted that the Federal Government does not make expenditures for maintenance of Federal-aid highways. The funds are limited to construction only, and therefore we should understand that in this amount of construction the State highway departments also did an additional amount of work, including maintenance, the payment of principal on bonds and interest, together with the entire maintenance of their highway department, that made the total expenditure for the calendar year of 1931 of $1,100,000,000. [Applause.]

In connection with the matter of unemployment throughout the country the Committee on Roads had information presented to it by the Bureau of Public Roads giving very definite figures as to the amount of employment during the year 1931 taken from the actual count of men on the job. With the permission of the House I will include a table showing employment on Federal and State highway work by the month. This statement shows that the direct employment on the roads by both Federal and State authorities at the peak month of the year was 389,949. The average for the whole 12 months of the year was 288,359. It is unanimously agreed by all persons making investigation along this line that for every man working on the job there are two other men employed furnishing the materials and transporting the materials to the jobs and other incidental work. Therefore, the indirect employment would show for the peak month a total of 780,000 and the average for the entire year about 600,000. The average grand total employment was approximately 900,000 men, and at the peak month, which was August, the employed were 1,170,000 men. [Applause.]

There has been so much interest shown as to the number of people employed by the States in road building that the State Highway Officials Association has prepared a table to show the number of people employed on July 1 in the several States and showing the ratio of the employment to the total population of each State concerned.

In comparing this tabulation no consideration whatsoever is given to the number of prisoners used by the States in road construction or maintenance.

This table shows a report from 46 of the 48 States and gives the number of people employed directly by the State highway departments as 130,429, those employed by contractors as 188,507, making a grand total of 318,936.

Comparing the number of people employed to the population of the 46 States reporting, it shows that there was one person employed for every 369 persons in those States. Taking it by States, the largest number of people employed is 1 person for each 70 population in the State of Maine.

It ought not to be necessary to state that these people are employed exclusively on the State highway system or in the State highway department, and this has nothing to do with persons employed in road work by counties, townships, or cities, neither does it have anything to do with persons who are employed exclusively in preparing materials to be used in road-construction work.

Likewise this has no reference to people employed by the Federal Government in road work, whether departmental, in forests, Indian reservations, public domain, or national parks.

I am asking permission to include this table showing persons employed on State Highway systems July 1, 1931, and ratio of employment to total population.

The thousands of unemployed people who make up the class physically able to work on the roads or prepare materials for the roads, and yet have nothing to do, is very strikingly reflected in the great reduction in road costs. A very careful estimate by the engineers handling the State work shows that during the past year roads have been built at a saving of 26 per cent over the prosperous times of 1929. This is additional evidence why the Federal Government should at this time increase its payments toward roads construction, since a much larger mileage of roads can be improved and thereby make more effective and economical our rural transportation, so essential for the agricultural districts.

It is obvious to everyone that road improvements have greatly facilitated the use of personal transportation upon the highways. We are informed that in 1931 more than 26,000,000 motor vehicles were used in this country. Of these, 22,450,000 are passenger cars and 3,490,000 are trucks. The farmers of the country own 26 per cent of the trucks and 18 per cent of the cars. Fifty-seven per cent of all of the cars are on farms and in towns under 10,000 population. These figures show what a tremendous demand it is upon us to give the people the most economic use of the highways possible, as the money involved in the maintenance of these motor vehicles requires that roads should be constructed in a way to conserve this investment. Therefore, while the road costs are lower, it is without a question good business to build the largest mileage of roads that can be produced, and in that manner extend the service to these millions of automobile users.

In the bill before you the committee has authorized an appropriation of $120,000,000 to carry on the same character of work and under the same plans as in the case of the $80,000,000 authorized by the last Congress. In view of the fact that the employment situation at the present time is fully as serious, if not more than it was a year ago, and also in view of the fact that in the advance of the $80,000,000 provision was made for collection of this from future authorizations beginning with the coming fiscal year, thus reducing the actual Federal aid for the period, deductions this year from authorization are $16,000,000. Likewise, unusual efforts were made to absorb all of the funds from whatsoever source in order to greatly enlarge employment. Such being the case, the State highway department, as well as the Federal Government, faced the situation at the beginning of this January of having a greater reduced amount of funds available for this year's program. Authorization of $120,000,000 would be necessary to make possible approximately the same Federal expenditure for the calendar year 1932 as obtained during the calendar year 1931.

In this connection I am also asking permission to incorporate in my remarks a table furnished me by the Bureau of Public Roads covering the unobligated balance of Federal-aid funds available for new projects as of January 31, 1932, less than 30 days from this time. It should be noted in this connection that exclusive of the Federal-aid funds normally due for the fiscal year beginning July 1 next, that there is only about $15,000,000 not under contract in the entire United States. Of the $109,000,000 for the fiscal year 1933 over $10,000,000 has already been obligated. There are a very few States which have not caught up with obligating their Federal funds, but that is due to a serious financial situation in those States, and this authorization will serve a double purpose in their case, as without this advance they would not have the funds to match the Federal funds as required by law.

This bill also provides that the repayment shall be made to the Federal Government of this $120,000,000 by deductions from the future Federal authorizations to the States covering a period of 10 years, beginning with the year 1938. This is the date when the deductions for the $80,000,000 authorization last year will have been completed. For the information of the House I am asking permission to include in my remarks a table showing the approximate amount of funds each State will receive of the $120,000,000 advanced provided in this bill. The purpose of this bill is to relieve unemployment and allow the States to match Federal-aid funds already available with the funds provided in this measure. To illustrate this, Alabama's part of this fund, amounting to $2,550,053, can be used to match an equal amount of the unexpended balance of Federal-aid funds available to Alabama, amounting to $5,389,119. I wish also to have you note that the States are given until June 30, 1933, to absorb this advance for the reason that we have been much later in providing this legislation than in the last Congress, and we believe greater employment can be secured by not requiring the expenditure so rapidly as was required last year.

In addition to the legislation authorizing the regular Federal-aid amounts, the committee has added smaller amounts covering other activities of the Federal Government in road building. This same feature was carried out in the legislation of the last Congress in connection with the $80,000,000 advance. The additional items provided are as follows:

For national forests highways, $5,000,000; for roads, trails, bridges, fire lanes, and so forth, in the national forests, $3,000,000; for roads in national parks and national monuments, $1,500,000; for roads on Indian reservations, which employment is exclusively Indian labor, $1,000,000; and for main roads through unappropriated or unreserved public lands not in forest reservations, $2,000,000.

In section 3 of this bill the committee has made a special provision to enable the Secretary of Agriculture to make rules and regulations for carrying out the provisions of this act, with the view of providing the maximum employment of local labor consistent with reasonable economy of construction. The general legislation governing the Federal Government's activities in road building provides that the Secretary of Agriculture shall make rules and regulations to carry on the work, but the committee felt that in this case, since these funds are to be advanced for the sole purpose of aiding in employment, that he should have the authority to provide in the regulations such requirements that would enable a greater number of people to be employed than might be under other circumstances.

The last paragraph of the bill makes a slight change in the existing law. The present law provides that before the State can add to its 7 per cent system, which, as you know, is the Federal-aid system, it must have that system completed to meet the traffic requirements before additional miles can be added to the system, so that they may secure Federal aid. It is found in a number of States that the construction has now arrived at the place where the rigid enforcement of this law causes not only embarrassing situations but an uneconomic one. There are States which have omitted the construction of approaches to railroad crossings, awaiting the construction of those crossings because of the financial condition of the railroads, which in every State are required to pay a part of the cost of the elimination of these dangerous railroad grade crossings. The total mileage in this item alone is large and will not permit the State to add to its system. There are other cases where it is very inexpedient to attempt to change the present Federal-aid system. The committee, therefore, felt the time had arrived when there should be a slight change made in this requirement. This section therefore provides that whenever a State has made provision for the completion and maintenance of 90 per cent of its system, as required by the present law, that the State may add additional mileage equal to not more than 1 per cent of the total road mileage of that State. The committee felt that since this is emergency legislation, this change in the law should take place at this time to enable these States to make full use of the emergency funds advanced to them.

In testimony presented to the committee there was developed that the State highway departments of all of the States are favorable to this legislation. The financial condition of the States is such that they would not be able to carry on a road program anywhere comparable to that of last year. In addition to the recommendation of all of the State highway departments, the committee also had support from many organizations, including the farm organizations, and all felt that the condition of employment was such that, notwithstanding the great demands on the Federal Treasury, this was an opportunity for the Federal Government to aid materially in relieving the unemployment situation and adding to the wealth of the country by a public improvement lasting in character.

It is not necessary for me to elaborate upon the suffering and hardships that are now being endured by many people throughout the country who have no funds of their own and yet are not given the opportunity to earn their daily bread. Here is an opportunity to relieve to a great extent this situation, and we have the positive assurance that the States have their plans for construction already prepared and on a moment's notice can make use of these funds if provided. [Applause.]

Amount each State would receive of an apportionment of $120,000,000

Alabama	$2,550,053
Arizona	1,762,636
Arkansas	2,091,431
California	4,669,711
Colorado	2,255,281
Connecticut	779,324
Delaware	600,000
Florida	1,629,204
Georgia	3,120,191
Idaho	1,508,485
Illinois	5,077,245
Indiana	3,060,266
Iowa	3,173,493
Kansas	3,276,334
Kentucky	2,259,648
Louisiana	1,740,196
Maine	1,070,600
Maryland	1,015,296
Massachusetts	1,712,774
Michigan	3,783,179
Minnesota	3,373,560
Mississippi	2,160,628
Missouri	3,761,014
Montana	2,525,108
Nebraska	2,557,683
Nevada	1,578,025
New Hampshire	600,000
New Jersey	1,659,121
New Mexico	1,962,340
New York	6,057,965
North Carolina	2,890,203
North Dakota	1,940,325
Ohio	4,501,069
Oklahoma	2,893,101
Oregon	1,996,128
Pennsylvania	5,261,052
Rhode Island	600,000
South Carolina	1,666,492
South Dakota	2,002,076
Tennessee	$2,609,757
Texas	7,668,024
Utah	1,387,190
Vermont	600,000
Virginia	2,258,196
Washington	1,905,627
West Virginia	1,316,720
Wisconsin	2,992,438
Wyoming	1,540,811
Hawaii	600,000
	120,000,000

Unobligated balance of Federal-aid funds available for new projects, as of January 31, 1932

State	1931 apportionment		1932 apportionment		1933 apportionment		Total unobligated balance
	Balance unobligated	Per cent	Balance unobligated	Per cent	Balance unobligated	Per cent	
Alabama	$523,516.31	20.1	$2,615,434.00	100.0	$2,250,169.00	100.0	$5,389,119.31
Arizona					1,491,162.58	95.8	1,491,162.58
Arkansas			145,274.44	6.7	1,846,477.60	100.0	1,991,752.04
California					1,804,409.96	43.8	1,804,409.96
Colorado			78,617.08	3.4	1,988,953.60	100.0	2,067,570.68
Connecticut			25,850.34	3.3	687,401.80	100.0	713,252.14
Delaware					338,031.68	63.9	338,031.68
Florida	41,364.63	2.7	1,543,232.00	100.0	1,437,372.40	100.0	3,021,969.03
Georgia					1,744,179.93	63.3	1,744,179.93
Idaho			93,032.58	6.0	1,330,448.00	100.0	1,423,480.58
Illinois					2,905,293.87	64.9	2,905,293.87
Indiana					1,584,606.30	58.7	1,584,606.30
Iowa					1,973,117.19	70.5	1,973,117.19
Kansas					1,760,691.19	60.9	1,760,691.19
Kentucky					1,727,826.78	86.7	1,727,826.78
Louisiana			129,078.92	7.4	1,537,800.60	100.0	1,666,879.52
Maine			374,803.23	33.4	944,168.20	100.0	1,318,971.43
Maryland					785,651.09	87.7	785,651.09
Massachusetts					687,103.02	45.5	687,103.02
Michigan					3,168,443.32	94.9	3,168,443.32
Minnesota					150,028.10	5.0	150,028.10
Mississippi	1,266,550.71	57.2	2,203,509.00	100.0	1,907,440.80	100.0	5,383,500.51
Missouri					3,047,358.46	91.9	3,047,358.46
Montana			1,022,902.46	39.6	2,230,177.00	100.0	3,253,079.46
Nebraska			391,022.59	14.8	2,256,040.80	100.0	2,647,063.39
Nevada			166,109.60	10.4	1,392,753.40	100.0	1,558,863.00
New Hampshire			18,435.24	3.0	529,375.00	100.0	547,810.24
New Jersey			141,119.53	9.0	1,463,483.60	100.0	1,604,603.13
New Mexico					1,260,679.38	72.8	1,260,679.38
New York					4,436,572.98	83.0	4,436,572.98
North Carolina			1,308,345.40	45.6	2,550,007.00	100.0	3,858,352.40
North Dakota			326,789.02	16.3	1,710,936.60	100.0	2,037,725.62
Ohio			115,179.11	2.5	3,971,690.40	100.0	4,086,869.51
Oklahoma					2,328,366.59	91.2	2,328,366.59
Oregon			133,104.03	6.7	1,763,260.60	100.0	1,896,364.63
Pennsylvania			456,330.66	8.3	4,640,667.40	100.0	5,096,998.06
Rhode Island					329,207.16	62.2	329,207.16
South Carolina					1,375,312.87	93.6	1,375,312.87
South Dakota					1,267,439.45	71.8	1,267,439.45
Tennessee			1,581,683.12	58.9	2,302,158.60	100.0	3,883,841.72
Texas			17,050.18	.2	6,770,221.00	100.0	6,787,271.18
Utah			71,162.57	5.0	1,223,560.80	100.0	1,294,723.37
Vermont			42,702.12	7.0	529,375.00	100.0	572,077.12
Virginia			98,105.12	4.1	1,992,380.60	100.0	2,090,486.72
Washington			98,412.59	5.1	1,681,216.40	100.0	1,779,628.99
West Virginia			58,759.59	4.4	1,162,217.20	100.0	1,220,976.79
Wisconsin			41,182.81	1.3	2,640,713.00	100.0	2,681,895.81
Wyoming					785,801.14	57.8	785,801.14
Hawaii [1]			608,696.60	99.9	529,375.00	100.0	2,018,071.60
Total	1,831,431.65	1.5	13,911,924.98	11.4	90,221,174.44	85.2	106,844,531.07

[1] The total for Hawaii includes $880,000, which was set aside as a special fund by the act of Feb. 23, 1931.

Employment on Federal and State highway work, 1931

Month	Forest	Park	Federal aid			Total Federal	State		Grand total
			Regular	Emergency	Total		Construction	Maintenance	
January	228	107	25,944	5,000	30,944	31,279	48,621	68,700	148,600
February	548	172	26,867	10,000	36,867	37,587	53,787	80,186	171,560
March	1,278	172	28,068	25,334	53,402	54,852	58,701	91,334	204,887
April	2,663	350	39,683	54,864	94,547	97,560	72,212	93,732	263,504
May	3,808	1,002	39,518	82,387	121,905	126,715	89,764	94,452	310,931
June	4,722	2,168	40,223	107,402	147,625	154,515	101,275	107,692	363,482
July	6,617	2,625	40,299	115,167	155,466	164,708	112,638	108,003	385,349
August	6,219	2,895	39,506	102,798	142,304	151,418	121,172	117,359	389,949
September	6,048	3,189	42,203	64,660	106,863	116,100	123,404	117,113	356,617
October	5,183	2,842	41,423	39,421	80,844	88,869	116,752	124,483	330,104
November	3,550	2,054	35,534	21,328	56,862	62,466	103,198	124,687	290,351
December	1,193	920	25,973	7,905	33,878	35,991	74,543	134,437	244,971
Total man-months	42,057	18,496	425,241	636,266	1,061,507	1,122,060	1,076,067	1,262,178	3,460,305
Average	3,505	1,541	35,437	53,022	88,459	93,505	89,672	105,182	288,359

Persons employed on State highway systems July 1, 1931, and ratio of employment to total population

State	By State	By contractors	Total	Ratio
Alabama	1,660	2,166	3,825	691
Arizona	(1)			
Arkansas	3,286	3,414	6,700	276
California	4,255	3,466	7,731	734
Colorado	1,090	2,535	3,626	285
Connecticut	1,901	1,158	3,059	525
Delaware	325	605	930	256
Florida	(1)			
Georgia	3,372	4,630	8,002	363
Idaho	890	1,595	2,485	178
Illinois	5,435	6,500	11,935	639
Indiana	2,686	3,006	5,692	568
Iowa	1,895	6,850	8,745	282
Kansas	2,928	3,463	6,461	291
Kentucky	4,206	5,677	9,883	264
Louisiana	4,000	12,640	16,640	126
Maine	9,242	2,066	11,308	70
Maryland	2,086	2,847	4,933	331
Massachusetts	2,086	4,047	6,133	692
Michigan	2,422	7,313	9,735	497
Minnesota	3,111	6,455	9,566	268
Mississippi	1,240	2,300	3,540	568
Missouri	4,468	7,590	12,058	300
Montana	850	3,000	3,850	113
Nebraska	1,850	3,350	5,200	264
Nevada	396	639	1,035	87
New Hampshire	3,238	1,427	4,665	99
New Jersey	1,791	3,792	5,583	723
New Mexico	1,400	2,600	4,000	105
New York	[2] 6,033	14,078	20,111	501
North Carolina	4,000	2,500	6,500	487
North Dakota	1,120	2,500	3,620	160
Ohio	6,500	18,000	24,500	271
Oklahoma	2,675	2,670	5,345	448
Oregon	1,750	2,100	3,850	247
Pennsylvania	8,932	6,676	15,608	617
Rhode Island	302	850	1,152	596
South Carolina	1,452	3,937	5,389	322
South Dakota	675	1,150	1,825	379
Tennessee	1,801	933	2,734	957
Texas	5,700	8,750	14,450	403
Utah	2,073	985	3,058	166
Vermont	2,030	506	2,536	141
Virginia	3,000	2,600	5,600	432
Washington	2,069	2,295	4,364	358
West Virginia	2,798	4,415	7,213	239
Wisconsin	4,566	7,160	11,726	250
Wyoming	764	1,270	2,034	110
Total	130,429	188,507	318,936	369

[1] No report. [2] Field force only.

NOTE.—This table does not include prison labor.

Mr. PURNELL. Mr. Chairman, I yield myself five minutes.

Mr. Chairman, ladies and gentlemen of the committee, these walls have hardly ceased reverberating from the numerous speeches that have been made recently on the subject of economy, until we find ourselves confronted with a bill which proposes to take out of the Federal Treasury $132,500,000 additional for highway construction.

I am just as anxious as anyone in this House to relieve unemployment, but until some one comes forward and tells us where we are to get the $132,500,000 to pay the cost of this bill, I think we ought to cease considering it.

I think the answer to much of the activity in behalf of this bill can be found in this list. Here is the bait that is being used to put this program through. I hold in my hand a list of the approximate amounts that will be available to each one of the States of the Union if this bill is passed.

The list discloses that the States will receive sums ranging from $600,000 to $7,668,024, the amount to be received by the State of Texas. That money can be taken by the respective States and used, as I understand it, for the purpose of matching Federal funds, and is to be repaid at some distant future time, if at all.

If it would insure employment to any appreciable number of men; if a substantial part of each dollar appropriated would go to labor, we might think twice before opposing it. But I am reliably informed and believe that only a small per cent will actually find its way into the pockets of the laboring men of the country. Since most of the road-construction work of the country is now done by machinery the greater part of the money will find its way into the pockets of those who furnish the materials rather than those who are unemployed.

For that reason, and many others to be discussed by others, it strikes me that we ought not act favorably upon this measure.

We have just provided for the appointment of an economy committee to devise ways and means of saving money, and here in one fell swoop we propose to appropriate more money than that committee will ever be able to save, and it is money that need not, and should not, be appropriated at this time. [Applause.]

We shall soon see whether those who have been railing against extravagance and preaching economy were in earnest or were making an empty gesture.

If we are to balance the Budget and reduce expenses of government we must be consistent. We can not reduce to-day and increase to-morrow. I grant you it may take a little courage to vote to deny your States the amounts they might receive under this bill, but it would be far easier to do that than to explain to the taxpayers why an additional drain has been placed upon an already overburdened Treasury. For the information of the House, I wish to call attention to the approximate amount each State would receive under this proposal:

Alabama	$2,550,053
Arizona	1,762,636
Arkansas	2,091,431
California	4,669,711
Colorado	2,255,281
Connecticut	779,324
Delaware	600,000
Florida	1,629,204
Georgia	3,120,191
Idaho	1,508,485
Illinois	5,077,245
Indiana	3,060,266
Iowa	3,173,493
Kansas	3,276,334
Kentucky	2,259,648
Louisiana	1,740,196
Maine	1,070,600
Maryland	1,015,296
Massachusetts	1,712,774
Michigan	3,783,179
Minnesota	3,373,560
Mississippi	2,160,628
Missouri	3,761,014
Montana	2,525,108
Nebraska	2,557,633
Nevada	1,578,025
New Hampshire	600,000
New Jersey	1,659,121
New Mexico	1,962,340
New York	6,057,965
North Carolina	2,890,203
North Dakota	1,940,325
Ohio	4,501,069
Oklahoma	2,893,101
Oregon	1,996,128
Pennsylvania	5,261,052
Rhode Island	600,000
South Carolina	1,666,492
South Dakota	2,002,076
Tennessee	2,609,757
Texas	7,668,024
Utah	1,387,190
Vermont	600,000
Virginia	2,258,196
Washington	1,905,627
West Virginia	1,316,720
Wisconsin	2,992,438
Wyoming	1,540,811
Hawaii	600,000
	120,000,000

Let us give notice to the country through our action here to-day that we intend to hold down governmental expenditures and make an honest effort to balance our Budget. [Applause.]

Mr. COLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman and members of the committee, as indicated a few moments ago in the questions propounded to the chairman of the committee, or Mr. WARREN, a distinguished member of the committee reporting the bill, I stated to him that under the 5-minute rule I proposed to offer an amendment. I have here the language of the amendment, and if you have a copy of the bill before

you I would like to direct attention to the bill and read my amendment so that you will know exactly what will be accomplished if the amendment is adopted.

Turn to page 2, line 1. At the end, strike out the period and insert a comma and the following:

Except that such apportionment shall be wholly on the basis of population.

Under the present arrangement the Federal statutes provide that the apportionment of money shall be made on the basis of one-third for area, one-third for population, and one-third for roads.

Mr. COLTON. That would, of course, give New York the largest amount, and they have practically finished their road system.

Mr. BACON. And New York has the greatest proportion of unemployed.

Mr. KETCHAM. Mr. Chairman, in the two sentences just uttered is to be found the real meat of the whole situation, and I think we ought to face it fairly and squarely. In response to my question the gentleman from North Carolina [Mr. WARREN] said that primarily this proposition is one of relief for unemployment, and in that connection that roads are to be used as the instrumentality for the application of this relief. The major proposition, then, as I say, is one of relief rather than of an extensive program of road building. If that be true, certainly my amendment is based upon an entirely logical theory, namely, that relief ought to go where the folks are who need the relief to the greatest possible extent.

Let me show now exactly how that will operate. I have before me a table which is a table prepared by the committee, showing the allocation of funds according to the bill as it now stands. In a column parallel to it I have secured from the Bureau of the Census the percentage of population in each State, and upon that percentage basis I have allocated the funds provided in this bill, the $120,000,000, to the several States upon the basis of population. I also present a table showing the distribution of the funds in this bill as they would go if allocated in accordance with the amount of internal revenue collected in each State. If anybody is interested in the comparison for his particular State, I shall be very glad, indeed, to give that information right now. If there is no interest in it, may I say that the table will be extended in my remarks, and I now ask unanimous consent to extend my remarks in that manner.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to extend his remarks as indicated. Is there objection?

There was no objection.

The table referred to follows:

Amount each State would receive of an apportionment of $120,000,000, using the percentages of the regular 1933 apportionment, also taxes paid and population

State	Per cent tax paid	Proportion by tax paid	Present law	Per cent population	Proportion by population
Alabama	0.18	$216,000	$2,550,053	2.2	$2,640,000
Arizona	.09	108,000	1,762,636	.4	480,000
Arkansas	.07	84,000	2,001,431	1.5	1,800,000
California	4.65	5,500,000	4,669,711	4.6	5,520,000
Colorado	.64	768,000	2,255,281	.8	960,000
Connecticut	1.54	1,848,000	779,324	1.3	1,560,000
Delaware	1.39	1,668,000	600,000	.2	240,000
Florida	.47	564,000	1,629,204	1.2	1,440,000
Georgia	.27	364,000	3,120,191	2.4	2,880,000
Idaho	.02	24,000	1,503,435	.4	480,000
Illinois	7.83	9,396,000	5,077,245	6.2	7,440,000
Indiana	.88	1,056,000	3,060,266	2.6	3,120,000
Iowa	.42	504,000	3,173,493	2.0	2,400,000
Kansas	.56	672,000	3,276,334	1.5	1,800,000
Kentucky	1.17	1,404,000	2,259,648	2.1	2,520,000
Louisiana	.36	432,000	1,740,196	1.7	2,040,000
Maine	.27	318,000	1,070,600	.6	720,000
Maryland	1.24	1,488,000	1,015,296	1.3	1,560,000
Massachusetts	3.65	4,380,000	1,712,774	3.5	4,200,000
Michigan	4.41	5,292,000	3,783,179	3.9	4,680,000
Minnesota	.95	1,140,000	3,373,560	2.1	2,520,000
Mississippi	.06	72,000	2,166,628	1.6	1,920,000
Missouri	2.12	2,544,000	3,761,014	3.0	3,600,000
Montana	.07	84,000	2,525,108	.4	480,000
Nebraska	.19	228,000	2,567,653	1.1	1,320,000
Nevada	.05	60,000	1,578,025	.1	120,000
New Hampshire	.14	168,000	600,000	.4	480,000

Amount each State would receive of an apportionment of $120,000,000, using the percentages of the regular 1933 apportionment, also taxes paid and population—Continued

State	Per cent tax paid	Proportion by tax paid	Present law	Per cent population	Proportion by population
New Jersey	4.01	$4,812,000	$1,659,121	3.3	$3,933,000
New Mexico	.02	24,000	1,962,340	.3	360,000
New York	27.64	33,168,000	6,057,965	10.3	12,360,000
North Carolina	10.89	13,060,000	2,890,203	2.6	3,120,000
North Dakota	.01	12,000	1,940,325	.6	720,000
Ohio	4.64	5,568,000	4,501,069	5.4	6,480,000
Oklahoma	.61	732,000	2,893,101	2.0	2,400,000
Oregon	.18	216,000	1,996,128	.8	960,000
Pennsylvania	7.82	9,384,000	5,261,052	7.8	9,360,000
Rhode Island	.45	540,000	600,000	.6	720,000
South Carolina	.08	96,000	1,666,492	1.4	1,680,000
South Dakota	.03	36,000	2,002,076	.6	720,000
Tennessee	.53	636,000	2,609,757	2.1	2,520,000
Texas	1.54	1,608,000	7,668,024	4.7	5,649,000
Utah	.09	108,000	1,387,190	.4	480,000
Vermont	.07	84,000	600,000	.3	360,000
Virginia	4.67	5,600,000	2,258,196	2.0	2,400,000
Washington	.47	564,000	1,905,627	1.3	1,560,000
West Virginia	.45	540,000	1,316,720	1.4	1,680,000
Wisconsin	1.15	1,380,000	2,992,438	2.4	2,880,000
Wyoming	.24	288,000	1,540,811	.2	240,000
Hawaii	.24	288,000	600,000	----------	----------
District of Columbia	.68	816,000	----------	.4	480,000
Total	100.00	120,000,000	120,000,000	100.0	120,000,000

Mr. KETCHAM. Under the bill as written the Michigan apportionment will be $3,783,000, and upon the population basis of distribution Michigan will receive $4,680,000.

Mr. RANKIN. Does the gentleman base his statement on American citizenship or merely the population—that is, people who happened to be there at the time the census was taken?

Mr. KETCHAM. This is based upon the census of 1930.

Mr. RANKIN. I submit that would not be a fair allotment.

Mr. KETCHAM. It would not appreciably differ from present conditions. I think we have held our own fairly well so far as population is concerned since the figures of 1930 were made.

Mr. BACHMANN. Under the bill as originally written, how much will West Virginia receive?

Mr. KETCHAM. Under the bill as drafted, West Virginia would receive $1,316,000, using round numbers.

Mr. BACHMANN. And if the gentleman's amendment be adopted by the House, how much will West Virginia receive?

Mr. KETCHAM. $1,680,000.

Mr. BACHMANN. While the gentleman is increasing West Virginia under that amendment, there are other States that will be decreased.

Mr. KETCHAM. Naturally some other States will be decreased.

Mr. BACHMANN. What is the reason for the increase or the decrease?

Mr. KETCHAM. The reason is plain, indeed. Under the plan of distribution in the bill three elements enter into it, area, population, and road mileage. Under my amendment two of these are eliminated and we distribute only according to population, and that is upon the theory that this bill is not primarily a road measure but a relief measure. I submit that it is good, sound sense that if you are going to distribute relief, you should distribute it where the folks are that need it.

Mr. JOHNSON of Washington. Does not the gentleman by his very answer to these questions as to whether a populous State will get such an amount and a nonpopulous State such an amount show that we are here offering a Federal purse to be fought for here by various Representatives in accordance with the population in their States? The gentleman says that this is a relief measure and takes the floor from a Michigan standpoint.

Mr. KETCHAM. Michigan would fare better in the end if she paid her own way in this matter. Under this bill she will pay $5,292,000 and would receive $3,783,000.

Mr. JOHNSON of Washington. Certainly.

Mr. KETCHAM. Wait a moment. The gentleman just opened this subject and he has suggested another set of

tables which will be read with great interest, namely, the contributions made by the States to this very proposition.

Mr. JOHNSON of Washington. I have no doubt but that I have opened the great subject of Federal aid to the States—the so-called 50-50 propositions.

Mr. KETCHAM. If Michigan had simply to pay from her own Treasury the amount that will be required by this bill, she would be a little better off, because if this money were distributed on the basis of Michigan's proportion to her payments of income tax, she would receive $5,292,000 instead of $3,783,000, as the bill provides.

Mr. JOHNSON of Washington. Yes; the income-tax collector has to go into the States where he can find those who have incomes, and here comes Michigan with the demand that because it pays more Federal income it should have more Federal expenditure. The forthcoming tax bill will hit hard everywhere, including Michigan.

Mr. KETCHAM. Exactly. My amendment does not go to the merits of the bill. It simply provides that if the bill does finally pass with $120,000,000 put on the taxpayers that the expenditures shall be on the basis of relief to folks rather than areas.

Mr. KELLER. What about Illinois?

Mr. KETCHAM. The figures for Illinois are interesting. According to the present bill the distribution to Illinois is $5,077,000. If my amendment prevails, the distribution to Illinois will be $7,440,000, an increase of practically $2,400,000. More for folks—less for areas.

Mr. KNIFFIN. Will the gentleman give the figures for Ohio?

Mr. KETCHAM. Under the bill Ohio would receive $4,501,000, and if my amendment prevails, Ohio would receive $6,480,000. Again more relief for folks—less for areas. My amendment goes only to the $120,000,000. Beyond that there is $12,000,000 to be distributed for roads and trails in parks and forests, and I am informed that at the lowest 93 per cent of that amount will be distributed in Western States where there are forests and trails, and so these States are well looked after. My amendment goes only to the distribution of $120,000,000.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PURNELL. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Chairman, the Members of this House should all attend the sessions of the Committee on Ways and Means. Then, I dare say, they would not be so willing to pass legislation of this kind.

For the fiscal year 1931 the deficit in the Federal Treasury was $903,000,000. For this year, 1932, it will be $2,123,000,000, unless we add new expenditures, and then, of course, it will be increased by any amounts that we add now. For 1933, during which fiscal year we have hoped to balance the Budget, the Federal deficit will be $1,241,000,000. Whence is the money coming for this expenditure that is to be authorized to-day? The Committee on Ways and Means is trying to evolve a method of sales tax, which we hope will bring in $600,000,000.

Mr. WARREN. Will the gentleman yield?

Mr. CHINDBLOM. I can not yield in the time I have.

We will be required to increase the income taxes, the estate taxes, and almost every other form of tax, to the very utmost. In fact, we will go so far as to reach the vanishing point in income, not only of taxes but even of the people themselves. Then it is proposed now to burden the people with this additional expenditure which, in my opinion, is entirely unnecessary and unwarranted.

Members say this bill will give employment to 1,000,000 men, with an appropriation of $132,500,000. I have before me the official organ of the American Association of State Highway Officials, called American Highways. This official publication shows that during the year 1931 the total expenditures for highways in the United States was $1,038,090,101, and only 270,891 people were employed. It has been estimated, beyond any peradventure of doubt, that the largest number that could possibly be employed with this appropriation for one year is 35,000, and perhaps indirect employment might be given to an additional 20,000.

Gentlemen are laughing. Take the figures. How will the money be spent? Split up $132,500,000 among 50,000 men and see what employment is given to each of them. But Members say they are going to give employment to 1,000,000 men. How much employment? Just see how ridiculous it is. The total amount is $132,500,000. Suppose the cost of materials and the profits of all men engaged in this work, the profits of the contractors, the cement manufacturers, the machinery manufacturers, and everyone else are only $32,000,000 of the entire amount, there will be $100,000,000 left to distribute among 1,000,000 workmen, and that will give exactly $100 to each man. Of course, that is perfectly ridiculous. It is preposterous to argue that we will keep a million men employed and give them $100 each. That is all there is to it. That is the cloth. No more garments can be cut out of it.

How is this money to be returned to the Treasury? The bill provides that after the year 1938, for 10 years after 1938, this money is to be returned to the Federal Treasury. Out of what? Out of taxes paid by the people of the States? Out of appropriations made by the people of the States? No. Out of further money to be taken out of the Federal Treasury, which we now pledge to give the States for 10 years, beginning in 1938.

Mr. WARREN. Will the gentleman yield?

Mr. CHINDBLOM. No; I can not yield.

If we are sincere in this talk about economy, if we actually intend to take some of the burdens of taxation off the people of the United States, the only way we can do it is to stop these enormous appropriations for aid and assistance to the local governments and the States, and also to reduce some of the large nongovernmental paternalistic bureaus which actually have no place under our system of government. [Applause.] We can not do it by paring away a few millions here and there. We can not do it by trying to save a few dollars here and there. We have to do it by a major operation. We have to take some large steps, and to come now at this moment and propose an additional expenditure of $132,500,000 it seems to me is perfectly indefensible.

The total expenditure of county and local funds for the calendar year 1931 on roads is estimated by the roads bureau at $586,340,000. The State funds for the same year are likewise estimated at $796,801,822. The Federal aid, both regular, emergency, national-park, and national-forest roads expenditure, in the calendar year 1931 was $260,555,000, being an increase of $154,907,000 over the previous year of 1930. And yet the total expenditure of local funds and State funds shows a decrease during the year 1931 as compared to the year 1930 of $121,775,000. In other words, with all of this increase of $154,907,000 which the Federal Government poured into the States in the year 1931, the States themselves reduced their expenditure by an amount which absorbed all of this increase except $33,000,000.

To point the moral further, although the Federal Government was appropriating this money in order to increase employment, the States simply decreased their expenditure by almost an equal amount, and therefore by all of the effort of the Federal Government we did not increase employment in any consequential amount. All we did was to transfer workers on the roads from the State pay rolls to the Federal pay rolls. This proposal here to-day will have exactly the same effect. It is simply a dole to the States.

It is interesting to take as an example the State of Pennsylvania, where we have heard much said of the hardships during the past calendar year. In that State the roads bureau estimates that the State expenditure in the year 1930 was $160,000,000, whereas the State expended less than $140,000,000 during the calendar year 1931. In other words, the State reduced its expenditures by $20,000,000 at the same time when the Federal Government increased its contribution to the State by something like $4,000,000. This case seems even worse than the average.

The truth is that when the Federal Government increased its aid or contribution to the States the States did not meet or match that additional Federal appropriation. That is the very reason why this bill is presented here and we are asked to provide Federal funds without any return or assistance from the States. It is not even a 50–50 proposition. It is now asked that the States get this money, not to match appropriations of their own but to match appropriations which the Federal Government is expected to make beginning in 1938 for 10 years to come.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CHINDBLOM. No; I can not yield.

If we want to do something that will actually give employment, then we should resume the program of building construction—houses, offices, and the like. Road building is largely a matter of machinery. Everyone who has seen a road crew in operation knows that there are very few men employed upon the work. It is being done by the employment of the very useful and, of course, efficient methods which have come with the improvement of machinery. We will not give the employment that it is thought will result, by any means. But the important thing in this matter is that we are just giving notice to the country that the Congress of the United States does not propose to hold down expenditures, to say nothing about reducing them; that the United States Congress does not propose to balance the Budget; that the United States Government does not propose to take any part in securing that economic recovery, which can not be secured without the balancing of the Federal Budget and the maintenance of the national credit.

Government bonds are selling to-day at 90 and less instead of at 100. Interest rates on Government loans have increased during the past few months. How long shall this continue? Are we going to raise this money by an additional bond issue? Are we going to put the Government further into debt? Are we going to increase the burden of Federal taxes?

Mr. Chairman, shall we say to the rest of the world, "We have advocated the balancing of the budgets by other nations, but when it comes to our own affairs we are not going to indulge in any such unpleasant practice?"

This House and the Committee on Appropriations of this House took great pride recently in the passage of the agricultural appropriation bill, in reducing the estimates that came from the Bureau of the Budget. Where was that reduction made? It was made principally out of the regular road-appropriation fund. We reduced the agricultural appropriation bill below the Budget estimate for the next fiscal year $9,000,000 out of the road-appropriation fund. Prior to that we cut the Budget estimate for road building $10,000,000 in the deficiency act. That was done under the pretense of economy yet you now come with this bill to add $132,500,000 to the debt of the National Government for the purpose of doing the very thing which you refused to do in the deficiency and agricultural appropriation bills, even to the extent of $19,000,000. Why, we even cut out $1,000,000 in the Interior Department appropriation for public parks, roads, trails, and bridges, and lo and behold the item is restored in this bill for $1,500,000, an increase of 50 per cent.

We have had so much talk about economy, so much talk about retrenchment in expenditures, and the House has given the Ways and Means Committee the distressing task of trying to raise an additional $1,200,000,000 in a single year; but, despite all of that, you now bring before the House a resolution under which, by one fell swoop, you are not only adding to the burdens of the committee in trying to balance the Budget of the United States, but you are taking away even the small reductions in expenditures which have so far been perfected through the appropriations bills that have been passed by the House.

If there ever was a time to call a halt, it is to-day in the passage of this bill. [Applause.]

Mr. COLTON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Chairman, as I have only five minutes, I will be unable to yield for any questions.

I have been listening ever since this Congress convened to the very eloquent speeches by the leaders of the Democratic Party about the necessity of balancing the Budget and reducing the Government expenditures. I agree thoroughly with what the gentleman from Tennessee [Mr. BYRNS] has said on Government economy. I agree with the gentleman from Arizona [Mr. DOUGLAS] and I also agree thoroughly with the statements of our able Speaker, the gentleman from Texas, when he pleads for a balanced Budget. And having all of these statements in mind, I am amazed therefore that this bill should have been brought out under a rule. It could not have received a rule if it had not been for the favorable consideration and advocacy of the Speaker.

In looking over the table I have before me, and which I will later insert in the RECORD, I am very much interested to note that the great State of Texas will receive 6.3 per cent of all of the money this bill proposes to authorize. In another table I have, which I will also insert, I notice that the contribution made by the State of Texas to the total Federal revenue, including income tax, corporation taxes, miscellaneous taxes, and so forth, is but 1.34 per cent. No wonder the Speaker and the State of Texas are in favor of this bill.

This week I took the opportunity of examining bills that have already been reported by the democratically controlled committees of this House. They provide for new Federal expenditures of over $1,000,000,000; reported bills, mind you, not merely bills that have been introduced; bills that have been earnestly recommended to the House for passage. If the enthusiasm with which the Speaker and his fellow Democrats have brought this bill on the floor of the House is any criterion of what will happen on these other bills calling for over $1,000,000,000 of new money, it is impossible for me to see how there will be any chance to begin to balance the Budget, which the Speaker and his chairman of the Appropriations Committee are so eloquently advocating.

But getting back to the bill before us, I wish to insert a table showing by States the total Federal taxes collected, which include income taxes, miscellaneous taxes, corporation taxes, and so forth, during the fiscal year ending June 30, 1931, and also showing the percentage of the total revenues that each State contributed. Customs receipts are, of course, excluded.

Following this table I wish now to insert another table comparing the apportionment of the $120,000,000 road fund authorized by this bill with the proportionate amount assessable against each State in Federal taxes for the total Federal road fund under this same bill. The percentage of apportionment of the total road fund is also given as well as the percentage of the total Federal revenue collected on the basis of the fiscal year 1931.

Federal tax collections—Statement showing, by States, the amounts and percentages of total internal-revenue taxes collected, during the fiscal year ended June 30, 1931 (on a basis of warrants issued)

States	Total internal-revenue receipts	Percent of total
Alabama	$4,622,236.13	0.18
Arizona	2,265,705.28	.09
Arkansas	1,914,565.04	.07
California	113,008,717.76	4.65
Colorado	15,772,615.89	.64
Connecticut	37,620,243.96	1.54
Delaware	34,054,473.55	1.39
District of Columbia	14,684,853.43	.60
Florida	11,512,120.90	.47
Georgia	6,721,313.18	.27
Hawaii	4,817,232.60	.19
Idaho	723,717.83	.02
Illinois	190,508,952.84	7.83
Indiana	21,411,023.38	.88
Iowa	10,400,342.42	.42
Kansas	13,685,503.29	.56
Kentucky	28,488,010.46	1.17
Louisiana	8,901,475.44	.36
Maine	6,759,533.93	.27
Maryland	30,293,310.73	1.24
Massachusetts	88,985,635.49	3.65
Michigan	107,411,851.17	4.41
Minnesota	23,387,171.46	.95

Federal tax collections—Statement showing, by States, the amounts and percentages of total internal-revenue taxes collected, during the fiscal year ended June 30, 1931 (on a basis of warrants issued)—Continued

States	Total internal-revenue receipts	Per cent of total
Mississippi	$1,584,433.15	0.03
Missouri	51,673,467.79	2.12
Montana	1,793,112.84	.07
Nebraska	4,784,090.24	.19
Nevada	1,365,238.66	.05
New Hampshire	3,554,107.76	.14
New Jersey	97,786,288.36	4.01
New Mexico	693,243.38	.02
New York	671,844,688.73	27.64
North Carolina	264,894,637.06	10.89
North Dakota	366,157.73	.01
Ohio	112,933,223.98	4.64
Oklahoma	14,948,982.99	.61
Oregon	4,431,097.52	.18
Pennsylvania	190,280,593.21	7.82
Rhode Island	11,267,592.05	.45
South Carolina	1,984,818.36	.03
South Dakota	751,270.97	.03
Tennessee	12,997,604.52	.53
Texas	32,791,128.98	1.34
Utah	2,381,319.62	.03
Vermont	1,751,711.20	.07
Virginia	113,654,648.84	4.67
Washington	11,533,484.51	.47
West Virginia	11,167,126.16	.45
Wisconsin	28,170,977.03	1.15
Wyoming	600,168.82	.24
Total	2,430,148,742.91	100.00

Amount each State would receive of the apportionment of $120,000,000, together with percentage of each payment out of total apportionment fund, percentage which each State pays of all internal-revenue receipts, and proportion of internal-revenue taxes paid by each State to amount received under the bill

State	Amount apportioned to each State under bill	Per cent of apportionment	Per cent of total revenue collections	Proportionate amount assessable against each State, in taxes, for total Federal road fund under this bill
Alabama	$2,550,053	2.0	0.18	$216,000
Arizona	1,762,636	1.4	.09	108,000
Arkansas	2,091,431	1.6	.07	84,000
CALIFORNIA	*4,669,711*	*3.8*	*4.65*	*5,580,000*
Colorado	2,255,281	1.8	.64	368,000
CONNECTICUT	*779,324*	*.6*	*1.54*	*1,848,000*
DELAWARE	*600,000*	*.5*	*1.39*	*1,668,000*
Florida	1,629,204	1.3	.47	564,000
Georgia	3,120,191	2.6	.27	324,000
Idaho	1,508,485	1.25	.02	24,000
ILLINOIS	*5,077,245*	*4.1*	*7.83*	*9,396,000*
Indiana	3,060,266	2.5	.88	1,056,000
Iowa	3,173,493	2.6	.42	504,000
Kansas	3,276,334	2.6	.56	672,000
Kentucky	2,259,648	1.8	1.17	1,404,000
Louisiana	1,740,196	1.4	.36	432,000
Maine	1,070,600	.8	.27	324,000
MARYLAND	*1,015,296*	*.8*	*1.24*	*1,488,000*
MASSACHUSETTS	*1,712,774*	*1.4*	*3.65*	*4,380,000*
MICHIGAN	*3,783,179*	*3.0*	*4.41*	*5,292,000*
Minnesota	3,373,560	2.8	.95	1,140,000
Mississippi	2,160,628	1.8	.06	72,000
Missouri	3,761,014	3.0	2.12	2,544,000
Montana	2,525,108	2.0	.07	84,000
Nebraska	2,557,683	2.1	.19	228,000
Nevada	1,578,025	1.3	.05	60,000
New Hampshire	600,000	.5	.14	168,000
NEW JERSEY	*1,659,121*	*1.3*	*4.01*	*4,812,000*
New Mexico	1,962,340	1.6	.02	24,000
NEW YORK	*6,057,965*	*5.0*	*27.64*	*33,168,000*
NORTH CAROLINA	*2,890,203*	*2.4*	*10.89*	*13,068,000*
North Dakota	1,940,325	1.6	.01	12,000
OHIO	*4,501,069*	*3.8*	*4.64*	*5,568,000*
Oklahoma	2,893,101	2.4	.61	732,000
Oregon	1,996,128	1.7	.18	216,000
PENNSYLVANIA	*5,261,052*	*4.3*	*7.82*	*9,384,000*
Rhode Island	600,000	.5	.45	540,000
South Carolina	1,666,492	1.4	.08	96,000
South Dakota	2,002,076	1.7	.03	36,000
Tennessee	2,609,757	2.1	.53	636,000
Texas	7,668,024	6.3	1.34	1,608,000
Utah	1,387,190	1.2	.09	108,000
Vermont	600,000	.5	.07	84,000
VIRGINIA	*2,258,196*	*1.9*	*4.67*	*5,604,000*
Washington	1,905,627	1.6	.47	564,000
West Virginia	1,316,720	1.1	.45	540,000
Wisconsin	2,992,438	2.4	1.15	1,380,000
Wyoming	1,540,811	1.2	.24	288,000
Hawaii	600,000	.5	.19	228,000
Total	120,000,000	100.0	100.00	120,000,000

I call to your attention that there are 13 States of the 48 which have contributed in the year 1931 an astoundingly greater percentage of the total Federal revenue than they will receive under the allotment of the $120,000,000 we are to-day asked to authorize. These States are California, Connecticut, Delaware, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia.

Mr. EATON of Colorado. Why did the gentleman omit Colorado? It amounts to $15,000,000 on the one hand and $2,000,000 on the other.

Mr. BACON. I did not yield to the gentleman, but will be glad to answer his question. It is quite true that the total contribution of the State of Colorado to Federal revenues, excluding customs, for the fiscal year 1931 is, to be accurate, $15,772,615.89. This amount was 0.64 per cent of the total revenue received by the Federal Government. It is also true that Colorado under this bill would be apportioned $2,255,281. This apportionment to Colorado is 1.8 per cent of the total of $120,000,000. The gentleman entirely misses the significance of the table that I have been quoting from. I have been talking about the relative percentage of each State's apportionment under the bill in comparison with the relative percentage of the total revenue collected from each State, assessable against the cost of this bill. If the gentleman will refer to the table I have above inserted, I think the matter will be clear to him.

The 13 States which I have mentioned in the year 1931 provided 84.38 per cent of the total Federal revenue. Under this bill their proportion of road money will be but 32.9 per cent of the allotments that are proposed. This means that the remaining 35 States contribute but 15.62 per cent of the total Federal revenue, while receiving an allotment under this bill, as it is written, of 67.1 per cent of the $120,000,000 total that is authorized.

New York, for example, contributes 27.64 per cent of the total revenue of the Federal Government, excluding customs. Under this bill New York's allotment of road funds is but 5 per cent of the $120,000,000 total. Again, I call to your attention that the State of Texas receives 6.3 per cent. To put the matter in another way, the actual cash that will be contributed in Federal taxes by the State of New York for the purpose of this bill is, roughly, $33,000,000, while the total cash which will be contributed by the State of Texas is but $1,608,000. To put it even more flatly, New York, under this bill, is asked to contribute twenty times more than the State of Texas and receives over $1,000,000 less.

It seems to me that this bill is an attempt on the part of the sparsely settled States to get additional Federal aid for the building of roads under the guise of relieving unemployment. If this were an honest attempt to relieve unemployment, the amounts authorized by this bill should be apportioned according to population and not acreage.

For example, the population of the State of New York is 12,588,066; the population of the State of Texas is 5,824,715. On the basis of population the State of New York will get a per capita apportionment of 48 cents as against $1.30 for the State of Texas. We all concede there is more unemployment in the industrial than in the agricultural States, and especially in the larger cities, yet this bill does nothing or attempts nothing to relieve the unemployment there.

There is one further point to which I wish to call the attention of the committee, and that is that I have been discussing entirely that part of the bill which provides $120,000,000 for Federal road aid to the States. I have not in any way discussed the $12,000,000 allocated in this bill for expenditure in the national parks and Indian reservations. I have been informed, however, by the Bureau of Public Roads, that 90 per cent of this $12,000,000 will be allocated to 11 western Rocky Mountain States. I further know, and only too well, that none of the industrial States, where the unemployment is the greatest, will receive one cent of this $12,000,000.

There is one more thought that I have on this bill, namely, that the burden of maintenance of all Federal-aid roads rests entirely upon the States. The States will furthermore have to eventually match the amount apportioned to each State under this bill. These two items will add a

tremendous burden to the taxpayers of each State at a time when many States are having difficulty in balancing their budgets and at a time when the raising of additional taxes in each State is becoming an increasing and overbearing burden on the taxpayers. Therefore, in considering this bill, we must not only secure this money by increased Federal taxation, but each State will have to increase its taxation to meet its share of this sum and also have to increase its taxation to maintain the roads after they are built.

My own State of New York is having great difficulty in balancing its budget. They have appropriated large sums of money for the relief of unemployment among the people of New York and intend and will continue to take care of New York's own unemployed. With the burdens already on the State of New York in taking care of its own unemployment problem, the additional sum that they will be required to pay to match the amount allocated to New York may mean the raising of additional State taxes.

As I have already said above, if this were an honest attempt to relieve unemployment, the allotment of funds under this bill would have been apportioned in accordance with population rather than acreage, in which case there might have been afforded to the people of New York some aid in their unemployment problem. I will therefore support the amendment proposed to be offered by the gentleman from Michigan [Mr. KETCHAM], which, however, may go out on a point of order.

Mr. WARREN. Will the gentleman yield for a question?

Mr. BACON. I yield.

Mr. WARREN. Did not the gentleman and all of those who have preceded him on that side in opposition to this bill support a similar measure calling for an emergency fund of $80,000,000 brought in by that side last year? Did not the gentleman himself vote for it?

Mr. BACON. I have forgotten whether I did or not. However, it is my impression that that was not a record vote. I have always viewed with disfavor these 50-50 matching propositions because not only have they tempted many States to incur expenditures which they could ill afford and which have greatly increased their taxpayers' burdens, but also because the benefits to the States contributing the most money have been out of all proportion to what they have received. And this is especially true when this matching is done on bases other than population. Particularly in view of the present huge deficit of over $2,000,000,000, and the efforts that are being made to balance the Budget by cutting down Federal expenditures and the raising of over $1,200,000,000 in additional revenue by taxation, I believe that this is a good time to stop contributions from the Federal Treasury to the several States. I therefore am opposing the bill.

[Here the gavel fell.]

Mr. COLTON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, I regret exceedingly that in this instance I am not in accord with my distinguished colleague, the gentleman from New York, who just addressed the committee.

The unemployment situation in this country, unfortunately, is so widespread and is so universal that relief of any kind anywhere reflects upon the general situation.

Mr. BACON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BACON. Is it not true, though, that the greatest unemployment is in the metropolitan cities of this country and that this relief will not touch them at all?

Mr. LAGUARDIA. Yes; but the gentleman from New York is not so provincial as not to be able to visualize that if we can give some of the workers of this country temporary road work at a living wage they will at least be able to buy some clothes, some shoes, and some food which we produce in our city.

Mr. BACON. Will the gentleman yield further?

Mr. LAGUARDIA. Certainly.

Mr. BACON. I agree 100 per cent with what the gentleman has said, but if this were an honest unemployment-relief bill, should it not be apportioned according to population rather than area?

Mr. LAGUARDIA. Well, that is a detail which we can take up when we are reading the bill. I would favor such an apportionment. I want to say to all of my friends I would like to see how many votes we could get in this House if we brought in an honest-to-goodness unemployment-relief measure. This is what I have been driving for ever since we came into session—for this Congress, now that the first dole bill has been passed by Congress and signed by the President—I refer to the billion dollar relief bill—to give some immediate attention to direct relief to the millions of people who are actually in want in this country at this very moment.

There is no longer any question of constitutionality that may be properly raised at this time. The constitutional limitations of the power of Congress, so far as this Congress is concerned, is expressed in the Finance Reconstruction Corporation bill. Show me the constitutionality for that and I am ready to argue the constitutionality of any other relief measure which may be considered, including direct relief and unemployment insurance.

Of course, there are no Federal-aid highways in my city, but that is no justification to vote against this measure. Why, this bill is the first indication, it is the first attempt, it is the first color of any legislative action on the part of the House of Representatives to get right to the spot where relief is needed. [Applause.]

The engineering plans will not take long. The States can avail themselves of the benefits of this bill. Appropriations ought to be immediately made, and if we can put several hundred thousand men to work on the roads, this means that many relieved from the humiliation of standing in the breadline.

I get very impatient with this ostrich-like tendency on the part of alleged statesmen to refuse to admit existing facts. The stock ticker of my city is no indication of the employment situation throughout the country. There is unemployment, there is want, there is need, and we have been talking so much about public improvement and public works as a constructive means to provide employment that I am surprised that in this feeble attempt to carry out such a program that there should be any objection at all. This is only a little move toward a step in the right direction. [Applause.]

[Here the gavel fell.]

Mr. COLTON. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Chairman, I am in favor of this bill. I am opposed to a dole, but I do ardently favor honest employment for honest laboring men, and I believe that road work will give more labor per dollar expended than any other projects that may be undertaken.

There are many good features in this bill. There is one additional feature that I want to talk to you about—an amendment which I believe would still further improve the bill. Many of you have heard of the so-called Summers farm-to-market post road bill (H. R. 137), which I shall offer as an amendment. You can get it in the document room and learn the details, if you wish. It proposes to extend aid 50-50 to States, counties, or subdivisions to build rural post roads, farm-to-market roads, which are now untouched in any way by any legislation that has been enacted.

It is believed that this farm-to-market post road amendment contains more good points than any legislation yet proposed for the purpose of building rural roads and giving employment. My amendment specifies that due consideration shall be given roads which shall best serve the agricultural needs of the country in obtaining access to the Federal road system, rail and water shipping points, and markets.

The measure is indorsed unanimously by the rural letter carriers of the United States; it is indorsed by the organization of rural carriers in your State and in your county; it

is indorsed in principle by the National Grange, by the Farm Bureau, by innumerable local organizations, such as farmer organizations and chambers of commerce, because it helps to lift the farmer out of the mud and helps him to get to town in order that he may carry on his trading and market his products.

It does not call for any particular machinery or for shipping in materials from some other place. It proposes in two days' time to send men out with picks and shovels and scrapers in your county and mine and let them go to work. These are men who are now in the soup line. It will distribute the small burden of cost over more than 3,000 counties and to the National Government. It will inaugurate a practical nation-wide road-building program, and it will utilize home products and home labor exclusively.

It will relieve the jobless. It will give men in every county of the United States who want to work an opportunity to work. It will curtail the soup line. It will put idle men to work and thereby reduce crime. It will require the outlay of not one needless dollar. If approved, it can be put into operation immediately.

It is not proposed to build boulevards or speedways, under the amendment which I shall offer to the bill, but to improve much-used roads right down to the old farm gate, at an expense on the average of about $2,000 a mile instead of $30,000 a mile as concrete roads now cost.

Mr. HOGG of Indiana. Will the gentleman yield for a question?

Mr. SUMMERS of Washington. Yes, briefly.

Mr. HOGG of Indiana. I think the gentleman is on the right track. Will the gentleman support an amendment which I shall offer to this bill requiring the loading of this dirt and the excavating and grading to be done by shovel instead of steam machinery?

Mr. SUMMERS of Washington. I shall take that under consideration.

Now, gentlemen, I am calling your attention to the fact that you can get the amendment that I shall offer, H. R. 137, in the document room. I introduced H. R. 137, the farm-to-market post road bill, December 8. The first hour after Congress convened. I reiterate, that it is indorsed by the rural letter carriers and farm organizations, and by commercial organizations all over the United States.

Mr. Chairman, my bill which I offer as an amendment may be rejected to-day, but we shall carry on until it is enacted into law. It is right, it is just, it will serve the masses. You may defeat it to-day, but ultimately it must win. It serves the rural carrier and the masses of the farmers. We shall carry this fight to the country and on its merit we shall finally win and lift the farmer and rural carrier out of the mud and give them some of the advantages the tourist now enjoys.

Mr. MICHENER. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman and gentlemen, you have heard a good deal about who is going to pay for this, but I do not believe any figures have been presented to show the fallacy and sophistry of the employment argument.

I have figures and facts as to that feature. Massachusetts increased appropriations for roads from $12,800,000 in 1930 to $17,350,000 in 1931, making an increase of $4,550,000 for that year.

Now, in 1930 and 1931 the peak of employment on road construction in that State was 5,632 men, and the minimum employed during that same period was 300 men, or an average in 1930 of 2,100, and an average in 1931 of 2,900 men, an increase of employment in 1931 of 800 men, by the expenditure of $4,550,000 on road work at an average daily wage of less than $4 per day. Now, take $135,000,000, which we propose to appropriate, and divide it at this ratio, and you will find that you are going to give employment in road construction for 2,600 to 2,700 men now unemployed.

The material that goes into the construction of roads is largely steel and cement. I do not know how many of you have steel or cement factories in your districts, and I do not know just what proportion of this one hundred and thirty-two million is going to the employment of labor in the steel and cement factories. But, if you are going to talk about local employment, realize how many you are going to get of the 2,600 or 2,700 men at work. Also consider that the greatest suffering to-day is not among the men who can use the pick and shovel, but the white-collared men who have lost their jobs, and imagine how far you will get when you send those men out on the road with a pick and shovel, with their tender hands and body unused to hard physical labor.

This proposition for the relief of unemployment is a great mass of contradictions and sophistry, which does not deserve the attention of this body.

Now, gentlemen, placing 2,600 men at work, putting them into employment, would be some little relief, but at the price of $135,000,000, the price is too high, with the deficit we have to meet. [Applause.]

Mr. SUMMERS of Washington. The way we build roads in the State of Washington, more than that total number of idle men will be employed.

Mr. UNDERHILL. If we are going to pass a bill we ought to pass a bill similar to the one that the gentleman introduced, but we are considering this bill, not his. If we are going to consider and pass this bill, I want it done with the knowledge each Member will get employment for about one man in your whole district.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. PURNELL. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. MCGUGIN].

Mr. McGUGIN. Mr. Chairman, this Congress can not and will not enact a single bill during this session which is loaded down with more asininity and inequality than this bill which we are considering to-day. No one insists for one moment that there is any imperative need from the standpoint of building highways for this appropriation. The sole justification offered for it is unemployment.

When we consider this measure solely from an unemployment viewpoint, it is then that we realize its asininity and its inequality. When the chairman of the Roads Committee, the gentleman from Alabama [Mr. ALMON], appeared before the Rules Committee he made the extravagant estimate that 1,000,000 men would be given employment through this legislation. He stated that 300,000 would be the number that would be directly employed. He then estimated that indirectly 700,000 more would be employed. Of course, the number which are to be indirectly employed is to be limited only by an unbridled imagination. Personally, I am quite convinced that it is extravagant, advertising deceit upon the part of Congress to say that this legislation will furnish employment for a million men; however, let us grant that it will furnish employment for 1,000,000 of the unemployed, it is then that we realize the asininity and the inequality of this bill. If it furnishes employment for a million men, then that means $132.50 worth of employment per man. Well, what are you going to do with these men after the $132.50 apiece is expended?

There are eight and one-half million unemployed. Which million are you going to pick out and deliver from the despair of unemployment and which seven and one-half million are you going to leave in their present slough of despondency? I can go out on the highway, pick up any unfortunate hitch hiker, and from him I shall receive the same statesmanship as is involved in this bill. He will doubtless suggest that he should be taken care of by the Public Treasury. That statesmanship would not work. It is utterly impossible for the Public Treasury to feed the unemployed. The theory of this bill is to furnish work for the unemployed out of the Public Treasury. That, too, is utterly impossible. This bill clearly proves the situation. Its most fanatical advocates concede that it will take care of only a million men and that to the extent of only $132.50 a man. If this Government is going to endeavor to take care of unemployment by public works, then it must have the decency to be as fair with all the citizens as it is to one. If we are going to give work to one million men, we must give work to eight and one-half million men.

If we are going to give work to eight and one-half million men, this appropriation should be increased from $132,500,000 to $1,146,250,000.

The gentleman from North Carolina [Mr. WARREN] justifies this bill with the explanation that the States individually can not build the roads but assumes that the 48 States collectively can build them. One would not think that a Representative from North Carolina, a State which traditionally believes in State sovereignty, would present the childish suggestion that 48 States collectively can financially do that which 48 States individually can not do.

The Government at this time is running behind $2,000,000,000 a year. Just yesterday I heard the gentleman from Georgia [Mr. CRISP] state that the Ways and Means Committee had exhausted every effort to tax the large incomes, and yet there is no way of balancing the Budget except to take on the sales tax. Personally, I regard the gentleman from Georgia [Mr. CRISP] as one of the outstanding statesmen of this House. I am basing that statement primarily upon the address which Mr. CRISP gave in the House a week or two since demanding a balancing of the Budget.

This morning the press reports are that the Democratic floor leader of this House, Mr. RAINEY, of Illinois, takes the position that a sales tax is imperative. When we turn to the sales tax, every State and every individual proportionately pays an equal part of the tax burden. If the money to meet this appropriation were collected from the large incomes, I would accept this bill upon the theory that it is one way of getting back into the rural communities the money which is daily drained away from them by monopoly; however, since the Ways and Means Committee has exhausted every effort through the income-tax route, yet there is a deficit, and to meet that deficit it must turn to the sales tax, that means that this appropriation will be paid equally by the States and the people of the Republic. Since the sales tax is to furnish the additional money to balance the Budget, then that means that every new appropriation will be met by the sales tax rather than by the income tax collected from the large estates.

It is admitted that the States can no longer meet their tax burden and it is common knowledge that property and farms are being confiscated by taxes. If we collect a sales tax from the people, who own the real estate in the States, upon every thing which they eat and wear, then they will have only that much less money with which to pay their property taxes. It would be the same result if we were directly increasing the property taxes of the country in order to meet this appropriation.

If this Congress will lay aside its socialistic statesmanship and will be willing to reach the unemployment problem in a practical and permanent way, then I suggest two propositions: First, lend its good offices in forcing the shortening of the hours of labor from eight hours to six hours a day, that will increase the employment of this country 25 per cent; and second, then if we must make some appropriations to assist the unemployed, let us go along with the financial institutions of this country in some sort of a program to provide liberal credit for two or three million of the unemployed to get back to the small farm. Sooner or later many of our unemployed must return to the farms as millions went from the farms to the factories when we had the markets of the world for manufactured products. At that time our European competitors were at war. To-day our European competitors are back in the markets of the world and have regained their lost markets. Our exports for December were the lowest of any month since before the war in 1914. As millions of men went from the farms to the factories, when we had the markets of the world, it is obvious that millions of men must go from the factories to the small farm, since we no longer have the markets of the world.

If we try to solve unemployment by public works or by direct donations, we are following the precepts of socialism and communism. All there is to communism is that everyone works for the government; therefore the government must have all of the income. If we are going to give to one-eighth of the unemployed work for a few weeks by the process of a little pinch of communism, we may as well reconcile ourselves to the fact that sooner or later we are going to have to take on more communism, giving eight and one-half times as many men employment and make the employment permanent instead of temporary. When we have eight and one-half million men permanently working for the Government we shall have communism and nothing less. Let us throw off the mask of hypocrisy, look the matter squarely in the face, and either decide to solve our social problems by taking on communism in its true form or let us gird ourselves to the situation and meet our present ills in the traditionally American and Anglo-Saxon way. It is either the case of balancing the Budget or ultimately communism. There is no escaping it.

This bill does not solve unemployment. It does not even alleviate unemployment. It is only a raid on the Public Treasury in the name of unemployment. If it has any justification, that justification is political. Its only purpose can be for the Members of this Congress to use it as a deceitful thing to pacify the distressed unemployed. It may pacify them long enough for us to get by the next election. If we must spend some money to perpetuate ourselves in office, let us have the manhood to furnish our own campaign expenses rather than to bleed the Public Treasury.

If I did not believe that unemployment could be solved in the traditionally American way, I would not only be in favor of this bill but I would be in favor of multiplying it manyfold. I would be in favor of taking on communism. Unemployment must be solved. We must face it and accept it. I think that our unemployment ills can be solved by shortening the hours of labor and getting a part of the surplus industrial labor back to the small farm. I think this is the traditionally American Anglo-Saxon way to relieve unemployment.

For my part, I am going to vote against this and all other raids on the Public Treasury to solve our economic problem. I shall vote against it and continue to live in the despairing hope that sooner or later the political, the financial, the industrial, and the social leadership of this country will recognize the necessity of shortening the hours of labor to take up the slack brought about by the use of modern machinery, and of getting the men back to the small farm who formerly worked in the factory when we had all the export markets of the world.

If this Congress really wants to do something effective for unemployment, it can within a week's time put three men to work permanently for every man this bill would put to work temporarily. This Congress will not have to follow the precepts of socialism. It can carry out a program which is traditionally American.

I refer to the great opportunity of this Congress to protect the American fuel market for American coal, the American oil market for American oil, and the American copper market for American copper. Give us a tariff on imported oil and you will preserve the American fuel market for American coal and the American oil market for American oil. That will permanently put to work 400,000 unemployed men in the oil and coal fields, and at the ratio of 300,000 directly employed and 700,000 indirectly employed, as suggested by the gentleman from Alabama [Mr. ALMON], the advocating of this bill would mean that these 400,000 men put back to work in the American oil and coal industries would carry with them 900,000 more men back to employment. This would be 1,300,000 men employed permanently and indefinitely. They would not be discharged just as soon as they had earned $132.50. The employment of this number of men would bring some permanent prosperity to the country, and the country would be better able to pay taxes with which to build roads or other public improvements. I do not know how many men would be permanently restored to employment if you would protect the American copper market for American copper. It is safe to say that thousands of men now unemployed in the copper industry would be returned to employment.

I would not oppose this bill and I would not oppose socialism if I did not believe that we could follow in the foot-

steps of our patriotic and fearless forbears, and do more to relieve unemployment than we can ever do to relieve it by following such socialistic measures as this one. I call upon the Congress to be statesmanlike and manly and look to programs which are traditionally American, which are sound and will furnish relief which is permanent and lasting. [Applause.]

Mr. PURNELL. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, the bill which is before us to-day purports to be an emergency measure for the purpose of furnishing employment to the unemployed. There has been much discussion concerning the number of men to be given employment if this bill becomes effective. It is ridiculous to say that with $120,000,000 to be expended for highway purposes that 1,000,000 men can receive any appreciable amount of employment. So far as furnishing employment is concerned, this bill is a farce. This is referred to as emergency legislation. Surely there can be no emergency so far as building additional roads is concerned, especially in forests, parks, and on Indian reservations. Therefore if the bill fails as an emergency measure, so far as employment is concerned, it loses all its force and effect. The people of the country are demanding economy. That sage of wits, Will Rogers, has suggested to Congress that whenever we appropriate any money that we carry in the same bill a provision providing for the raising of the money. We can not have economy by pinching, scraping, and paring in the Appropriations Committee and reporting out unwarranted legislation from other committees. When the agricultural appropriation bill was up we cut out certain appropriations for the expansion of roads and claimed credit for cutting the appropriation bill. I see my friend and colleague from Michigan [Mr. HART], who is a member of the Agricultural Subcommittee on Appropriations, is present. He insisted on cutting down those appropriations and was correct in so doing. We also eliminated roads in the parks and Government reservations when the Interior appropriation bill was before Congress. We went to the country with the statement that we had reduced these appropriation bills, and yet under the misnomer of emergency we are to-day undoing everything we have done in the way of reductions in appropriation bills. There is a difference between economizing for the purpose of reducing taxes and economizing for the purposes of publicity. However, be assured that the taxpayers of the country will not be deceived.

Mr. HART. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Yes.

Mr. HART. Is not this bill simply using Federal funds to match Federal funds we appropriated under the agricultural appropriation bill?

Mr. MICHENER. Yes; this bill is asking the States to tax their people to raise money to pay more money for Federal roads. Every time we pass one of these 50-50 bills offering to give the States something for nothing we not only invite the States, but we urge the States, to place more taxes on the backs of their people, for the sole purpose of getting something for nothing. [Applause.] This is the bait that is held out to get Members from States to support this kind of legislation and the list which Mr. PURNELL will publish is presumed to have sufficient potentiality to garner a sufficient number of votes. While it is true that Michigan will get more than $3,000,000 of this money, yet she will pay into the Treasury of the United States as Federal revenue much more than this amount. In other words, Michigan would be much further ahead of the game if she kept her own money in the State and built her own roads. Our tax burden up there is almost unbearable and we do not want additional roads which must be paid for by the taxpayers—not for the present at least.

The gentleman from Wisconsin [Mr. NELSON] spoke for this bill. He is a member of the committee and understands the motives of the committee. He made this statement in substance: "I want you people to understand that this bill is not for the purpose of sidetracking any other relief legislation." He tells us that this is to be followed by the Costigan-La Follette bill, and by other similar bills. He says that this is just one step, this is one item. We have heard it whispered about the floor of the House that the purpose of this so-called relief bill is to block something worse, and that this is a reason why those who are opposed to the Federal dole and legislation of that type should vote for this legislation. This reason does not appeal to me at all. This bill, if enacted into law, is a framework on which can be grafted many more expensive propositions when the bill reaches the Senate. I do not want legislation of this type written in conference. It is easy and appealing to talk about our unfortunate people and to appeal in behalf of "starving millions." Personally, I do not believe there are "starving millions" in the United States. There is undoubtedly distress and hardship, yet I have too much faith in our local communities and American patriotism to believe that these local communities are at this time permitting their fellow-citizens to starve.

Every dollar received by the States under this legislation requires additional State taxation. It is true that a part of this appropriation, if used by the States, would not have to be repaid by the States until after the year 1938, but we are assuming a burden, which some day, somehow, must be paid by the folks back home, and let us have the courage to stop this spending right here and now. The Committee on Ways and Means is exerting every effort to find enough money to pay the running expenses of the Government. Our Committee on Appropriations lops off five or ten millions and to-day we add $132,500,000—more than we can hope to save through the efforts of the Appropriations Committee. We are all for improved roads, when we can afford them, but we can not afford them at present, and the benefits to be derived from additional employment as hoped for in this legislation are far outweighed by the actual injury of additional appropriations and added taxation.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WARREN. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. KEMP].

Mr. KEMP. Mr. Chairman, there has been, in my opinion, a great misunderstanding of not only the purpose of the bill but the effect of it. The objection urged against the passage of the bill because it would interfere with balancing the Budget overlooks the very nature of the thing that will be accomplished by the expenditure of this money. This is not a current expense, it is not the expending of $132,000,000, but it is a capital investment; it is purchasing that thing which will endure for the happiness, convenience, and the benefit of all the people of all this broad land. It goes into the years to come and its service will continue. It must not be considered as a current expense. It is something that the people want. It is something that the American people will enjoy; and it is an investment that is being made at a time when the greatest possible economy can be practiced in the acquisition of this capital investment. Has there ever been a time since 1914 when so much road could be bought for the same amount of money? Labor, materials, and everything are reduced to-day and we will get more road for our money than ever before.

I want to insist that this House bear in mind that this is an investment of a permanent character and not an ordinary current expense. I am surprised that the gentleman from Michigan [Mr. MICHENER] would object to the expenditure of money for good roads. Does the gentleman not know—and do we not all know—that had it not been for the establishment of Federal aid for road building in 1916 we would not have had the great system of good roads that we have in this country? Does the gentleman not know that without that system of good roads we would not have had the great automobile industry in this country, which is now the greatest single industry in the whole United

States? Does not the gentleman know that without the growth and expansion of the automobile industry during the last decade this country would not have enjoyed the unprecedented, marvelous, and unbelievable prosperity that came to this country during that period? Does not the gentleman know that had not the automobile industry, which was new, absorbed three or four million men, we would have had in this country the same widespread unemployment that prevailed in Great Britain and other foreign countries?

The Bureau of Public Roads states, through its chief, that there are presently 3,000,000 men engaged in road construction in the United States. We are also informed that this year there will be $264,000,000 less for road construction in the United States than was available for 1931. That makes it very important that we provide this $132,000,000.

I also wish to submit to the House some figures that were furnished me this morning as to the number of people that this fund will employ. These figures are furnished by the Bureau of Public Roads. Mr. McDonald said that this fund provided in this bill would build 15,000 miles of roads; that from 80 to 90 per cent of the road dollar goes to the road-building personnel—to labor and personnel; that the emergency appropriation will keep from 80,000 to 90,000 men employed for one year.

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I yield eight minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, unemployment is more serious and widespread than ever before in the history of the country. The American Federation of Labor estimates that at present 8,300,000 people are out of work.

No one measure will completely solve the question. It is universally conceded that public works provide employment. During depressions, repairs and building are always urged. I know of no public work that provides more widely distributed employment in all the States of the Union than highway construction. Road building has contributed much to the relief of unemployment in the past two years. Highway programs have been adopted in New York, Pennsylvania, Ohio, Michigan, and other States to relieve unemployment. The State Highway Commissioner of Michigan estimated that a $10,000,000 road-construction program in that State would provide winter employment for approximately 30,000 workers.

We are entering the third year of unemployment in the existing depression, and many States of necessity will decrease appropriations for road construction. There are universal deficits in States, counties, and cities. There is no market for highway bonds. There is a tendency to divert the gasoline tax from road building to other purposes. Many States are and will be unable to match Federal-aid highway funds.

On December 9, 1930, upon the recommendation of President Hoover, and by a unanimous-consent agreement, without previous legislative authorization, under the leadership of the Republicans then in control, with a majority of about 100, the House passed H. R. 14804, appropriating $80,000,000 to enable the States to match Federal-aid highway funds in aid of unemployment. The Democratic minority cooperated in the passage of the measure.

THE BILL

The main provisions of the bill under consideration are substantially the provisions of the emergency act of December, 1930. The funds authorized are to be apportioned as temporary advances to the States. They may be used as State funds on Federal highway projects, but primarily the sums advanced are to be used to match the regular Federal-aid apportionments.

There are two constructive features that did not occur in the emergency act of December, 1930. The Secretary of Agriculture is authorized to make rules and regulations for carrying out the provisions of the act, with the view of providing the maximum employment of local labor, consistent with reasonable economy of construction, and in those States where 90 per cent of the Federal-aid highways have been completed, 1 per cent may be added to the 7 per cent now provided by law.

The bill was carefully considered by the committee. Hearings were conducted thereon, and the legislative authorization must be followed by an appropriation. There is no merit in the criticism that the bill was hastily drawn or considered.

INCREASES EMPLOYMENT

We are considering the first measure to increase employment that has reached the floor of the House this session. It is universally conceded that there is more unemployment now than in December, 1930. The pending bill contains an authorization of $120,000,000, whereas the legislation of December, 1930, provided $80,000,000. The measure is entirely logical. With more unemployment, more money is provided for relief.

The Democrats are now in control of the House by a bare majority. With no constructive suggestions and with no alternative program, those representing the Republican minority have suddenly announced their opposition to the pending bill. Many have spoken against it. Those who advocated identically the same emergency measure in December, 1930, now oppose the pending measure.

President Hoover on December 4, 1930, transmitted a Budget estimate to Congress asking for the $80,000,000 emergency appropriation for highway construction to relieve unemployment. So eager was the Republican organization to comply with the President's request, the usual procedure was not followed. The matter was not considered by the legislative Committee on Roads. The measure was brought before the House by the gentleman from Indiana [Mr. WOOD], then chairman of the Committee on Appropriations. He requested and obtained unanimous consent for consideration of the emergency measure. Not a single Republican or Democrat then opposed it. The distinguished gentleman from Indiana [Mr. WOOD] not only sponsored the identical legislation a little more than a year ago, but he announced that its purpose was to aid unemployment. For this purpose he advocated it. He has just spoken in opposition to the pending measure.

OPPOSITION

Notwithstanding his advocacy of the moratorium, notwithstanding his advocacy of the Reconstruction Finance Corporation legislation, the gentleman argues that the pending measure ought to be defeated to relieve the taxpayers. He is not only inconsistent, he has not only turned about face, but he offers no explanation for his changed position. He even went so far, in December, 1930, as to congratulate the Democratic minority upon their cooperation in passing that measure. I confess that there is always apparent effort when the distinguished gentleman makes acknowledgment to the Democrats, but to show not only his inconsistency but his change of position without rhyme or reason I quote from the gentleman's statement on the floor of the House when he championed the highway emergency legislation in aid of unemployment in 1930, as follows:

> And I wish now to express my appreciation of the part the Democratic Members took in formulating this bill.

It may be remarked that the pending measure is before the House with the unanimous report of the Committee on Roads and with the unanimous approval of the Committee on Rules.

The gentleman from Indiana [Mr. PURNELL] likewise opposes the pending measure. He was thoroughly satisfied that $80,000,000 could be spent on the Federal-aid highways and that unemployment would be relieved a year ago, but he is among the doubting Thomases now. He is uncertain. He opposes the pending bill without the slightest reason for his position. He does manifest his anxiety for the unemployment situation, but he neither offers nor proposes any solution. Without any remedy he is content to obstruct. It does not disturb him in the least that he has completely reversed his former position.

It was reserved to the distinguished gentleman from Illinois [Mr. CHINDBLOM], representing, in part, the second largest city in the United States, to bring up the heavy oratorical artillery in opposition to the only measure in aid of unemployment thus far considered. He opposes the first bill in aid of unemployment, although he stood loyally by the identical program a year ago and supported faithfully President Hoover in enacting the program. While opposing highway aid, the statesman from Illinois takes occasion to advocate another strain on the Treasury in an effort to balance the Budget. He almost sheds tears as he thinks of appropriating money for building roads, which are to be used by the people of the entire country, but he waxes eloquent in advocacy of an appropriation to build houses and construct offices in the great cities of the country. It is difficult for some statesmen to see beyond the municipal limits of the cities in which they live. The gentleman from Illinois speaks of balancing the Budget. He opposes the pending measure, but he advocates no other form of relief. He neglected to speak of balancing the Budget when he approved billions of dollars for the banks, railways, and other financial institutions of the country, but when it comes to aiding the unemployed in the only relief measure thus far considered on the floor of the House, he becomes gravely and profoundly concerned about balancing the Budget. He is a member of the Ways and Means Committee. He knows full well that when we speak of balancing the Budget we refer to the fiscal year 1933. The passage of the pending bill will not interfere with balancing the Budget. Appropriations made under it, like appropriations for the Reconstruction Finance Corporation and for other similar purposes, will not in and of themselves increase the taxes in balancing the Budget for 1933. The appropriations for 1932 will be passed to the public debt. All emergency appropriations will tend to increase the public debt, but will not materially interfere with balancing the Budget. The moratorium was passed primarily to aid the rehabilitation of Germany and to help our former allies. We can not afford to do less than pass the pending measure in aid of the unemployed in our own land. [Applause.]

The opposition of the gentleman from New York [Mr. BACON] is typical. Under the leadership of Franklin D. Roosevelt, the distinguished Governor of the Empire State, relief programs have been adopted in that State; however, the gentleman from New York is not bothered about consistency. He advocates no measure of relief for the unemployed. In fact, he makes no reference in his speech opposing the pending bill to unemployment at all. I dismiss his opposition by calling attention to the fact that he does not know whether he supported the identical legislation a little more than a year ago. He actually stated that he had forgotten whether he supported it or not.

Of course, the gentleman from Michigan [Mr. MICHENER], as was to be expected, gave us the benefit of his views in making vocal his opposition to the pending relief measure. Frequently constructive in his suggestions, the gentleman was probably louder in his denunciation of the pending bill than any other Republican who spoke in opposition to it. He is usually careful and painstaking, but he completely overlooked any sort of explanation of his reversal of the position taken by the Republican administration on identically the same bill just a year ago. In his zeal the gentleman from Michigan referred to the commendable economy of the present Democratic leadership in the House; however, he erroneously stated that the regular Federal-aid road appropriation was deliberately cut in the current agricultural appropriation bill.

As I have already stated, many States are unable to match the Federal aid. The Agricultural Committee evidently had this in mind, and as the gentleman from Texas [Mr. BUCHANAN] stated more than once during the consideration of the annual appropriation for regular Federal aid to highways, there was no reduction in fact, and every dollar that Mr. Thomas H. MacDonald, Chief of the Bureau of Public Roads stated could be used in 1933, was appropriated. Moreover, the gentleman from Michigan [Mr. MICHENER] and the gentleman from Illinois [Mr. CHINDBLOM] evidently do not recall that the former emergency road appropriation of $80,000,000 contained a stipulation that one-fifth of the $80,000,000 was to be deducted from the apportionment to the several States for the five years commencing with 1933. That provision accounts for the reduction in the annual highway appropriation.

The gentleman from Illinois [Mr. WILLIAM E. HULL] and the gentleman from Washington [Mr. JOHNSON] have made known their opposition to the pending bill, although they were solicitous, as shown by the discussions, for the passage of identically the same bill in December, 1930. These gentlemen are evidently laboring under the delusion that the unemployment situation in Illinois and Washington is not as acute as it was in 1930.

REPUDIATION

Federal-aid highway appropriations have been increased from $75,000,000 to $125,000,000 in the past two years. Public buildings in the cities costing hundreds of millions of dollars have been authorized under the administration of President Hoover and upon the advocacy of the Republican majority in the House during his term, largely in aid of unemployment. The country was prosperous in 1928. Bankruptcy stalks abroad in the land now. Unemployment obtains in the city and the country. The Republican minority in the House criticizes but offers no solution. I point to the significant fact that every Member who has spoken in opposition to the pending bill offered no remedy for the unprecedented unemployment. The opposition involves not only an admitted and unexplained inconsistency but a shameless repudiation of the program of the President of the United States and a repudiation of the adoption of that program by the Republican majority in control of the House in December, 1930. [Applause.]

MONEY

The gentleman from Indiana [Mr. WOOD] opposes the expenditure under the pending bill because it involves the appropriation of money. I ask him and all who concur in his opinion how they intend to relieve unemployment unless money is provided. People are begging for work, and money is essential if work is to be paid for. No self-executing program has been suggested. I repeat that neither the gentleman from Indiana nor any other person in Congress can suggest any program to relieve unemployment unless it involves the expenditure of money. [Applause.]

WORKERS

Much has been said during the discussion about the number of workers employed in highway construction. I shall not quibble about figures. The view is general that from 75 per cent to 80 per cent, and possibly 90 per cent, of the money expended for highway construction is ultimately paid out as wages and salaries. I make this statement upon the authority of the Bureau of Public Roads. The matter was developed in the hearings. Mr. MacDonald, the Chief of the Bureau of Public Roads, stated that the percentage ranged all the way from 15 to 80 per cent, depending upon the type of the work. For modern pavements 15 to 20 per cent goes to labor on the job. Eventually most of the money goes back to labor. In the hearings before the Post Offices and Post Roads Committee of the United States Senate in January, 1932, Mr. MacDonald inserted a statement showing the distribution of $910 out of every $1,000 in highway construction for wages and salaries. Moreover, before the committee of the House in the hearings on the pending bill, as well as in said hearings before the Senate committee, Mr. MacDonald stated that for highway State and Federal employment there was an average of 288,000 workers for each month of the year 1931.

The use of man power and the elimination of machinery wherever and whenever economical and consistent are encouraged by the rules to be prescribed by the Secretary of Agriculture. Whatever may be said about the number

employed, I challenge any opponent of the pending bill to point out any expenditure of Government funds that will provide for more general employment than aid to Federal highways. I also challenge any such opponent to name any legislation from which the general public will receive more direct benefits.

PUBLIC WORKS

Donations from the Public Treasury are decried. The dole is denounced. Work is the remedy for unemployment. We must be national in our point of view. The cities profit from the construction of public buildings. The country is benefited by the building of roads. Those who represent the sparsely settled States are asking no special favors. They are advocating a national program for public works that will benefit the industrial workers of the city and the laborers of the country.

I advocate the broad and liberal view. Harbors are improved, with direct benefit to the cities located thereon. I advocate appropriations for improving harbors. The representatives of the cities advocate aid to banks, railways, life-insurance companies, and shipping companies. I gladly support all reasonable measures for these purposes, but in support of these measures I ask my friends from the great cities to reciprocate. I commend the view and the statement of the gentleman from New York [Mr. MEAD], for he admits that there is the problem of unemployment in both the country and the city.

If Congress is not to adopt the dole, then all appropriations to aid unemployment involve construction of some kind. If those who advocate relief for unemployment oppose highway construction, they should submit a better program of relief. It will be difficult for the country to understand the complete change of front and the utter repudiation of that program for unemployment that was proclaimed by President Hoover and his defenders as sound in December, 1930.

LOCAL LABOR AND REASONABLE WAGES

I favor a reasonable wage scale, and I am also in favor of the employment of American citizens on all public works. At the same time, I favor regular aid for highways. One of the dangers in Federal aid is the tendency to centralize. The States contribute 50 per cent. They should have the final voice in the expenditure of the funds. Federal aid provides, under our dual form of government, for the distribution of income equitably among the States for national purposes. The laws of the States with respect to labor and public works control in highway construction. Contracts are made subject to State laws. I therefore oppose any further Federal legislation that will take away from the States power and authority in the distribution of the funds and in the execution of the works. I oppose further bureaucracy and advocate local sovereignty in Federal aid.

RELIEF

Did the emergency highway program in 1931 actually give relief? Every dollar of the emergency appropriation was allocated and used. New York, Indiana, and Michigan, as well as every other State in the Union, used every cent of the emergency appropriation allocated to them. The relief under the previous emergency act came to every State in the Union. No time-serving or political opposition can controvert successfully the undisputed fact that employment was promoted by the previous emergency appropriation.

EMERGENCY

I want to say a word about the present necessity for the legislation. The revenues of the States have decreased. As I have pointed out, the funds for highway construction will be materially less in many States during the current year. Many heretofore employed on highways will be without work. There is the problem to maintain those who are at present employed. Moreover, with the difficulties of balancing State budgets for the current year, where a different plan of financing obtains from that in the Federal Government, the taxes on gasoline are being diverted to pay other obligations. Highway construction will lag. The States will be without money to match the regular Federal aid in 1933. Passage of the pending bill will make available, therefore, without local contribution, approximately $250,000,000, for immediate highway construction.

Under the leave to extend my remarks I insert the following table furnished me by the Bureau of Public Roads, showing the unobligated balance of Federal-aid funds available for new projects as of January 31, 1932:

Unobligated balance of Federal-aid funds available for new projects as of January 31, 1932

State	1931[1] apportionment		1932 apportionment		1933 apportionment		Total unobligated balance
	Balance unobligated	Per cent	Balance unobligated	Per cent	Balance unobligated	Per cent	
Alabama	$523,516.31	20.1	$2,615,434.00	100.0	$2,250,169.00	100.0	$5,389,119.31
Arizona					1,491,162.58	95.8	1,491,162.58
Arkansas			145,274.44	6.7	1,846,477.60	100.0	1,991,752.04
California					1,804,409.96	43.8	1,804,409.96
Colorado			78,617.08	3.4	1,988,953.60	100.0	2,067,570.68
Connecticut			25,850.34	3.3	687,401.80	100.0	713,252.14
Delaware					338,081.68	63.9	338,081.68
Florida	41,364.63	2.7	1,543,232.00	100.0	1,437,372.40	100.0	3,021,969.03
Georgia					1,744,179.93	63.3	1,744,179.93
Idaho			93,032.58	6.0	1,330,448.00	100.0	1,423,480.58
Illinois					2,905,293.87	64.9	2,905,293.87
Indiana					1,584,606.30	58.7	1,584,606.30
Iowa					1,973,117.19	70.5	1,973,117.19
Kansas					1,760,691.19	60.9	1,760,691.19
Kentucky					1,727,826.78	86.7	1,727,826.78
Louisiana			129,078.92	7.4	1,537,800.60	100.0	1,666,879.52
Maine			374,803.23	33.4	944,168.20	100.0	1,318,971.43
Maryland					785,651.09	87.7	785,651.09
Massachusetts					687,103.02	45.5	687,103.02
Michigan					3,168,443.32	94.9	3,168,443.32
Minnesota					150,028.10	5.0	150,028.10
Mississippi	1,266,550.71	57.2	2,209,509.00	100.0	1,907,440.80	100.0	5,383,500.51
Missouri					3,047,358.46	91.9	3,047,358.46
Montana			1,022,902.46	39.6	2,230,177.00	100.0	3,253,079.46
Nebraska			391,022.59	14.8	2,256,040.80	100.0	2,647,063.39
Nevada			166,109.60	10.4	1,392,753.40	100.0	1,558,863.00
New Hampshire			18,435.24	3.0	529,375.00	100.0	547,810.24
New Jersey			141,119.53	9.0	1,463,483.60	100.0	1,604,603.13
New Mexico					1,260,679.38	72.8	1,260,679.38
New York					4,436,572.98	83.0	4,436,572.98
North Carolina			1,308,345.40	45.6	2,550,007.00	100.0	3,858,352.40
North Dakota			326,789.02	16.3	1,710,936.60	100.0	2,037,725.62
Ohio			115,179.11	2.5	3,971,690.40	100.0	4,086,869.51
Oklahoma					2,328,366.59	91.2	2,328,366.59
Oregon			133,104.08	6.7	1,763,260.60	100.0	1,896,364.68
Pennsylvania			456,330.66	8.3	4,640,667.40	100.0	5,096,998.06
Rhode Island					329,207.16	62.2	329,207.16
South Carolina					1,375,312.87	93.6	1,375,372.87

[1] Includes $326,864.96 reapportioned from 1928 funds.

Unobligated balance of Federal-aid funds available for new projects as of January 31, 1933—Continued

State	1931 apportionment		1932 apportionment		1933 apportionment		Total unobligated balance
	Balance unobligated	Per cent	Balance unobligated	Per cent	Balance unobligated	Per cent	
South Dakota					$1,267,439.45	71.8	$1,267,439.45
Tennessee			$1,581,683.12	58.9	2,302,158.60	100.0	3,883,841.72
Texas			17,050.18	.2	6,770,221.00	100.0	6,787,271.18
Utah			71,162.57	5.0	1,223,560.80	100.0	1,294,723.37
Vermont			42,702.12	7.0	529,375.00	100.0	572,077.12
Virginia			98,106.12	4.1	1,992,380.60	100.0	2,090,486.72
Washington			98,412.59	5.1	1,681,216.40	100.0	1,779,628.99
West Virginia			58,759.59	4.4	1,162,217.20	100.0	1,220,976.79
Wisconsin			41,182.81	1.3	2,640,713.00	100.0	2,681,895.81
Wyoming					785,801.14	57.8	785,801.14
Hawaii [1]			608,696.60	99.9	529,375.00	100.0	2,018,071.60
Total	$1,831,431.65	1.5	13,911,924.98	11.4	90,221,174.44	86.2	109,844,531.07

[1] The total for Hawaii includes $880,000 which was set aside as a special fund by the act of Feb. 23, 1931.

There is a balance to the credit of Mississippi from the apportionment of 1931 of $1,266,550.71. Only two other States in the Union have not used their 1931 apportionment. These States are Florida and Alabama. There is to the credit of Mississippi for 1932, $2,209,509. There will be apportioned in 1933, $1,907,440.80. Thus the total unobligated balance to the credit of Mississippi is $5,383,500.51.

The danger is that Mississippi and other States will lose Federal-aid road funds because of the inability of the States to match these funds. Under the Federal highway act all Federal-aid funds unallocated and unobligated for two years after the close of the fiscal year in which the apportionments are made lapse and are reapportioned among all of the States. For instance, a part of the Federal-aid apportionment for the State of Montana for the fiscal year 1923 lapsed and that State lost $655,546.34. For the fiscal year 1928, $326,846.96 apportioned to Hawaii lapsed.

The apportionment of $1,266,550.71 for the fiscal year 1931 to Mississippi will lapse if the amount is not obligated and matched by State funds before July 1, 1933. This State and other States are in danger of losing their apportionment of Federal-aid highway funds. The apportionments for the fiscal year, I repeat, lapse after two years, unless they are matched and obligated. Hence the emergency and importance of the pending bill.

I also insert the following table showing the unobligated apportionments accruing to the several States in another form, to wit:

United States Department of Agriculture, Bureau of Public Roads, current status of Federal-aid road construction as of January 31, 1933

State	Completed mileage	Under construction					Approved for construction					Balance of Federal-aid funds available for new projects
		Estimated total cost	Federal aid allotted	Mileage			Estimated total cost	Federal aid allotted	Mileage			
				Initial	Stage [1]	Total			Initial	Stage [1]	Total	
Alabama	2,405.4	$1,541,469.27	$748,833.58	62.6		62.6						$5,389,119.31
Arizona	1,113.5	3,100,414.28	2,038,617.71	151.7	84.6	236.3	$214,260.26	$161,316.54	18.7		18.7	1,491,162.53
Arkansas	1,919.7	3,795,361.89	1,772,437.69	86.0	72.7	158.7	362,032.53	181,016.26	17.3		17.3	1,991,752.04
California	2,214.2	10,488,440.29	4,635,262.51	222.0	44.8	266.8	2,245,227.41	1,086,831.59	47.1	14.1	61.2	1,804,409.96
Colorado	1,516.8	5,212,372.26	2,662,850.29	221.9	66.0	287.9	547,326.44	269,751.14	16.3		16.3	2,067,570.63
Connecticut	288.5	3,084,244.77	1,151,757.90	22.9		22.9						713,252.14
Delaware	361.6	154,414.00	77,207.00	4.3		4.3	465,212.50	232,606.25	25.6		25.6	338,081.63
Florida	581.7	5,239,072.77	2,432,196.81	147.0		147.0	49,004.56	24,502.28	.1		.1	3,021,969.03
Georgia	2,999.0	6,988,646.29	3,250,027.65	184.6	153.5	338.1	988,337.56	494,168.76	38.0	17.2	55.2	1,744,179.93
Idaho	1,485.3	1,726,513.35	998,918.80	85.9	80.3	166.2	252,882.85	152,007.29	18.0		18.0	1,423,480.54
Illinois	2,627.1	22,713,061.29	10,563,419.39	665.8	28.7	694.5	3,796,850.76	1,642,351.35	140.2	9.0	149.2	2,905,293.87
Indiana	1,787.9	7,155,748.04	3,539,673.88	189.2		189.2	3,897,200.83	1,789,777.42	141.4	2.9	144.3	1,584,606.30
Iowa	3,379.0	331,333.50	138,397.76		11.9	11.9	1,743,306.44	826,638.01	61.3	18.0	79.3	1,973,117.19
Kansas	3,649.7	3,005,615.48	1,391,823.86	161.2	15.3	176.5	2,923,789.57	1,427,002.36	188.8	5.4	194.2	1,760,691.19
Kentucky	1,871.7	2,348,515.36	1,067,373.05	137.2	4.0	141.2	577,471.72	269,284.62	13.3	41.6	54.9	1,727,826.73
Louisiana	1,541.7	7,216,064.49	2,803,668.96	112.6	10.6	123.2	1,295,507.93	68,270.07	.5		.5	1,666,879.52
Maine	706.0	1,804,346.15	789,080.76	31.4		31.4	37,546.34	14,085.00	.9		.9	1,318,971.43
Maryland	770.1	441,451.15	149,608.89	13.4		13.4	250,874.75	125,437.37	11.8		11.8	785,651.09
Massachusetts	803.2	7,747,403.42	2,949,352.76	70.1		70.1	784,690.49	348,347.37	8.6	.2	8.8	687,103.02
Michigan	1,974.3	10,437,694.69	4,523,057.69	374.3	58.2	432.5	800,781.24	378,823.37	34.0	8.5	42.5	3,168,443.32
Minnesota	4,291.3	2,464,947.82	876,785.45	41.1	58.7	99.8	7,747,946.74	2,474,985.76	157.5	201.9	359.4	150,028.10
Mississippi	1,792.4	4,014,998.22	1,968,703.64	169.4	78.0	247.4	103,524.13	51,762.05	9.5		9.5	$5,383,500.51
Missouri	2,951.2	2,333,230.66	975,887.91	62.8	3.4	66.2	4,560,466.24	703,143.85	60.1	3.5	63.6	3,047,358.46
Montana	2,613.9	5,417,980.89	3,034,629.24	442.7	22.8	485.5	403,394.86	224,368.51	61.4	.5	61.9	3,253,079.46
Nebraska	4,152.9	4,920,915.22	2,406,758.29	206.5	76.6	283.1	84,279.58	41,975.64	2.1		2.1	2,647,063.39
Nevada	1,345.8	974,327.23	744,741.76	30.4	89.8	120.2						1,558,863.00
New Hampshire	417.6	676,512.12	265,632.44	13.4	2.5	15.9						547,810.24
New Jersey	582.1	5,708,263.52	1,976,522.53	59.5	.6	60.1						1,604,603.13
New Mexico	2,177.7	2,748,137.56	1,788,348.90	135.7	13.8	149.5	481,698.71	303,425.51	14.2	10.4	24.6	1,260,679.38
New York	3,239.0	12,643,900.00	5,610,500.06	282.2		282.2	3,514,800.00	1,350,000.00	68.7		68.7	4,436,572.93
North Carolina	2,221.6	1,348,388.13	653,221.40	59.9		59.9	245,906.23	122,953.10	17.4	4.0	21.4	3,858,352.40
North Dakota	5,118.2	1,828,691.83	918,953.57	160.4	171.9	332.3	1,327,226.48	679,129.03	149.7	259.5	409.2	2,037,725.62
Ohio	2,829.6	7,002,996.22	2,423,620.10	100.1	29.8	129.9	1,173,200.00	572,962.46	10.7	.4	11.1	4,086,869.51
Oklahoma	2,194.1	5,179,750.02	2,522,789.07	137.4	83.4	220.8	498,297.51	217,779.48	10.8		10.8	2,328,366.59
Oregon	1,545.6	3,287,004.12	1,835,226.98	84.0	35.7	119.7	454,179.00	237,632.02	12.8	11.1	23.9	1,896,364.68
Pennsylvania	3,012.1	4,193,848.20	1,917,622.88	45.8		45.8						5,096,993.06
Rhode Island	257.5	811,653.61	427,281.05	16.6		16.6	81,305.62	40,652.81	2.2		2.2	329,207.16
South Carolina	1,997.0	2,679,138.08	1,148,707.78	63.0	43.6	106.6						1,375,312.87
South Dakota	4,035.8	2,935,366.20	1,625,070.82	174.8	175.3	350.1	497,616.45	300,502.55	54.3		54.3	1,267,439.45
Tennessee	1,662.4	848,984.19	422,357.41	24.2	8.7	32.9	437,058.09	202,974.45	13.6	6.4	20.0	3,883,841.72
Texas	7,590.0	13,052,766.47	5,861,194.84	653.6	163.0	816.6	2,728,062.52	1,234,664.59	197.3	46.8	244.1	6,787,271.18
Utah	1,218.6	650,176.96	432,772.23	59.5	.4	59.9	367,710.43	272,080.68	23.1	3.3	26.4	1,294,723.37
Vermont	339.1	104,832.58	52,345.06	4.3		4.3						572,077.12
Virginia	1,851.3	2,748,074.56	1,320,166.66	144.2	16.3	160.5	160,977.42	80,488.71	5.4		5.4	2,090,486.72
Washington	1,195.4	1,927,757.38	947,168.56	56.9		56.9	556,682.40	222,000.00	27.5		27.5	1,779,628.99
West Virginia	884.0	1,735,061.39	761,625.34	44.6	10.5	55.1	187,635.92	86,032.31	.7		.7	1,220,976.79
Wisconsin	2,664.8	3,119,586.51	1,155,563.12	138.5	14.3	152.8	90,647.32	45,000.00		3.5	3.5	2,681,895.81
Wyoming	2,022.1	2,522,816.68	1,492,230.45	173.6	88.9	262.5	384,014.48	246,606.78		47.4	47.4	785,801.14
Hawaii	63.1	974,113.04	445,557.39	30.0		30.0	82,324.99	22,869.00	1.5		1.5	2,018,071.60
Total	100,262.6	203,386,392.15	93,715,561.81	6,559.2	1,818.6	8,377.8	44,401,309.30	19,226,256.49	1,682.4	715.6	2,398.0	106,844,531.07

[1] The term "stage construction" refers to additional work done on projects previously improved with Federal aid. In general, such additional work consists of the construction of a surface of higher type than was provided in the initial improvement.

Under the emergency act of December, 1930, there was apportioned to the State of Mississippi $1,452,736. The amount was used for 41 projects and for 201.5 miles.

Under the leave to extend my remarks, I include herewith a table showing the amount that each State will receive under the authorization of $120,000,000 in the pending bill, to wit:

Amount each State would receive of an apportionment of $120,000,000, using the percentages of the regular 1933 apportionment

Alabama	$2,550,053
Arizona	1,762,636
Arkansas	2,091,431
California	4,669,711
Colorado	2,255,281
Connecticut	779,324
Delaware	600,000
Florida	1,629,204
Georgia	3,120,191
Idaho	1,508,485
Illinois	5,077,245
Indiana	3,060,266
Iowa	3,173,493
Kansas	3,276,334
Kentucky	2,259,648
Louisiana	1,740,196
Maine	1,070,600
Maryland	1,015,296
Massachusetts	1,712,774
Michigan	3,783,179
Minnesota	3,373,560
Mississippi	2,160,628
Missouri	3,761,014
Montana	2,525,108
Nebraska	2,557,683
Nevada	1,578,025
New Hampshire	600,000
New Jersey	1,659,121
New Mexico	1,962,340
New York	6,057,965
North Carolina	2,890,203
North Dakota	1,940,325
Ohio	4,501,069
Oklahoma	2,893,101
Oregon	1,996,128
Pennsylvania	5,261,052
Rhode Island	600,000
South Carolina	1,666,492
Tennessee	2,609,757
South Dakota	2,002,076
Texas	7,668,024
Utah	1,387,190
Vermont	600,000
Virginia	2,258,196
Washington	1,905,627
West Virginia	1,316,720
Wisconsin	2,992,438
Wyoming	1,540,811
Hawaii	600,000
	120,000,000

It will thus be seen that Mississippi will receive $2,160,628. This amount will be immediately available and can be used to match Federal aid. Approximately $4,500,000, without State funds, will be immediately available for highway construction in Mississippi.

If the Mississippi Highway Commission is able to obtain in the next 12 months, either through legislative enactment or from funds accruing to it, approximately $3,500,000, there will be available for highway construction about $11,000,000.

The great benefit of the emergency highway legislation becomes apparent. The situation that obtains in Mississippi prevails in many States.

No burdens of taxation are placed upon the States by the passage of the pending bill. The emergency act of 1930 provided for deductions from future Federal-aid apportionments in repayments over a period of five years. A similar provision obtains in the present bill for deductions for 10 years beginning in 1938.

SETTLED POLICY

While this is not the occasion for the discussion of the merits of Federal-aid highway construction a few observations are in order. Those who use the highways should pay for them. Highways are now used by citizens of all the States. Federal aid is the best plan devised for all to contribute to their costs. Federal aid to highway construction has become the accepted policy of the country. President Hoover, in his message to Congress in December, 1929, said:

> Federal aid in the construction of the highway systems in conjunction with the States has proved to be beneficial and stimulating.

The United States Chamber of Commerce is nothing if not conservative. Silas H. Strawn, president, in a communication to the chairman of the Committee on the Post Office and Post Roads on January 1, 1932, submitted resolutions adopted at the annual meeting in 1929, from which I quote:

> The constant expansion of motor transportation has brought with it new demands for highway construction and improvement despite the great progress made during the past decade.

And again:

> Increased Federal funds for use on the interstate system will at once expedite completion of this work and will release State and local funds for use on secondary roads.

Those who oppose Federal aid for highway construction maintain that the larger and wealthier States contribute more as taxes than they receive under Federal highway legislation. It is said that Mississippi, under the pending emergency act, will receive 1.8 per cent of the apportionment and will contribute only .06 of the total revenue collections. It is pointed out that Mississippi will receive under this emergency appropriation $2,160,628, and that the total internal-revenue receipts from Mississippi for the fiscal year ending June 30, 1931, are $1,584,433.15. I submit, however, that such opposition is not well founded. The large commercial institutions are domiciled in New York and other great cities, but they engage in business in all the States. The industrial centers, other States, and cities participate in the benefits of highway construction in Mississippi. In concrete roads, about 15 per cent is paid to men employed on the job. 12 per cent goes to men employed in the quarries, gravel pits, sand pits, mills and factories, and 14 per cent to men employed in transportation. Some of the costs of construction goes to miners. Fuel to produce power is necessary. Part of the cost is paid to men who build the machinery, and some goes to the cement plants and steel mills, where road materials are produced. Many city workers are employed. This is particularly true in the transportation and in the mills and the factories.

Again, States like New York receive credit for revenue collections from many railway, insurance, both fire and life, and other financial institutions that are engaged in business in all the other States of the Union. The citizens of other States contribute to the income that is paid in New York. These States are entitled to share in the distribution of the taxes from that income.

Automobiles are manufactured in Detroit. They are sold in every State in the Union. The highways of the Nation are used by the people of the country and all should contribute to their construction.

Federal aid for highway construction is fair and just. The general public receives the benefits of Federal-aid road expenditures.

In conclusion, I urge the passage of the pending bill as an emergency and as a tried and proven measure in aid of unemployment. I suggest that no further limitations or rules and regulations controlling the expenditure of the funds in Washington be inserted in the bill, by amendment. It is difficult, if not impossible, to embody in a national statute all the details that apply to labor and other conditions in all the States. The committee gave careful consideration to the legislation and it is believed that the provisions of the bill with respect to local labor will be generally applicable.

I ask those who oppose to reconsider. I call upon both Republicans and Democrats alike to vote for the passage of this bill and thus make the first and only material contribution thus far during the session to the relief of unemployment in every State in the Union. If highway construction aided unemployment in December, 1930, it will certainly doubly aid it in February, 1932. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I yield five minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, ladies, and gentlemen, this measure will not give all the relief needed or desired, but it is the only bill reported to this House seeking direct relief for the unemployed. We have granted relief to the larger industries through the Reconstruction Finance Corporation bill, whereby banks, railroads, insurance companies, agricultural-credit corporations, farmers for crop purposes, and others may borrow money. A moratorium has been passed granting relief to European nations for the payment of their indebtedness due this year to the extent of $252,000,000, and this burden must be passed on to the taxpayers of this Nation. One hundred and twenty-five million dollars has been appropriated for the relief of Federal land banks. We have also passed the Glass-Steagall bill liberalizing the Federal reserve bank system, which will go far in putting more money into circulation, but none of these measures go directly to the relief of the unemployed. Under the terms of this bill $132,500,000 is appropriated for the purpose of matching Federal aid, and without this appropriation at least one-third of the States of the Union will be unable to carry on their Federal road-building program. Alabama, Mississippi, Tennessee, South Carolina, Florida, and Arkansas are unable to match Federal-aid money, and many other States, on account of the bond situation and the depleted income from revenue, will be unable to obtain their full benefit of Federal aid. Many States, including Rhode Island, Connecticut, Massachusetts, Ohio, North Carolina, and New York, have completed, or about completed, their 7 per cent Federal road program, but under section 4 of this measure they can add another per cent and reap the benefits under this bill.

By this money being used to match Federal aid, which is now available to all States, it will mean $265,000,000 going direct for Federal road work, and it is estimated by the Bureau of Public Roads that this measure will be the means of at least $300,000,000 being used on public roads in the next year. The Director of Public Roads, Mr. MacDonald, after a very extensive check and investigation declares that in the breakdown of a dollar used in building public roads that over 85 to 90 per cent goes to personnel and labor. In arriving at these figures he takes into consideration the men employed directly upon the project, the labor used in transportation and the manufacture of material and the tools used in the burning of cement, and the office force. It will thus furnish labor for at least 275,000 every day for a year and 1,000,000 for the peak load during the summer months. This will mean that 85 or 90 per cent of this $300,000,000 will go to labor and that the Federal road program will continue in operation, which will not be possible in at least one-third of the States of this Union, if not more, unless this or a similar measure is passed.

Regardless of the actual amount that will go to labor, we do know of our own knowledge that a great percentage of it will be thus used; in addition thereto we know that this means to put $300,000,000 into circulation, and the greater portion of this amount going into the hands of those who are in dire need and who are now out of employment.

Certainly labor is entitled to this measure in view of the fact we have appropriated fifteen times the amount of this bill for the relief of banks and their associates, to say nothing of the fact that this will mean the continuation without interruption of our Federal road program, and will leave valuable improvements in every State in the Union.

In most of the States the law provides that contracts must be let to the lowest bidder, and heretofore the Federal Road Bureau has had very little to say in this regard. The contractor is generally equipped with the most modern machinery, together with a force of men, and takes his outfits, including laborers, from one community to another and from one State to another, and local labor has not been receiving the benefit that it should.

Then, too, the contractors are apt to take advantage of the unemployment condition and pay very little for common labor. Section 3 of the bill was inserted for the purpose of giving the bureau the right to make rules and regulations for carrying out the provisions of the act with a view of providing the maximum employment of local labor consistent with reasonable economy of construction. This will permit the director to present a questionnaire to each bidder requiring him to show how he intends to perform the contract if successful, and what wages he expects to pay. It was the desire of the committee, concurred in by Mr. MacDonald, that a reasonable wage should be paid for labor and that no contract should be awarded where there was not a minimum wage specified. It was also the desire that machinery should be eliminated as far as possible, in order to furnish more labor, consistent with reasonable economy of construction. In many instances more labor can be used consistent with reasonable economy in the building of culverts and excavations for the same by using teams and scrapers rather than highly improved machinery. This section also provides for local labor. We feel confident that under the authority given in section 3 that the Bureau of Public Roads will have a right to sit in and have a voice in saying to whom and under what circumstances contracts shall be awarded, and that the director will go the limit, consistent with reasonable economy, in providing that a living wage shall be paid and that as much local labor will be used as possible, and that labor will be given the first consideration in this program.

This measure will grant relief where relief is most needed. In my opinion, on account of the depression and the decreased income from gasoline and automobiles taxes, at least one-half of the States will not be able to carry on in their Federal road program without the relief of this or a similar bill. For instance, in my State, Arkansas, on account of this very fact we will have no money to match Federal aid, and will, therefore, be unable to carry on the Federal road program in the State this year without the relief sought in this measure.

Under this bill Arkansas will receive $2,091,143 to match Federal aid, which will mean that we will do at least $4,000,000 worth of road work in the State this year. We are assured that every State has a set-up and is ready to take advantage of the terms and provisions of this bill and start work at once.

Personally, I would much prefer that this money be used in the building and improving of rural post roads and farm-to-market roads not now in the Federal system, but I realize that it would take new legislation and much time would elapse before the money would be available due to new regulations and new set-ups. Then, too, it appears to be the policy of the Government to do nothing for this class of roads until the present plan under which we are working is completed. The enactment of this law will speedily hasten the day when the present program will be completed in order that we may grant relief where it is contemplated under the Constitution that the relief should go, and that is to the rural post roads.

This measure is in no sense a dole, as the money advanced will be repaid by the States out of future Federal-aid allotments in 10 equal payments, beginning in 1938. It is along the line of the La Follette-Costigan measure, differing in amount and providing for repayment.

Mr. COLTON. Mr. Chairman, I yield five minutes to the gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Chairman, I would like to review a bit of recent history in the House for just a few minutes. When the first deficiency bill came before the House, this body, under the leadership of the Democratic-controlled Committee on Appropriations, with great cheering and boasting to the country of economy, took $10,000,000 from the appropriation for Federal aid for public roads. Then a few weeks later, when the Department of Agriculture appropriation bill was before the House, the Democratic majority on that committee, with the approval of this House, took $9,000,000 more from the appropriation for Federal aid for public roads, again boasting to the country to look at a Democratic majority in the Congress to see how much money they were saving. In two bills $19,000,000 was stricken from the appropriations for Federal aid to roads by the Democratic majority in this House at this session. When I was pointing out

that that saving was not real but a paper saving and not in good faith, the newspapers carried a statement signed by the Speaker of this House [Mr. GARNER], by the majority leader [Mr. RAINEY], by the minority leader [Mr. SNELL] to the effect that under their leadership this Congress would not report nor pass bills that called for an increased expenditure of money.

Of course, this was done, quite obviously, with the idea of heading off any sentiment that I might have been able to develop in favor of giving to the appropriations for public roads the amount that the Budget and the President had asked for. That publicity-getting statement served its purpose and has long since been quite obviously forgotten by the Democratic leaders.

Nineteen million dollars has been taken out of this fund this year by the Democratic majority of this House. Then the Interior Department appropriation bill came along, and that committee also wanted to boast to the country that it was saving money, and so, among other things, they took $1,000,000 out of the Budget estimate for roads to be built in the national parks. This proposed bill calls for $1,500,000 for national-park roads. They took out $1,000,000—now they put back in $1,500,000. They have gone both ways on that proposal.

This is $20,000,000 that the Committee on Appropriations has taken out of the appropriations for roads that have been asked by the President in the Budget. Having cut out $20,000,000 from the road appropriations and claimed the savings to the public, it is now proposed to appropriate $130,000,000 for exactly the same purposes that the $20,000,000 would have been used for.

Mr. BUCHANAN. Will the gentleman yield?

Mr. SIMMONS. Please wait until I am through and then I shall be pleased to yield.

Then in the Interior Department appropriation bill, also in the name of economy and saving money, the appropriation bill took $2,000,000 from the construction fund for Boulder Dam, a labor-giving project. They took $1,164,000 from two reclamation projects that are almost entirely labor items.

Then in the bill that is now before the House the Committee on Appropriations again in the Treasury and Post Office bill has a bill before the Congress taking $12,000,000 from the Budget estimate for money for the building of public buildings. Another item that gives employment.

So that we have here $20,000,000 that has been cut out of the appropriations for roads this year in the name of economy for which the Democratic Party of the House is asking credit, and now it proposes to appropriate $130,000,000 to cover up that $20,000,000.

Then they have taken out of these other bills a total of some $16,000,000 additional that would have gone directly to the employment of labor throughout the country. This bill is offered as a labor-giving measure. Where is the consistency in such a program? Thirty-six million dollars taken out and a proposed $132,500,000 put in.

We have meeting this afternoon a special committee set up in the House with the idea of finding ways and means to cut Government expenditures, and the Ways and Means Committee of the House is now in session trying to devise ways of raising revenue to meet the expenses of the Government. So that at this minute one Democratic committee is trying to save money, one Democratic committee trying to spend money, and one Democratic committee trying to raise money.

[Here the gavel fell.]

Mr. COLTON. Mr. Chairman, I yield the gentleman two more minutes.

Mr. SIMMONS. So that we have a situation where the Democratic Committee on Appropriations of the House is cutting appropriations for the building of roads and for public improvements that employ labor, and then we have a special committee of the House set up aiming to find some way to save money, and the Ways and Means Committee is sitting up nights in an effort to balance the Budget; and then another branch of the same party comes in with a bill asking us to appropriate $132,500,000 to give employment to the men who have been denied employment in the appropriation bills that this House has already passed.

It just occurs to me, in all kindliness, that the statement that was made by a distinguished speaker in Ohio the other night that the Democratic leadership of this House is getting a bit "dizzy" is being pretty well proven by what is going on here to-day.

I now yield to my colleague from Texas [Mr. BUCHANAN].

Mr. BUCHANAN. The gentleman stated that on the public-road highway item of the agricultural bill which we recently passed there is $19,000,000 that the President requested, which we cut out, that would give employment to a number of people. The gentleman is mistaken. The Budget cut off the $10,000,000 under the emergency act of last year.

Mr. SIMMONS. No; the gentleman misunderstood me. In the deficiency bill $10,000,000 was taken from the Budget estimate for public roads. The President asked for $60,000,000 and the gentleman's committee gave $50,000,000. Then in the agricultural bill the President asked for $109,000,000 and the committee gave $100,000,000.

[Here the gavel fell.]

Mr. ALMON. Mr. Chairman, I yield two minutes to the gentleman from Texas [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, my colleague from Nebraska made some statements that the facts do not bear out. It is true that the appropriation was cut $10,000,000 below the President's estimate for public-road construction in the deficiency bill, and it is true that the agricultural subcommittee cut $9,000,000 from the President's estimate for public roads. But the gentleman from Nebraska knows that in the hearings before those committees, Mr. MacDonald, Chief of the Highway Department, said that such reduction would not hurt the public-roads construction program one iota; that the amount carried in such bills would be sufficient to carry through the fiscal year until Congress met next December, when the next agricultural bill would be passed. The bill under consideration is to make a further advance to the States, which they do not have to match in the year in which it is expended. It is to be loaned to the States and repaid by the States by deducting one-tenth of the amount loaned to each State from the allotment made by the Federal Government to such State for each year from 1938 to 1948. This bill is in the interest of unemployment. The agricultural bill was passed, and the States have to match the appropriations. This appropriation does not have to be matched this year or next year, and the gentleman from Nebraska knew it when he made his speech. [Applause.]

Mr. COLTON. Mr. Chairman, I yield myself the remainder of the time.

The CHAIRMAN. The gentleman from Utah is recognized for eight minutes.

Mr. COLTON. Mr. Chairman, there have been things spoken during this debate that I am sure are confusing. We are bending every effort to get this country out of the so-called depression in which we find ourselves at the present time.

I have supported every one of the administration measures, but I do not recall that when we were considering the Reconstruction Finance Corporation measure, which I supported, nor do I recall that when we were passing the bill giving $125,000,000 to the Federal farm-loan banks of this country, which I also supported, that these gentlemen rose with the same degree of eloquence and asked where we were going to get that money. [Applause.]

Let us be consistent. This year is not going to be worse than last. This bill only authorizes an expenditure of practically the same amount as that we spent on roads last year. We got the money last year. Is there anything on the horizon, anywhere, that indicates that we are not going to get the same amount of money that we got last year for this very laudable and fine purpose?

Oh, they may talk that we can not get the money, but let us be consistent all the way along the line.

I have faith and confidence in this country. I believe that for every just, legitimate expenditure of this Government the United States can find the necessary money. [Applause.]

Now, just a word about this bill. The gentleman from Illinois and others have said that it is outrageous. Well, let us see. It is all right to come before us and make statements of that kind, but let us look carefully into this question. This is an emergency proposition. There is about $109,000,000 to the credit of the States, because the States can not match it. If this bill is passed, they can put the men to work with the set-up they have in 30 days.

I say to-day, without fear of successful contradiction, that there is no money appropriated for any purpose from which the labor of this country derives more benefit than it does from the appropriation for roads.

Mr. BACON. Will the gentleman yield?

Mr. COLTON. Yes.

Mr. BACON. I agree with the gentleman; but if this is an emergency relief measure, why should it not be allocated in proportion to population?

Mr. COLTON. Well, that question has been raised by the amendment suggested by the gentleman from Michigan, but this is not the only employment relief measure that will come up. If you made population the basis of apportionment, you would rearrange the entire roads appropriation scheme. For this emergency proposition you would go back to the beginning, and say that the basis on which we divided the road appropriations has not been correct. I am not prepared to do that, nor do I think it is necessary in this matter. Moreover, go into any city to-day, and you will find that the road-building associations of the country are making requisitions for labor from the cities.

It has been said, and I think without successful contradiction, that between 80 and 90 per cent of this money goes to labor. It is true that is not wholly upon the projects themselves. In round numbers let us say that there are employed upon the road-building project 300,000 men. A conservative estimate, not guesswork, based on actual investigation and survey, discloses that for every man actually employed upon the project there are two men employed in the furnishing of the material and in the transporting of it to the roads. So that for every man employed on the project you have two other men employed. This will not take up all of the slack of unemployment. I repeat again, however, it is the first and the best appropriation that has been or will be made to relieve the unemployment situation, and further, it is necessary. Out in the West, for instance, we have Indians to-day that are practically starving. If you make this appropriation, those Indians may be put to work on the roads of the reservations—and they are good road builders, too. There is a provision in the bill that will authorize the Secretary of Agriculture to prescribe rules and regulations to request and require the greatest possible amount of local labor consistent with economy to be employed.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. COLTON. And machinery will not be employed to the exclusion of labor, but the money is going to labor. I yield.

Mr. TAYLOR of Tennessee. Do I understand the gentleman to say that that means the utilization of local common labor?

Mr. COLTON. Largely.

Mr. TAYLOR of Tennessee. Does the gentleman not think that common labor ought to be specified?

Mr. COLTON. Some local skilled labor ought to be used. We do not want to limit it to any one class. We want to give to the Secretary of Agriculture the authority which in many cases he has already used, without it, to see to it that local labor is used in the building of these highways.

Mr. TAYLOR of Tennessee. That might be skilled labor. What I refer to is common labor.

Mr. COLTON. I think the Secretary of Agriculture and the road commissions may be trusted to employ to the best advantage all local labor. [Applause.]

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. WARREN. I yield now to the gentleman from Oklahoma [Mr. CARTWRIGHT].

Mr. CARTWRIGHT. Mr. Chairman, as a member of the Committee on Roads, I desire to state that the pending measure to appropriate $132,000,000 as an emergency fund to aid in relieving the unemployment situation in America by building public roads is not ill-advised or a hastily prepared measure, as the opposition charges. Days of hearings were held on this bill by the committee before it was brought here for consideration. It was shown that the passage of this emergency legislation would put at least 1,000,000 unemployed American citizens to work. Not a dole, mind you, but it would permit a million jobless men to earn an honest livelihood. I have long contended, and still feel, that a chance to earn an honest living is all the average American citizen desires. Let me say that if ever there was a time when legislation were needed to relieve unemployment it is now. We are sure that 90 per cent of the money proposed to be appropriated for this emergency will go to pay for labor. This is the first of the many bills presented or passed by the present Congress to actually bring relief to the unemployed.

There has never been a time when this Government could get more value—more lasting value—for the money invested than is proposed in the pending bill to construct public roads through the entire country. Never has there been a time when we needed good roads in my State, and I assume in other States, more than now. Never was the public holding its breath, so to speak, wondering if Congress will really do anything to relieve the terrible conditions as now. Mr. Chairman, this bill, if and when passed, will send approximately two and a quarter million dollars to Oklahoma from the Federal Treasury in addition to the regular annual appropriation for highway construction.

Several very distinguished gentlemen, including the able gentleman from Indiana [Mr. WOOD], the gentleman from Illinois [Mr. CHINDBLOM], and other Republican leaders, have bitterly opposed this bill on the plea of economy. Just how gentlemen could support the moratorium on foreign war debts, the Reconstruction Finance Corporation that was admitted to be a dole to the big banks to the tune of billions of dollars, both of which I am glad to say I opposed, and at the same time so bitterly oppose the pending bill that would really aid the destitute and the unemployed of the country is beyond my understanding.

We have done enough for big business—now let us do something worth while for the rest of the country. Let us pass this emergency road-building program now.

Mr. WARREN. Mr. Chairman, I yield four minutes to the gentleman from Illinois [Mr. PARSONS].

Mr. PARSONS. Mr. Chairman, this is the only measure that has been brought into this House that promises to give any employment to labor since this Congress met, December 7, 1931. Let us see where we stand in this matter. Last year we expended in the country a little more than $1,000,000,000 on roads. That $1,000,000,000 expenditure employed about 3,000,000 men, directly and indirectly. For the year 1932 the reductions in the cost of road construction will be about 30 per cent, so that there will be at least 900,000 less men employed in the manufacture of road material and in road building than there were in 1931. This measure will in some respect give employment to the extent of an expenditure of $120,000,000. I have been amused at gentlemen from the large cities who oppose this measure. When we had the bill under consideration to vote $1,750,000 for the world fair at Chicago in my State, which I was proud to support, one of the gentlemen who spoke in opposition to this bill this morning loudly acclaimed the fact that we should have that money for the world fair. The gentlemen from the cities who are opposing this measure should understand, of course, that if roads are not built throughout the country, if roads are not built from city to city, out through the country, the streets and the roads surrounding the city would be of very little value to them. The

gentlemen from the cities who are opposing this measure should at least give some consideration to the fact that you must get somewhere on your roads leading away from your city streets. I have been amused also at the attitude of some of the gentlemen across the aisle this morning in trying to inject this bill into politics. When the $125,000,000 Federal land bank bill was under consideration we did not hear any cry of economy. That was for the bondholders to the extent of $100,000,000, and the $25,000,000 additional appropriation has not up to the present moment released a single farmer whose mortgage was being foreclosed. When we had the Reconstruction Finance Corporation bill under consideration I did not hear any economy talk on the floor of the House. It was said the money could be raised overnight. Up until the other day, while this organization has been functioning for 30 days, only $24,000,000 had been loaned. At that rate it will take seven years to loan the $2,000,000,000 you voted here.

I understand there is in the committee another bill of $150,000,000 for home-loan banks and $150,000,000 for insolvent banks, and yet I presume when gentlemen bring those bills on the floor of the House the idea of economy will not be raised. Let us vote for a bill that will give some relief to the country at large; that will put some people to work and help restore prosperity which the gentlemen on the other side of the aisle have talked so long about. [Applause.]

Mr. WARREN. Mr. Chairman, I yield two minutes to the gentleman from Oregon [Mr. MARTIN].

Mr. MARTIN of Oregon. Mr. Chairman, as a member of the Roads Committee I listened attentively to all of the testimony submitted to it, and at the end of that testimony I was sorry that I did not have an opportunity to vote a greater amount than the amount reported to this House in this bill. [Applause.] I also want to say as a Member whose district is principally urban that I hope before this Congress adjourns there will be some bill brought here to relieve unemployment in the cities. [Applause.] I wish to urge upon you, especially with reference to this road bill, the great need that exists for continued highway construction during this economic crisis. The highway program should be increased rather than curtailed in order to furnish work for thousands of unemployed. The materials used in roadway construction are, in the ultimate analysis, more nearly 100 per cent labor product than those of any other industry. Highway construction will therefore do more, dollar for dollar, to relieve distress than any other type of project which can be undertaken immediately. The benefits derived from improved highways are universally acknowledged to be of great and lasting benefit. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I yield three minutes to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Chairman, in my opinion the bill under consideration is meritorious and should be enacted.

Under the existing general law the Federal Government appropriates many millions of dollars every year, which is apportioned in amounts to the various States as follows:

One-third in the ratio which the area of every State bears to the total of all the States; one-third in the ratio which the population of every State bears to the total of all the States as shown by the latest available Federal census; one-third in the ratio which the mileage of rural-delivery routes and star routes in every State bears to the total mileage of rural delivery and star routes in all the States at the close of the next preceding fiscal year.

Upon this basis the Secretary of Agriculture determines the amount of Federal aid which each State is to receive. Before this amount is available for expenditure in the several States, the State itself is required to match this amount, dollar for dollar. It is further provided by the present Federal highway act that this sum of money is to be expended by the various State highway departments upon roads which are known and designated as primary or interstate highways. In determining, under our present law, the roads which are to receive Federal aid, the Secretary of Agriculture is required to give preference to such projects as will expedite the completion of an adequate and connected system of highways, interstate in character.

In other words, under our Federal highway act all sums appropriated by the Congress are spent by the State highway departments upon roads which are designed to create a great system of interstate connecting highways, and such sums of money are to be supplemented, dollar for dollar, by the States. It is further provided that the total mileage of roads in a State upon which Federal money may be expended shall not exceed 7 per cent of the total mileage of the highways in the several States.

Conditions now existing in practically every State in the Union make it imperative that the appropriation carried in the present bill be made if this system is to be carried forward. The bill under consideration specifically provides that the sum of $120,000,000 shall be immediately available for expenditures by the State highway departments without the necessity upon the part of the State highway departments supplementing the amount appropriated and received. While the bill provides that this $120,000,000 is an advancement and that the amount received by an individual State shall be returned to the Government over a period of 10 years, beginning in 1938, as a matter of fact that provision of the bill, if enacted, will not be binding upon future Congresses and may be repealed at any time, and I predict that the sum will never be returned by the States.

It is necessary that these primary roads be completed and be maintained and it is necessary that this advancement be made. The advancement will help to relieve the unemployment situation that exists in every State, and will afford employment for the people in the sections where these roads will be constructed. Without this advancement many roads, now in an incompleted condition, would be seriously damaged, and it appears to me economically necessary that the advancement be made, and for these reasons I am supporting the proposed bill.

However, by supporting this bill I do not want to convey, Mr. Chairman, an impression that the duties of the Congress, in so far as the construction of highways is concerned, will have been done, because, in my opinion, the national legislation in reference to the building of highways is not sufficient and does not include all the roads that should be built and maintained by the National Government.

The present Federal highway act and the bill now under consideration are justified by clause 7 of section 8, Article I, of the Constitution, which provides:

> The Congress shall have power to establish post offices and post roads.

This provision of the Constitution is unambiguous, and the Congress should, in my opinion, discharge in a more comprehensive manner the obligation of the National Government to build and maintain post roads. Under the existing law Federal appropriations can be applied only to the improvement of roads aggregating 7 per cent of the total mileage of the roads in a State. Everyone knows that in every State in the Union only a small percentage of the rural routes, post roads, traverse these Federal-aid roads, and the Congress, it seems to me, has been derelict in its duty, solemnly enjoined by the Constitution, in so far as the greater number of post roads in the various States are concerned.

On February 18, 1932, I prepared and introduced a bill, H. R. 9490, which is designed to discharge this obligation. Under the provisions of my bill, H. R. 9490, the rural routes in the various States will actually receive the benefit which it was, in my opinion, intended by this provision of the Constitution they should receive.

The bill, H. R. 9490, now pending before the Committee on Roads of the House, provides for an appropriation of $100,000,000 per year for the fiscal years ending June 30, 1933, and June 30, 1934. It provides that this sum of money shall first be divided among the various States in the same ratio as now provided by section 21 of title 23 of the United

States Code of Laws. The amount thus allotted to the several States would be further divided and apportioned to the respective counties or other subdivisions created by the law of the several States and expended by the counties or other local agencies established by the laws of the States upon the rural routes which are not a part of the State highway system in the respective counties. In this way every rural route in the United States would receive direct benefit and this Government would in that way discharge the obligation enjoined upon it by the Constitution to the people residing upon these routes or in the territory served by the rural routes.

We hear it very often said that one of the problems confronting us to-day is to provide for the return of the urban population to the rural sections. That is true; but at the same time we can prevent the flow of the rural population into the urban centers by giving to these people some of the direct benefits of Federal expenditures, and I know of no better way to do this than to follow the plain mandate of our great Constitution.

I hope, Mr. Chairman, that the Committee on Roads of the House and that the leaders in this Congress may realize the importance of this matter and that this Congress may favorably act upon H. R. 9490, because the bill now under consideration does not reach the people residing away from these Federal-aid roads.

I have felt constrained to call the attention of Congress to this bill in these remarks with the hope that the aid of men older in service may be enlisted in my effort to carry these benefits to the rural communities as well as to continue our expenditures upon the great trunk roads that now are a part of the great highway system. This can not be done under the bill now before the House, and I appeal on behalf of that great body of taxpayers and citizens who can not speak for themselves that some of the highway funds appropriated yearly by Congress be expended upon these rural routes and that we in that manner insure to those people the same consideration that we give to those who may happen to live on one of these great trunk interstate highways. It may be argued that to build and improve the rural routes would be too expensive; but, may I say, Mr. Chairman, there have never been any Federal funds appropriated for these particular roads that are covered by my bill, H. R. 9490, and our great Government should not by a plea for economy fail to give to those people who reside away from the great highways the same consideration that is given to those who live elsewhere. Every dollar that is expended in developing our rural sections traversed by the now neglected rural routes will return to the Government tenfold and will contribute materially to the welfare of our people. [Applause.]

Mr. WARREN. Mr. Chairman, I yield the remainder of my time to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, this is the first legislation that has been before this Congress that will take care of the man who is unable to help himself during these days of distress and want, the laboring man. Strange as it may seem, we are met with the plea that the laboring man should be denied relief. Why? Because we have to balance the Budget.

I sat upon this floor and saw Members of this body relinquish over $250,000,000 to take care of foreigners, and yet not a word was said, when the moratorium bill was being considered, about balancing the Budget. We passed a bill that will give to the banks and railroads and insurance companies of this country $2,000,000,000, and not a word did I hear from the opposition about balancing the Budget. They seem to think it is all right when we vote money out of the Treasury to protect property and that it is all wrong when we vote money out of the Treasury to protect human lives. [Applause.]

I, for one, want to say to the gentlemen in opposition, that the Democratic Party has always placed human rights above property rights. [Applause.] Balancing the Budget! I believe in balancing the Budget, but let me tell you that if 25,000,000 men and women in this country are to remain in poverty and distress, if that is the price it costs to balance the Budget, then I am against balancing the Budget until we bring relief to our men and women.

Mr. Chairman, on behalf of the American laboring man, I want to say that he is not asking this Congress or anybody else for charity, but he is demanding work. [Applause.] That is what he is asking for. When we try to put him to work so that he can support his wife and children, we are told that it will not do; that we have to balance the Budget. If this bill will put 1,000,000 American men to work, then for God's sake let us pass it and put them to work. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $120,000,000, to be immediately available for expenditure in emergency construction on the Federal-aid highway system, with a view to increasing employment. Such sum shall be apportioned by the Secretary of Agriculture to the several States by the method provided in section 21 of the Federal highway act, as amended and supplemented (U. S. C., title 23, chs. 1 and 2; Supp. V, title 23, chs. 1 and 2). (The sums apportioned to the States shall be available as a temporary advance of funds to meet the provisions of such act as to State funds.) The sum apportioned to any State under this section may be used to match the regular annual Federal-aid apportionments made to such State (including the one for the fiscal year ending June 30, 1933), and when so used such sum shall be available for expenditure in paying the share of such State in the cost of Federal-aid projects. No sums apportioned under this act shall be advanced except for work on the Federal-aid highway system performed before June 30, 1933: *Provided*, That the sums so advanced shall be reimbursed to the Federal Government over a period of 10 years, commencing with the fiscal year 1938, by making deductions from regular apportionments made from future authorizations for carrying out the provisions of such act as amended and supplemented.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this measure will do good as far as it goes. It will afford employment for an indefinite number of men, those who are able to get jobs because of it and help them, and those who are dependent upon them. It will relieve the able-bodied, the capable, the skillful, the fortunate in job getting, and those in the prime of life—in short those groups which ordinarily would be better able to take care of themselves without it. But for the millions of children and old people, for the widows and orphans, for the cripples, and incompetents, for the classes which lead but a scrambling existence at best, and who are always the first to be submerged—for all those millions it promises not one penny of help.

Eight millions of our fellow citizens are unemployed. Probably twice that number are working less than half time, but that is but a small part of the awful cloud which hangs over this country. There are behind them—the darkest part of all the picture—the hopeless millions of their dependents, many of them now suffering for the necessaries of life.

For the helpless it appears nothing is to be done. From all that appears, this measure is to exhaust the magnanimity of the Federal Government for the relief of the distress which prevails throughout the land. These piteous millions have looked toward the administration, but found that its face was turned against them. They turned then to Congress, but their pleas have fallen upon deaf ears. Now, it seems that with making this gesture and affording this small measure of relief we have the answer of the administration, and, alas! the answer, as well, of the representatives of the people, that these suffering and destitute citizens shall be sentenced to starvation.

As for me, I dissent from any such inhumane program.

I protest with all earnestness and solemnity against such heartlessness toward those who are suffering for bread. [Applause.]

We have men in very high positions in our Government who are now found to stand upon the high principle that they will not accept Federal relief for the starving when it is to be administered through a Federal agency. That is, they will not accept it in this particular instance. They

accepted Federal highway aid administered by a Federal bureau; they supported the maternity act, administered by a Federal authority; they voted for farm relief, at the hands of the Federal Farm Board. In the drought relief which we voted a year ago there was provision for Federal administration. They accepted Federal aid administered by a Federal bureau, and found it agreeable, in connection with the crop-loan provision of the Reconstruction Finance Corporation act. It is only now, when it is proposed to use a few pennies of Uncle Sam's money to buy bread for the starving, that these worthy gentlemen suddenly discover for the first time the immutable principle which forbids that they accept it when administered by a Federal agency. They will not accept Federal aid through a Federal bureau to buy food for the starving, but they will take it for anything else. When starvation is involved the aid must be handed over to the States for administration by local politicians or they will not take it at all.

I protest. It is useless, perhaps, to express these sentiments; nevertheless I feel it my duty to my own people, many of whom—even of my personal acquaintances—are now actually suffering for bread; many of whom are in a state of starvation, and not too slow at that. I feel it my duty to them, 50,000 of whom are being fed by public charity——

[Here the gavel fell.]

Mr. HUDDLESTON. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HUDDLESTON. Over 50,000 of my constituents are now being fed by public charity, and probably 50,000 more are in dire need and ought to be receiving some help. My district is merely typical of many industrial districts.

To say that the local communities can care for the needs of their people is foolish; more than that, it is heartless and wicked. They can not do it. Every instinct of humanity, every sound principle of government demands that the Federal Government shall come to the rescue. Even if I did not represent a suffering people I would feel it my duty, having at heart the best interests of my country and the security of its institutions, to advocate some help for them in their hour of despair. [Applause.]

Mr. KETCHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KETCHAM: On page 2, line 1, strike out the period, insert a comma and the following: "except that such apportionment shall be upon the basis of population instead of area, population, and mileage."

Mr. WARREN. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. KETCHAM. I desire to be heard briefly on the point of order, but should not the gentleman from North Carolina state his point of order?

The CHAIRMAN. The Chair would rather hear from the gentleman from Michigan.

Mr. KETCHAM. Mr. Chairman, with reference to the amendment, I can scarcely understand how the point of germaneness can be lodged against it, for the simple reason that reference to the statute itself shows very clearly the method by which the distribution is to be made. That statute is referred to specifically in the language of the first section which has just been read. That statute provides that the distribution shall be by area, by road mileage, and by population. The amendment which I have offered simply eliminates two of those factors and includes only population. It would, therefore, seem to me to be perfectly germane to the section in view of the fact that "population" is included in the language in the original bill.

Mr. MICHENER rose.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard for or against the point of order?

Mr. MICHENER. Against the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MICHENER. Mr. Chairman, from the statement made by the Chair when the gentleman from Michigan [Mr. KETCHAM] suggested he wanted to be heard it would appear that the Chair had already made up his mind.

The CHAIRMAN. The Chair will state to the gentleman from Michigan that when the other gentleman from Michigan first suggested that he would offer this amendment, the Chair had the parliamentarian look up the precedents, and those precedents have been looked up. But if the gentleman from Michigan desires to be heard, the Chair will gladly hear him.

Mr. MICHENER. The gentleman from Michigan probably can not change the situation. However, the gentleman from Michigan does want to call the Chair's attention to the fact that the purpose of this bill is to authorize supplemental appropriations for emergency highway construction. The purpose of the bill is to provide emergency relief to the unemployed. The purpose of the bill is to provide relief to the greatest number of people possible. While I am familiar with some of the precedents which the Chair will probably cite, I want specifically to call the Chair's attention to the fact that this bill has but one purpose, and that purpose is emergency relief and to furnish employment. The method provided in the bill is material only as it will give the most work to the most people. The suggested amendment will distribute the money where it will best serve the announced purpose of the bill. The specific method should be considered in connection with the specific intent of the bill.

Any amendment which deals with the purpose of the bill, or any amendment which accomplishes the thing which the bill aims at, would, in the opinion of the gentleman speaking, be germane.

Mr. BANKHEAD. Is the Chair prepared to rule on the question?

The CHAIRMAN (Mr. BLANTON). Unless the gentleman from Alabama desires to speak against the point of order, the Chair is ready to rule.

The bill provides a specific method of distribution, to wit, that contained in the highway act. The method of distribution in the highway act is a specific method. It has been held many times that, where a bill provides a specific method, an amendment providing a different method is not germane. The Chair has before him a decision made by the gentleman from Michigan [Mr. MAPES] directly on the point. That decision was made April 24, 1929. The Chair will quote the syllabus:

To a bill seeking to afford agricultural relief by one specified method, an amendment seeking to afford the same relief by a different method was held to be not germane.

The Chair will follow that decision and sustain the point of order.

Mr. LAGUARDIA. Mr. Chairman, I have an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 2, line 17, strike out the period, insert a colon and the following: "*Provided further*, That none of the money herein authorized to be appropriated shall be paid to any State on account of any project on which convict labor shall be directly employed."

Mr. BANKHEAD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. FULLER. Mr. Chairman, I will state to the gentleman that we asked the Director of Public Roads about this question——

The CHAIRMAN. Does the Chair understand that the gentleman from Alabama [Mr. BANKHEAD] reserves a point of order?

Mr. LAGUARDIA. Will the gentleman make the point of order, because I do not want to take up the time of the House unnecessarily?

Mr. BANKHEAD. The reservation is made upon the proposition that it is not germane to the section of the bill.

I may not press the matter, Mr. Chairman, if I may be allowed to consult with the chairman of the committee a moment.

Mr. FULLER. Mr. Chairman, I think I can explain the matter satisfactorily.

Mr. BANKHEAD. Mr. Chairman, I withdraw the reservation.

Mr. FULLER. The director said that last year he never permitted any of this money to be used for convict labor, and he submitted section 3 in order that he might promulgate rules and regulations to control the expenditure of the money in the letting of these contracts. This was done at the instance of the Director of the Bureau of Roads, and the director states that under no circumstances will he allow any of this money to be used where convict labor is employed; and he told us further not to put it in the bill, but that he would attend to it under the provisions of section 3.

Mr. LAGUARDIA. I think this is purely a legislative function of the highest degree, and it seems to me that every Member of this House would want to be sure that we will not only not make ourselves ridiculous before our own country but before the entire world, and when we are providing appropriations to relieve unemployment we will be assured there will be no loophole for employing convict labor.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. WARREN. I am very much in sympathy with the statement just made by the gentleman from New York, although I think there is full authority to prevent the use of convicts now. I think the gentleman, however, has offered his amendment to the wrong section, and I suggest to the gentleman that he offer the amendment to section 3, and the committee will accept the same.

Mr. LAGUARDIA. I will take the gentleman's word for that, and on the assurance of the gentleman that he will accept my amendment, if offered to section 3, I ask unanimous consent to withdraw the amendment and I offer another amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 2, after line 17, strike out the period, insert a colon and the following: "*And provided further*, That the prevailing rate of wages as provided in the act of March 3, 1931, shall be paid to all skilled and unskilled labor employed in the construction of all roads in said Federal highway system."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WHITTINGTON. It strikes me that the amendment is not germane, inasmuch as this legislation contemplates that the work shall be done under rules and regulations as provided for in section 3 and under the provisions of the Federal highway act.

The CHAIRMAN. The Chair will hear the gentleman from New York on the point of order.

Mr. LAGUARDIA. Mr. Chairman, the amendment provides that the prevailing rate of wages shall be applied. The very purpose of this bill is to increase employment. It is an employment bill, and any amendment pertaining to the payment of such employment goes to the very crux of the bill and, of course, is germane. There can not be any other interpretation of germaneness than to fix a rate of pay in a bill calling for employment.

The CHAIRMAN (Mr. BLANTON). The Chair is ready to rule.

When the distinguished gentleman from New York, Mr. SNELL, was occupying the chair on December 9, 1930, he held that to a bill appropriating money for various construction projects and containing sections dealing with the interchangeability of appropriations and with the submission of reports to be made by the President, an amendment offered as a new section providing that none of the money should be used to pay laborers working more than seven hours a day was germane.

Under the authority of this ruling the Chair overrules the point of order.

Mr. LAGUARDIA. Now, gentlemen, there is nothing extreme or radical in my amendment. It simply carries out the purpose of the bill, and that is that a fair proportion of the money goes to the men who do the work, and not to the contractor.

Mr. WHITTINGTON. May I ask the gentleman if this is substantially the language of the Bacon Act?

Mr. LAGUARDIA. Yes. I can not see how there can be any objection to my amendment. This is not a bill for the promotion of profits to the contractors. If it were it might be well to vote down my amendment. We are appropriating $120,000,000 in an emergency, and we want to spread it over as many workers as we can. This will prevent contractors paying their men, as some contractors are doing, as low as 75 cents a day.

Mr. ENGLEBRIGHT. I might say that that is the practice all over the United States. In California, for instance, the contractors paid less than the going wage, and the labor commission was utterly powerless to prevent it.

Mr. HORR. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. HORR. I want to say to the gentleman that in the State of Washington, in the reclamation projects, they have been paying as low as $1.50 a day.

Mr. LAGUARDIA. Then we better get after the contractors and put them out of business. Let us protect the workers on these roads and provide a decent American wage.

Mr. HORR. You can not do it under the law, for there is no provision by which the contractors could be reached.

Mr. LAGUARDIA. Oh, yes; if my amendment is adopted, we can surely compel the payment of the prevailing rate of wages.

Mr. BEEDY. I want to say that that is what they have been doing down in Maine, and they have threatened to reduce the local wages if they did not accept their wage.

Mr. LAGUARDIA. My amendment would compel them to pay the prevailing wages.

Mr. HARE. I would like to get the gentleman's definition of the prevailing wage. Does that mean the prevailing wage of the locality, or the uniform wage of the entire country?

Mr. LAGUARDIA. The prevailing wage where the work is being performed.

Mr. FULLER. That is the definition in the act of March 1, 1931?

Mr. LAGUARDIA. Yes. I make reference to the act for that very purpose.

Mr. BACON. I will say that the amendment that the gentleman from New York offers is the same language in the bill I introduced in the last Congress. I am delighted that he has offered this amendment so that it can be included in the contracts.

Mr. ARENTZ. If the gentleman will yield, I want to say that the difficulty we got into in the Boulder Dam on the wage scale was that there was no local wage scale, and we put in the nearest employment area.

Mr. LAGUARDIA. If we put in the prevailing wage scale, and they do not pay it, we will stop the payment at the Comptroller General's office. [Applause.]

Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

Mr. PARKS. Mr. Chairman, I object.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I ask unanimous consent to have the amendment again reported.

There being no objection, the Clerk again reported the amendment.

Mr. McCORMACK. Mr. Chairman, I hope the amendment of the gentleman from New York [Mr. LAGUARDIA] will be adopted. The amendment seems to be so fair and equitable that I think the chairman of the committee ought to state that he will accept the amendment and then let us proceed with further debate upon the bill. I pause for

a moment to see whether or not the gentleman in charge of the report of the committee will state that the amendment is agreeable to the committee.

Mr. WARREN. Since having an opportunity to read the act of March 3, 1931, dealing with contractors, subcontractors, and so forth, on public works in the United States, the committee accepts the amendment of the gentleman from New York.

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the amendment. I do this for the purpose of directing the attention of the proponent of the amendment to a condition that perhaps he is not acquainted with. If I am not in error, in Wisconsin, our State in its highway improvement provides a scale of wages higher than the prevailing rate. This amendment would negative the action of our State in prescribing a certain high rate shall be paid to all labor engaged in highway construction. It is not the purpose of the gentleman, I know, to lower the rate below that which the State prescribes. The State of Wisconsin says that all labor shall receive so much per hour, I can not say how much.

Mr. BACON. May I explain that?

Mr. STAFFORD. I do not wish to have a lower rate paid in the State of Wisconsin than the rate the State prescribes as a living wage to the men employed in this line of work. I yield to the gentleman from New York.

Mr. BACON. I think I can answer that satisfactorily to the gentleman. If the prevailing wage rate in Wisconsin happens to be higher than the prevailing wage rate in Florida, the prevailing wage in Wisconsin will obtain.

Mr. STAFFORD. The prevailing wage rate is lower than the State prescribes. Our State through its legislature prescribes that a certain definite rate shall be paid to labor on highways. I do not want to have the rate lowered by this amendment.

Mr. BACON. It will not be lowered.

Mr. LAGUARDIA. The rate paid by the State establishes the prevailing rate. It is established in New York in the same way.

Mr. STAFFORD. Very well.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to modify my amendment by inserting, after the act of March 31, 1931, the words "Public, No. 798, Seventy-first Congress."

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. HASTINGS. Mr. Chairman, we are passing through the greatest depression in the history of the Nation. No one bill can remedy the situation. We have passed several bills, others will be considered during the session. This bill authorizes supplemental appropriations for emergency highway construction.

Section 1 authorizes the appropriation of $120,000,000 for expenditures in emergency construction on the Federal-aid highway system with a view to increasing employment. This sum is to be apportioned by the Secretary of Agriculture to the several States, as now provided by law. It is immediately available. The report of the committee is unanimous. It is approved, or at least no objection is made, by the Director of the Bureau of Roads. It must be expended by June 30, 1933.

Section 1 also authorizes any State to use its apportionment to match the annual Federal-aid apportionments made to the State, conditioned that the money be used on Federal-aid highways and that the sum so advanced shall be reimbursed to the Federal Government over a period of 10 years, commencing with the fiscal year 1938. The repayments are to be made by deductions from the regular apportionments on and after that date during a period of 10 years. The amount out of this sum authorized to be prorated to the states may be used by the several states to match other advancements by the Federal Government to be repaid in ten installments beginning in 1938.

Section 2 authorizes appropriations for national forest highways of $5,000,000; for constructing trails, bridges, and fire lanes in national forests, $3,000,000; for construction of roads, trails, and bridges in national parks and national monuments, $1,500,000; for construction and improvement of roads on Indian reservations, $1,000,000; and for construction and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, $2,000,000.

Section 3 authorizes the Secretary of Agriculture to make rules and regulations to carry out the provisions of the act but specifically directs that these regulations shall be made with the view of providing the maximum employment of local labor consistent with reasonable economy of construction. This is an important addition in these depressed times. It should be sympathetically administered.

Section 4 provides that whenever provision has been made by any State for the completion and maintenance of 90 per cent of its system of primary or interstate and secondary or intercounty highways equal to 7 per cent of the total mileage of such State, that an additional mileage of 1 per cent may be added to the total Federal highway mileage of the State.

The purpose of the bill is twofold. Its main object now is to provide emergency employment to local labor throughout the country.

Section 3 emphasizes that the rules made by the Secretary of Agriculture shall be with a view of employment of local labor consistent with economy of construction.

I greatly fear that the appropriations heretofore made have not given the amount of employment to local labor that we had hoped. The work on Federal highways, for the most part, has been let out by contract, and the contractors have to a great extent used machinery and their regular forces of men without any very great benefit to local labor.

I am glad that this section is in the bill, and I trust that drastic rules and regulations may be made by the Secretary of Agriculture with a view of aiding the unemployment situation throughout the country.

I also indorse section 4 of the bill, which authorizes the adding of 1 per cent additional to the Federal highway system of a State where provision has been made for 90 per cent of its present system of highways. This will enable additional mileage to be added to the Federal highway system in each State. In my judgment, this mileage should be increased more than 1 per cent. It should be at least 3 per cent additional.

My State is a comparatively new one, but is making rapid strides in highway construction. We are expending large sums of money, secured for the most part from a gasoline tax and automobile licenses, on Federal highway systems. The hearings disclose that there is no unobligated balance due from Federal appropriations to Oklahoma for the year 1932. The apportionment due my State for 1933 is $2,328,366.59. This appropriation, when made, will give our State an additional amount.

I regard expenditures on roads as good investments. Everyone, whether living in the cities or the towns throughout the country, is benefited by expenditures on roads. Expenditures of this character enhance the value of farm lands. Roads provide arteries over which farm products may be marketed.

They aid the schools and the churches. They make it possible for every child living on the farm to attend city schools and receive a high school education. Good roads eliminate distance. They bring the city and rural population together.

The expenditure of Federal-aid appropriations matched by State funds on Federal-aid highways will permit the State highway commission to lay out additional State roads upon which State and county funds may be expended. We need to have more money expended upon farm-to-market roads, connecting up every community with State and Federal highways and with the market centers. I can not emphasize this need too strongly. I wish I had more time to dwell upon it. This money expended on Federal roads

will release local and State money to build local farm-to-market roads. I would like to see every road over which rural mail is carried made a Federal-aid road.

I supported the first good roads bill, approved July 11, 1916. The appropriation then authorized was small. We have increased it from year to year, and as a result there has been a very great improvement in our national highways. We should not be content, however, until these highways extend through and connect up every section of our common country. Every county seat and every community center should be served by a State or Federal highway and these connected up with improved roads extending into and serving every community.

The amount authorized to be expended out of the Federal treasury in aid of good roads, including the amount carried in this bill, aggregates $1,490,000,000. This does not include appropriations authorized for forest reservations, national parks and Indian reservations. These appropriations have greatly stimulated road building, brought all sections nearer together, and aided in the development of the entire country.

Mr. JOHNSON of Washington. Mr. Chairman, while I would like very much to support this bill because of the benefits in road building which would accrue to the State of Washington and the third congressional district, I feel that I can not give my vote to the measure until I have some knowledge as to where the Federal Government is to secure revenue for its Treasury.

I regret that this bill has been brought out of committee in such haste and hurried to consideration on the floor in such record-breaking time. In my opinion, it would have been far better to have withheld the consideration of this bill until we received some word from the Committee on Ways and Means as to how it proposes to raise funds by Federal taxation.

The revenues of the Government have dropped all along the line. There has been a perpendicular drop in receipts from income taxes, both corporate and individual. This drop is from a figure of $2,250,000,000 in 1930 to an estimated figure of $650,000,000 in 1933; and until we can make sure we will have revenues sufficient to restore the solvency of the United States, it is not wise to authorize any new appropriations in any considerable sum. This bill calls for $132,000,000. If the House passes it, it is fair to presume that it will be the vehicle in the other body for hanging on proposals which will call for additional millions. Once the House becomes committed to this bill for the $132,000,000 authorization it will not be easy to stand against any additional sums that the other body may add even though the additions may run into large figures.

For these reasons and for the further important reason that while this bill is being put forth as a relief measure for unemployment, it must be apparent to anyone who will take pencil and paper in hand and figure for three minutes, that the employment relief phase is the small part of the bill. In my opinion, not 40 per cent of the whole sum would reach unemployed labor, and that 40 per sent would have to be spread among 48 States and the Territory of Hawaii. The relief in unemployment, if expected to be spread over 100 days' time, would be extremely small—too small to warrant calling this an unemployment or relief measure.

I realize that my voice and vote can be but in the nature of a protest. The nature of the bill is such that it qualifies along pork-barrel lines so that it will receive a vote far beyond that it would receive could it be considered on its merits alone.

Mr. HUDDLESTON offered the following amendment:

Page 2, at the end of the amendment offered by Mr. LAGUARDIA, insert a new section, to be known as section 2, to read as follows: "That the sum of $100,000,000 is hereby authorized to be appropriated, to be available until July 1, 1933, to the President of the United States, for the relief of persons residing in the United States who may be in need of the necessaries of life. In disbursing the said sum the President shall have authority to use and employ such agencies as he may create for that purpose or as may already exist, and may cooperate with organizations, States, counties, and municipalities upon such terms and conditions as he may deem best, and may disburse same either as gifts or loans of money or of supplies to the beneficiaries."

Mr. WARREN. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. The point of order is clearly well taken. The Chair sustains the point of order.

Mr. McCLINTIC of Oklahoma offered the following amendment:

Page 2, at the end of section 1, add: "*Provided*, That whenever provision has been made by any State for the establishment of a system of farm market roads under the jurisdiction of the State highway commission, such roads shall be eligible to be constructed under the provisions of this act."

Mr. WARREN. Mr. Chairman, under a former ruling by the Chair, the amendment offered by the gentleman from Oklahoma is clearly not germane, and I therefore make the point of order that it is not germane.

The CHAIRMAN. The amendment is clearly subject to a point of order. It is not germane. The Chair sustains the point of order.

Mr. RAMSPECK offered the following amendment:

At the end of the LaGuardia amendment, already adopted, strike out the period, insert a comma, and add the following: "Said prevailing rate of wages shall be predetermined and made a part of the specifications and contract."

Mr. STAFFORD. Mr. Chairman, I reserve the point of order, because I could not hear the reading of the amendment.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again reported the amendment offered by Mr. RAMSPECK.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order for the reason that if we are going to depart from the established policy of the House that when an amendment is once adopted we can modify it, I will wish to offer an amendment along the line that I was speaking upon. I think the gentleman is too late in offering his amendment. I therefore make the point of order, Mr. Chairman.

The CHAIRMAN. The Chair sustains the point of order.

Mr. WILLIAM E. HULL. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have had a great deal to do in my lifetime with the building of roads. I was one of the original five men in the State of Illinois who established the hard-road system in that State.

We organized in the State and we passed a $60,000,000 bond issue for the building of cement roads in the State of Illinois. Therefore I have had a great deal to do with the building of roads and I know how much labor it takes to build these hard roads.

When we began to build cement roads in the State of Illinois a contractor would use from 75 to 100 men to build two miles of road. Finally they improved the machinery to a point where those 75 men had been reduced to 15 men. In other words, with the machinery of to-day you can build two miles of hard road with 15 men. That represents $60,000 worth of road.

I do not object to the Government appropriating money for good roads; in fact, I am willing to vote for a bill that will give employment, but I tell you gentlemen you ought to think about this, because the bill which you have under consideration to-day will not employ any considerable amount of labor. The bill is not so drawn as to permit the hiring of men, but much of the money will go into materials and into the pockets of the contractors.

All of the States of the country to-day have rural roads, roads over which the mail carriers travel. These roads are in a deplorable condition, and you should put an amendment into this bill whereby this money will all go on these rural roads. Of course these will be gravel roads, and on such roads it will be possible to hire much help to dig the ditches and make the culverts. If you will do that you will put at work at least 75 men to each 2 miles of road, and you will do that for the same amount of money you will put at work 15 men on these general highways.

Mr. ALLGOOD. Will the gentleman yield?

Mr. WILLIAM E. HULL. Yes.

Mr. ALLGOOD. I have an amendment to offer to that effect.

Mr. WILLIAM E. HULL. All right. I think you are on the right track as far as putting your money into good roads is concerned; I think that is the correct thing to do, but in doing it you should not make a foolish move. You should not provide $120,000,000 that will positively go into the pockets of the contractors and which will not help from a labor standpoint.

I know what I am talking about. I have been in this road business in the State of Illinois for over 15 years. I was sent to South America by President Coolidge to promote good roads there, so I know what I am talking about. I say to you that as surely as you men vote for this and pass it as it is you are not doing what you are intending to do. In other words, you will not employ labor, but you will simply take $120,000,000 out of the Treasury of the United States and put it into the pockets of the contractors. Therefore I hope you will consider some amendment whereby this money will go on the rural roads, and whenever you get these rural roads built you will be in a better position to have the delivery of mail thereon.

Mr. COLTON. Will the gentleman yield?

Mr. WILLIAM E. HULL. Yes.

Mr. COLTON. Under a similar appropriation last year there were nearly 300,000 men employed directly upon the projects, and a conservative estimate showed that there were two additional men, or about 600,000, employed in furnishing materials and transporting them to the projects.

Mr. WILLIAM E. HULL. The gentleman does not mean to tell me he expects to put any man to work under this bill, does he?

Mr. COLTON. Indeed I do.

Mr. WILLIAM E. HULL. How many men?

Mr. COLTON. We will put to work nearly 1,000,000 men on the projects and furnishing and transporting material.

Mr. WILLIAM E. HULL. The gentleman is misinformed. It would take ten times as much money to do that.

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion of the gentleman from North Carolina that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

Mr. KETCHAM. Mr. Chairman, I offer an amendment. On page 1, line 8, beginning with the word "States," strike out all of the remaining language on that page and the first two words on page 2.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KETCHAM: On page 1, beginning in line 8, after the word "States," strike out the remainder of line 8, all of lines 9 and 10, and the word "and" and the figure "2" in parentheses, on page 2, in line 1.

Mr. MICHENER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. If the amendment offered by the gentleman from Michigan prevails, will it then be in order for the gentleman from Michigan to offer the amendment which was ruled out of order a short time ago?

Mr. BANKHEAD. Mr. Chairman, I suggest that that is not a proper parliamentary inquiry.

The CHAIRMAN. The Chair will cross that bridge when he reaches it. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. KETCHAM) there were—ayes 71, noes 116.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. There are hereby authorized to be appropriated, to be immediately available, for expenditure in emergency construction on public roads (other than the Federal-aid highway system) during the period ending June 30, 1933, with a view to increasing employment, the following sums to be expended for the purposes specified:

(1) For the construction and improvement of national-forest highways, $5,000,000.

(2) For the construction and maintenance of roads, trails, bridges, fire lanes, etc., including the same objects specified under the heading "Improvement of national forests" in the agricultural appropriation act for the fiscal year ending June 30, 1932, approved February 23, 1931 (46 Stat. 1242), $3,000,000.

(3) For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks and national monuments under the jurisdiction of the Department of the Interior, $1,500,000.

(4) For construction and improvement of Indian reservation roads under the provisions of the act approved May 26, 1928 (45 Stat. 750; U. S. C., Supp. V, title 25, sec. 318a), $1,000,000.

(5) For the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, under the provisions of the act approved June 24, 1930 (46 Stat. 805; U. S. C., Supp. V, title 23, sec. 3), $2,000,000.

Mr. WARREN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, in line 20, after the word "roads," strike out "(other than the Federal-aid highway system)."

The committee amendment was agreed to.

Mr. GLOVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think I have as consistent a record for economy in the casting of my votes in this House during this session as any man in it. We have heard a great deal of cry from the other side of the House to-day with reference to the drain upon the United States Treasury. I remember very well the other day when we had a matter here for an appropriation of $1,000,000 to Chicago the gentleman from Illinois who spoke over there this afternoon did not think then about conserving the interests of the Treasury.

When you had up your proposition here of voting for a moratorium of $252,000,000, which ought to-day to be in the Treasury of the United States, I cast my vote against that. I saw some of you over there who are almost shedding tears to-day about giving a little relief to the unemployed cast your ballots for a $2,000,000,000 proposition and vote $500,000,000 out of the United States Treasury at one time.

This is the only bill, so far as I recall now, that has been brought into this House that seeks to give any relief to the unemployed in the United States. It is said we have 8,000,000 of them. I imagine we have more than that. If this bill takes care of 1,000,000 or 1,000 it is a step in the right direction, and the measure ought to prevail.

When you put money into good roads or into internal improvements in the United States you are putting it where it will be multiplied many times, and it is money that is not going to be wasted.

Gentlemen talk about the cities not getting any benefit from road improvements. Why, bless your life, many of the people who work on the public highways under these contracts live in the cities and go out in trucks in the morning and come back at night. This will relieve conditions in your cities as well as in the country generally.

Mr. YON. Will the gentleman yield?

Mr. GLOVER. Yes.

Mr. YON. Do not the contractors in a great many instances live in the cities, and they are benefited as well as the people that they employ?

Mr. GLOVER. This bill will benefit the merchant; it will benefit everybody that has anything to do with business. If you put money into the laboring man's hands he is going to spend it and put it in use. The trouble is now that it is concentrated in the hands of a few, and those that would spend it have not got it to spend. This will give them a little bit of money so they can take care of themselves and their families.

We heard a statement made by a Member on the other side to-day that he hoped this bill would meet with a presidential veto. I have more confidence in your President than you have. I believe he is a man of too much feeling for the laborers of this country to veto the first proposition that comes from this Congress to relieve the unemployed; but if

he should do it, as one Member of this House I stand here ready to join with you in passing the measure over his veto.

Mr. ALMON. I think the gentleman has misquoted the gentleman from Indiana [Mr. WOOD]. The gentleman from Indiana [Mr. WOOD] did not say the President would veto the bill but said that he hoped the President would veto it if it were passed.

Mr. COLTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it has been said that when a man in an argument has no facts to back him up he must either make fun of the other fellow and laugh or get angry. A few minutes ago when, in answer to a question, I gave the estimate of the number of men that would be employed this year on the roads by reason of the road appropriations there were many men over here who laughed.

Mr. Chairman, the Committee on Roads went into this matter very carefully, and they were as credulous in the beginning as these men who laughed. I make the statement now that last year there was an average of about 288,000 men employed upon road projects in this country, and in the actual breakdown of the road dollar appropriated it was conservatively shown that for every man employed on the project there were two other men employed in the furnishing of the material and in transporting it. It is conservative to say that nearly a million men will be put to work as a result of this appropriation.

Gentlemen, it is well enough to try to make fun and laugh, but this is a serious matter. This is the first bill that has been offered in Congress for the direct relief of the unemployed. I have gone with my party leaders in every single effort they have made to support the President of the United States in this emergency, and I expect to in the future, but I say that when a serious bill of this kind comes before the committee it is not fair to meet the arguments that are presented by the committee with laughter and derision. This does not get us anywhere.

Mr. Chairman, just one more word in conclusion. I say again—and the facts have not been disputed—that there is no appropriation made by the Federal Government where so large a percentage of the dollar goes to labor as that for the highways. Your committee went into that very carefully and presented this bill, with the honest belief that it is a bill for the relief of the unemployed. [Applause.]

Mr. TAYLOR of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 3, line 10, after the figures "$1,500,000," strike out the period, insert a comma, and add the following: "including national parks authorized to be established under the act of May 22, 1926 (U. S. C., title 16, sec. 403)."

Mr. TAYLOR of Tennessee. Mr. Chairman, this amendment is offered in the interest of the Smoky Mountain Park, which would be excluded without it. The Great Smoky Mountain National Park was created by an act of Congress in 1926. The substantive act provided for the development of this great park when 425,000 acres had been acquired. There have been 397,000 acquired at a cost of between $8,000,000 and $10,000,000. The Federal Government has expended nothing except about $30,000 annually for the supervision of the park.

About 150,000 tourists visited the park last year and it is rapidly becoming one of our most popular national playgrounds. It is very important that some work be carried on in the way of roads and building trails. Of course, this amendment does not arbitrarily require any portion of the amount to be expended in the park. It merely brings the Great Smoky Mountain Park into the picture subject to the discretion of the Park Service.

Mr. WARREN. Mr. Chairman, I would not be fair to the committee if I did not state that this amendment proposed by the gentleman from Tennessee affects only the State of Tennessee and my own State of North Carolina. It would mean, if the amendment was adopted, that it would apply to an expenditure in a section of my own State.

But that park has not been officially taken over by the Government of the United States, and therefore, until that project has been actually taken over, and inasmuch as heretofore we have not appropriated for building of roads and trails in areas of that kind——

Mr. TAYLOR of Tennessee. I think the gentleman must be mistaken when he says that this park has not been taken over by the Federal Government. The Federal Government has been paying for superintendence for a number of years, and 397,000 acres have been conveyed to the Government. Deeds for same have been delivered and accepted.

Mr. WARREN. I will modify my statement to this extent: I think they have accepted a portion of it only, but the entire acreage has not been accepted. They have not fixed the status of it as they have other national parks, and for that reason no appropriation has been available in the past. I think the amendment ought to be voted down, and I am asking you to vote down an amendment that does affect my own State.

Mr. MEAD. Mr. Chairman, I rise in opposition to the amendment. There has developed here some opposition to this bill. It seems to align the cities against the rural districts. It is a question of area against population.

We have passed some relief bills in this House during the 10 weeks since the Democratic Party came into control, bills for the relief of our banks, our railroads, and agriculture, and to a degree, at least, the entire country will participate in the benefits of these measures.

I am advised that this bill comes before us with the unanimous vote of the Committee on Roads. It is purely a loan measure seeking to aid the States. We loaned our money to foreign nations; we are now loaning our money to private business; surely there must be some merit in a bill granting the same consideration to the States of the Union.

I come from a city, and the argument that the cities may give more and receive less and that the rural districts will receive more and give less does not appeal to me. If unemployment exists and human misery accompanies it in any place in America, if relief is required in Michigan or Georgia or any other State in the Union, then those people affected are Americans and entitled to my consideration and yours. Even though this may not meet with the approval of the President of the United States, the same leadership that inspired this bill should, in the interest of the men who come from the cities, bring out a building bill for the construction of public buildings, most of which would be located in the cities. The President of the United States, I believe, prevented the Federal Building Commission at the beginning of this session from sending to the Congress their regular annual authorization for the construction of public buildings, buildings vitally needed by the Government throughout the country. If this bill is passed, then we should bring out a bill for the construction of public buildings.

Mr. ARENTZ. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes.

Mr. ARENTZ. Was the gentleman one of those who went down to Mr. Roop's office to inquire about the expenditure of a sufficient amount of funds to carry on the building program?

Mr. MEAD. I went down to the Federal Building Commission time and again with my colleagues urging the construction of Federal buildings when they were needed, where the rentals paid by the Government are exorbitant. Such building would relieve unemployment. It could be justified by the saving in rentals. It could be done at less cost at a time like this. The construction of public buildings that would last for a hundred years would not be a bad business investment, particularly in this terrible crisis when men and women are virtually destitute all over America. The public-building program was stopped by the administration, and I hope the leadership of this House will bring out such a bill and give us a chance to vote upon it that will be fair to the Members supporting this measure who come from our cities.

Mr. ARENTZ. What Mr. Roop failed to do and would not do has since been done by the President of the United States.

Mr. MEAD. I can not yield further. The President of the United States some years ago sent the Governor of Maine to

a conference down in Louisiana to inform the country of the benefits of public construction in times like this. He seemed to have a patent on the cure for unemployment then; for years he maintained it was good policy in a crisis such as this to build Federal buildings, Federal highways, river and harbor projects, and other necessary public works, but now we are informed he opposes the very plan he himself advocated then.

LABOR FOUND TO RECEIVE MOST OF HIGHWAY-PAVING FUNDS

In a recent statement issued by the Bureau of Public Roads we are advised that at least 85 per cent of the money expended for a concrete pavement is ultimately paid out in wages and salaries. Even if it is not quite that percentage, road building is one of the best means of relieving unemployment. Unless we carry on this program, thousands of workers who were employed last year will be added to the 8,000,000 unemployed workers of our country.

EMERGENCY FUND FOR ROAD BUILDING

The most significant item in the emergency Federal fund of last year was the $80,000,000 for road building. This amount was advanced to the States in order to enable them to meet the Federal-aid allotment which was increased from seventy-five to one hundred and twenty-five million dollars. Many of the States had practically exhausted their road funds in 1930 in an effort to meet the unemployment situation. Without the special emergency fund they would not have been able to secure any Federal aid last year.

INCREASE IN ROAD BUILDING

The total Federal expenditures for road building in 1931 were $259,897,000, an increase of $154,000,000 over 1930. The increased Federal expenditures, however, did not bring a proportionate increase in the total road-building program of the country. It brought an increase of only $34,000,000 which meant a drop of $120,000,000 in State and local expenditures for this purpose.

ROAD BUILDING AND UNEMPLOYMENT RELIEF

Road building has been a most effective method of unemployment relief during the depression. The various State highway commissions have made a special effort to organize their programs to meet the needs of the unemployed. Among the States that have given special attention to unemployment relief in their highway programs are New York, Pennsylvania, Ohio, Michigan, New Jersey, Delaware, Oregon, and Nebraska. On August 15 the State of Pennsylvania added 20,000 miles of township roads to its highway system. Construction work was started immediately on 1,700 miles of roads in 66 counties of the State. Work was also begun this fall in the reconditioning of 5,000 miles of road taken over by the highway department. The department cooperates with the various local relief organizations in relieving the unemployed.

"In order to provide winter unemployment relief for approximately 30,000 workers," writes the State highway commissioner of Michigan, "this department is rapidly placing under construction a $10,000,000 road-construction program consisting mostly of grading drainage structures, grade separations, and bridges. A large number of projects are now being placed under construction. In order to insure that the work as specified shall be carried on this winter the department has estimated the amount of each contract that can be carried on during the winter and is requiring that the contractor shall have the percentages estimated completed on or before April 1, 1932. The department is including in the special provisions set up in the proposals that a definite amount of equipment be used, stipulating some work for hand labor. * * * In order to provide the maximum number of men with work the department requires that to the fullest extent possible all employees on State highway projects shall work part time either three days a week, or alternate weeks. In connection with the employment it is specified that the contractor shall employ not less than 75 per cent of all labor used on the work from lists of unemployed furnished by the State employment commission through its local committees and that a minimum wage of 35 cents an hour be paid. Projects are being placed as far as possible according to the urgency of the need for unemployment relief. * * *"

CHARACTERISTICS OF ROAD PROGRAMS

The road programs of Michigan are fairly typical of the programs that have been adopted by a number of States for the relief of unemployment. Certain general characteristics stand out in these programs:

First. An effort is made to spread the work over as large an area as possible.

Second. As far as practicable, projects are undertaken in places in which the need for unemployment relief is greatest.

Third. There is a very pronounced tendency to substitute hand labor for machinery. In two States this tendency has assumed an extreme form. It represents a sincere effort on the part of the public authorities to provide work for the largest number of men with the limited resources at their disposal.

Fourth. In State road programs there seems to be a general policy of staggering labor.

Fifth. When work is done by contractors the State highway commission specifies a minimum rate of wages for workers.

Sixth. The workers employed on the various projects are selected on the basis of need, usually on the recommendations of local social agencies.

Seventh. Under the emergency programs road building, which heretofore was regarded as a seasonal occupation, is continued on an all-year-round basis.

ROAD BUILDING AND EMPLOYMENT

The emergency Federal fund of last year was of very great assistance to the States in speeding up their road programs and in providing work for the unemployed. The total number of men employed in Federal and State road work increased from 148,600 in January, 1931, to 365,000 in June, 1931. For every person employed directly in road work at least two other persons are employed indirectly by industries applying and transporting road material. It is, therefore, perfectly safe to assume that a total of 1,095,000 were given employment directly or indirectly on Federal and State road projects last June.

POSSIBILITY OF MAINTAINING LAST YEAR'S PACE

The maintaining of last year's pace in road building throughout this next year is a matter of vital concern to all persons interested in unemployment relief. Nothing would aggravate the unemployment situation so much as a large falling off in road building, and yet this is the situation with which we are threatened. The Federal funds available for road building last year amounted to $259,000,000. The funds available for the next year will be approximately $175,000,000. There is, moreover, good reason for believing that the States will not be able to match a considerable part of the Federal-aid funds. There is approximately $75,000,000 of Federal road funds in the Treasury at present that the States are unable to match. Last year there was a decrease of $120,000,000 in local and State expenditures for road building. Everything points to a further decrease next year. Last year the State of Michigan had approximately $30,000,000 available for road building. For this present year $15,000,000 will be available. Ohio anticipates a decrease of 20 per cent in its State and local programs. A number of the Southern and Middle Western States anticipate a decided decrease in their road funds. One of the very important factors in the falling off of State and local road programs is the tendency to divert the gasoline tax to purposes other than road building.

FEDERAL BUILDING PROGRAM

While road building offers the most immediate hope for an accelerated Federal program of public work there are many other types of work to which the Federal Government is committed in which considerable acceleration is possible. In 1926 Congress inaugurated a large Federal building program. As finally approved the program included 1,085 buildings at places now without Federal buildings, 245 new buildings at places that now have buildings, 191 extensions to existing Federal buildings, 41 projects for marine hospital and quarantine-station accommodations and 62 miscellaneous projects. The program was to be completed in 1937 at an estimated cost of $620,000,000. This program has been carried out at an accelerated pace particularly during the past year. The total amount expended to December 31 was $189,994,324.72. With increased appropriations and authorizations the program could be accelerated

at a more rapid rate during the next year. Of $620,000,000 Congress has authorized the expenditure of $486,089,300.09 and has appropriated $238,527,621.98. If Congress would appropriate the total amount authorized and would grant authorization for the buildings that have been approved, the program could be accelerated very materially in the next year.

Mr. WARREN. Mr. Chairman, I move that all debate on the amendment close in five minutes.

The motion was agreed to.

Mr. WEAVER. Mr. Chairman, I rise to address myself to the amendment offered by the gentleman from Tennessee [Mr. TAYLOR]. I feel some interest in this amendment, because it not only affects my district but it affects a great national enterprise. I am sorry that my colleague [Mr. WARREN] does not see this matter as we see it. It is a very simple proposition.

Under the act of May 22, 1926, the Government is authorized to take over and establish the great Smoky Mountains National Park. The lands to constitute that park were to be acquired by the States of North Carolina and Tennessee. Pursuant to the act of May 22, 1926, the State of North Carolina appropriated $2,000,000 from its treasury and the State of Tennessee appropriated an equal amount from its treasury for the purpose of acquiring the lands. This was not sufficient. The Rockefeller Foundation came to the aid of the two States and agreed to expend $5,000,000 to aid in this great national enterprise. Under this situation the States have acquired nearly 400,000 acres of the property, acquiring the great backbone of the Smoky Range as a national park. There are just a few condemnation proceedings yet undecided which are necessary to complete the 428,000 acres necessary to be taken over when the Federal Government would establish the park just as any other national park.

Mr. FULLER. Since this is a measure to grant relief for roads that are already in the Federal road system and there are no Federal roads or trails in this park——

Mr. WEAVER. Oh, yes; there are.

Mr. FULLER. But they are not in the system. How can the gentleman hope to get any benefit from the amendment?

Mr. WEAVER. One of the great roads into the park comes under this amendment.

Mr. FULLER. That is true. We have general authority under the terms of the bill, without specifying this particular park as the park named in the amendment.

Mr. WEAVER. But it says for the reconstruction and improvement of roads and trails, inclusive of necessary bridges in the national parks, and so forth. All we ask you to do is to say that instead of confining it to national parks already established, it shall apply to those which are in process of establishment, and especially in this case where the Government owns in fee nearly 400,000 acres of land which has been turned over to it under deeds now of record in the several counties, and let them build these roads and trails. The National Park Service wants this. The Director of National Parks is now in full control of the property conveyed to the United States by North Carolina and Tennessee. A superintendent has been appointed and rangers are now in charge of the property. For administration purposes, the National Park Service now has complete supervision and control, but under the act of May 22, 1926, the process of development would have to await the acquisition of the full 428,000 acres.

Mr. LEAVITT. Will the gentleman yield?

Mr. WEAVER. I yield.

Mr. LEAVITT. I agree with the gentleman. That is one of the finest parks in the entire system. It seems to me there is authority to do that already on the land that has been taken under jurisdiction by the Park Service. The bill reads: "The national parks or national monuments under the jurisdiction of the Department of the Interior," this work may be done. A very considerable portion of the Great Smokies are now under the jurisdiction of the Department of the Interior.

Mr. WEAVER. If we were sure that that was true, we would not have offered the amendment?

Mr. LEAVITT. If I am not correct, I am in favor of the gentleman's amendment.

Mr. WEAVER. I have an amendment which I got from the Park Service. I at one time thought that this would take care of the situation, but I find the legal advisers of the Department say it will not, and for that reason the gentleman from Tennessee [Mr. TAYLOR] and myself have interested ourselves in this legislation.

Mr. LEAVITT. I shall vote for the gentleman's amendment.

Mr. WEAVER. It does not add anything to the amount to be appropriated.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Tennessee [Mr. TAYLOR].

The amendment was agreed to.

Mr. WARREN. Mr. Chairman, I move that all debate on this section and all amendments thereto be closed in five minutes.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from North Carolina..

The motion was agreed to.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last two words.

I rise to make a few remarks on the basis of the tables that have been handed out this afternoon. I was glad, indeed, to find only one man from a State which would be called upon to pay more than it would receive in benefit take the floor in support of this legislation.

I was in Canada recently and I watched them build scores of miles of dirt roads. There I found people living in communities which received real benefits from road construction, because the work was chiefly manual. But I can picture in my mind roads being built in some sparsely settled sections of our country, and the picture is entirely different. On the day the contractor arrives with his 5-ton trucks and all the rest of his machinery he brings with him from 15 to 25 men who drive the trucks and serve as mechanics. These few men—generally workmen from outside the locality—will do all the work involved in building that road, and the native population will watch it done and curse the machines which are doing it. I have seen that very thing happen. How much benefit, in the sense of unemployment relief, do you bring to such communities with that sort of contract work?

The title of this bill indicates that it is supposed to be an aid to employment. I fancy that is not it. Under a plea of unemployment you would primarily be getting a lot of good roads everywhere at the expense of a few States. As some of the speakers earlier this afternoon said, there is certainly a lot of bait in this bill. There might have been a great deal more bait in it if the amendment offered by the gentleman from Michigan had been in order, because certainly such a proposition as this ought to be according to population so that each section would get its fair and proportionate share.

I repeat that, in spite of the argument by the gentleman from Utah [Mr. COLTON] to the effect that in building the machinery and transporting it to other places you are increasing employment, this is negligible in comparison with the cost involved. You may increase the number which will be benefited a little more, but there is a vast difference between 25 per cent and 90 per cent. But in most localities to which you are trying to bring relief from unemployment the benefits would be almost negligible, under the present contract system, even with the amendment relating to paying the prevailing rate of wages. Contractors will bring their own help, and while they will pay the prevailing rate of wages, they will not hire labor locally in any material number. Machines, not men, will do most of the work, especially not the men of each different neighborhood where the roads are being built. You are very

much mistaken if you think that this will not be the case. Surely you must know you are not bringing about something to help unemployment. You are taking advantage of the unemployment to get a lot of good roads at the expense of a few States which will have to bear the major burden of the cost, and which, in turn, will receive almost no benefit. This is illogical and unfair. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired on this section.

Mr. SUMMERS of Washington. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SUMMERS of Washington. If an amendment in the form of a new section is offered at this time, will it be subject to debate?

The CHAIRMAN. The private opinion of the present occupant of the chair is that it would not be subject to debate, but the parliamentarian believes otherwise, and the Chair will so rule. The Chair will rule that it is subject to debate if it is offered as a new section.

Mr. SUMMERS of Washington. Mr. Chairman, then I offer an amendment, as a new section.

The CHAIRMAN. The gentleman from Washington, [Mr. SUMMERS] offers an amendment as a new section, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: On page 3, after line 20, insert a new section, as follows:

"SEC. 2 (b) That for the purpose of carrying out the provisions of the Federal highway act, approved November 9, 1921, and all acts amendatory thereof and supplementary thereto, and to establish post roads, provide for the common defense and general welfare, there is hereby authorized to be allocated by Congress out of any money herein authorized to be appropriated to be expended in the improvement of rural post roads over which rural carriers travel in serving the rural routes in addition to those roads now or hereafter to be included in the Federally aided road system.

"The sums of money appropriated by Congress under authority of this act shall be apportioned by the Secretary of Agriculture of the United States among the several States in proportion to the total mileage of rural routes within the respective States and shall be available only when and upon condition that the several States, or subdivisions therein, or both, appropriate and make available an equal sum exclusively for the same purpose. The expenditure of all such sums of money shall be made by the highway departments of the several States or by the equivalent office or officer thereof, as provided in the Federal highway act of November 9, 1921, or such agencies as the said State departments may respectively direct.

"That section 6 of said Federal highway act is hereby amended, authorizing and creating a third class of highways to consider both those intracounty and intercounty highways over which passes the United States mail by rural mail carriers, first selecting and improving those roads which shall most usefully and conveniently contribute to rounding out and expanding the system of primary and secondary highways, and to continue enlarging and expanding until all rural mail routes shall be improved in the manner decided by the respective State highway departments"——

Mr. STAFFORD. Mr. Chairman, a point of order.

The CHAIRMAN. The Clerk has not finished reading the amendment.

Mr. STAFFORD. It has proceeded far enough to show that it is clearly out of order, Mr. Chairman.

Mr. WARREN. Mr. Chairman, I hate to interrupt the reading of the amendment but it is so clearly subject to a point of order, on account of its nongermaneness, that I therefore must make the point of order.

Mr. SUMMERS of Washington. Will the gentleman reserve his point of order and permit just a few more lines to be read?

The CHAIRMAN. Does the gentleman from Washington desire to be heard on the point of order? If so, the Chair will hear the gentleman briefly.

Mr. SUMMERS of Washington. Mr. Chairman, the bill under consideration is to aid in the construction of highways—federally aided highways. Presumably we get that authority from certain provisions of the Constitution of the United States, and the amendment I have offered is founded on precisely those same provisions of the Constitution. My amendment specifically refers to post roads. The bill under consideration is somewhat mystical as to whether post roads or other roads are to be built.

They both call for cooperation by the States; they both serve the same purpose; they both trace back to the same provisions in the Constitution. No new provision is set out or contemplated by the amendment which I have offered. The money comes from the same source. It is spent under the direction of the same authorities—both Federal and State. It must be expended under those same authorities; it is to accomplish the same purpose; and, as far as I can see, is identical in purpose through and through.

The CHAIRMAN. The Chair is ready to rule. The bill before the committee is for a specific purpose, and is limited as follows:

No sums apportioned under this act shall be advanced except for work on the Federal-aid highway system performed before June 30, 1933.

The gentleman's amendment carries legislation of a general nature that is not germane to the purposes of the bill, and the Chair, therefore, sustains the point of order.

The Clerk read as follows:

SEC. 3. That the Secretary of Agriculture is authorized to make rules and regulations for carrying out the provisions of this act with the view of providing the maximum employment consistent with reasonable economy of construction.

Mr. WARREN. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. WARREN: On page 3, line 24, after the word "employment," insert the words "of local labor."

Mr. DYER. Mr. Chairman, I rise in opposition to the amendment. I desire to inquire of the gentleman in charge of the bill as to what he means by the words "of local labor." Would that include the State in which the work is to be done or only the community where the road is being built?

Mr. WHITTINGTON. I may state in answer to the gentleman's question that the intent of the committee in offering this amendment was that local labor in the community generally, and certainly in the State where the work was being done, would be used.

Mr. DYER. That is what I was afraid of. Those who come from the cities, to which none of this proposed appropriation is allocated, will not benefit. The people of the big cities will not benefit, because the work is to be done by local labor in the locality where the road is to be built.

In other words, it is class legislation and will not in any respect help the people of the whole State to which the money goes. None of it will go to the large cities and they will receive no benefit whatever from it. The Appropriations Committee of the House has brought in amendments to their appropriation bills to provide that certain employees of the Government shall have their pay reduced. That has been done already in bills that have passed the House and that are now pending. In every instance those people live in the large cities.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. DYER. Yes.

Mr. WHITTINGTON. Is it not true that appropriations for the construction of Government buildings, including court and post-office buildings, provide only for employment in the cities and in industrial cities generally?

Mr. DYER. No. That is not in the bills of which I have knowledge, that employment shall only be given to the people living in the particular city.

Mr. WHITTINGTON. But is it not true that, as a matter of fact, the employment is largely restricted to the places where those works are being constructed?

Mr. DYER. The contractors for public buildings in my city bring a vast amount of their equipment and a large number of employees from other cities. I think it most unjust, Mr. Chairman, to legislate in this way. I think it is

unjust to take money away from the people of the big cities and transfer it to the building of roads in States where the people of the cities, who pay a large part of the taxes, receive no benefits therefrom.

Mr. WHITTINGTON. Is it not true that under this legislation ultimately 50 per cent of the cost is paid by the local communities?

Mr. DYER. If that were true, it would be a different proposition, but under this bill there is evidently no intention of having the States pay back any of this money.

Mr. WHITTINGTON. Is it not true of this bill, as it was of a similar bill passed by this House in 1930, that every dollar that may be advanced to any State must be repaid out of the funds accruing to that State in the future? So each State does make a local contribution after all, does it not?

Mr. DYER. My State will pay its part, of course, but it receives no benefit from this bill.

Mr. STAFFORD. Will the gentleman yield?

Mr. DYER. Yes.

Mr. STAFFORD. Under the prior act to which the gentleman refers the money will be apportioned for repayment to the National Government up to 1938, but under this bill it is proposed to have this money apportioned from 1938 to 1948. However, the States will first have to appropriate, and if they do not appropriate the National Government alone will bear the expense which is supposed to be borne by the local communities. So if the States do not make the appropriations from 1938 to 1948—and they are not likely to do so—then the National Government is building the roads itself.

Mr. DYER. That is quite true, Mr. Chairman, and shows the great injustice of this legislation which is brought here on the pretense that it is going to provide work for a number of people. It will benefit very few, and the Democratic Party, which has been here urging economy and reducing the pay of Government employees in the appropriation bills, comes in here now with this large bill to eventually saddle almost all of this amount on the taxpayers of the entire country, including the people whom I have the honor in part to represent.

[Here the gavel fell.]

Mr. WARREN. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The committee amendment was agreed to.

Mr. THOMASON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMASON: Page 3, line 25, after the word "construction," strike out the period, insert a colon, and add the following:

"*And provided*, That none shall be employed except citizens of the United States."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. WARREN. Mr. Chairman, the committee will accept that amendment.

Mr. STAFFORD. Mr. Chairman, I make the point of order that the committee has just adopted as its amendment the committee amendment with respect to local labor and that the amendment that is now proposed seeks to modify and change the amendment just adopted. The appropriate time for the amendment to have been proposed was before the committee amendment was agreed to, because it is an amendment to that amendment, involving the principle of local labor.

The CHAIRMAN. The Chair is ready to rule.

The question raised by the gentleman from Wisconsin [Mr. STAFFORD] is one of consistency, on which the Chair does not pass.

The point of order is overruled, and the gentleman from Texas is recognized for five minutes.

Mr. THOMASON. Mr. Chairman, as I understand, the gentleman from North Carolina [Mr. WARREN] has stated that the committee accepts the amendment, and for that reason I do not desire recognition.

The question was taken; and on a division, demanded by Mr. STAFFORD, there were—ayes 142, noes 7.

So the amendment was agreed to.

Mr. HOGG of Indiana, Mr. LAGUARDIA, and Mr. COCHRAN of Missouri rose.

Mr. LAGUARDIA. Mr. Chairman, a parliamentary inquiry. There was an amendment offered to section 2, and the gentleman from North Carolina [Mr. WARREN] said he would accept it as an amendment to section 3.

The CHAIRMAN. The Chair will recognize the gentleman from New York and the gentleman from Missouri [Mr. COCHRAN] in a moment. The Chair now recognizes the gentleman from Indiana [Mr. HOGG], who has not spoken on the bill.

Mr. HOGG of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOGG of Indiana: Page 3, line 25, following the amendment just adopted, add as follows:

"That all contracts entered into before June 30, 1933, and providing for the payment of any funds authorized or appropriated by this act, shall contain a provision that in the making of any execavation and in the construction of any grade or fill the material removed from such excavation or placed in any grade or fill shall not be loaded at such excavation, grade, or fill into trucks, lifts, or conveyors by means of power-driven machinery, except in the case of stone, heavy individual objects, and material beneath the water surface."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order against the amendment that it is not germane, and that it is contradictory of the method of doing the work as provided in the bill.

The CHAIRMAN. Does the gentleman from Indiana [Mr. HOGG] desire to be heard on the point of order?

Mr. HOGG of Indiana. I do, Mr. Chairman.

Mr. STAFFORD. Mr. Chairman, if the Chair will permit, I wish to reenforce the argument that I made a moment ago, because it is applicable to the amendment that is pending.

The committee adopted an amendment that relates to the way the money shall be used, namely, by means of local labor. It was possible, under the rules of the House, at any time prior to the adoption of that amendment, to offer any germane amendment; but when the committee adopted the amendment it foreclosed itself, then and there, from proposing any amendment that was germane or related to the subject of local labor. The amendment now proposed is one relating to the labor that will be employed in the utilization of these appropriations. I claim the amendment comes too late. The time for the amendment was before the committee had adopted an amendment determining the policy with respect to employment.

The CHAIRMAN. Unless the gentleman from Indiana [Mr. HOGG] desires to be heard, the Chair is ready to rule.

Mr. HOGG of Indiana. If the Chair please, the section provides for labor of a local nature, and this simply provides for one of the ways in which it can be done.

The CHAIRMAN. The Chair is ready to rule. The question raised now is different from that raised by the gentleman from Wisconsin, which merely raised the question of consistency. This is an amendment to an amendment that has already been adopted by the House, and clearly is subject to the point of order. The Chair sustains the point of order.

Mr. RAMSPECK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 3, line 25, strike out the period, insert a comma and the following: "and such regulations shall provide for the predetermination of the prevailing wage scale provided for in section 1 hereof, and the inclusion of the same in the specifications and contracts."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order against the amendment that it is the identical question the Chair has passed upon, and the identical amendment proposed to section 1 of this bill; that it seeks to change the method of doing this public work to relieve unemployment.

Mr. RAMSPECK. The point of order made before was that it was an amendment to an amendment already adopted.

The CHAIRMAN. The Chair is ready to rule. On February 24, 1921, when the gentleman from New Jersey was in the chair, this same question was raised, and he ruled as follows:

The amendment offered by the gentleman is an amendment to an amendment offered by the gentleman from Ohio and should have been offered before the original amendment was passed upon.

That being on all fours with the recent ruling of the Chair, the Chair sustains the point of order.

Mr. RAMSPECK. I wish to say to the Chair that I was on my feet when the gentleman from Texas offered his amendment. I was a member of the committee, but the Chair recognized the gentleman from Texas [Mr. THOMASON] when I was entitled to priority.

The CHAIRMAN. The Chair will state that the ruling is based on the fact that there was a committee amendment adopted by the House, which would be equally applicable to the point of order.

Mr. RAMSPECK. My amendment had no relation to the committee amendment.

The CHAIRMAN. It was the privilege of the gentleman from Georgia, if he so desired, to offer it as an amendment to the amendment of the gentleman from Texas.

Mr. LAGUARDIA. Mr. Chairman, I ask that my amendment, under the agreement with the gentleman from North Carolina, be now read.

The Clerk read as follows:

Page 3, line 25, after the word "construction," strike out the period, insert a colon and the following: "*Provided*, That none of the money herein authorized to be appropriated shall be paid to any State on account of any project on which convict labor shall be employed."

Mr. WARREN. Mr. Chairman, the committee accepts that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. WARREN. Mr. Chairman, I move that all debate upon this section and all amendments thereto close in five minutes.

The motion was agreed to.

Mr. COCHRAN of Missouri. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. COCHRAN of Missouri: Page 3, line 24, after the word "labor," insert a comma and add the following: "the minimum use of machinery and the use of equipment and material of domestic manufacture and production."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order to that for the same reason. This involves a matter of labor and that matter has been passed on. It is an amendment to an amendment and comes too late.

Mr. COCHRAN of Missouri. Mr. Chairman, the purpose of this bill, according to the title, is "To authorize supplemental appropriations for emergency highway construction, with a view to increasing employment." The purpose of section 3 is to authorize the Secretary of Agriculture to make rules and regulations for carrying out the provisions of the act, with a view of providing a maximum employment of local labor. My amendment seeks to take out of this picture the steam shovel and the concrete mixer and require contractors to use domestic material. What more can be done to provide employment for those who are looking for work than to get rid of machinery and require those who are constructing the roads to use material manufactured in the United States and not in Belgium and other countries? In December Belgian cement was purchased by a contractor to make a road in the Canal Zone, 10,000 barrels. They use Belgian cement in States along our coast, and I want to prevent the use of Government money for this purpose. No point of order should be made against an amendment that will give Americans work in preference to men in foreign countries. Let us take care of the American unemployed, and let the foreign countries take care of their own. We have done enough for them. Do you ever see them helping us?

The CHAIRMAN. The Chair is ready to rule. The Chair can not pass on the merits of the proposition. He has already cited the precedent established by the ruling of the gentleman from New Jersey [Mr. LEHLBACH] on a question on all fours with this, which held that the gentleman's amendment should have been offered at the time the committee amendment was under consideration. As it is an amendment to an amendment that has been adopted, it is not in order, and the Chair sustains the point of order.

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the paragraph. We are considering a bill here to help the unemployed. The committee amendment assists those who live in the vicinity of the job, but I seek to go further than the committee and give more work by prohibiting the use of machinery in the construction of roads known as Federal-aid highways. First, by my amendment I attempted to prevent the use of machinery on Federal-aid roads. If you really want to help the unemployed, place my amendment in the bill, and you will be doing something worth while. Next, I attempted to prevent the use of Belgian cement, as this country has the best cement in the world, and because Belgian cement is manufactured by cheap labor and can be bought more cheaply in the United States than domestic cement. As I said a few moments ago, the States along the Atlantic coast and other States have been using Belgian cement, and in December 10,000 barrels of Belgian cement were purchased by a contractor to be used on the roads in the Canal Zone. You say you are passing legislation here to help the unemployed, still you seem willing to let the men stand around the job and watch the steam shovel and the concrete mixer doing this work and human beings wondering whether they are going to get money to buy something for their starving children and pay rent. I am surprised that the gentleman from Mississippi [Mr. WHITTINGTON] objects to an amendment of that character. If you really want to help the unemployed, you will do it by putting the machinery out, and if you do not put the machinery out it will not be long before the unemployed will do it for you. Honest men, able and willing to work, are entitled to work, and the time is not far distant when they will see that they will get it. They are not going to let their families want for necessities of life.

Mr. WELCH of California. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. Always to my friend from California—to be more direct, from San Francisco—a city that recently provided that there would be no steam shovel or concrete mixer on some public work. I know the working man has no better friend in Congress than Mr. WELCH.

Mr. WELCH of California. If the gentleman's amendment prevailed, as I was in hopes it would, it would give work to idle men instead of idle steam shovels and concrete mixers.

Mr. COCHRAN of Missouri. Absolutely. As the gentleman recently told me, one steam shovel will do the work of fifty or a hundred men, depending upon its size. Steam shovels do not need food, clothes, nor shelter, but the unemployed do, and some way must be found to give it to them.

Mr. WHITTINGTON. On all matters of this kind it is primarily for the States to determine. I answer the gentleman by saying that my opposition to his amendment is based upon the ground that I think the States that contribute 50 per cent of this fund ought to have the final voice as to how the money will be disbursed.

Mr. COCHRAN of Missouri. Does the gentleman from Mississippi approve of the act of contractors in the State of Arkansas that paid their labor on roads last year 75 cents?

Mr. WHITTINGTON. I do not. Section 3 of the bill provides that the Secretary of Agriculture shall provide for a maximum of local labor and the elimination of as much machinery as possible.

Mr. COCHRAN of Missouri. Not for the elimination of machinery. That is what I wanted to do.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. GILCHRIST. Mr. Chairman, under unanimous consent to speak for two minutes I can say very little concerning H. R. 9642, being a bill making further appropriations for highway construction.

This is another time when we are called upon to vote upon a measure involving many millions of dollars without having been given sufficient time to consider the subject. I call the attention of the House to the fact that the bill was reported from the committee day before yesterday. Indeed, the hearings before the committee, and I think this is true of the report also, were not available until about noon to-day. We have not been given opportunity to consult the highway officers or the highway commissions in our several States. We know not how we will be affected by the bill. Take Iowa, for example. The road program for 1932 has already been made up, or practically so. Can this program under existing conditions be modified or changed. I can not say. I have had no opportunity to find out. I do believe, however, that even were we so minded we could not get much help this year from the appropriations involved. And the bill by its own limitations prevents a Northern State like Iowa from performing much work next year, because the time limit for the work terminates in June, 1933; and we will have only something like two and a half months of available workable time next year within which to do the work contemplated by the esteemed author of this bill, who hails from the sun-kissed slopes of Alabama, where work can be commenced very early in each year and can be prosecuted thereafter practically the whole time.

Furthermore, I call the attention of the House to the fact that the ranking minority member of the Committee on Roads is sick and not able to be here to-day. I understand also that he was not able to be present in the committee during the consideration of the measure.

Mr. WARREN. Will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. WARREN. I wish to assure the gentleman that the ranking minority member did appear at the hearing on this bill.

Mr. GILCHRIST. I accept the statement of the gentleman. I was advised by one Member that he was not present. In any event the gentleman is not here. He is my colleague from Iowa. We want and should have time to consult him. We have not been able to do so, and before Members are called upon to vote for the expenditure of hundreds of millions of dollars I think it would be fair to give them sufficient time to consider the proposition. For one, I am growing rather tired of being compelled to vote upon measures without having had time to look into them. I say this in all kindness to the committee. Why not allow us opportunity to consult our constituents and public officers who have charge of these matters at home? Why not allow us a chance to take the advice of the minority ranking committeeman, who might have something to say about the measure, and who could at all events give us some information about the conditions existing in our home States?

I do not oppose good roads. It is clearly within the jurisdiction of Congress to establish post roads, and appropriations therefor are not opposed by those of us who are against the present bill. But we have heretofore taken care of this matter by liberal appropriations voted by the House. The usual program respecting these things is fully provided for. The Federal appropriations for road building in 1931 were increased many millions of dollars over those of 1930, and the Federal Government has been very generous in regard to this subject. The deficiency appropriation bill already passed by the House gave liberal Federal aid to public roads and millions of dollars were allocated to that purpose by that bill. The appropriation bill for the Department of Agriculture gave many millions more for the same purpose. We have done, and we will yet do, our full duty in aiding Federal highways and the primary systems of the States. There is no emergency on that subject. The regular program is sufficient.

But, Mr. Chairman, this bill is just another raid on the United States Treasury. I am under no illusions as to the 50-50 proposition contained herein. I know that any dollar which is raised by taxes in Iowa, and is then rolled down here to this great Capital at Washington into the hands of bureaucratic commissions and afterwards rolled back for expenditures out there, will suffer great and grievous attrition. I know, also, that the Federal dollars which the States are to get by virtue of the bill will not drop down like manna from the heavens above but, on the contrary, they will be wrung by tax-gatherers from impoverished men and women now crying for relief. I also know that the State dollars with which to match them will come in great part from the sweat and toil of those who perform the labor and who own the farms and the homes throughout our land.

All along during this session we have been reminded of the condition of the Public Treasury. It is in the red more than $2,000,000,000, and the figures are staggering. The Ways and Means Committee is now at work with inventive skill devising new, additional, and ingenious methods for taxing a distressed people in order that the Budget may be balanced. And this bill is but another raid. If we must spend the people's money, let us not spend it like drunken sailors upon shore leave. If we are to change the program and the precedents, and if we are to establish new procedures and make new allocations, then I call your attention to the fact that there is imperative need for something to be done to provide and keep in repair the postal routes of our rural mail carriers, as well as, and in addition to, the hundreds of thousands of miles of farm-to-market highways, so that we may furnish employment and help to revive business and make it possible for country folks to enjoy a little of the privileges which good highways bring.

There is only one way to retrench and that is to quit voting for new and additional appropriations. There is only one way to amend the situation and that is to lop off subsidies. There is only one way to economize and that is to quit spending money. There is only one way to reduce taxes and that is to reduce taxation. There is to-day in this country an awful and tragic need for retrenchment, because economic disaster stalks the land like a pestilence at noonday. There is no imperative need for establishing a new policy regarding Federal highways, however grateful these might be in the sunny times of prosperity. The bill brings no relief to the ruined farms of this country but rather sends the tax gatherer out to levy further tribute upon them and to put additional imposts against them. The way to reform is to reform. The structure of the bill is such that the States themselves must raise like sums of money. This means taxation. This means bonds and more tax-free bonds so that children in swaddling clothes and even generations yet unborn will be compelled to underwrite and pay for the folly and asininity of their fathers. Oh, we can be mighty fearless in visiting our sins upon those who shall come after us.

Since I came here I have heard much about the great god, Demos; about the rights of the people of the States; about Thomas Jefferson and Andrew Jackson and other men who have stood in the path of monarchy and autocracy and bureaucracy to defend the people and the rights of the people of each State. But here is a bill which will bribe the legislature of every State against their own right of self-determination. It stultifies their conscience. This money is like the 30 pieces of silver that bought Judas and if any State does not take the money, then it will be penalized in favor of the States which do stultify themselves. If, on the other hand, any State accepts the money, then it will be expected to spend dollar for dollar like sums of money upon like Federal highways.

The sums now to be advanced by Uncle Sam are to be reimbursed to him over a period of 10 years, commencing with 1938, by the making of deductions from regular apportionments which the State might otherwise obtain in the future. The scheme is nicely tied up until 1948. Who knows whether the next Congress or whether the Seventy-fourth Congress will continue the Federal highway appropriations upon a 50-50 basis? What right have we to tie the hands of the Seventy-ninth Congress or any other Congress? What right have we to impose our will upon the legislatures of the several States for the ensuing two decades? Let every

Congressman when he comes to vote look to his commission and to his oath and inquire whether the authority exists, and from whence it emanates, that gives him leave to do this thing! Who can guarantee that any State after drawing this bribe will 10 or 15 years hereafter carry out the nefarious arrangement by paying its allotments? When gentlemen talk about democracy, let them not act as autocrats, and let them not dictate the policies of future Congresses and of future legislatures throughout the country.

I may well agree that this is an emergency measure, but the emergency is one in the future, because it establishes new precedents and creates new imposts and levies additional tribute upon a tax-suffering people, and it fixes such tribute upon them for a period of almost two decades yet to come.

Let us temper our present greed with a wholesome fear for future consequences. Let us no longer create in State and local agencies a spirit of parasitic dependence on the National Government. This will necessarily lead to wastefulness in local administration. Let us not discount the future. Let us not mortgage posterity. Let us not be prodigal, for if we do the time is surely coming when we will eat husks.

The CHAIRMAN. All time has expired.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The CHAIRMAN. There is a committee amendment which should be read at this time. The Clerk will read the committee amendment.

The Clerk read the committee amendment as follows:

SEC. 4. The last paragraph of section 6 of the Federal highway act, approved November 9, 1921 (42 Stat. 212; U. S. C., title 23, sec. 6), is hereby amended to read as follows:

"Whenever provision has been made by any State for the completion and maintenance of 90 per cent of its system of primary or interstate and secondary or intercounty highways equal to 7 per cent of the total mileage of such State, as required by this act, said State, through its State highway department, by and with the approval of the Secretary of Agriculture, is hereby authorized to increase the mileage of the primary or interstate and secondary or intercounty systems by additional mileage equal to not more than 1 per cent of said total mileage of such State, and thereafter to make like increases in the mileage of said systems whenever provision has been made for the completion and maintenance of 90 per cent of the mileage of said systems previously authorized in accordance herewith."

The CHAIRMAN. Did the gentleman from Georgia [Mr. RAMSPECK] desire to offer an amendment as a new section following section 3 before the committee amendment was adopted?

Mr. RAMSPECK. Yes; I did, Mr. Chairman.

The CHAIRMAN. The Clerk will then report the amendment offered by the gentleman from Georgia [Mr. RAMSPECK].

The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: Page 3, line 25, after section 3, insert a new paragraph:

"3 (a) The prevailing scale of wages provided for in section 1 hereof shall be predetermined and included as a part of the specifications upon which each contract is awarded, and shall be a part of the contract."

Mr. WHITTINGTON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. WHITTINGTON. The same point of order that was made to this amendment when it was previously offered to section 1 of the bill, namely, that this bill contemplates the expenditure of these funds under the Federal highway act, and the method proposed is an entirely different and inconsistent method of expending these funds. It is not germane and it is thoroughly inconsistent.

Mr. RAMSPECK. Mr. Chairman, I would like to be heard upon the point of order.

The amendment offered by the gentleman from New York [Mr. LAGUARDIA] made a part of section 1 of this bill the principles of the Bacon-Davis Act. The amendment which I have proposed simply means that in applying the Bacon-Davis Act, or applying the prevailing wage scale to these contracts, it shall be determined in advance of the letting of the contract and made a part of the contract. It does not change the method which is prescribed by the bill of having paid the prevailing wage scale, but it will simply enable a contractor who bids on the work to know exactly what he is going to have to pay for wages when he makes his bid and not put him in the position of making a bid and then having the Government officials come around and say "You have to pay higher wages than you thought you had to pay."

Mr. WHITTINGTON. This, Mr. Chairman, is not germane to the section.

The CHAIRMAN. The Chair is ready to rule. The amendment would have been germane to section 1, because it applies to section 1. The amendment is not germane to the bill at this point, and the Chair sustains the point of order.

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. ALLGOOD. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The CHAIRMAN. The Clerk will read the amendment offered by the gentleman from Alabama.

The Clerk read, as follows:

Amendment offered by Mr. ALLGOOD: Page 3, line 24, after the word "labor," strike out the period, insert a comma and the following words: "and the use of farmers' teams and the use of local materials."

Mr. WARREN. Mr. Chairman, I make a point of order on this amendment, that it is not germane and it comes too late.

The CHAIRMAN. The gentleman's amendment comes too late. It should have been offered to section 3 before section 4 was adopted. The Chair sustains the point of order.

Mr. ALLGOOD. Mr. Chairman, I ask unanimous consent to return to section 3 for the purpose of offering an amendment.

Mr. WARREN. Mr. Chairman, I object.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: Page 3, after the last amendment adopted to section 3, strike out the period, add a colon and the following: "*Provided*, There is hereby authorized to be allocated funds out of any money by Congress herein authorized to be appropriated, to be expended in the improvement of rural post roads over which rural carriers travel in serving the rural routes in addition to those roads now or hereafter to be included in the federally aided road system."

Mr. WARREN. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. SUMMERS of Washington. Mr. Chairman, all I am trying to accomplish is to get some farm-to-market post roads that will employ the maximum of labor. I have left out all legislation in this amendment. I am not able to see why it should be subject to a point of order.

The CHAIRMAN. The Chair will rule that section 4 having been adopted by the committee the gentleman's amendment is not germane. It comes too late.

Mr. SUMMERS of Washington. If the Chair will permit, I repeatedly endeavored to get recognition at the end of section 3. So far as I was able to determine they began the reading of amendments to section 4 before it had been reached.

The CHAIRMAN. The gentleman from Washington had the privilege of offering his amendment at any time as a perfecting amendment. It is incumbent upon the Chair to recognize members of the committee in preference to other Members.

Mr. SUMMERS of Washington. I know that, but I did not know we had passed section 3.

The CHAIRMAN. The Chair will sustain the point of order.

Mr. SUMMERS of Washington. Mr. Chairman, I would like to offer the amendment at the end of the bill. It calls for no additional money and it is only for the purpose of

getting rural farm-to-market roads. That is all I have been striving for during the afternoon. I have in mind the construction of some $2,000 or $3,000 mile roads as well as $30,000 or $40,000 mile roads.

The CHAIRMAN. The gentleman from Washington offers his amendment as a new section at the end of the bill. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington as a new section.

Mr. WARREN. Mr. Chairman, as I understand, this is exactly the same amendment which has just been offered and I make a point of order against it.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Provided, There is hereby authorized to be allocated funds out of any money by Congress herein authorized to be appropriated to be expended in the improvement of rural post roads over which rural carriers travel in serving the rural routes in addition to those roads now or hereafter to be included in the federally aided road system.

Mr. WARREN. Mr. Chairman, I renew the point of order.

The CHAIRMAN. The Chair will sustain the point of order. If the amendment is germane at all it should have been offered to section 2.

Mr. WARREN. Mr. Chairman, I ask unanimous consent that all Members who have spoken on this bill to-day be allowed to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. LEAVITT. Mr. Chairman, reserving the right to object, I wish to make a parliamentary inquiry. I do not intend to object to the request of the gentleman from North Carolina, but I would like recognition to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman from Montana desires the attention of the gentleman from North Carolina as to a correction in the bill.

Mr. LEAVITT. Mr. Chairman, on page 2, line 9, are found these words:

No sums apportioned under this act shall be advanced except for work—

And so on. In my judgment the word "act" at the beginning of line 10 should be "section," because in section 2 there are five other purposes, including the construction and improvement of national-forest highways; construction and maintenance of roads, trails, bridges, and so forth, in the national forests; the construction and improvement of roads and trails within national parks; the construction and improvement of Indian-reservation roads, and the survey, construction, and maintenance of main roads through unappropriated or reserved public land. So if we leave the language as it is in section 1 there might be come conflict between the language of the first section and of the second section.

Mr. WHITTINGTON. Mr. Chairman, in reply to the gentleman, it does occur to me that the word "act" is properly used. It only refers to the apportionments made to the several States out of this emergency fund, and has no reference to the section to which the gentleman refers.

The CHAIRMAN. The Chair will hold that the parliamentary inquiry has been answered. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Under the rule the committee automatically rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. COCHRAN of Missouri. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman from Missouri offers a motion to recommit. Is the gentleman opposed to the bill?

Mr. COCHRAN of Missouri. I am, Mr. Speaker, in its present form.

The SPEAKER. Is any member of the committee opposed to the bill? If not, the Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. COCHRAN of Missouri moves to recommit the bill to the Committee on Roads with instruction to that committee to report the bill back to the House forthwith with the following amendment: On page 3, line 24, after the word "labor," insert a comma and add the following: "the minimum use of machinery and the use of equipment and material of domestic manufacture and production."

Mr. STAFFORD. Mr. Speaker, I make the point of order that the House has just adopted a committee amendment found on page 3, line 24, which provides as to local labor being the character of labor that should be employed in the use of these funds. The House having adopted that amendment, it is now too late to offer any germane amendment such as proposed in the motion to recommit.

The SPEAKER. The point is well taken, and the Chair sustains the point of order.

The question is on the passage of the bill.

Mr. WARREN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 109, answered "present" 5, not voting 112, as follows:

[Roll No. 23]

YEAS—205

Abernethy	Disney	Karch	Oliver, Ala.
Allgood	Dominick	Keller	Overton
Almon	Douglass, Mass.	Kelly, Pa.	Owen
Amlie	Doxey	Kemp	Parker, Ga.
Arentz	Drane	Kerr	Parks
Arnold	Drewry	Kleberg	Parsons
Auf der Heide	Driver	Kniffin	Patterson
Bankhead	Eaton, Colo.	Kvale	Peavey
Barbour	Englebright	LaGuardia	Pittenger
Barton	Erk	Lambeth	Polk
Bland	Eslick	Lamneck	Pou
Blanton	Estep	Lanham	Prall
Bloom	Evans, Calif.	Lankford, Ga.	Rainey
Boileau	Fernandez	Larsen	Ramspeck
Boland	Fiesinger	Lea	Rankin
Bowman	Fish	Leavitt	Rayburn
Brand, Ga.	Fitzpatrick	Lewis	Reilly
Browning	Flannagan	Lichtenwalner	Sanders, Tex.
Buchanan	Frear	Linthicum	Sandlin
Bulwinkle	Fulbright	Lonergan	Schafer
Burch	Fuller	Loofbourow	Schneider
Busby	Fulmer	Lovette	Selvig
Butler	Gasque	Lozier	Shallenberger
Campbell, Pa.	Gilbert	McClintic, Okla.	Simmons
Canfield	Glover	McCormack	Sinclair
Cannon	Goss	McDuffie	Smith, Idaho
Carter, Wyo.	Green	McFadden	Smith, Va.
Cartwright	Greenwood	McKeown	Smith, W. Va.
Cavicchia	Gregory	McMillan	Spence
Chavez	Griswold	McReynolds	Steagall
Christgau	Haines	McSwain	Stevenson
Clark, N. C.	Hall, Miss.	Maas	Stewart
Collins	Hall, N. Dak.	Major	Strong, Pa.
Colton	Hancock, N. C.	Maloney	Summers, Wash.
Condon	Hardy	Manlove	Sutphin
Cooper, Tenn.	Hare	Mansfield	Swank
Cox	Hastings	Martin, Oreg.	Swing
Coyle	Hill, Ala.	May	Tarver
Cross	Hill, Wash.	Mead	Taylor, Colo.
Crosser	Hornor	Miller	Taylor, Tenn.
Crowe	Horr	Milligan	Thomason
Crump	Howard	Mitchell	Turpin
Curry	Huddleston	Montague	Warren
Davis	James	Montet	Weaver
Delaney	Jeffers	Moore, Ky.	Welch, Calif.
DeRouen	Johnson, Mo.	Morehead	West
Dickinson	Johnson, Okla.	Nelson, Wis.	White
Dies	Johnson, Tex.	Norton, Nebr.	Whittington
Dieterich	Kading	Norton, N. J.	Williams, Mo.

Williams, Tex.	Wolcott	Woodruff	Wright
Wilson	Wood, Ga.	Woodrum	Yon
Withrow			

NAYS—109

Adkins	Dallinger	Jenkins	Reed, N. Y.
Allen	Darrow	Johnson, S. Dak.	Robinson
Andresen	Davenport	Johnson, Wash.	Schuetz
Andrew, Mass.	Dyer	Jones	Shott
Andrews, N. Y.	Foss	Kahn	Snow
Ayres	French	Kelly, Ill.	Sparks
Bachmann	Garber	Ketcham	Stafford
Bacon	Gibson	Knutson	Strong, Kans.
Baldrige	Gifford	Lambertson	Swanson
Beam	Gilchrist	Lankford, Va.	Swick
Beck	Gillen	Larrabee	Thatcher
Beedy	Goodwin	Luce	Thurston
Boehne	Granata	Ludlow	Tilson
Bolton	Guyer	McGugin	Timberlake
Brumm	Hall, Ill.	McLaughlin	Tinkham
Burdick	Hancock, N. Y.	Mapes	Treadway
Burtness	Hart	Martin, Mass.	Underhill
Cable	Hess	Michener	Wason
Campbell, Iowa	Hoch	Millard	Watson
Chindblom	Hogg, Ind.	Moore, Ohio	Weeks
Chiperfield	Hollister	Nelson, Me.	Whitley
Christopherson	Holmes	Nolan	Wigglesworth
Clague	Hooper	Parker, N. Y.	Williamson
Clarke, N. Y.	Hope	Partridge	Wood, Ind.
Cochran, Pa.	Houston, Del.	Pettengill	Wyant
Cole, Iowa	Hull, Morton D.	Purnell	
Cooper, Ohio	Hull, William E.	Ramseyer	
Culkin	Jacobsen	Ransley	

ANSWERED "PRESENT"—5

Cochran, Mo.	Doughton	Finley	Hawley
Crisp			

NOT VOTING—112

Aldrich	Cullen	Kennedy	Sabath
Bacharach	De Priest	Kinzer	Sanders, N. Y.
Beers	Dickstein	Kopp	Seger
Black	Douglas, Ariz.	Kurtz	Selberling
Bohn	Doutrich	Lehlbach	Shannon
Boylan	Dowell	Lindsay	Shreve
Brand, Ohio	Eaton, N. J.	McClintock, Ohio	Sirovich
Briggs	Evans, Mont.	McLeod	Snell
Britten	Fishburne	Magrady	Somers, N. Y.
Brunner	Free	Mouser	Stalker
Buckbee	Freeman	Murphy	Stokes
Byrns	Gambrill	Nelson, Mo.	Sullivan, N. Y.
Carden	Garrett	Niedringhaus	Sullivan, Pa.
Carley	Gavagan	O'Connor	Sumners, Tex.
Carter, Calif.	Golder	Oliver, N. Y.	Sweeney
Cary	Goldsborough	Palmisano	Taber
Celler	Granfield	Patman	Temple
Chapman	Griffin	Perkins	Tierney
Chase	Hadley	Person	Tucker
Clancy	Harlan	Pratt, Harcourt J.	Underwood
Cole, Md.	Hartley	Pratt, Ruth	Vestal
Collier	Haugen	Ragon	Vinson, Ga.
Connery	Hogg, W. Va.	Reid, Ill.	Vinson, Ky.
Connolly	Holaday	Rich	Welsh, Pa.
Cooke	Hopkins	Rogers, Mass.	Wingo
Corning	Igoe	Rogers, N. H.	Wolfenden
Crail	Johnson, Ill.	Romjue	Wolverton
Crowther	Kendall	Rudd	Yates

So the bill was passed.

The following pairs were announced:

On this vote:

Mr. Ragon (for) with Mr. Snell (against).
Mr. Doughton (for) with Mr. Aldrich (against).
Mr. Vinson of Georgia (for) with Mr. Hadley (against).
Mr. Fishburne (for) with Mr. Shreve (against).
Mr. Carden (for) with Mr. Wolfenden (against).
Mr. Tierney (for) with Mr. Golder (against).
Mr. Cole of Maryland (for) with Mr. Taber (against).
Mr. Collier (for) with Mr. Hawley (against).
Mr. Connery (for) with Mr. McClintock of Ohio (against).
Mrs. Wingo (for) with Mr. Buckbee (against).
Mr. Rogers (for) with Mr. Welsh of Pennsylvania (against).
Mr. Goldsborough (for) with Mr. Connolly (against).

Until further notice:

Mr. Crisp with Mr. Bacharach.
Mr. Cochran of Missouri with Mr. Niedringhaus.
Mr. Byrns with Mr. Seger.
Mr. Cullen with Mr. Dowell.
Mr. Douglas of Arizona, with Mr. Reid of Illinois.
Mr. Sweeney with Mr. Crowther.
Mr. Gambrill with Mr. Magrady.
Mr. O'Connor with Mr. Free.
Mr. Briggs with Mrs. Rogers.
Mr. Lindsay with Mr. Holaday.
Mr. Patman with Mr. Doutrich.
Mr. Granfield with Mr. Clancy.
Mr. Oliver of New York with Mr. Kopp.
Mr. Shannon with Mr. Perkins.
Mr. Corning with Mr. Bohn.
Mr. Sumners of Texas with Mr. Kendall.
Mr. Rudd with Mr. Hopkins.
Mr. Garrett with Mr. Wolverton.
Mr. Gavagan with Mr. McLeod.
Mr. Underwood with Mr. Pratt.
Mr. Griffin with Mr. Rich.
Mr. Vinson of Kentucky with Mr. Sullivan of Pennsylvania.
Mr. Somers of New York with Mr. Hogg of West Virginia.
Mr. Evans of Montana with Mr. Eaton of New Jersey.
Mr. Romjue with Mr. Person.
Mr. Carley with Mr. Crail.
Mr. Hancock of North Carolina with Mr. Lehlbach.
Mr. Black with Mr. Carter of California.
Mr. Chapman with Mr. Britten.
Mr. Boylan with Mr. Kinzer.
Mr. Nelson of Missouri with Mr. Beers.
Mr. Brunner with Mr. Temple.
Mr. Igoe with Mr. Johnson of Illinois.
Mr. Sullivan of New York with Mr. Kurtz.
Mr. Harlan with Mr. Murphy.
Mr. Kennedy with Mrs. Pratt.
Mr. Celler with Mr. Hartley.
Mr. Sirovich with Mr. Stokes.
Mr. Palmisano with Mr. Selberling.
Mr. Dickstein with Mr. Brand of Ohio.
Mr. Cary with Mr. Chase.
Mr. Sabath with Mr. Mouser.
Mr. Freeman with Mr. De Priest.
Mr. Yates with Mr. Finley.

Mr. DOUGHTON. Mr. Speaker, I have a general pair with the gentleman from Rhode Island, Mr. ALDRICH. If he were present he would vote "no." I voted "aye." I withdraw my vote and answer "present."

Mr. HILL of Alabama. Mr. Speaker, the gentleman from Georgia, Mr. VINSON, is absent on account of illness. He desires me to say that if he were present he would vote "aye."

Mr. DOXEY. Mr. Speaker, the gentleman from Mississippi, Mr. COLLIER, is absent on account of illness. He desires me to state that if he were present he would vote "aye."

Mr. McCORMACK. Mr. Speaker, the gentleman from New Hampshire, Mr. ROGERS, is unavoidably absent. If he were present, he would vote "aye."

The result of the vote was announced as above recorded.

On motion of Mr. WARREN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

THE "LAME-DUCK" AMENDMENT

Mr. JEFFERS. Mr. Speaker, I present a conference report on Senate Joint Resolution 14, proposing an amendment to the Constitution for printing under the rule.

EXTENSION OF REMARKS—EMERGENCY HIGHWAY CONSTRUCTION

Mr. WARREN. Mr. Speaker, I ask unanimous consent that Members of the House have five legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I am somewhat surprised at the opposition that has developed to this bill to create an emergency fund of $120,000,000 to construct highways throughout the length and breadth of the land, with some twelve millions additional for road construction in our public parks and Indian reservations.

I can not say that I am especially surprised at the strenuous opposition of the distinguished Republican leader from Indiana [Mr. WOOD], who for several years served as the chairman of the Committee on Appropriations. We know he has consistently opposed many other worthy appropriations because, I assume, of the depleted Federal Treasury. But I must confess that I am somewhat surprised at the vociferous opposition of the distinguished gentleman from Chicago [Mr. CHINDBLOM], who is not particularly known as such a consistent advocate of economy. In fact, it has only been a few days ago that the distinguished gentleman from Illinois stood on this floor and begged Congress to appropriate $1,750,000 to finance a show that his friends and constituents are sponsoring in the great city of Chicago—a show that he, several months ago, induced Congress to recognize as the world's fair. As I recall, we were assured by the same gentleman that Congress would not be called upon to make an appropriation for his fair; but the camel got its neck under a tent and

Congress has been called upon to pay a lion's share of the bill. Only a few days ago the distinguished gentleman from Illinois, who now pleads with tears in his eyes for economy, was begging Congress to appropriate some million and three-quarters and actually induced this House to give his fair $1,000,000. Now, the gentleman from the great city, along with other distinguished leaders from some of the other city districts, is vigorously opposing this bill for highway construction that means so much toward the relief of the unemployed throughout the entire country. I do not understand that brand of economy.

The gentleman from Nebraska [Mr. SIMMONS] spent considerable time discussing everything but the pending bill. The fact is, he gave us a political lecture criticizing the Democrats and forgot to state whether he was for or against this measure, but I assume that he is opposed to it because it happens to come from a committee the majority of which are Democrats and is being supported by almost the entire Democratic membership of this House. The gentleman from Nebraska, as I recall, joined the gentleman from Illinois and other Republican leaders in supporting legislation that was nothing more nor less than a dole to big business and then to-day gives Members of the House a free lecture on economy.

Frankly, I am at a loss to understand how our Republican friends, who so enthusiastically supported the so-called Reconstruction Finance Corporation to underwrite big business, big banks, and the railroads, have the temerity to oppose this bill that is not a drop in the bucket as compared with the two-billion Reconstruction Finance Corporation bill. I am amazed that gentlemen who worked and spoke so earnestly for a bill granting a moratorium of $250,000,000 interest on foreign war debts, a bill that will mean the final cancellation of $11,000,000,000 due America by foreign governments, could with good conscience oppose this bill to bring some measure of relief to the unemployed people of our own country who are in such great distress at this time.

There appear to be two general but conflicting ideas in Congress as to the proper method of relieving the economic situation, the returning of prosperity, and especially in relieving the millions of destitute and unemployed. One idea is the dole, the other is to inaugurate a real public-building and road program to permit our people to actually earn a respectable living. I do not hesitate to say that I much prefer the latter method. Give our people work and we will hear no real demand for a dole to feed the hungry. But our citizens demand and have a right to insist on an opportunity to earn a livelihood. The situation is serious, and Congress can not afford to ignore the pleas of the seven or eight millions of unemployed representing some twenty to thirty millions of people who must be fed and clothed.

Mr. Speaker, let me say in conclusion I agree that this Congress must economize. It must combine overlapping departments, slash appropriations, eliminate a lot of high-powered commissions, and cut salaries that may be unreasonably high. But I insist that is an idle gesture, inconsistent and false economy for gentlemen to oppose the pending measure that will not only put idle and destitute men to work but will prove a lasting benefit to every section of the country, and yet at the same time show such a magnanimous spirit to ungrateful foreign governments and give a straight-out dole to make good worthless and questionable bonds of international bankers.

The pending road bill should by all means be passed to-day.

Mr. FRENCH. Mr. Speaker, the pending bill proposes to loan to the States from the Federal Treasury the sum of $120,000,000 for highway purposes. I am opposed to the proposition. Not one word has been uttered that, in my judgment, justifies such action.

The people of our country are struggling under enormous tax burdens. We should reduce and not increase them.

Last June 30 the expenses of the Government for the year were $903,000,000 more than the revenues. By the end of the present fiscal year they will be $2,100,000,000 more than the income for the current year.

Gentlemen seem to forget that moneys expended mean that taxes must be paid. Whether the money is expended from the Federal Treasury or the State, it makes no difference. Taxes to meet expenditures must be paid by every farmer, by every business man, by every citizen.

This bill proposes a loan to the States of $120,000,000. For what purpose? For road building and for the States to use in matching other Government money that the United States is appropriating for cooperative road work with the States.

To the extent that State authorities accept this money, to that extent they add the equivalent of a bond issue upon the people of the States in whatever amount they borrow.

In probably all State constitutions definite provisions may be found limiting the borrowing of money and the floating of bonds.

Bond limits are usually fixed. Yet here you are proposing a plan by which a few officers of a State acting alone may assume for their State a definite liability, a definite indebtedness that must be met some time by the people of the State in taxes. Legislatures are not required to act. Electors and voters are not consulted. Constitutional limitations are brushed aside and burdens are saddled upon the States.

Gentlemen, we are already carrying forward road programs that are tremendously burdensome. Most road building has been voted in some manner by those who will be called upon to pay. But here you are departing from the policy of local control or determination and you are proposing a new method of creating indebtedness that will come back to plague you in the years to come.

Mr. TIERNEY. Mr. Speaker, I am in favor of this emergency measure to vote $120,000,000 for immediate application to construction of highways in the United States.

It is estimated 85 per cent of the money finds its way directly or indirectly to labor; that about 1,000,000 of our 8,000,000 unemployed will be put to work thereby.

I like especially two features—one that the spending of the fund for employment will not be delayed, so it may be used for the need of Americans out of work at a time when they need it most, during the coming months.

Another feature is that this appropriation is treated as a sort of a loan, an advancement on money already planned to be appropriated to the States in the next 10 years, only in this instance this appropriation will not have to be matched by an equal appropriation from each State.

In a way, we are not going into a new debt to help unemployment. We are merely advancing money to be expended in the years 1932 and 1933, which has already been allocated to be appropriated several years later for Federal road building.

We will pay a greater tax now in this attempt to relieve unemployment. But it is a tax in any event planned to be incurred at a later date. That is, we are merely setting the calendar ahead, and will charge this fund off against the future appropriations as planned. American labor does not need or want a dole.

I do not see this as in any sense a dole. I call it a loan, to be paid back and in line with the loan whereby millions are advanced by Uncle Sam for our Reconstruction Finance Corporation to save our banks, secured and to be paid back into the United States Treasury some future day.

This is the first near direct aid act for the unemployed. In proportion to the number out of work and their needs in the next few months while the worst of this depression is on us, the amount of money appropriated is relatively small.

So many of our people can not understand how we can vote huge sums for direct aid to our financial institutions and no direct aid to the everyday citizen and his family out of work.

The passage of this measure will be at least a partial answer. I can see the urgent need of both; of aid to both the financial institutions, already aided and on their feet, and labor yet to be helped. I voted for and talked in sup-

port of our two bank-aid loans. There is equal reason I should take as vigorous and as active a stand for this legislation.

I am strongly for this bill. I trust the Senate and President will see it through to an early passage so some of our unemployed will be relieved without delay and the rest heartened in the thought that we have their interest at heart, and, if need be, will go much further to aid them along similar lines.

Mr. FREAR. Mr. Speaker, the bill before us is for the construction of Federal highways in 48 States. It appropriates $120,000,000 for that purpose to be matched by a like amount by the several States. Whether highway aid by the Federal Government is wise or unwise, it is too late now to object on that ground when we know that thousands of miles of permanent highways in this country have been made possible only by Federal aid. In other words, the wealthier States have provided for general highway construction in all States, a result that could not have been reached in a score of years if left to the States alone to build. The bill allots a specific amount to each State based on the method employed so that Wisconsin receives $2,992,438 from the Federal Government, or practically $3,000,000. All States will eventually make full State contribution, by deductions from future Federal authorizations.

UNANIMOUS REPORT FOR A 90 PER CENT LABOR PROPOSAL

A unanimous report of a committee composed of 21 members, including 9 Republicans, accompanies the bill urged at this time of unemployment in order to help furnish jobs to men in need. No public works employs money for labor alone, but the Bureau of Public Works, Department of Agriculture, has made a survey and reports "at least 85 per cent and possibly more than 90 per cent of the money expended for a concrete pavement is ultimately paid out as wages and salaries." Briefly, it apportions paid labor at "15 per cent directly employed on construction"; about 12 per cent to men in quarries, sand pits, mills, and factories; about 14 per cent to men with railroads and for transportation; and the balance to men in mines, steel mills, and elsewhere producing road machinery.

Opposition to this measure is suggested because of an "unbalanced National Budget." Refunding on payment of the national debt in half of the proposed time would be unrelated to the annual Budget. Any project to meet the present abnormal business depression caused by world-wide conditions should be met by issuing Government credits for definite terms. That method is employed by individuals and by foreign moratoriums to aid other governments. Why not aid our own when a succeeding generation should properly help pay for war and other unusual public obligations?

WE HAVE HERETOFORE APPROPRIATED FOR AGRICULTURE AND BUSINESS

During this session Congress has appropriated, in round numbers, $200,000,000 for loans to agriculture through Federal farm loan and other organizations. Also $500,000,000 for banks, factories, and other businesses, where loans are to be secured by credits now rated as "frozen assets." A bank often represents thousands of depositors, who suffer if a solvent bank is closed because unable to raise cash to meet all demands. If a bank functions properly it is the local clearing house for business activities.

These and other measures Congress has passed to meet a present world-wide depression and prevent conditions from becoming worse in this country, with a confident belief they will help turn the tide. All were passed practically unanimously. Why not give unemployment aid to the States by this proposed loan? The total amount would barely build three battleships, soon to be obsolete and used for targets.

Our American Government is sound financially, but in this world depression we find an age of machinery and overproduction compared with consumption which now calls for credits. That has been covered by other bills passed this session in order to inspire public confidence and aid business, which employs labor, so that labor in turn can buy food and other products. Any advance of funds for road building is not a gift but made under existing law so that Federal aid will furnish road building and help every industry contributing toward that end.

GOVERNMENT RESPONSIBILITY FOR WELFARE OF CITIZENS

Apart from secured loans, whether for seed, grain, agricultural loans, or to save more banks from closing, I believe the Federal and State Governments have a direct responsibility for the welfare of citizens and all others who are suffering from want of food and clothing.

With its invitation to individual initiative and offer of opportunity ours is the nearest approach to popular government of any in the world, but with changing conditions which limit opportunities we may well study conditions that permit individuals to accumulate a billion dollars, or many millions in numerous cases, while men and women looking for work are dependent on private charity.

If charity gave proportionately to ability, such relief might be defended; but selfishness and greed that accumulates fabulous wealth is not inclined to give proportionately or liberally to charity. Its training is all to the contrary. Our country in 1921 gave $20,000,000 in foodstuffs to starving Russia. My committee then recommended the gift to the House, and in 1923 I traveled 600 miles down the Volga River famine district, hearing expressions of heartfelt gratitude from lips of those who were helped by the American Relief Association.

GENEROUS GIVING FOR OTHER PURPOSES

We give hundreds of millions of dollars in direct Government flood protection to people who insist on remaining in flood districts. In countless other ways Congress gives to drought areas, to unproductive waterway improvements, and to other sections specific relief.

No one will seek to discredit charities afforded in national emergencies that have come from the Red Cross, Near East relief, American relief, and other associations, but Congress also has extended a helping hand to Russian famine districts, to Austria, and China, and to hungry people in countries of warring Europe indiscriminately. Its aid and benevolences, more than its soldiers and sailors, have left for us lasting gratitude on the part of Europe and Asia. America has responded nobly to every cry for help from the distressed of every land, including our own.

As a joint partner in this humanitarian work, supplying an emergency Federal, State, and local aid supplementing temporary charity, I have offered a bill that amplifies benevolences by furnishing in great emergencies constructive labor with just compensation for a jobless army.

PROVISIONS OF BILL BRIEFLY SUGGESTED

My bill (H. R. 4552) for meeting emergency unemployment situations provides for a permanent Federal commission of three Cabinet officers, acting ex officio with a skeleton organization, excepting in cases of emergency, when the Federal Government is requested to aid local unemployment.

It provides, whenever petition is received from any State for contribution to meet emergency local unemployment, with notice that the State has made like provision for an unemployment agency, that the Federal commission will consider applications from any municipal corporation in that State for contribution toward the construction of specified local municipal improvements. The Federal commission may, after investigation, contribute not to exceed 20 per cent of the cost of the local improvement, to be matched by 20 per cent contributed by the State government, and the balance of 60 per cent is to be borne by the municipality for which the improvement is to be constructed.

Provisions for safeguarding the money so contributed by the commission, character of the local improvement to be approved, control and manner of payment of money, and other requirements are briefly set forth in the bill.

The Federal Government by contributing $100,000,000 in any great unemployment emergency would thus employ five times that amount in the construction of municipal improvements; the State, through its cooperation and equal contribution, would assume supervision of construction and thus avoid what might be undue demands by any one locality.

Restriction in the amount paid by the Federal Government of $1,000,000 to any municipality and of $5,000,000 in any one State from the $100,000,000 appropriation would thus provide five times the Federal contribution and safeguard any attempt to absorb the appropriation by one or more States. This aid would be in force only during the declared emergency by the commission. Not to exceed $25,000 shall be expended annually for commission investigations, excepting during the period of a declared emergency. These provisions are tentatively offered subject to amendment.

The bill answers the proposition that a man or woman asking for work should not be compelled to depend on public charity or beg for aid when out of a job. Wives, children, and other dependents must beg for that aid to-day, and humiliation in so doing is not understood by those blessed with a job or competence. Work helps an applicant maintain self-respect that is lost when forced to beg for aid.

Workmen's insurance, unemployment insurance, and other aid is all preferable to begging for charity, but I submit these do not meet the requirements of those asking for work instead of charity.

THE ENGLISH DOLE AND EMERGENCY AID DISTINGUISHED

From the lips of English laborers, when in that country, I learned their belief that the "dole" encourages idleness and dishonesty by substituting financial support for work. Instead of building a self-dependent manhood and womanhood for citizenship, the dole was declared to encourage slothfulness, hypocrisy, and dishonesty. However worthy its purpose, I learned that was the result. This bill is called into service during an unexpected emergency, which the commission determines to exist.

Neither a billionaire nor a millionaire who has acquired his wealth under our beneficent laws needs vast wealth for his selfish use during such emergency unemployment. When our forefathers wrote that all men have inalienable rights of life, liberty, and pursuit of happiness, they intended to say that every man, not the few, had full protection under our law to those rights, and taxation nearer the English-system rates is justified during times of emergency.

In this day of financial extremes, where men of great wealth satisfy their consciences by dribbling small charities to keep other equally good Americans from starving, we may well ask, have we assured to those in need rights of existence promised by our forefathers when establishing this Government?

I have no envy for any man possessing great wealth. He misses much in life for the selfish enjoyment he gets in accumulating money. To cite an extreme case, the miser gets happiness out of his habits and his sacrifices for wealth, but few people envy him that joy. We are dealing with human rights when that wealth is permitted to accumulate and be protected, to the exclusion of rights to work and live by millions when not blessed with food or shelter.

MEN WHO ASKED FOR JOBS

It is generally understood that Secretary of the Treasury Mellon, by threats of resignation and fears of ultimate national financial confusion, persuaded Presidents Harding, Coolidge, and Hoover to oppose and veto proposed veteran-compensation legislation. Its effect on the subject in hand is disclosed by the following extract from committee hearings quoted in a speech in the House on February 16, 1931:

Appeals for relief of unemployment by veterans and tales of need do not go to Mr. Mellon, where they would be unanswered, but to General Hines.

I quote from the committee hearings of January 31, 1931:

"General HINES. I estimate between 200,000 and 300,000 ex-service men are out of employment. * * *

"Mr. FREAR. You have previously stated that not over 50 per cent if given the option would release their certificates, so that 50 per cent will not be forced; is that right?

"General HINES. That is correct.

"Mr. FREAR. The proportion that will be forced is simply those out of work, in distress, with their families in need. Now, what provisions are we to make to care for those people other than the bills which are now before us?

"General HINES. I indicated, Congressman, I felt we should make an effort to get them into employment * * *. The Department of Labor, with the cooperation of the Veterans' Administration and the service organizations, indicate the result of our combined efforts * * * that from May until December of 35,974 veterans they were able to place in employment 13,253. An additional 17,439 have been referred to employers but to date it had not resulted in getting a job.

"Mr. FREAR. On the basis of those figures 22,000 of the 35,000 are still out of employment?

"General HINES. Yes.

"Mr. FREAR. Now, what proportion of the total number would you say are in this third group that are in distress or in need?

"General HINES. I think I limited it to two or three hundred thousand.

"Mr. FREAR. These combined efforts, as you have stated, have provided 13,000 with employment out of two or three hundred thousand. What are we to do for the balance of those two or three hundred thousand?

"General HINES. It is our duty to continue our special effort to get the veteran employment. * * *

"Mr. FREAR. But if we have only secured 13,000 positions out of two or three hundred thousands we have not made much progress. * * * Of course, they are put in competition with the great number out of employment who are not ex-service men. That is one reason why 13,000, the number provided for, is so limited, is it not?

"General HINES. Yes."

That relief bill was vetoed, with a dismal prospect of crowding soup houses with American boys we had drafted and sent to war, often hungry, looking for food in places already filled by several million other Americans looking for jobs. Congress, irrespective of politics, voted not to throw out the pleas of men who fought in France to help save Mellon's millions from serious loss. In so doing, to a mild degree, Congress reflected the immortal spirit of the Father of our County, whose anniversary we celebrate, when again it overruled a presidential veto.

HOW THESE MEN GOT JOBS

Present conditions are disclosed when the press recently reported that a call in one city for 250 men to dig ditches for sewers caused ten times that number to stand in line during the night, including many white-collared men, all looking for jobs to dig dirt at nominal wages. A small riot was precipitated by the excess of labor asking for that work.

A Federal unemployment commission to deal constructively with the problem might well follow the plan of Federal highway aid. That commission should be authorized in emergency to extend possibly not to exceed 20 per cent of the cost of new local, municipal improvements, providing the State in which the municipality is located contributed a like amount of State money.

This would leave 60 per cent of the actual cost of the improvement to be borne by the municipality. Such improvements, when an emergency was declared to exist, would extend from ordinary permanent municipal improvements to projects for housing and otherwise caring for the welfare of its people. The work to be performed under joint supervision after the project, including wages and amount of joint contribution, had been determined and agreed to.

Federal aid would be extended only in cases of unemployment emergency, to be determined by the administrative board acting under definite provisions of law, to avoid extravagance or unauthorized expenditures. Such Federal aid would be based upon cooperation by the State and local municipal unit. Details can be provided for safeguarding the Federal Government and a plan could be developed to meet the necessities of a situation that everyone concedes demands vigorous treatment.

FIVE TIMES THE FEDERAL AID WOULD BE EXPENDED

By payment of $1,000,000,000 toward unemployment in one year, a proper investment, the Federal Government could secure a contribution of four times that amount to be added from the States and municipalities, or a total of $5,000,000,000. Probably one-tenth of $5,000,000,000 that could thus be raised for any emergency would be sufficient to meet ordinary demands, but work should be given to those who ask for it, where possible to furnish.

A contribution of $100,000,000 from the Federal Government, with a like sum from the State and three times that amount from the municipality, would furnish employment

for 2,500,000 people for several months at modest compensation, and double that Federal contribution would provide 5,000,000 unemployed with work on useful improvements throughout the average period of depression. Compared with appeals to charities, this would be a far better method of relief than to provide simple gratuities which would not approach those amounts during the same period nor be equitably contributed by those best able to pay.

The blessings of individualism have long been held up to the world, but when men and women ask for work instead of charity it is time for us to give attention to our own public methods that excite criticism from abroad.

The suggestion is here proffered of a constructive plan that may be further developed, with a protest against forcing self-respecting people to line up with down and outers, by pleading for charity, when work and not charity is asked. Our country can and should face the problem squarely, by making provision for the present and for the future emergencies that are sure to come.

WHERE REAL TAXES ARE PAID TO BALANCE THE BUDGET

To get a picture of the moderate tax paid by Americans, compared to that paid by English cousins, a tax proposal by Snowden in England reached 5 shillings (or 25 per cent) on the pound as the basic income tax. Ten per cent increase in the surtax on higher incomes is also an additional method of distributing wealth in conservative England.

Sixteen cents per pound on smoking tobacco, 16 cents tax a gallon on gasoline, and similar heavy English taxes are there imposed. A small fraction of that tax rate would provide work for all America's unemployed.

It is sometimes comforting to know that misery has company, and in these days of business depression when all the world is affected, the situation does not look so bad when we realize that, after all, ours is the best country in many ways, and it is only a matter of slightly better distribution of wealth by taxation that is asked in time of need, and contribution from those best able to pay in order to provide work for those who ask for jobs and not for charity.

This bill is to advance funds to States to be deducted from future allotments in order to provide work on Federal highways. If we can properly advance funds to banks through Federal agencies, and all Members of Congress unanimously agreed to do that in order to save banks from closing with serious injury to communities, it is certain we can afford advances to States when the purpose is to furnish jobs directly or indirectly, to those asking for work.

Mr. HALL of Mississippi. Mr. Speaker, after having voted for legislation designed to help the bankers and the railroad men, I am delighted to cast my ballot for the Almon emergency road construction measure. It will not only afford a considerable degree of unemployment relief in my own State but boost employment in every State in the Union.

Moreover, it is in fact the first single measure hitherto passed by either House of Congress which provides jobs for workingmen. Nor is the $120,000,000 appropriation authorized a Federal donation or "dole" to the several States. It is merely a temporary loan to be recaptured from future Federal-aid authorizations in 10 annual installments.

There is neither guesswork nor hearsay concerning the measure of unemployment relief to be afforded. Eighty million dollars appropriated last by a similar act provided employment for an average of 300,000 men a month, and besides approximately twice that number were employed in the manufacture and transportation of road-building materials.

Consequently, the proposed loan would furnish work, directly and indirectly, for about a million men. What is more, it would permit many States to match Federal-aid funds already appropriated for that purpose.

Unquestionably putting people to work is the best way to route the depression.

Of the one hundred and twenty millions authorized by the Almon bill, $2,160,628 would be allotted to Mississippi, and that, matched by a like amount of Federal-aid money, would make available $4,321,356 for road construction in my State. And there are ample Federal-aid funds available for matching the amount allocated to Mississippi.

All the States have to their credit about $109,000,000 of Federal-aid highway funds, and if they are not matched by the respective States within two years the money will lapse and revert back to the Treasury. Of the above amount, more than $5,000,000 is accredited to Mississippi, and, naturally, I want the people of my State to be enabled to match that fund and use it in extending our highway system.

Fortunately, Mississippi would fare considerably better than some of the other States which would pay in more in the shape of Federal taxes than their pro rata share of the fund would amount to. To offset the $2,160,628 obtainable under the Almon bill, Mississippi would pay out only $72,000 in Federal revenue.

According to the Bureau of Public Roads, at least 85 per cent of the money expended on concrete roads, or high-type construction highways, is ultimately paid out in wages and salaries. Or, stated another way, $40 out of every $100 goes for transportation, $14 for base materials, $24 for cement, $16 for road-building machinery, and the rest for labor engaged directly on the construction jobs. In consequence upward of one-half million would be paid out in Mississippi to the men who actually would build the roads. As a great deal of the materials would be manufactured and transported within the State, the expenditure of this emergency road-construction fund would accelerate business all along the line.

Mississippi, I am glad to say, is constructing her highways on the pay-as-you-go system. Already wonderful progress has been made, and besides road building is being pushed as rapidly as possible. Hence, this emergency loan would not only provide employment for a great number of people in my State and district but would go a long ways toward ultimate completion of our highway system.

Mr. GIBSON. Mr. Speaker, this bill authorizes a supplemental appropriation of $120,000,000 for emergency highway construction to be apportioned among the several States according to existing methods, and $12,500,000 for roads in national parks, national forests, and Indian reservations. The $120,000,000 item is to be matched dollar for dollar by the States. The amount Vermont will receive, and be expected to match, is $600,000. I voted against the bill because, at this time, it will be very difficult for the Government to obtain the $132,500,000.

The Nation is facing a crisis as dangerous to its life as any during its history. Our accumulating deficit is assuming alarming proportions. The Government is running behind at the rate of more than $6,000,000 per day. The Ways and Means Committee is searching every available source for increased revenue. The Committee on Appropriations is working night and day to cut expenditures in order to balance the budget. All that has been accomplished by hard work and careful planning is swept away by this authorization.

The bill proposes not only to drain the Federal Treasury to the amount of $132,500,000 but it encourages an additional burden of $600,000 on the already overtaxed people of my State.

It is said that this bill will relieve unemployment, but a study of it reveals that the amounts will not be allocated in proportions according to necessities to the States with the dense populations, where the unemployment situations are acute. It will go to States of the wide, open spaces, where unemployment burdens are much easier. In other words, the amount appropriated will be drawn from the States that contribute the most in taxes and where the effects of the depression are acute and will be distributed where it is not needed. Vermont, with a population of 360,000, will be allocated $600,000, while Nevada, with a population of 91,058, will receive $1,578,025.

The claim that it will give employment to a million people can not be substantiated. The best authentic estimates available indicate that the work to be done will not employ

75,000 throughout the whole Nation. The number of men who will be given employment in my State will not exceed 300, not more than the number employed in a fair-sized manufacturing plant.

The home people are demanding that we reduce and not increase Government expenses. They insist that we cut taxes down to the limit necessary to run the Nation. They will hold us responsible for failure to do so. We will be judged by actual performance. What progress are we making by reducing here and there and then authorizing an appropriation of an amount greater than has been saved? The people will not be deceived by the arguments advanced in favor of this measure.

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to extend my remarks on this bill and include therein two short letters from the Wisconsin Highway Commission.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. BANKHEAD. Reserving the right to object, is it in favor of the bill or against it?

Mr. SCHAFER. In favor, and giving the Federal Government a little credit for relieving unemployment.

Mr. BANKHEAD. I shall not object.

There was no objection.

Mr. SCHAFER. Mr. Speaker, under the permission given me by the House to extend my remarks on February 27, 1932, I incorporate in the RECORD letters which I received from the Wisconsin Highway Commission under date of December 15 and December 17, 1931, which indicate that one commission of the Wisconsin State government, now in control of the La Follette faction of the Republican Party, gives the national administration, under the control of the Republican Party, some credit for assisting to relieve unemployment in our State.

The letters are as follows:

WISCONSIN HIGHWAY COMMISSION,
Madison, Wis., December 15, 1931.

Hon. JOHN C. SCHAFER,
House of Representatives, Washington, D. C.

MY DEAR MR. SCHAFER: The unemployment situation in this State and the necessity of completing certain unimproved portions of our Federal-aid highway system during the 1932 construction program prompts me, as the chairman of the State highway commission, to bring to your attention the urgency of additional Federal legislation designed to provide the financial relief necessary.

About a year ago Congress made $80,000,000 available as special Federal aid for highway construction (H. R. 14804; Public, 550, 71st Cong.). This was merely an advance of Federal aid already appropriated, which is to be repaid through future allotments of Federal aid over a period of five years. The amount that thus became available to this State was approximately $1,900,000, and this advance, in addition to the amounts that were available from other sources, made it possible for our State to carry out one of the best construction programs that we have ever had. We are sure that this advance contributed materially to the relief of unemployment, and we also are sure that there was a material improvement in our State trunk highway system as a result of it.

You are probably aware that our 1931 legislature enacted important highway legislation in chapter 22, Laws of 1931. This, however, was primarily a tax-relief measure in that it shifted the cost of highway improvements from general property to the motor-vehicle license fees and gasoline taxes. The amount of revenues made available for highway improvement was not increased. On the contrary, an important falling off in motor-vehicle registrations and a decrease in gasoline-tax collections over what was anticipated leaves the commission in very straitened circumstances in so far as its 1932 program is concerned.

This situation is bad in two ways: In the first place, a decrease in our highway-construction program means a cutting down in the class of public work which offers the greatest opportunity for unemployment relief; and, in the second place, it makes it impossible for the commission to carry out some highway improvements which it had projected in 1932 and whose completion will be of the very greatest benefit to the traveling public in this State. As you are doubtless aware, our Wisconsin system of highway building has been criticized because of an alleged lack of completed through highways. We have, however, reached the stage in our highway development where the construction of a relatively limited mileage will serve to close certain unimproved gaps and thus provide the through routes which are quite necessary and whose lack has caused much adverse criticism.

You are doubtless more familiar with what is practical than we can possibly be, but we venture the following suggestions. The best thing for us would be an outright appropriation by Congress for the construction of the Federal-aid system in this and the other States. If this is not practical, a repetition of the legislation of a year ago, when $80,000,000 was advanced from future appropriations, would be helpful and would enable us to carry out a program next year which would compare favorably with the 1931 program both in the way of providing employment and in the way of improvement of our State trunk highways. I think, in fact, our showing in the way of improvement would be even better than in 1931 due to the tremendous effect of the completion of a number of through routes.

I am thoroughly convinced of the necessity of the provision of relief by the Federal Government as well as by the State and know that we can expend any Federal appropriations that may be made available to this State in such a way as to provide relief for unemployment and to give the public full value for every cent expended. I sincerely hope that you also will be impressed with the distribution of such a program as I have here advocated.

I am sending identical letters on this subject to all of our representatives in Congress. Thanking you for your consideration, I am,

Very truly yours,

WISCONSIN HIGHWAY COMMISSION,
By THOS. J. PATTISON, *Chairman.*

WISCONSIN HIGHWAY COMMISSION,
Madison, Wis., December 17, 1931.

Hon. JOHN C. SCHAFER,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN SCHAFER: The purpose of this letter is to urge your cooperation for repeating the special allotment of Federal aid in highway construction in 1932 as was done in 1931 by H. R. 14804, Public, No. 550, Seventy-first Congress. Wisconsin received a substantial portion of the $80,000,000 special Federal fund and needs it very badly the coming year.

As you know, the 2-cent increase in the gas tax is producing added revenue in the amount of $8,475,000, but every dollar of this is returned to the taxpayer in relief from real and personal property tax. In fact, the provisions of the statute take not only every dollar of the new revenue produced but an additional $650,000 for allotments producing tax relief.

The consequence has been that there is a great deal of disappointment in the limited construction undertaken the past year and there will be similar disappointment the coming year, due to the fact that nine out of ten taxpayers have the mistaken idea that the increased revenue was intended to produce new construction rather than tax relief.

The policy of the administration to confine public works for the relief of unemployment exclusively to projects of permanent value, such as would be undertaken in the future under normal conditions, is, in my judgment, based on sound public policy.

My short tenure on the highway commission has impressed me with the care with which every item is checked and rechecked and the rigid economy that is practiced in every construction and maintenance operation. Nor have I ever heard even a whispered suggestion of graft in the operation of the department.

It would seem sound public policy to spend money on projects that are supervised and checked with scrupulous care by competent engineers.

I should appreciate a line as to the probability of legislation duplicating H. R. 14804 passing Congress.

Very truly yours,

WISCONSIN HIGHWAY COMMISSION,
JOHN C. SCHMIDTMANN, *Vice Chairman.*

LEAVE OF ABSENCE

By unanimous consent the following leaves of absence were granted:

To Mr. GAMBRILL, for to-day, on account of death in family of his uncle, James H. Gambrill, at Frederick, Md., at the ripe old age of 102 years;

To Mr. FIESINGER, from February 29 to March 4, on account of important business.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 268. An act to excuse certain persons from residence upon homestead lands during 1929, 1930, and 1931 in the drought-stricken areas; and

H. J. Res. 292. Joint resolution to authorize the Secretary of Agriculture to aid in the establishment of agricultural credit corporations, and for other purposes.

ADJOURNMENT

Mr. WARREN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p. m.) the House adjourned until Monday, February 29, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Monday, February 29, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE POST OFFICE AND POST ROADS, SUBCOMMITTEE NO. 8

(10 a. m.)

To provide that first-class postmasters shall not continue in office more than one year after the expiration of their terms of office, if not reappointed (H. R. 6012).

COMMITTEE ON PATENTS

(9.30 a. m.)

Dramatists.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

Post-graduate school of the United States Naval Academy.

COMMITTEE ON THE JUDICIARY

(10 a. m.)

To establish uniform requirements affecting Government contracts (H. R. 255).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

456. A communication from the President of the United States, transmitting supplemental estimates of appropriations pertaining to the legislative establishment, Library of Congress, for the fiscal year 1933, in the sum of $1,880; also two proposed provisions pertaining to existing appropriations for the index to Federal statutes and for printing and binding for the Library of Congress (H. Doc. No. 260); to the Committee on Appropriations and ordered to be printed.

457. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1932, in the amount of $135,000, for the Department of the Interior, Bureau of Indian Affairs (H. Doc. No. 261); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. DRANE: Committee on Naval Affairs. H. R. 809. A bill for the relief of Roy W. Farrell; without amendment (Rept. No. 630). Referred to the Committee of the Whole House.

Mr. HANCOCK: Committee on Naval Affairs. H. R. 2254. A bill for the relief of Victor Oscar Gokey; with amendment (Rept. No. 631). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 3644. A bill for the relief of Lewis A. McDermott, deceased; with amendment (Rept. No. 632). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (H. R. 2066) for the relief of Bertha Hymes Sternfeld, and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARLAN: A bill (H. R. 9877) to repeal obsolete sections of the Revised Statutes omitted from the United States; to the Committee on Revision of the Laws.

By Mr. MAY: A bill (H. R. 9878) to authorize the leasing of the Muscle Shoals property, upon certain terms and conditions, to provide for the national defense and for the regulation of interstate commerce, and for other purposes; to the Committee on Military Affairs.

By Mr. CARDEN: A bill (H. R. 9879) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof, approved July 3, 1926, as amended; to the Committee on the Civil Service.

By Mr. WICKERSHAM: A bill (H. R. 9880) adopting and authorizing the improvement of Stikine River, Alaska; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 9881) adopting and authorizing the improvement of Dry Pass, Alaska; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 9882) adopting and authorizing the improvement of Wrangell Harbor, Alaska; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 9883) adopting and authorizing the improvement of Wrangell Narrows, Alaska; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 9884) adopting and authorizing the improvement of Kodiak Harbor, Alaska; to the Committee on Rivers and Harbors.

By Mr. KNUTSON: A bill (H. R. 9885) to stabilize the values of the imports from countries changing their monetary standards, and for other purposes; to the Committee on Ways and Means.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9886) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended, and for other purposes; to the Committee on Roads.

By Mr. RAMSPECK: A bill (H. R. 9887) to consolidate and coordinate certain governmental activities affecting the civil service of the United States; to amend section 6 of the act of August 24, 1912 (37 Stat. 555), and for other purposes; to the Committee on the Civil Service.

By Mr. McMILLAN: A bill (H. R. 9888) to amend section 117 of the revenue act of 1928; to the Committee on Ways and Means.

By Mr. WICKERSHAM: A bill (H. R. 9889) to validate chapter 89 of the Session Laws of Alaska for the year 1931, and for other purposes; to the Committee on the Territories.

By Mr. THATCHER: A bill (H. R. 9890) to authorize an appropriation for the construction and equipment of a hospital at Fort Knox, Ky.; to the Committee on Military Affairs.

By Mr. KELLER: A bill (H. R. 9891) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LUCE: A bill (H. R. 9892) to provide that the United States extend to foreign governments invitations to participate in the International Congress of Architects, to be held in the United States during the calendar year 1933, and to authorize an appropriation to assist in meeting the expenses of the session; to the Committee on Foreign Affairs.

By Mr. SCHAFER: A bill (H. R. 9893) to prohibit the tapping of telephone and telegraph lines, and prohibiting the use of information obtained by such illegal tapping to be used as evidence in the courts of the United States in civil suits and criminal prosecutions, and for other purposes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWMAN: A bill (H. R. 9894) for the relief of Florence Glass; to the Committee on Claims.

By Mr. CROWTHER: A bill (H. R. 9895) granting an increase of pension to Emil Voris; to the Committee on Pensions.

By Mr. HOOPER: A bill (H. R. 9896) for the relief of Eugene D. Broas; to the Committee on Military Affairs.

By Mr. HANCOCK of New York: A bill (H. R. 9897) for the relief of Benjamin Solari; to the Committee on Military Affairs.

By Mr. KARCH: A bill (H. R. 9898) for the relief of Jerome Scalione; to the Committee on Claims.

Also, a bill (H. R. 9899) for the relief of Oscar John Neigenfind; to the Committee on Military Affairs.

Also, a bill (H. R. 9900) for the relief of George A. Hearth; to the Committee on Military Affairs.

By Mr. LEAVITT: A bill (H. R. 9901) granting a pension to Isaac Markum; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 9902) granting an increase of pension to Julia E. Willard; to the Committee on Invalid Pensions.

By Mr. SCHAFER: A bill (H. R. 9903) for the relief of George Turkovich; to the Committee on Military Affairs.

By Mr. SHREVE: A bill (H. R. 9904) granting an increase of pension to Mary M. Adsit; to the Committee on Invalid Pensions.

By Mr. SIMMONS: A bill (H. R. 9905) granting an increase of pension to Marilla Flynn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9906) granting an increase of pension to Eliza Morse; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 9907) for the relief of S. A. Rourke; to the Committee on Claims.

By Mr. SWICK: A bill (H. R. 9908) granting an increase of pension to Laura L. McCready; to the Committee on Invalid Pensions.

By Mr. SUMNERS of Texas: A bill (H. R. 9909) for the relief of Carrie P. Shippey; to the Committee on Claims.

By Mr. TABER: A bill (H. R. 9910) granting a pension to Emily B. Metcalf; to the Committee on Invalid Pensions.

By Mr. THATCHER: A bill (H. R. 9911) granting a pension to Tennessee Cantwell; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 9912) for the relief of Mack Corn; to the Committee on War Claims.

Also, a bill (H. R. 9913) for the relief of Ernest Elmore Hall; to the Committee on War Claims.

Also, a bill (H. R. 9914) for the relief of Ben F. Draper; to the Committee on Claims.

By Mr. WOODRUM: A bill (H. R. 9915) to confer jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and enter judgment on the claim of William W. McElrath against the United States for compensation for the use or manufacture of an invention of William W. McElrath covered by reissue letters patent issued by the Patent Office of the United States on the 19th day of February, 1924; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2962. By Mr. AUF DER HEIDE: Memorial of board of commissioners of the city of Trenton, N. J., opposing House bill 77, authorizing the construction of a bridge across the Delaware River; to the Committee on Rivers and Harbors.

2963. By Mr. BARBOUR: Petition of residents of the seventh congressional district of California, urging enforcement of the prohibition law and opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2964. By Mr. BOILEAU: Petition of the Milwaukee Federation of Special Delivery Messengers, Milwaukee, Wis., urging that special-delivery messengers in the postal department be placed under civil-service status; to the Committee on the Post Office and Post Roads.

2965. By Mr. CAMPBELL of Iowa: Petition of the parent-teacher association, representing 500 people, of Monona County, Iowa, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures, and favoring adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

2966. Also, petition of 18 voters of Sac County, Iowa, both service and nonservice men, favoring the passage of House bill 1, which provides for the payment of the adjusted-service certificates; to the Committee on Ways and Means.

2967. By Mr. CLAGUE: Resolution adopted by the Fairmont Civic and Commerce Association, Fairmont, Minn., demanding that the Federal Farm Board be required to ship from its stores enough hoarded grain to the drought-stricken areas of North and South Dakota and western Minnesota to provide the necessary feed to carry the endangered livestock to spring pasturage; to the Committee on Agriculture.

2968. Also, resolution of John Watson Post, No. 257, American Legion, Springfield, Minn., urging the immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

2969. Also, petition of Ralph Lamb Post, No. 275, American Legion, Seaforth, Minn., favoring the immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

2970. By Mr. CLARKE of New York: Petition of Mrs. F. C. Potter and 22 members of the Franklin Woman's Christian Temperance Union, Franklin, N. Y., protesting against repeal, resubmission, or modification of the eighteenth amendment; to the Committee on the Judiciary.

2971. Also, petition of 240 members of the Sidney Grange, protesting against repeal, resubmission, or modification of the eighteenth amendment; to the Committee on the Judiciary.

2972. By Mr. CROWTHER: Petition of Group 614 of the Polish National Alliance of the United States, located in Amsterdam, N. Y., requesting enaction of House Joint Resolution 144; to the Committee on the Judiciary.

2973. By Mr. CULKIN: Petition of Nacey Oil Co. and E. F. Welden, both of the city of Oswego, N. Y., protesting against a Federal tax on gasoline; to the Committee on Ways and Means.

2974. By Mr. CULLEN: Petition of Branch No. 2, Fleet Reserve Association, Brooklyn, N. Y., strongly opposing House bill 4892, the Williamson bill, and House bill 7012, the Byrns bill, urging the support of House bill 8230, a bill designed to raise the Navy to the pinnacle it rightly deserves, and opposing House bill 409 and recommending that it be not enacted; to the Committee on Naval Affairs.

2975. Also, petition of Local No. 403, National Federation of Federal Employees, indorsing a favorable report of House bill 7327 by the Ways and Means Committee and urging the committee to recommend its passage by the House; to the Committee on Ways and Means.

2976. By Mr. DALLINGER: Petition of Elizabeth S. Gardner and other members of the Woman's Christian Temperance Union of Arlington, Mass., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

2977. By Mr. DELANEY: Petition of the Fleet Reserve Association, Branch No. 2, urging the passage of the Vinson bill; to the Committee on Naval Affairs.

2978. Also, petition of the Fleet Reserve Association, Branch No. 2, opposing the Williamson bill, H. R. 4892, and the Byrns bill, H. R. 7012; to the Committee on Military Affairs.

2979. Also, petition of the Fleet Reserve Association, Branch No. 2, opposing House bill 409 to provide for payment of discharge gratuity to men after 16 years' service in the United States Navy; to the Committee on Naval Affairs.

2980. By Mr. DOMINICK: Petition of the American Legion of Pickens County, S. C., urging passage of House bill 1; to the Committee on Ways and Means.

2981. By Mr. EVANS of Montana: Resolution of Maud Neeley and others, of Missoula, Mont., urging Congress to submit immediately to the States for ratification the follow-

ing amendment to the Constitution: "Men and women shall have equal rights throughout the United States and every place subject to its jurisdiction"; to the Committee on the Judiciary.

2982. By Mr. FITZPATRICK: Petition of First Ward Democratic Club of the City of Yonkers, located at 270 Hawthorne Avenue, Yonkers, N. Y., urging a revision of the sugar tariff in order that both sugar refineries located in the city of Yonkers may again be reopened for the manufacture of sugar, thereby giving employment to 2,000 citizens of Yonkers; to the Committee on Ways and Means.

2983. By Mr. GARBER: Petition of citizens of Oklahoma, protesting against the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2984. Also, petition of citizens of Oklahoma, protesting against unnecessary expenditure of money; to the Committee on Appropriations.

2985. Also, petition of citizens of Oklahoma, protesting against the Norris anti-injunction bill and the LaGuardia bill, H. R. 5315; to the Committee on the Judiciary.

2986. Also, petition of citizens of Oklahoma, urging the passage of House bill 7797 and Senate bills 1197 and 2487; to the Committee on Agriculture.

2987. By Mr. GOLDSBOROUGH: Petition of the Greensboro (Md.) Woman's Christian Temperance Union, supporting the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission, or repeal; to the Committee on the Judiciary.

2988. By Mr. HAINES: Resolution adopted by the Woman's Christian Temperance Union of Red Lion, Pa., representing 225 people, and signed by Mrs. Sterling Grim, as secretary, opposing resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

2989. By Mr. JAMES: Petition of the Woman's Christian Temperance Union of Marquette, Mich.; to the Committee on the Judiciary.

2990. Also, petition of Mike Olejniczak, president, Anton Zielinski, secretary, and Mike Libertoski, treasurer, of Group No. 1445, of the Polish National Alliance of the United States of North America, Wakefield, Mich.; to the Committee on the Judiciary.

2991. Also, petition of Stanley Setlock, president, Mike Setlock, secretary, and John Baranski, treasurer, of the Polish National Alliance of the United States of North America, Vulcan, Mich.; to the Committee on the Judiciary.

2992. Also, petition of Woman's Christian Temperance Union of Crystal Falls, Mich.; to the Committee on the Judiciary.

2993. By Mr. JOHNSON of Texas: Petition of Rice M. Tilley, attorney at law, Fort Worth, Tex., favoring Federal regulation of trucks engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

2994. By Mr. KELLER: Petition of Group No. 1807, of the Polish National Alliance of the United States of North America, of West Frankfort, Ill., urging the enactment of House Joint Resolution 144, directing the President of the United States to proclaim October 11 of each year as General Pulaski's memorial day; to the Committee on the Judiciary.

2995. Also, petition of Woman's Christian Temperance Union of Carbondale, Ill., opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2996. By Mr. LANKFORD of Virginia: Petition of Norfolk County chapter of the Polish National Alliance, Group No. 2518, memorializing Congress to proclaim October 11 as General Pulaski's memorial day; to the Committee on the Judiciary.

2997. Also, petition of the Franklin (Va.) chapter of the Woman's Christian Temperance Union, opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

2998. Also, petition of the State post authority of Virginia, opposing the 4-party plan for the consolidation of railroads; to the Committee on Interstate and Foreign Commerce.

2999. By Mr. LEA: Petition of 1,247 men actively engaged in business in Santa Rosa, Petaluma, Sebastopol, Healdsburg, Sonoma, Cloverdale, Geyserville, Forestville, and Windsor, all in Sonoma County, Calif., protesting against the continuation of the provision of the Volstead Act prohibiting the manufacture of beer and urging the modification of the Volstead Act in that respect; to the Committee on the Judiciary.

3000. By Mr. LINDSAY: Petition of the Merchants Association of New York, opposing the passage of House bill 7524, to liquidate and refinance agricultural indebtedness; to the Committee on Banking and Currency.

3001. Also, petition of Fleet Reserve Association, No. 2, Brooklyn, N. Y., favoring the Vinson bill, H. R. 8230; to the Committee on Naval Affairs.

3002. Also, petition of Fleet Reserve Association, No. 2, Brooklyn, N. Y., opposing the passage of House bill 409; to the Committee on Naval Affairs.

3003. Also, petition of Medical Society of New York, opposing the passage of Jones-Bankhead bill 572; to the Committee on Interstate and Foreign Commerce.

3004. Also, petition of Fleet Reserve Association, No. 2, Brooklyn, N. Y., opposing the passage of House bills 4892 and 7012; to the Committee on Expenditures in the Executive Departments.

3005. By Mr. LONERGAN: Petition of Group No. 441 of the Polish National Alliance of Terryville, Conn., asking that on the 11th day of October of each year a proclamation be issued by the President for observation of the day as General Pulaski memorial day; to the Committee on the Judiciary.

3006. By Mr. MILLARD: Petition of members of the Court Fidelis, No. 91, of the Catholic Daughters of America, at New Rochelle, N. Y., protesting against the enactment of House bills 4757 and 4739; to the Committee on Interstate and Foreign Commerce.

3007. Also, petition signed by Mrs. Edward G. McWilliams and other citizens of Tarrytown and Ossining, N. J., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3008. By Mr. PARKER of Georgia: Petition of J. B. Lee, C. Lee, and 26 other citizens of Screven County, Ga., urging that the Federal Farm Board be maintained and strengthened instead of curtailing its activities or abolishing it; to the Committee on Agriculture.

3009. By Mr. PRATT: Petition of H. G. Rothe, B. Pieringer, Mrs. E. Schnare, and 23 other members of Adolph Von Steinwehr, No. 624, the Steuben Society of America, of Coxsackie, Greene County, N. Y., praying for repeal of the eighteenth amendment, modification meanwhile of the Volstead Act to permit the manufacture of light wines and 4 per cent beer, and legislation to return to the States the power to regulate the manufacture and dispensing of alcoholic beverages; to the Committee on the Judiciary.

3010. By Mr. RAINEY: Petition of L. W. Beeler and 23 other citizens of Chicago, Ill., with reference to lost or destroyed currency; to the Committee on Banking and Currency.

3011. By Mr. RAMSEYER: Petition of voters and service men of the sixth congressional district of Iowa, asking payment of the adjusted-service certificates in full at this time and providing for the issuance of Government money direct and without making loans; to the Committee on Ways and Means.

3012. By Mr. REED of New York: Petition of the Woman's Christian Temperance Union of Andover, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3013. Also, petition of Rev. Perry F. Haines, Methodist Episcopal Church, Little Valley, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3014. Also, petition of the Woman's Christian Temperance Union of Little Valley, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3015. Also, petition of 250 residents of Olean, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3016. Also, petition of the Woman's Christian Temperance Union of Machias, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3017. Also, petition of the Twentieth Century Club, of Almond, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3018. Also, petition of the Woman's Christian Temperance Union of Cherry Creek, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3019. Also, petition of the Woman's Christian Temperance Union of Cuba, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3020. Also, petition of Edwin Bell Bible Class of Buffalo Street Methodist Episcopal Church, Jamestown, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3021. Also, petition of Almond Grange, No. 1102, Almond, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3022. Also, petition of Wesleyan Methodist Church, Fillmore, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3023. Also, petition of the Woman's Christian Temperance Union of Almond, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3024. Also, petition of 30 residents of Jamestown, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3025. Also, petition of the Woman's Christian Temperance Union of Westfield, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3026. Also, petition of 25 residents of Belmont, N. Y., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3027. Also, petition of employees of Pearl City Plywood Co. (Inc.) and 56 manufacturers of Jamestown, N. Y., urging reduction of Federal appropriations; to the Committee on Appropriations.

3028. By Mr. REID of Illinois: Resolution passed by the mayor and city commissioners of the city of Joliet, Ill., on February 23, 1932, urging the passage of House bill 1, which provides for the cash payment of adjusted-service certificates; to the Committee on Ways and Means.

3029. By Mr. RUDD: Petition of Fleet Reserve Association, Branch No. 2, of Brooklyn, N. Y., opposing the passage of House bill 409; to the Committee on Naval Affairs.

3030. Also, petition of Fleet Reserve Association, No. 2, Brooklyn, N. Y., favoring the passage of House bill 8230, the Vinson bill; to the Committee on Naval Affairs.

3031. Also, petition of Fleet Reserve Association, No. 2, of Brooklyn, N. Y., opposing House bills 4892 and 7012; to the Committee on Expenditures in the Executive Departments.

3032. Also, petition of Medical Society of the State of New York, opposing the Jones-Bankhead bill; to the Committee on Interstate and Foreign Commerce.

3033. Also, petition of New York Athletic Club, New York City, opposing the proposed tax of 10 per cent on club membership; to the Committee on Ways and Means.

3034. Also, petition of the Merchants Association of New York, opposing the passage of the Sinclair bill (H. R. 7524) to liquidate and refinance agricultural indebtedness; to the Committee on Banking and Currency.

3035. By Mr. SELVIG: Petition of American Legion members, of Breckenridge, Minn., favoring immediate enactment of House bill 1; to the Committee on Ways and Means.

3036. Also, petition of Hazel Swanson and 17 other residents of Detroit Lakes, Minn., protesting against the enactment of House bill 8092, for compulsory Sunday observance; to the Committee on the District of Columbia.

3037. Also, petition of the Brown Sheet Iron & Steel Co., St. Paul; the Northland Oil Co., Willmar; the Barnsdall Refineries, Minneapolis; and the Willhelm Lubrication Co., St. Paul, all of the State of Minnesota, opposing the Federal gasoline tax; to the Committee on Ways and Means.

3038. Also, petition of H. S. Aasen, of Winger; Sam Leverson, of Hawley; F. A. Zejdlik, of East Grand Forks; the Buffalo Oil & Gas Co., A. J. Wentzell, and A. E. Bergland, of Moorhead; the Fruit Service Co, of Duluth; and the Northwest Petroleum Association, Minneapolis, all of the State of Minnesota, opposing tax on gasoline; to the Committee on Ways and Means.

3039. By Mr. SPARKS: Petition of 26 citizens of Wallace, Kans., sent in by Mrs. C. A. Hill, of Wallace, Kans., urging Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

3040. By Mr. SWICK: Petition of the Woman's Christian Temperance Union of Beaver, Beaver County, Pa., opposing the resubmission of the eighteenth amendment to the State legislatures or conventions for repeal; to the Committee on the Judiciary.

3041. By Mr. TABER: Petition of Irene Bower, of Atwater, N. Y., and others, urging the enforcement of the eighteenth amendment and opposing any measures for its repeal or modification or resubmission; to the Committee on the Judiciary.

3042. Also, petition of Alwilda Atwood, of Moravia, N. Y., and others, urging the enforcement of the eighteenth amendment and opposing any measures for its repeal or modification or resubmission; to the Committee on the Judiciary.

3043. By Mr. TEMPLE: Petition of Woman's Christian Temperance Union of Washington, Pa., supporting the eighteenth amendment and protesting against the submission of an amendment to the States repealing the eighteenth amendment; to the Committee on the Judiciary.

3044. By Mr. TIMBERLAKE: Petition of the Methodist Episcopal Church of Loveland, Colo., protesting against submission of the eighteenth amendment to the States for a referendum vote and urging sufficient appropriations for enforcement of the prohibition laws; to the Committee on the Judiciary.

3045. By Mr. WATSON: Resolution from Benevolent Council, No. 25, Order of Independent Americans, signed by a number of its members, favoring House Joint Resolution 216; to the Committee on Immigration and Naturalization.

3046. Also, petition of residents of Bristol, Pa., favoring the maintenance of the prohibition law and its enforcement; to the Committee on the Judiciary.

3047. Also, petition signed by members of the faculty of the Hill School, Pottstown, Pa., favoring reductions in appropriations for the War and Navy Departments; to the Committee on Appropriations.

3048. By Mr. WOLCOTT: Petition of residents of Reese, Mich., protesting against the passage of House bill 8092, or any other compulsory Sunday observance bill; to the Committee on the District of Columbia.

3049. Also, petition of residents of Cass City, Mich., expressing the desire that military expenditures and appropriations be kept to a minimum; to the Committee on Appropriations.

SENATE

MONDAY, FEBRUARY 29, 1932

(Legislative day of Wednesday, February 24, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. CONNALLY obtained the floor.

Mr. FESS. Mr. President, will the Senator from Texas yield to enable me to suggest the absence of a quorum?

Mr. CONNALLY. I yield for that purpose.

Mr. FESS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Reed
Austin	Cutting	Johnson	Robinson, Ind.
Bankhead	Dale	Jones	Schall
Barbour	Davis	Kean	Sheppard
Barkley	Dickinson	Kendrick	Shipstead
Bingham	Dill	Keyes	Smith
Black	Fess	King	Smoot
Blaine	Fletcher	La Follette	Steiwer
Borah	Frazier	Lewis	Stephens
Bratton	George	Logan	Thomas, Idaho
Brookhart	Glass	Long	Thomas, Okla.
Broussard	Glenn	McGill	Townsend
Bulkley	Goldsborough	McNary	Trammell
Bulow	Gore	Metcalf	Tydings
Byrnes	Hale	Morrison	Vandenberg
Capper	Harrison	Moses	Wagner
Caraway	Hastings	Neely	Walsh, Mass.
Carey	Hatfield	Norbeck	Walsh, Mont.
Connally	Hawes	Norris	Waterman
Coolidge	Hayden	Nye	Watson
Copeland	Hebert	Oddie	Wheeler
Costigan	Howell	Patterson	White

Mr. JOHNSON. I announce the absence of my colleague the junior Senator from California [Mr. SHORTRIDGE] by reason of continued illness and ask that the announcement may stand for the day.

Mr. GEORGE. I desire to announce that my colleague the Senator from Georgia [Mr. HARRIS] is detained from the Senate by illness.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva, Switzerland.

Mr. HULL. I wish to announce that my colleague the senior Senator from Tennessee [Mr. MCKELLAR] has been called away by a death in his family.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 268. An act to excuse certain persons from residence upon homestead lands during 1929, 1930, 1931, and 1932 in the drought-stricken areas; and

H. J. Res. 292. Joint resolution to authorize the Secretary of Agriculture to aid in the establishment of agricultural-credit corporations, and for other purposes.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Wednesday, February 24, Thursday, February 25, and Friday, February 26.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Journal for the three calendar days indicated is approved.

Several Senators addressed the Chair.

Mr. CONNALLY. I yield to Senators for the transaction of routine business.

PETITIONS AND MEMORIALS

Mr. WALSH of Massachusetts presented memorials numerously signed by sundry citizens of the State of Massachusetts, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented a memorial of 501 citizens of the State of Massachusetts, remonstrating against the proposed imposition of a sales tax on automobiles, trucks, and accessories, which was referred to the Committee on Finance.

He also presented petitions of 140 citizens and sundry organizations in the State of Massachusetts, praying for the passage of the bill (S. 3677) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which were referred to the Committee on Interstate Commerce.

He also presented letters and telegrams in the nature of memorials from 224 citizens of the State of Massachusetts, remonstrating against the imposition of a Federal tax on gasoline, which were referred to the Committee on Finance.

Mr. CAPPER presented a resolution adopted by the Chamber of Commerce of Lindsborg, Kans., favoring the passage of legislation providing for the Federal regulation of motor traffic and other instrumentalities of transportation competing with the railroads, which was referred to the Committee on Interstate Commerce.

He also presented petitions numerously signed by sundry citizens of the States of Kansas and Colorado, praying for the passage of legislation providing for the Federal regulation of motor bus and truck transportation, which were referred to the Committee on Interstate Commerce.

He also presented memorials numerously signed by sundry citizens of Washington, D. C., praying for the passage of legislation providing for regulation of the operation of barber shops on Sunday in the District of Columbia, known as the Copeland Sunday health bill, which were referred to the Committee on the District of Columbia.

He also presented resolutions adopted by the Nazarene Sunday School, of Hoxie; the Woman's Foreign Missionary Society of Moreland; the congregations of the Methodist Churches of Hoxie and Goodland; and the congregations of the Baptist and Methodist Churches of Raymond, all in the State of Kansas, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. VANDENBERG presented memorials numerously signed by sundry citizens in the State of Michigan, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

Mr. BLAINE presented petitions of 102 citizens of the State of Wisconsin, praying for the passage of legislation known as the "farmers' farm relief bill," and also that American agriculture be placed on a basis of equality with other industries, which were referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by groups of the Polish National Alliance of Hurley and Milwaukee, in the State of Wisconsin, favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

Mr. KEAN presented a memorial of sundry citizens of Oakland, N. J., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by Group No. 221 of the Polish National Alliance, of South Bound Brook, N. J., favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's Memorial Day which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Bridgeton, Elmer, Canton, Hancocks, Bridge, Quinton, Salem, Woodstown, Deerfield, Monroeville, Daretown, and Penns Grove, all in the State of New Jersey, remonstrating against the proposed resubmission to the States or repeal of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

Mr. BARBOUR presented a memorial of sundry citizens of Essex County, N. J., remonstrating against the proposed curtailment of military appropriations, which was referred to the Committee on Appropriations.

He also presented the petition of members of the Friday Night Club, industrial department of the Newark (N. J.) Young Woman's Christian Association, praying for the passage of the bill (S. 2687) to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes, which was referred to the Committee on Commerce.

He also presented a petition signed by 190 citizens of Penns Grove and vicinity, in the State of New Jersey, praying for the maintenance of the prohibition law and its enforcement, and protesting against any measure looking toward its modification or repeal which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Board of Commissioners of Belleville, N. J., favoring the passage of legislation providing Federal aid for unemployment relief, which were ordered to lie on the table.

Mr. BINGHAM presented a resolution adopted by the Hamden (Conn.) Woman's Christian Temperance Union, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Salem, Conn., including members of the Salem's Men's Club, praying for a reduction in expenditures for armaments, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Norwich (Conn.) League of Women Voters, praying for the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a petition of the North Greenwich Congregational Church, of North Greenwich, Conn., praying for a program of action by the Government looking to the preservation of peace in the present Far Eastern crisis, which was referred to the Committee on Foreign Relations.

He also presented numerous petitions of sundry citizens of Hartford, Conn., praying for the passage of legislation for the payment in full of adjusted-service compensation certificates (bonus), which were referred to the Committee on Finance.

He also presented memorials numerously signed by sundry citizens of the State of Connecticut, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented resolutions adopted by groups of the Polish National Alliance of Bridgeport, Terryville, New Britain, Meriden, New Haven, Tariffville, Waterbury, Stamford, Thomaston, Beacon Falls, and Shelton, all in the State of Connecticut, favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the State executive committee of the Socialist Party of Connecticut, favoring the enactment of legislation providing an orderly and speedy program of unemployment relief, which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of Hartford County, Conn., praying for the passage of legislation making appropriations to help cities and States to feed, clothe, and care for the unemployed, with their dependents, during the next year and a half, which was ordered to lie on the table.

CANDIDACY OF FRANKLIN D. ROOSEVELT

Mr. DILL. Mr. President, in the Huntington (W. Va.) Herald-Advertiser of February 21, 1932, I find a description of a meeting of the Democratic State committee of West Virginia. I should like to read just a part of a resolution there adopted in support of the candidacy of Governor Roosevelt, of New York, for President. After reciting conditions in the country, the resolution reads:

> In the circumstances, we believe that the Democracy of the Nation and the progressive, thoughtful men and women of all other parties desire and intend to retire Mr. Hoover from office next November and restore the administration of the Government of the United States to the party that was founded by Thomas Jefferson, exalted by Andrew Jackson, and immortalized by Woodrow Wilson.
>
> In order most effectively to aid in achieving this fervently desired consummation we unqualifiedly approve the presidential candidacy of Gov. Franklin D. Roosevelt, of the State of New York, who has proved himself a great statesman, a skillful leader, a courageous champion of human rights, and a successful defender of Democratic faith.

I ask that the entire article may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

[From the Huntington (W. Va.) Herald-Advertiser, February 21, 1932]

DEMOCRATS MARSHAL STATE SUPPORT FOR ROOSEVELT—COMMITTEE IS NAMED TO EFFECT ORGANIZATION AT PARTY RALLY

More than 2,000 Democrats, including most of the party leaders from all sections of the State, during a convention in the city auditorium last night perfected a preliminary organization to support Franklin D. Roosevelt, of New York, for the Democratic nomination for President of the United States.

A state-wide Roosevelt-for-President committee was named by the convention after Senator M. M. NEELY, of Fairmont, followed his spirited attack on President Hoover by presenting a resolution which indorsed Roosevelt for the Presidency and pledged the support of the convention to seek a solid electoral vote for Roosevelt from West Virginia.

RESOLUTION ADOPTED

The resolution, which was unanimously adopted, is as follows:

"We, approximately 2,000 West Virginia Democrats and members of other political parties, in public meeting assembled in the city of Huntington, on this 20th day of February, 1932, respectfully submit the following to the voters of the State:

"After 11 years of complete control of every department of the Federal Government by the Republican Party the country is now in the third year of the most disastrous financial, industrial, and economic panic that has ever afflicted the Nation. During the last three years business has been banished, industry paralyzed, and agriculture ruined; thousands of banks have failed, hundreds of thousands of business enterprises have become bankrupt, 8,000,000 toilers have lost their jobs, and millions of those dependent upon them to-day are face to face with starvation.

"The present administration has utterly failed to solve a single unemployment problem or devise a single effective measure for the relief of the blameless millions who are in dire distress. On every hand there is overwhelming evidence that the American people are dissatisfied with the Hoover administration as they have never been dissatisfied with any other, either in peace or war.

"In the circumstances we believe that the Democracy of the Nation and the progressive, thoughtful men and women of all other parties desire and intend to retire Mr. Hoover from office next November and restore the administration of the Government of the United States to the party that was founded by Thomas

Jefferson, exalted by Andrew Jackson, and immortalized by Woodrow Wilson.

"In order most effectively to aid in achieving this fervently desired consummation we unqualifiedly approve the presidential candidacy of Gov. Franklin D. Roosevelt, of the State of New York, who has proved himself a great statesman, a skillful leader, a courageous champion of human rights, and a successful defender of Democratic faith: Therefore be it

"*Resolved*, That we diligently and enthusiastically strive to send a solid Roosevelt delegation from West Virginia to the Chicago convention and pledge ourselves to do everything in our power to make Governor Roosevelt the next President of the United States."

Hundreds of Democratic leaders from throughout the State attended last night's meeting, which was the first of a series of similar meetings that will be conducted in all parts of the State for promoting the candidacy of Roosevelt.

SILVER AS A WORLD MEDIUM

Mr. ODDIE. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Finance an editorial appearing in the Reno Evening Gazette, of Nevada, of February 19, commenting favorably on a bill which has been introduced by my colleague the senior Senator from Nevada [Mr. PITTMAN] on the silver question. I fully agree with the Gazette on this matter and hope the bill in question will be enacted.

The VICE PRESIDENT. Without objection, leave is granted, as requested.

The editorial is as follows:

[From the Reno (Nev.) Evening Gazette, February 19, 1932]

THE SILVER-CERTIFICATE PLAN

Of all the numerous bills offered in Congress dealing with the silver question, the one by Senator PITTMAN, providing for the issuing of additional silver certificates at the rate of $5,000,000 monthly, is the most practicable. Taking the position that it is impossible at this time to restore silver to free coinage, the Nevada Senator is endeavoring to bring about an international conference which he believes will result in the recognition of silver as a world medium of exchange, but in the meantime he would increase its use in this country by basing upon it sixty millions of new currency annually.

As a number of persons have pointed out, such an additional issue of paper money would not disturb the prevailing gold standard; it would be based upon values just as sound as the Federal reserve notes that are issued against commercial paper, and there would remain abundant gold in the hands of the Government to firmly maintain these certificates at par under all circumstances. Furthermore, it would expand the currency which the Treasury is now seeking to enlarge sufficiently to offset the deflation that has occurred, and the extent of the expansion would not amount to anything like inflation.

The effect in Nevada and throughout the West would be immediate. It would soon remove from the markets of this country the surplus silver stocks and tremendously strengthen the silver market.

The usual objection that silver is too unstable a commodity upon which to base even a small part of the national currency will be made, of course, but the fact is that silver, even at the present low market price, would be just as sound as a lot of the commercial securities upon which much of the Government's paper currency is now based.

PROPOSED FEDERAL GASOLINE TAX

Mr. FLETCHER presented an editorial from the Florida Times Union of the 27th instant entitled "Leave Gas Taxes to the States," which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[From the Florida Times Union, February 27, 1932]

"LEAVE GAS TAXES TO THE STATES"

Florida, by reason of imposition of a heavy rate of taxation on gasoline sold and used in this State, is particularly concerned, or ought to be, in the proposal in the National House of Representatives to put a Federal tax on this article of commerce and use in motor vehicle transportation. The proposition to thus additionally tax gasoline arises out of the search for new sources for raising money to use in wiping out the National Treasury deficit of some $2,000,000,000, due to extravagant spending of public funds.

It may sound like disloyalty to make objection to this proposed tax, since money must be found somewhere for the purpose indicated, and everybody, quite naturally, will object to increase in taxation when such increase touches the individual pocketbook or bank account. But stop to consider the facts as brought to attention by the Boston Evening Transcript, under the above heading—"Leave the Gas Taxes to the States."

The Transcript recites that "the States collected some $500,000,000 in 1931 from gasoline taxes running from 2 to 6 cents a gallon," and that thereby "it is evident that a Federal tax of 1 cent a gallon would result in $100,000,000 of Federal revenue, more or less." Florida's share of this proposed tax readily can be computed. In the month of January, last, according to the figures just made public by the State department of agriculture, 20,544,609 gallons of gasoline were consumed in this State. With another cent per gallon of tax added, as is proposed to be done by Federal authority and for Federal use, it would mean the payment by Florida gasoline users of in the neighborhood of $200,000 monthly in addition to the aggregate amount now being paid to the State—$2,400,000 a year increase—assuming that the monthly sales of gasoline in this State would run at about the rates of sales made in January. The Boston newspaper quoted proceeds to say:

"Motorists have consented to special taxes in the various States upon the understanding that the money would be employed in road building and maintenance. Although some of the States have abused their privilege, it still remains the general practice that the funds derived from the special gas taxes are employed chiefly for that purpose. Car and truck owners are numerous enough, however, to overthrow the gas taxes, or to reduce them materially if they are pressed too hard, and State revenues may find themselves gravely endangered if the Federal Government reaches its grasping arm into their field. State deficits, incidentally, imply fully as much of menace to the people as do Federal deficits."

There may be more to what is above set forth than appears in the printed words. Already, in States that have used money derived from gasoline taxes for purposes other than construction and maintenance of public highways, pretty strong protests are being made against still further diversion of funds derived from tax on gasoline, and in some instances indications are that State legislatures will be called on to rescind legislation by which present diversions are sanctioned. And now for the Federal Government to propose to do what already is seriously being objected to seems to be about to inflict the limit of endurance on those now paying high rates of taxes on gasoline, with prospects of being required to pay still more money in order to provide their cars and trucks with fuel.

The question in this connection is, What is to be done about it, if anything?

THE WORLD COURT

Mr. WAGNER. Mr. President, I present resolutions adopted by the Bronx County (N. Y.) Bar Association, favoring the adherence of the United States to the World Court, which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas the Permanent Court of International Justice, the establishment of which our country urged as far back as the First Hague Conference, in 1899, has in the 10 years of the existence proved its practical value in the application of the principles of international law to certain classes of legal questions, by the settlement of 38 such questions; and

Whereas the United States Senate, in 1926, by a vote of 76 to 17, passed a resolution providing for the entrance of this country into the court if five reservations were met; and

Whereas it is the opinion of the Department of State that these reservations are entirely met by the three World Court protocols now in the hands of the Foreign Relations Committee; and

Whereas they were, for this reason, signed by the United States, on the President's authority, in December, 1929, and sent to the Senate for its consent to their ratification in December, 1930; and

Whereas six years have elapsed since this question was dealt with by our Senate, and more than two years have gone by since our signature was attached to three protocols designed to make our Senate's own resolution effective: Now, therefore, be it

Resolved by the Bronx County Bar Association, That it is in full accord with the position taken by the American Bar Association and by our New York City and New York State Bar Association, that the adherence of the United States to the World Court should be completed by the Senate's ratification of the three protocols awaiting its action and hereby respectfully requests the Senate to ratify the three World Court protocols. And, be it further

Resolved, That the secretary of this association be instructed to send a copy of this resolution to every member of the Foreign Relations Committee, and to request Senator WAGNER to have it inserted in the CONGRESSIONAL RECORD.

The above resolution was duly adopted February 8, 1932.

J. PHILIP VAN KIRK, *President*.

Attest:

CHAS. J. KENNEDY, *Secretary*.

FIXING TERMS OF PRESIDENT, VICE PRESIDENT, AND CONGRESS

Mr. NORRIS. Mr. President, for the information of the Senate I desire to have printed in the RECORD the conference report on Senate Joint Resolution 14, proposing an amendment to the Constitution relating to the terms of office of the President, Vice President, and Members of Congress. The chairman of the House conferees handed me a statement which, under the rules of the House, the conferees on the part of the House are required to file with their

report. It will be found near the beginning of the left-hand column on page 5027 of the CONGRESSIONAL RECORD of Tuesday, March 1. I may state in this connection that I expect to call up the conference report as soon as the House has acted upon it and messaged its action to the Senate.

The VICE PRESIDENT. The conference report will lie on the table and be printed in the RECORD.

The report submitted by Mr. NORRIS is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 14) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

"'ARTICLE —

"'SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"'SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"'SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"'SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"'SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"'SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.'"

And the House agree to the same.

G. W. NORRIS,
WM. E. BORAH,
THOS. J. WALSH,
Managers on the part of the Senate.

LAMAR JEFFERS,
RALPH F. LOZIER,
CHAS. L. GIFFORD,
Managers on the part of the House.

REPORTS OF COMMITTEES

Mr. BINGHAM, from the Committee on Commerce, to which was referred the bill (S. 421) to provide for the air marking of certain Government buildings, reported it with an amendment and submitted a report (No. 345) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 2958) to amend the charter of the Firemen's Insurance Co. of Washington and Georgetown, in the District of Columbia, reported it without amendment, and submitted a report (No. 346) thereon.

Mr. LA FOLLETTE, from the Committee on Manufactures, to which was referred the bill (S. 3696) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, reported it with amendments and submitted a report (No. 347) thereon.

Mr. WALSH of Massachusetts, from the Committee on Finance, to which were referred the following bills, submitted adverse reports thereon:

S. 2293. An act including dependent sisters within classes of persons entitled to automatic insurance under the war risk insurance act (Rept. No. 348);

S. 2567. An act for the relief of Angus M. Whatley (Rept. No. 349); and

S. 2568. An act for the relief of John B. McLamb (Rept. No. 350).

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 1317) for the relief of the State of California, reported it without amendment and submitted a report (No. 351) thereon.

ENROLLED BILL PRESENTED

Mr. WATERMAN, from the Committee on Enrolled Bills, reported that on the 26th instant that committee presented to the President of the United States the enrolled bill (S. 315) for the relief of Lemuel Simpson.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TRAMMELL:

A bill (S. 3849) to authorize the erection of a 200-bed addition to the United States Veterans' Administration hospital at Lake City, Fla.; to the Committee on Finance.

By Mr. WALSH of Massachusetts:

A bill (S. 3850) for the relief of Percie D. Jordan; to the Committee on Claims.

A bill (S. 3851) granting a pension to Mary J. Winslow (with accompanying papers); to the Committee on Pensions.

By Mr. BRATTON:

A bill (S. 3852) to amend section 2288 of the Revised Statutes, as amended, with respect to the taking for highway purposes of lands entered upon under the homestead laws; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Oklahoma:

A bill (S. 3854) for the relief of Leila Hoagland; to the Committee on Claims.

By Mr. VANDENBERG:

A bill (S. 3855) placing service postmasters in the classified service; to the Committee on Civil Service.

By Mr. JOHNSON:

A bill (S. 3856) for the relief of John M. McNulty; to the Committee on Naval Affairs.

By Mr. NORBECK:

A bill (S. 3857) granting a pension to Lightning (with accompanying papers);

A bill (S. 3858) granting a pension to Charlie Kills-in-Sight or Kills In (with accompanying papers);

A bill (S. 3859) granting a pension to Jennie Claymore (with accompanying papers);

A bill (S. 3860) granting an increase of pension to Mitchell Desersa (with accompanying papers); and

A bill (S. 3861) granting an increase of pension to Hugh M. Jones (with accompanying papers); to the Committee on Pensions.

By Mr. BROOKHART:

A bill (S. 3862) to authorize the President to appoint John Everett Winslow a second lieutenant in the Coast Artillery Corps of the Regular Army; to the Committee on Military Affairs.

By Mr. BROUSSARD:

A bill (S. 3863) granting relief to persons who served in the Military Telegraph Corps of the Army during the Civil War; to the Committee on Pensions.

By Mr. HAYDEN:

A bill (S. 3864) authorizing expenditures from Colorado River tribal funds for reimbursable loans; to the Committee on Indian Affairs.

By Mr. BULKLEY:

A bill (S. 3865) providing treatment in marine hospitals to persons belonging to the Steamboat Inspection Service whose chief duties are inspection of vessels; to the Committee on Commerce.

By Mr. HASTINGS:

A bill (S. 3866) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

POISONOUS VOLATILE SUBSTANCES

Mr. BINGHAM. Mr. President, I introduce a bill upon which we have been working for a good many months, to regulate interstate and foreign commerce in poisonous volatile substances. I ask that it may be referred to the Committee on Agriculture and Forestry.

By Mr. BINGHAM:

A bill (S. 3853) to regulate interstate and foreign commerce in poisonous volatile substances intended for household consumption; to the Committee on Agriculture and Forestry.

THE FIRST PUBLIC SINGING OF "AMERICA"

Mr. VANDENBERG. Mr. President, I introduce a joint resolution and ask that it be printed in the RECORD and referred to the Committee on the Library. It suggests that Congress shall put appropriate emphasis upon a particularly significant and appealing anniversary, namely, that of the first singing of America. The event will be permanently memorialized in Detroit, Mich., where, at the instance of the Rotary Club, the school children of Detroit have raised the funds to put a beautiful monument in Belle Isle. The monument will imperishably enshrine the author of this thrilling hymn and its familiar words. The Star-Spangled Banner is the official national anthem. But My Country 'Tis of the Thee is the unofficial lyric which most often brings the voice of our citizenship into common chorus. It is an intimate part of the Nation's life, spirit, and devotions. This Washington bicentennial year is rich in patriotic reminiscences. It will add to the color and the inspiration of our 1932 prospectus to include the one hundredth anniversary of "America" in the national program in tune with this dedication at Detroit upon next Independence Day.

The VICE PRESIDENT. Without objection, the joint resolution will be printed in the RECORD and appropriately referred.

The joint resolution (S. J. Res. 113) to commemorate the one hundredth anniversary of the first public singing of America, was read twice by its title, referred to the Committee on the Library, and ordered to be printed in the RECORD, as follows:

Whereas the 4th day of July, 1932, marks the one hundredth anniversary of the first public singing in Park Street Church, Boston, Mass., by a chorus of children, of the great and thrilling patriotic hymn, America, written by the Rev. Samuel Francis Smith;

Whereas this significant event already is promised splendid recognition at Detroit, Mich., where the contributions of patriotic school children have provided a beautiful monument to the hymn and to its author, which will be appropriately dedicated upon Independence Day; and

Whereas it is the sense of the Congress that there should be general observance of this anniversary because of the incalculable inspiration which has touched the life of the Nation through the countless millions of voices, in peace and in war, which have sung "My country 'tis of thee" across the century: Therefore be it

Resolved, That this one hundredth anniversary of the first public signing of America be commended to all citizens for appropriate recognition in connection with the celebration of Independence Day on the 4th day of July, 1932.

EMERGENCY HIGHWAY CONSTRUCTION—AMENDMENT

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

ANTI-INJUNCTION LEGISLATION—AMENDMENT

Mr. SHIPSTEAD submitted an amendment intended to be proposed by him to the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment, was read twice by its title and referred to the Committee on Post Offices and Post Roads.

THE POLITICAL AND LEGISLATIVE SITUATION

Mr. CONNALLY. Mr. President, I send to the clerk's desk a newspaper clipping, which I should like to have the clerk read.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

MOSES REPLIES GARNER MAKES PRESIDENCY BID—WONDERS SPEAKER FAILED TO ACCUSE HOOVER OF MORE—TEXAN HITS SENATOR AS AMUSING G. O. P.—HYDE CHARGES DEMOCRATIC RELIEF PLAN WOULD AID ONLY 35,000

(Associated Press)

Speaker GARNER's charge that President Hoover precipitated a panic drew a sharp retort yesterday from Senator MOSES (Republican), New Hampshire, suggesting that the Texan had begun his formal campaign for the Presidency, and in return another shot from GARNER.

* * * * * * *

Senator MOSES in his statement again predicted Mr. Hoover's renomination and reelection.

Recalling the vigor with which Speaker GARNER once commented upon the action of the Supreme Court in the estate tax case, he said, "I marvel at the moderation with which Mr. GARNER has now begun his formal campaign for the Presidency with the single and simple assertion that President Hoover brought on a panic.

ADDITIONAL CHARGES SUGGESTED

"In order to run true to form the Speaker should have added the charge that the President brought on the World War, loaned billions to Europe during a Democratic administration, directed riotous expenditures for armaments in foreign countries, brought about the unbalanced budgets of other governments, made added loans in Latin America, is responsible for Bolshevism in Russia, engineered the 18 revolutions in as many countries, caused the panic in Germany and the economic collapse in central Europe, forced England off the gold standard, fomented the Sino-Japanese row, created the drought, and is responsible for the overproduction of coffee in Brazil, copper in Africa, sugar in Cuba, rubber in India, cotton in the South, and wheat in Canada, Australia, and the Argentine."

Mr. CONNALLY. Mr. President, the Senator from New Hampshire [Mr. MOSES] in the savage attack which he makes upon the Speaker of the House of Representatives, evidently is bringing to a conclusion the era of so-called cooperation in which the President and his advisers have been asking the minority party in this Chamber and the majority party in the other Chamber to participate during this particular session of Congress. Mr. President, I should not feel called upon to consume the time of the Senate in the discussion of this matter save for the eminence of the Senator from New Hampshire and the well-known intimate contact which he has with the administration and the President. Except for that fact and the further fact that he was known throughout the country as one of the original

Hoover men in 1928, at a time when many of the other leaders of his party prior to the convention were denouncing the candidate who afterwards became their nominee, and except for the fact that the Senator from New Hampshire is regarded generally as one of the spokesmen for the White House, I should not feel called upon to express my own resentment at this savage and uncalled for attack by the Senator from New Hampshire on the Speaker of the House of Representatives.

It is to be assumed, now that the administration and the Senator from New Hampshire have secured from the Democratic House cooperation in the particular program in which the administration was especially interested, that they are ready to open up their guns in an effort to destroy the Speaker and in an effort to destroy anyone who becomes in any wise prominent in the Democratic Party, and who may possibly be a candidate or the nominee of the party for President of the United States.

I do not know what the Speaker of the House of Representatives said, but the whole gravamen of the charge of the Senator from New Hampshire is that the Speaker was quoted some days ago in an informal newspaper conference as having said that the President led us into a panic. Whether that be true or whether it be not true, I shall not myself pass judgment, but let me suggest to the Senator from New Hampshire that, so far as governmental action may have had any influence upon the economic condition of this country for more than the past two years, so far as legislation has affected that situation, and so far as executive action may have affected it, the present administration and the legislative bodies of this Republic, of which the senior Senator from New Hampshire is an influential part, are most certainly responsible.

The Republican Party has been in control of both branches of Congress; it has had every agency of the Government at its command until the present session of this Congress; Mr. Hoover has been not only the President, but he has been the national leader in whatever activities this Government has undertaken; and if anyone led us into the panic, if anyone backed us into the panic, if anyone was at the head of affairs, it was the President of the United States, the Republican Senate, and the Republican House of Representatives. So I submit to the Senator from New Hampshire that the basis for his attack was most unwarranted and unjustified.

When, in 1930, in the congressional campaign in November of that year, the country repudiated the administration of Mr. Hoover and elected a Democratic House of Representatives, those who theretofore had been militant, those who, under the leadership of the President, had been denouncing Democrats in Congress and Democratic theories, immediately raised a flag of truce and requested the Democrats of the Congress, both in the House and Senate, to cooperate, and that they have a nonpartisan session of Congress. They wanted peace and harmony in order to do what? In order that we should do the cooperating and that they should do the operating. Now that period has passed and I want to submit, at the risk of wearying the patience of the Senate, a little bit of the history of America during the past few years. I want to examine for a moment just how we have gotten into this tangle, just how we have become submerged in this period of lower commodity prices in this period of world-wide depression.

The Senator from New Hampshire would like to forget, but the country will not forget, that it was his candidate for President in 1928 who, in accepting the nomination, made a speech at Palo Alto in which he said:

> We in America to-day are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal, but, given a chance to go forward with the policies of the last eight years we shall soon, with the help of God, be in sight of the day when poverty will be banished from this Nation. There is no guaranty against poverty equal to a job for every man.

A "job for every man," let me remind the Senator from New Hampshire—

> That is the primary purpose of the economic policies we advocate.

The dictionary defines panic, among other fashions, as follows:

> A sudden, widespread fright or apprehension concerning financial affairs, resulting in an artificial depression in values.

We have the statement of the Republican candidate for President in 1928, which was to the effect that prosperity would be continued and the poorhouse would finally vanish if the people would but permit him to go forward with the policies of the past eight years, controlled and shaped in large measure by the Senator from New Hampshire and entirely by Republican administrations.

A little later in that campaign the candidate of the Senator from New Hampshire for President said this:

> The slogan of progress is changing from the full dinner pail to the full garage. Our people have more to eat, better things to wear, and better homes. We have even gained in elbow room, for the increase of residential floor space is over 25 per cent, with less than 10 per cent increase in our number of people. Wages have increased; the cost of living has decreased; the job of every man and woman has been made more secure.

Eight million people to-day are asking the question what has become of their jobs, to say nothing of how they have been made "more secure."

> We have in this short period decreased the fear of poverty, the fear of unemployment, the fear of old age—

Arresting the flight of time—

> and these are fears that are the greatest calamities of human kind.

Mr. President, we remember that when the present administration went into power in March, 1929, the country was relatively prosperous; yet we remember that the President called Congress in extraordinary session to enact the Smoot-Hawley Tariff Act. We were told by the leaders on the other side of the aisle that the enactment of that measure would assure and continue the prosperity of the country. When, in the fall of 1929, prices were mounting, when the stock market was pyramiding, when values that had in fact no substance were far beyond their intrinsic worth, we remember how this administration, the President himself, the Secretary of the Treasury, Mr. Mellon, the Secretary of Commerce, and the Secretary of Labor, who now occupies a seat in this Chamber [Mr. DAVIS], all rushed into the press and told the country that there was no occasion for worry; that business and prosperity would continue. Then we recall that when in October, 1929, with the suddenness of a storm, the stock market collapsed, bringing disaster and bringing losses to every city and every village throughout the Republic, these same prophets rushed into the press and told the world and the country that there was nothing wrong with business; that it was sound. There was no reference then to the suggestion that our troubles arose in foreign lands; nobody rushed into the press then and said that the stock market collapsed because the price of coffee was cheap in Brazil; nobody proclaimed in the headlines that our difficulties here at home arose because we were able to buy coffee cheaper or because the copper situation in South Africa had destroyed our prosperity; but for the purpose of the RECORD I want briefly to quote the words of the President and of the Secretary of the Treasury at that time with respect to the temporary character of the depression and the fact that it would soon pass away.

Mr. President, on the 29th of October, 1929, the quondam candidate for President of the Senator from New Hampshire, then President of the United States, gave to the public this statement:

> The fundamental business of the country * * * is on a sound and prosperous basis.

"Sound and prosperous" on October 29, 1929; nothing wrong; only a little flurry; only a little zephyr disturbing a few of the high financiers in Wall Street.

On December 3, 1929, the President again said:

> We have reestablished confidence. Wages should remain stable. Industrial unemployment has been prevented.

In December, 1929, this wave of depression that had been generated in October, according to Mr. Hoover, had already

been stopped. Unemployment had been prevented, and conditions were sound. Was there then any complaint that the troubles in America had been caused abroad?

On November 3, 1929, one of the administration's sharpshooters, Doctor Klein, of the Department of Commerce—who draws his salary from the Government, but gives his services to the Republican National Committee—said this:

> We have come to see more clearly that the stock market is not the principal barometer of business, and that our American prosperity is deeply and firmly rooted.

Nothing to shake it in November, 1929.

Again, on November 21, 1929, the President said:

> There is no reason why business should not be carried on as usual.

"Business as usual," at the same old stand! I ask the Senator from New Hampshire, Is this an example of the far-seeing vision of the candidate whom he promoted in 1928? Where was the warning to the country to beware of the inflation of that period? Where was the storm signal by the administration of the approaching cyclone? Where was the traffic signal to stop and wait and look and listen for a moment?

On January 1, 1930, with the advent of the new year, the Secretary of the Treasury issued a statement. I grant you that on New Year's Day considerable latitude may be granted as to optimistic statements. It is a season of good cheer. We are all swearing off our sins and our bad habits of the year that is past, and we are making resolutions for the future; and I grant a good deal of latitude to the President and to the administration on an occasion like this. Here is what Mr. Mellon said on January 1, 1930:

> I have every confidence that there will be a revival of activity in the spring and that during the coming year the country will make steady progress.

That is Mr. Mellon, the "greatest Secretary of the Treasury since Alexander Hamilton"!

Mr. Lamont, the Secretary of Commerce, the man whom Mr. Hoover chose to take his place in the Department of Commerce, said on the 1st of January, 1930:

> One may confidently predict a continuance of prosperity and progress.

We have had not only a continuance of the "prosperity" that was then existing, a decline from November, but from that time forward the country and the people of the United States have suffered a still more radical decline.

Doctor Klein again rushes into the press and says:

> We are justified in feeling an abiding if perhaps not an exuberant optimism.

"Abiding" is a good word. The "prosperity" that was produced in the fall of 1929 has abided with us ever since.

On March 8, 1930, the President said:

> The crisis will be over in 60 days.

I quote from the Washington Post of March 8, 1930. No one will accuse that paper of being prejudiced against the administration:

> American business and industry is now recovering from the shock administered it by the stock-market collapse last fall, President Hoover believes, and within 60 days should be free from the distressing aftermath of unemployment which it brought.
>
> Summarizing his conclusions for newspaper correspondents, the President said that unemployment "amounting to distress" had been confined to 12 States—

Twelve States!

> and was not more than seasonal in the other 36 States.

Get this. I trust the Senator from New Hampshire will note this:

> Low points of business and employment had been passed in December and in early January, he added, and had been followed by slow betterment.

Mr. President, I shall not weary the Senate longer with quotations of these optimistic predictions. I shall not take up more of your time in calling attention to the absence of warnings by those in responsible position as to the conditions in America and throughout the world, but if anybody in America knew what those conditions were it ought to have been the President of the United States. He had at his command every agency of this Government. He had at his command his diplomatic representatives throughout the world. He had the emissaries of the Department of Commerce, who belt the globe. He has here in Washington, subservient to his every wish, all of these great departments in touch with trade and with commerce.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Iowa?

Mr. CONNALLY. I yield.

Mr. BROOKHART. I should like to ask the Senator a question or two. I am inclined to agree with almost all of his criticisms and accept most of the blame; but if we are to turn the Government over to the Democratic Party I should like to know where they are going. How does the Senator's candidate stand on the farm question?

Mr. CONNALLY. I will say to the Senator that I am not speaking for anybody as a candidate to-day. I will say, however, that if the Democratic Party does not follow its leaders any better than the Senator from Iowa follows his leaders, we shall not be able to get very far with any sort of a program. I shall say in all kindness to the Senator from Iowa that I have assurance that we shall show a little more cohesion than the Senator from Iowa will show with the Senator from New Hampshire as his leader and spokesman.

Mr. BROOKHART. The Senator from New Hampshire does not lead me very fast.

Mr. CONNALLY. He has certainly designated the Senator from Iowa among a certain group that can be led only when properly harnessed.

Mr. BROOKHART. I think he is a little mistaken about that; but I am still interested in what the Democratic program is to be.

How will the Senator's candidate stand on the power question?

Mr. CONNALLY. I shall talk about that question.

Mr. BROOKHART. And how will he stand on the relief of unemployment?

Mr. CONNALLY. I shall reach those matters in a little while.

Mr. BROOKHART. How will he stand on prohibition?

Mr. CONNALLY. I shall discuss those matters if the Senator will let me proceed in my own way; but the Senator asks half a dozen questions, and expects me to answer them with a wave of the hand.

Mr. BROOKHART. I ask only one at a time.

Now, one or two questions about the cause of this situation.

The Senator will concede that the deflation policy of the Federal Reserve Board started us on the down grade, will he not?

Mr. CONNALLY. I am not going to be diverted on those questions. I shall discuss such of them as I see fit.

Mr. BROOKHART. And at that time every member of the board was a Democrat.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. The Senator declines to yield further.

Mr. CONNALLY. I do not mind a question, but I think the Senator is getting ready to make a speech——

Mr. BROOKHART. No, Mr. President.

Mr. CONNALLY. And I think one speech at a time is sufficient; so I shall have to decline to yield.

The VICE PRESIDENT. The Senator declines to yield further.

Mr. CONNALLY. Evidently, the Senator from Iowa has no helpful purpose in mind. While he agrees with everything I say about the responsibility for the panic and the shortcomings of the administration, neither can he get himself into unison with the Senator from New Hampshire sufficiently nor will he agree even with the view which I am now undertaking to express.

Mr. BROOKHART. Mr. President, on this proposition I had hoped I would get in unison with the Senator from Texas; but I can not find out where he stands.

Mr. CONNALLY. The Senator from Iowa knows where the Senator from Texas stands on all of these questions if he consults the CONGRESSIONAL RECORD. I have served here with the Senator for some years, and the Senator knows how I voted on power. He knows that I voted for the Muscle Shoals bill. He knows that I voted for the use of that great governmental investment, that great governmental utility, in behalf of the people, and not for the purpose of turning it over to the Power Trust. The Senator from Iowa, however, had no purpose of aiding the Senator from Texas with his interjections.

I am not speaking to-day for any one save myself, and I have no disinclination whatever to be placed on record as to any question properly coming before the Senate of the United States. But, Mr. President, the Senator from Iowa is just as bitter an antagonist of the present administration as any Democrat dare to be. He wears the Republican label only in name. He agrees with what I am saying; but because he is afraid to stand for or indorse anything if it has the Democratic label on it, he is seeking an outlet into some other channel.

Mr. BROOKHART. Mr. President, the only thing I am afraid of is jumping out of the frying pan into the fire.

Mr. CONNALLY. I will grant that the Senator is pretty much in one or the other all the time. [Laughter.]

Mr. President, I do not care to take up more of the Senate's time in laying the predicate for the proposition that I now propose to submit, to the effect that, so far as leadership in any direction is concerned, so far as governmental responsibility in any direction is concerned, we are in this panic during an uninterrupted period of 10 years of Republican control of every branch of this Government. Then when the House of Representatives, selected as a rebuke to the present administration's economic policies, was elected in the fall of 1930, the President of the United States asked the Democrats to cooperate. He called a nonpartisan conference of the leaders in this Chamber and the leaders in the other Chamber to meet him here in Washington. The leaders in this Chamber—our leaders—met, and at the last session of Congress there was a truce. There was harmony. Democrats sought to make no political capital of anything that transpired, either at the last session of Congress or at the present session of Congress; and what is the reward? What is the reward which the Democrats receive for aiding in putting through what the President calls his program?

Mr. President, last fall the President of the United States issued an invitation to the leaders of both parties to come to Washington. The Speaker of the House got in an airplane and came to Washington to consult with the President about the moratorium and other measures. The Democrats submitted to a program as to some of which they probably did not agree; but they were not willing to make politics of the distresses of their country. They were willing to forego for a season any political advantage at the appeal of the President of the United States.

The Senator from New Hampshire knows that the Democratic House, if it had desired, could have defeated his moratorium proposition. The Senator from New Hampshire knows that the Democratic House of Representatives, had it so chosen, could have defeated what is called the Reconstruction Finance Corporation bill. But it acted, Mr. President. It acted promptly. It acted efficiently, under the leadership of the Speaker, whom the Senator from New Hampshire now so coarsely denounces in the public press.

But what has been the result of this cooperation? While we have been cooperating in the legislative chambers, the President and his understudies, his Assistant Secretaries, his Cabinet members, have been going out before the country carrying on a political campaign and laying claim before the country to the credit for everything that has been done in this Congress as the action of the President alone.

If the President had a program a year ago, if he realized at that time that we were bogged down, that we were mired in business stagnation and in distress; if he had a program, if he had a panacea, if he had solutions for these conditions, why did he not call the Congress in special session in March, 1931? The Senator from Wisconsin [Mr. LA FOLLETTE], on the other side of the aisle, was appealing to the President to call a special session of Congress. Other leaders throughout the country wanted the Congress to be in session in order that something might be done to stay the waves of depression which were engulfing us. But did the President call the Congress? He refused to bring the lawmaking body into session to propose any remedies of relief or any plan for reviving lagging business and lagging industry. The truth of the matter is that in his heart the President has little regard for Congress. He wants to control, himself, the agencies of the Federal Government.

What was his plan? Was the country ever advised as to what the President's plans were? When this session of Congress convened did he then submit to Congress a plan?

Mr. President, the Executive a few days ago signed the Glass-Steagall bill, and when he signed it he gave to the country a public statement in which he said:

> In signing this bill, which comprises an essential part of the reconstruction program, I desire to express my appreciation to the leaders and Members of both Senate and House of both parties who have cooperated in its enactment. The fine spirit of patriotic nonpartisanship shown in carrying out the emergency program is, I know, appreciated by the whole country.

Yet, Mr. President, when that statement was given to the press, in an effort to claim entire credit for the enactment of the Glass-Steagall bill, the President did not even mention the distinguished services of the Senator from Virginia [Mr. GLASS], who is the author of that measure, or the chairman of the Banking and Currency Committee in the House [Mr. STEAGALL], who piloted it through the House of Representatives.

The President did not have such a measure in mind when the Congress convened. The most material portions of that bill were lifted bodily from the bill of the Senator from Virginia which is soon to come before this body in the form of permanent legislation, provisions which were created by the distinguished Senator from Virginia.

Mr. President, what makes a statement of that kind, to those who know, lose most of its weight is the fact that all during this session of Congress the Secretary of War, a member of the President's official family, of whose activities the President can not be ignorant; the Secretary of Agriculture, Mr. Hyde, about whose activities the President can not be ignorant; the Assistant Secretary of the Navy, Mr. Jahncke, and others, representatives of this administration, have been busy going about the country making partisan Republican speeches, and claiming for the President of the United States all of the credit for the entire accomplishments of this Congress.

Mr. President, I hold in my hand speeches by some of these distinguished gentlemen which have been inserted in the CONGRESSIONAL RECORD. For what purpose? They have been inserted in the CONGRESSIONAL RECORD in order that during the coming campaign they may be franked out all over the United States free of postage in carrying out this baseless claim that everything that has been accomplished ought to be attributed to the administration.

The senior Senator from Washington [Mr. JONES] a few days ago made a radio speech, How We Treat Our Presidents, and, of course, compared the present President with all of those who have been criticized in the past. The Senator from Indiana put the speech in the CONGRESSIONAL RECORD. That will be franked out during the coming campaign free of cost to the Republican National Committee.

A speech by the Hon. Arthur M. Hyde was broadcast—Who Started It? It was put into the CONGRESSIONAL RECORD—a partisan, political speech. During the truce, while there is nonpartisan cooperation in the Senate and in the House, we have these outriders for the administration scurrying all over the country making these political speeches. Mr. Jahncke makes a speech over in Boston, in which he says he appears as a member of the Republican National Committee. Mr. Hurley, Secretary of War, makes

an address at a meeting of the Chamber of Commerce of the State of New York, and it is printed in the CONGRESSIONAL RECORD in order that it may be franked out to the country.

I have here a speech of United States Senator JAMES E. WATSON, of Indiana, delivered at the first national Lincoln Day dinner of the National Capital Republican Club, inserted in the CONGRESSIONAL RECORD so that it may be sent out under franking privileges during the campaign.

Of course, on Lincoln's Birthday the President was idealized as being a reincarnation of the martyred Lincoln. Then on Washington's Birthday there were fulsome allusions to the fact that these were times similar to Valley Forge and George Washington's privations and suffering there.

Mr. President, I feared there was something wrong about this idea of cooperation. I suspected that when the Republican administration and the leaders got what they really wanted, what they thought they wanted, they would then turn upon those who had been seeking to cooperate with them and make the very character of attack which the Senator from New Hampshire, rather famous for the character of his language and the manner of his newspaper utterances, would make on this occasion. Mr. President, I want to make a few other observations and make a comparison between the performance of the House of Representatives, the Speaker of which is so bitterly denounced by the Senator from New Hampshire, and the administration itself.

We have been told through the press by the President and all of those who are seeking to serve his political ends that this is a time when we must retrench, that this is a time when we must have drastic and rigid economy, that this is a time when we must cut to the bone. Yet, let me remind you, Mr. President, that for the past 10 years every dollar that has been spent by this Government has been spent with the consent of the party of which the Senator from New Hampshire is a member. For the past two years every dime that has been spent by this Government, except what the two Houses expend on their own incidental expenses, has been spent with the consent of Herbert Hoover as President of the United States. So when we speak of paring expenses, when we speak of economy, the economies which we adopt will be against the high appropriations which have heretofore been made.

Let me show what has happened at this session of the Congress. In the House of Representatives, in the appropriation bills for the Department of Agriculture, for the Departments of State, Justice, Commerce, and Labor, for the Interior Department, for the Treasury Department, and for the Post Office Department, the House of Representatives, either by enactment or by bills favorably reported, has cut the President's demands in the Budget $59,000,000. In other words, the House of Representatives under the leadership of the Speaker has cut appropriations $59,000,000 below those asked by the President of the United States in his Budget message.

Who is for real, sincere economy—the President in his public statements in the papers or the House of Representatives by actual performance?

At the present session of the Congress the House of Representatives, by bills passed or favorably reported, has cut $123,000,000 below the current appropriations under Mr. Hoover's administration and under this Senate's administration. Who was the economist? Yet those who read the public press and who did not know the facts, would believe, from the fulminations of the President and his political henchmen, that the President is bending every effort to retrench and to economize, and that a partisan Congress is preventing effective action.

Mr. President, who is the real economist? Mr. Hoover took charge of the Department of Commerce in 1921. The last year before he took charge the Department of Commerce cost the Government of the United States $25,892,589.05. Mr. Hoover occupied the office of Secretary of Commerce for eight years. He then put a man of his own choosing in his place, I suppose to carry out his own policies. What are the appropriations for the Department of Commerce for the present year? For the present fiscal year the appropriations for the Department of Commerce are $61,477,117.63. More than twice as much is being appropriated the present year for the Department of Commerce, more than twice as much, as at the time when the President took charge of that department of the Government. Yet we constantly hear that we must have retrenchment and economy.

Mr. President, the House of Representatives in undertaking to cut appropriations for the departments has not had that cooperation for which the President and the administration have been pleading. When the Interior Department appropriation bill was cut what did the administration do? It sent the Secretary of the Interior to Congress in protest. I hold in my hand a letter from the Secretary of the Interior, three pages in length, dated February 17, 1932, with a great many exhibits attached, in which the Secretary of the Interior, protesting against the cuts, protesting against the economy which the House proposed, is saying that his department will be handicapped and its activities materially weakened if we carry out this policy of economy.

Mr. President, when the House of Representatives put an amendment on the Department of Agriculture appropriation bill to provide that there should be no promotions and no increases in pay for the present year, did that receive the cooperation of the administration? Was that an economy which met the approbation of those in authority? Instead of the House receiving cooperation in behalf of that economy the Secretary of Agriculture rushed to this Chamber and rushed to the House of Representatives begging Congress to withdraw that provision, and begging that they be permitted to go ahead in the same old way. I submit that these pretenses to economy in the papers ought to be borne out by action here on the floor.

The President now has a delegate yonder at Geneva seeking disarmament. God knows I hope that substantial disarmament may finally be brought about. But while those delegates are yonder at Geneva he has the chairman of the Committee on Naval Affairs, the Senator from Maine [Mr. HALE], and the chairman of the Committee on Military Affairs, the Senator from Pennsylvania [Mr. REED], on the air and in the press begging the Congress not to cut one dollar from the military or naval appropriations. He has the Secretary of the Navy active in obtaining the introduction of a bill authorizing us to spend millions and more millions of dollars to increase the Navy. Disarmament for the women and the ministers and peace advocates in the papers! Bigger navies and more expenditures in the Halls of Congress! That is only one illustration of the inconsistency of the administration pretenses in public to economize and to retrench.

The President says he wants to consolidate the departments and bureaus of Government; that he wants to eliminate useless bureaus; that he wants to prevent overlapping and duplication. Yet when the House of Representatives considers a proposal to consolidate the War Department and the Navy Department, does the President want to have them consolidated? He does not. He sends his Secretary of War to the Congress in protest against such action. He sends his Secretary of the Navy here saying, "You will ruin the Navy if you consolidate the two departments." While I am not prepared to say for myself that I would favor the consolidation of those two departments, the administration by its action denies its public profession. The only "consolidation" which the President proposes, the only one which the administration requests the Congress to make, is the passage of a bill by the Congress turning over to the President the absolute power to himself consolidate the governmental departments and bureaus.

Did his proposed plan, his tentative plan which he submitted, provide for the removal of any bureaus? It did not. Did it provide for any reduction in expenditures? As I recall now, the proposal which the President sent here, instead of asking for a reduction of employees, provided for

the creation of a number of additional assistant secretaries to carry out his plan of consolidation.

Mr. President, let me say to the Senator from New Hampshire, I am willing to judge the record of the Speaker of the House of Representatives by the performances of the House as compared with the performances of the administration as to economy, as to consolidation of governmental activities, and as to the expeditious and efficient handling of public legislation.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Iowa?

Mr. CONNALLY. I yield.

Mr. BROOKHART. I would like to ask the Senator if the Speaker and the House have not been going right along with this same Mr. Hoover all the time ever since the House has been in session?

Mr. CONNALLY. If the Senator had been in the Chamber I think he would know that his question is absolutely unnecessary. I have been indicating that the program we have been talking about could not have been put over except with the concurrence of the House of Representatives.

Mr. BROOKHART. Then, does the Senator have any different program for the relief of the situation, differing from the Republican administration program? That is what we would all like to know.

Mr. CONNALLY. The Senator is not anxious to know that. He is not concerned with that. No matter what sort of program the Democratic Party had, the Senator from Iowa would be sniping at it and shooting at it. No matter what sort of program the Republican Party is going to have, he will be going about shooting at it and sniping at it. The Senator from Iowa is an individualist. He is a minority member. He is of the minority type. He is like the Irishman who was shipwrecked at sea and woke up on an island. He said, "What government is there here?" Some one replied, "I don't know." He said, "It doesn't make any difference. Whatever the government is, I'm agin it." [Laughter.]

Mr. President, I want to suggest to the Senator from New Hampshire [Mr. MOSES] that he need not worry himself about the Democratic nominee for President. The Senator from New Hampshire will have plenty to do to take care of his own nominee for President of the United States. He will have plenty to do to advise the President whether he shall enter the primaries in North Dakota or whether he shall stay out. He will have plenty to do to tell the President whether he ought to enter the primaries in Illinois or whether he shall only enter in those particular States controlled by the bosses, and only in such districts as that from which I come, in which each Republican officeholder with his appointment is given credentials as a delegate to the Republican national convention.

The Senator from New Hampshire will have plenty of time to worry about such things, and he need not disturb himself about whom the Democrats will nominate for their candidate for the presidency. Whoever he may be, it will be extremely difficult for him to make a more pitiable record than the present administration has made under the leadership largely of the Senator from New Hampshire.

Let me say to the Senator from New Hampshire that he will have no trouble about who his presidential nominee will be. The Republican Party in its relation toward its nominee is very much in the same position that the Senate is with reference to the Senator from New Hampshire. The Senator from New Hampshire is the President pro tempore of the Senate. It is true his title is only a squatter title. [Laughter.] He is there, and the Senate has no way of expressing the majority view that he ought not to be there. The Republican Party has its own nominee already selected. His title is largely a squatter title. Most of the members of the Republican Party would rather have somebody else for their candidate, but they have no effective way of getting somebody else. I suggest just that much for the Senator from New Hampshire to bear in mind.

Mr. President, we saw in the press on Sunday morning glaring headlines announcing that the Senator from Connecticut [Mr. WALCOTT] is going to shock the country within a short time by the public announcement of the names of certain culprits in Wall Street who have been selling short on the market. I have been waiting almost breathlessly, I have been waiting with anxiety to be present when this pronouncement shall come down giving out those names. Mr. President, why is it that it is only a crime for the market manipulators to sell stock when the prices are at a low figure, and yet it was not a crime in 1929 for the bull manipulators to inflate the stock values far beyond the comprehension of almost any human mind? Is it not strange that now the presidential wrath should be aroused only by the fact that after the passage of the moratorium act, after the passage of the Reconstruction Finance Corporation act, and after the passage of the Glass-Steagall bill, it becomes, in his opinion, a crime to sell stocks short? Is it not strange that it becomes a crime only after the enactment of this marvelous administration program, and that then because stocks do not immediately go up it is charged that there is some criminally willful culprit in Wall Street who is knocking in the head every effort at rehabilitation?

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. Certainly.

Mr. BARKLEY. Does not the Senator realize that the President and the administration are still in search of an alibi for the panic that has been on us for the past two years, and that probably the effort to hold some culprit in Wall Street is a last effort to create an alibi that will allow them to escape the responsibility which everybody believes is theirs?

Mr. CONNALLY. I thank the Senator for the suggestion. The Senator suggests that possibly after all the man who has caused the panic will be located and shown to be some little broker over in Wall Street who has brought about the panic and now, through a spirit of willfulness, will not let us have prosperity back again. [Laughter.] Oh, Mr. President, why do not the Executive and the Republican administration get their eyes off of Wall Street? Have they the conception that all the prosperity and all the well-being and all the happiness of our people are centered in the stock market? Does the President believe that, as that barometer goes up and down, manipulated by the traders who are marketing securities, the measure of prosperity of the people is indicated and gauged?

Let me suggest that prosperity will never return to the United States until the men out yonder in the factories and on the farms and in the mines and on the ranches have some degree of a return of purchasing power and some revival of activity in their businesses.

Let me suggest to the President of the United States that the prosperity and the well-being of 120,000,000 of people scattered from one ocean to the other are not dependent on the stock-market manipulations yonder in Wall Street. What does it matter to the man out in Colorado or California whether the stock of American Can goes up 2 cents or $2, or whether the stock of the Radio Corporation of America declines $2?

There are those who conceive that the only way to make the country prosperous is to tax the many, to tax the poor, to tax the men of small means, and to hand over great privileges to the rich and the powerful, when by reason of the law of gravitation a little benefit will gradually drip down on those at the bottom. I denounce such a doctrine. I denounce such a philosophy. That seems to be the philosophy of the present administration. It seems to be their philosophy and belief that if they can only restore wild activity on the stock exchange the American people will once again be happy and contented.

Mr. President, Mr. Hoover in 1928 said that the best way to provide against poverty is to give the people jobs. The House of Representatives on Saturday passed a bill provid-

ing an appropriation of $130,000,000 for road building throughout the United States; road building in cooperation with the States through the advancement of Federal funds so the States may match their regular fund. What happens? The Secretary of Agriculture, Mr. Hyde, comes forth from his rural retreat and breaks into the press this morning with a denunciation of that measure. He said that the House of Representatives did not consult the Treasury as to where it was going to get the money.

If we can get $2,000,000,000 without consulting the Treasury to finance the Reconstruction Finance Corporation, if we can get $2,000,000,000 by issuing bonds and by laying burdens of taxation upon the people to finance the New York Central Railway and the Pennsylvania Railway, if we can secure funds by such a measure to give those corporations money with which to pay the interest on their bonds to J. P. Morgan & Co. and other great financiers without consulting the Treasury as to how it is going to get the money, when did it become a crime that we here in Congress should undertake to provide employment through a useful road-building program by providing $130,000,000 of the people's money for that purpose?

Mr. President, a year ago the President of the United States announced that he would provide against unemployment by a greatly increased building program of public buildings and roads; and yet at this session of the Congress the administration sends in its Budget estimates and reduces to a large degree the building program on the pretext and on the plea that we are building already as rapidly as is possible. It has, in large measure, abandoned the original program, and yet it was advanced as a program for solving the unemployment situation.

Mr. President, there has no legislation been passed at this session providing aid to unemployment unless it be the creation of Federal jobs in some of the executive departments and other instrumentalities we have set up involving political patronage. Those are the only contributions which have been made to the relief of unemployment. Yet to-day there are more hungry men, empty handed, bereft of tools of employment, walking the streets of America than at any other time within its history. I challenge the Senator from New Hampshire in his recapitulation as to foreign nations and their troubles to point out one country on the face of the earth with as many unemployed as we have in America in the same proportion to population. Even England with her dole, even England with the dole probably encouraging unemployment for two or three years past, has not the same proportion of unemployed as we have here in America.

The Senator from New Hampshire attributes all our ills to what happened in foreign lands. He says that the Speaker of the House of Representatives ought to accuse the President of unbalancing the budget of England and of France. Of course, the President is not responsible for that; he is not responsible for the unbalanced budget in England. Let me ask the Senator, however, is England responsible then for our unbalanced Budget? We are not responsible for her unbalanced budget, but the implication of the Senator is that England is responsible for our unbalanced Budget. The President is not responsible for the unbalanced budget of Germany, but, on the other hand, is Germany responsible for our unbalanced Budget? She is to the tune, perhaps, of about $250,000,000, representing the annual interest on the war debts due us by European nations. Had that sum been paid through the instrumentalities of the Allies our own load of taxation would have been some $250,000,000 less than what it will necessarily have to be.

Let me ask the Senator from New Hampshire, who is responsible for this unbalanced Budget? Why was it that in 1931 our Treasury was $900,000,000 in the red? Why is it now that for the present fiscal year the estimates are that we are spending $2,100,000,000 more than we are going to collect in taxes? Who is responsible for it? Are the Democrats responsible? I suppose the Speaker of the House of Representatives is responsible.

Mr. President, for 10 long years the party of the Senator from New Hampshire has been in control and there has sat yonder at the helm of the Treasury Andrew W. Mellon, the wizard, the one learned in the alchemy of old, who could turn campaign promises into gold. He directed the finances of this Government for 10 long years, he was responsible for the estimates of the Treasury Department; the President has been a member of the Federal machinery for more than 10 years; and yet they, with all their wisdom, with all their foresight, with all their information, were not able to read even a little way into the future, and handed back last year $160,000,000 they said they did not need. Mr. President, let me say to the Senator from New Hampshire, no; we are not responsible—and I do not charge the President with being responsible—for conditions in foreign countries. But by the same token, I do not charge those countries with the responsibility for conditions here in America.

The Senator from New Hampshire was one of those actively participating in the formulation and passage in 1930 of the Smoot-Hawley bill. That measure, we were told, would bring back prosperity at once, and yet the Senator from New Hampshire knows that, as the aftermath of that measure, countries all over the world have lifted their tariff walls higher; he knows that many countries of Europe have adopted the quota system, and will only admit a certain quantity of American commodities of any particular character.

The Senator from New Hampshire knows that after the passage of that act Canada, one of our finest and best customers, lifted her tariff fence higher and yet higher. The Senator from New Hampshire knows that American world trade since the enactment of that act has fallen off many hundreds of millions of dollars, both as to exports and imports. I do not charge that the passage of that act was the only factor in the situation; but I do contend that it had a repercussion throughout the world, and that, as a result of its enactment, other nations sought to retaliate, and gradually the channels of trade and of commerce have been clogged and have been impeded so that world commerce and world trade have suffered; and when they suffer, the American people suffer.

Mr. President, I resent the charge of the Senator from New Hampshire not because it was made against an individual Member of the House of Representatives but because it was made against the Speaker of the House. The Senator from New Hampshire occupies an official position in this Chamber; he is President pro tempore, and any pronouncement from him attacking the head of the other coordinate body is something more than the private quarrel of two individuals. The utterances of a man so close to the President of the United States as is the Senator from New Hampshire always carry a certain significance that the utterances of individuals such as the Senator from Texas do not carry. So, to a great extent, if my assumptions are true, the statement of the Senator from New Hampshire must be at least a reflection of the attitude of the administration toward the House of Representatives, and must indicate, now that the administration has secured the passage of such measures as it desired, that the truce is off and the political war is on. We must expect, therefore, that Secretary of Agriculture Hyde, Secretary of War Hurley, Doctor Klein, Assistant Secretary Jahncke, and various other under secretaries and functionaries will be turned loose upon the country praising and extolling the great legislative achievements of the administration.

So, Mr. President, I submit that the attack of the Senator from New Hampshire is unwarranted and such a one as he, occupying the position that he does, should not make upon the head of the House of Representatives.

Mr. President, it seems that our program, from the administration standpoint, has been completed with the enactment of the Reconstruction Finance Corporation bill, providing $2,000,000,000 to be loaned to the railroads and insurance companies; the Glass-Steagall bill, a measure to which I look with great hope of accomplishment; the farm loan bill, providing $125,000,000; and the moratorium on the debts due us by Europe. I should like to have the Senator from

New Hampshire, in reply to the suggestion made by the Senator from Iowa [Mr. BROOKHART] with reference to Muscle Shoals, explain how his candidate for the Presidency vetoed the Muscle Shoals bill on the pretense that the Government could not use its own great plant, where millions of dollars of the people's money had been invested, for the manufacture of electric power and for the production of fertilizer, because to do so would be to invade the field of private business, to destroy initiative, and to apply a brake upon private industry and capital. That is a fine-sounding objection. When the Senator from New Hampshire makes that explanation, then let him explain also why it is not putting the Government in business when we pledge $2,000,000,000 of the people's money to loan to insurance companies and to loan to railroads, not for a public function, not to furnish electric power to municipalities, counties, and other governmental subdivisions but for private purposes. Let the Senator from New Hampshire explain the attitude of his candidate on that issue. That question will be before the Congress again at this session, and let us watch, look, and listen as to how the administration approaches it when it is finally presented here.

In conclusion, Mr. President, let me say that I hope the Congress will not consent that the action which has already been taken is all the action that it proposes to take in behalf of the American people. I hope it may remain in session long enough that it will be able to get its eyesight off Wall Street and the half dozen little culprits that have plunged the whole world in gloom and grief. Think of it! Three or four short sellers in New York are responsible for this entire condition, and yet the President of the United States, with all his Army, and with all the Department of Justice, can neither find them nor ascertain their names, and when he does learn their names he refuses to divulge them to the country.

Mr. President, I submit that we ought to go on and have further legislative cooperation. Let the House of Representatives function in cutting down appropriations, as it has already started to do; let it function in shaping a tax bill, because if it is not shaped in the House of Representatives it can be shaped nowhere else, for such measures must originate there; and let the Senator from New Hampshire cease his political attacks until after we get through the program of restoration and rehabilitation.

Mr. MOSES. Mr. President, the pending question on the bill before the Senate is an amendment offered by the Senator from Montana [Mr. WALSH]; yet there has beat upon my devoted head for an hour and a half a storm of sound and fury which gives color to the prevalent belief that in the Senate one speaks without limitation of time and with no relation to the subject before the house.

I content myself with two disclaimers: I do not speak with any authority for the administration, and I have made no attack, either savage or bitter, upon the Speaker of the House of Representatives. I have ventured to comment upon a candidate for the Presidency, and, Mr. President, candidates for the Presidency enjoy no "closed season."

So far as the situation is now concerned, with that particular candidacy I have but one question to propound; and that is, Why is it that Texas nowadays is doing all the talking for the Democratic Party? Texas, a State which was not heard from politically between election day in 1928 and the election of a Speaker of the House of Representatives in 1931.

Mr. CONNALLY. Mr. President, in response to the fling of the Senator from New Hampshire at my State for its action in 1928, I frankly admit that my State made a tremendous mistake in 1928, a mistake which it will not soon make again; but, since the Senator from New Hampshire sees fit to make reference to conditions affecting various States, let me remind the Senator from New Hampshire that there now sits in the other end of this Capitol a Member of Congress from New Hampshire, representing, I understand, the district of the Senator himself. The Senator shakes his head; but, at least, the gentleman to whom I refer is from New Hampshire, and is a Democrat. The Senator from New Hampshire, with all his astuteness and his sharp and incisive language, campaigned in New Hampshire not many months ago against the gentleman who now represents the Democratic Party in a district in the State of the Senator from New Hampshire. The Senator from New Hampshire disavows that it is his home district and I readily accept his disavowal; but, at least, the district is in the State which the Senator represents here, and I do not suppose he means to cast any odium upon or evidence any lack of appreciation toward any part of the State which has honored him by a seat in this body.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. Just a moment, and I will yield.

Let me remind the Senator, however, that that occurrence is some three years later than the action in my own State, and that in that campaign the Republican doctrine fell from the lips of the Senator from New Hampshire himself. He was there in all of his own authority, close to the administration, close to the throne, giving the Republican outlook, praising his candidate for President, telling how the great depression that was created was caused in foreign lands, by the coffee situation in Brazil, and all that sort of stuff. Yet the men in New Hampshire, who know the Senator a great deal better than I know him, did not accept his pronouncements, but turned him and his party down and elected a Democrat from that district—I understand the second time that it has occurred since the War between the States.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I was simply going to remind the Senator from Texas that he ought not to be in a critical mood toward the Senator from New Hampshire, because he contributed to the victory of the Democrat by making speeches against him in that district.

Mr. CONNALLY. I thank the Senator.

PROPOSED ANTI-INJUNCTION LEGISLATION

The Senate resumed the consideration of the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

Mr. WAGNER obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. BARKLEY. I make the point of order that there is no quorum present.

The VICE PRESIDENT. Does the Senator yield for that purpose?

Mr. WAGNER. I yield for that purpose.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Reed
Austin	Cutting	Johnson	Robinson, Ind.
Bankhead	Dale	Jones	Schall
Barbour	Davis	Kean	Sheppard
Barkley	Dickinson	Kendrick	Shipstead
Bingham	Dill	Keyes	Smith
Black	Fess	King	Smoot
Blaine	Fletcher	La Follette	Steiwer
Borah	Frazier	Lewis	Stephens
Bratton	George	Logan	Thomas, Idaho
Brookhart	Glass	Long	Thomas, Okla.
Broussard	Glenn	McGill	Townsend
Bulkley	Goldsborough	McNary	Trammell
Bulow	Gore	Metcalf	Tydings
Byrnes	Hale	Morrison	Vandenberg
Capper	Harrison	Moses	Wagner
Caraway	Hastings	Neely	Walsh, Mass.
Carey	Hatfield	Norbeck	Walsh, Mont.
Connally	Hawes	Norris	Waterman
Coolidge	Hayden	Nye	Watson
Copeland	Hebert	Oddie	Wheeler
Costigan	Howell	Patterson	White

The VICE PRESIDENT. Eighty-eight Senators have answered to the roll call. A quorum is present.

Mr. WAGNER. Mr. President, I rise to discuss a number of the broad questions of policy which underlie the pending so-called anti-injunction bill.

It may be that part of what I shall say has already been said by others and myself on another occasion. The repeti-

tion, however, is justified, it seems to me. The RECORD should be complete so that when the courts come to pass upon what we are doing here to-day they may be fully informed of the purposes which moved us and of the ends we desired to accomplish.

It has been charged that the pending bill constitutes special legislation. I admit it. The bill deals not with injunctions generally but with injunctions in labor disputes. Were a lawyer trained in the common law of a century ago to come to life again he would wonder that disputes between employers and employees should be singled out for special treatment. He would be amazed that the injunction should require such detailed regulation. The reason, however, is self-evident to anyone who reads the bill in its proper context as part of the pattern of economic events of the past two generations.

The industrialization of America, the concentration of capital, the development of the labor injunction, the invention of the antiunion promise—out of these special events has arisen the need for this special legislation.

More than 20 years ago Dean Roscoe Pound, of the Harvard Law School, asked the question, "Why is the legal conception of the relation between employer and employee so at variance with the common knowledge of mankind?"

The legal conception was built of a mythical equality between employer and employee, of a mythical freedom of action, of a mythical bargain. The results of the application of that legal conception were, however, far from mythical. It bred injustice, it permitted suffering, it continued the very inequality which the law failed to recognize.

Through the slow processes of legislation we have bit by bit been squaring the legal conception with the common knowledge of mankind. The doctrine of assumption of risk and the fellow-servant rule, for instance, have to a large extent succumbed to modern enlightenment. But the area of concerted action by employees has not yet been won. In spite of numerous attacks, it still flies the flag of a legal conception at variance with the common knowledge of mankind.

As far back as 1887 New York had passed a penal statute which branded as criminal the conduct of an employer who exacted from an employee a promise not to join a union. Many States followed its example. But all these efforts were nullified by the courts, both State and Federal.

We thought we had made a real advance when we passed the Clayton Act, but the hopes which the enactment of that law engendered have been blasted. The adjustment we sought to make thereby has not been made. The friction has continued and intensified. Injunctions are still issued containing restraints which, in the opinion of one Justice of the Supreme Court, remind of involuntary servitude.

Under the blighting effect of the law as it has developed, we have seen the entire coal industry suffer disorder, violence, disintegration. We have seen the Federal courts converted into strike-breaking agencies. We have seen freedom of speech, freedom of association, even the freedom to cooperate in refraining from work, smothered under the blanket of injunctions which now covers the Nation.

What is our problem?

It is far bigger than the mere setting down of rules of practice in certain cases that come before the Federal courts.

Our problem is no less than that of marking out the boundaries of governmental action in the contest and contact between labor and industry.

Three choices are logically open to us:

We might pursue a policy of affirmatively encouraging the organization of labor. That is the policy we expressed when we attempted to pass legislation forbidding the discharge of railroad employees for union membership.

We might affirmatively undertake to repress organized labor. That, in effect, has been the policy the courts have pursued by means of the injunction based upon the antiunion promise.

The third choice is represented by the pending bill. The policy and purpose which give meaning to the present legislation is its implicit declaration that the Government shall occupy a neutral position, lending its extraordinary power neither to those who would have labor unorganized nor to those who would organize it and limiting its action to the preservation of order and the restraint of fraud.

That the need for this legislation still exists reflects no glory upon American jurisprudence. A judiciary accustomed to reexamine the premises of its action in the light of current conditions would never have permitted the injunction through the routine repetition of sterile precedents to grow wild like a tropical jungle. Certainly it is difficult to find justification for enshrining the so-called "yellow-dog" contract among the legal relations which a court of equity would protect.

Regardless of the circumstances under which the antiunion promise is exacted, regardless of the social and economic consequences of its use, the instrument on its face carries the evidence of its invalidity. It is a promise which patently can not be enforced against the employee who makes it. It is an arrangement which imposes no real obligation upon the employer to whom the promise is made.

How extraordinary that upon this meaningless document the courts should have erected a whole system of rights, privileges, and immunities for the employer! He has but to post a notice, "This is a nonunion shop"—as, indeed, one case has held (see Witte, 6 Wis. Law Review, 25)—and, presto, no one may speak approvingly of unionism to any of his employees.

Where else in the law do we find such far-reaching results emanating from so slight a cause? This harks back to the days of legal magic when red wax upon a paper had special potency.

I ask to have inserted at this point of my remarks copies of two letters from attorneys to unions which disclose typical uses to which the antiunion promise is put and request that the names of the writers may be withheld from the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OCTOBER 8, 1926.

To Michael J. Keough, President, and Victor Kleiber, Secretary, and to all of the Officers, Directors, and Members of the International Molders' Union of North America, Edwards Building, 530 Walnut Street, Cincinnati, Ohio; and

To the President, Secretary, and all Officers, Directors, and Members of Local Unions Nos. 31, 244, and 317 of said International Molders' Union of North America, Labor Temple, 274 East High Street, Detroit, Mich.

GENTLEMEN: As attorneys for the Buhl Malleable Co., of Detroit, Mich., and in their behalf and at their request, we are hereby notifying you that the Buhl Malleable Co. has entered into individual contracts with all of their employees employed by them as molders.

The courts of last resort have decided that any interference by unions or officers or members thereof with such private employment contracts and with the men so employed and the business and operation thereof of the employer subjects the guilty parties to damages.

We therefore, in behalf and at the request of our clients, the Buhl Malleable Co., give you due notice and warning to refrain from and desist in any interference with these private employment contracts or the men working thereunder, or in endeavoring in any wise to induce such men to break these private employment contracts, as our clients will promptly, upon such interference, take such legal steps and proceedings as are warranted by law against you and others who interfere directly or indirectly with the performance of these private employment contracts between the Buhl Malleable Co. and their employees as aforestated.

Yours respectfully,

——— ———.

Mr. M. J. KEOUGH,
President International Iron Molders Union of North America, Cincinnati, Ohio

DEAR SIR: We are attorneys for the Elmwood Casting Co., Murray Road, St. Bernard, Ohio, and it has been called to our attention that an effort is being made to persuade and induce the employees of said foundry to become members of the International Iron Molders' Union.

We are also informed that the International Iron Molders' Union of North America, and you, as one of its officers, are engaged in this effort.

The purpose of this letter is to notify you that all of the employees of the Elmwood Casting Co. have accepted employment under written contract and agreement with the company that the shop is being operated and will continue to be operated upon a nonunion basis, and as nonunion, that the employer will not

recognize or have any dealing with any labor union; that the employee is not a member of any labor union, and while employed by such company the employee will not become a member of any labor union and will have no dealings, communications, or interviews with the officers, agents, or members of any labor union in relation to membership by the employee in a labor union or in the relation to the employees' employment.

A recent decision of the United States Supreme Court in the case of the Hitchman Coal & Coke Co. has held that an employer who conducts his business on a nonunion basis may legally have a contract with his employees that they are nonunion and will so continue while in his employment, and that the officers and agents of labor unions, having knowledge of such agreement, may be enjoined from soliciting such employees for membership in the union and from interfering with such arrangement. In other words this decision holds that an employer has a right to employ only those who are nonunion and who agree to continue nonunion while in his employment, and the employer is entitled to have union interference with this arrangement enjoined.

If, as has been reported, you have engaged in any way directly or indirectly in endeavoring to persuade the employees of the Elmwood Casting Co. to join a union and thus violate their contract with their employers, you fall within this decision; and unless you discontinue such action, the company will proceed to protect its legal rights as outlined in the case above referred to. We inclose herewith formal notice, duly signed, by the Elmwood Casting Co., notifying you that its employees have agreed in writing as a basis of their employment that they are not members of any labor union, and that during the period of their employment will not become such members, as hereinafter stated.

———.

Mr. WAGNER. Mr. President, if we widen the inquiry somewhat and examine the circumstances under which the antiunion promise is exacted we find applicable additional legal principles which deny its validity. Weigh the significance of these facts: To the employee out of work the job means everything—rent, food, and clothing for his wife and children. To the large business organization no worker is indispensable; there is always another to take his place. There is no opportunity for bargaining, there is no possibility of bargaining between parties whose powers are so violently unequal. The employee must either accept the terms of employment as they are tendered or go hungry.

This is not the only situation where the law is presented with the problem of an alleged contract entered into between parties of unequal bargaining power. We find it in cases of lender and borrower, of insurance company and policyholder, of carrier and shipper, of landlord and tenant. In each of these instances the courts never faltered. They either modified or nullified the agreement in the interest of fairness and justice.

The concept which runs through these cases is that a contract is not a legal trick but a bargain, and wherever the facts belie the existence of a bargain equity will not permit the overreaching party to reap the benefit. Upon this ground, too, the antiunion promise should have been denied enforcement.

When we consider the personal implications of the antiunion promise, that the employee undertakes to keep himself defenseless against oppression, powerless to bargain, powerless to withhold his services, without means to improve his condition or to reduce somewhat the frightful insecurity in which he lives, we come to the further conclusion that this promise is what the law calls harsh and unfair and what conscience denounces as wicked and infamous. Such an unholy transaction is not entitled to the protection of equity. (Kimberley *v.* Jennings, 6 Simons, 340.)

Explore this antiunion promise a little further; study the ease with which it is secured; examine its inevitable effect upon the standard of living of all workers; consider that the spread of this device means, first, the collapse of legitimately organized labor; second, a period of peonage when every form of outrageous bondage will be imposed upon the unresisting worker; and, finally, the deadly growth of secret, illegitimate, revolutionary societies existing in defiance of injunctions, mocking both law and order and holding all of American industry under the shadow of its threat.

This prophecy is not fantastic. It is human to associate. Chief Justice Taft has already told us that trade-unions were organized out of the necessities of the situation. Necessities, mind you; and those necessities do not cease to exist or to prod and spur men on to action simply because a judge has issued an injunction.

A device which has consequences as mischievous as these has always been rendered impotent by the courts by declaring its uses against public policy. Why did not the courts apply that principle to the antiunion promise? Charitably we say it was misapprehension of fact. Certainly it was not the compulsion of law which led the courts, with the notable exception of New York, to give effect to the antiunion promise.

Mr. Walter Gordon Merritt is an avowed and well-known opponent of unionism. His views and mine on that subject are as far apart as the poles. His opposition to unionism, however, has not prevented him from condemning the antiunion promise. He has on one occasion said:

To tell a red-blooded citizen he can not join a union while society holds that unions are lawful and useful but whets the desire to join and creates a spirit of sullen hostility which but waits der tag to join the enemies of existing institutions.

Shall employees be thus driven to sell their birthright for a mess of pottage? Can the resourcefulness of radical leadership devise any means better calculated to influence the worker and the public against the employing class? In the name of justice—in the name of public policy—in the name of many more considerations let us have an end of this.

I join heartily in that exhortation. In the name of justice, let us have an end of this. To-day we are engaged in putting an end to it.

Having examined the circumstances under which the antiunion promise is made, having weighed its purpose and measured its personal and social consequences, we declare it to be, as it is, inimical to the welfare of the Nation, and in the exercise of our power to prescribe the jurisdiction of the Federal courts we provide that that promise shall not be enforceable directly or indirectly, legally or equitably. In fact, even the minority of the committee joins in the condemnation of the antiunion promise as against public policy. They so declare it in the amendment the Senator from Rhode Island has submitted. Strangely enough, they would withhold only equitable relief. Why such timidity? Why such inconsistency? What logic is there in the distinction the minority would draw? Would the Senator from Rhode Island wish to see the courts apply legal remedies for the enforcement of arrangement which he himself brands as hostile to the Nation's welfare?

I do not at this time desire to enter into a discussion of the several amendments offered by the minority. There is one, however, which is so far-reaching in its effect that if adopted it would destroy whatever concession has been made by the minority and completely cripple the effectiveness of the bill. It is for that reason that I mention it now.

The amendment to which I have reference is the one addressed to the definitions. It reads as follows:

(b) The term "labor dispute" includes any controversy arising between employer or employee or employers or employees concerning wages, hours of labor, or the conditions under which labor shall be employed, or any other controversy arising out of the respective interests of the employer and employee.

The significant and all-important change is the omission of these words which are in the original bill, "regardless of whether or not the disputants stand in the proximate relation of employer and employee."

What the minority has done has been to adopt the definition almost verbatim from section 20 of the Clayton Act, which has been held by the Supreme Court in the Duplex case (254 U. S. 443) to apply only to an employer and his employees. Should this amendment carry, we shall find the legitimate effort of unions to extend their organizations again frustrated. It would undo a large share of the work we are to-day trying to accomplish.

The principal issue raised by the minority is not on the merits of the public policy declared by the bill. It is concerned with legislative power. I quote from the minority report:

In our opinion this form of agreement deprives employees of the right of free association with their fellows and takes away from them the opportunity to deal on a basis of equality with those by whom they are employed. But, however distasteful they may be to us and however much we may sympathize with those who believe that the interests of employees will never be properly protected except through legislative enactment, the fact remains that the Supreme Court in three cases has held that there is no

legislative power, State or Federal, to inhibit or outlaw employment contracts providing against union membership. (Coppage *v.* Kansas (1915), 236 U. S. 1; Adair *v.* United States (1908), 208 U. S. 161; Hitchman Coal & Coke Co. *v.* Mitchell (1917), 245 U. S. 229.)

To provide by legislation that the courts shall not protect this right is unquestionably a deprivation of property without due process of law. It seems too clear for argument that if the right to make such contracts is constitutionally protected that this constitutional protection can not be destroyed by directing the courts to treat such contracts as a nullity.

Before considering the cases cited by the minority it is well to advert to its constitutional reference.

"If the right to make such contracts is constitutionally protected," says the minority, "this constitutional protection can not be destroyed by directing the courts to treat such contracts as a nullity."

That, of course, begs the question. The word "contract" implies a binding agreement. If we assume that the power to make such agreements binding is protected by the Constitution, of course, we are powerless to act. But in order to make that assumption we must believe that the organic law of this Nation confers unchangeable protection upon a trick device conceived in unfairness, condemned as immoral, denounced as uneconomic, and recognized by both majority and minority to be destructive of the opportunity for equal dealing between employer and employee. I do not believe that the fifth amendment embalms forever in our law what is socially reprehensible.

What, then, of the Supreme Court cases cited by the minority. The first of these is Adair against United States, decided in 1908. The facts of that case have been mentioned too often in the course of this debate to require restatement by me. I make bold to suggest, however, that its vital difference has not yet been mentioned. The significant factor is that the statute in the Adair case attempted to limit the power of the employer to discharge an employee.

The power to fire without cause and to quit without reason was part and parcel of the employment arrangement subsisting between the employer and employee. The statute attempted in effect to write a clause into their understanding, namely, that the employer shall not fire for union activity. It was an act of direct intervention by the Government into the employment relationship. It was that which the court refused to sustain.

The Coppage case, decided in 1915, followed the same line of reasoning. The employer was free to refuse employment for any cause or no cause. A State statute attempted, in the judgment of a majority of the Supreme Court, to limit this freedom of the employer. In effect the statute was directing the employer to hire certain employees against his will. That, too, represented a direct and affirmative intervention by the Government into the employment relation which the court refused to permit.

By the bill which is before us we do none of the acts condemned by the court. We do not limit the untrammeled power of the employer to dismiss whom he pleases. We do not direct the employer whom he shall hire. We do announce that the Federal courts will no longer help him or hinder him in the pursuit of a nonunion policy. No longer shall the execution of an antiunion promise sound the triple alarm to bring to the scene every weapon in the arsenal of equity. The distinction which I draw is by no means novel to the law. There are numerous instances where the law permits the exaction of a promise to go unpunished but refuses to enforce the promise when made.

An employer may refuse to hire a worker unless he promises to remain unmarried. But the promise will not be enforced.

A manufacturer may refuse to sell goods to a dealer who cuts the resale price (U. S. *v.* Colgate, 250 U. S. 300), but the promise of the dealer not to cut the price is unenforceable. (Dr. Miles Medical Co. *v.* Park & Sons, 220 U. S. 373.)

The Hitchman case remains to be considered. In one sense it need not be. Already the Supreme Court has itself circumscribed the meaning of that case. In the case of American Foundries *v.* Tri-Cities Trades Council (257 U. S. 184) Chief Justice Taft justified the Hitchman decision on the fraudulent and deceitful means which were present in that case. But that is by no means the only reason why the Hitchman decision is not relevant to the present issue. When the Hitchman case was decided there had as yet been no legislative declaration of public policy. That is the new factor which this bill provides. Indeed, the major evils of the antiunion promise were born after the Hitchman case. Until the antiunion promise became the source of injunctions it was a fang without venom.

The Hitchman case does not hold that Congress has not the power to declare the contract involved in that case against public policy. The most we can say is that the court did not so find it. But the making of public policy is preeminently a legislative function, and that function we are to-day exercising.

One additional argument against the underlying policy of this bill has been employed by the opposition. I quote from a brief submitted by the National Coal Association:

Liberty of individual contract may not, under the Constitution of the United States, be limited or abridged in any way whatsoever.

"Liberty of contract"! What a noble phrase. What an ignoble purpose it is made to serve.

Is there any truth in the assertion I have quoted? Let us test it by our common experience. Has any one of us the liberty to make an enforceable contract to pay a rate of interest beyond that fixed by statute? Has any one of us the liberty to enter into a contract with a railroad to ship our merchandise at a rate other than that fixed by statute and regulations?

Has any one of us the liberty to enter into a contract to exempt a carrier from liability for negligence? Has any one of us the liberty to make an enforceable contract not to compete with the purchaser of his business in an excessive area or for an indefinite period? Has anyone the power to make an enforceable resale-price agreement? (Dr. Miles Medical Co. *v.* Park & Sons (220 U. S. 373).)

When we examine the law governing the relationship between employer and employee we find no such liberty of contract as special pleaders presume to assert.

A worker's contract not to compete with his employer for an unreasonable period after the termination of the employment is not enforceable. (Clark Paper Manufacturing Co. *v.* Stenacher (236 N. Y. 312); Menter Co. *v.* Brock (147 Minn. 407).)

Even without the aid of statute it has been held that the agreement of a workman that his wages should be nonassignable is unenforceable. (Aldridge Lumber Co. *v.* Graves (131 S. W. 848); Berwick Lumber Co. *v.* Hall (94 Ga. 539).)

Valid statutes have prevented employees from bartering away in advance their right to collect from employers for injuries sustained. Valid statutes have prevented employees from effectively promising to work in a mine more than a stated number of hours. (Utah; Holder *v.* Hardy, 169 U. S. 366.)

Why, then, have we not the power to say that the Federal courts shall not enforce agreements exacted from a workman not to join with his fellow men to increase his bargaining power, to increase his earnings, to insure himself against unemployment, and to diminish somewhat the degree of insecurity in which he lives?

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from New York yield to the Senator from Louisiana?

Mr. WAGNER. I yield.

Mr. LONG. I want to make just one observation and ask one question. I am very much convinced that the Senator's argument is correct. As I understand it, we have the right under the substantive law to provide that such contracts may not be enforced in court. I do not for a moment concede that it might be held that such a contract could lawfully be made. Of course, we could not prevent the making of such a contract. But even though it were to be so held, there would not be anything to prevent Congress tak-

ing away from the Federal court the jurisdiction to enforce such a contract by injunction, would there?

Mr. WAGNER. There would not. The contention I make is, of course, that, the contract being against public policy, it should not be enforced either in a court of equity or a court of law.

Mr. LONG. I agree with that.

Mr. WAGNER. In Frisbie *v.* United States (157 U. S. 160) the Supreme Court considered the validity of a statute which imposed a penalty upon an attorney who contracted to receive more than $10 for representing a claimant in a pension case. It was, of course, objected that the statute was unconstitutional as interfering with the liberty of contract. Said the court:

> This objection is untenable. While it may be conceded that, generally speaking, among the inalienable rights of the citizen is that of the liberty of contract, yet such liberty is not absolute and universal. It is within the undoubted power of government to restrain some individuals from all contracts as well as all individuals from some contracts.

The court proceeded to mention contracts for the sale of lottery tickets, contracts by minors, contracts by carriers to exempt them from negligence, and stated that the Government—

> may restrain all engaged in any employment from any contract in the course of that employment which is against public policy.

In Holden *v.* Hardy (169 U. S. 366) the question presented to the Supreme Court involved the validity of a Utah statute prescribing an 8-hour law for persons working in the mines. The statute was attacked as unconstitutional, in contravention of the fourteenth amendment, in that it deprived the defendant of the right to make the contract in a lawful way for a lawful purpose. But the court sustained the statute. It said:

> The fact that both parties are of full age and competent to contract does not necessarily deprive the State of the power to interfere where the parties do not stand upon an equality.

I should like to repeat, Mr. President, the closing words of that quotation, "where the parties do not stand upon an equality."

In his matchless style, Mr. Justice Holmes has once said:

> The fourteenth amendment does not enact Mr. Herbert Spencer's social statics.

Indeed, the whole Constitution will lose its vitality, its extraordinary capacity to guide a people in a changing world, once we subscribe to the fiction that it has codified the individualistic theories of the laissez faire economists.

The Supreme Court has cautioned us against that danger. It has declared, "The very reverse of that which is the policy of the public at one time may become public policy at another." (Hartford Fire Insurance Co. *v.* Chicago, 175 U. S. 91.)

What does the public policy of the twentieth century demand in industrial relations? It was not so long ago when the business of earning a livelihood was an independent undertaking. The worker owned his shop, his tools, and the good will of his customers. To-day a large and ever-increasing proportion of our people must earn their living through wages. The average workman owns no tools of production but his hands and his skill.

At the same time capital has become a cooperative venture, and through the pooling of many resources, great aggregates of wealth have assembled gigantic engines of production which control the opportunities for employment.

If into this condition of affairs we should inject the archaic notions of master and servant, what kind of citizenship will inhabit this continent in the next generation? Can we expect anything else to follow from such a course but that we shall raise a nation of drawers of water and hewers of wood, to pass their days in toil and their nights in fear in order to support a fortunate few in oriental elegance?

Every ancient civilization that has tried that experiment to-day lies in the dust and serves no purpose but to quench the curiosity of the historian and archæologist. There is no need for us to repeat this ancient folly. We can raise a race of men who are economically as well as politically free. By permitting labor to organize freely and effectively we can convert the relation of master and servant into an equal and cooperative partnership, shouldering alike the responsibilities of management and sharing alike in the rewards of increasing production.

To me the organization of labor holds forth far greater possibilities than shorter hours and better wages. Organization plants in the heart of every worker a sense of power and individuality, a feeling of freedom and security, which are the characteristics of the kind of men Divine Providence intended us to be.

Simple justice commands that we unfetter the worker in his effort to achieve his goal. Statesmanship dictates that we encourage him to take this road of organized action to responsibility, to self-mastery, to human liberty, and to national greatness.

Mr. COSTIGAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a layman's nontechnical, informative discussion of the abuse of injunctions, written by Mr. Richard W. Hogue, who is associated with the People's Legislative Service of Washington, D. C.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. Hogue's statement is as follows:

THE ABUSE OF INJUNCTIONS

It is important that public opinion should be informed regarding the nature and evils of the injunction menace. The general public is widely unaware of these evils. For the most part it is ignorant of what the injunction is, how it is used, and why it is now a major issue before Congress. We propose to throw such light on the subject as limited space permits.

Our judicial system was derived from that of England. That system provided courts of chancery or equity, for handling a prescribed class of cases. These courts began to encroach on the regular courts of law. A prolonged conflict ensued which resulted in the establishment of basic rules governing all courts of equity.

These long-established rules are fundamental to the law and of far-reaching importance to the public. They provide that equity courts exist solely for the benefit of the aggrieved and not the aggressor and are limited to the protection of property from irreparable injury when there is no adequate remedy at law, that they must not interfere with personal rights and that those who seek equity must do equity—must come into court with clean hands. In America these basic rules have frequently been set aside through injunctions issued by Federal judges sitting in equity.

What is an injunction? It is a court writ (issued without a jury hearing) "commanding an act which the court regards as essential to justice or restraining an act which it deems contrary to equity and good conscience." The danger of placing such power at the disposal of the limited or prejudiced judgment of a single judge is obvious. The extent to which this power has been misused has been shocking. Its most flagrant abuse so far has been directed against industrial workers. If not checked it may be used to crush farmers as well, and to extend the control of great corporate interests over the rights and liberties of individuals and groups.

Beginning in 1880, the abuse of this power steadily increased in the United States. It had become so serious by 1893 that an injunction issued in that year was denounced in the report of a congressional committee as "a surprising exercise of the processes of" the "court to abuse the judicial power," "an invasion of the rights of American citizens," and "contrary to the genius and freedom of American institutions."

This injunction and later ones took away the right of trial by jury, destroyed the worker's power of organized self-defense, revealed the extent to which courts were controlled by special interests, substituted property rights for human rights, and threatened to supplant government by law with the arbitrary fiat of a single judge. These evils increased with the efforts of manufacturers to kill the growing labor movement. Organized labor appealed to Congress. The result was the drawing up of the Clayton Act, of which an eminent jurist declared: "If this bill is passed, labor will not need any more legislation for 100 years." The bill was approved by the Judiciary Commitees of both Houses and was passed in 1914.

Section 20 of this act contains these important provisions:

"And no such restraining order or injunction shall prohibit any person or persons, whether singly or in concert, from terminating any relation of employment, or from ceasing to perform any work or labor, or from recommending, advising, persuading others by peaceful means to do so.

"Or from attending at any place where any such person or persons may lawfully be, for the purpose of peacefully obtaining or communicating information, or from peacefully persuading any person to work or to abstain from working.

"Or from ceasing to patronize or to employ any party to such dispute, or from recommending, advising, or persuading others by peaceful and lawful means to do so.

"Or from paying or giving to, or withholding from, any person engaged in such disputes, any strike benefits or other moneys or things of value.

"Or from peacefully assembling in a lawful manner, and for lawful purposes.

"Or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto.

"Nor shall any of the acts specified in this paragraph be considered or held to be violations of any law of the United States."

It was not long before each of these plain provisions of the law was violated by powerful corporations. The means to this end was at hand. It was the usual recourse of the vested interests—reliance on the property-minded partisans, who constituted a majority of the United States Supreme Court. In the face of dissenting opinions by the minority members, representing its highest character and ability, that court rendered successive decisions which nullified practically every right which the Clayton Act sought to safeguard.

These decisions opened the way for an avalanche of oppressive injunctions. Their total effect has been to undermine constitutional rights and civil liberties. They have forced workers into involuntary servitude to their employers. They have justified coercion, oppression, and brutality. They have elevated assumed property rights above established human rights. They have substituted the prejudiced opinions of equity judges for the orderly processes of courts of law. They have helped the prosperous to starve the poor and enabled the powerful to crush the weak. They have intensified class hatred and encouraged contempt for the courts.

Such serious charges require strong proof. The proof is irrefutable and abundant. It is a matter of record in public documents. We shall cite enough of it to show why the injunction menace is now a major issue before Congress.

II

The information to follow is taken from three outstanding sources: Court records, the published hearings before a Senate committee, and the comprehensive treatment of the subject by Professors Frankfurter and Greene of Harvard. The cases here cited are not isolated or rare. The great preponderance of injunctions in labor disputes are directed against the workers.

A theater discharged all union employees. Their employer secured an injunction which upheld the employer's claim that the peaceful protests of workers and the press constituted "a conspiracy," and that public patronage was a "property right." It prohibited a local paper from expressing its opinion of the issue and enjoined the discharged workers from placing their case before the public in any way. People were sentenced to prison for defying this arbitrary decision. The injunction was a denial of the right of peaceful public protest, of freedom of the press, and of a community's access to both sides of a local controversy.

In the same State an antiunion group of employers conspired to force a firm to quit employing union labor. They declared a boycott against this firm and agreed not to furnish supplies or do business with it. An injunction against the conspiracy was applied for. By refusing to issue the injunction, the court supported the conspiracy to put the firm and its union employees out of business.

Time and again the established right of workers to organize has been prohibited by court injunctions secured by antiunion employers. Many such injunctions have taken this right from labor and handed it over to hostile employers. This has been done by forbidding all efforts to organize "without plaintiff's consent"—meaning the employer's.

A favorite device for dominating the workers is the well-known company-controlled union. Equity courts have strengthened this domination by enjoining organized labor from even "advising" or "requesting" any employee to become a member of any union or association except the "company union." In addition to this denial of freedom to form voluntary associations, the workers are denied access to information and advice that might better their condition. Equity courts have thus sustained industrial feudalism and economic slavery. They have gone even further in this direction.

Employers have forged the "yellow-dog contract" as a coercive weapon against employees. By that contract the worker is forced to sign away his right to join a labor union where he is then employed, regardless of whatever may develop in his own needs or the conditions of his work. Often, with no other means of livelihood before him, he must sign or see his family starve. In sustaining this form of duress the courts have forced thousands of workers into what is virtually a state of involuntary servitude.

Equity judges have often denied men the recognized right to quit work in a lawful manner. The Supreme Court has done this even after the lower courts have refused. An injunction forcing men back into the service of former employers was denied by the equity court. The United States Court of Appeals upheld the decision. The Supreme Court overruled both and issued the injunction. In the able dissenting opinion of the minority (including Justice Holmes) Justice Brandeis declared: "If, on the undisputed facts of this case, refusal to work can be enjoined, Congress created by the Sherman law and the Clayton Act an instrument for imposing restraints upon labor which reminds of involuntary servitude."

Injunctions based on Supreme Court decisions have not only forced men, against their will, to work for certain employers, but have prohibited them from "publishing, circulating, or otherwise communicating, either directly or indirectly, in writing or orally, to each other or to any other person, any statement or notice of any kind or character whatsoever, intimating or suggesting that the complainants [employers] are, or were, or have been unfair."

Through injunctions employees have been ordered to resign from their unions or lose their jobs; unions have been forbidden to assist their own members financially, to furnish appeal bonds or employ attorneys; workers have not been allowed to discuss their grievances among themselves or with neighbors. Men have been held as property, denied the testimony of witnesses, and deprived of the right of trial by jury. Plainly, this is judicial tyranny. It sanctions and enforces the oppression of one class by another, destroys human rights, and undermines democracy.

In the last 10 years the number of injunctions has increased alarmingly. Nearly 300 were issued in 1 industrial dispute, the shopmen's strike of 1922. A single injunction granted at the combined request of over 60 coal operators paralyzed the efforts of an organization numbering over a quarter of a million workers. The wide extent to which the use of injunctions has spread is beyond dispute. What is the explanation of this condition? What are the proposed remedies for it?

III

There is a very definite explanation of the conditions we have described. One of the major factors in the situation is found in the chief purpose for which injunctions are sought by the owning and employing class. As stated by Justice Brandeis, that purpose is "not to prevent property from being injured nor to protect the owner in its use, but to endow property with active, militant power which would make it dominant over men." In the ablest recent volume on the subject, Professor Frankfurter, of Harvard, established the fact that the injunction, to use his own words, "employs the most powerful resources of the law on one side of a bitter social struggle." The conclusions of Justice Brandeis and Doctor Frankfurter are amply sustained by the evidence.

With notable exceptions, the owners of wealth and property, the possessors of privilege and power, desire complete and absolute control over the jobs, the wages, and the working conditions of their employees. Not content with the power of possession and the dominant privileges that it conveys (personal, political, and social), they seek to obtain uncontested control over the largest body of producers, the working class. Organized and concerted action constitutes the workers' chief weapon of effective self-defense.

To deprive the working class of this weapon, the injunction is used with deadly effect. Even when it is not called into force, the odds are all against the workers. When it is exercised in behalf of employers, it completely paralyzes the employees' power of concerted action. With this purpose, the employing class is resorting to the use of the injunction with a frequency that has increased in direct ratio to the increased efforts of the workers to strengthen their power of collective bargaining through trade-union organization.

The primary cause of the injunction menace is the motive of self-interest that by and large dominates the business and industrial world. From this motive there emerges the greed of possession, profit, and power that produces conflict and breeds strife. While this continues, industry will be marked by the intermittent warfare of conflicting interests. While it lasts, constructive and peaceful industrial progress will be retarded and the might of the strong will prevail over the rights of the weak.

The injunction menace is a vicious consequence of class selfishness. There is no hope of a prompt cure for the social disease that produces it. But the need of immediate legislation to correct its worst evils is imperative. Limited space allows but a brief outline of certain proposals that have been made.

I. Rejection by the Senate of appointees to the United States Supreme Court with a bad record of injunctions—as in the Parker case.

II. Curtailing the practice of usurpation of legislative powers by the judiciary—as, for instance, in the Supreme Court's "interpretation" of the child labor laws and the Clayton Act.

III. Directing the power of the ballot against candidates (especially presidential and congressional) whose affiliations and records show them to be subservient to special privilege.

IV. Special legislation by Congress. The following are among the proposals made at the hearings on injunctions before a special subcommittee of the Senate Judiciary Committee. The bill that comes from that committee will be pressed for action before this session of Congress. It is obvious that some of these proposals are in conflict with others. We list them here solely for the information of our readers:

1. Forbid injunctions in the field of labor disputes.

2. Limit number of acts that can be enjoined and exempt civil and constitutional rights—such as freedom of speech, assemblage, and press.

3. In labor disputes invoking the law, confine equity courts to their original limited scope, thus compelling parties to many such disputes to settle by mediation or before the regular courts of law—civil and criminal.

4. Require testimony on both sides before a judge can issue a restraining order or temporary injunction which may—and often does—defeat the workers before the question of a permanent injunction is brought to a hearing.

5. Make provision for trial of important cases before three judges instead of one.

6. Provide that hearings on permanent injunction be tried speedily after restraining order has been granted.

7. Compel prompt hearings on cases appealed.

8. In cases of contempt of court for alleged violation of restraining order or injunction, provide that trial may be held before

some other court than the one against which the contempt is alleged.

9. Outlaw "yellow-dog" contract.

10. Restore legal safeguards such as right of trial by jury, cross-examination of witnesses, etc.

11. Define "property" so as not to include persons or abstract and intangible things.

The imperative need of legislation has been recognized by eminent jurists, economists, and men in high public office, including former Presidents Roosevelt, Taft, and Wilson. Both major parties have been forced to make public pronouncements on the subject in their campaign platforms. These few out of many similar passages from the volume of Professors Frankfurter and Greene reveal a particularly serious aspect of the injunction menace:

"As to labor controversies during the last quarter century, equity in America has absorbed the law."

"The extraordinary remedy of injunction has become the ordinary legal remedy, almost the sole remedy. * * * The injunction is America's distinctive contribution in the application of law to industrial strife."

"The judge determines the facts without a jury; the constitutional guaranty of trial by jury does not extend to suits in equity. Proceedings in contempt of the injunction are heard before the judge who granted the decree, again without a jury to pass on the evidence, frequently upon affidavits in lieu of testimony subjected to cross-examination."

* * * * * * *

STRENGTHENING OF PROCEDURE IN THE JUDICIAL SYSTEM (H. DOC. NO. 262)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read:

To the Senate and House of Representatives:

On previous occasions I have called the attention of the Congress to the necessity of strengthening and making certain changes in our judicial and law-enforcement machinery. Since then substantial progress has been made both through improved methods of administration and additional legislation. However, there is room for further improvement. With this in mind, in my annual message on the state of the Union I stated that I would address the Congress at a later date on important matters of reform in organization and procedure of criminal law enforcement and the practices of the Federal courts. The subjects are of highly technical character. They have been exhaustively examined by the Department of Justice, the Commission on Law Enforcement, and recommendations have been made over many years by various bar associations of the country.

CONGESTION IN THE COURTS

Improvement has been shown during the past three years through steps taken under direction of the Attorney General in more efficient organization of enforcement agencies through congressional action in concentration of the responsibilities in the Department of Justice and through the prison reform laws passed by the Congress. Yet despite every effort there is still undue congestion in the courts in a number of districts.

The following statistics indicate this congestion as well as the progress made.

In private litigation in the Federal courts in the last five years there has been no large increase in the number of cases commenced, but the courts have not been able to reduce the number of such cases pending and awaiting trial.

The number of Government civil cases begun in 1928 was 20,695, increasing each year until in 1931 the total was 25,332. Cases terminated during this period show that the judicial department has kept pace with the increase but has been unable to reduce the congestion.

The number of bankruptcy cases begun has increased from 53,000 in 1928 to 65,000 in 1931, with a steady increase in the number of cases undisposed of at the end of each year.

Criminal cases commenced have increased from 1928 to 1931, but the number pending shows a decrease from 30,400 at the end of 1928 to 27,900 at the end of 1931. In 1931 alone 4,000 more criminal cases were disposed of than commenced, showing a definite gain in this field. There has also been a steady improvement in the quality of the work of the prosecuting agencies. Despite an increase in the volume of criminal cases begun, there has been a steady reduction in the number left pending each year. The results attained show a greater percentage of convictions and a lower ratio of dismissals and acquittals. In 1928, 78.3 per cent of criminal cases terminated were by verdict and plea of guilty, while in 1931 this ratio had increased to 84.2 per cent. In 1928, 21.7 per cent of criminal cases were terminated by dismissal or acquittal, while in 1931 this figure had fallen to 15.8 per cent.

Final results of the more effective work of the Federal agencies for enforcement of criminal laws are evidenced by increase of prisoners. The number of Federal convicts in prison institutions and on parole increased from 19,110 at the end of 1928 to 27,871 on June 30, 1931. During the same period the number on probation increased from 3,500 to 12,000. The total number of Federal convicts under some form of restraint was 39,900 on June 30, 1931, as compared with 22,600 on June 30, 1928. The recent reorganization of the parole and probation systems not only has produced a humane result but has relieved an otherwise impossible prison congestion. These gains in effectiveness have been the result mainly of improvement in personnel, of administrative effort and reorganization, and not of reforms in judicial procedure.

I commend to the attention of the Congress the recommendations of the Judicial Conference on the subject of increased personnel. Relief should be granted in those districts where private litigants are suffering from delay, where civil and criminal dockets are seriously congested, and additional judges are needed.

REFORM IN CRIMINAL PROCEDURE

The extent of crime is and must be a subject of increasing concern to the Government and to every well-disposed citizen. This increase is by no means confined to the violation of new criminal laws.

Some part of all crime is due to confidence of criminals in the delays of the law and to their ability to avoid conviction and to delay penalties by misuse of the procedure and provisions of the law intended to assure fair trial. This is more manifest in procedure in the courts of some States than in the Federal courts. Yet important reforms in the Federal establishment and in the Federal procedure are needed and must be undertaken. Aside from its direct result, the indirect result of high standards in the Federal courts is of nation-wide influence.

CRIMINAL APPEALS

The present procedure in criminal appeals to the United States circuit courts of appeals and the procedure in the United States district courts, in preparation for appeals after verdicts of guilty, lend themselves to delay and unnecessary expense. With the granting of bail and the stay of execution of the sentence, the convicted person loses all incentive to expedite his appeal. No small part of the general criticism of the delay in criminal cases rises from the delays in the preparation and hearing of appeals after verdicts of guilty, and a reform in these particulars would be a long step in advance.

Respect for the law and the effect of convictions as a deterrent to crime are diminished if convicted persons are observed by their fellow citizens to be at large for long periods pending appeal. All steps subsequent to verdicts of guilty are involved in these processes. A statutory code of procedure on this subject would not be sufficiently flexible. I suggest that the Supreme Court of the United States be authorized to prescribe uniform rules of practice and procedure in criminal cases for all proceedings after verdicts in the district courts, and for the circuit courts of appeals, including the courts of the District of Columbia. The success of the Supreme Court in the prompt disposition of criminal cases brought before it gives confidence that it will deal effectively with this subject. The objection heretofore advanced to authorizing the Supreme Court to establish uniform rules of procedure in civil cases, that such rules would destroy the conformity between practice in State and Federal courts, has no validity against the proposal for uniform procedure in criminal cases, in which no conformity exists.

WAIVER OF INDICTMENTS

Legislation should be enacted to permit an accused person to waive the requirement of indictment by grand jury. Where the accused admits his guilt, preliminary hearings and

grand-jury proceedings are not necessary for his protection; they cause unnecessary expense and delay. In such cases the law should permit immediate plea and sentence upon the filing of an information. That would allow the accused to begin immediate service of his sentence without languishing in jail to await action of a grand jury, and would reduce the expense of maintenance of prisoners, lessen the work of prosecutors, and tend to speed up disposition of criminal cases.

INVALIDITY OF INDICTMENTS THROUGH THE DISQUALIFICATION OF GRAND JURORS

There have been many instances, some recently in the Supreme Court of the District of Columbia, where indictments, returned after long and expensive hearings, have been invalidated by the discovery of the presence on the grand jury of a single ineligible juror. By law applicable to the United States district courts, including the Supreme Court of the District of Columbia, it should be provided that if not less than 12 eligible grand jurors vote for an indictment, it shall not be invalidated because of the presence of ineligible jurors. Legislation should be enacted limiting the time for making motions to quash indictments because of disqualifications of grand jurors.

All the foregoing proposals relating to criminal procedure should be made applicable to the Supreme Court of the District. In addition, the statutes in force in the District respecting the qualifications of grand and petit jurymen and their selection should be thoroughly examined and overhauled. Grounds of ineligibility now exist which do not affect the availability or impartiality of jurymen.

The system now in operation in the District for preparing lists of persons qualified for jury service requires improvement.

JUVENILE DELINQUENTS

Each year many juveniles charged with violation of law fall into the custody of the Federal authorities. In the interest of child welfare there should be legislation enabling the Attorney General to forego prosecution of children in the Federal courts and to return them to State authorities to be dealt with by juvenile courts and other State agencies equipped to deal with juvenile delinquents.

JURISDICTION BASED ON DIVERSITY OF CITIZENSHIP

The Constitution provides that the judicial power of the Federal courts shall extend to cases between citizens of different States and the judiciary acts have provided for the exercise of this jurisdiction. In its application, the courts have determined that a corporation shall be deemed a citizen of the State under whose law it is organized. Cases involving corporations, with jurisdiction based on diversity of citizenship, form a substantial part of the business of the Federal courts. Legislation heretofore has been proposed to abolish entirely the jurisdiction of the Federal courts based on diversity of citizenship. I do not approve of such a measure.

The reasons which induced the constitutional grant to the Federal courts of jurisdiction over cases between citizens of different States still exist. To abolish that jurisdiction entirely would work to the detriment of those States which look to outside capital for the development of their business and commerce. As applied to special types of cases, however, affecting corporations, the present law allows the Federal courts to exercise jurisdiction because of diversity of citizenship, in cases not within the real purpose and spirit of the constitutional provision referred to.

I recommend the consideration by the Congress of a measure to modify this jurisdiction to a limited extent by providing that where a corporation, organized under the laws of one State, carries on business in another State it shall be treated as a citizen of the State wherein it carries on business as respects suits brought within that State between it and the residents thereof and arising out of the business carried on in such State. Such a change in the law would keep out of the Federal courts cases which do not really belong there and reduce the burdens of the Federal courts without impairing in any degree the diversity of citizenship jurisdiction which the framers of the Constitution had in mind.

PROHIBITION LAW IN THE DISTRICT OF COLUMBIA

I have hitherto recommended legislation effectively to supplement the prohibition law for the District of Columbia. The Attorney General has made recommendations as to the character of such legislation before the committees of the Congress. I again urge favorable action.

BANKRUPTCY

The Federal Government is charged under the Constitution with the responsibility of providing the country with an adequate system for the administration of bankrupt estates.. The importance of such a system to the business life of the community is apparent. The number of cases in bankruptcy has steadily increased from 23,000 in the fiscal year 1921 to 53,000 in 1928 and to 65,000 in 1931. The liabilities involved have increased from $171,000,000 in 1921 to $830,000,000 in 1928 and $1,008,000,000 in 1931, and the losses to creditors have increased from $144,000,000 in 1921 to $740,000,000 in 1928 and to $911,000,000 in 1931. The increases are, therefore, obviously not due to the economic situation, but to deeper causes.

A sound bankruptcy system should operate—

First, to relieve honest but unfortunate debtors of an overwhelming burden of debt;

Second, to effect a prompt and economical liquidation and distribution of insolvent estates; and

Third, to discourage fraud and needless waste of assets by withholding relief from debtors in proper cases.

For some time the prevailing opinion has been that our present bankruptcy act has failed in its purpose and needs thorough revision. During the past year the Department of Justice, with my approval, has conducted an investigation into the administration of bankrupt estates in the Federal courts. Nation-wide in its scope, the inquiry has involved intensive study of the practical operation of the bankruptcy act under varying local conditions throughout the United States. Court records and special reports of referees have been analyzed. Organizations of business men and lawyers have assisted in gathering information not available through official channels. Judges, prosecuting officers, referees, merchants, bankers, and others have made available their experience. Data gathered by the Department of Commerce relating to causes of failure and the effect of bad debts upon business has been studied. The history of bankruptcy legislation and administration in this country, and in Great Britain, Canada, and other countries, has been reviewed.

The inquiry has now been completed. Its result is embodied in a report which is transmitted herewith for the consideration of the Congress. Thorough and exhaustive in detail, it presents the information necessary to enable the Congress to determine the faults in the present law and to devise their cure.

The present bankruptcy act is defective in that it holds out every inducement for waste of assets long after business failure has become inevitable. It permits exploitation of its own process and wasteful administration by those who are neither truly representative of the creditor nor the bankrupt.

Except in rare cases it results in the grant of a full discharge of all debts without sufficient inquiry as to the conduct of the bankrupt or of the causes of failure. It discharges from their debts large numbers of persons who might have paid without hardship had the law discriminated between those overwhelmed by misfortune and those needing only temporary relief and the opportunity to deal fairly with their creditors.

The bankruptcy act should be amended to provide remedial processes in voluntary proceedings under which debtors, unable to pay their debts in due course, may have the protection of the court without being adjudged bankrupt, for the purpose of composing or extending the maturity of their debts, of amortizing the payment of their debts out of future earnings, of procuring the liquidation of their property

under voluntary assignment to a trustee; or, in the case of corporations, for the purpose of reorganization.

The act should be amended to require the examination of every bankrupt by a responsible official and a full disclosure of the cause of his failure and of his conduct in connection therewith for the consideration of the court in determining whether he should have his discharge.

The discretion of the courts in granting or refusing discharges should be broadened, and they should be authorized to postpone discharges for a time and require bankrupts, during the period of suspension, to make some satisfaction out of after-acquired property as a condition to the granting of a full discharge.

The choice of the liquidating personnel should be limited to competent individuals or organizations after careful consideration by the courts of their qualifications and ability to maintain an efficient and permanent staff for the conduct of the business. Compensation for such services should be upon a scale which will attract trained business organizations. Competent officials should be continuously charged with the observance of the administration of the law and with the duty to suggest to the courts and to Congress methods for its improvement. The present statute is susceptible of improvement to eliminate delay in its cumbersome processes, much of which results from a confusion of judicial and business functions.

The inquiry has not stopped with the collection of information and an expression of general conclusions. Its results have been embodied by the Attorney General in a bill for revision of the present bankruptcy act in order to present the proposals in concrete form.

I earnestly commend them to your consideration.

CONCLUSIONS

Reform in judicial procedure is, for many reasons, a slow process. It is not to be brought about by any single measure. It can best be accomplished by dealing with the subject step by step, the sum of which, in the course of time, will result in definite improvement. Taken together, the proposals above outlined offer an opportunity for substantial improvement in the administration of justice. They tend to decrease the burden on the Public Treasury and upon litigants. None of them requires consequential increase in expenditures. They would reduce crime.

In concluding, may I not say that important as these recommendations are we must all keep before us the thought that effective administration of the law in a republic requires not only adequate and proper machinery, honest and capable officials, but above all a citizenry imbued with a spirit of respect for law.

HERBERT HOOVER.

THE WHITE HOUSE, *February 29, 1932.*

The PRESIDING OFFICER. The message of the President, with the accompanying report of the Attorney General, will be referred to the Committee on the Judiciary, and the message printed.

Mr. HEBERT. Mr. President, concerning the report of the Attorney General on the bankruptcy act and its administration in the courts of the United States, I think all of us are agreed as to the importance of the subject of bankruptcy to the business of the country generally. It has been discussed in, I should say, the bar associations of all the States. It is a subject which has been before the American Bar Association for a long time, and one which has received the most earnest consideration of the members of that body.

The report of the Attorney General which comes to us this morning I think should be available to the Senate; and I ask that it may be printed as a public document in connection with the message of the President.

The PRESIDING OFFICER. Without objection, it is so ordered.

RADIO ADDRESS BY JOHN A. SIMPSON, PRESIDENT NATIONAL FARMERS' UNION

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD an able and interesting radio address made by John A. Simpson, President of the National Farmers' Union, over a nation-wide broadcasting hook-up on Saturday, February 27, 1932.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow stockholders in the largest corporation in the world, the United States of America, I am happy indeed to greet you again and to have this opportunity, furnished by the National Broadcasting Co., to report to you concerning the doings of the board of directors that you have placed here in the National Capital in charge of this great corporation.

I talked to you at this hour four weeks ago, and I thank you for your wonderful response. You may be glad to know that I received more than 18,000 letters asking for copies of that talk. Not more than half of those that wrote are farmers. At least one-half are made up of all kinds and classes of people. Among those writing were preachers, priests, teachers, students, merchants, bankers, every kind of business man and laborer.

The response was so much greater than I had anticipated that expenses reached such a sum that it requires regulation in order for me to tell you that I can furnish a copy of this talk to all who make requests. For two weeks I had five girls doing nothing but opening letters and reading them. I desire to eliminate that expense by asking anyone who desires a copy to use a postcard. Let me also ask that you write your name and address very plainly—printing it is the best method.

Out of the letters received from the talk in January quite a number asked for copies and did not sign their names at all. They are now wondering why they did not receive one. Out of more than 18,000 letters received, only seven criticized my talk. We had 30,000 copies printed, and Congressmen and Senators received so many requests for copies that Senator ELMER THOMAS placed the speech in the CONGRESSIONAL RECORD. He had 20,000 copies printed and sent out at his own private expense. You must know that the Farmers' Educational and Cooperative Union of America is strictly a farmers' organization, whose only source of revenue to the national organization is 25 cents per year dues from each member. We are poor financially but rich in principle, in faith, and in courage.

I am also glad to report to you that there never was such an avalanche of letters received by Congressmen and Senators as the result of one broadcasting talk. But it is only a drop in the bucket to what must be done to awaken the sleeping giant, Congress. Congress is the most powerful branch of our National Government. Yet the very bureaus, commissions, and departments that it creates tell Congress what to do and where to go. These "children" of Congress frequently deny United States Senators information which they have because it is of such a secret nature that Congress has no right to it. A real awakened Congress would spend about two months investigating Federal officers who should be impeached and putting these inferior commissioners in jail for contempt. The Members of the House and Senate should read the Constitution and relearn, if they have ever learned it before, that they can pass laws without asking anybody under the sun. If you suggest the passage of a certain bill, the first thing an elected Congressman or Senator wants to know is whether or not it has had the approval of some little bureaucrat and would the President sign such a measure if Congress did pass it. They surely have the inferiority complex even worse than farmers.

To-day I shall discuss three bills now pending in the House and Senate. If a million people listening in at this hour would each write to their Congressmen and Senators asking them to support these measures, telling them that you and your neighbors are going to hold them accountable in the next election, you would make easy the job of the three national farm organizations which are here in Washington attending this session of Congress.

WANTON DESTRUCTION

There are many instances of wanton destruction on the part of these various departments of government. In many instances the destruction takes place without the consent of Congress. At the disarmament conference, held in Washington and called by President Harding, a related navy strength program was agreed to by the various nations represented. This agreement involved the proposition of destroying a number of vessels this country had in the process of construction. We took half-built vessels that had cost the Government millions of dollars and destroyed them. All any other nation had to do was to tear up the plans and specifications of proposed warships. There is an old saying that "The United States never lost a war and never won a conference."

To-day, without action of Congress, public buildings here in Washington are marked for destruction. These buildings are of such permanent construction that they would be good buildings in a thousand years from now. Last spring, all over Europe, I saw many buildings a thousand years old. They were of no more permanent construction than these in Washington that are marked to be torn down. I hold in my hand a letter, dated the 8th of this month and signed by the Assistant Secretary of the Treasury, written to a United States Senator, and from which I now read:

"The public-building program under the Treasury Department contemplates the ultimate replacement of the Post Office Building located at Twelfth and Pennsylvania Avenue, the old Southern Railway Office Building at Thirteenth and Pennsylvania Avenue, and the Municipal Building which occupies the block bounded by Thirteen-and-a-half, Fourteenth, D, and E Streets.

"The Post Office Building was constructed at a cost of $2,585,000 and was completed November 26, 1898. The Southern Railway

Building was purchased by the Government on August 4, 1928, and the estimated value of the improvements at that time was $1,087,500. The cost of constructing the Municipal Building was $1,968,877. The building was occupied May, 1908."

You will observe that here is a destruction of more than five and a half million dollars worth of property. I am told that the only excuse is that the architecture of these buildings does not harmonize with the plans for beautifying the National Capital. A lack of harmony in the architecture of the various buildings appears to offend the highly developed æsthetic natures of some of our public officials. Of course it could be possible that instead of an offended æsthetic nature a fat juicy construction contract might be the motive. I recommend that you write your Congressmen and Senators demanding an investigation of the tearing down of these buildings.

Talk about public offices being a profitable business, I call your attention to the fact that in the last 10 years, on advice from time to time of the Secretary of the Treasury, the income-tax rates on incomes over $1,000,000 or more have been reduced from 65 per cent to a fraction less than 16 per cent.

ANTIHOARDING PROGRAM

Since talking to you a month ago the President called an antihoarding conference. Among those invited and attending were representatives of farmers and negroes. Can you imagine the necessity of getting a pledge from farmers and negroes that they will quit hoarding. I want you all to know that I did not attend this conference. The permanent committee left in charge of the antihoarding campaign has as a part of its program the selling of Government baby bonds as small as $50. I am just wondering how this will put the money in circulation. It appears to me it takes it out of circulation. Nine times out of ten, the poor fellow who has $50 in his pocket will be spending a little to-morrow. When he invests it in a bond it prevents every chance of his spending it. The $50 goes into the Treasury of the United States along with a lot of other money hoarded there. It is possible they are figuring when the poor fellow wants to spend some money he will sacrifice his bond at about ninety cents on the dollar to some coupon clipper. Of all the hypocracy being practiced at this time, and it is here in every shape and form, I am sure the greatest is this antihoarding program. Those who are promoting it have control of more hoarded money than all the rest of the people put together. Under present laws the Federal reserve banks could issue at any time as much as three and one-half billion dollars on the surplus of gold in the Treasury and another three and one-half billion dollars on eligible Government bonds. They are the hoarders and not the people.

WAR

With all my heart, with all my soul, and with all my might I urge you—I plead with you to write your Congressmen and Senators demanding them to do everything possible to prevent this country being drawn into the China-Japanese trouble, which threatens to become a world war. I want to read a little from a report of the great war correspondent, Floyd Gibbons. Listen to me, and in listening, picture this country involved, and mothers, your sons were being described instead of the sons of Chinese and Japanese mothers. I read from Floyd Gibbons:

"If you knew a murder was going to be committed in about seven hours and there was nothing you could do or apparently anybody could do to prevent it, how would you feel?

"Suppose instead of just an ordinary homicide, this was going to be a wholesale murder—a slaughter?

"Between sixty and seventy thousand strong, vigorous, healthy young men—many of them boys in their teens—are sleeping on their arms to-night within half an hour's walk of this room.

"All of them have been generously supplied with the latest and most-improved instruments for killing and maiming.

"Twenty-five thousand comprise one group—the Japanese.

"There are about 40,000 in the other group—Chinese.

"The two groups hate each other, not individually but as groups.

"Some time around 7 o'clock to-morrow morning—according to the present murder schedule which has been announced as officially and publicly as any sporting competition—these two groups of young men will hurl themselves at each other's throats.

"With shell, lead, and explosive, with bayonet, bullets, and bombs, the grisly spectacle will open and continue until one side or the other gives way.

"About 5,000 American soldiers, marines, and sailors will occupy ringside seats, some of them dangerously close to the conflict, because at any moment after the opening of hostilities this fight is liable to get out of the ring and spread over the arena."

Only a man on the battle front could give such a vivid description of the horrors of war. I want you to get this. All war is for profit. If we are finally drawn into this Far East conflict, it will be to protect rich men's property. This Government should immediately afford an opportunity for every citizen to get out of that country at once, and if necessary for this country to reimburse all these citizens for the loss of a few million dollars of property, do it, instead of going into a war that may cost a million lives and billions of dollars.

Here is someting interesting. One day last week, while attending a hearing on Muscle Shoals before the Senate Agricultural Committee, I heard Mercer Reynolds, a member of the Muscle Shoals Commission, say that the United States Government has the largest poison-gas plant in the world. He also said that France had just recently purchased 40,000,000 gas masks and placed them where they are available for every man, woman, and child in that country.

I said that all war is for profit. During a war the manufacturers make the profit. After a war those who hold the obligations of the Government and the people make the profit. Let me give you an illustration. In the last war the manufacturers of this country in making contracts with Uncle Sam wrote into the contracts three provisions. First, that Uncle Sam must take the goods contracted for even though the war ended the next day. Second, Uncle Sam must ship those goods to France. Third, Uncle Sam must not bring them back to this country. Under this contract this Government was shipping goods to France a year after the war had ended. When the war did end the Government found itself with $4,000,000,000 worth of property in France. Under the contract our Government could not bring this property back. They sold it to France at 10 cents on the dollar or for a sum of $400,000,000. However, France has never paid the bill and we have now granted her a moratorium. Let me give you an illustration of how the manufacturers operated. The International Harvester Co., under this contract, sold and the Government shipped to France every kind of farm implement made by them. There was shipped to France of International Harvester make, corn planters, cultivators, grain drills, drag harrows, disc harrows, and if it were not such a tragedy it would be a real comedy, the International Harvester Co. sold to the United States and shipped to France, to be used in whipping the Kaiser, thousands of International Harvester Co. manure spreaders.

SWANK-THOMAS BILL

In my talk over this broadcasting system January 23 I suggested that those listening write their Congressmen and Senators and ask for copies of three certain bills. I take it that many of you did this and that you have read the bills. I now desire to discuss these bills and shall take up the Swank-Thomas bill first. The House bill is H. R. 7797 and in the Senate it is S. 3133. The authors are Congressman F. B. SWANK and Senator ELMER THOMAS, both of Oklahoma.

The bill is an amendment to the farm marketing act. It may be divided into three parts. The first part transfers the administration of the marketing act from the Federal Farm Board to the Department of Agriculture. This is immaterial to the Farmers' Union—it is not vital and we have so told the House and Senate Agricultural Committees. The last part of the bill provides for keeping on the farm that portion of a farm crop not needed for use in this country. It makes such part unsalable until such time as some foreign buyer may be willing to pay cost of production for it. This part of the bill is also not vital and we have so told the committees. It is immaterial to us what method the Government may use in disposing of the surplus of farm crops.

The heart of the bill and the part that is vital provides for securing cost of production for that part of farm crops used in this country. The three farm organizations have adopted as a slogan, "Nothing less than cost of production for that part of farmers' crops used in this country is a remedy." I am sure that my audience will agree that no institution can operate at less than cost any longer than their capital lasts. An institution selling at less than cost of operation, if it continues to operate, must do so by borrowing on its capital. Farmers have been operating at less than cost of production so long that more than one-half of them have lost their farms through foreclosures and tax sales. That is why we say that nothing less than cost of production for that part of farm products used in this country is a remedy.

Price fixing is not new. Everything a farmer buys the seller sets the price. Even the farmers' products, after they get out of his hands, have a fixed price. Everything the Government touches the purchaser must pay a fixed price. I have never known postage stamps to sell at a discount. There are nearly a million Federal officers and employees with their services paid at a fixed price. No person can get their jobs by offering to serve for less. A ticket on the railroad, bus, boat, or airplane must be purchased at a fixed price. Why should anyone fear a fixed price on farmers' products?

Here are a few fundamentals. No unorganized group has anything to say about the price of their products. No unorganized group can take advantage of a tariff on their products. The farmers of this Nation in relation to other groups are organized to a less degree than any other group. The work of a farmer tends to make him an individualist. The members of no other group are so completely isolated from each other as are farmers, and this isolated condition of living makes him an individualist. I could qualify in court as an expert witness in the matter of organizing farmers. It is my opinion, formed out of 16 years of continuous organizing work, that they will not in the near future organize to a degree where they can set the price of their products. Here is another fundamental: When a group of producers do not set the price of their own products, somebody else does it for them. In the case of farmers, a handful of gamblers on the Chicago Board of Trade set the price of his grain. Another handful of gamblers on the cotton exchanges set the price of his cotton. And so on through the whole list of his products the prices are set by those who care not whether that price gives the farmer the cost of producing his crops.

In support of my statement that a tariff does not operate for an unorganized group let me cite wool as a farm crop on which there is a 30 cents per pound tariff. Yet farmers get less than one-half that price for wool. Also the case of wool proves that surplus is only a scarecrow. In the last 10 years we have imported

one-half billion pounds of wool more than we exported. We do not produce as much wool as we consume. Yet farmers are not getting more than one-fourth the cost of production. This ought to show any intelligent person that to reduce production of wheat to domestic consumption, so long as you let the wheat gamblers price it, there would be no assurance of farmers getting cost of production.

The Swank-Thomas bill provides that the Government shall regulate the marketing of farm crops just like the Government regulates the marketing of transportation. The Government under the interstate commerce law does not buy or sell transportation, but it does say what the price of every pound of freight shall be. It fixes this price on the cost of the transportation. The Swank-Thomas bill provides that all that part of the major farm crops, such as wheat, wool, cotton, pork, beef, poultry, and dairy products used in this country, shall be purchased by licensed buyers at a minimum price covering cost of production. Cost of production includes pay for all labor used in producing the crop and interest on the investment. This does not put the Government in business any more than the regulation of transportation puts them in business.

It is well to remember that exports of agricultural products are now only about 5 per cent more tnan imports. The 1900 census shows 30 per cent more. In other words in 30 years our surplus has decreased from 30 per cent to about 5 per cent. At the same rate, in a few years, we will be an importing Nation so far as agricultural products are concerned. The Swank-Thomas bill contemplates that farmers will be prosperous if they can have cost of production for what the home folks use. Surely no real American wants to eat a farmer's bread and butter at less than it cost the farmer to produce it.

We have precedent for doing the thing the Swank-Thomas bill provides. February, 1919, delegations of farmers' unions from one-half dozen Midwestern States came to Washington and promoted a bill through Congress providing for a minimum price for that year's crop of wheat. The bill also provided for an appropriation of $1,000,000,000 to be used in making the price effective. Remember this was after the war had closed and before any of the spring crop had even been sowed. The Government, just as provided in the Swank-Thomas bill, licensed all purchasers of wheat such as mills and elevators. Then these licensees were told, "If you pay less than $2.26 per bushel for No. 1 wheat, Chicago basis, your license will be canceled and your business closed." The result of this legislation was that the gamblers on the Grain Exchange in Chicago were forced to gamble above this guaranteed minimum price and the market went up and stayed around $3 per bushel up to May 1, 1920, when the law expired. There were three nice things about the 1919 guaranteed minimum price for wheat. First, it did not cost the Government a penny. Second, the price of bread did not advance in spite of the fact that farmers received 75 cents per bushel more for their wheat that year than they did the two years of the war, and thus it did not cost the consumer anything. Third, it is the only year in 20 years, according to Government figures, that wheat farmers made a profit on wheat. If farmers needed such aid for their 1919 crop they need it ten times as badly for their 1932 crop.

France, Germany, Italy, and other European countries have been doing this very thing for their farmers ever since the war. A little less than a year ago wife and I were in France. We visited cousins of hers who are farmers. In April last year, the very week we were there, they were selling wheat at $1.85 per bushel, figured in our money. It was much higher in theirs. We found that farmers in Italy received $1.80 per bushel and in Germany $1.88 per bushel. Each of these Governments had a minimum guaranteed price, just like we had in 1919, and their prices played above the minimum every year. In France the minimum was $1.71, and farmers were getting $1.85.

The great cartoonist, John M. Baer, made a cartoon, recently carried in Labor and copied by many papers throughout the United States, in which he shows the wheat farmer in the United States with a bag of wheat marked 30 cents a bushel. This good American farmer is talking to Uncle Sam. He points to France, where the cartoon shows a wheat farmer of that country with his bag of wheat and a price of $1.80 per bushel. This American farmer says to Uncle Sam, "Can't this great Nation do as much for the American farmer as France does for its peasants?" In the cartoon is the American consumer of bread on the American side and the French consumer of bread on the French side of the cartoon. The French consumer has two loaves of bread under his arm, the American consumer one, and the American consumer is saying to Uncle Sam, "Yes; and I pay as much for a 1-pound loaf as a Frenchman pays for two." The Swank-Thomas bill undertakes to do for the American farmer exactly what the Government of France has been doing for its farmers for the last 15 years.

The farmers I talked to in France last April told me that they were the most prosperous they had ever been in their lives with the exception of during the World War when the lowest price they received for wheat was $3.48 per bushel. You farmers listening in at this time, if you are satisfied with the price the gamblers fix on your products, then turn from this hour happy and contented. If you are not satisfied with a gambler-fixed price, then turn from this hour and write your Congressman and Senators demanding them to support the Swank-Thomas bill. Call a mass meeting in your neighborhood and pass resolutions addressed to Hon. MARVIN JONES, chairman of the House Agricultural Committee, and Hon. CHARLES L. MCNARY, chairman of the Senate Agricultural Committee, demanding the Swank-Thomas bill be reported out at once.

FRAZIER BILL

In the series of the three bills none is more important than the refinancing bill introduced by Senator FRAZIER. Five State legislatures have passed resolutions memorializing Congress to enact the Frazier bill into law. Farmers owe so much that they can not pay the present high rates of interest and taxes. The Mid-West States are fast becoming the largest landholders in America. In the last few years, through tax sales, 70,000,000 acres of land have become the property of a dozen States. The Frazier bill provides for refinancing farmers on a basis of 1½ per cent interest and 1½ per cent payment on the principal each year—a total of 3 per cent per year. If the Frazier bill becomes a law, it means a reduction of total interest paid by farmers of at least $500,000,000 per year. Even though farmers were getting cost of production they could not pay their debts at the present high rates of interest, which means the Frazier bill is vital to the economic life of agriculture.

The Frazier bill has in it provision for the Government issuing money to loan to farmers to pay off their present indebtedness. It is estimated it would require three or four billion dollars to refinance those farmers who would make application. Everybody here in Washington, from the President down, now admits there is not enough money in circulation to do the business of the country. Every bill passed in this session of Congress has provisions for increasing the volume of currency, but on a basis of paying interest to bankers, which means increased taxes on the 120,000,000 common people of the country. The Frazier bill provides for Government money instead of bankers' money. It will be a source of revenue to the extent of 1½ per cent to the Government and thus will reduce the taxes of us 120,000,000 common people.

To all farmers listening in who are satisfied with the rates of interest they are paying I want you to turn from this hour smiling, happy, and contended, but to all those listening in who would like to have a loan on the terms of the Frazier bill turn from this hour determined to do your part to give your Congressmen and Senators the courage to look international bankers in the eye and say, "Get thee behind me, Satan."

WHEELER BILL S. 2487

Money is a crop, just like wheat or cotton. The value of the unit of a crop depends largely upon the size of the crop. When the crop of wheat is a small one the value of the unit, a bushel of wheat, goes up. When the crop of wheat is a large one the value of a bushel of wheat goes down. The same thing is true of the money crop. When there is a large crop of money the purchasing power of the unit of money, a dollar, goes down. When there is a small crop of money the purchasing power of the dollar goes up.

The money crop is by far the most important of any crop, because it measures to a large extent the value of all other crops. A high-priced dollar means a dollar that will buy a lot of wheat, a lot of cotton, a lot of any commodity. The important thing about change in the purchasing power of a dollar is its effect on fixed charges, such as taxes, debts, and interest on debts. Hence, the control of the money crop is the most powerful influence in the Nation.

The Constitution of the United States says, "Congress shall have power to coin and regulate the value of money." Regulating the value of money is done by controlling the volume of money. It was never intended that Congress should transfer this power to anybody else, but they did. In the national bank act of Civil War times, the demonetization of silver in 1873, and the Federal reserve act in 1914 Congress absolutely transferred the control of the money crop in the country to a handful of international bankers. They can make the crop big, as they did during the war, and the purchasing power of the dollar comes down.

May 1, 1920, the volume of money was so big in this country that a dollar would only buy one-third of a bushel of wheat. It would only buy 2½ pounds of cotton. It would buy less than 2 pounds of butterfat. Farmers and other people borrowed lots of money when it took so little of their product to purchase a dollar. Then out of a clear sky those who control the crop of money ordered the payment of notes and other obligations, and as fast as notes were paid currency was destroyed.

A little while ago I told you that one set of war profiteers are those who hold the obligation of the people and the Government. Let me amplify. The latter part of January, 1920, I was here in Washington attending to some business for members of the Oklahoma Farmers' Union, of which I was president at that time. While here I visited Mr. John Skelton Williams, who was the Comptroller of the Currency. I asked Mr. Williams, "When is deflation to begin?" He answered me, "The other members of the board have just voted for it to begin May 1 this year." Then he told me this sordid story. He said, "I told them that such a course would break lots of little country banks." He said, "They answered me that the little banks ought to break, there are too many of them." Tears were on his cheeks when he said that he told them "such a course would ruin lots of farmers, and that they cold-bloodedly replied, 'They ought to be ruined; they are getting so prosperous they won't work.'"

At that time there were 30,000 banks in this country. To-day there are about 20,000. Ten thousand have closed their doors. And I know I am conservative when I say that one-half the farmers have been ruined. I have a number of citizens to cor-

roborate this testimony of mine. I would have no trouble in establishing this in a court of record. I am telling it to you in order that you may know that this thing did not just happen. I want you to know it was deliberately planned and diabolically carried out. He who says no one is to blame is either an ignoramus or a knave.

As proof that I believed what Mr. Williams told me, I went back to my home in Oklahoma and on the 5th day of February, 1920, made a public sale. I did not wait to catalogue my registered shorthorns. I did not wait to get an expert auctioneer for the full-blooded livestock I put in that sale. I employed a farm auctioneer living there in the community and described the breeding of my livestock myself.

I expect there are farmers listening in at this hour who purchased cattle at my sale, with the banker standing at their elbow urging them to bid, assuring them that their note would be carried more than the six months for which it was being made. When the note was due six months later, that banker, through orders that came from the international bankers, forced those farmers to pay their notes, and many of them sold the same cattle at one-fourth of what they paid for them February 5, six months before. As further proof that I believed what Mr. Williams said, I was at that time editor of the Oklahoma Union Farmer, which went to every member of the Farmers' Union in Oklahoma. In the February 1st issue, 1920, I warned the members of what I had learned from the Comptroller of the Currency. I do not want you to blame the little banker in your town. He was as innocent as a baby and as surprised and shocked as you were when he was informed May 1st notes must be paid.

The job the Wheeler bill proposes to do is to break the strangle hold the international bankers have on the money crop of this country. I firmly believe there is no bill the international bankers will do more to defeat than the Wheeler bill, remonetizing silver. If you want to deal a blow to these pirates of finance, shower your Congressmen and Senators with letters, petitions, and telegrams until they have the courage to look an international banker in the eye and defy the power that has gripped your National Capital. The battle here is—

SILVER MONEY VERSUS BANKERS' DEBT MONEY

There was a $2,000,000,000 dole given to big business in a recent act of Congress, all based on a debt that bears interest, and to pay which taxes must be levied from the 120,000,000 common people.

Just recently a bill has passed both Houses and signed by the President giving additional control of the money crop to these international bankers up to at least a production of another $8,000,000,000. All of this is based on the interest plan, and the control completely in the hands of the international bankers' financial wrecking crew.

You should insist that your Congressmen and Senators vote for the remonetization of silver. If made a law, it will increase the volume of basic money in this country by $2,000,000,000 without cost to the taxpayers of the Nation. It is money over which international bankers have no control. It is the money of the 120,000,000 common people of our Nation. We have been robbed of our money; let us restore it to ourselves and give the 20,000 ultra-rich their money, the gold of the country. Gold is a note-increasing money, while silver is a note-reducing money.

My friend John M. Baer has drawn another cartoon showing these international bankers as note raisers. They took a farmer's note for $3,000 May 1, 1920, placing a mortgage on the farmer's land to secure the note. At that time 1,000 bushels of wheat in Chicago would have paid the note. These international bankers changed the 3 in that note to 18, which is raising it from a $3,000-note to an $18,000 one. In other words, with wheat at 50 cents a bushel it now takes 6,000 bushels to pay the $3,000 note. The same is true if measured in cotton, in pork, in beef, or most any farm commodity.

We must have the Wheeler bill in order to make it possible for us to pay the debts we made when wheat was $3 a bushel and cotton 40 cents a pound.

Gold is a trade-killer money while silver is a trade-getter money. Three-fourths of the people of the world can sell to us but can not buy from us, because we are on a gold standard and they are on a silver or bimetallic standard. Canada, since England has gone off the gold standard, can ship butter into this country, pay the tariff, take a gold dollar back and change it into $1.33 of their money, which, after paying the tariff, shows a profit. If the Wheeler bill were passed, in 30 days the nations of the world would be at our doors ready to buy products for which at the present we have no world market.

The prosperity and happiness of our people depends upon three things—production, distribution, and exchange. Two of these things are working—production and distribution. Production is working, as evidenced by the fact that the farmers' granaries are full and the manufacturers' warehouses are overflowing. Distribution is working. We eat strawberries in Washington to-day that were picked in Florida yesterday. The third thing—exchange—has fallen down. The gold standard has proven inadequate not only for this Nation but for the whole world as well.

Mr. L. D. Brandeis, a member of the United States Supreme Court, in a book written 10 years ago, entitled "Other People's Money and How the Bankers Use It," said: "We must break the Money Trust or the Money Trust will break us."

Sir Henry Deterding, head of Shell Oil Co., recently said: "This barring of silver is undoubtedly one of the main causes of the restriction of world trade to-day."

Roger Babson, the great economist, said September 28, 1931: "Silver will be remonetized. The purchasing power of silver thus restored will boost the purchasing power of countries on a silver basis. Until this is done the recovery of world business will be delayed."

Arthur Brisbane said recently: "The bankers want money as scarce as possible so that they may more easily control it and increase their power, but they are short-sighted and must realize soon that gold is too scarce and is actually cornered by two nations, leaving the others without real money to carry on the business of the world."

The recent bills passed by Congress to make more money not only are to be condemned because they are on a basis of paying interest to bankers but more to be condemned because they only pretend to be temporary relief. The bills themselves provide that the increased circulation shall be withdrawn at the end of a year.

If you are satisfied for international bankers to continue to control all the money crop, then turn from this hour happy and contented. On the other hand, if your soul rebels against what has been done and what is being done and you desire to add $2,000,000,000 to the world's supply of money, a permanent increase in the volume of our circulating medium, then neither eat nor sleep until you have done your duty as a citizen in securing the passage of the Wheeler bill by writing your Congressmen and Senators demanding that they support this measure.

THE FARMERS' UNION

The Farmers' Educational and Cooperative Union of America is just what its name implies—a class organization of farmers whose purpose is the educating of farmers to the end that they may cooperate. Education and cooperation are the two themes suggested in the full name of the organization. We are a militant farmers' class organization to which every farmer in the United States should belong. If every farmer in the Nation did belong, this thing could all be over in 10 days. There are a dozen ways we could get what is right if we were organized 100 per cent. If there is nothing done at this session of Congress to place agriculture on an equality with other industries, the fault will be with those farmers who have neglected to get into their own class organization, the Farmers' Union. Most other groups are into their unions 100 per cent, and I respect them for their intelligence in this matter. I have never been any place in the United States where the teachers were not members of their union to the last man or woman. I have never been any place where there was a nonunion banker—they all belong to their union. It is a mystery to me how some four or five million farmers in this country feel that they can get along without their organization when they see their business, laboring, and professional brothers organized 100 per cent. If it is necessary for all bankers to belong to their union in order to protect and better the conditions of their families, I am sure it is much more necessary for farmers to do the same thing.

Farmers listening in, as I close this talk, let me remind you that our enemies have said a million times and they express it in three words, "Farmers can't organize." Every farmer in the United States who is not a member of his class organization is a living witness to this statement of the enemy. I beg of you to become a member of your class organization. Do it at once. Quit bearing testimony for the enemy. Get on our side of the case and be a witness for us that farmers can organize. The enemy has three other words. You have heard them. They are, "Farmers won't stick." Ah, my brother member of the Farmers' Union out there in Colorado, in Oklahoma, Kansas, Nebraska, the Dakotas, Minnesota, Wisconsin, Iowa, and a dozen other States, you, who have not paid your dues for 1932, have been a living witness for the enemy for 1 month and 27 days. Oh, I urge you, I plead with you, go to the local secretary before the sun goes down and by paying your dues get on our side of the case and be a witness for us that farmers will stick.

I am pleading with all my soul for you to get into the union, and I warn you that the rumblings of revolution are at your door. I know you can hear it. I warn you that want and hunger have been allowed to enter millions of homes and remain there unmolested. I know you can see it. I warn you that greed and avarice, clothed in royal purple, are respected and adored here in Washington, while love and unselfishness go in rags and are shunned as things unclean.

PLATFORM ADOPTED BY DEMOCRATIC STATE CONVENTION OF OKLAHOMA

Mr. THOMAS of Oklahoma. Mr. President, a few days ago the dominant party in my State held a convention, adopted a platform, and selected delegates to attend the national convention in Chicago. The convention was harmonious, and undertook to interpret the issues and to suggest remedies.

The convention, without a dissenting voice, indorsed our governor, William H. Murray, for President; and inasmuch as the platform embodies the views of Governor Murray as to fundamental issues and suggested remedies, I ask unanimous consent that a copy of the platform be printed in the CONGRESSIONAL RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

DEMOCRATIC PLATFORM SUBMITTED TO THE DEMOCRATIC STATE CONVENTION AT OKLAHOMA CITY, OKLA., ON FEBRUARY 20, 1932, BY GOV. WILLIAM H. MURRAY

FUNDAMENTALS

New issues arise and old issues perish, but the fundamental docrine of the Democratic Party must ever remain one and the same to-day as when these principles gave it birth—belief in written constitutional government of three departments, legislative, executive, and judicial, equal and coordinate, to the end that we may ever remain a government of laws and not a government of men, such laws to bear equally upon all without regard to class or class distinction, such government never to be too weak for the strong nor too strong for the weak. We believe in a perpetual union of indestructible States and in local self-government in fullest measure consistent with general public order and stability.

The democracy of Jefferson, the nationalism of Jackson, the progressive economic betterment of Wilson and Bryan, and the liberty of Lincoln, linked with the safeguards to the people and limitations of government under the Federal and State Constitutions, which Constitutions and all amendments thereto we pledge to enforce, is the pledge of the Democratic Party for the future of America.

All citizens of the Republic—Catholic or Protestant, Jew or Gentile, pagan or persons of any or no belief whatever be the race—rich or poor, of high or low estate, are under the same obligations to and are entitled to the equal protection of the laws and of the impartial rights of the Constitution. The poor and weak are always, and are now, the subject of special care and solicitude of government.

The Constitution, being the fundamental law—the sober second thought of the people, designed by them to establish orderly, efficient government, to define the powers of public officials, and to restrain themselves in moments of passion—and all amendments thereto, have been brought forward at the instance of the people of the several States and adopted free from fanaticism or party rancor. We hold that other changes of the Constitution or amendments adopted or repealed should come from the people and receive sanction by the States or people without party coercion.

The Democratic Party is, as its name implies, a party of the people, to serve the whole of humanity. It stands equally opposed to the cormorant and the commune—opposed alike to those on one side who want a few to own everything as well as those on the other who want no one to own anything. It stands for an equitable division of created wealth, under fair competition, regulated by just laws, restraining unscrupulous, intellectual, cunning, and corrupt combinations of capital and wealth.

We favor rigid honesty, economy, and efficiency in government, State and National.

We believe in peace, commerce, and honest friendship with all nations—entangling alliance with none.

We believe in industrial and social justice.

We believe in the equality of economic opportunity.

We believe that this country should be in the future, as in the past, "the land of opportunity," unfettered by privilege and unshackled by monopoly.

We believe that less taxes, more trade, and no trusts are essential alike to the emancipation and to the prosperity of the unprivileged masses.

PARAMOUNT ISSUES

We declare the paramount questions of the hour to be to provide for the unemployed; for the security of old age against hardships and poverty; and the economic betterment of the great middle class, now threatened with bankruptcy and extermination, which, if continued, would mean the erection in this fair land the social system of the Old World, with but two classes—the rich and the very poor—and, once poor, always poor, with no hope of advancement, social, financial, or political. In such a society, the rise of another Lincoln would be impossible. Personal and political liberty would perish, with economic enslavement of common humanity, and a political structure of the corrupt combination of corporate capital and wealth, supported and fostered by the abuse of the equity powers of courts through injunction, until the Republic ultimately became a veritable "government by injunction," enforced by marshals and military power, destroy entirely the rights of common humanity to those constitutional guarantees of freedom of speech, of action, and of thought, often recently perpetrated by the inferior Federal courts against the laboring man in his just demands for fair treatment and a living wage.

The restoration of the great middle class, we declare, must come through extending credit and banking privileges to the producers who operate the farm, the field, pasture, forest, and mines; to independent merchants; to the small manufacturers and little enterprises; to cease fostering stock and grain gambling and the speculator, who "neither sows nor reaps" nor adds one cent of wealth to the Nation nor employs labor. To this end we declare for the repeal of the 10 per cent tax passed by a Congress serving bondholders and the speculators of Wall Street and which tax drove out of existence the Scotch agricultural banks which had served so well the producers of the land since the formative period of the Government, from 1790 down to 1875.

We favor provision for the installation of the Scotch banking system for the producers and for the little manufacturer and commercial man; and, in the interest of a growing foreign commerce, the placing on the Federal banking board of the Federal reserve system no banker and substituting therefor qualified men in the fields of manufacture, transportation, production, and marketing as the first step toward the employment of labor.

We condemn the system of issuing bills of credit, bank notes, or currency based on debts, public or private, as a failure, in that it can not be the measure for needed extra currency; and we favor basing banking notes or currency on the product or article of value which made extra currency necessary as the true measure of needed extra currency and as sound in principle, in that it represents the exchange value of one product in exchange with another.

We hold that since Congress, under the Constitution, is authorized to coin money, that it is the duty of the Government to coin both gold and silver in sufficient quantity to meet the regular or normal demands of commerce and business and in aid further of the farmer and independent business man; that we declare for tax reform, State and National, based upon the ability to pay and the service of Government received, through a graduated income-tax system; for economy in government by abolishing all unnecessary boards and commissions, and by preventing duplication of service, so that coordinated government may take the place of our bureaucratic system, for, wherever in the world, ancient and modern, bureaucratic government has existed, it has been attended by lawless administration, extravagance, and corruption, and fostered, as in ancient times, by limitation on the freedom of speech and, in modern times, by poisoning the source of information, which inevitably results in erroneous conclusions of the citizen on public measures and administrations through false information.

The Democratic Party believes in a government in strict conformity with the Constitution of the United States in all the branches—executive, congressional, and judicial—and deplores the practice of the inferior Federal courts for the past 30 years in their exercising powers not within their jurisdiction, often arbitrary to the extent of nullifying the freedom of speech, freedom of the press, and freedom of action, particularly in labor controversies, and in the interest of great corporations, creating for them a "twilight zone" of escape from control both by the Federal and State Governments, and exemptions from the payment of their just share of taxes to both Governments; and the Democratic Party pledges a strenuous effort to resist such usurpation of power, and pledges its Members of Congress to impeach any Federal judge who, in the future, by abuse of his equity power, attempts to destroy the provisions of the Constitution of the United States, particularly those clauses guaranteeing freedom of the press and freedom of speech and the eleventh amendment.

The eleventh amendment of the Constitution of the United States was adopted alone, and expressly provides that the judicial power of the Federal courts shall not extend to the right of a citizen, natural or corporate, to drag a sovereign State into the courts; and, notwithstanding such provision, the Federal courts in the past several decades have repeatedly issued writs of injunction against and sought to bring into court the sovereign States of the Union, in violation of the eleventh amendment.

The Democratic Party condemns the present policy of the Republican Party in promoting the loans of international bankers directly to foreign nations, for the reason that it involves our Nation, and causes us to be interested in the political fortunes of the administration and forms of government of such nations, through fear of loss of such loans. The Democratic Party would rather promote such loans to the development of foreign countries through private grants to private enterprises, thus giving an outlet to professional engineers and other skilled Americans, and, at the same time, an outlet through such enterprises for the sale of American agricultural and manufactured articles. We declare that the American Government and its citizens will ever applaud and encourage democracy in governments with republican forms, but that the form of government in other nations is not our concern, otherwise we must needs become embroiled in their controversies, fanaticism, and hate, which invariably endangers our peace and safety.

We are opposed to repudiation and we believe in national honor; we call upon the nations of Europe to preserve theirs by making a sincere effort to pay their obligations to us in the same coin received, and not be their irate idiaoma. We are generous enough to indulge those who require more time for the discharge of their obligations, but do not sanction repudiation of them.

The Democratic Party is a party of international peace, which can be attained by justice and fair play; and that policy of justice toward the nationals of other nations, and between ours and theirs, the Democratic Party will ever seek to do, to exact, and to perform, as the surest and safest method of promoting international peace. We believe in the reduction of the world's armament, and pledge our reduction in proportion to their reduction, and we further declare that not another dollar shall be loaned by American capitalists to any nation to construct battleships or armaments or ordnances for war.

The rights of an American citizen should be protected wherever he may be lawfully found—whether on the border, the high seas, or in foreign lands. Throughout the world the Stars and Stripes should be to him an ever safe shield.

The Democratic Party believes in promoting our foreign commerce, in continuing our commerce to its normal, natural strength in Europe and through the "open-door" policy in the Orient, but with special effort in Latin America, as providing an outlet for our agricultural and manufactured products, where conflicts are least likely to occur to disturb our foreign relations and peace with neighboring nations; for the further reason that Latin America can furnish us with coffee, rubber, hardwoods, and all

other raw materials needed, and we can furnish Latin America with all the products they need, thus promoting trade by providing cargo each way and a balance in the exchange of the moneys. We favor the continuation of the policy of reciprocity with Latin America, and extending it so as to give outlet for the products of the farm as well as those of the manufacturer. We believe in the most cordial and cooperative relations with all of Latin America, without interfering with the political or social problems of any of them.

The Democratic Party stands for the preservation of the Monroe doctrine, with a view to preserving the Western Hemisphere from the schemes of monarchal Europe and to secure the safety and justice throughout the Western Hemisphere, with the corollary of that doctrine growing out of the American-Isthmian policy in the construction of the Panama Canal and the purpose to construct the Nicaragua Canal. Since said canal, in a very great measure, increases our naval strength, by permitting the mobilization of the Pacific and Atlantic squadrons on either coast readily in case of attack on either shore, and since the Nicaragua Canal would shorten the distance of travel between the Atlantic and Pacific seaboards approximately five days, the construction of such canal would thereby further increase our naval strength as well as aid commerce in the world's trade; and since we hold by treaty agreement with Nicaragua the right to construct such canal, and since two canals would be needed to facilitate the world's commerce, and one would be a protection to the other against bombing planes in case of war, we therefore favor the construction of the Nicaragua canal as speedily as the financial condition of the country will permit.

The Democratic Party believes in a small skeleton Army, consisting of a full quota of well-trained officers, artillery, airplanes, and coast defense, which require great length of time for preparation or construction, with the smallest possible private soldiery consistent with safety in time of peace, for a citizen soldiery can always be readily organized for service, while it requires years to train good officers and to construct fortifications.

In all future wars the Democratic Party favors conscripting both men and property for the purpose of war.

The American people have always had the good sense to support appropriations for an adequate Navy, which is more necessary now than heretofore, because of our great length of coast, and for the protection of our ever-growing foreign commerce, and developing and extending merchant marine.

We are proud of the achievements in the past of the American Navy, in that it destroyed the opposing fleet in most of the wars in which we have been engaged, and has never been whipped in battle.

The inferior Federal courts, in passing upon questions growing out of the interstate commerce laws, have created a "twilight zone," which has hampered and restricted the States in the taxation of property and business employed in interstate commerce within the several States, upon equal terms with the taxation of property and business employed in intrastate commerce; thus permitting such property and business employed in interstate commerce to escape fair and just taxation by the States. Therefore, it is the sense of the Democratic Party that Congress should pass such legislation as will clarify and define the power of the States to levy equal taxation upon the property and business employed in both interstate and intrastate commerce within the several States, as has been done by Congress in clarifying and defining the power of the States to levy taxes upon national banks and the property of Indian tribes; and, to that end, we favor Senate bill 3074 (72d Cong., 1st sess.), now pending before the Committee on Finance.

In the enactment of income tax laws we favor the highest rates on excess salaries paid to managers and officers of corporations to discourage them, as a just measure in the interest of the stockholders whose just shares of profits are too often consumed by the managers of the concern to whom the citizen has entrusted his surplus earnings; with a like heavy tax upon large inheritances and corporations or persons who may show a net excess profit annually as a just tribute to the public upon excess profits and monopolies. These excess and unjust profits were taken from the public, and, in justice, should be returned to the public, through taxation.

In the law governing the assessing of income tax, a corporation should have all of its subsidiaries and holding companies considered and assessed as one concern; and thus defeat the cunning effort to deprive either the State or Nation of its just proportion of taxes.

We believe in extending equal benefits of tariff laws to the farmer and all producers of raw materials, as provided for the manufacturers; we believe in a tariff that would equal the difference of cost at home and abroad. Under such a tariff, monopoly can never arise; competition is always fostered, and the largest encouragement given to foreign trade. We condemn the Republican high protection tariff, for the reason that such tariff produces no revenue, but fosters monopoly, and destroys foreign trade, and it has been one of the most potent contributing causes of the present panic and of our army of unemployed.

The Democratic Party proclaims, as of first importance, for the betterment of all producers—the farmer, the stock grower, the fruit grower, and gardener—by extending easy credit at the lowest rate of interest, permitting them to move, hold, and market the products and by providing sure and certain markets with living profits, and for this purpose we reaffirm the platform of agricultural betterment adopted at Houston, Tex., in 1928.

The principle is fundamentally sound to encourage the ownership of farm lands in small tracts by actual farm home owners. We therefore favor legislation, State and national, that will discourage and prevent our farms becoming permanently owned or controlled by corporations, with additional provision to aid the actual home owners to acquire homes for themselves and families, with either abolition of or at least a limit to a minimum the amount of ad valorem tax that may be collected on the homes of the people. We hold that every law, State and national, should have for its ultimate purpose the fortification of the home, the protection of the family, the security of wife and mother, that they may develop and train up healthy children to become sober, moral, and law-abiding citizens, as the only sure guarantee of the perpetuity of the Republic.

We favor the conservation of our natural resources now rapidly becoming exhausted—the fertility of the soil, the forests, oil and gas, lead, copper, and zinc, and other minerals. To promote this service we favor invoking the power of "the league of States" and treaties with the States and the Federal Government defining the duties of each, as was done to decide the controversy of the source of the waters of the Boulder Dam project, as the surest plan for the conservation of these natural resources and for remuneration of enterprises developing these natural resources as the best way under the Constitution of the United States.

The Democratic Party, as a matter of common justice, favors paying speedily the remainder of the bonus due the veterans of the World War; and further, because these payments being paid in all parts of the country will prove an economic betterment to all classes of business and enterprises in all sections of the Republic.

The Democratic Party pledges to operate the Government within the revenues, and to make payment of the public debt as speedily as it is possible so to do. The payment of the public debt and stop increasing it is the surest method of extinguishing the overhead, which produces the high cost of living and increased taxation.

We stand for the principles of Jefferson; we declare the foregoing as of paramount importance, and we reaffirm the party's declaration of principles in the most recently adopted platform, as fully and as completely as if repeated here, as adopted in Tulsa in 1930, and in Houston in 1928; and, upon the foregoing declaration of principles, sincerely approved, we appeal to all Americans to unite with us upon them, and to support candidates only for public office who will honestly endeavor to carry them out.

PROPOSED ANTI-INJUNCTION LEGISLATION

The Senate resumed the consideration of the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Montana [Mr. WALSH].

Mr. WALSH of Montana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Robinson, Ind.
Austin	Cutting	Johnson	Schall
Bankhead	Dale	Jones	Sheppard
Barbour	Davis	Kean	Shipstead
Barkley	Dickinson	Kendrick	Smith
Bingham	Dill	Keyes	Smoot
Black	Fess	King	Steiwer
Blaine	Fletcher	La Follette	Stephens
Borah	Frazier	Lewis	Thomas, Idaho
Bratton	George	Logan	Thomas, Okla.
Brookhart	Glass	McGill	Townsend
Broussard	Glenn	McNary	Trammell
Bulkley	Goldsborough	Metcalf	Tydings
Bulow	Gore	Morrison	Vandenberg
Byrnes	Hale	Moses	Wagner
Capper	Harrison	Neely	Walsh, Mass.
Caraway	Hastings	Norbeck	Walsh, Mont.
Carey	Hatfield	Norris	Waterman
Connally	Hawes	Nye	Watson
Coolidge	Hayden	Oddie	Wheeler
Copeland	Hebert	Patterson	White
Costigan	Howell	Reed	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present. The clerk will state the amendment offered by the Senator from Montana [Mr. WALSH].

The CHIEF CLERK. On page 6, the Senator from Montana proposes, in line 7, before the word "committed," to insert the words "threatened or," so that if amended it will read:

(a) That unlawful acts have been threatened or committed and will be continued unless restrained.

Mr. WALSH of Montana. Mr. President, I rise simply to say that if the amendment should be adopted I shall ask that the bill be further amended by the insertion, after the

word "be," in line 8, of the words "committed or," so that it will read:

That unlawful acts have been threatened or committed and will be committed or continued unless restrained.

I understand that in the event of the adoption of these amendments the Senator from Nebraska [Mr. NORRIS] has an amendment to offer which will further guard against abuses of the writ, in which amendment I quite heartily concur.

Mr. HEBERT. Mr. President, the amendment of the minority applying to that clause reads as follows, and I commend it to the attention of the Senator from Montana:

(a) That unlawful acts have been threatened or committed and will be executed or continued unless restrained.

It occurred to me that the language was a little better and applied to both contingencies. I will read it again for the information of the Senator:

That unlawful acts have been threatened or committed and will be executed or continued unless restrained.

Mr. WALSH of Montana. That is exactly the same as the language proposed by me, except that I have used the word "committed" instead of "executed."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Montana.

Mr. NORRIS. Mr. President, I have reached a complete understanding with the Senator from Montana, if it is agreeable to the Senate. I shall have no objection to this amendment of the Senator from Montana if, at the end of line 8, certain language is added, which I shall read in a moment. I desire simply to state that unless modified in some way, and this amendment agreed to, it seems to me there would be great possibility of damage and injury that we are not thinking about.

As I tried to say on Friday, we ought to be, I think, extremely careful lest an unfriendly Federal district judge do what some Federal district judges have been doing during the last 10 years, and which, as a matter of fact, has been mainly responsible for the demands for reform that have become almost universal.

For instance, to be specific, one of these district judges held that the organization of the United Mine Workers of America, standing alone and of itself, was an illegal act, and a violation of the antitrust laws of the United States. To the credit of the Supreme Court be it said that, although they affirmed the judgment, they set aside that part, and distinctly stated that no such finding was justified, and that no such conclusion could be drawn as a matter of law. I mention that only to illustrate the difficulty.

Suppose the amendment of the Senator from Montana were agreed to; and, as I said the other day, if we were going always into an unbiased and unprejudiced court, I would not object to it, because it is the language usually used in a statute affecting injunctions. But suppose there were danger of a strike, and a union had a dispute with the owners of a mine, let us say. Let us suppose they were trying to adjust the difficulties, perhaps a question of wages, perhaps the question of working conditions, perhaps both. They may not have reached an agreement, and the union finally notifies the operator of the mine that they want a conference, and the operator of the mine says, "There is no use of a conference; I have nothing to confer with you about." Finally the union serves notice on the operator to this effect, "Unless you will give us a conference within 10 days from the date of this letter to take up with you working conditions and our wages," or whatever might be in dispute, "we will order a strike." That is all that will be necessary for some of the Federal district judges. They will say, "That is a threat," and they will issue an injunction on that statement.

I only offer that as an example. There are thousands of other ways in which it might arise. So I have submitted to the Senator from Montana a proposition to strike out, at the end of line 8, page 6, the semicolon and to insert a comma and this language, "But no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons making the threat"——

Mr. WALSH of Montana. It should be "threat of an unlawful act," should it not?

Mr. NORRIS. I think that is what it means. It would be all right to ask that, although as a matter of fact I do not have it that way on the paper before me.

Mr. WALSH of Montana. The Senator read it "or" instead of "of."

Mr. NORRIS. Let me read it again. "But no injunction or temporary restraining order shall be issued on account of any threat or unlawful act." What does the Senator want?

Mr. WALSH of Montana. It should be "of unlawful act."

Mr. NORRIS. This particular subsection refers to unlawful acts just as well as to threats.

Mr. WALSH of Montana. Yes; the section refers to unlawful acts committed, and the amendment proposes to add "unlawful acts threatened." The "committed" seems to be taken care of, and the Senator simply wants to take care of the matter of threats.

Mr. NORRIS. Yes.

Mr. WALSH of Montana. It should be, then, "No injunction or temporary restraining order shall be issued on account of any threat of an unlawful act."

Mr. NORRIS. I want to include everything that is included in the language. I am perfectly willing to say "threat of an unlawful act" because that is what I mean, but I was including also unlawful acts of themselves.

Does the Senator want the court to have power to issue an injunction on account of an unlawful act against somebody who is not claimed to have committed an unlawful act? Why not include unlawful acts the same as threats?

Mr. WALSH of Montana. I have no objection to including them.

Mr. NORRIS. That is all I have tried to do.

Mr. BRATTON. Mr. President, let me inquire where the proposed amendment is to come.

Mr. NORRIS. At the end of line 8, on page 6.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. I want to ask the Senator, because I want to be clear as to the point he is making, whether he believes that no injunction should issue under any circumstances on account of unlawful acts.

Mr. NORRIS. No.

Mr. KING. If a man threatens to burn a bridge over which a train is to go, should not an injunction issue?

Mr. NORRIS. Yes; and this is going to permit it.

Mr. KING. I may not understand the effect of the Senator's amendment.

Mr. NORRIS. Suppose we say, "If you make a threat to burn a bridge." Senators have great concern about this bridge. Several Senators talked about it on Friday. I do not know just where the bridge is, but I think it was said to be located in Texas. Great concern was manifested about a threat to burn a bridge, and Senators said we ought to leave the law so that if anybody made a threat to burn that bridge he could be enjoined. I have no objection to that, and that is what I am trying to do; but I do not want a court to have power to issue an injunction on account of a threat made to burn a bridge against somebody who did not make the threat to burn the bridge. That is what I am trying to protect in this amendment.

Mr. WALSH of Montana. Mr. President, the Senator has not yet had an opportunity to read his amendment.

Mr. NORRIS. No; I have not yet had opportunity to read the amendment I am suggesting. That is what I am trying to do, and what I have said as preliminary is that I am afraid that if we do not do something of the kind, some Federal judge will do the very thing I am afraid of; that is, will issue an injunction because he finds that on general conditions there is a threat to strike, with all the difficulties that usually follow; that a strike is going to take place; and that there will be arson, murder, assault and battery, robbery, and everything. If a union says, "We are going to strike," he would consider that a threat. I want to provide that

although he shall have power to issue an injunction against the man who threatened to burn this sacred bridge, he shall not issue an injunction, on account of somebody threatening to burn that bridge, against somebody who has never heard of the bridge and who has not had anything to do with it.

This is the language. I will start to read it again:

But no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons making the threat or committing the unlawful act, or who actually authorizes the same or ratifies the same after actual knowledge thereof.

With that language added I have no objection to the Senator's amendment.

Mr. WALSH of Montana. Mr. President, the amendment is entirely satisfactory to me and if we may have unanimous consent I shall ask that the amendment first offered by me, the amendment by which the words "committed or" shall be inserted after "be" in line 8, and the amendment now offered by the Senator may be voted on en bloc.

Mr. NORRIS. That would settle it.

Mr. WALSH of Montana. I want to add that I understand the position taken by the Senator from Nebraska perfectly, and I am entirely with him in the proposition.

Here is a great national organization, and some individual being a member of a constituent organization makes a threat that he is going to do some damage to the property of the employer. Or, we will say, even some local union makes a threat that it is going to do some damage. I do not want an injunction to go against the officers of the national organization, who perhaps have sent out instructions that every effort is to be made to preserve order and to prevent unlawful acts by anyone. Yet these injunctions go, and have gone repeatedly, against the national officers who have taken those very precautions, because some subordinate union or some irresponsible individual has made threats or actually done damage. I think the amendment offered by the Senator from Nebraska is quite proper.

The PRESIDING OFFICER. The Senator from Montana asks unanimous consent that the three amendments may be offered en bloc.

Mr. REED. Mr. President, I shall have to object to the unanimous-consent request. If I may have the floor for a minute, I would like to explain my objection.

I think the amendment offered by the Senator from Montana to include the words "threatened or committed" is entirely wise, and I want the opportunity to support it without having at the same time to seem to support the suggestion offered by the Senator from Nebraska.

If we may imagine the circumstances reversed for a moment, let us suppose that there is a group of mine owners, one of whom makes the statement that "We are going to burn down the headquarters of the United Mine Workers," and the United Mine Workers properly, naturally, file a bill to stop any such performance. Would it be said, in justice, Mr. President, that that injunction should be limited to the single one of the group who made that threat against the property of the mine union? I should say that, obviously, those associated with him, who might naturally be expected to act with him, ought to be included. But if there be one of them who has notoriously protested against this proposed illegal act, naturally the court should not include that person within the scope of the injunction.

So, if the national officers of a union are doing their best to prevent disorder and unlawful acts, no court is justified in including those national officers in any injunction directed against those who threaten disorder. It is highly unjust to include them. But the remedy for the sort of abuse of discretion, spoken of by the Senator from Nebraska, is not to change the law, but to correct the order of the court in the particular case. The remedy is not to burn down your house to get rid of vermin, and we should not spoil the law in order to prevent an occasional abuse of discretion. There is a proper method provided for correcting abuses of discretion.

By such amendments as this one proposed by the Senator from Nebraska I am afraid we will do more damage to the law than will be justified by the injustices we correct. For this reason I feel that I must object to the unanimous-consent request, because I want to vote in favor of the amendment of the Senator from Montana and against the amendment of the Senator from Nebraska.

Mr. NORRIS. Mr. President, I think I ought to use this occasion to discuss this question of threats. I am not going to object to the amendment offered by the Senator from Montana, but I am going on the theory that, after his amendment shall have been agreed to, this amendment, which has been read, can be offered following it, and that the Senate will add this amendment, so as to accomplish in the end just what the Senator from Montana wanted to accomplish when he asked unanimous consent to vote on both amendments at the same time.

Very much has been said about this threat, and I think we have overestimated the necessity of putting that in the Federal law. As I have tried to say several times, this bill is to correct some of the things done mostly by inferior Federal district judges.

The harm of an injunction ninety-nine times out of one hundred is done and the injustice is completed within a few days after the restraining order is issued. Men are frightened into submission. Even if that be not true, in the great majority of instances the men are financially unable to carry their cases to the Supreme Court of the United States. It is because we have some such judges that this legislation is necessary. I do not think I need now go into any detail and call attention to some of the actual injunctions which have been issued. We have read many of them to the Senate. I have dozens more that I could add to the list if I wanted to do so. I have had them here on my desk. But I believe we have covered that ground. Now let us realize just what we are trying to do.

The Senator from Pennsylvania says that the way to correct the situation is to correct the order of the judge itself.

The only way to correct such an order is to take an appeal. But by the time such an appeal goes to the Supreme Court of the United States in most cases the backbones of the laboring men have been broken, their organizations practically destroyed. The damage has been done, and the evil has occurred. As was said in one of the cases by the judge, "The organization of the union is itself an unlawful act," and he enjoined it because it was in conflict, he said, with the antitrust laws of the United States.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Pennsylvania?

Mr. NORRIS. Certainly.

Mr. REED. The Senator agrees, of course, that such a ruling was preposterous?

Mr. NORRIS. Yes; I think so.

Mr. REED. And the Circuit Court of Appeals would have said so beyond a doubt if the case had been taken to them, would they not?

Mr. NORRIS. They ought to have said so. I do not think they have always done so. In that case the Supreme Court set aside the finding of the lower court.

Mr. REED. Of course, everyone knew that they would do so.

Mr. NORRIS. But what happened in the meantime? Two or three years' time elapsed and the poor devils who were trying to improve their conditions in the mines were whipped completely. There was nothing left of them. They had nothing to fight for. The injunction issued by the district judge had in effect wiped them off the face of the earth.

Mr. REED. The Senator does not mean that the United Mine Workers of America went out of existence?

Mr. NORRIS. No; but they lost the strike a good many times. In the Hitchman case they lost out completely long before the Supreme Court had passed on the question.

Mr. REED. But the order said that the organization was unlawful.

Mr. NORRIS. Yes.

Mr. REED. That order was to my mind preposterous.

Mr. NORRIS. I think so.

Mr. REED. It should have been set aside. It should have been appealed even more promptly than it was.

Mr. NORRIS. Exactly.

Mr. REED. How can we prevent abuses of discretion by changing the law in this way?

Mr. NORRIS. This will prevent it, I think. In other words, the Senator from Pennsylvania, it seems to me, with due respect to him and his great ability, is in this position. He says, "I am in favor of an amendment which will enable somebody to get an injunction because a threat has been made." I offer an amendment and the only object on earth that I have in offering it, and the only effect of it is to say, "Yes; issue an injunction on account of a threat; but if you do so, you must not enjoin anybody who did not make the threat or commit any unlawful act." The Senator from Pennsylvania says, "No; we can not stand for that."

Mr. REED. What I am puzzled about is this: Here is a judge who makes a perfectly preposterous order which is contrary to the law as it now stands, if I understand the law. How are we going to reform that judge by merely restating what the law is to-day?

Mr. NORRIS. We are up against a difficult proposition.

Mr. REED. If he does not observe the law in one case he may not observe it in another case.

Mr. NORRIS. But we have such judges; and as long as judges are appointed as now, and as they probably will be long after I am gone, we will continually here and there have the same kind of judges. Why, some of the great mining corporations undoubtedly were themselves the very moving spirit that put upon the Federal bench for life the very man that issued such injunctions at their behest. There is no question about it. Political influence was sufficient on the part of many of the great corporations to name a Federal judge and, of course, to name him for life. Naturally, such corporations got the injunctions they wanted, as a rule.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. WALSH of Montana. I want to say a word in connection with a remark made by the Senator from Pennsylvania, who spoke about the correction of injunctional orders on appeal. We have endeavored in the framing of the bill to take care of the matter of appeals as best we possibly can; but no matter what we do about it, the appeal is no relief whatever, as the thing is all ended long before the appeal can be heard either one way or the other. Either the strike prevails or it does not prevail, so the matter of appeal is of no particular consequence.

This is the more important question. In practically all these cases the officers of the union are made defendants, and in many other cases the officers of the national organization are made defendants. They are all charged with being engaged in a conspiracy. When the injunction issues it is supposed that the judge has at least temporarily reached the conclusion that those people are all engaged in a conspiracy. A conspiracy is, in the public mind, a rather grave offense. So the matter of the issuance of an injunction becomes a part of the strategy of the strike. It is sought not for the purpose of bringing anybody before the court eventually and punishing them for contempt, but it is sought for the purpose of influencing public opinion. If only an injunction can be had against the national officers of the organization upon the ground that they are engaged in a conspiracy, there is a very great point made in the strategy of the strike.

Mr. REED. The Senator can readily see that if they are engaged in such a conspiracy the injunction is justified, but there ought to be proof that they are so engaged. If the Senator were on the bench and, I hope, if I were on the bench, we would not enjoin anybody as a conspirator without proof of the conspiracy. If there is a conspiracy, then the injunction ought to issue.

Mr. WALSH of Montana. We are talking in the first place about the matter of threats. When threats are made we want to confine the proceeding to those who are responsible for the threats. That is what we are seeking to do.

Mr. REED. It seems to me the courts would do that anyway. They ought to do it.

Mr. NORRIS. I think they ought to do it; I am frank to concede that. But the courts have not always done it; and, as one man expressed it, if we are going to get any relief out of an injunction bill, we must make it crystal clear, so that no judge can get away from it. If we do not, a willing judge will get away from it.

Mr. REED. It seems to me the law is crystal clear right now that no injunction should issue without proof of the existence of such a conspiracy or threat by the person enjoined.

Mr. NORRIS. All that is true. All the amendment does is to confine the judge when he issues his injunction, so that he can not issue it against me, for instance, if the Senator from Rhode Island [Mr. HEBERT] is the man who makes the threat, unless I authorize the threat or unless I agree to it after it is made and with knowledge of it.

Mr. REED. Suppose the Senator from Nebraska were in a conspiracy to burn my house, and yet the Senator from Nebraska, although he was in the conspiracy, was wise enough not to say anything threatening, but some of his fellow conspirators did do it. Then ought not the injunction to go against the Senator from Nebraska?

Mr. NORRIS. Yes. The Senator has put a case where it ought to, but we are not talking about a conspiracy here. There is nothing in this proposal about conspiracy. The Senator is getting away from the question at issue. Here is the proposal. If the court issues an injunction, not because of the conspiracy but because somebody made a threat, then he must issue it against the men that made the threat.

Mr. REED. Oh, no.

Mr. NORRIS. Oh, yes; and that is what the amendment proposes, and nothing else.

Mr. REED. One of the conspirators makes a threat——

Mr. NORRIS. Oh, no; there are no conspirators in the case we are talking about. If he gets an injunction on the ground of conspiracy, and if the Senator proves that I am one of the conspirators, then I am bound by both the actions and threats of my coconspirators.

Mr. REED. I concede the Senator ought to be bound, but under the language of his proposed amendment I rather doubt it.

Mr. NORRIS. Oh, no; I would not be touched. It has no application to such a case. Just read the language.

Mr. REED. It seems to me it very clearly has application.

Mr. NORRIS. If the language was "where an injunction has been issued on the ground of conspiracy," and then followed by this language, it would be an entirely different proposition, but the language is "where an injunction has been issued because of a threat," so that then it must run against the men who made the threat.

Mr. HEBERT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. NORRIS. Certainly.

Mr. HEBERT. The Senator from Nebraska said, in answer to the hypothetical case cited by the Senator from Pennsylvania, that in the case of a conspiracy all of the conspirators could be enjoined. I wonder if that is so in the light of section 5 of the bill as it has been agreed to. I read:

> SEC. 5. No court of the United States shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground that any of the persons participating or interested in a labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in section 4 of this act.

Mr. NORRIS. In other words, we first take up section 4 and specifically enumerate a number of things for the doing of which no injunction shall be issued. Section 5 simply provides that those things which we have specifically permitted in section 4 shall not constitute a conspiracy when two or more of those people agree to do what we have already decided any one of them can do. Just go back to section 4 for a moment. Eventually I will get back to the

case before us. I am now getting away from it, not because I want to but because Senators have led me away from it. Let me read section 4:

No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case involving or growing out of any labor dispute to prohibit any person or persons participating or interest in such dispute (as these terms are herein defined) from doing, whether singly or in concert, any of the following acts.

Section 5 says that the doing of those acts shall not be held by a court to be a conspiracy. In section 4 we already say they are legal and that no injunction shall be issued against anyone, even though there are several of them who have agreed to unite in any one of them. Let us see what they are.

(a) Ceasing or refusing to perform any work or to remain in any relation of employment.

(b) Becoming or remaining a member of any labor organization or of any employer organization—

That applies to the other side just as well—

regardless of any such undertaking or promise as is described in section 3 of this act.

That has reference to the "yellow-dog" contract.

(c) Paying or giving to or withholding from any person participating or interested in such labor dispute any strike or unemployment benefits or insurance, or other moneys or things of value;

(d) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in or is prosecuting any action or suit in any court of the United States or of any State;

(e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence;

(f) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;

(g) Advising or notifying any person of an intention to do any of the acts heretofore specified;

(h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

(i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified, regardless of any such undertaking or promise as is described in section 3 of this act.

Again referring to the "yellow-dog" contract.

Is there anybody who objects to any one of those recitals? Is there anything in any one of them that is unfair? This amendment simply provides that two or more laboring men who agree to do any one of the acts I have enumerated shall not be held to be guilty of a conspiracy. What is wrong about that, I ask any fair-minded man on earth? In any other case except a case involving a labor dispute one would be laughed out of court if he tried to charge a conspiracy on evidence as to any of the acts enumerated in the provisions I have read. Such a charge would apply nowhere and never has been made, so far as I know, except against men who toil, and, as a rule, against men who toil down in the bowels of the earth in the mines.

Mr. BRATTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New Mexico?

Mr. NORRIS. I yield.

Mr. BRATTON. The hypothetical case stated by the Senator from Pennsylvania on which the Senator from Rhode Island predicates his question involves the commission of an unlawful act——

Mr. NORRIS. Yes.

Mr. BRATTON. Such as the destruction of property, which is a violation of a penal statute. Of course, if several persons should conspire to do that all the conspirators could be enjoined.

Mr. NORRIS. Yes.

Mr. BRATTON. The difference is that the acts enumerated in section 4 are perfectly legal.

Mr. NORRIS. We have declared them to be so, although it ought not to be necessary to do so.

Mr. BRATTON. It should not be necessary.

Mr. NORRIS. It would not be in any other kind of a dispute except a labor dispute.

Mr. BRATTON. The hypothetical case presented to the Senator from Nebraska is an out-and-out case involving violation of a penal statute.

Mr. NORRIS. Yes, sir.

Mr. REED. Mr. President, will the Senator pardon an interruption?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Pennsylvania?

Mr. NORRIS. I yield.

Mr. REED. I do not think that section 4 or section 5 have any application to such a case as I have suggested.

Mr. NORRIS. I will say to the Senator that is just what I said. I said I was going to enter upon that particular ground because the Senator led me there. He has talked about a conspiracy, when section 5 refers to a conspiracy, and that is what the Senator from Rhode Island read as an answer. I have been trying to show all this time that it has not anything more to do with the immediate question than last year's bird's nest; we are not talking about a conspiracy but about an illegal act.

Mr. REED. Will the Senator answer my question, which is, Why would not the language of his proposed amendment make it impossible for a Federal court to issue an injunction against those members of a conspiracy who had not actually made the threat?

Mr. NORRIS. I think I have answered the Senator's question several times. It has not any relation to a conspiracy. It simply says to the court, "If you issue an injunction on the ground that somebody has made a threat to commit an unlawful act, then you must confine your injunction to the man who made the threat or the man who committed the unlawful act." That is all it does.

Mr. REED. Then it prevents the issuance of an injunction against those conspirators who are silent.

Mr. NORRIS. No.

Mr. REED. It seems to me it does.

Mr. NORRIS. The Senator assumes there are some conspirators; I am taking a case where there is no conspiracy.

Mr. HEBERT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. NORRIS. I yield.

Mr. HEBERT. Let us assume that a group of individuals meet together at some common meeting place; that there is a spokesman; that all join in agreeing with the spokesman as to what shall be done, and the spokesman suggests the burning of a house or the destruction of some property; all join in; everybody there is agreed. Under the Senator's amendment, the question in my mind is whether those who attended that meeting and joined in its purposes and were in accord with the man who suggested the damage could be enjoined?

Mr. NORRIS. Again the Senator has put a case; let us take that case verbatim, as he puts it. What is the ground for an injunction on the statement the Senator has made? The ground is, under his own statement, that a conspiracy exists. It will be alleged in the petition and the evidence will go to show that certain men have conspired together. This amendment has not anything whatever to do with such a case. In it an injunction is sought on the ground that a conspiracy has been unearthed. This amendment only applies to a case where an injunction is sought against a man because he committed an unlawful act or threatened to commit an unlawful act.

Mr. HEBERT. I confess, Mr. President, that I can not see the distinction made by the Senator, although I followed him as carefully as I could.

Mr. WALSH of Montana. Mr. President, let me inquire of the Senator from Rhode Island if the case he puts is not entirely covered by the amendment offered by the Senator from Nebraska? It includes not only those who make the threat but those who approve or ratify it; and in the case he put, every man at the meeting who, as he says, joined in the thing would be approving the act.

Mr. HEBERT. But let me say to the Senator that in the case put not everybody made a threat. As I listened to the amendment proposed by the Senator from Nebraska, the court may enjoin only him who made the threat.

Mr. WALSH of Montana. Oh, no; the Senator has not paid attention to the amendment.

Mr. HEBERT. Let us have it read again then.

Mr. NORRIS. This is the part that applies to the suggestion of the Senator, and I have already read it:

> • • • an unlawful act or who actually authorizes the same or ratifies the same after actual knowledge thereof.

Mr. President, I intended——

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I yield.

Mr. WALSH of Montana. The case put by the Senator from Rhode Island contemplates not only those who ratify it but those who join in it, because, according to the case he puts, they all agree to go along together.

Mr. NORRIS. I want to say just a few words further. I suppose the Senator from Rhode Island did not have reference to the bridge or some other property that was going to be burned. Anyway, I want to say just a few words about what would happen if we entirely took away the right of the Federal court to issue an injunction to restrain somebody from burning that bridge in Texas. Suppose we prohibited the issuance of an injunction where threats are made to burn bridges, or, in the case suggested by the Senator, to burn houses or buildings, and the Federal courts had no authority therefore to issue an injunction, even though the threats to burn that famous bridge were mountain high, what would happen? What terrible calamity would overtake the country; what evil thing would happen to the community where that bridge is? Certain men have threatened to burn it; and here is a Federal judge 250 miles away who is perfectly willing to issue an injunction to restrain the act, but he can not do it because Congress has taken away his right. Suppose that to be the case—the bill does not so provide, but suppose it does—is the bridge going to be burned? Are there any officers in Texas? There is a legislature in Texas; there is a governor; there are sheriffs, justices of the peace, constables, marshals, and deputies. I do not have the statute of Texas here, because I asked the clerk to get me a State statute but did not specify the State, and it so happens he got one from Pennsylvania; so I have the Pennsylvania statute; but I assume its provisions are very similar to those of the statute of Texas.

What would happen? What ought to happen? What is the right way to prevent the burning of that bridge? If the Senator from Rhode Island threatens me, do I go to a Federal court and get an injunction out against him prohibiting him from carrying out his threat? No one ever heard of such a thing; no such thing happens—unless I am a laboring man, belong to a union, and spend my life down in the earth or somewhere else toiling and working. Workers of that kind are the only ones who get hit by these injunctions on account of threats or illegal acts; no other individuals are hurt. At one end of the bridge, within 40 rods of it, perhaps, in Texas, lives a justice of the peace. One can go before him—he does not need to go 250 miles away to reach a Federal judge—and file an affidavit. The man against whom the affidavit is filed, who, it is alleged, had made threats, may be arrested and brought before the justice of the peace; the evidence will be taken; and if the justice finds that a threat has been made, he will require the defendant to put up a bond for his good appearance, generally with a specific statement that he will not commit the offense that he has threatened to commit. If he does not put up that bond he goes to jail, and he remains there until the next term of the higher court, and that court takes up the case; but whether he goes to jail or not, if the justice of the peace binds the defendant over and he gives bond, the case goes up, and the higher court tries it like any other case.

I said I obtained the statute of Pennsylvania. I do not suppose there is any doubt whatever but that there is a similar statute in every State in the Union. In addition to that, there are the State courts. Are we going to give jurisdiction to the Federal court to go into the State? If one has to have an injunction, let him go to his State court and get it; but he does not need to go to either place. Let me read the statute of Pennsylvania. Let us see what the Senator from Pennsylvania would do—whether he would have a man arrested and brought before a justice or whether he would go over a hundred miles away and get an injunction, without notice, restraining a number of men from burning that bridge.

Mr. REED. Mr. President, will the Senator permit an interruption?

The VICE PRESIDENT. Does the Senator from Nebraska yield further to the Senator from Pennsylvania?

Mr. NORRIS. Yes.

Mr. REED. I should like to tell the Senator what I would do.

Mr. NORRIS. Very well.

Mr. REED. In 30 years of practice, in one of the largest industrial districts in the country, I have always disapproved of the use of the injunction in labor matters. So far I have been able to persuade my clients not to ask for such injunctions; and in those 30 years of practice I have never once asked for or obtained any such injunction. I disapprove of them entirely. That is a direct answer to the Senator.

Mr. NORRIS. The Senator has not told me what he would do about the bridge.

Mr. REED. That is what I would do.

Mr. NORRIS. How would the Senator save the bridge?

Mr. REED. There are lots of ways of saving it without putting an impossible burden on the courts, Federal or State.

Mr. NORRIS. Yes. I am going to read what would be the method employed in the Senator's State.

Mr. SHIPSTEAD. Mr. President, will the Senator permit an interruption?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. NORRIS. Yes.

Mr. SHIPSTEAD. If all the judges sitting on the Federal bench entertained the same views as the Senator from Pennsylvania, the abuse of the injunctive process would not exist.

Mr. NORRIS. And we would not be here with this bill.

Mr. SHIPSTEAD. There would be no such bill here as that now pending provided the Federal judges had the point of view the Senator from Pennsylvania has expressed.

Mr. NORRIS. I have the Pennsylvania statute of 1920. The statute was passed many years before that, but I suppose it is still on the statute books of Pennsylvania. I want to read a part of section 8086, the part that applies to the particular case, and also section 8087. Section 8086, so far as it applies to the question before us, reads as follows:

> Security to keep the peace: If any person shall threaten the person of another to wound, kill, or destroy him, or do him any harm in person or estate—

That means his property, I take it—

> and the person threatened shall appear before a justice of the peace and attest, on oath or affirmation, that he believes that by such threatening he is in danger of being hurt in body or estate, such person so threatening as aforesaid shall be bound over, with one sufficient surety, to appear at the next sessions, according to law, and in the meantime to be on his good behavior and keep the peace toward all citizens of this Commonwealth.

The procedure is outlined in the next section:

> Justice to hold hearing: In all cases of surety of the peace the justice of the peace before whom such case is instituted shall, before he binds anyone over to the next term of the court of quarter sessions, and in the meantime to keep the peace, upon the oath of another, as provided by section 6 of the act of March 31, 1860 (Pamphlet Laws, 427), enter into a full hearing and investigation of the facts; and shall only bind over the defendant when the evidence shows, to the satisfaction of the justice, that the prosecutor's or prosecutrix's danger of being hurt in body or estate is actual, and that the threats were made by the defendant maliciously and with intent to do harm.

As I said before, I do not suppose there is a State in the Union but has a similar procedure. So, after all, these great big corporations that are running around following district judges to get injunctions without notice to anybody, to set aside constitutions and statutes and everything else and put in force a new schedule of law, are not suffering so badly. If somebody has made a threat to burn their bridge they can easily protect themselves and their property fully by recourse to the State statutes. But in order that there may be no question about it we have brought in this bill, and the Senator from Montana [Mr. WALSH] has offered an amendment, and I have agreed to accept it, in the belief that the Senate after accepting that amendment will agree to the modification which I have read, and which, in closing, I want to read again.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. Yes; I yield.

Mr. COSTIGAN. If I understand the Senator from Nebraska, it is his contention—happily supported to-day by the Senator from Pennsylvania [Mr. REED]—that it is against sound public policy to have the injunctive writ exclusively used against the workers of the United States?

Mr. NORRIS. That is my belief; yes.

At the end, after agreeing to the amendment of the Senator from Montana, which puts the word "threatened" into the law as well as actually "committed," I add this:

But no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons making the threat or committing the unlawful act——

Now, listen to this:

Or who actually authorizes the same or ratifies the same after actual knowledge thereof.

Mr. REED. Mr. President, I will talk to the Senator privately about a suggested change in the wording.

Mr. STEIWER. Mr. President, I should like to call attention to what seems to me an overlapping of provisions as between the proposal now made by the Senator from Nebraska and the language presently contained in section 6 of the bill, and to this proposition I should like to invite the particular attention of the senior Senator from Nebraska [Mr. NORRIS].

If I caught the purport and effect of the proposal which the Senator now makes providing additional language in subsection (a) on page 6 of the bill, he would limit the injunction to those who commit the unlawful act or to those who actually authorize it or ratify the act after knowledge.

Referring back to section 6 of the bill, I read:

No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the United States for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof.

It seems to me that having already adopted the language just read, there is not very much for us to quarrel with respect to the amendment which is now suggested by the Senator from Nebraska. The only difference—and that would appear a slight one in practical operation—one provision is couched in terms of limitation upon the power of the court, and the other would seem to be couched in terms of limitation upon the jurisdiction of the court; but, as a practical matter, it seems to me just as broad as it is long. I therefore should have little objection to the proposal made by the Senator from Nebraska, provided the bill is still to contain the language just read from section 6. It seems to me, however, that there is objection to both provisions.

The Senator from Pennsylvania [Mr. REED] two or three times has put up to us the question of what might happen in case of conspiracy. The Senator from Nebraska answers that there is no conspiracy; that he assumes a case in which there is no conspiracy, and he says to the Senator from Pennsylvania, "You assume a case in which there is a conspiracy."

Let me say that there may be a conspiracy. If there is no conspiracy, then, from my standpoint, there is no objection to the amendment proposed by the Senator from Nebraska. If, however, there is a conspiracy, then I am quite convinced that the language proposed by the Senator from Nebraska would make inoperative the powers that we think we are leaving in the Federal courts with respect to injunctions. It seems to me that in those cases in which there is a conspiracy, that language is inapt in its present form.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. STEIWER. Yes; I am happy to yield.

Mr. BRATTON. I have been interested in the case stated by the Senator from Pennsylvania, but I do not understand that this language would militate against that situation.

Let us suppose that a strike is in progress; and it is going along in a perfectly orderly way. No violation of property has been threatened, or destruction of property committed; but growing out of a peaceable strike, a group, perhaps, animated by passion or heat of the moment assemble in a hall, as the Senator from Pennsylvania or the Senator from Rhode Island illustrated, and they there agree to destroy property, although they do it in furtherance of a strike which has been peaceful and peaceable up until that time. Even under the amendment of the Senator from Montana and the amendment of the Senator from Nebraska, everybody participating in that unlawful undertaking or present in the hall in which the agreement to that end was effected could be singled out and enjoined, because there is where the illegal phase of the whole proceeding transpired.

This amendment would not limit the power of the court to enjoin effectively everyone participating in the illegal phase of the strike, but it would restrain the court from reaching back and enjoining others who have participated in the strike in a perfectly peaceable and law-abiding way. It separates those engaged in the unlawful phase of the undertaking from those engaged in the lawful aspects of it, permitting the court to seize those engaged in the unlawful part and control them, while leaving the others alone. I think that is the effect of the two amendments considered together.

Mr. STEIWER. Upon what theory would we say that everyone in the hall can be reached? Would it be upon the theory that he actually authorized the unlawful act?

Mr. BRATTON. No; that he was present and ratified it, indeed, that he was a party to the agreement.

Mr. STEIWER. But, Mr. President, he would ratify it after it was committed, when he had knowledge of it.

Mr. BRATTON. Oh, no; oh, no! If he is present in the hall and is acting in concert with the man who says, "I am going to destroy certain property," he is a party to the undertaking, and can be restrained; but under the two amendments the court can not go back to the inception of the strike and make others parties to the suit and enjoin them on the theory that the destruction is a part of the strike, which has been peaceable and law-abiding up to that point.

Mr. STEIWER. Mr. President, if the application of this amendment would be as indicated by the Senator from New Mexico, I should be entirely in accord with him, but I still am unconvinced upon the proposition that there is any way to reach the man who does not actually authorize the act or actually ratify it. The language in section 6 requires "clear proof" of authorization or ratification.

Mr. BRATTON. Suppose 50 men are in the hall, counseling together, conferring with one another, and one in the group utters the words, "We are going to destroy the property," and the others acquiesce in such declaration by their presence there, by their concert of action. Does the Senator doubt at all that a court of equity could enjoin all of them?

Mr. STEIWER. I do not doubt that under the law as it presently exists a court of equity could enjoin all of those present in the meeting; and I assume that the Senator is in accord with the idea that in the case just stated by him the court ought to have power to enjoin all those present.

Mr. BRATTON. Oh, yes.

Mr. STEIWER. I am merely attempting to say that under the language of the proposal made by the Senator

from Nebraska I have a most serious doubt whether the court would retain the power to enjoin those who are actually implicated in the offense.

Mr. BRATTON. I did not so understand the Senator. Of course, all of those in the hall who are engaged in the unlawful undertaking should be enjoined. I think all of us will agree to that; but we should not reach back 30 or 60 days before that time and join in the suit others who were parties to the original strike, which had been perfectly legal up to that time.

Mr. STEIWER. If I may interrupt, I am thoroughly in agreement with the statement just made by the Senator from New Mexico.

Mr. BRATTON. It is my understanding that the amendment proposed by the Senator from Nebraska would accomplish that end. We ought to segregate those whose conduct is peaceable and law-abiding from those who may, through heat or passion, indulge in an unlawful undertaking, even though it grows out of a strike that is peaceable at its start; and I understand that the amendment would do that. If not, it should be couched in language which would accomplish that end.

Mr. WATSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Indiana?

Mr. STEIWER. I am happy to yield to the Senator.

Mr. WATSON. I desire to ask the Senator from Nebraska if he agrees with the construction that has been put upon his amendment by the Senator from New Mexico? I had not understood it quite that way.

Mr. NORRIS. I was busily engaged with the Senator from Pennsylvania, and I did not hear what the latter part of this debate brought out. The last I heard, if I may be permitted to say so, was something that rather shocked me, because the Senator from Oregon said there would not be any way to reach the fellow who did not actually authorize or did not actually commit the act of violence; and it struck me right off that I did not suppose we wanted to reach that fellow. He is innocent. Is that what the Senator has reference to?

Mr. WATSON. Yes; that is where the question comes in. The Senator from New Mexico says that if a man is in a hall where a speech is made insisting that they go and burn a bridge, and all that sort of thing, as I understand it, if he, by his presence, acquiesces in it without openly objecting to it, then he is subject to the injunction. Am I right in that?

Mr. BRATTON. Oh, no; the Senator puts an interpretation that I did not intend. I intended to say that if a strike is in process, and it is going along in a perfectly peaceable and law-abiding way; that a group of the strikers, animated by heat and passion, assemble in a hall and agree there to do an unlawful act, to destroy property, they should be enjoined. But you should not join with them in the suit others who are engaged in the strike, but who are confining themselves to perfectly law-abiding, peaceable methods. You should segregate those who are about to commit an unlawful act, who are about to destroy property, and confine the injunction to them, leaving out of the suit and leaving untouched by the writ others who are striking but who are not disposed to resort to unlawful methods.

I did say that if there are a hundred in a hall, and they are acting in concert in the threat to destroy property, they would not all have to say severally and separately, "I am not going to destroy the property, but if one speaks the words, "We are going to destroy property," and it is clear that they are acting in concert, engaged in a common undertaking, designed to commit an offense through concert of action, then, under the amendment of the Senator from Nebraska, there would be no difficulty in joining all of them in the suit and restraining all of them from doing that which they had set out to accomplish through joint action. That is my understanding of the effect of the amendment. That is the way it would work in operation.

Mr. STEIWER. Mr. President, I am entirely in accord with the proposal if it means what the Senator from New Mexico thinks it means. The Senator from New Mexico has just stated, in effect, if not in terms, that under the conditions of the hypothetical case stated by him authorization for the unlawful act may be implied from the circumstances. Do I properly understand the Senator?

Mr. BRATTON. I think so.

Mr. STEIWER. I think that is true; but the difficulty with the language proposed by the Senator from Nebraska is that it leaves open no opportunity to indulge in any implications, because his language is, as I recall it and as I understood it, "or who actually authorizes the same, or ratifies the same after actual knowledge thereof." All I was attempting to do in addressing myself to this matter was to question the propriety of the language used in the amendment.

Mr. BRATTON. Mr. President, I am glad to get the views of the Senator. I think the amendment is a very wholesome one, because up until now it has been a common practice throughout the country to enjoin everybody connected with a strike if a part of the strikers, in the course of the strike, forgetting themselves for the moment, employ unlawful methods.

To illustrate: A strike is declared on the 1st of February by the workers engaged in a certain line of industry. It goes along peaceably and quietly and in a law-abiding manner for 30 days, and then, under the driving force of circumstances a small number of the strikers join together in an unlawful undertaking growing out of the strike.

The common practice is to join everybody connected with the strike from its inception on the ground that they conspired to effect a strike, and that as a part of the conspiracy, and growing out of the conspiracy, some of the conspirators are engaged in an unlawful undertaking; that when a conspiracy is established, every conspirator is bound by the words and acts of each and every coconspirator.

The effect of this amendment is to abrogate this general rule, to abridge the effect of an injunction in the circumstances we are discussing by taking from the court the power to issue an injunction against everybody connected with the strike, but to limit it to those and only those who are engaged in the unlawful undertaking.

Mr. STEIWER. Does not the Senator feel that the practice of courts in issuing an order which relates back and includes in its operations innocent people is a wholly indefensible practice?

Mr. BRATTON. Yes, I do; and that is why the Senator from Oregon and I both join in supporting the principle embodied in the amendment, though we, perhaps, do not agree on the exact effect of the language contained in it.

Mr. STEIWER. Does the Senator think that if there is such a judicial degeneracy in the bosom of the court, we are going to make him a just judge by anything we do here?

Mr. BRATTON. The Senator speaks of the degeneracy of the judge. The difficulty with that is that where a judge, through erroneous judgment, or through degeneracy, or for any other reason, issues one of these sweeping injunctions, it is too late to correct the injury thereafter. It must be made impossible for that type of a judge to do that sort of thing, in order to protect mankind.

Of course, one judge might grant a more sweeping injunction than another; but when he grants a sweeping injunction, even though it is unsound and untenable in equity, it does no good to talk about it afterwards. If he has driven workers off the property, compelled them to vacate houses, compelled them to do thus and so, it does no good months afterward to point out the inequities of the injunction. The remedy is to make it impossible for a judge to do that sort of thing.

Mr. REED. Mr. President, the Senator from New Mexico has been a judge, and a very able one.

Mr. BRATTON. I thank the Senator.

Mr. REED. I would like to ask the Senator whether, under the law as it now is, regardless of the bill before us, he thinks there is any warrant for the issuance of an injunction against every member of a union because a few of

them have gone into a conspiracy which threatens the destruction of property?

Mr. BRATTON. No; I do not.

Mr. REED. In other words, under the present law, a chancellor is not justified in using this weapon of injunction against those innocent persons who are not in the conspiracy to destroy property?

Mr. BRATTON. That is my belief.

Mr. REED. If certain judges have disregarded the present law and have issued such sweeping injunctions, what reason have we to think that they will not similarly disregard the law as it is declared in this bill?

Mr. BRATTON. Because judges might differ as to the general doctrines of equity in their application to different cases; but if there is a specific statute confronting a judge, taking away from him jurisdiction to grant an injunction of a certain type and removing all room for argument, it is reasonable to assume that the judge, who might otherwise grant a more sweeping injunction, would say, "Independently of statute, and in equity, an injunction of that kind should be issued, but since the statute limits my authority, since there are express words limiting it or taking it away, I can not grant an injunction which I otherwise would grant."

Mr. REED. Mr. President, if I have understood the Senator in the construction he places on this proposed amendment, it is merely declaratory of what I understand the law now to be.

Mr. BRATTON. What it should be.

Mr. REED. What it actually is, although it is disregarded frequently, or sometimes, by certain judges.

Mr. BRATTON. Yes.

Mr. REED. What I can not make out is how we are helping the worker in any way merely by declaring a second time that the law is as we know it to be to-day.

Mr. BRATTON. We are helping him in this wise: A judge may issue a sweeping injunction to-day against everybody connected with a union, and that may be wrong; it may not be justified under existing law. But the only way it can be corrected is to appeal and have the case reversed after the harm has all been done. It is errors of judgment on the part of judges in interpreting existing rules of equity which this bill would prevent.

Mr. REED. I confess I can not see how reiteration of the present law is going to make judges virtuous who are not virtuous to-day.

Mr. BRATTON. Let me say this: The Supreme Court of the United States held that the injunction in the Hitchman case was improvidently issued. There the harm was done through a wrong concept of the trial judge, believing that in equity he had the right to issue the injunction which he did issue. That caused the harm there. The Supreme Court later reversed the case, but it did not correct the harm. Does the Senator think that that judge would grant a similar injunction hereafter in the face of this bill if it should be enacted into law?

Mr. REED. I am quite sure he would not grant a similar injunction hereafter, in the face of the decision of the Supreme Court. That is just as effective as a statute. I do not think any Federal judge whose attention was called to that case would ever make that mistake again. If he did, he ought to be impeached.

Mr. BRATTON. Trial judges do make mistakes of judgment, they grant injunctions from time to time based upon different facts presented to them, and they are frequently reversed, the higher courts holding that the injunction should not have been granted; but in each case the harm is achieved, it is completed, it has worked its ravages, before the appellate court corrects the mistake, and this bill is designed to lay down a mandate to judges, confining the issuance of injunctions in labor disputes. It sets up mileposts for judges to follow, rather than leaving them in the whole field of equity, each judge deciding for himself what he is justified in doing in equity.

Mr. REED. Mr. President, if the proposed amendment of the Senator from Nebraska is to be construed as it has been construed by the Senator from New Mexico, I can not see that any reasonable person could dissent from it. It does not seem to me, however, that if it is to be construed in that way, it is necessary, because it merely is declaratory of the law as it exists to-day.

Mr. WALSH of Montana. Mr. President, I want to call the attention of the Senator from Pennsylvania to the fact that many of the provisions of the bill declare the law as it is to-day. For instance, subdivision (e), giving publicity to the facts involved in any "labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence."

Mr. REED. We are not talking about that section at all.

Mr. WALSH of Montana. Oh, yes, we are. We are speaking, of course, about the injunction which shall be issued under the provisions of section 7, but the Senator says we ought not to put that in because that is the law now. But we have put a lot of things in the bill which are the law now.

Mr. REED. I quite see that; but I do not see the use of it. We do not make it any more the law by saying it again.

Mr. WALSH of Montana. We have done it, and we think it will have some influence upon the action of judges when we declare the law. So there is no sound objection to this particular amendment offered upon the ground that it is the law already, because we have declared in a number of instances in the bill what is the law already.

Mr. REED. If that is what the amendment does, I do not object to it very much, merely because it is a reiteration of what we now know the law to be. I was apprehensive, however, that the purpose of offering it was to change the law. If it is not, of course I do not intend to prolong the discussion further.

Mr. WHEELER. Mr. President, I would say the purpose of it is to change what some judges have said the law to be. I think the Senator from Pennsylvania and myself would both agree that the law ought to be as it is set forth in this amendment; but the trouble is that a lot of judges—not one, not two, but innumerable Federal judges—have issued practically blanket injunctions, and they have issued them against an organization because some one individual in the organization, who might not have been what we would call a legitimate member of the organization, has made some threatening statement.

Mr. REED. We need not debate the propriety of that. I agree that it ought not to be done—that no one ought to be enjoined for any act unless he has threatened or joined or acquiesced in some one else's threat.

Mr. WHEELER. If the Senator will familiarize himself with the decisions in numbers of these cases he will find, regardless of whether or not it has been one individual or two individuals, when as a matter of fact the labor organizations came into court and disclaimed absolutely in their testimony that the man or men spoke for them in the slightest degree, yet the courts have gone on and issued injunctions because of the threats made by some individual.

As I said to the Senator the other day, it is rather a common practice that has grown up in the country for large employers of labor to employ some detective and have him join a labor organization. Then this man, not at the instance many times of the employer, but because of the fact that he wants to make his employer think he is earning his money, goes out and makes or causes to be made some inflammatory statement. Upon the basis of such a statement an injunction is sought and a lot of innocent people are cited into court and are punished and perhaps even confined in jail.

The purpose of the provision now before us is to let the courts know that the Congress of the United States has said that in its opinion this is the law, and that it shall not be permissible any longer for the courts to follow the practice they have been following in the past. It is only a question whether or not the Senator from Pennsylvania believes that no man should be enjoined unless he himself is a party to the threat.

Mr. REED. Or makes himself a party to it or approves it. Surely I agree to that.

Mr. WHEELER. If the Senator agrees to that, then there can not be any legitimate opposition to the amendment, it seems to me, because it is stating what in common justice ought to be the law and what many of the courts have claimed is not the law.

The VICE PRESIDENT. The question is on the amendment of the Senator from Montana, which will be reported.

The CHIEF CLERK. The Senator from Montana proposes, on page 6, line 7, before the word "committed," to insert the words "threatened or," and in line 8, after the word "be," to insert "committed or," so it will read:

(a) That unlawful acts have been threatened or committed and will be committed or continued unless restrained.

The amendment was agreed to.

Mr. NORRIS. Inasmuch as I want my amendment to be considered in conjunction with the one just adopted, I read its exact language. Strike out the semicolon at the end of line 8 and insert it just after the language we have just agreed to; after the word "restrained," in line 8, insert a comma and these words:

But no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons making the threat or committing the unlawful act or actually authorizing or ratifying the same after actual knowledge thereof.

I had the understanding that the two amendments were going to be acted on together. Inasmuch as the Senate is not going to agree to them in that way, I wish now to enter a motion to reconsider the vote by which the amendment of the Senator from Montana was just agreed to. If the amendment which I have just offered is agreed to, I shall then withdraw that motion, but if my amendment is rejected, then I shall insist upon my motion.

The VICE PRESIDENT. The motion of the Senator from Nebraska to reconsider will be entered.

Mr. STEIWER. Mr. President, I should like to make one or two further observations in connection with this matter. I confess that if this language is to be applied in the way the Senator from New Mexico [Mr. BRATTON] has suggested, I would be hearily in accord with its adoption. But it seems to me there is involved in this proposal, and also in section 6 of the bill as it stands, a situation to which we ought to give our very critical attention. I realize the good purpose and the high motives which cause the proposal to be made. I also believe, if I may be indulged in holding a belief in respect to these matters, that we have not fully considered the result of that which we propose to do.

We have assumed that in every labor dispute the injunction will be sought by the employer against the employee. I know that in most instances that is the actual occurrence, but it is entirely conceivable, and sometimes it has happened in the past, that the employees seek injunctive relief against the employer. Let me invite the attention of the Senate to a case with which many are very familiar; I refer to the clerks' case against the Texas & New Orleans Railroad Co.

In that case the employees obtained injunctive relief under the provisions of the railway labor act of 1926. The relief they obtained was against the interference of the railroad company with the employees' right of designating representation of their own choosing. The thing they asserted was that the railroad company had sought by intimidation or coercion to bring about the creation of another organization and recognition of agents or representatives who were not in fact agents and representatives of the employees of the railroad company. The contention of the employees in that case was sustained. It was not only sustained by the lower court and upon appeal to the circuit court of appeals, but was sustained in the Supreme Court of the United States. The decision was written last year by Chief Justice Hughes.

I want to ask Members of the Senate whether or not it is the desire here to repeal by implication the beneficial provisions of the act of 1926, and if not, then what remedy is left to the employees in case of interference or intimidation, as the case may be, upon the part of the employer? What chance would there be for injunctive relief, if the court is bound to find, as a jurisdictional basis for the injunction, that unlawful acts have been committed, or that they are threatened, so far as that is concerned? The relief granted was not based upon unlawful acts; it was based on interference and coercion.

I do not understand there was anything unlawful in the action of the railroad company in the clerks' case. There was an invasion of the right of the employees, it is true; there was an attempt upon the part of the railroad company to deny to the employees the full right of association and the very important right of being represented by agents of their own choosing. So far as I am concerned, I would like to see that right of the employees maintained and would like to know that it may be protected in a court of equity.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. STEIWER. I yield.

Mr. NORRIS. Is the Senator afraid that, having agreed to this amendment, thereafter the employees will not be allowed to select some one of their own choosing?

Mr. STEIWER. I am not afraid of that, Mr. President. It is not a question of fear upon my part. It is a question of conviction growing out of my understanding of the language.

Mr. NORRIS. Does the Senator think, if this amendment is agreed to, that always hereafter the laboring man will not be allowed to select anybody of his own choosing?

Mr. STEIWER. Oh, no; I do not think that, and I did not say that. I do think, though, that if the employer seeks to invade that right of the employee, there will be no remedy by injunction in behalf of the employee. That is what I said, and I challenge anyone to controvert that——

Mr. NORRIS. I controvert it.

Mr. STEIWER. I challenge anyone to controvert it successfully if he will examine the language before us and compare it with the beneficial provisions which are contained in the act of 1926. How would the employees point to unlawful acts? Where would they point even to a threat of an unlawful act? If the court should construe the language differently from the way I construe it—as the court may very well do, because there is nothing infallible about my judgment in the matter—how, then, would the court make its injunction order effective in behalf of the employee? Who would be enjoined by the order of the court? Would it be one superintendent, the man who was guilty of the unlawful act? Would it be one special agent or one depot agent? In the clerks' case to which I have referred the whole organization was enjoined, the railroad company itself was enjoined, and the most sweeping effect was given to the provisions of the act of 1926. Finally the court required, as a condition of the vacation of that injunction order, that the railroad company purge itself by ceasing to recognize those who were not the actual representatives of the employees and required the railroad company to recognize those who had been selected by the employees as their agents.

I am thoroughly in accord with the general expression made here that a court ought not, in issuing an injunction order and in designating those enjoined, to go back a month or two, as was suggested by the Senator from New Mexico [Mr. BRATTON], and include as parties a lot of innocent people who were not involved in anything that was unlawful and who possibly had not even thought of making a threat against anybody. I am thoroughly in accord with that. But it seems to me further consideration ought to be given to the language and that we should find a way to safeguard the rights of the employees in courts of equity with respect to injunction processes without adopting language that is so sweeping that the courts would lose the power to do that which was done upon behalf of the employees in the clerks' case to which I referred a little while ago.

The inclusion in line 6 of the amendment proposed by the Senator from Montana [Mr. WALSH], in my opinion, im-

measurably strengthens the good purposes of the bill. The inclusion of the language in line 8 as suggested by the Senator from Nebraska [Mr. NORRIS], if it could do what he proposes for it, would also, in my opinion, strengthen the provisions of the bill. But I still insist that the language in that proposal embraces too much territory and that it goes so far in limiting the injunctive relief to an order against the person who actually commits or threatens the commission of an unlawful act and to the person who actually authorizes or ratifies that act that the relief upon behalf of the employees will be most severely restricted and that we will in effect and by implication make a substantial modification of the act of 1926.

Mr. BLAINE. Mr. President, the Senator from Oregon [Mr. STEIWER] has, I think, built up an entirely imaginary case. There is no basis for his conclusion, at least none based upon the Texas case. That was a case in which the railway clerks sought an injunction against the Southern Pacific Railway Co. to enjoin that company from interfering with the clerks respecting their self-organization and the designation of representatives of their own choice. That is all there was to that case. It was an action against a single company by the clerks' organization or representatives of the clerks' organization.

Mr. STEIWER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. BLAINE. I yield.

Mr. STEIWER. If the Senator will refer to section 6, he will note that—

> No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the United States.

All I am attempting to suggest is that if the injunctive process shall be limited to those who actually commit an unlawful act or threaten to do so the injunction will have to be against the agents of the railroad company and not against the company itself, because I believe that the term "organization" would include the company almost in express terms.

Mr. BLAINE. It seems to me that a corporation can function only through its officers and agents. A corporation can not itself speak; it has no life other than a corporate life; it has no voice and can only act or refuse to act through its officers and agents. I do not think there is any question about that.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BLAINE. I want to pursue this matter, if I may be permitted to do so, until I conclude respecting the decision of Judge Hutcheson in the Texas case. That was the action about which the Senator built this imaginary situation that might happen. I wanted to point out that that case had reference, as I have said, only to an injunction to restrain the railroad company from interfering with the right of the clerks to self-organization and to choose representatives. That was under the railway labor act of 1926, and that particular provision I desire to read into the RECORD at this point.

Mr. WHEELER. Before the Senator gets through will he let me——

Mr. BLAINE. Let me read the quotation while I have the matter in mind:

> Representatives, for the purpose of this act, shall be designated by the respective parties in such manner as may be provided in their corporate organization or unincorporated association, or by other means of collective action, without interference, influence, or coercion exercised by either party over the self-organization or designation of representatives by the other.

It was under that provision of the railway labor act that the injunction was sought and obtained, the injunction providing against interference with the right of the employees under a substantive law, and permitting the employees to exercise their choice in the selection of representatives. That clearly does not sustain the conclusions to which the Senator has come in his discussion of this question.

Mr. STEIWER. Will the Senator yield there?

Mr. BLAINE. I yield first to the Senator from Montana.

Mr. WHEELER. I merely want to call the attention of the Senator from Oregon to the fact that the only way a corporation can be represented is through its agent. If the agent does something that is not authorized by the corporation, the corporation can not at the present time be enjoined. The only time it could be enjoined, the only occasion when the railroad employees could enjoin it, would be when the agent of the corporation was doing something that he was authorized to do by the corporation itself.

Mr. REED. Does the Senator mean to say that the principal is liable only for acts which are authorized?

Mr. WHEELER. I mean acts which the agent is doing in the ordinary scope of his employment.

Mr. REED. That is different.

Mr. WHEELER. The scope of his authority—that is the way in which I meant to make the reference—but this case is entirely different from what the Senator contends. All we are contending with reference to the labor unions is that the labor unions shall not be enjoined because of the fact that somebody belonging to a labor organization does something that he is not authorized to do or something that is not within the scope of his employment.

There is absolutely nothing to the Senator's argument to the effect that this is going to affect the laboring people or to keep them from enjoining some corporation. They do not want to enjoin any corporation and they do not want to enjoin any individual unless that corporation or individual is actually the one that is causing the unlawful act. We do not find, let me say, any labor organization complaining about this bill. As a matter of fact, I think every labor organization in the United States that has had its lawyers scan it is in favor of the bill, and they are entirely familiar, let me say to the Senator from Oregon, with the provisions of the bill.

Mr. STEIWER. Now, if I may intrude upon the Senator from Wisconsin——

Mr. BLAINE. Unless the Senator has a question to ask me, I yield the floor.

Mr. STEIWER. I want to ask one question of the Senator from Wisconsin.

Mr. BLAINE. Very well.

Mr. STEIWER. Does the Senator contend that the phrase "association or organization" is applicable only to an employees' association or an employees' organization and is not applicable to an employers' association or an employers' organization? In other words, is this bill to be construed as working one way only or does it work as to both employer and employee without discrimination?

Mr. BLAINE. I can conceive of no case where an employee would bring an action under this act along the line the Senator has suggested. The action would be brought against the employees or their association or their organization. There are no employees going to bring any action under this act against the employer in any labor dispute as defined in this act.

Mr. STEIWER. That is true, Mr. President. The basis of his right would be either the transportation act of 1926 or some other act, but this measure defines the jurisdiction of the court. Regardless of what the right of the employee may be, if Congress by this bill defines the jurisdiction of the court so that the relief of the former act can not be accorded, how, then, could the laborer hope to get any injunctive relief in any case?

Mr. BLAINE. It is a very simple case—the Texas case involving the railroad clerks. They have certain rights under substantive law; those rights can be enforced only through an equity proceeding; and there is no penalty imposed by the railway labor act against the violation of the provision I just read, and that is the only provision that is of any great consequence, at least in this discussion. There is no remedy by which the employees may recover damages; the only remedy they have is by injunctive process; and

they would allege that there is no remedy at law. To me it seems very clear that the subject the Senator is discussing is entirely separate and apart from the railway labor act. I can not see how it is applicable to this proposed act.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BLAINE. I yield the floor.

Mr. NORRIS. No; I want to ask the Senator a question. I am greatly moved by what the Senator from Oregon says. I can see that there might come a great injustice. He speaks of organizations of employers and employees' organizations. One of them consists of the coal-mine operators, we will say, in the United States, and the other of the laboring men working for them. The Senator from Oregon wants to know whether we propose to give the coal-mine operators and coal combinations the same right that we propose to give to the laboring men. That is a serious question. The Senator from Wisconsin must not cast it aside without due consideration, because these great monopolistic combinations control property running into the billions in value; and are we going to turn them over to the tender mercies of a few fellows down in the earth who are digging coal, and not give them the right to commence in the Federal courts an action for an injunction to enable them to obtain their rights? Why, before we get through we will have deprived these large corporations of their rights under the Constitution; we will have nullified all the provisions of the Constitution. We ought to hesitate before we take away from these suffering companies the blessed right to have an injunction issued by a Federal judge, holding office for life, who, perhaps, forsooth, has obtained his job upon the recommendation of the very men and the very corporations who are asking the injunctions at his hands. We ought to be careful and see that we do not take away from that judge the right to make good to those who set him on a pedestal, made him a tyrant for life, and a monarch of all he surveys. We have got to be careful.

Mr. BLAINE. Mr. President, I have concluded my statement, and I am quite sure that there is no logical argument by which the Senator from Oregon can construe the provisions of section 6 to deny the working men any rights they may have under any substantive law, either statutory or courtmade; certainly not with respect to the substantive law written into the railway labor act.

Mr. STEIWER. Mr. President, an effective answer can be made to the last suggestion in just one sentence. In the railway clerks' case there was no unlawful act; there was not even the threat of an unlawful act. The remedy sought by the employees was based merely upon a coercion by the employers and the denial of the employees' right to be represented by agents of their own choosing. If that right is asserted again in a court of the United States after the enactment of this bill the court can not issue an injunction in their behalf, because the jurisdiction of the court will depend upon a finding that there is an unlawful act or the threat of an unlawful act, and the remedy provided or implied in the act of 1926, in my humble judgment, will be gone. I do not care now to pursue that suggestion further.

I should like, however, in view of the statement of the Senator from Montana [Mr. WHEELER] a little while ago that he was in favor of the effort here made, to say that I also am in favor of it. I shall not permit myself to be dissuaded from voting for this bill merely because some of the details may not meet my own ideas of what the legislation ought to be. I shall be induced to vote for the bill because of my antipathy toward the antiunion contract; because of my entire willingness to see the National Legislature go so far as it may constitutionally go to curtail the use of that device in industrial disputes. I shall be induced to vote for the bill because of my entire willingness to place in the law limitations upon the power of the Federal courts so that the abuses complained of may be abruptly stopped.

Mr. President, having made that declaration, let me add, in utter good nature, that I regard the statement just made by the Senator from Nebraska [Mr. NORRIS] as wholly unfair to me. He assumed, apparently in all seriousness, that I had spoken for the coal operators and said ironically that we ought to give greater consideration to the large coal-mining operators, and he also said ironically that he was impressed with my contention. Let me say, if it is necessary to say it, Mr. President, that at no time did I hint that anything should be accorded to the coal operators or any other operators or employers in this country, nor did I say anything that would fairly imply such a result. The only concern that I voiced here is concern lest rights may be taken away from employees by language which we may improvidently use. I asked the question of the Senator from Wisconsin, it is true, whether he regarded the bill as working both ways, and that question was pertinent because most of the discussion heretofore has concerned injunctions obtained by employers against employees; and I was trying to direct the discussion to certain considerations that affect the right of employees themselves in their effort to obtain injunctions in proper cases against the employer. I say, therefore, that the ironical jest of the Senator from Nebraska is unfair to me, and yet I have no disposition to answer it in kind. The language which I employed, the sentiments which I have expressed are known to all Senators in this Chamber at this time.

Mr. REED. Mr. President, I desire to echo what the Senator from Oregon [Mr. STEIWER] has just said. This is a 2-edged sword that we are dealing with; and I am afraid there will be many a workingman who will not thank the sponsors of this bill for section 6 or for the section that we are now discussing.

In effect section 6 changes the law of agency in any action arising out of a labor dispute, either in equity or at law. The words "association or organization" in section 6 were probably meant by the sponsors to apply only to labor organizations; but under any fair reading of that section the court will hold that they apply similarly to any employer who is incorporated, or to any association of employers; and some one bringing a suit against an employer some day because of high-handed and outrageous acts of corporate officers will find his suit defeated because he has been unable to prove authorization by the corporation itself.

I think it is only fair to give warning now that this is a 2-edged sword, that this gun is loaded at both ends, and we may be taking away very substantial rights from employees when we are only thinking about limiting the unfair use of the injunctive process.

Mr. JOHNSON. Mr. President, may I implore my brethren not to waste time over the idea that this bill is going to curtail the rights of some workingman. May I suggest that an academic argument as to the effect of a gun loaded at both ends in a United States Federal court, one end of which may do incalculable harm unto a laboring man, is an argument with which we need not concern ourselves very seriously at the present time.

Of course, I can understand that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wisconsin [Mr. BLAINE] and the Senator from Montana [Mr. WALSH] would bring to us here a bill the purpose of which undoubtedly is to prevent the individual who is working by himself, and who has neither power nor money nor influence, from obtaining an injunction against the coal barons or the railroad companies or some combination of employers; but, sir, I think we waste our time in dealing with a subject of that sort.

Let us go on and pass this bill. I recognize the difficulties in the way ultimately of having it administered as we would like to have it administered; but, sir, if it is nothing more than a gesture by the United States Senate, if it is nothing more than an endeavor as a deterrent to a United States court, let us pass this bill at least and put ourselves upon record as against the inhuman and outrageous injunctions that have been granted in the past against workingmen; and let us not worry ourselves in the slightest about the injunctions that workingmen might, forsooth, have at some far day in the future against their employers.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska [Mr. NORRIS].

The amendment was agreed to, as follows:

On page 6, line 8, after the word "restrained," insert a comma and the words:

But no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons making the threat or committing the unlawful act or actually authorizing or ratifying the same after actual knowledge thereof.

Mr. SHIPSTEAD. Mr. President, in view of the discussion which has taken place here in the last 15 minutes, I desire to call the attention of the Senate to an opinion given by a workingman at one time when he said that he understood that a court of equity was called a chancery court because, he said, the workingman never had a chance in that court.

Mr. BLAINE. Mr. President, I desire to propose an amendment to the pending bill and ask that it be printed in the RECORD and lie on the table.

The amendment intended to be proposed by Mr. BLAINE was ordered to lie on the table and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. BLAINE to the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, viz: Add a new paragraph to section 8, to read as follows:

"(b) If at any stage of the proceedings under this act it shall appear to the court or be specifically alleged by the defendants or either of them that the complainant or any detective or other person directly or indirectly employed by him in connection with industrial relations has incited, promoted, or encouraged the labor dispute giving rise to the proceedings or any unlawful acts in connection therewith, all proceedings hereunder shall be suspended and any restraining order or temporary injunction shall be inoperative until a hearing and determination has been had to determine the facts with respect to such allegations, and the court shall thereupon require that issue be joined and that a hearing thereon shall be immediately held.

"Testimony relating to such issue shall be taken in the same manner as is taken in equity proceedings within the jurisdiction of said court.

"After the taking of such testimony, if the court finds against the complainant on the issue joined the court shall make a finding of fact and shall assess against the complainant, and the defendants shall recover threefold the loss, expense, and damage caused by the issuance of such restraining order or temporary injunction, together with all reasonable costs, including a reasonable attorney's fee, incurred in the action instituted by complainants, and where there is more than one defendant, the amount assessed and recovered shall be apportioned among the defendants according to their respective interests as may be shown in said proceeding, and any restraining order or temporary injunction issued in the action instituted by complainants shall be dissolved as a part of the judgment for damages and costs on the special issue joined.

"A review of such findings and the judgment rendered in such matter may be had in the same manner as is now provided for a review in equity proceedings of which said court has jurisdiction."

Mr. HEBERT. Mr. President, there was addressed to the Vice President by Mr. Paul Howland, on behalf of the American Bar Association, a letter in reference to the pending bill, which I ask to have incorporated in the proceedings of to-day in the CONGRESSIONAL RECORD and referred to the Committee on the Judiciary.

There being no objection, the letter was ordered to be printed in the RECORD and referred to the Committee on the Judiciary, as follows:

CLEVELAND, *February 20, 1932.*

Re S. 935

Hon. CHARLES CURTIS,

Vice President of the United States,

United States Senate, Washington, D. C.

SIR: We have been advised that S. 935 will be up for consideration by the Senate on Tuesday, the 23d of this month. We feel that the position taken by the American Bar Association with reference to legislation of this character should be called to the attention of the Senate.

This position of the American Bar Association is evidenced by the formal action taken at its annual meeting at Memphis in 1929, and reported in volume 54 at page 93 of its annual report. This action consisted of the approval of the following resolution:

"That the association authorize continued opposition to all legislation radically limiting the jurisdiction of Federal courts, or decreasing the power thereof."

The full report of the committee touching upon this subject will be found at page 373 of said annual report.

Again, in the annual report of the American Bar Association, volume 55 for the year 1930, on page 68, the association adopted the following recommendation of the committee on jurisprudence and law reform:

"Your committee recommends continued opposition to all legislation radically limiting the jurisdiction of Federal courts, or decreasing the power thereof, adhering in this respect to the instructions of the association at its Memphis meeting in 1929."

Again, on page 70, the association adopted the following recommendation with reference to S. 2496, then known as the Shipstead bill:

"Your committee recommends the defeat of S. 2496, known as the Shipstead bill, limiting the jurisdiction of Federal courts sitting in equity or labor disputes, and fixing the public policy in relation thereto, on the ground that it is legislation with reference to a particular class and not uniform in its operation; that it surrounds the courts with so many limitations and conditions that it destroys the judicial power and renders the court helpless to restrain unlawful acts until after the damage has been done."

At the annual meeting of the American Bar Association held at Atlantic City in September, 1931, the committee on jurisprudence and law reform reported to the association upon this general subject, as follows:

"Your committee will continue its opposition to all legislation limiting the jurisdiction of Federal courts, or decreasing the power thereof, adhering strictly to the instructions of the association at Memphis in 1929 and at Chicago in 1930."

Yours respectfully,

PAUL HOWLAND,

Chairman Committee on Jurisprudence and Law Reform of the American Bar Association.

RECESS

Mr. WATSON. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The PRESIDING OFFICER. The question is on the motion of the Senator from Indiana.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, March 1, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 29, 1932

The House met at 12 o'clock noon.

Rev. Francis J. Hurney, of the Church of the Immaculate Conception, Washington, D. C., offered the following prayer:

We pray Thee, O Almighty and Eternal God of Might, Wisdom, and Justice, through whom authority is rightly administered, laws are enacted, and judgment decreed, assist with Thy Holy Spirit of counsel and fortitude the President of these United States, that his administration may be conducted in righteousness and be eminently useful to Thy people, over whom he presides, by encouraging due respect for virtue and religion, by a faithful execution of the laws in justice and mercy, and by great charity and devotion toward all those who to-day are in dire need. Let the light of Thy divine wisdom direct all the deliberations of this national body and shine forth in all the proceedings and laws framed for our rule and government, so that they may tend to the preservation of peace, the promotion of national happiness, the increase of industry, sobriety, and useful knowledge, and perpetuate to us the blessings of equal liberty.

We recommend likewise to Thy unbounded mercy all our fellow citizens throughout these United States, that they may be blessed in the knowledge and sanctified in the observance of Thy most holy law, that they may be preserved in union and in that peace which the world can not give, and after enjoying the blessings of this life be admitted to those which are everlasting. Amen.

The Journal of the proceedings of Saturday, February 27, 1932, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On February 20, 1932:

H. R. 6304. An act to transfer Lavaca County from the Houston division to the Victoria division of the southern judicial district of Texas.

On February 23, 1932:

H. R. 81. An act granting the consent of Congress to the Catawissa Railroad Co. to reconstruct, maintain, and operate a railroad bridge across the Susquehanna River at or near Catawissa, Pa.; and

H. R. 7247. An act authorizing the Rhode Island State Board of Public Roads and the State Highway Department of the State of Connecticut to construct, maintain, and operate a free highway bridge across the Pawcatuck River near the location of the present Broad Street Bridge between Westerly, R. I., and Stonington, Conn.

On February 24, 1932:

H. J. Res. 271. Joint resolution amending section 1 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved July 3, 1930, relating to the Mississippi River between the mouth of the Illinois River and Minneapolis.

On February 27, 1932:

H. R. 9203. An act to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes.

EMERGENCY ROAD BILL

Mr. WARREN. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection.

There was no objection.

Mr. WARREN. Mr. Speaker, the Secretary of Agriculture, Mr. Arthur M. Hyde, gave out a statement, appearing in all of the newspapers this morning, upbraiding the House of Representatives for passing the emergency road construction bill by 96 majority. I am to-day handing out to the press the following reply to Secretary Hyde:

Secretary Hyde knows as much about Federal-aid roads and unemployment as he does about agriculture. For a long time the American farmer has taken his measure, and now laughs at his silly utterances. The charge that the emergency road bill was railroaded through the House is utterly false.

On December 4, 1930, President Herbert Hoover, transmitting a Budget estimate to Congress for an emergency relief appropriation calling for an expenditure of $80,000,000 for roads, said:

"The test of the value of such relief is the ability to pay wages between now and the end of the fiscal year, and I therefore urge that this estimate be given early consideration."

Acting on the President's recommendation, the measure was not permitted to go to the legislative Committee on Roads, but Chairman WILL R. WOOD, of the Appropriations Committee, conducted hearings, lasting only two days, and rushed it through the House under an unanimous-consent agreement with less than two hours' discussion and by unanimous vote.

If there was need for this expenditure in 1930, there is a double necessity for it at this time. We have followed almost verbatim the procedure used at that time, except that our hearings extended for three days and there was nearly six hours' discussion in the House. I repeat that all the evidence shows that this fund when matched by the States will give employment directly and indirectly to 1,000,000 people. Chairman WOOD and other Republican leaders vested with responsibility favored same in 1930 and urged it as an unemployment aid. This year, when divested of responsibility, Mr. WOOD and his associates for partisan reasons opposed the very thing they are all on record as favoring.

Let the Senate pass the measure and, as has been intimated, let the President veto it. We will confront them with their own words.

It is a piece of unmitigated gall for Secretary Hyde to upbraid the Democratic House in passing the first piece of legislation that will give a job to a single human being in America when his own party sat by impotent and suggested nothing. He speaks of the deficit, and I remind him that all of it was created under the present administration, and it remained for the Democratic House to endeavor to balance the Budget when the administration refused to even attempt it.

[Applause.]

Mr. DYER. Mr. Speaker, I ask unanimous consent that the statement of the Secretary of Agriculture, referred to by the gentleman from North Carolina, may be inserted in the RECORD at this point.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not, I call the gentleman's attention to the fact that, in spite of vigorous opposition by Republican leaders, many of his colleagues on the Republican side of the aisle supported this measure last Saturday, which is the only bill passed thus far that guarantees any real relief to unemployment.

Mr. DYER. I am not criticizing. I simply make this request.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The statement of Mr. Hyde is as follows:

STATEMENT BY SECRETARY OF AGRICULTURE ARTHUR M. HYDE
FEBRUARY 28, 1932

Yesterday the Democratic organization in the House railroaded through a bill for $132,000,000 for roads. The bill was produced on Friday and pushed through, under very stringent rules, on Saturday. A bare 24 hours' notice was given. No consultation was held with the Treasury, which must propose methods of taxation to meet the expenditure. No advice was sought from the Ways and Means Committee as to how they are to meet so large an increase in expenditure and balance the Budget.

The bill was passed in entire disregard of the assurances given some weeks ago to the country by the Democratic leadership in the House that they would oppose all authorization bills, and after they had severely trimmed the Budget recommendations for funds for departmental services. From the regular road appropriations for this department, for instance, they deducted, with great parade of economy, the sum of $10,000,000. They now propose to spend $132,000,000 for the same purposes. At a time when the country is crying for economies of administration and expenditure they pass a bill which requires more expenditures than all of the economies which have painfully and laboriously been achieved by the Appropriations Committee.

The bill purports to be a bill for the relief of agriculture and of unemployment. So far as agriculture is concerned an expenditure of a maximum of $200,000,000 for crop-production loans has already been passed. I should like to call attention also to the fact that, as to the $132,000,000 road bill, the farmer will gain in only part of the fund and will be compelled to pay, directly and indirectly, a considerable portion of the additional taxes which the bill will necessitate.

The Treasury Department and the Ways and Means Committee have been working in complete harmony and with courageous determination to balance the Budget and to preserve unimpaired the credit of the United States Government. This is a matter of vital concern to every person in the country. It is the cornerstone of renewed prosperity. The price to be paid is increased taxation, but not one penny more should be levied in taxes than the needs of the situation imperatively demand. Already increases in corporation, income, and estate taxes have been proposed to the maximum limit. Even these are not adequate. It has been found necessary to resort to a manufacturers' sales tax. Therefore, the increased burden imposed by this bill must be met, if met at all, by further increases in taxes upon commodities and services. The farmer is a large purchaser of such commodities and will have to pay his part of such increased taxes.

An excessive increase in road expenditures from the Federal Treasury this year would undoubtedly endanger the stable development of the Federal-aid program in the future. Excessive emergency support of Federal aid in some years will probably result in insufficient support in other years and thus impair the whole program. That would be disastrous. An assured annual program is much more important to the proper development of our highway system than any possible emergency and artificial stimulus which is of necessity temporary in its nature.

The $132,000,000 provided by this bill will give, directly and in itself, employment to about 35,000 people. This out of 6,000,000 unemployed. True it will create some indirect employment, but the number so benefited will certainly be less than the number directly affected. By extracting $132,000,000 additional funds from agriculture and industry, we shall impose still further strain upon the country and shall deprive more people of employment indirectly than we can employ directly.

The bill has more of the aspects of the pork barrel than of relief from unemployment. Our experience last year is in point. The Federal Government made an appropriation which resulted in an expenditure of $155,000,000 additional Federal funds for road building. The States and local districts reduced the expenditure of their own funds by three-fourths of this amount. In practical operation we expended $155,000,000 more Federal funds, but secured an increase in total funds expended—local, State, and Federal—of only $33,000,000. The net gain in employment from Federal funds was disappointing. The net result was a larger and disproportionate drain upon the Federal Treasury.

The allocation of the fund would be made under the law regulating road funds, rather than upon a per capita basis. The benefits of the fund, therefore, would be unequally distributed. The States having the least population would receive the largest per capita allocation. The States having the greatest population and the largest unemployment problem would receive the smallest per capita allocation. The bill does not go to the problem of unemployment on the basis of need.

But further than all this, if there is to be economy in public expenditures and relief from burdens of taxation upon the people, economy must begin. The President has forcefully said, "We can not squander ourselves into prosperity." The bill ought not to be enacted.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9699, making appropriations for the Treasury and Post Office Departments, for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9699, with Mr. HOWARD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. There remain 80 minutes of debate, according to the unanimous agreement made on Saturday last, 40 minutes on either side.

Mr. WOOD. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, there are several matters in this bill that I intended to discuss, but a subject has come up which I believe requires a definite reply; and I shall defer taking up the matters in the bill until we get under the 5-minute rule, at which time I expect to offer some amendments.

I had occasion a few days ago to call attention to the disgraceful conditions brought about in the aviation industry by the Century Air Lines in their attempt to so reduce the wages of skilled experienced pilots and the danger to aviation involved through the avarice of this company. The gentleman from Illinois [Mr. ARNOLD] called attention to the testimony of one E. L. Cord before the Committee on Appropriations. Had that testimony been given by any reputable operator of an air line, had it been given by any citizen who has a proper regard for the safety of the traveling public, and the rights of labor, the testimony would have been very impressive. In fact, after the testimony was given, many Members of the House looked into the terms of existing air mail contracts. No sooner had Mr. Cord left the Committee on Appropriations than he went back to Illinois and started reducing wages, which gives an entirely different aspect to his reliability and the value of his proposition. In other words, he seeks to get Government contracts by lowering the rates and plans to make up the difference out of the pay of pilots.

As far back as last May the Century Air Lines (Inc.) indicated the kind of tactics they were willing to employ against competitors. These tactics will, in turn, indicate the caliber of men operating this company. Just as they came to Washington seeking to get contracts away that are now held by other companies by any means fair or otherwise, just as they are willing to disregard safety by underpaying and overworking pilots, so last May they even went so far as to arrange for the use of violence in competing against reputable companies. Yes; they actually recommended the use of violence and the employment of thugs. I made this charge a few days ago, startling and shocking as it is, by reading a letter written by the traffic manager of the Century Air Lines to their own terminal manager at Detroit. I am going to read it again. The reason I do so, and shall continue to do so, is because this man, E. L. Cord, has the brazen effrontery to deliberately misrepresent facts, to deliberately misinform the public in an attempt to deceive the Congress, in an attempt to deceive the Post Office Department, in an attempt to deceive the public, and in a desperate effort to hide their own contemptible shame, to conceal their own disgraceful conduct, and to pose as persons who have been unjustly criticized. Just let me read this letter again:

CHICAGO, *May 16, 1931.*

Mr. GEORGE H. PFEUFFER,
Terminal Manager, Detroit, Mich.

DEAR SIR: Any number of people, including executives of the Cord Corporation, have advised me that Thompson is making a practice of telling our passengers, who are on the bus with their passengers on the 1.30 schedule, that they should ask for refund of their ticket and get out on the first ship—which is Thompson's—and that you have no hesitancy in refunding their money to them so that they can do this.

I can not understand why it should be necessary for anyone to tell you not to permit this, but rather arrange to offset it and, if possible, give Thompson a dose of their own medicine, but it seems that some one must tell everybody just what to do.

Why don't you get some good, hard-boiled scrapper and ride him on that bus all day long. If he hears anyone making a suggestion to any passenger about Thompson, have this tough beat him up. It was necessary to do this in the early railroad days and also in the taxicab and bus developments, and apparently it is necessary for us to adopt this sort of tactics.

But, in any event, as manager of Detroit, I should think you would have the interests of the company sufficiently at heart to do something aggressive to offset this condition. Why don't you run your show in such a manner that Thompson would be ahead to induce you to work for them instead of for Century, and make your terminal more profitable and satisfactory than any other terminal that Century has, inasmuch as Detroit is the best source of traffic that we enjoy.

Get after this situation right now, and let me hear from you what has been done about it.

Yours very truly,

CENTURY AIR LINES (INC.),
By W. F. BLISS.

In the face of this, this man E. L. Cord has the audacity to send out a statement to the press. Here it is:

E. L. Cord clarifies pilot controversy in patriotic interview.

He refers to himself as "E. L. Cord, president of Century Air Lines (Inc.)," the same company referred to in the letter I have just read, instructing their manager to employ thugs to beat up people. I suppose that was for patriotic reasons.

In other words, this low type of citizen who advocates the employment of thugs to do violence is now trying to get profits by employing scabs and hiding it all in a patriotic appeal. He says that his labor troubles are the result of "anarchistic activities," and he refers to his pilots as "reds." When he says that, he knows that he is making a deliberate, vicious, and malicious false statement. Gentlemen, over 50 per cent of the pilots referred to as "reds" by this miserable person are ex-service men who served as flyers in our Army during the World War and rendered actual flying service for their country. Forty-five per cent of the pilots in the pilots' organization are now members of and affiliated with the reserve forces of the United States Army or Navy. [Applause.]

Among the pilots now on strike are such boys as Eddie Hamilton, Dean Burford, Duke Skoning, Bledsoe Payne, Kenneth Cool, C. H. Thomas, Wheaton, James Benedict, Paul Meng, and others, all veterans of the war. Because they refused to work under indecent conditions, which would impair the safety of the public, he refers to them as "reds." They did not go on strike. They were locked out after they had agreed to arbitration. They were discharged by this same Cord after he went back on his own word to arbitrate. Mr. Cord has absolutely no regard for the truth. He mailed a copy of this "patriotic interview" to every Member of Congress. He said, among other misstatements:

The impression has been given that the readjustment in pilots' compensation on the Middle Western lines reduces them to only $150 per month. This is not true.

Gentlemen, that statement was made by Mr. Cord himself when a committee of the pilots conferred with him on Sunday, January 31, 1932, in Mr. Cord's own office, in Chicago, Ill. The committee consisted of five, and I will nail his lie right now. This committee consisted of Messrs. Dean Burford, Eddie Hamilton, A. B. Thomas, Duke Skoning, and R. Williams. Two of these gentlemen are in the gallery this minute. Those men represented the pilots. They went there and Mr. Cord told those five men, who are ready to face him any time, anywhere, and who are ready to testify under oath, that he first suggested a reduction of 40 per cent, and that eventually he was going "to take the romance out of aviation" and bring them down to $150 a month; and yet he has the audacity to send out this "patriotic interview," as he calls it. There is not a meaner employer of scab labor in the entire United States than this man, who disregards the truth and calls it a "patriotic interview."

Do you know what he offered the boys? Three dollars an hour for day flying and $5 an hour for night flying. Suppose a boy is on a 2-hour or a 3-hour flight, he would get $9 for that day. He would have to lay over at the terminal until the next day and then come back on the third day, and if that does not make it less than $6 a day I do not know what does. If he is on a three or four hour night flight, according to the regulations of the Department of Commerce, he can not fly back the next day. Imagine attempting to have a pilot fly four hours every night.

The regulations of our Department of Commerce would not permit any such condition, and this man comes before a committee of Congress, criticizes the Post Office Department, criticizes existing contracts, and says he can do the same work for 50 per cent less, and he figures the 50 per cent less by taking it out of wages. He went from Washington with the idea that we were going to enact special legislation for his discredited company. In all likelihood we would have enacted legislation if an exposure had not been made on the eve of consideration of his proposition. He is known now—and his company is known now—they are not the kind of men and company to intrust the development of aviation.

He said before the committee that he had no opportunity to bid. I have here seven contracts that were opened since he has been operating, in which he or his company did not bid. Why? Again, a matter of truthfulness. I think the gentleman from New York, Mr. MEAD, will bear me out in that.

If the Cord Corporation was really interested in aviation in 1927, as they state on page 369, why did they not bid on the following routes:

No. 27, Bay City-Chicago, established July 17, 1928.

No. 28, St. Louis-Omaha, established May 1, 1929.

No. 29, New Orleans-Houston, established January 23, 1929.

No. 30, Chicago-Atlanta, established November 19, 1928.

No. 32, Pasco-Seattle, established September 15, 1929.

No experience was required of the bidders on any of these routes, although it may have been a factor in making the award between two equally low bids. Six months' experience was required of bidders on the following:

No. 33, Atlanta-Los Angeles, established October 15, 1930.

No. 34, New York-Los Angeles, established October 25, 1930.

The Cord Corporation calls attention to these two routes, but has never said that it wished to bid on them at the time they were ready for installation. At the time it had never flown an airplane over a line of its own and did not on its own showing until March 23, 1931.

To give you an idea of how unsafe it is for any passenger to travel on the Century Line planes at this time, the man at St. Louis who is in charge of checking the planes as they come in, that is, as the pilot leaves the plane, checks the oil, the fuel, the controls and the entire plane, is working 17 hours a day, and he had no assistants. That was one of the causes of the protest of the pilots. Since the strike those conditions have been changed in St. Louis, only during the lockout. Of course they expect to go back on the 17-hour basis later.

Pilots insist on having good mechanics. That, too, was a part of the protest of the pilots, that the Century Air Lines were paying assistant mechanics $60 a month and senior mechanics $100 or $110 a month and overworking those men. I do not need to tell my colleagues how skilled, accurate, and how careful must be the work on the motors and the rigging of the planes. As compared with the prevailing rate for similar skilled work, on other operating companies, it was 30 or 40 per cent less. It was at that time that the pilots protested to the company, and since then there has been some temporary change, only during the lockout, in the hope of beclouding the issue.

I submit that we can not, in this early stage of development of aviation, permit anyone to obtain Government contracts who plans to operate his company in this manner. I hope that I express the sense of this House when I say that we shall expect and insist that all operators of airplane companies having contracts with the Government shall operate their planes safely and skillfully and shall treat their pilots and labor decently, in accordance with the compensation we are paying them. [Applause.]

Mr. PARSONS. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. PARSONS. Will the gentleman include in his statement the wages paid by different organizations operating under contracts with the Government, and also to pilots and mechanics?

Mr. LAGUARDIA. Yes; I shall be very glad to do so, and I thank the gentleman for his suggestion.

Pilot's hours and pay

Air mail carrier	Hours per month	Pay per month
Pan American, Caribbean division	80	$835
Boeing, Chicago-Cheyenne	81	756
Pan American, Mexican division	75	650
Western Air Express	105	625
Colonial	105	625
National parks	85	550–625
Varney Air Line	85	575
Eastern Air Transport	85	575–600
National Air Transport, Chicago-Dallas	85	575
Cord Corporation [1]	70	210

[1] Pay $3 per hour; $5 per hour for night flying, but does not do any night flying because Department of Commerce will not approve inexperienced pilots for night duty.

The above will indicate immediately the rates paid by reputable operating companies and the rate offered by the Century Air Lines when the present trouble started.

Now this matter of wages, gentlemen, was brought up in the Committee on Appropriations and the figures which I have just quoted are corroborated by the Postmaster General and will be found on pages 288 and 289 of the hearings before the subcommittee having charge of this bill. Let me read just one or two lines which tell the traffic story:

Mr. THATCHER. You say that they pay [salaries paid pilots by Cord Corporation] the pilots less than the others are being paid?

Mr. BROWN. What was the last figure that they offered their pilots?

Mr. GLOVER. From $200 to $250 a month; $250 was the maximum.

Mr. THATCHER. What is the average?

Mr. BROWN. The average paid to the air mail pilot is about $600 a month. It runs from $500 to $700.

* * * * * * *

The CHAIRMAN. I do not think $600 a month is too much.

Mr. BROWN. I do not, gentlemen. I have been around with them quite a bit.

Mr. PARSONS. I think that will be very interesting to the membership.

Mr. LAGUARDIA. Now, please do not get the idea that I am oversentimental in consideration of the pilots. Before we permit a man to take command of a ship at sea, we require that he must have many years' experience, must have served an apprenticeship, must have served as third mate, second mate, and first mate, before he gets a skipper's license. With the present development of steam and the art of shipbuilding, the responsibility is not as great as it was years ago, although the responsibility is great. We must take every precaution in the case of heavier-than-air planes. Flying is still in its infancy. The responsibility of a pilot, with 10 or 12 passengers, is enormous. He must navigate, besides piloting the plane; he must attend to the motors, watch his fuel, oil, temperature of motors, should be well trained, and understand meteorology. To take underpaid, inexperienced men or boys who have just obtained their license, as the Century would like to do, and put them in control of passenger planes, I say is unsafe. It is not only unsafe to the people who travel in the air but it is unsafe to the people below, and we ought to put a stop to it immediately. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, I am extremely interested in the post-office section of this bill and as a member of

the House Post Office and Post Roads Committee, I have a number of amendments which I shall take up under the 5-minute rule. There are a number of matters, however, that I would like to discuss with you right now.

Following the discussion of my distinguished colleague from New York concerning the air mail situation, let me say that on to-morrow our committee will begin hearings in connection with the forming of a new air mail policy. The Comptroller General has criticized the present policy and a great many Members in the House have evidenced an interest in this important question.

The two matters which I desire to discuss with you affect the application of the rule which has been adopted with every appropriation bill passed up to this time. That rule pertains to promotions and automatic increases in salaries. I want to impress upon you the fact that the situation as it applies to the Post Office Department in the field service is entirely different from the departmental service here in Washington.

The amendments which I will offer in connection with that particular feature of the bill are as follows: First, in order to make more certain the intent of Congress in requiring the department to fill vacancies by appointing substitutes and to prevent, if possible, any excuse for defeating the purpose of the legislation by a technicality I will suggest this amendment in line 25, on page 67:

Or when substitutes are employed regularly to the extent of 44 hours a week.

The second amendment I will offer on page 66 will add another proviso, the language of which is as follows:

This limitation on promotions shall not apply to any postal employee receiving $2,000 or less annually.

The facts in connection with the suspension of automatic promotions are as follows: There are 11,586 employees in the first and second class post offices affected by this amendment. The amount saved by depriving them of their annual increase in salary amounts to approximately $1,000,000. The men affected for the most part are married, with consequent family responsibilities. They are scattered all over the country in every first and second class post office. The average length of service of the men affected by this amendment, whose salaries would be reduced unless we adopt the amendments, are about eight years, most of that time as substitutes, during which their salary was very, very meager.

In a letter from one of the representatives of the postal groups this matter is explained more clearly than I can possibly hope to explain it to you. Therefore, with your indulgence I will read the letter. This letter was addressed to me as chairman of the Post Office and Post Roads Committee and also to the chairman of the Committee on Appropriations [Mr. BYRNS].

NATIONAL FEDERATION OF POST OFFICE CLERKS,
OFFICE OF THE SECRETARY-TREASURER,
Washington, D. C., February 5, 1932.

HONS. JAMES M. MEAD AND JOSEPH W. BYRNS,
House of Representatives, Washington, D. C.

DEAR CONGRESSMEN: In behalf of the National Federation of Post Office Clerks, I am asking that no limitation be placed in the postal appropriation bill on promotions or appointments in the postal field service for the next fiscal year.

May I suggest that you incorporate the following proviso into the bill to continue the automatic salary promotions:

"*Provided*, That this limitation on promotions shall not apply to any postal employe receiving $2,000 or less annually."

There are valid reasons for this suggestion, which I herewith respectfully call to your attention. The salary progression of post-office clerks and city letter carriers from an entrance grade of $1,700 annually to the top grade at $2,100 is fixed by a law which stipulates that they be promoted successively $100 each year, contingent upon satisfactory service. There are approximately 7,000 clerks and 4,400 city letter carriers in these four automatic salary grades at present. Most of them worked five years or longer as substitutes before appointment to the regular force at $1,700, which means they have been in the service at least eight or nine years. This period is in reality the employees' apprenticeship. For the most part, they are family men with the consequent responsibilities. To deprive them now of earned promotions would be expensive economy—resulting in a very small money saving and a large loss in service morale.

It sounds impressive to say that Congress will stop all promotions as an economy measure. There may be cases where this can be justified. Yet in this instance there would be a breach of contract on the part of the Government and the economy is aimed directly at the lowest-paid groups—those least able to stand it.

The total saving effected by denying these earned promotions is approximately $1,000,000, which is to be withheld from 11,000 wage earners scattered throughout the country, and which ordinarily would be spent in the usual channels of trade. In view of the billions appropriated by Congress to stimulate business, it is rather petty to now suspend this legitimate expenditure in the form of earned wages and increased purchasing power. Congress should not be put in the position of stimulating only big business and throttling little individuals.

President Hoover has called attention to the importance of dissipating fear and restoring public confidence as an aid to economic recovery. The suspension of the earned promotions of men receiving $2,000 or less annually—men who have been in the public service for seven or eight years—is not calculated to establish confidence and security among the postal employees. It is certain to have the reverse effect and to this extent retard the reconstruction program. If every dollar hoarded means a destruction of from $5 to $10 of credit, as the President states, then withholding these promotions is equivalent to governmental hoarding at the expense of a low-wage group and can not be defended morally or economically.

There is another phase of the proposed legislative limitation that is of great importance to 25,000 substitute post-office clerks and city carriers. I refer to the restriction on the filling of vacancies which will likely prevent appointments of substitutes to regular positions throughout the next fiscal year. Any such policy in the field Postal Service would be disastrous and manifestly unfair to the substitutes.

Postal work must be performed daily without delay. It can not await a return of prosperity. If a substitute is required to do the work of a regular clerk or carrier at a lower rate of pay—as would be the case—it means a lowering of wage standards. It is true there would be a money saving by this practice, but it would be another breach of faith and a further hardship upon the substitutes. For the substitute would have the work and responsibility of a regular without the pay or leave privileges and the benefit of other protective laws.

Post-office substitute employees, numbering 23,000 in all, are now undergoing severe trials. Many of them are dependent upon the charitable donations of their associates. If no vacancies are to be filled until July 1, 1933, it means a continuation of this present very bad condition, which is due to a large extent to restrictive administrative policies of the Post Office Department. The substitutes did not benefit as they should from the 44-hour week law enacted at the last session of Congress. Instead of a 4-hour Saturday, as Congress intended, we have regular clerks in Chicago, Newark, and other large offices working six hours on Saturdays and who then are required to take two hours off during the week when the time is of no value to them. This perversion of the law affects the substitutes adversely.

An accurate picture of the general substitute-employment situation was personally brought to your attention in Nashville last November by a delegation of post-office substitutes. Since then, except for the extra Christmas work, these conditions have grown steadily worse.

The present departmental policy is against filling vacancies, and, inasmuch as this is wrong in principle, as we see it, it should not be sanctioned now by Congressional action. If this is done there will be a tightening up of this restrictive administrative policy that will prevent the appointment of substitutes for the next 17 months.

Furthermore, it implies there is little expectation of an early business revival as the result of the costly reconstruction measures passed by Congress, despite public protestations to the contrary. For, if postal vacancies are not to be filled for 17 months, this indicates a distressing lack of confidence on the part of Congress in the efficacy of its remedial measures for economic stimulation.

For the reasons herein stated I sincerely hope that the House Appropriations Committee will not include in the postal appropriation bill any restriction on filling vacancies in the field service, and also modify the provision limiting promotions to exclude those employees receiving $2,000 or less annually.

Very sincerely yours,

THOS. F. FLAHERTY,
Secretary-Treasurer National Federation of Post Office Clerks.

Now, Mr. Chairman, I want you men to consider this matter very seriously before you vote upon these amendments. I want you to consider the pathetic plight of men who for the last 5, 6, 7, or 8 years have been reporting every day and every night to the large post offices throughout the country. Many of them have been given one hour or one day and in some cases, perhaps several days' work each week. They have reported and reported, day in and day out, year in and year out, and if any of those men were fortunate enough to have secured a regular appointment within the last two or three years this rule aims to penalize them.

The lowest-salaried men in the Postal Service, those who were substitute clerks and carriers until the last two or three years, and the laborers who are now in the service, are the only ones to be punished by the application of this rule.

The bill indicates very clearly that the postmasters, assistant postmasters, supervisors, and others in supervisory positions are to be exempt, but it shall apply with undue severity, to the lowest-paid men in the Postal Service. I sincerely hope the amendments I shall offer at the proper time will be adopted by the committee and the House.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I yield myself 10 minutes.

I do not wish it to be understood that I hold any brief for the Cord Co., concerning which the gentleman from New York [Mr. LAGUARDIA] spoke a few minutes ago and about which he made quite a bitter speech a few days ago. I will say, however, that Mr. Cord and his associates, who appeared with him before our committee, impressed me very much not only with their reliability but their sincerity. Whether or not they could make the contract under which they proposed to carry the air mail, both foreign and domestic, at practically half the amount we are now paying, I am not able to say, and the committee did not have time to make the investigation which would be necessary in order that it might be informed on that matter, but I do hope and believe that the testimony they gave before our committee will eventuate in a large saving to the Government of the United States on existing contracts for carrying the air mail.

It is only fair, I think, to submit to this Congress a letter that I received from Mr. Cord, dated February 26, which reads as follows:

WASHINGTON, D. C., *February 26, 1932.*

Hon. WILL R. WOOD,
House of Representatives, Washington, D. C.

MY DEAR MR. WOOD: Referring to the statements made by Mr. LAGUARDIA on the floor of the House some days ago in which he charged me, personally, with beating down of pilots' wages to a point of $125 to $150 a month and which Mr. LAGUARDIA stated was less than that earned by the truck drivers in New York, and to his statement that our airplanes were unsafe and now operated by inefficient and incapable pilots, I beg to advise that our present scale of pay permits the pilot to earn from $300 to $400 per month; that the ability of our pilots is determined by the Department of Commerce and that all of them are duly authorized to fly transport ships by that department and are individually inspected by the inspectors of that department before any passengers are permitted to be carried. Our midwestern lines, the lines to which Mr. LAGUARDIA referred, are now being operated by 17 pilots who have had an experience from 1,100 to 8,800 hours each, as certified by the department license they carry. The department requires only 200 hours' experience.

I attach copies of two articles written and run in the Los Angeles Times as to the situation on the Pacific coast, showing conclusively that malicious attempts have been made to destroy a legitimate business.

For your information, these air lines were started in the early part of 1931, when few new projects were being attempted. These lines have carried more than 25 per cent of all the passengers who have ridden by air in America since their inception. These lines directly employ nearly 400 people and consume vast amounts of raw materials. For instance, the gasoline consumption alone amounts to 10,000 gallons per day.

The articles in the Los Angeles Times show conclusively the confidence that most of our employees have in us.

Very truly yours,

E. L. CORD.

This is from the Los Angeles Times of February 22:

AIR LINE PILOTS HIT UNION RULE—ORDER TO REPUDIATE FAITH IN CORD TO BE IGNORED—BENWAY, CENTURY-PACIFIC VETERAN, CITES AMITY—EFFORT TO FORCE ISSUE INTO CONGRESS REVEALED

Demands were made yesterday from the Chicago headquarters of the Airline Pilots' Association, branch of the American Federation of Labor, that local pilots of Century-Pacific Airlines repudiate the statement they issued here last Saturday expressing satisfaction with wage and working conditions and confidence in E. L. Cord, backer of Century-Pacific.

The demand, according to E. L. Benway, veteran air skipper, and until yesterday acting chairman of the association's executive council in Century-Pacific, will be ignored.

SUGGESTIONS CITED

Benway announced he resigned yesterday from the executive post in the association's Century-Pacific membership.

At the same time he revealed that the Chicago headquarters of the association have made demands on the local flyers which he termed "rank attempts to get us to bite the hand that's feeding us."

"The association during the past few days has attempted to make the Century pilots fight Mr. Cord," Benway explained.

"We were told that as members of the association we must wire our congressional Representatives in Washington and 'knock' Mr. Cord and Century.

DUE TO CHICAGO ROW

"The way it looked to most of us is that the association is trying to 'cut Mr. Cord's throat' so that Century-Pacific will be unable to get any of the air mail contracts the 'big three' are dividing in Washington.

"We don't want to be traitors to a group, but why should we bite the hand that's feeding us, and double-cross our employers because of some association's demand?"

The local fight with union forces, as represented by the association, resulted from 21 Century pilots being discharged from the Chicago line, also controlled by Cord, because they protested a salary cut.

EXPRESS CONFIDENCE

"Perhaps there was a mistake made in cutting the Chicago boys, but that undoubtedly would have been straightened out if the union had not stepped in and gotten 'tough' about the matter," declared Benway.

"And now the association is trying to push us into a battle. We don't want to battle; we are satisfied and our employers are gentlemen trying to do the right thing.

"We issued that statement Saturday expressing our confidence and satisfaction and we intend to stick by it."

Nineteen of the thirty-one Century-Pacific pilots signed the statement. It was learned that all but one flyer on the line belong to the association.

FEW MAY RESIGN

Five or six of those who did not sign may resign from the company, it was indicated yesterday.

The balance of the pilots who did not sign will follow with the majority, according to those in touch with the situation.

The Airline Pilots' Association was formed last spring for the purpose of binding skyline skippers together professionally, but with no indication that it intended to become a labor organization.

A charter of the American Federation of Labor was granted to it quietly last December. Many of the pilot members, prior to the Chicago tiff, during which unionism and its methods of force and picketing first cropped out, revealed they were unaware that the American Federation of Labor had become involved in the Nation's latest mode of transportation.

Then there is another item in the Times of February 23, which reads as follows:

[Los Angeles Times, morning, February 23, 1932]

UNION SUSPENDS AIR-LINE PILOTS—NINETEEN AT LOCAL AIRPORT TELEGRAPHED NOTICE—ACTION INDICATES OUSTER BY FEDERATION OF LABOR—CENTURY-PACIFIC EMPLOYEES STAND BY COMPANY

Suspension of 19 of the 26 pilots of Century-Pacific Airlines from the Airline Pilots' Association, aeronautical arm of the American Federation of Labor, was revealed here yesterday in a telegraphic notice filed from Chicago union air headquarters and signed by the Central Pilots' Executive Council of the association.

The notice resulted from the 19 local pilots going on record here in an expression of confidence in E. L. Cord, backer of the Pacific Coast group and of Century Airlines of the Middle West, and pointing out their satisfaction over Century-Pacific wage and operating conditions.

PILOTS DEFY UNION

Defying the Chicago union forces which, some of the pilots declared, tried to force them to wire derogatory statements to Washington that would reflect on Cord and Century-Pacific in its efforts to obtain air mail contracts, the local pilot group refused to repudiate their official statement supporting their employers and the company.

The local situation was precipitated by the labor union in Chicago involving Cord's Century Airlines. Pilots on the middle-western line were discharged when they objected to a salary reduction.

Stepping into the situation with usual union tactics, the Airline Pilots' Association attempted to cultivate strife in the ranks of the local organization. It was revealed that the supposedly professional association was actually a branch of the national labor-union organization and its purposes and activities were brought to light.

TO BE EXPELLED

With receipt of the suspension notice yesterday—which, it was pointed out in the telegram, means that the pilots will be expelled as soon as the association can get its board of directors together—the local situation was clarified.

"This means that the 19 men who stood by us are out of the association of their own volition, because they realized that to stand by their company probably would mean losing membership in the association," it was said by O. R. Fuller, president of Century-Pacific.

"The remainder of the 26 men will have to quit the union or quit the company is our understanding of the ultimatum sent them by the union.

"Century-Pacific will not interfere with them. It is their own problem.

"We have been fair to all our men and their expression of confidence in us and the company is indicative of their treatment.

"A fight by other interests to monopolize air-mail contracts evidently has resulted in the union forces being used as a tool to drag our pilots here into a situation in which they are not involved."

I thought it was only fair that the other side of this proposition should be stated. I know nothing about the merits or demerits of the fight that precipitated this trouble. I do know, and many of you know, that the racketeers and the plug-uglies in Chicago, as well as in many other cities, require and deem it absolutely essential that this corporation have protection for its property, whether that property be on the ground or in the air, and there is abundant proof that attempts have been made to destroy such property.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. PARKER].

Mr. PARKER of Georgia. Mr. Chairman, first of all, let me state that I can not yield to anyone for any purpose until after I shall have finished making my remarks. When I am through, if I have some time left and if I feel so inclined, I may then yield for questions.

On last Thursday the gentleman from Massachusetts [Mr. UNDERHILL] saw fit to make a personal attack on me from the floor of the House. His remarks, as revised and extended by him, are recorded on pages 4863 to 4869, inclusive, of the CONGRESSIONAL RECORD published for that day (February 25, 1932). He is a veteran of six successive Congresses, and in addition to having challenged me to combat he has also chosen the weapon—"mud pies." I hope to be able to sling them with as good aim and telling results as he has done himself. He claimed to be displeased at what I had said in a speech before this body on February 19. At that time I promised to reply to him one day during this week. I also promised to prove to you that I made no statement here on Friday, February 19, that is not absolutely true.

In the first place I wish to say to this self-appointed regulator of my conduct that little do I care what he thinks or says concerning me or my party. He hails from Massachusetts. I suppose his ancestors landed on Plymouth Rock. It is a great pity that Plymouth Rock did not land on him instead of permitting his ancestors to land on it. I do not believe he made his attack upon me on account of what I said, but I am rather inclined to the opinion that it was because I had the temerity to speak at all.

Another reason why he assailed me is probably due to my forgetfulness. I forgot to ask the gentleman from Massachusetts, my self-appointed guardian, if I might have the privilege of addressing the House. But the straw that broke the camel's back, perhaps, was the introduction into the RECORD by me of a short but timely editorial clipped from a newspaper published in my district.

My speech of February 19 and the editorial referred to, which was extended in the RECORD by unanimous consent, consumed a page and a quarter of space in the daily issue of the CONGRESSIONAL RECORD. This is the only space I have used since Christmas, despite the fact that others have talked almost daily, and despite the further fact that a Member of the other party in another body used 160 pages of space on one occasion at a cost to the Government of approximately $8,000.

I am well acquainted with the opinion of the gentleman from Massachusetts to the effect that a new Member of Congress should be seen and not heard, but I know of no rule of the House on which he can base this opinion. His attitude in the matter is dictatorial and undemocratic. He is notorious for his matchless egoism and conceit. His arrogance is inexcusable, and his pernicious activity on the floor of this House invites attention to his intolerance.

I wish to advise the gentleman from Massachusetts—and any others who believe as he does—that so long as I shall hold a commission from the Governor of the sovereign State of Georgia to represent the people of a great congressional district in this House of Representatives that I shall avail myself of the privilege of addressing the House when I feel inclined to do so. Before coming here I had been elected by my people to municipal, county, and State offices. I was sent here to represent the people of the first congressional district of Georgia in the Congress of the United States. My rights and privileges here are equal to those of the gentleman from Massachusetts. I shall continue to forget to ask the gentleman from Massachusetts for permission to address you. I also reserve the right to ask unanimous consent to extend in the RECORD such documents as I may choose to have so recorded.

In this connection I will state for the benefit of the gentleman from Massachusetts that if some newspaper in the country will publish an editorial concerning him and his service, and will base the editorial on facts, I will gladly ask that it, too, be extended in the RECORD.

The gentleman from Massachusetts refers to me as a new star in the legislative firmament, a new leader in Congress, and he speaks of the beginning of my career in statesmanship. In reply I want it distinctly understood that I make no claims to greatness. I am not a star in any kind of a firmament. I am not a leader. If I were leading this group, we would be traveling in a direction other than the one pointed out by the occupant of the Whie House and his official spokesman.

Before leaving this phase of my subject, however, I want to say that I prefer to be here in the early morning of my career rather than in its late evening, as I understand is the case with the gentleman from Massachusetts. I am told that great rumblings are already being heard in his district which indicate that he is soon to be taken out of the picture, feet foremost, and pointing toward "the rising of the sun."

I was almost moved to tears as I listened to the Republican gentleman from Massachusetts wax eloquent in his defense of my party. What I have had to say about my Democratic colleagues and what I shall say of them in the future is purely a family affair. It is something that should not concern the gentleman from Massachusetts and I do not believe him to be sincere when he claims that it does concern him.

May I pause at this point long enough to ask a question: When did the Democratic Party reach the point in its existence that it would request—or even be willing to permit—a Down-Easter Republican aristocrat from Massachusetts to defend it against any charge? When that time comes I will quit the party.

The gentleman from Massachusetts questioned my statement that other Democrats are thinking as I think and that some of them are beginning to talk as I talk. To prove the truthfulness of that statement, I refer you to that manly "broadside" delivered two days later by no less a person than that peerless Democrat, Hon. JOHN N. GARNER, the Speaker of this House.

With this off my chest, I come to the main issue. The truth, the whole truth, and nothing but the truth is simply this: The gentleman from Massachusetts is disturbed about what I had to say with reference to the President's attitude toward the relief of our distressed people, the millions of men, women, and children, American born, who are loyal to a flag that is emblematic of liberty, freedom, and justice and has waved over the land of the free and the home of the brave for more than 150 years, and whose Government should be of the people, by the people, and for the people.

Am I to be blamed because a system of government of the people by commissions and for the privileged classes and foreigners has not met with the approval of the people? Have I distorted the facts in saying "our President proclaimed from the housetops that the Government should not contribute $1 for relief?" If I have, please inform me in which of his utterances he has ever taken a different position. Can the gentleman from Massachusetts make you believe that the American Red Cross is an official agency of the United States and that the Government can claim credit for its activities, and at the same time state to you that a call from this great organization is heeded by the people as a moral obligation upon their voluntary generosity?

In 1921 there was pending a resolution to appropriate $20,000,000 to buy food for people; not Americans, not

people who had a right to look to our Government for assistance, but people who were living in Russia. Mr. Hoover, who was then the Secretary of Commerce, said:

Public charity is not to be an avenue through which this problem can be solved.

Again he said:

It does not look to be a very great strain on the population to take $20,000,000 for a purpose of this kind.

But listen to him in December, 1930, nine years later, after he has become the country's Chief Executive, and when American women and children are hungry and in want:

In order that the Government may meet its full obligations toward our countrymen in distress through no fault of their own, I recommend that an appropriation should be made to the Department of Agriculture to be loaned for the purpose of seed and feed for animals. Its application should, as hitherto in such loans, be limited to a gross amount to any one individual and secured upon the crop. The Red Cross can relieve the cases of individual distress by the sympathetic assistance of our people.

The phraseology of the legislation itself limited the use of the money thus loaned for the purpose of buying seed and feed for work animals. No animals were included but horses, mules, oxen, and asses. Not one dime of the money could be legally spent for feed for the milch cow. None of it could be used in the purchase of feed for swine. Not a penny could be used in raising poultry. Nothing was authorized to buy feed for the faithful dog; and if, perchance, the borrower used a portion of the loan for the purpose of buying human food for his overworked wife or his undernourished children, he subjected himself to trial and the payment of a fine of a thousand dollars.

The recommendation of the President for an appropriation to be made to the Department of Agriculture to be loaned for the purpose of buying seed and feed for animals was not a recommendation for relief of the hungry Americans who needed human food, not feed for animals.

I still maintain that I did not misrepresent the attitude of the President in my remarks of February 19, and what I said then I reiterate now, without the slightest fear of successful contradiction.

Mr. WOOD of Indiana. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I have had placed to-day on the Clerk's desk a petition asking for the discharge of the Committee on Agriculture from consideration of Senate Joint Resolution 60, authorizing the Federal Farm Board to turn over to the American Red Cross 40,000,000 bushels of wheat to be processed into flour by the Red Cross and distributed throughout the land wherever there is want or hunger or undernourishment.

There is no need for this to be a partisan issue. I want to give an opportunity to every Member of the House, Democrats and Republicans, to sign this petition and turn the Government-owned wheat, or at least a part of it, over to the Red Cross.

The wheat now owned and controlled by the Government costs the taxpayers of America 15 cents a bushel per year for storage or $6,000,000 for this 40,000,000 bushels of wheat referred to in Senate Joint Resolution 60, introduced by Senators CAPPER and WHEELER, or $24,000,000 for storage per year for all the wheat owned by the Government.

Many of us in the House of Representatives—most of us, in fact, Republicans and Democrats alike—will go back to our constitutents this fall and tell them that we have voted billions to relieve corporations, to relieve the railroads and banks and insurance companies, but we will be forced to admit under political pressure that we have done almost nothing to relieve the distress, the hunger, and the undernourishment among the hundreds of thousands, if not millions, of American citizens who are unemployed through no fault of their own. We voted for a moratorium to relieve the economic and financial situation in Germany and other foreign countries. How can we consistently go home to our own constituents, many of whom are suffering from malnutrition and are hungry, and ignore the urgent needs of our own people who ask for bread from the Federal Government and are given a stone?

For the Federal Government in this emergency to donate its own wheat to relieve millions of hungry American men, women, and children is not a dole. That is no unemployment insurance or placing a premium on idleness. It is the duty of all government in great emergencies to feed their own people. It would be monstrous to call that fundamental responsibility a dole. It comes before and beyond the Constitution and is the reason for the Government itself. We must provide in great national crises for the welfare, health, and lives of the American people. The Congress in 1921 appropriated $20,000,000 for foodstuffs to relieve the starving Russian people, and the House passed a bill in 1924 by a 2 to 1 vote to provide foodstuffs for the hungry German women and children. Can we consistently continue to ignore the plight of our own people? I believe, my colleagues, that I am rendering a political service to every Member of this House by giving him or her an opportunity to sign the petition at the desk, asking for the discharge of the Committee on Agriculture, irrespective of partisanship, to show that you realize that there is undernourishment, hunger, and destitution in America and that the Congress of the United States is not deaf, dumb, and blind to the suffering and privation of millions of unemployed American citizens.

Let me say to those Members of the House who may be reluctant to sign any kind of a petition that the rule for discharge of committees is a rule of the House. You may not have voted for the rule, or you may not have liked it, but it is just as much of a rule to-day as any other rule of the House of Representatives. Every other legislative body in the world has some sort of a workable rule to control and discharge committees, and properly so; otherwise there would be no representative government, as the committees become the masters instead of the servants of the House. So there should be no fear on the part of any Member of the House that he or she is doing anything irregular or against the party organization or even contrary to the existing rules of the House.

I rose for the single purpose of announcing, free from partisanship of any kind, that the petition to discharge the Committee on Agriculture of Senate Joint Resolution 60, which passed the Senate two months ago by a unanimous vete, is now on the desk, and those of you who believe that there is hunger in the land and that the American people in this affliction are entitled to some consideration at the hands of the Government and wish to cast a vote in this emergency to help relieve the hungry and destitute without expense to the taxpayers—as a matter of fact, saving $6,000,000 to the taxpayers—you have that opportunity by signing the petition at the Clerk's desk.

I want you to sign the petition on its merits, and I can assure you that if you go home this fall and tell your people that you have simply voted to relieve big corporations, railroads, and banks, as we all have done, and have ignored the suffering and undernourishment among our own people and have failed to do anything at all by your voice or vote or signature to relieve human misery in America, we will all be held strictly accountable by our constituents, and properly so. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. LARSEN].

Mr. LARSEN. Mr. Chairman, I want to take the time allotted me to discuss the merits or the demerits of the bill now pending. There has been a great deal said by some gentlemen discussing the air mail service in regard to the proposition made by the Cord Co. for air mail contracts, especially with reference to their offer to render the service at a much lower rate than is now being paid.

Some gentlemen seemed to be impressed with the remarks of the gentleman from Illinois [Mr. ARNOLD] when discussing this matter. The gentleman said that he did not wish to be considered as criticizing the Postmaster General. Well, I think the effect of his remarks is such, when taken literally, as to cause reflection on the administration of the Postmaster General.

Mr. Manning, spokesman for the Cord Co. before the committee, repeatedly said that the policy of the administration

was such that it created a monopoly in favor of certain companies now enjoying contract privileges.

I do not think so, but so far as I am concerned, as compared with the Cord Co., I am in favor of giving monopoly to those who have it, if such it be.

Who is the Cord Co.? I am not here to criticize any member of the Cord Co., except in the capacity in which they placed themselves before the committee considering this legislation. So far as I know, they are all excellent gentlement, but that does not alter the fact so far as their relation goes, to this matter.

The committee inquired into and discussed the financial responsibility of the Cord Co. I did not hear one word or one question from any member of the committee—and I heard all of the remarks made—except as to financial responsibility. They were shown to be worth more than $50,000,000. We have a report in the record, filed by Mr. Lyndoh L. Young, attorney for the Cord Corporation, in Washington, and we let him tell us who they are and what they are.

He says that the Cord Co. was organized by Mr. E. L. Cord and Mr. L. B. Manning, and is a corporation with $56,000,000 assets, $15,000,000 of which is in cash or its equivalent. He also says that they operate in every one of the 48 States. If it stopped at that it might be all right, but he goes on in the last part of the sentence and says, "as well as in 40 foreign countries." Here is a giant corporation with $56,000,000 to back it, $15,000,000 in cash and Government securities, that wants to come in and take contracts from American owned, controlled, and operated companies—small companies with capital of perhaps from one to three million dollars.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. LARSEN. Yes.

Mr. McMILLAN. This great concern has been in progress for a number of years, as I understand it, and to-day they want to get this contract. Why was it not possible for them to come in two or three years ago when these other companies were bidding and participate in those bids?

Mr. LARSEN. I think that is a very pertinent question.

Mr. UNDERHILL. Is this the company that wants the contract to Cuba?

Mr. LARSEN. Yes; as I understand. Mr. Cord and Mr. Manning organized in the automobile industry in 1924 with a million and a half dollars. They have now increased the assets of the Cord Corporation to approximately $56,000,000. They went into airplane construction and operation in 1927, some two or three years before the contracts of which they now complain were made. Of course, they had the privilege of bidding on the contracts when let, and they were let, at least in several instances, to the lowest bidder. There were two important bids, one for the service between New York City and Los Angeles, Calif., and the other from Atlanta, Ga., to Los Angeles. These two big contracts were let nearly two years ago for a period of four years, and no reason appears why they could not have bid on them. Why did they not bid then if they wanted the contracts? They made no bid and made no complaint until December of last year. They never came before the Postmaster General, according to their own statement, until December, 1931. When they came before the committee they said they were willing to carry this mail for approximately half of what the Post Office Department is now paying. Of course, they ought to be able to do that, after the other company has gone out into the undeveloped field and built up a passenger service and established the line. They certainly should be able and willing to make concession and carry the mail for much less than the other company, which has borne the expense of development.

Suppose the Government says to a homesteader, we will give you a lot of land for $1.25 an acre, and you are to live upon it for three years and make certain improvements, which he necessarily has to make in order to live there. Then suppose that the homesteader has stayed there for two years; do you not think you could find plenty of men who would say to the Government, if you will run this fellow off and give me the land, I will be willing to pay $10 an acre for it? The propositions are analagous. They came here and made complaint before this great committee, and the committee questioned only as to financial responsibility—not as to foreign operation and holdings, not as to foreign entanglement, foreign stockholders, or anything else. The Postmaster General has been criticized before the committee and before this Congress because he is not willing to give this Cord Co. the contracts and take them away from the companies now serving.

Mr. ARNOLD. If the gentleman has any information along that line, I would be glad to have him put it into the RECORD.

Mr. LARSEN. I shall read it to the gentleman. He must have the information himself, because it is contained in a letter addressed to Mr. BYRNS, the chairman of this committee, by an attorney who lives in the city of Washington. I read from page 369 of the hearings authorized to be printed by your committee:

> The Cord Corporation is operating in 1,186 communities, in every State in the Union, as well as 40 foreign countries, with total assets of approximately $56,000,000, of which amount approximately $15,000,000 is in cash and Government securities. Cord Corporation has no bonds, bank loans, or preferred stock. Its net earnings and those of its subsidiaries for the year 1931 will exceed $4,000,000. The Cord Corporation has a labor pay roll of $50,000 per day, and at the present time has 10,000 employees. The company's stock is held by approximately 15,000 stockholders residing in each State in the Union and 13 foreign countries.

The record does not show how many of these employees are in the 40 foreign countries, but there must be a large number.

Here is the corporation that comes in and talks about a monopoly—with all of these foreign holdings. It operates in 40 foreign countries and has stockholders in 13 different foreign countries. They come here and plead like babies—talk about giving a monopoly to these American institutions—they are pleading for a monopoly to be given to a half-American, half-foreign corporation—a hybrid. Evidently the gentleman from Illinois did not read this part of the record.

Mr. ARNOLD. Has the gentleman a list of the stockholders of these concerns now carrying the mail, so as to see whether or not there are any foreign stockholders among them?

Mr. LARSEN. I do not think the record shows any such information, but as the gentleman was a member of the committee considering the matter, before he criticizes the department and condemns the Postmaster General, he ought to have secured that himself, and if the gentleman had put it into the record I would now be able to read it to him.

Mr. ARNOLD. Does not the gentleman know that the stock of all of these concerns is dealt with on the New York Stock Exchange and that, of course, stockholders are scattered throughout this country and abroad as well?

Mr. LARSEN. That is the explanation the gentleman from Illinois would give, but it is not the explanation that the attorney for the Cord Corporation gave, and it is not what the record shows. Never mind the stockholders wherever they may reside. I am talking about the business operations of this concern. The transactions on the exchanges did not put the Cord Co. into business in the 40 foreign countries. We might well interest ourselves in the few American concerns who have contract privileges secured in an orderly way under the Constitution of this Government.

How did the Cord Co. make the $56,000,000 in about six years, with such an insignificant beginning as a million and a half? What do you think of the transactions of a company which makes such progress in the short period from 1924 to 1931? They start out with $1,500,000 and make $56,000,000. No wonder industrial labor has nothing but its daily wage! The Postmaster General said one reason he did not want to employ this concern was because they were not properly equipped. They do not have satisfactory men to man the ships; the pilots are underpaid, or words to that effect. First-class pilots are usually paid from

$600 to $700 per month, but the Cord Co. pilots are said to receive less than half this amount. First-class pilots are usually Annapolis, West Point, or Kelly Field men, highly trained. This, in part, explains how they made the $56,000,000. Some of the Members manifest great interest in labor organizations and seem to sympathize with the laboring man. If you are a friend of labor, show it to-morrow when we offer an amendment to this portion of the bill. Let us see just what you think about taking care of labor.

Mr. McMILLAN. Will the gentleman yield?

Mr. LARSEN. I yield.

Mr. McMILLAN. Are not the pilots of this Cord Corporation now out on strike as a result of the salaries paid them?

Mr. LARSEN. Yes; I understand that is true. One Member said the other day some of them would be striking up in the air.

Now, who is this Mr. Stinson who was killed on one of these Stinson improved planes? The Stinson Airplane Corporation is a part of this Cord Co. Mr. Stinson, the gentleman who was killed, was president of this subsidiary corporation. How did he come to be killed? Because, we are told, he was on a plane that was not properly equipped. It did not have 2-way radios, or Weather Bureau service. They could not ascertain what the weather conditions were in the direction they were traveling. That is one of the most important things in connection with aviation. The Postmaster General does not give any contract unless the company has proper equipment, such as weather reports, 2-way radios, and in most cases automatic pilots and every device that makes for safety for human life.

The ship that fell in California the other day, killing seven passengers, was apparently wrecked simply because it did not have proper equipment. They had no radio and no weather service and underpaid pilots. They were without proper equipment. They should not have undertaken such service, and yet some Members want the Postmaster General to give contracts to companies like that.

There is another important feature to which I wish to call attention, and that is military defense. What is the best second line of defense we can have in the military? Certainly there is none better than up-to-date, well-regulated, commercial aviation. When a man completes military training in any of our governmental military schools at most he never has exceeded a thousand hours' flying experience. Recently I endeavored to help a young man in my district. He had had two years' flying experience in Government service at Panama, but it was disclosed that he had only been in the air approximately 700 hours.

When I went to the authorities of one of these air mail line companies what did I find? They said, "We can not consider him for position of pilot unless he has had 3,000 hours." That is three times as much experience as the Government training afforded him, and at best he could only qualify as copilot. Where did Lindbergh come from? First, perhaps, from Kelly Field, but later, when equipped for oceanic flight, from this identical line of service. Where did he get his training? He got it in the air fields carrying the mails for this country. It is a second line of defense. It is that line of defense which in military emergency means more to this Nation than any other line of defense we could have, unless it be in the Army itself.

One purpose of this speech is to ascertain why the unusual haste of the committee in getting this bill reported out. We went before the committee and told it we understood the Postmaster General when before the Bureau of the Budget asked for $20,000,000 for air mail service, but that the Budget cut it down to $19,000,000. The Postmaster General said the Director of the Budget left the impression with him that when that money gave out he could come back and get more. How? By creating a deficit. But no honorable officer could afford to do that. Why? Because the provisions of the Watres Act are such as to prevent it. No officer administering such laws in our country has a right to create a deficit except to meet an unforeseen emergency. This was not unforeseen, because the Postmaster General knew it would not be sufficient. He had just cut down 10 per cent, and he said a $19,000,000 appropriation would make him cut 5 per cent more and would not afford sufficient funds to carry out the existing program.

As the chairman knew, we went before the Bureau of the Budget, and the Director informed us they were studying the bill; that they had discussed it with the President, and they were going the next day to see if they could get the President to agree to $20,000,000, provided their investigation that day warranted it. What happened? That very afternoon, this great committee realizing that we had appeared before the Bureau of the Budget, realizing that three of its own members had been before the Bureau of the Budget, all at once reported out the bill. The subcommittee would not wait. Then the whole committee reported it out before the matter could be wound up by the Bureau of the Budget.

Now, I am not criticizing anybody, but I am just giving you the facts. You are entitled to know them, and I want you to know what happened. This great committee said, "Well, we can not make it twenty million because the Budget has not approved it." I imagine you were all here Saturday afternoon, and if you were I would like to have you contemplate for a minute what members of that great Appropriations Committee did regarding the $120,000,000 road bill that had not been approved by the Budget. We were voting on roads Saturday afternoon. There are 35 members of that great Committee on Appropriations. They could not vote sufficient air mail appropriation in this bill because the Budget had not approved it, and yet they could only muster 9 men out of 35 who were willing to vote against that $120 000,000 for roads. Oh, it depends on what it is convenient to do. They are not afraid of the Budget. That is not the trouble. Gentlemen, face the facts. We have a great territory in the Southeast and in the Northwest that now stands greatly in need of air-mail development. Airports have been built at great cost to municipalities and individuals. All over the Northwest, all over the Southeast, all over every section of this country further development is needed. Municipalities have invested millions of dollars in it. Now the committee wants to cut down appropriations. It is the only industry in this country that has been built up during and in spite of the depression, and now they want to butcher it. We will offer an amendment to-morrow, and we want all to vote for it. [Applause.]

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I yield five minutes to the gentleman from Connecticut [Mr. LONERGAN].

Mr. LONERGAN. Mr. Chairman and my colleagues, I heartily indorse the action of the gentleman from New York [Mr. FISH] when he asks the membership of this House to sign a petition to take from the Agricultural Committee of this House Senate Joint Resolution No. 60, which provides for the giving, when milled, of 40,000,000 bushels of wheat owned by the Grain Stabilization Corporation. Forty million bushels of wheat when milled will supply bread for 10,000,000 people for one year. In this country we have 354,000,000 bushels of wheat ready to be sold, 154,000,000 bushels of which are owned by the Grain Stabilization Corporation and 200,000,000 bushels of which are owned by private interests. We have in this country 8,000,000 people out of employment. The cost of wheat ownership to the United States Government is $2,000,000 per month.

Since we convened on the first Monday in December we have been occupied with giving relief to sister nations; dealing with the great problems which confronted the Federal farm loan banks on their bond issues; creating the Reconstruction Finance Corporation; and passing legislation that is expected to release secondary frozen assets in our banking system.

We have been dealing with these problems for business. Five or eight years ago the business of this country would not come and plead with the Congress of the United States for relief, but now we find railroads, financial institutions, industry, and some insurance interests and other interests pleading with the Government of the United States for financial assistance.

Each one of the 435 Members of this House represents a large group of people who are in distress. They are in actual need. They are asking themselves what their Representative

is doing to give them immediate relief. Here is an opportunity to give those people immediate relief in one way.

I am against the doctrine of paternalism; but we are dealing with something that represents an emergency, just as much as we dealt with problems representing emergencies during the period of the war. Just as necessity knows no law, an emergency knows no principle. No law or principle should keep any government from helping those in distress.

My friends, those of us of the old-fashioned type of democracy—and I so classify myself, coming from New England—can put aside our convictions on paternalism, because it is not paternalism when we care for the hungry.

The world has never seen a situation like this. We live in a land of plenty. We have an oversupply of food, an oversupply of fuel, and an oversupply of clothing; yet there are millions of people in distress, crying for the actual necessities of life. In this country, my friends, we have not overproduction, but we have underconsumption. One of the important things needed in our economic life is to devise a proper system of distribution. The country needs sane, social legislation.

I wonder if we realize, my friends, that from Maine to California, and particularly throughout the industrial regions of this country, the citizenship of this country has behaved well during this distress? [Applause.] A high recommendation of the stability of American citizenship. [Applause.] But let us realize that we are sitting on a keg of dynamite. We can not expect too much from human beings. The petition on the Speaker's desk should be signed by 145 Members, the number required under the rules of the House, and Senate Joint Resolution 60 should be passed without delay. On December 11, 1931, I introduced House Joint Resolution 119, covering the same subject.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. HAINES].

Mr. HAINES. Mr. Chairman, I have not heretofore attempted to address the House, preferring to be a hearer rather than a talker. I also appreciate the fact that as a new Member in this distinguished body I am in a great school of training, and desire to be taught rather than to impress myself upon the Congress. I believe, too, that just as men are obliged to train for any profession by going to preparatory school, college, and university, so must a new man coming into these legislative halls be trained in the fine art of legislating laws. I am not a lawyer, neither a college nor university graduate, and am willing to admit that the parliamentary rules of this body have somewhat confused me, but the more I hear and observe the more I am convinced that this form is the best in legislation.

I am a small business man, not one of the group of larger operators in the field of industry but rather one of that group that is rapidly disappearing, and unless this small group is offered more encouragement and is given more consideration and sympathetic patronage on the part of the masses the foundation structure of our great Nation will be destroyed, for I do believe that our Nation became a great one by reason of the opportunities men have had in the past to establish small business enterprises for themselves. Millions have done this. A few have succeeded and stepped in advance; but the great mass of small merchants and industrialists in every line of endeavor have been able at best to make a livelihood for themselves and those whom God has given to them and who, to me, are the most priceless possessions of all, while a few have been able to lay aside small sums of money to hand to their children and their posterity.

Many of these, which I choose to call the great middle class of our citizenship, have been able to educate their children and by self-denial given their children the advantage of advanced schooling. I doubt not that the great mass of the membership of this Congress come from these homes. The spectacle in this present day, however, differs very much from those of the past in that this great middle class are rapidly being denied the opportunities that our fathers enjoyed through the granting of special privileges and the mergers of all types of business into huge corporations and chain stores, with advantages very often that will not permit this middle class to continue operating their business or factory. I have noted with much satisfaction the keen interest manifested by every Member of this body for the well-being of our citizenship, and I know that every Member of Congress is intensely interested that our citizenship shall enjoy the blessings of prosperity. Whether it is within the province of Congress to enact legislation that will restore that prosperity I am unable to predict; but I know that my colleagues in this branch of Congress want to do what they believe to be best for all our people. I think the greatest mistake we can make at this moment is to play politics at the expense of human misery, for is not it true, my colleagues, that as a body of legislators we must be united in purpose? I do not know, Mr. Chairman, whether the present administration is to blame for the economic ills that now confront us, nor do I care about that. What I am interested in right now is that we shall find some way out of our present difficulty. I do not believe that any of our people are starving, but I do know that many of them are subjects of charity and many of them in dire need and distress at this time. What I am concerned about to-day is that these people shall get back into industry, and when I say this I only repeat what others have expressed on this floor during this present session of Congress.

I know that there are college and university graduates in the bread lines of our Nation, men with finest sensibilities, and this must indeed be humiliating to such, and yet through our present economic structure in this Nation, we have forced many men and women out of industry. I have voted with you to pass measures here aimed at a readjustment of these economic evils but with much misgiving each time, believing that we have not gone to the core of the source of our present difficulties.

To me it is most tragic that we have the great army of unemployed. I will confess to you, Mr. Chairman, that I have no cure for our present trouble, but I do believe that we have not taken into consideration the present and still growing tendency toward mass production and installation of labor-saving machinery in our manufacturing plants with regard to the great army of men and women that such machinery replaces. Machines that make the burdens of labor easier for a human being are fine and I do not want to go on record as opposing these, but I do want you to know that when industry installs a machine that will deny an opportunity for faithful employees, many of whom have been helping the employer amass a fortune, to have employment, it is time that we, in our ambition and great interest for our fellow man, awaken to the great danger that threatens us, and to me it is no surprise that we have this great army of unemployed when I go into the manufacturing plants of our Nation and see what labor-saving machinery and mass production has done to our people.

I can not help but say, Mr. Chairman, that when a machine supplants human hands in industry, and by that act takes bread and butter from the mouths of our people, throws them out of employment, makes them walk from plant to plant hunting a "job," if you please, then it is time, Mr. Chairman, that the machine be made to contribute to the support of those who are denied a livelihood by reason of the machine. This may sound socialistic to you, my colleagues, but I assure you it is not; it is simply a fact that every Member of this Congress will learn if he will go into the factories of to-day and see what machinery has done to eliminate human hands from industry. I believe there is a way out of this, but it will require courage on the part of each one of us and to be intensely interested in providing a way out.

It may be a shorter day and a shorter week. If this can not be accomplished it may even mean setting aside of some of this machinery and go back to the days of yesterday until we do have the problem solved. I represent a great manufacturing district in that it has a diversified industry, and know of what I speak.

Men have come to me telling me that because of the installation of machines—very often one machine doing the work of half a dozen human beings—they were no longer

needed in industry. I have had some men come to me saying that because they had reached an age in excess of 50 they were no longer being considered in industry.

My colleagues, if this be true, then it is time that you and I become interested. My own experience as a manufacturer is that men at 50 are as valuable as men younger, at any rate more dependable as a rule—and at 50 very often the heads of families that need them, perhaps more so than at any time in their history.

I read a year or two ago that in one city in the installation of the dial-telephone system eleven hundred persons were discharged. These had to get into other channels of industry, and if you carry this throughout the Nation one will get an idea of the vast number of persons displaced in this business alone.

This is true largely in every industry. When the machine is installed it usually means unskilled labor and lower wage scales, unless, of course, the machine requires one to be skilled.

Now, Mr. Chairman, I hope I am not understood as being against improved machinery or labor-saving machinery, for I am not. I know the great strides we have made as a Nation, by reason of the invention and genius of our people, and that making machines has added many thousands to the pay rolls of industry. I realize, too, that much of the unemployment in our country is in the ranks of the unskilled, much of which remains unskilled by reason of no need being developed for them. I really think, Mr. Chairman, that one of the ways for us to solve this employment situation, or rather unemployment, is to stop and right-about face in an investigation to learn more about this great question.

I know what machinery has done to my industry. I am a cigar manufacturer and am qualified to speak about this industry more so than others. In 1910 we had 22,519 registered cigar factories in the United States. In 1922 we had 11,576 and in 1929 only about 6,000.

In this industry I verify my previous statement that the middle-class, smaller business man is being rapidly driven out of industry, for, mark you, Mr. Chairman, many of these cigar factories were not large, but they did offer an opportunity to those who owned them to manufacture and sell their product and have some degree of prosperity. The number of cigars manufactured annually varied very little from 1910 to 1929, in round figures about six and one-half billions. Note, please, while the same quantity of cigars were being manufactured, there was such a large decrease of cigar factories, or more than 16,000. I do not have the figures of the number of men and women less in these 6,000 cigar factories than were employed in the 22,519 factories back in 1910, but I am confident there is a tremendous decrease, and men and women have been thrown out of employment and denied the opportunity to follow a trade they were taught, by reason of machines taking the place of human hands.

It so happens that a man perfected a machine that would make a cigar. The cigar it produces is far from perfect, however, and much inferior to the cigar made by human hands. About 20 per cent of the cigars it does produce are unfit for regular brands and are usually packed under fictitious brands commonly called "seconds." These machines are virtually owned by one concern; at any rate, the American Tobacco Co., which owns the American Cigar Co., also owns the concern manufacturing the cigar machines.

Mr. Chairman, I do not want to take the time of Congress to go into the history of this machine and what it has done to the cigar industry other than to say that the man whose genius produced this machine is reported to have remarked: "If I had had the least idea of the trouble that machine would cost, it would never have been made." These machines were first being produced in Hanover, Pa., a part of the district I represent. Due to a fire the plant was moved to Brooklyn, N. Y., in March, 1902. The same American Tobacco Co., headed by Mr. James B. Duke, owned cigarette-making machines.

The difference between the latter and the cigar machine is that you can go in the market and buy a cigarette-making machine but you can not buy a cigar-making machine. These are leased, and the terms of that lease at one time were upon a royalty basis of $1 per thousand cigars, with a down payment of $3,500 at installation, with a guaranty that they use the machines 17 years, to buy all their own parts and hire mechanics to keep them in order and in first-class condition, and to pay the royalty upon a minimum basis of 1,000,000 cigars per year. There are probably more than 6,000 of these machines in use right now upon which royalty is being paid.

The economics of the machine, however devastating, are quite simple. Before surveying its wider aspects, let us take a brief look at the affairs of the company which makes the machines. This company is The International Cigar Machinery Co., two-thirds of whose stock is owned by American Machine & Foundry Co., largely owned by the America Tobacco Co., or Duke interests.

With 6,000 machines in use, it can make about $5,000,000 profit, upon the basis of the rental charges, and now probably one-third of the cigars manufactured are being made on machines.

With the entire production of cigars in the country made on machines it would require about 20,000 machines with an enormous profit, and all at the expense of the men and women in industry; for, if you please, there is no need for the skilled mechanic who was paid up to $22 per thousand previous to machines supplanting human beings skilled in this trade, whereas the machine builds this cigar for less than $6 per thousand. Now, what is the result of all this machinery in industry? It has brought down the wage scale in every section where cigarmakers were employed, down to the level of competing with the machine. If I had the time I could give you the entire history and development of the machine and what it has done to the industry; the many, many men and women who have been denied a living wage; the many, many small cigar manufacturers who have been driven from this business; and how that, in doing this, one man, the man who was largely responsible for the machine coming into the cigar industry, amassed a great fortune, and his home on Fifth Avenue remains one of the most perfect, and his young daughter reputed to be the richest young girl in the world. I admire men who can accomplish all this, and do not want to be misunderstood as trying to create a bad feeling toward men who were wise enough to see the possibilities and also to have the courage to undertake that in which they believed; but what I am deeply concerned about is that in other lines of industry the same results have been obtained, and all of this has had a tendency to break down our economic structure for permanency.

I do, however, here indict the American Tobacco Co. for being unfair in their competition and the destructive advertising campaigns they have waged in the newsprint and radio.

Their "spit" campaign was a shame in the eyes of all fair-minded, honest Americans, for this campaign was waged against that group of small manufacturers who never had a prosperous era, but were content to produce quality cigars and sell them to the trade at honest prices. There never was a greater shame cast upon business than that campaign, and for me to discuss this any further is repulsive, as was the advertising to the great group of well-thinking people. One of the greatest evils of our present day is destructive competition, and you will find that the cigar and tobacco jobbers and retailers in this country are the victims of very unfair business ethics, making very little if any profit. We have been deeply interested in the farmer, and do you know, Mr. Chairman, that in Kentucky right now, tobacco is being sold at one-fourth of a cent a pound? My colleague representing a constituency in that State only recently told me that the tobacco was on the hands of these farmers, and they did not know what to do with it and were thinking of using it as a fertilizer.

When I am told that the American Tobacco Co. had profits above $41,000,000, and that they paid a bonus, above the salary, to Mr. George Hill, of more than $2,000,000, and when I know that it costs probably 8 cents a pound to grow tobacco, is it any wonder that I am concerned and here charge

bad faith on the part of men using machines largely in the manufacture of their product, for which they have created a national demand?

During all this time these same machine cigar manufacturers, and who produce billions of cigarettes, tell us that they can not stand additional taxation, and if additional taxation is placed upon them, it will reflect in the price they can pay the farmer, and then excite the retailers of this country to the point where they write Members of Congress to oppose additional taxation on cigarettes. Why, Mr. Chairman, two unskilled mechanics and a machine produce 750,000 cigarettes in 10 hours. The cigarettes are packed and every other necessary packing, stamping, and so forth, is done by machinery, so that there is no need for much labor, and during the year 1931 the parent company, the American Tobacco Co., raised the price of cigarettes with no justification whatever, as all raw materials had declined, and if you will take the time to investigate the prices they paid the growers of tobacco you will agree with me that four companies closely interlinked, and who are the only buyers the farmer has for his tobacco, have not kept faith with the farmer any more than they have with men and women in industry.

Mr. Chairman, I have some information taken from trade papers that illustrates clearly some of the evils of the machine supplanting human hands in industry. On February 19, 1931, an extract from Tobacco, a trade publication, I read, headed as follows:

ON COMPLETE MACHINE BASIS

According to a bulletin recently released by the American Cigar Co., that corporation has invested a lot of money in cigar machines. More than $6,158,750 has been used to place the American Cigar Co. on a complete machine basis and current relative production costs have been reduced thereby as the production has been increased. It is the demand of the concentration in general industrial conditions, and that's all there is to it.

No thought or concern for those displaced in industry is even indicated here.

United States Tobacco Journal, February 16, 1931, carries an item from Garfield, N. J., advising that the American Cigar Co.'s plant at 18 Passaic Street, there, which has been operated there for the past 15 years, will shortly be closed. The work at present handled there will be divided between the plants at Camden and Philadelphia. On June 26, 1930, the Milan branch at Milan, Tenn., the last of the cigar factories operated by hand in the South by this company, received official notification to cease manufacture of cigars. The factory had been opened in 1925, and was the major factor in the growth of the town. This followed the closing of other plants in Kentucky and Tennessee, all because machines had been installed in other plants replacing human hands in industry. An item from Fulton, Ky., under date of February 27, 1930, states that "factory closed down last Tuesday and will move to new location where cigars will be made on machines instead of handmade." In December, 1930, a news item from Tampa, Fla., states that American Cigar Co. moves M. Valle plant to Trenton, N. J., with the statement that "folks who have the interest of the city at heart dislike to see this industry leave."

And so on, Mr. Chairman, I could cite instance after instance where in the industry with which I am most familiar, machinery has played havoc, causing much unemployment. In my own town, where a great many cigars are produced, our people employ all native white Americans, who own 90 per cent of the homes of the community; there is no outside capital employed in this town, local cigar and furniture manufacture supplying employment even during this time of depression. But, Mr. Chairman, in the cigar factories of my community no machines are used, and as a result I have no hesitancy in saying we give more for the money to the smoker and keep human hands employed in industry. I should dread to think what would happen in my home town if the cigar manufacturers would install these machines.

They are patriotic gentlemen, interested in the welfare of their employees, and, Mr. Chairman, if we are to restore prosperity we must employ men and women and not have them be subjects of charity, and the same soul loyalty to the wage earner must be given as business expects from you and me here in Congress.

I hope, Mr. Chairman, that this Congress will have the courage to get to the root of our present unemployment. I know it requires courage to do it and that there are those who will frown upon any movement that will disturb the present efficiency in factory production. I believe that what I have cited in my own industry can be paralleled in every other line of manufacture; and while I do not want to say we should tax machinery, we should at least expect that where machines take work away from human hands without an opportunity for them to be reemployed something should be done whereby the machine will be made to contribute to the support of those it has supplanted. I trust, however, that our industrial leaders will be patriotic in this matter and either work more shifts, shorter days and weeks, so that men now unemployed might get back jobs that will enable them to look every man in the eyes without being humiliated by reason of being obliged to go to the board of charity in the local community for food and clothing.

This every red-blooded American is ashamed to do, but let us thank God for the fine group of our American citizens in this land who have been interested in the welfare of their neighbors and who will continue to show their interest in humanity. We have been tackling these problems from the standpoint of helping large corporations, banks, railways, and so forth, now let us manifest the same interest in the American workingman. [Applause.]

Mr. WOOD of Indiana. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, a few days ago the gentleman from Georgia notified the House that he would reply to some remarks which I had made on the floor of the House. Although I did not hear the whole of his speech, what I did hear showed me that the mountain had labored and brought forth a mouse. There was nothing in his remarks which was worthy of a reply or even worthy of consideration, except one thing. That was so characteristic of the gentleman in his disregard of facts that I want to inform him that instead of being a "Down-East aristocrat" I am a son of the South, and proud of it; that my college cheer is "Rah, rah, night school," and that my trade is that of blacksmith. If he can connect his statements with the facts I would like to have him do so.

Mr. LINTHICUM. Where was the gentleman born?

Mr. UNDERHILL. In Richmond, Va., suh. The gentleman made some remarks the other day, extemporaneously, in which he did better than he did to-day. The remark he made, and to which I refer, was a quotation from an editorial in the Atlanta Constitution, which he said used the language, "To hell with Massachusetts," which he indorsed and in which he concurred.

Mr. Chairman, I do not believe the people of Georgia subscribe to any such doctrine as that. Massachusetts needs no defense from me, but in all fairness, and in all kindness, too, I do want to show the gentleman what happened in Massachusetts when Georgia was in distress and the Red Cross requested assistance for a stricken people.

In 1927, the year of the great Mississippi flood, at the call of the Red Cross, the citizens of Massachusetts voluntarily subscribed $812,000 for the relief of the stricken area. In 1926, when his State suffered from a destructive hurricane, Massachusetts again voluntarily raised $148,000; and in 1928, when the worst hurricane in recent years came along and Florida and Georgia were laid low, Massachusetts subscribed once more almost $300,000 for relief; and in the drought of 1930, she subscribed $674,000, a total of very nearly $2,000,000. Not one single dollar of this amount was spent within the confines of the State of Massachusetts, but every cent went to the stricken area represented, in part, by the gentleman from Georgia.

When the gentleman says, "To hell with Massachusetts," I wonder if he is old enough to think back to the time of Henry W. Grady, when he was editor of that paper—and it was a great paper in his day—and wonder if the remark he attributes to the Constitution is correct. I have some doubt

of it, because he has not said anything which is a fact yet. If they are correct, all I have to say is, "Oh, how are the mighty fallen." In contrast, I quote from the great speech Henry W. Grady, a truly great American, editor of the Atlanta Constitution, made in Boston, Mass., when he said, amid tremendous applause:

Standing hand to hand and clasping hands we should remain united, as we have been for 60 years, citizens of the same country, members of the same Government, united now, and united forever.

[Here the gavel fell.]

Mr. LARSEN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one-half minute.

The CHAIRMAN. The House has closed the time for general debate.

Mr. LARSEN. I do not think anybody would object to this.

The CHAIRMAN. The Chair is compelled to enforce the rule even though he does not like it.

Mr. LINTHICUM. Mr. Chairman, a parliamentary inquiry. When the great Speaker, Champ Clark, was Speaker of the House he said anything could be done by unanimous consent.

The CHAIRMAN. Very true, as stated by the gentleman from Maryland, the House can do anything by unanimous consent, but it does not follow that the Committee of the Whole House can do anything by unanimous consent.

The Clerk read as follows:

OFFICE OF THE SECRETARY

Salaries: Secretary of the Treasury, $15,000; Under Secretary of the Treasury, $10,000; three Assistant Secretaries of the Treasury and other personal services in the District of Columbia, $135,180; in all, $160,180: *Provided*, That in expending appropriations or portions of appropriations contained in this act for the payment of personal services in the District of Columbia in accordance with the classification act of 1923, as amended, with the exception of the Assistant Secretaries of the Treasury the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriations unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, as amended: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation was fixed, as of July 1, 1924, in accordance with the rules of section 6 of such act, (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade in the same or a different bureau, office, or other appropriation unit, (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the classification act of 1923, as amended, and is specifically authorized by other law, or (5) to reduce the compensation of any person in a grade in which only one position is allocated.

Mr. LOZIER. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for 10 minutes instead of 5 minutes.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that he may be privileged to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Chairman, the administration is getting ready to give to the small banks, especially in rural sections, another punch below the belt. For 10 years these banks have been mercilessly exploited by the big city banks, with the full knowledge and tacit approval of the administration. The plan was to limit the activities of the country banks, make them absolutely subservient to the big city banks, milk them of their liquid assets, and transfer their cash to the great centers of wealth and population, where it could be utilized and manipulated for stock jobbing and piratical financial ventures.

Mr. UNDERHILL. Mr. Chairman, I do not wish to interrupt the gentleman's flow of eloquence. The gentleman is always interesting, but I understood we were now reading the bill and all remarks should be confined to the bill. I think the gentleman is going rather far afield, and I would like to ask the gentleman if it is his intention to do so?

Mr. LOZIER. It is my intention, Mr. Chairman, to discuss the bill and the policy of the Treasury administration with reference to fiscal matters of the Government which are directly involved in the pending Treasury appropriation bill.

The CHAIRMAN. The gentleman from Missouri will observe the rules and proceed in order.

Mr. LOZIER. The first step was to persuade the country banks to discontinue lending their funds to the people in their respective communities, and banks were especially warned against making loans to farmers on their lands, livestock, and farm commodities, on the specious plea that these last-mentioned securities were not liquid, while claiming loans based on stocks and bonds could be quickly converted into cash.

The scheme worked. Under pressure from the big city banks, and yielding to thinly veiled coercion from the Federal Reserve Board, the country banks reluctantly discontinued making loans to their patrons and filled their portfolios with beautifully printed certificates of watered stock, issued by overcapitalized and highly speculative corporations. The cash, Government bonds, and other easily convertible assets were exchanged for these so-called liquid securities. When the exchange had been consummated and the country banks loaded with these highly speculative securities, the big financial interests "got from under" the stocks and bonds they had wished on the country banks and country investors, and these securities quickly became congealed and their market price fell to unprecedented low levels.

Now, after rural banks had been reduced to impotence by this ancient and none too honorable practice, to make matters worse, the administration sought to increase the allowable credit balances of postal savings banks, so as to draw from the banks a considerable part of their remaining deposits.

But Congress balked and the administration will be forced to abandon its postal savings banks' program. Now when the banks are making a desperate effort to serve their patrons and resume their normal functions, including an extension of credit to farmers, up bobs Uncle Sam and puts on a campaign to sell baby bonds, the inevitable effect of which will be to take from the small banks and country communities a considerable part of what little cash they have left.

Secretary Mills has announced that the issue of these bonds will be "unlimited." That is to say, in marketing these securities, they will not only be offered to the so-called hoarders, but all classes of investors will have an opportunity to purchase. This really means that people who are not now hoarders, but who have misgivings as to the general banking situation, will be attracted by these Government securities, and notwithstanding the low interest rate, will be tempted to withdraw their savings or other deposits and invest the proceeds in baby bonds. Under existing economic and psychological conditions the loss of a little interest will not arrest this movement. By marketing these bonds through banks the Government seeks to bring them immediately and directly to the attention of the customers of the banks who have funds on deposit. And can you imagine the effrontery, audacity, and unmitigated gall of the Hoover-Mills crowd in asking the banks to cut their own throats by encouraging their depositors to withdraw their deposits and buy these bonds?

If the administration had deliberately planned to deplete bank deposits, injure and in many cases destroy country banks, and gobble up what little cash yet remains in rural sections, no more effective scheme could have been devised to accomplish this sinister and cynical purpose than the baby-bond plan. The net result of the Hoover-Mills plan will be to withdraw from rural communities millions of dollars that are now so badly needed to strengthen banks and serve their patrons, and concentrate these funds either in the big city banks or in the United States Treasury. This baby-bond program will absorb bank deposits that otherwise would be available for loans to farmers and other vocational groups.

Every baby bond purchased represents so much money withdrawn from local banks and sent into some distant city, where it can not possibly help the people in the community where the money was earned and where its owner lives.

Under the baby-bond plan the man who is inclined to hoard is given an opporunity, and directly encouraged and invited to withdraw his money from the bank and lend it to the United States Government. In substance the Government says to the people, "You fellows who are suspicious of banks, but lack the intestinal courage to hide your money in socks and mattresses, may now withdraw it from the banks and invest it in baby bonds, which is safer than hoarding and more patriotic." Moreover, not only hoarders but all who have money are encouraged and invited to invest in these governmental securities.

The plan will take $10 out of the banks from moneys on deposit for every dollar it calls out of hiding. Persons who are afraid or ashamed to hoard will be encouraged to invest it in baby bonds. In a few months it will very substantially reduce bank deposits. In this critical period it puts the Government directly in competition with legitimate banking.

This latest Hoover freak formula will enable hoarders to cripple banks under the specious plea that they are performing a patriotic service by furnishing the Government money with which to meet its obligations, when in truth and fact the real purpose is to get their money out of local banks and put it in the till of Uncle Sam, in exchange for Government securities. If this money is left in the local banks it will help create a fund out of which loans can be made to farmers and other bank patrons, thereby enabling banks to resume their normal functions of extending credit as well as receiving deposits.

Reduced to its last analysis this Hoover-Mills baby-bond policy may well be defined as a plan to further deplete the deposits of country banks, and defer indefinitely the making of loans to farmers and their other customers. Seemingly, the administration is indifferent to the welfare of the small banks of the Nation. The scheme to issue baby bonds in denominations of $50, $100, and $500 will reduce the circulating medium and bank deposits in thousands of rural communities. The plan will draw infinitely more money out of the banks than it will draw from places where it is now being hoarded.

There are those who are unduly suspicious and want to hoard but have not done so because they realize the risk, possible loss, or theft of their funds if withdrawn from the banks and buried or concealed in trunks, socks, clocks, and fruit jars. But now the administration comes to the aid of the hoarder and furnishes a dignified excuse for depleting bank deposits and investing the proceeds in Government securities, which, so far as the local community is concerned, has the same effect as hoarding.

The interest on these baby bonds is so low that when the mask is removed the plan is nothing more or less than a refined but absolutely safe system of hoarding. Instead of the money being concealed under the floor or buried in the ground, it is by the baby-bond system withdrawn from local banks and buried in the United States Treasury. In effect, the Government proposes to safely hoard the funds and pay a nominal interest for the privilege.

Please bear in mind that these baby bonds are not issued under the Reconstruction Finance Corporation act, the Steagall-Glass bank credit liberalization act, or under any recent legislation, but are issued under the war-time second Liberty loan act of September 24, 1917 (40 Stat. 290, as amended; U. S. C., title 31, sec. 753). The securities issued by the Reconstruction Finance Corporation will be the obligations of that corporation and not in reality Government bonds, although the credit of the Government is behind them. The baby-bond program of the Hoover administration will neutralize and tremendously reduce the beneficial effects of the Reconstruction Finance Corporation act and the Steagall-Glass bank credit liberalization act.

It was never contemplated that the Government, in marketing its securities, would rob the rural communities of their banking capital or assets, or actively compete with legitimate banking institutions by soliciting deposits in postal-savings banks or by absorbing bank deposits through the sale of baby bonds under the pretense that these securities are issued to call hoarded money back to the channels of trade and commerce.

I am wondering what other shortsighted and half-baked policies the Hoover administration is incubating to ravish the American banking system, milk rural communities of the little cash they have left, postpone indefinitely the extension of credit by banks to farmers, and by these and other ill-considered methods intensify the nation-wide distress under which the American people are staggering. [Applause.]

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the pro forma amendment.

I rise to gain information as to the operation of the proviso so far as it may differ from the general provision at the end of the bill forbidding filling of vacancies in various cases. Wherein does this phraseology differ from the general provision as carried in the present bill?

Mr. BYRNS. As the gentleman from Wisconsin knows, this provision has been carried for many years for the purpose of holding the clerks within the grade to a salary that is the average of the grade. I do not know that there is any particular reason for carrying this language if the section relating to vacancies is to be carried in the bill, except that there may be transfers to different grades, and I can see no reason why this should not be carried, because it will hold their salaries down to the average of the grade.

Mr. STAFFORD. Until about nine years ago, as the gentleman well knows, and especially during the time that I had the special pleasure to serve with the gentleman on the subcommittee on the legislative, executive, and judicial appropriation bill, we designated the number of clerks to be employed in each bureau and the number of clerks that might be authorized. During my enforced retirement from this body the Congress adopted a new method whereby the Congress votes lump-sum appropriations for the respective bureaus and the promotions are made based upon the classification act. My query is whether there has been any investigation to show whether the appropriation for clerical hire as now administered is greater under this new method of promotion by classification than under the old system, whereby we designated the respective number of individuals in each class.

Mr. BYRNS. The amount for clerical hire is undoubtedly greater. The gentleman realizes that that is due to the action of Congress in making increases. But the gentleman knows that under the old rule, to which the gentleman has referred, where specific provision was made for a certain number of increases, that the promotion was made in the sum of $200 each. Then Congress passed a classification act, which did away with all that practice and changed the whole procedure. Personally I felt at the time that it was not going to do away with favoritism, and I do not think it did in all cases.

As the gentleman knows, we found, after the passage of the classification act, that they began to boost salaries, especially the larger ones, and if something had not been done, it would have soon developed that everybody in the grade would have been drawing the top salary.

Mr. STAFFORD. They would be in classes 1 and 2, instead of many in classes 3 and 4.

Mr. BYRNS. Yes. I do not think it ought to be eliminated, even though it may not be entirely necessary, in view of the section the gentleman refers to. There may creep in transfers in various grades where this may be necessary.

Mr. STAFFORD. Under the old system, can the gentleman give us the average pay for clerks in the departments? Has the gentleman any information as to what the average pay is in the respective departments, as compared with the average pay under the old system, where the clerks were segregated by classes and designated by number?

Mr. BYRNS. The answer to the gentleman would depend largely on what he terms clerical service. The average salary of all Government employees is somewhere around $2,100 a year.

Mr. STAFFORD. I mean the clerical services in grades 1 and 2 and 3 and 4. I understand the gentleman to say they average $2,100, and I am certain under the old system that the average was below $2,000.

Mr. BYRNS. I think in grade 1, $1,800, and the lowest grade, $1,200.

Mr. STAFFORD. And under the new method the average salary is $2,100, whereas under the old method it was somewhere around $1,600. So no one can deny that the Government has been very generous in providing a higher rate of pay for the respective grades.

Mr. BYRNS. The gentleman understands that the $2,100 average that I have given him was in all the grades, post-office employees as well.

Mr. STAFFORD. Can the gentleman give me the average pay in the respective grades?

Mr. BYRNS. No; I can not.

[Here the gavel fell.]

Mr. UNDERHILL. Mr. Chairman, I move to strike out the last word, so that I may ask one or two questions of the chairman of the committee, which will serve to give me some very necessary information. I have reference to Post Office appropriations rather than to Treasury appropriations. Perhaps in his reply to my question the gentleman can bring something of value to the new committee on economy.

I notice, first, that the one big thing which the newspapers throughout the country have dwelt upon as necessary to balance the appropriations for the Post Office Department is to abolish the franking privilege for Congress. The total amount that it cost the Post Office Department to carry congressional mail is $530,298. I find that it costs the Post Office Department $34,566,247 above receipts to carry the daily newspapers of the country. Also, that it costs to carry the weekly and monthly publications ten and a half million dollars more than the Government receives for that service, and for all other publications, $26,344,744 additional. Then it costs the Post Office Department to carry the country publications eight and a half million dollars more than it receives, and that the amount which it costs the Post Office Department to carry publications exempt from zone rates is seventeen and a half million dollars more than it receives, or a total of $96,674,617 more to carry publications that are criticizing the Congress for spending $530,298 to answer their constituents when they write to them from Washington or when they send them information which they request. If the newspapers and magazines are going to continue to harp on that subject it might be a good idea for the Committee on Appropriations or Post Office Committee to jack up their rates so that we could balance the Post Office appropriations at least to the extent of some $96,000,000.

We are always talking about taking the Government out of business and keeping it out of business, yet we continue to extend the business of the Post Office Department. The business of the Post Office Department is carrying the mail and the dissemination of information, but I find that on C. O. D. packages we lose $5,321,838, that on insurance we lose over $3,041,944, and that on money orders we lose over $11,294,374, and on special deliveries $166,630. If the Post Office Department is going into or is in private business, why should it not receive enough for service which is outside of its province and legitimate functions to cover the cost? Why should it not receive in insurance premiums enough to cover the cost of insurance? Why should it not receive enough to cover the cost of transportation and delivery of express and freight matter?

I call the attention of the Economy Committee to the fact that that is a pretty good place to start to save a lot of money for the Government. Now, to my question, in the consideration of this bill when these items are reached, is there any possibility of adopting an amendment which will to a certain extent equalize the tremendous burden of expense of carrying the advertising pages of newspapers and other periodicals, cover the cost of insurance, parcel post, or express and freight business, thus cutting down the appropriation through the adoption of rates that will bring in somewhere near the cost of such service?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BYRNS. Mr. Chairman, of course that is a matter of legislation. The postal rates are fixed by law, and as the Appropriations Committee is an appropriating and not a legislating committee, it has no authority to enter into the matter of rates for any particular character of mail matter. The best thing, it seems to me, for the gentleman to do, if he desires to have an increase in these rates, is to introduce a bill and have it referred to the Committee on the Post Office and Post Roads. I am sure that committee will give it attention. The gentleman knows that efforts have heretofore been made to bring about such a change without success.

Mr. UNDERHILL. If any individual Member should advocate a bill to make the newspapers and other publications pay what they really ought to pay, does the gentleman from Tennessee suppose that he would remain in Congress very long?

Mr. BRITTEN. Mr. Chairman, I ask unanimous consent to proceed for five minutes out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRITTEN. Mr. Chairman, I have just returned from a trip West. I came to town this morning and have taken real pleasure in signing the petition to discharge the Committee on the Judiciary from further consideration of a resolution for a resubmission of the eighteenth amendment to the people of the country under constitutional methods.

Without any desire or intention to promote an argument for or against beer or wine or any alcoholic beverage, I say to my friends in the House that as I see the situation in the West, many thousands of people who might go along with the average prohibitionist are highly incensed at the attitude which refuses to allow the people an opportunity to express an opinion upon this question.

I think the prohibition cause, if it has any merit in it to-day, is being destroyed by the prohibitionists themselves. What the people of the country want is an opportunity to vote, through State conventions, or otherwise, and they are incensed because Members of Congress will not even grant them that privilege. I hope my friends from Illinois—and I am talking to the Illinois delegation particularly—will sign this petition to give that opportunity to the people of their State. If the general election were to-morrow, we would lose Illinois by 600,000, and FRED BRITTEN and the other Republican candidates would be swept right off the board, through no fault of their own. Illinois is no different from many other States. It is a great Republican State and a great agricultural State. The people of Illinois want an opportunity to vote on this prohibition question, to vote on it under the Constitution as it should be voted on, and you gentlemen who are drys are hurting your cause by the position you are taking.

There is no more burning question before the American public to-day than the now dejected noble experiment on prohibition. A modification of the Volstead law is demanded from every corner of the Nation. It will benefit the farmer, the laborer, and the Federal Treasury alike. It will do more to destroy unlawful sale of alcoholic beverages than all the laws in the land put together. It will put the notorious beer baron out of business. No Member of this House can in fairness and justice refuse to sign the petition favoring a resubmission of the eighteenth amendment to the people.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Clerk read as follows:

Distinctive paper for United States securities: For distinctive paper for United States currency, national-bank currency, and Federal reserve bank currency, not exceeding 2,000,000 pounds, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees, and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty; in all, $770,000: *Provided*, That no part of this appropriation shall be expended for the purchase of such paper at a price

per pound in excess of 38 cents: *Provided further*, That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1933 between the two bidders whose prices per pound are the lowest received after advertisement, but not in excess of the price nxed herein.

Mr. TREADWAY. Mr. Chairman, I offer an amendment which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report:

The Clerk read as follows:

Amendment offered by Mr. TREADWAY: On page 9, line 25, after "$770,000," strike out the remainder of line 25 and all of lines 1 to 8, both inclusive, on page 10.

Mr. TREADWAY. Mr. Chairman, the amendment I offer, striking out these two provisions, is simply for the purpose of restoring the language of the existing law and the method of awarding contracts for the purchase of distinctive paper for the Government.

These are new provisions inserted in the bill, whether or not carefully worded so as to be in order I will not endeavor to say, but they bring up an interesting subject that was debated here last week and which I shall not refer to at this time. I will simply say that the language, as it will read if my amendment is adopted, is the same as that under which this contract has been awarded over a period of many years. The Government is amply protected in the amount to be paid out by the fact that the committee has seen fit to reduce by $150,000 the aggregate of the appropriation. In the last appropriation bill the amount for this distinctive paper was $920,000. It has been reduced to $770,000. With that reduction, of course, I have no complaint, as I am a thorough believer in the program of economy for the Government.

In the next two paragraphs, where the committee arbitrarily limits the price per pound to be paid for this paper, I must say that we are taking chances of not getting any distinctive paper for the purpose of printing our money. Certainly we all want a little of that available. There is no evidence whatsoever submitted to the committee that it can secure this whole contract for 38 cents per pound. I have looked through the hearings carefully, and while one bidder, a year or two ago, offered to take a portion of this contract at 38½ cents a pound, there is nothing to show that the committee at any point secured evidence that the Treasury Department could obtain the entire 1,200 tons required of distinctive paper at a price of 38 cents. Therefore the department may find itself in the position where, after the bids are opened, no bidder will furnish the paper at 38 cents a pound. Then where will the department be? They will be faced with the clause prohibiting the Government paying more than 38 cents a pound, and still the Government can not get the paper at that price.

The second proviso which I have asked to have stricken out contains this language: "That in order to foster competition in the manufacture of distinctive paper for United States securities." There positively is competition to-day, Mr. Chairman. Anyone who wants to go to the expense of setting up an enormous plant, sufficiently equipped with special machinery and other facilities to be able to supply the Federal Government with 1,200 tons of this distinctive paper, has the privilege of submitting a bid. The Government never has said that only one bidder may bid on this paper. A half dozen bidders have tried it at various times. One year the Comptroller General authorized a small portion of the contract to be let to a separate bidder. All well and good. That can still be done. I personally would be willing to see inserted here language that would actually authorize that sort of thing, but when the language reads "in order to foster competition," which already exists, it implies there is no competition. The fact that only one concern is competent to supply the quantity required does not prove the existence of a monopoly. The market is wide open to competition. There are hundreds of paper makers scattered throughout the country. They are not confined to New England. In New York, Wisconsin, and the West there are many paper mills. They know exactly what is required to produce this distinctive paper. If they see fit to spend several million dollars to equip a plant, they can do so. There is no secret about making this paper. At one time it was controlled by a patent, but that patent has long since expired, and the market is wide open.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. So that if the paper manufacturers of the country desire to compete for this contract, they have that opportunity and have had it right along.

In addition to that, various paper manufacturers have stated that the price at which this contract has been let in years past was not exorbitant, and that in no sense was there any effort to gouge the Government. Nevertheless, some people now impute such an effort to the present contractor. It is purely a business proposition. This country sees fit to encourage big business. We ought to have the best quality of product conceivable, and yet, all at once, in order to satisfy a grudge against a paper concern, certain persons attack that concern. There was an effort to establish a Government mill for the production of distinctive paper here in the District of Columbia, which was fought and defeated, and this is another effort to nurse that same grudge.

All I ask is fair consideration of the method under which this contract has been let for years past. Why is there any occasion to change that policy? By adopting the amendment which I have offered we simply continue the present system of letting this contract.

Mr. BYRNS. Mr. Chairman, for a great many years, as the Members of the House know, the Government has been wholly at the mercy of a monopoly when it comes to providing distinctive paper. The Crane Co. for years and years, located in the district represented by my friend the gentleman from Massachusetts [Mr. TREADWAY], has had a monopoly in the supplying of this paper. There have been no other companies manufacturing this particular kind of paper, which is peculiar in its texture, of course, and different from that which is provided in ordinary commercial use, which have been in a position to take care of their regular trade and at the same time to supply the full amount needed by the Government. In a case of that kind the committee felt it was necessary, in order to protect the Government, that some limitation should be thrown around the amount which the Government was required to pay. Under the law the Government must go through a more or less foolish process in this particular instance of asking for bids and making advertisements.

In the end there is only one bid, and, of course, there is nothing to do but to accept that bid.

A year ago the Government, in its effort to see if something could not be done to get a little cheaper paper, called for bids based upon the total amount, which was 1,420 tons, if I remember correctly, with the proviso that bids would be accepted for 400 tons or less. There were just two bidders, the Crane Co. and the Collins Manufacturing Co., also of Massachusetts. The Collins Manufacturing Co. submitted a bid for 400 tons at 38½ cents per pound. The Crane Co. submitted a conditional bid. It said:

If we get all of the contract, we will furnish this paper for 43 cents a pound, but if we do not get it all the rate will be 48 cents per pound; in other words, we will bid for the remainder of the paper at 48 cents per pound.

The bids were received and submitted to the Comptroller General, and he very properly, I think, decided that the Crane Co.'s bid should be accepted, because it meant a saving of money to the United States to accept all of it at

43 cents a pound rather than to accept 400 tons at 38½ cents a pound and 1,020 tons at 48 cents a pound. So the Government is paying to-day 43 cents a pound for distinctive paper.

The estimates were based upon 42 cents a pound, it being thought by the department that on account of falling prices there would be a reduction in the cost of paper, but your committee felt that was not a sufficient decrease. Here was a company, mind you, that offered a bid of 38½ cents per pound for 400 tons, and your committee felt that in view of the attitude of the Treasury Department to the effect that the cost of paper should be at least 1 cent less in 1933 than it was in 1932 it was entirely justified in fixing not exceeding 38 cents a pound as a reasonable price for the sale of this paper.

Mr. TREADWAY. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. TREADWAY. Would the gentleman be kind enough to tell us where, in his knowledge, a fixed price has been set rather than an aggregate sum in the appropriation?

Mr. BYRNS. I have no knowledge of any fixed price, but I will say this to the gentleman: If we made this appropriation without fixing the price, there would be no limitation on the company and it could bid any amount it pleased, and being the only company its bid would have to be accepted.

Mr. TREADWAY. I have not figured it out, but may I ask the gentleman what figure was used in reaching the estimate of $770,000?

Mr. BYRNS. Thirty-eight cents a pound.

Mr. TREADWAY. So you are fixing the amount at 38 cents a pound in your appropriation?

Mr. BYRNS. Yes.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. If we were to limit this to $770,000 and not fix an upset price of 38 cents a pound, the gentleman can well see that this sole bidder could come in and bid 40 cents a pound. That company would get the contract and it would have the right to furnish paper to the extent of this $770,000, at 40 cents a pound. We have fixed it at not exceeding 38 cents a pound, and $770,000 will take care of the whole situation if the bid is made upon that basis.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. STAFFORD. I understood the gentleman from Massachusetts to ask whether there was any comparable case where the Government fixed the price of articles which it purchased. I know the gentleman from Tennessee will recall that the price was fixed in the case of the purchase of typewriters. The price of the typewriters was more or less controlled by a trust, and the committee fixed a flat price at which typewriters should be purchased, which resulted in a saving of hundreds of thousands of dollars to the Treasury of the United States. This is an instance that is comparable to that, because this one company virtually has the Government by the neck.

Mr. BYRNS. And I am reminded, I will say to my friend—and I thank him for calling my attention to the case of the typewriters—that the price of smokeless powder was fixed several years ago by Congress because it was a monopoly. Because of that action the price was brought down from 65 cents to something a little over 50 cents.

Mr. STAFFORD. I think that action was taken at the instance of the then chairman of the Appropriations Committee, Mr. Sherley, who was interested in that subject.

Mr. BYRNS. I believe so.

Mr. TREADWAY. Will the gentleman yield further?

Mr. BYRNS. Yes.

Mr. TREADWAY. Is it not a fact, as the gentleman from Wisconsin has intimated, that there was more or less collusion in the case of the manufacturer and the sale of typewriters? The debate on the floor showed that there was an agreement and collusion among the typewriter concerns to stick the Government, but here you have a wide-open market and there is no question of any agreemnt being reached between the paper manufacturers.

Mr. BYRNS. I would not want to charge there was collusion, yet there was some indication of it; but I will say to the gentleman that is no worse than having one man who has the Government at his mercy and can charge any price he pleases. So I think this is peculiarly a case where the Government, in protection of itself, ought to fix the price.

Mr. STAFFORD. And it is a case where the Government can more easily be held up.

Mr. BYRNS. I think so.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

The Clerk read as follows:

Collecting the revenue from customs: For collecting the revenue from customs, for the detection and prevention of frauds upon the customs revenue, and not to exceed $10,000 for the securing of evidence of violations of the customs laws, including expenses of transportation and transfer of customs receipts from points where there are no Government depositories, not to exceed $79,200 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. V, title 5, sec. 118a), not to exceed $1,700 for any one person, not to exceed $5,000 for the hire of motor-propelled passenger-carrying vehicles, and not to exceed $500 for subscriptions to newspapers, $22,700,000, of which such amount as may be necessary shall be available for the cost of seizure, storage, and disposition of any merchandise, vehicle and team, automobile, boat, air or water craft, or any other conveyance seized under the provisons of the customs laws, when the proceeds of sale are insufficient therefor or where there is no sale, and $494,470 shall be available for personal services in the District of Columbia exclusive of 10 persons from the field force authorized to be detailed under section 525 of the tariff act of 1930: *Provided*, That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in the District of Columbia.

Mr. BYRNS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 11, line 2, strike out the word "and," and on the same page, in line 3, after the word "newspapers," insert the following: "and including the purchase, exchange, maintenance, repair, and operation of motor cycles."

Mr. BYRNS. Mr. Chairman, I may state to the committee that the Bureau of Customs has had three automobiles at its disposal here in the District of Columbia. This bill takes these three automobiles from the bureau. They need the motor cycles for their messengers, and all the amendment is intended to accomplish is to give them a couple of motor cycles instead of the automobiles we have taken from them. I will then offer another amendment which will restore one of these automobiles for the use of the customhouse in the District of Columbia, which is really a field position.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. JOHNSON of Washington. The one here in the District of Columbia is local?

Mr. BYRNS. It is local, but the machine is used at the District office over in Georgetown.

Mr. JOHNSON of Washington. How about the whole of Puget Sound, where there are many cities, all with a head office at Seattle, for instance, called the district of Puget Sound?

Mr. BYRNS. This does not affect Puget Sound.

Mr. JOHNSON of Washington. It does in principle, because it is local.

Mr. BYRNS. This is not local in that sense, I may say to the gentleman. This is for the customhouse over in Georgetown. It is necessary for him to come over here to the bureau every day, and it is also necessary for the examiners here in the District to go around and make various examinations. Having taken three automobiles from him, we felt it was perfectly fair to leave him one for official use only.

Mr. JOHNSON of Washington. That is a gain of 1—taking 2 and giving 1.

Mr. BYRNS. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. BYRNS. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: On page 11, in line 15, after the word "Columbia," insert the following: "except one for use in connection with the work of the customhouse in Georgetown."

Mr. BYRNS. Mr. Chairman, this is the amendment to which I referred a moment ago.

The amendment was agreed to.

The Clerk read as follows:

The offices of comptrollers of customs, surveyors of customs, and appraisers of merchandise (except the appraiser of merchandise at the port of New York), 29 in all, with annual salaries aggregating $153,800, are hereby abolished. The duties imposed by law and regulation upon comptrollers, surveyors, and appraisers of customs, their assistants and deputies (except the appraiser, his assistants and deputies at the port of New York), are hereby transferred to, imposed upon, and continued in positions, now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulation shall specify; and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service.

Mrs. KAHN. Mr. Chairman, I make a point of order against the section, beginning in line 16, page 11, and running through line 8, on page 12, that it is legislation on an appropriation bill and therefore out of order.

The CHAIRMAN. Does the lady desire to be heard on the point of order?

Mrs. KAHN. No; I think it is self-evident. I do not think it needs any argument.

Mr. BYRNS. Mr. Chairman, the committee acknowledges that the provision to which the point of order has been made, abolishing these offices of appraisers, comptrollers, and surveyors of customs, is legislation on an appropriation bill and changes existing law.

Under the provisions of clause 2 of Rule XXI, known as the Holman rule, legislation is in order upon an appropriation bill if it conforms to that rule.

The pertinent portion of clause 2 of that rule is as follows:

No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for such public works and objects as are already in progress. Nor shall any provision in any such bill or amendment thereto changing existing law be in order, except such as being germane to the subject matter of the bill shall retrench expenditures by the reduction of the number and salary of the officers of the United States, by the reduction of the compensation of any person paid out of the Treasury of the United States, or by the reduction of amounts of money covered by the bill * * *.

The committee contends that the paragraph in this bill to which objection has been raised is in order under the provisions of the Holman rule.

Under previous decisions legislation to be in order under this rule must be germane to the bill and must retrench expenditures in one of the three methods set forth in the rule, namely, (1) by reduction of the number and salary of officers of the United States, (2) by the reduction of the compensation of any person paid out of the Treasury of the United States, or (3) by the reduction of the amounts of money covered by the bill.

Under previous decisions of the House it has also been held that it is not enough merely to reduce the number and compensation of officers of the United States or the compensation of any person paid out of the Treasury, but the legislation must retrench expenditures in doing that. On this point Chairman Saunders, in a decision on December 9, 1922, said:

The many rulings on this question are fairly uniform. They all hold that when, on the face of the bill, the proposed new legislation retrenches expenditures in one of three ways the point of order should be overruled, and the rule is generally laid down that the construction should be liberal in favor of retrenchment of governmental expenditures.

Under previous decisions it has also been held that the retrenchment in expenditures must not be conjectural or speculative but must show on the face of the legislation. In this connection Speaker Kerr held:

In considering the question whether an amendment operates to retrench expenditures, the Chair can only look to what is properly of record before him—that is, the pending bill, the specific section under consideration, the law of the land, so far as it is applicable, and the parliamentary rules and practice of the House; and beyond these he is not permitted to go in deciding the question.

In discussing the question of the saving, Chairman Saunders also said:

The Chair can only act upon the proposition which is presented on the face of that proposition.

In presenting this paragraph under the Holman rule the committee believes that it answers all of the requirements laid down under sound decisions:

(1) It is germane; (2) it reduces the number and salary of officers of the United States; (3) it retrenches expenditures; (4) the retrenchment is not speculative or argumentative but is specific; (5) every part of the legislation is essential.

1. Germaneness: The bill makes appropriations for the Customs Service, and customarily carries salaries for the offices proposed to be abolished.

2. Reduction of offices and salaries: The paragraph provides for the abolition of 29 offices established by law and now in existence, with salaries aggregating annually $153,800. Under the provisions of the paragraph these offices are eliminated commencing with the date of approval of this bill. The incumbents in them will at that time be removed from the pay roll.

3. Retrenchment of expenditures: The paragraph retrenches expenditures by the elimination of these offices and the saving of the salaries. That is complete on the face of the legislation.

4. The retrenchment is not speculative: The definiteness of the saving can not be controverted. The bill abolishes the 29 positions. They will be gone. The duties are transferred specifically to other positions in the service. The work will be continued. No added expense will come from this transfer, because the paragraph provides that the Secretary of the Treasury shall make the transfer and carry out the legislation without adding any new positions. The retrenchment is specific, definite, and complete. There is no escape from saving $153,800, and in making up this bill the committee has taken out that amount.

5. Every part of the legislation proposed is necessary to the reduction: The legislation is divided into the following parts:

(a) Abolition of the positions; (b) transfer of the duties to positions now in the service; (c) change in title of existing positions after the transfer to make the title accord to the new duties transferred to them; (d) require the Secretary to administer the transfer of duties in such a way as not to establish any new position.

The necessity of all portions of the legislation and its intimate relationship to the effectiveness and conclusiveness of the retrenchment must be apparent. Without all of the parts the legislation would not be effective.

The CHAIRMAN. I am afraid the Chair is not in harmony with the position of the lady from California. It would seem to the Chair that this paragraph is safely enfolded in the embrace of the Holman Rule. For the benefit of the lady from California the Chair will say that to be in order under the Holman rule three things must concur—first, it must be germane; second, it must retrench expenditures; and, third, the language embodied in the paragraph must be confined solely to the purpose of retrenching expenditures.

The Chair finds upon examination of the paragraph that it is germane to the portion of the bill wherein it is inserted. The paragraph on its face definitely reduces the number of officers of the United States by 29 and thereby saves $153,800, thus retrenching expenditures.

The remaining question for the Chair to determine is whether there is any language in the paragraph that is legislation which does not contribute to the retrenchment of the $153,800.

The Chair has examined the paragraph with considerable care in order to determine whether the legislation is coupled up with and essential to the reduction of money. The Chair finds that the paragraph abolishes a number of positions, that it transfers the duties heretofore performed by the officers holding those positions to positions now in the service, that in order to accomplish that it confers upon the Secretary of the Treasury authority to designate the titles of the employees now in the service who are to perform the additional duties, that it requires the Secretary to administer the transfer of duties in such a way as not to establish any new positions. It is apparent to the Chair that all the legislation to be found in the paragraph is necessary to accomplish the purpose of retrenching expenditures. The Chair thinks that the paragraph clearly comes within the provisions of the Holman rule and overrules the point of order.

Mr. DYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYER: On page 11, line 17, after the word "appraiser," add the letter "s," and in line 18, after the words "New York," add the words "and the port of St. Louis, Mo.," and in line 23, after the words "New York," add "and the port of St. Louis, Mo."

Mr. DYER. Mr. Chairman, the Appropriations Committee, in this bill, by this provision, if agreed to by the committee and the House, is undoing something that has been in existence in this country for many, many years. The appraisers of merchandise have been very essential and very beneficial.

I wish to refer a moment to a quotation from a statement by Captain Eble, Commissioner of Customs, made at Portland, Oreg., in July of last year, in which he said:

The most important work incidental to collecting the customs revenue is performed at the appraiser's stores.

Mr. Chairman, the appraiser's office is revenue-producing; and when we take into consideration the vast amount of revenue to the Government through the workings of this office, the incidental expense of the appraiser is negligible.

They are attempting by this bill to do away with the salary of the appraiser at St. Louis, amounting to $4,600. This is the only item that would be saved, as to St. Louis, if you agreed to the bill as reported by the Committee on Appropriations.

Let me give you some figures in regard to the collections of this office to see whether or not its elimination is justified.

The duties collected in St. Louis in 1927 were $2,917,000; in 1928, $2,870,000; in 1929, $3,230,000; in 1930, $3,039,300.

During 1931 there was collected at this port $2,094,319, and this was in a year when business was very poor all over the country. The appraiser's office was created more than 100 years ago, and it was evidently well thought out and very carefully considered.

The appraiser's office may be said to be similar to that of assessor which appraises property upon which taxes are collected by the collector, and for the same reason that the appraiser and collector should not be the same person, but one should be a check against the other.

If the office of the appraiser were consolidated with that of the collector, one can readily see there would be no such check; and it seems to us that such an arrangement would operate to the detriment of the Government, and we would find an opportunity open, perhaps, to colossal graft.

There seems to be no doubt but that the appraiser's office was meant as a safeguard, and surely it would be unwise and false economy to abolish this or any other department which safeguards the Public Treasury. And let us constantly keep in mind the fact that the office of the appraiser of merchandise is one of the revenue-producing units of our Government, and because of this fact it is my opinion that it should not be disturbed.

I have here a statement from Hon. Edmond Koeln, the collector of internal revenue for the city of St. Louis, in which he calls attention to the fact that some years ago the city of St. Louis, in adopting a new charter, provided that the appraiser and collector for water rates be the same person. Prior to that time they had been different persons. He says that it was but a few months after this took place that it was found in checking back the water department that there were discrepancies amounting to $140,000 a year or more. It seems that they got in a rut and it was practically all up to one man and one organization to handle both jobs, and they found after checking back the records, after they were taken over by the water commissioner and collector of revenue, that many water taps and meters in the city appeared on the records as being shut off for nonpayment and other reasons, which, in fact, were still on and water being supplied to the premises without any charge by the department. This was corrected only after the water commissioner simply assessed all water rates due and then turned over the bills for collection to the collector of revenue.

If we do not adopt this amendment, there will be no check on the work of the appraiser and the collector of customs at St. Louis. The bill provides that the employees, which are few in number, in the appraiser's office shall be transferred to the collector's office. The total expense of the appraiser's office in St. Louis does not amount to exceed $30,140, and they average two and a half million dollars collections annually for the Federal Government.

My amendment would not change the situation, except it would except the appraiser of St. Louis, who receives a salary of $4,600. That is all this would cost the Federal Government if it were agreed to. Is not that true, Mr. Chairman?

Mr. BYRNS. Yes; but may I interrupt the gentleman? The gentleman is speaking only of St. Louis. They have collected $1,594,320 customs. But let me call the gentleman's attention to offices where they have collected four or five million dollars, which have no appraiser and no surveyor.

Mr. DYER. Yes; those are places where they do not need an appraiser of merchandise.

Mr. BYRNS. But they collect four or five times as much money.

Mr. DYER. But I think on this one proposition the committee has gone too far. Of course, I take it that it is done under the guise of economy; but it surely is not economy, Mr. Chairman, to take this step and the danger in transferring these two positions in the Government into one, where there have been two officers for more than a hundred years, and it is bad legislation to place all this important work in the hands of one man.

The danger of mistakes, the danger of falsification, are very apparent to those who consider the situation as it would be under the proposed change. With a check provided between the two offices, at a very small expense, there is no danger of loss of money to the Government. I think it is mighty poor economy and that we ought not to permit it. It is going to the extent almost of the Appropriations Committee legislating people out of office. The gentlewoman from California [Mrs. KAHN] made the point of order, which unfortunately could not be sustained by the chairman because it comes under the Holman rule. It is going mighty far, however, when the Committee on Appropriations brings in legislation here putting people out of office and reducing the salaries of those who are in office. That is pretty close to legislating, and I think we ought not to permit it.

Mr. COCHRAN of Missouri. Mr. Chairman, I am interested in the action of the committee in abolishing the office of appraiser in St. Louis, but I do not propose to approach the question in the manner in which, at least in part, my colleague did. We have in the St. Louis appraiser's office probably a dozen or more men. I think the chief examiner has been in the St. Louis office for over 30 years. I can not bring myself to believe, even if this office is abolished, that there is any danger of anyone robbing the Government, and I do not feel the present appraiser would think so; in fact I am sure she would not. Men of the highest type are

employed in this office, and they will be a check upon the collector if you abolish this office.

The question involved here is whether or not this office should be abolished. The lady in charge of the office in St. Louis is a personal friend of mine. She has proved to be an excellent appraiser. She is always on the job. Naturally, I dislike to see her lose her position.

We collected in St. Louis last year $1,549,320. I think if gentlemen on the other side had not passed the Smoot-Hawley tariff law, we would have collected a great deal more.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. MEAD. Does the gentleman agree that the committee has shown no favors in this matter—that they have just arbitrarily eliminated these offices all over the country, with one exception.

Mr. COCHRAN of Missouri. I fully agree, and I brought that out when the chairman was making his statement on Saturday.

Mr. MEAD. The appraiser in my city is also abolished. Does the gentleman believe there are enough of us representing these cities to form a bloc to obstruct the progress of this wave of economy which so righteously comes upon us?

Mr. COCHRAN of Missouri. I do not. I can see it coming now, and the committee will stand by the recommendation of the Committee on Appropriations, as it has in every instance this year; all amendments offered are defeated. We will be smothered with noes in a few minutes when the question is put. Mr. Chairman, we are facing a situation that requires us to do a great many things now that we would not do if conditions were otherwise. I am sorry to see anyone lose their position, especially a personal friend, but how are you going to spend money when there is no money to be spent? The Internal Revenue Commissioner is receiving daily reports from collectors all over the United States. They are taking the income-tax returns for 1931 and comparing them with the income-tax returns for 1930, and they are able to see what is going to happen. We have a deficit to face, and it is getting larger all the time. I must admit that the Committee on Appropriations has not treated my city unfairly, as it has done the same to all cities in the country having such an office, with the exception of New York, and with good grace, I am compelled to take the medicine. [Applause.]

Mr. LUDLOW. Mr. Chairman, the Committee on Appropriations, of which I have the honor to be a member, proposes to lessen the burden of taxation by abolishing a number of high-salaried offices that are as useless in the public service as the fifth wheel is to a wagon or the appendix is to the human anatomy.

Among these are 29 presidential offices in the Customs Service, 15 appraisers of customs, 7 comptrollers of customs, and 7 surveyors of customs.

The least salaried of all of these officials draws $3,200 a year from the Public Treasury and the highest salaried $9,000 a year.

It was brought out in our subcommittee that by wiping these 29 useless officials off of the pay rolls we are able to make a sheer saving of $153,800 a year, and that is the purpose of this legislation.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I would rather not at this moment.

Mr. DYER. The gentleman is making the statement that these offices are useless. I would like him to tell the committee where he got the information that the appraiser at St. Louis is useless.

Mr. LUDLOW. The information came from official sources.

Mr. DYER. What official? Name him.

Mr. LUDLOW. The total receipts of the Portland (Me.) customs office are now about $160,000 a year, according to the Bureau of Customs. Therefore, practically the equivalent of the entire income of that port is required to pay the very comfortable salaries of these 29 useless officials. That money ought to go into the Treasury of the United States instead of into the pockets of officials who do not earn it.

The offices in the Customs Service it is proposed to abolish and the salaries attached thereto are as follows:

Appraisers of customs: Philadelphia, Pa., $5,600; Boston, Mass., $6,000; San Francisco, Calif., $5,600; New Orleans, La., $5,200; Baltimore, Md., $5,000; Chicago, Ill., $6,000; Buffalo, N. Y., $4,600; Detroit, Mich., $4,600; Tampa, Fla., $3,800; Cleveland, Ohio, $4,600; Cincinnati, Ohio, $3,800; St. Louis, Mo., $4,600; Portland, Me., $3,800; Pittsburgh, Pa., $4,600; Portland, Oreg., $4,400; total, $72,200.

Comptrollers of customs: New York, N. Y., $9,000; Philadelphia, Pa., $5,800; Boston, Mass., $5,600; San Francisco, Calif., $5,600; New Orleans, La., $5,600; Baltimore, Md., $5,600; Chicago, Ill., $5,600; total, $42,800.

Surveyors of customs: New York, N. Y., $9,000; Philadelphia, Pa., $5,600; Boston, Mass., $5,800; San Francisco, Calif., $5,600; New Orleans, La., $4,600; Baltimore, Md., $5,000; total, $38,800.

It is no reflection on the very respectable and esteemed persons who occupy these offices to say that they do nothing to earn their salaries. That is not their fault. There is nothing for them to do. The work is so organized that they are absolute excess. If all 29 of them were to go to Europe and watch the whirling wheels at Monte Carlo, bask under the sunny skies of Italy, or cruise up and down the Mediterranean, the work would go on smoothly, methodically, and efficiently without a split second's difference.

Take, for instance, the appraisers of customs, who compose the most numerous class slated for abolishment. There are 15 of these superfluous officials, whose salaries are an annual charge of $72,200 on the taxpayers. There are 300 ports of entry. At 285 of these there is an acting appraiser, who is the real head and director of the appraisal force. At 15 ports where there is an appraiser there is a chief assistant appraiser, who directs the force. If this legislation passes and the appraisers are abolished the chief assistant appraiser will be called hereafter the acting appraiser and the work will go on exactly as it always has gone on. Enactment of this legislation will leave only one appraiser of customs in the service—the appraiser at New York City. Approximately 60 per cent of the entire customs revenue is collected at the port of New York, where the appraisal force consists of about 1,000 employees. The appropriations committee was advised by the Customs Bureau that in that instance it would be advisable to continue the appraiser on account of the peculiar circumstances surrounding the New York office.

There are seven comptrollers of customs, all as useless as a last year's bird's nest. The function of the comptroller's office is really that of an auditor. There are 48 customs districts, which are divided for auditing purposes into 7 groups under 7 comptrollers.

Auditing customs accounts is a highly specialized business, and the active man at the head is the deputy comptroller, who has been brought up in the auditing business and knows it from A to Z. He guides the work and is the authority on all points of administration, while the comptroller draws the big salary. On account of the technical and specialized nature of the work it is easy to realize how big a misfit in the comptroller's job is a politician who is picked up off of the street and appointed comptroller without any knowledge of the technicalities of auditing. It is a joke; a rather costly one, but a joke. Under the reorganization that will follow this legislation the name of the deputy comptrollers probably will be changed to auditors of customs and the work will go on just as usual, while the taxpayers will be relieved to the extent of $42,800 by the abolishment of the comptrollerships.

We now come to the surveyors of customs. There is another indefensible charge on the Treasury to the extent of $38,800 per annum in salaries paid to seven surveyors who are just as useful to the public service as the man in the moon. At every port where there is a surveyor there is an assistant surveyor who performs all of the duties of the

head of the office. He is a civil service appointee who is trained in the work. If this legislation passes and surveyors of customs go to join the dinosaur and other creatures of a forgotten age the title of deputy surveyors will be changed to deputy collectors and the work will proceed as usual.

The utter ridiculousness of maintaining these useless and expensive offices in the Customs Service is well known to everybody in that service. Detroit is a great port of entry and there is no surveyor of customs at Detroit although the volume of business there is fifteen or twenty times as great as other places where there is a surveyor. At Portland, Me., where, as I have said, customs receipts are running about $160,000 per annum, there are three presidential officials, all drawing sizable salaries, collector, appraiser, and comptroller. Again I say it is a joke—a costly joke.

Why is it necessary to have three presidential appointees at a small port like Portland, Me., where such a limited amount of customs revenue is collected, while at Galveston, Tex., where we collect close to $6,000,000 a year, there is no surveyor and no appraiser and only one presidential appointee, the official in charge?

The same question applies to Los Angeles, where $5,000,000 is collected annually in customs revenue and where there is but one presidential appointee, the collector.

I might state that there is but one customs official in charge at Winston-Salem, N. C., Savannah, Ga., Seattle, Wash., Norfolk, Va., Nogales, Ariz., Reidsville, N. C., Providence, R. I., Honolulu, Hawaii, Rochester, N. Y., and Houston, Tex., where customs collections run from one to five million dollars at each port. Now, it seems to me if no surveyor or appraiser is necessary at these latter ports, where customs collections run from ten to thirty times as much as those collected at Portland, Me., that the offices of surveyor and appraiser at Portland are absolutely unnecessary and involve a waste of public money. The same applies to these superflous officials who, I see from the record, are stationed at Pittsburgh, Pa., Buffalo, N. Y., Tampa, Fla., Detroit, Mich., St. Louis, Mo., Cleveland, Ohio, Cincinnati, Ohio, and Portland, Oreg.

The abolishment of these useless offices would tend to administrative efficiency, for the presence at any port of two or more officials, all of the presidential grade and jealous of their dignity, is bound to create friction. Therefore, while the appraisers, comptrollers, and surveyors are useless, they are a little worse than useless, for they create inharmony in the service.

If anyone were to propose, with the general distress that now prevails and in the temper of these times, to create these sinecures, he would get nowhere, and would bring upon himself a rebuke from the entire country. Let us do a real service to the country by abolishing these sinecures.

Neither is there any reason in sound administration why the assay offices at Carson City, Nev., Salt Lake City, Utah, Boise, Idaho, and Helena, Mont., should not be abolished, and there is every reason why they should be abolished.

Four distinct savings would be effected, as follows:

First. In salaries to personnel.

Second. In releasing for other Federal activities Government buildings that are now occupied by assay offices.

Third. In the cost of maintaining metallurgical laboratories and purchase of such supplies as crucibles, acids, fluxes, and fuels required to operate these assay offices separately.

Fourth. In savings on express charges on gold bullion.

The entire saving would considerably exceed $25,000 a year on personnel and supplies alone, to say nothing of the saving to be effected by releasing Federal buildings to other Government activities that now occupy leased quarters.

The Government owns the assay buildings at Carson City, Boise, and Helena. The Salt Lake City assay office occupies two rooms in a Government-owned building.

The chief function of the assay offices is to make assays of gold bullion sent in for purchase by the Government.

After the bullion is assayed it becomes the Government's property and is forwarded by express at Government cost to the mint at San Francisco or Denver.

By abolishing the assay offices the Government would save the express charges it now has to pay on bullion from the assay office to the mint. Under the new order the bullion would be assayed at the mint and would be shipped to the mint at the seller's cost.

Assaying ore for prospectors is a very minor part of the duties of the assay offices and no great hardship or hindrance would be imposed on prospectors if the assay offices were abolished, in which event they would send their samples by parcel post to Seattle to be assayed. In modern times the use of the assay offices for this purpose has been confined to small prospectors who usually send in a handful or two of ore to be assayed, and the Bureau of the Mint advises that not over 5 per cent of these samples show any producing value.

The assay offices are ancient institutions which once were helpful in developing mining of precious metals in the West but which long since outlived their usefulness. The Carson City assay office was established March 3, 1863; the Boise assay office February 19, 1869; the Helena assay office May 12, 1874, and the Salt Lake City assay office May 30, 1908. All are obsolete relics of the past, and in carrying out the economy program they should be abolished.

For further enlightenment I will read the following letter from R. J. Grant, Director of the Mint:

FEBRUARY 25, 1932.

MY DEAR CONGRESSMAN: In response to your letter of February 20, I am giving below a statement covering the number of bullion and ore assays made by the assay offices at Carson City, Salt Lake City, Boise, and Helena during the fiscal year 1931:

Institution	On bullion deposited for purchase by the Government	On samples of bullion and ore sent in
Carson City	1,111	162
Salt Lake City	400	240
Boise	1,177	667
Helena	976	41

If the facilities of the four assay offices named above were not at the disposal of the public, assays of ores and bullion could be made at the mint in New Orleans or at the assay office in Seattle. Deposits of gold forwarded for purchase could be shipped to San Francisco or to Denver.

Very truly yours,

R. J. GRANT.

Mr. WOOD of Indiana. Mr. Chairman, I rise in opposition to the proposed amendment. There are 29 of these offices that we propose to abolish in this bill, the aggregate pay of which is $153,000 a year. The committee was convinced beyond any question of doubt that there is about as much use for these offices, that we propose to abolish, as there is a cat having nine tails. They are purely political sinecures and have been for a hundred years. They were created in the first place as political sinecures, and they have maintained their individuality in that respect ever since. One of these some years ago was appointed at Chicago. At that time he was called the naval port officer. That did not seem to jibe very well with the rest of the offices, so they changed the name to comptroller, and he is still occupying that position and drawing his pay as such. It was suggested by the gentleman from Missouri [Mr. DYER] that the appraisal of these foreign, imported goods, is a very important function. That is true. Everything depends on a fair appraisal, but these appraisers do not do the appraising. That is done by the collector and under his supervision.

The same with reference to the comptroller. He does not control anything but his salary. All he does is draw his pay.

Then it was suggested there should be a check upon some of these other officers. The check is furnished by the auditors. No one is proposing to do away with the auditing of these accounts, and, in consequence, there is no danger in that respect.

So, as I have stated, it is the same character of office that the subtreasurers were. We tried a long time before we

succeeded in doing away with the subtreasurers, and after the adoption of the Federal reserve act there was absolutely no occasion for those officers. They then became purely sinecures, but they have gone, and nobody now contends for a moment that disposing of them has hurt the Treasury Department in any degree whatever. I remember very well when in every State in the Union, especially throughout the North, there were pension commissioners. I dare say there are few of you here to-day who remember what their duties were. They were pure political sinecures. It took years and years for this Congress to do away with them. These offices are in the same category. There is no one who has any excuse whatever for supporting this amendment except those who have these offices in their respective communities.

Mr. DYER. I can not agree with the gentleman.

Mr. WOOD of Indiana. If we felt for a moment that it would be a detriment in the least degree to the operations of the Government, none of us would be in favor of their abolishment.

Mr. DYER. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. DYER. If the gentleman is so sure that nobody can object to this except those who have these offices in their districts, I would like to ask the gentleman why, for a hundred years, most of which time the gentleman himself has been a member of the Committee on Appropriations, he has not brought this in before?

Mr. WOOD of Indiana. Well, it is somewhat like cutting off the pup's tail. We have to do it a little at a time so that it will not hurt so much. We have been trying for a long time to abolish some of these assay offices. We are going to try to do that again in this bill. We have succeeded in doing it time and time again in this House, but the gentlemen over at the other end of the Capitol, for some reason or other, think the whole fabric would fall to pieces if they did not retain them, and we will have that same trouble again. But when we are trying to economize, the best place to economize is where there is absolutely no excuse for the original expenditure.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

The Clerk read as follows:

BUREAU OF INTERNAL REVENUE

Collecting the internal revenue: For expenses of assessing and collecting the internal revenue taxes, including the employment of a Commissioner of Internal Revenue at $10,000 per annum, a general counsel for the Bureau of Internal Revenue at $10,000 per annum, an assistant to the commissioner, a special deputy commissioner, three deputy commissioners, one stamp agent (to be reimbursed by the stamp manufacturers), and the necessary officers, collectors, deputy collectors, attorneys, experts, agents, accountants, inspectors, clerks, janitors, and messengers in the District of Columbia, the several collection districts, and the several divisions of internal-revenue agents, to be appointed as provided by law, telegraph and telephone service, rental of quarters outside the District of Columbia, postage, freight, express, necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and other necessary miscellaneous expenses, including stenographic reporting services, and the purchase of such supplies, equipment, furniture, mechanical devices, law books and books of reference, and such other articles as may be necessary for use in the District of Columbia, the several collection districts, and the several divisions of internal-revenue agents, $33,650,000, of which amount not to exceed $9,122,560 may be expended for personal services in the District of Columbia: *Provided*, That no part of this amount shall be used in defraying the expenses of any officer designated above, subpœnaed by the United States court to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, United States courts": *Provided further*, That not more than $100,000 of the total amount appropriated herein may be expended by the Commissioner of Internal Revenue for detecting and bringing to trial persons guilty of violating the internal revenue laws or conniving at the same, including payments for information and detection of such violation.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

My purpose is to ascertain from the chairman of the committee whether the appropriation for the enforcement of the internal revenue acts has become static or whether there will be opportunity for the appropriation to be curtailed as the years go by. Some years ago they were back several years in the examination of the income-tax returns. Can the gentleman give any information as to the current condition of their work and whether this appropriation of $33,650,000 is likely to be the permanent appropriation, as long as we have the income-tax and corporation-tax provisions in the law?

Mr. BYRNS. No. Not necessarily. They are very nearly current in their work. The gentleman will note that the committee cut the appropriation in the sum of only $110,000. The committee did not seek to make any greater cut in the appropriation for the reason that it recognized that a new tax bill or a new revenue bill would be passed soon, and, of course, that will entail additional duties upon this particular office. For that reason the committee made no greater cut than it did.

Mr. STAFFORD. Were it not for the prospect of additional work being thrown upon the bureau by reason of the proposed income-tax measure, the gentleman's committee would have felt warranted in cutting this appropriation?

Mr. BYRNS. I think it possibly could have been cut to a considerable extent, but we did not cut it, for the reason stated.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For compensation of civilian employees in the field, including clerks to district commanders, $105,220.

Mr. GOSS. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee if this reduction of $105,220 contains any reduction in wages?

Mr. BYRNS. No; none at all. There are the same number and at the same salary.

Mr. GOSS. Is there any reduction of wages anywhere through this bill?

Mr. BYRNS. No; except the provision that will be carried at the end of the bill. That does not reduce any wages, but it prevents increases in salaries.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Total, Coast Guard, exclusive of commandant's office, $28,510,220.

Mr. GLOVER. Mr. Chairman, I move to strike out the last word to ask the chairman of the committee with reference to the Coast Guard School. I have had many requests from boys in my district who can not get into Annapolis or West Point, who are very anxious to know about the Coast Guard School. I know they have literature, but I would be glad if the gentleman from Tennessee would take a little time and give us, for the benefit of the RECORD, in order that the public may read it, something about what the Coast Guard is accomplishing in the school.

Mr. BYRNS. I will say to the gentleman that there has recently been established this school to which the gentleman refers, at New London, Conn. It is fashioned along the same lines as the West Point Military Academy and the Naval Academy at Annapolis. Its curriculum is about the same.

The appointments are made through competitive examinations. Applications are made to the Commandant of the Coast Guard, and he holds these competitive examinations. When this new academy is completed, which will be in the fall, it will have a capacity of about 200 students.

Mr. GLOVER. As I understand, the students graduate with the same degree as those who graduate at the other institutions?

Mr. BYRNS. Yes. The graduates are given commissions in the Coast Guard Service, and in war time they are covered into the Naval Service.

Mr. HASTINGS. Is any preference given to the States?

Mr. BYRNS. No.

Mr. HASTINGS. There is no allocation to the States?

Mr. BYRNS. No.

Mr. KELLER. Why not?

Mr. BYRNS. I do not know, but it just is not the law.

The pro forma amendment was withdrawn.

The Clerk read as follows:

White House police: Captain, $3,600; lieutenant, $3,050; three sergeants at $2,750 each; and for 43 privates at rates of pay provided by law; in all $116,299.

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph. In debate the other day I called the attention of our colleague from Indiana [Mr. WOOD] to the fact that the White House police, 48 in number, were on the Government pay roll, paid for by the United States Government. The gentleman from Indiana contended that they were a part of the Metropolitan police force, and paid for by the District of Columbia, under the District bill. I want to call the gentleman's attention—because he is present on the floor—to the fact that he was in error. These 48 policemen are paid for by the Government of the United States. They are provided for in this Government appropriation bill, and in the paragraph which I have moved to strike out—and which pro forma motion I will withdraw, because the White House must have police—it is specified as follows:

White House police: Captain, $3,600; lieutenant, $3,050; three sergeants at $2,750 each; and 43 privates at rates of pay provided by law.

The basic salary is $2,100 per year, with an increase of $100 for each year's service and after three years' service they get $2,400 a year, with all of their other privileges. And the next paragraph appropriates $3,500 additional for their uniforms for one year.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. WOOD of Indiana. Does the gentleman know when it was they were transferred and their salaries paid out of this appropriation?

Mr. BLANTON. Yes; a change was made. They were originally taken from the park police. But the park police are United States policemen and are controlled by an Army officer who is designated as the superintendent of park police. And they are all under the supervision of another Army officer, Col. U. S. Grant, 3d. It was from this park police that White House police were originally transferred to the White House and they have always been charged to the Government of the United States.

Mr. WOOD of Indiana. The gentleman is mistaken and I will tell him wherein he is mistaken. The gentleman is correct in saying they were transferred from the park police, but the gentleman will find that the park police are paid out of District appropriations.

Mr. BLANTON. With the Federal contribution of $9,500,000 made for this fiscal year out of the United States Treasury.

Mr. WOOD of Indiana. And at the time the White House policemen were taken from the park police force they were paid out of that same fund.

Mr. BLANTON. How long is it since they have been paid wholly out of the United States Treasury? All of this $116,299 for their pay one year and the $3,500 for their uniforms contained in this bill comes out of the United States Treasury.

Mr. STAFFORD. If the gentleman will permit, it was done at the request of Mrs. Harding. They were transferred from the park police force to a separate force for service at the White House. It was at Mrs. Harding's special request that this change was made.

Mr. BLANTON. Then under President Harding they have been paid for by the Government; under President Coolidge they have been paid for by the Government; and under President Hoover they have been paid for by the Government. Then for 10 years of Republican rule these 48 policemen, who were transferred, as the gentleman says, at the request of Mrs. Harding, from the District pay roll to the Government pay roll, have been rendering service at the White House and have been paid for out of the Treasury of the United States?

If they were necessary, I would not hesitate at all to appropriate the money; but I do not believe 48 policemen are necessary to guard the White House in peace time.

Mr. BYRNS. Was there a reduction in the number of metropolitan policemen when these men were transferred to the White House force?

Mr. BLANTON. Certainly not. We have nearly 1,300 Metropolitan policemen right now, paid for partly by the United States Government, because we do contribute a great sum toward the expenses of the District. In addition to that, we have the park police force under Colonel Grant and that force is partly paid for by the people of the Government. And we have these additional special 48 White House policemen, in peace times, which for the last 10 years, ever since the Harding administration, have been paid for wholly by the Government of the United States.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TILSON. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. TILSON. Regardless of whether there are too many or not enough White House policemen, is it not a fact that the office of President of the United States is a Federal office, so that the police should be paid for by the Federal Government and not by the District?

Mr. BLANTON. I have made no contention that they should not be paid for by the Government. My contention is that 48 special White House policemen in peace time are entirely too many and are not needed, when we remember that we have nearly thirteen hundred Metropolitan policemen and about 100 additional park police, all partly paid for by the Government. It shows extravagance on the part of the last three Republican administrations in this regard.

In the President's Budget for the fiscal year ending June 30, 1932, he shows on page A17 thereof that he spent $2,547 for expenses at his "Executive Mansion, Mount Weather, Va." When he taeks an outing at his summer camp he ought to pay the expenses out of his $75,000 salary and his other allowances and not make the people pay for his outing. We have to pay the expenses for our outings.

I premised my statement with the remark that he did need policemen, and I am willing to appropriate for every one he needs, but he does not need 48 in peace time. Are we not mimicking royalty when we put 48 special policemen on guard at the White House in peace time? It is too many.

Mrs. KAHN. Will the gentleman yield? The 48 are certainly not on duty all the time. You have to guard your White House 24 hours a day, and it seems to me this is the least we can do.

Mr. BLANTON. I would expect that from a loyal Republican.

Mrs. KAHN. A loyal Republican; yes.

Mr. BLANTON. Three 8-hour shifts of 5 policemen each, totaling 15, ought to be sufficient in peace time. But President Hoover has 3 shifts of 18 each, or 48 policemen to guard the White House. The people are asking us to retrench. I wonder if our friend, the distinguished gentlewoman from California, heard the speech over the radio of Mr. Merle Thorpe, the editor of Nation's Business, the other night?

Mrs. KAHN. No; I did not. He does not happen to be a Member of the House.

Mr. BLANTON. He said Congress must reduce, it must retrench, it must cut down, because the people of the United States are not going to stand for anything else any longer.

Mr. TILSON, Mrs. KAHN, and Mr. COLE of Iowa rose.

Mr. TILSON. Did the gentleman vote for the $132,000,000 appropriation Saturday?

Mr. BLANTON. I want to first answer my friend, the gentleman from Connecticut, who, I believe, was the best Republican leader we ever had on the floor.

Yes; I voted for that bill, and I will tell the gentleman why.

Mr. COLE of Iowa. Was that retrenchment?

Mr. BLANTON. Please do not interrupt me until I answer the gentleman from Connecticut.

It is the only bill we have passed in this Congress that guarantees any real relief to the unemployed—the only one. The $250,000,000 moratorium bill does not help any. I voted against that. The $2,000,000,000 so-called reconstruction finance act that puts money into the coffers of busted railroads is not going to help the people. I voted against that. The $125,000,000 given to Federal land banks will not help a farmer. I voted against other measures here that will not help the people, but which place added burdens on them, but I did vote for the people's measure—one that will give some relief, and I saw distinguished Republicans on that side of the aisle get up here and try to defeat that bill, which is the only one that promises any real honest to God relief to the people out of jobs back home.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Indiana.

Mr. WOOD of Indiana. Did not the gentleman vote in favor of reducing the appropriation for roads in the agricultural appropriation bill $10,000,000?

Mr. BLANTON. That was an entirely different proposition, and I want to say that I followed first my leader, the gentleman from Tennessee, Mr. BYRNS, chairman of the Appropriations Committee, and then my second officer, the gentleman from Indiana, Mr. WOOD.

Mr. WOOD of Indiana. The gentleman did well.

Mr. BLANTON. They made some unanswerable arguments, showing that the money, if appropriated, could not be spent, but you did not have an argument here last Saturday against the bill to relieve public unemployment. You voted against that bill. I helped to pass it.

Mr. WOOD of Indiana. The difference would be only one of degree. If we need $132,500,000 now, that $10,000,000 would have helped some.

Mr. BLANTON. We then had appropriated all the States could use, and the gentleman knows it.

Mr. WOOD of Indiana. Have they not more than they can use now?

Mr. BLANTON. No. When the Government advances this $120,000,000 to the States they will have the money to use. I was in favor of that bill because it is the only real relief that the people out of jobs back home are going to get out of this Congress, and I dare the gentleman's President to veto it.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask for recognition in opposition to the pro forma amendment.

The gentleman from Texas has seen fit to attack the number of policemen that guard the White House and he seeks to charge it up to Republican extravagance because, as he claims, this is the number that not only at present but for the past 10 years has been provided for guarding the White House.

I believe the gentleman from Texas was here when the same number of privates was appropriated for guarding the White House, but they were then park police.

As I stated in the discussion, it was at the instance of Mrs. Harding that the policemen guarding the White House were placed in a separate force. This act went through the House and provided, as I remember it, for 2 or maybe 1 additional private, and, as I recall, 3 additional officers, 2 sergeants and perhaps 1 lieutenant.

For the last quarter of a century there has been this number of privates guarding the White House. These privates are on an 8-hour scale and, certainly, the gentleman from Texas does not wish to compel them to work on a longer basis. He is a believer in the 8-hour scale for policemen as well as for other employees.

This only allows 14 privates to be distributed around the grounds. I know the gentleman on rare occasions has visited White House functions and has seen these policemen on guard, two or three at a gate, and if the gentleman will just picture the environs of the White House grounds he will realize that 14 policemen distributed about the spacious grounds and at the various gates at all times of the day, and particularly in the evening, are none too many to properly guard the official mansion of the President.

Mr. BLANTON. Will the gentleman yield?

Mr. STAFFORD. Always, to my friend, when I have the time.

Mr. BLANTON. This one item of White House police is costing the people $116,299, and their uniforms for one year an additional $3,500, and I want to call my friend's attention to the fact that for the year 1921, when President Wilson was in the White House, the total expenses for the White House, as pointed out by my friend from Tennessee [Mr. BYRNS], were $293,680 per annum, whereas for the present year, under President Hoover, they were $652,179.

Mr. STAFFORD. And never in the history of the Government has the Executive been doing so much executive work as is now being done by the present Executive. The gentleman may criticize the expenditure that has mounted from the time of President Wilson, nevertheless the gentleman knows that the present organization of the White House is the most efficient in the administration of the duties of the Executive that has ever been carried on in the history of the Government.

True, President Hoover has increased the number of his secretaries. At first there was but one. President Roosevelt's secretary was Mr. Loeb, a very capable man. He was with a dynamic President. We have now a dynamic President. [Laughter.] Oh, the Democrats may laugh and deride, but nevertheless if gentlemen were acquainted with the tremendous burden President Hoover has labored under and the manner in which he performs his onerous duties, they would know that he is a superhuman man. He has a full man's job on his hands. [Applause.]

Mr. BYRNS. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BYRNS. The gentleman from Wisconsin has made an unanswerable argument in regard to the police, but since he got on the subject of the President's three secretaries, when Coolidge and Harding and Wilson and all of his predecessors had but one, I think the gentleman is on thin ice.

Mr. STAFFORD. And yet the gentleman from Tennessee, when he had the opportunity, did not raise his voice in opposition to the increase of the number of secretaries.

Mr. BYRNS. I beg the gentleman's pardon. I did fight it at the time.

Mr. STAFFORD. Well, I think for once the gentleman was in error, for it has been proven that the two additional secretaries were necessary in the work of the President's office. But I am glad that the chairman of the committee approves of my position in regard to the police.

Mr. WOOD of Indiana. Mr. Chairman, we are getting far afield on a small matter. In order that you may know about the White House police, it was in July, 1930, that they were transferred from the park police of the District to the Secret Service of the Treasury Department.

Mr. HASTINGS. Then the gentleman from Wisconsin was mistaken about it.

Mr. WOOD of Indiana. No; that is when they were transferred. It has been demonstrated in tragedy three times that the protection to the President of the United States has not been sufficient. We have lost three Presidents at the hands of assassins because of the want of that protection.

Mr. Wilson realized the danger in which he was living while President of the United States, and was not content to rely on the police, but he had a great many soldiers in and about the White House, and was fearful that that would not be sufficient, so he had iron bars put up at the windows of the White House.

Mr. BLANTON. Will the gentleman yield? That was during war time.

Mr. WOOD of Indiana. Of course, it was war time.

Mr. BLANTON. I call the gentleman's attention to the fact that the President's Budget, the President's creature,

recommended to this Congress an appropriation for even an additional number of police. We were asked by the President and his Budget to give $121,200 for White House police, and the gentleman, who is always alive to the people's interest, would not do that, but he voted for only $116,299. In other words, the gentleman himself has voted to cut down in this bill the President's Budget nearly $5,000 for White House police because the gentleman did not think it necessary.

Mr. WOOD of Indiana. Well, it occurs to me that we are wasting more time than the matter is worth.

Mr. BLANTON. I simply wanted to call attention to the fact that we are paying this money out of the Federal Treasury, $116,299 for 48 White House police, and for an additional $3,500 for their uniforms for one year.

Mr. WOOD of Indiana. Yes; and it all comes out of the taxpayers of the United States.

Mr. BLANTON. Yes; the taxpayers are paying it, but they are getting tired of it.

Mr. Chairman, I ask unanimous consent to withdraw my pro forma amendment.

The CHAIRMAN. Without objection, it is so ordered.

The Clerk read as follows:

For the acquisition of sites or of additional land, commencement, continuation, or completion, of construction in connection with any or all projects authorized under the provisions of sections 3 and 5 of the public buildings act, approved May 25, 1926 (U. S. C., Supp. V, title 40, secs. 343–345), and the acts amendatory thereof approved February 24, 1928 (U. S. C., Supp. V, title 40, sec. 345), and March 31, 1930 (U. S. C., Supp. IV, title 40, secs. 341–349), within the respective limits of cost fixed for such projects, $108,000,000, of which not to exceed $15,000,000 may be expended for buildings in the District of Columbia: *Provided*, That no part of this or any other appropriation for the construction of public buildings shall be used for remodeling and reconstructing the Department of State Building under the authorization therefor contained in the act approved July 3, 1930 (46 Stat. 907): *Provided further*, That the building authorized for Seguin, Tex., by the act of March 4, 1931 (46 Stat. 1602), shall be constructed on the site owned by the Government on that date: *Provided further*, That no part of this appropriation shall be used for work on the building for the Coast Guard or some other Government activity (Apex Building), authorized by act of March 4, 1931 (46 Stat. 1605).

Mr. PATMAN. Mr. Chairman, I move to strike out the paragraph and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to extend my remarks and to insert as a part of my remarks a portion of a speech I delivered in Chicago in June, before the progressive Republican conference.

The CHAIRMAN. Is there objection?

Mr. STAFFORD. Mr. Chairman, reserving the right to object, is that the same speech that the gentleman delivered in my home city during the Christmas holidays?

Mr. PATMAN. It is an entirely different speech.

Mr. STAFFORD. I was not going to object to that speech being inserted in the RECORD, if the gentleman desired.

Mr. PATMAN. I hope the gentleman will listen to what I have to say now.

Mr. STAFFORD. Is it upon the same general subject?

Mr. PATMAN. No; it is not.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, we have under consideration the appropriation for the Supervising Architect's Office. In the recent past we have had as Secretary of the Treasury a gentleman who has had a monopoly on aluminum. The Supervising Architect's Office is under the jurisdiction and control of the Secretary of the Treasury. The Supervising Architect can be either hired or discharged by the Secretary of the Treasury. Of course he is subject to the orders of the Secretary of the Treasury at all times. I do not believe that any Secretary of the Treasury should use his office for the purpose of furthering his own private business, and certainly not at the expense of the United States Government or the people of the United States. I have before me at this time a publication called the Federal Architect. This is volume 2, No. 1, issue of July, 1931, which indicates that the publication was not commenced until the big public-building program was inaugurated in the United States. Then, for some reason or other, there seemed to be a necessity for this particular publication. It is published by the Association of Federal Architects, 410 Treasury Building, Washington, D. C. Remember 410 Treasury Building is a public building and at the other end of Pennsylvania Avenue. It has as its editor Mr. Edward B. Morris, of the Treasury Department. If you will look at your Congressional Directory and look up Mr. Morris, or call the personnel clerk at the Treasury Department, you will discover that he is the chief architect.

This particular issue has on page 3, for instance, a picture of the United States post office at Kansas City, Mo. It shows a detail study of colonnade with high-lighted cast aluminum for the ornamental fillings between columns. Then there is an article on the subject of aluminum in modern architecture, showing how aluminum can be used in public buildings. On page 8, in the issue of July, 1931, there is another public building, and on page 9 we find the article, Aluminum in Modern Architecture. That article is written by Mr. McGill, of the Aluminum Co. of America, and shows how aluminum will be used for the ornamental fillings between columns of a certain building of which it shows a picture. On page 10 there is a continuation of that article and how aluminum can be used in public buildings. On page 11 there is a picture of the United States post office at Boston, Mass., showing how aluminum is used for all windows, spandrels, and doorways and stating that the exterior facing is granite, and so forth.

Of course, I do not say that this publication was primarily for the purpose of telling the architects that they should use aluminum. I do not say that it was a mandate to the private architects of America that they should specify aluminum in drawing their plans and specifications for public buildings, but I do say that it doubtless resulted in just exactly what I have suggested may have happened. On page 21 there is another article about aluminum. This edition is devoted largely, though not wholly, to showing the private architects in America how they can use aluminum in the construction of public buildings. Remember that the Supervising Architect is under the jurisdiction of the Treasury Department, under the Secretary of the Treasury, and the Secretary of the Treasury, of course, has gone out and employed many private architects in this building program in order that the work could be expedited. Along with the hiring of these additional architects this publication showed up and was sent to the architects of America in order that they may know that they could use aluminum for different purposes in the construction of public buildings in America.

I do not think the office should be used for any such purpose as that. Of course, this is only one of the small things, but should be mentioned in connection with this bill. In Pittsburgh, Pa., there is a Federal reserve bank building, and if you will notice the specifications for that building you will find that it has more aluminum in it, I suspect, than any other one building that has been erected anywhere in this section of the country. When contractors were asked to bid on the construction of that building, the Mellon-Steuart Co. was found to be the low bidder for the purpose of constructing the building.

The Mellon-Steuart Co. is largely owned by A. W. Mellon, who was Secretary of the Treasury at that time and was also chairman of the Federal Reserve Board. Other bidders could not compete with the Mellon-Steuart Co. There was too much aluminum used in the construction of that building, and they had a monopoly on aluminum, and if you will search the records you will find that the Mellon-Steuart Construction Co. received the contract to construct the building. In fact, I have a letter here from the Federal Reserve Board in Washington, D. C., and I ask unanimous consent that the letter be inserted in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

The letter referred to is as follows:

FEDERAL RESERVE BOARD,
Washington, February 11, 1932.

Mr. H. H. B. MEYER,
Director Legislative Reference Service,
Library of Congress, Washington, D. C.

DEAR SIR: Receipt is acknowledged of your letter of February 10, and you are advised that the general contract for the construction of the building of the Pittsburgh branch of the Federal Reserve Bank of Cleveland was awarded to the Mellon-Steuart Co., of Pittsburgh, which was the low bidder.

While several comparatively small contracts were also awarded covering miscellaneous items not included in the general contract, it is understood that the inquiry made of you relates to the latter.

Very truly yours,

CHESTER MORRILL, *Secretary.*

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BACON. Of course the Federal Government has nothing to do with the building of Federal reserve bank buildings.

Mr. PATMAN. But the Federal Reserve Board, of which Mr. Mellon was chairman by virtue of his position as Secretary of the Treasury, passes on all plans and specifications, and the expenditure of such funds and all of the funds which the Federal reserve banks do not expend after a certain dividend is paid go into the Public Treasury.

Mr. BACON. I would like to call the attention of the gentleman to the fact that the Empire State Building in New York City has used more aluminum than any other building, and that is managed by Al Smith.

Mr. PATMAN. I agree there are some private buildings using aluminum, but nothing like the public buildings. The Secretary of the Treasury had charge of the construction of the public buildings, and the gentleman will discover that more aluminum has been used in the construction of public buildings since he became Secretary of the Treasury than ever before.

I know of a case in Hot Springs, Ark., where a man went there to bid on the screens for a public building. He wanted to put the screens on the building. He traveled 125 miles to make a bid. He discovered that the specifications called for aluminum frames and he could not possibly bid, and he had to go back home. In Florida there is another case like that, where aluminum was specified in place of wood and steel.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. PATMAN. In just a moment I will.

Remember that material is being specified, displacing wood and steel, where there is competition in the furnishing of those materials, but there is no competition in the furnishing of aluminum, and the aluminum price was controlled by the Secretary of the Treasury.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MORTON D. HULL. Is it possible that aluminum, as a building material, has very great merit and that it wins its place by merit?

Mr. PATMAN. Well, it should win by merit and not by political advantage.

Mr. GOSS. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GOSS. In the post-office building in my district that specification was written, and we got them to change it and include brass and bronze.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WOOD of Indiana. The gentleman states aluminum is being used very generally now in the construction of buildings because it has become cheap. A few years before Mr. Mellon became Secretary of the Treasury you could hardly afford to buy an aluminum vessel. Now you can get the same vessel in the 5-and-10-cent store.

Mr. PATMAN. It is not as cheap as it should be. It is protected by a high protective tariff.

I have mentioned one of the small things in connection with Mr. Mellon's activities, because the discussion was in order in the consideration of the bill now before the House. I now desire to discuss briefly the impeachment charges against the Secretary of the Treasury. While the Judiciary Committee was considering the charges the President appointed Mr. Mellon ambassador to England. The appointment was made within 24 hours after the printed hearings before the Judiciary Committee were available. It also came on the heels of Mr. Mellon's answer to the committee that he had sold his bank stock to his brother, R. B. Mellon, just before accepting the office of Secretary. It was a violation of the law for him to hold that office and also own bank stock, so he claims to have sold his stock to his brother, but resigned before the committee had an opportunity to investigate. The Pittsburgh, Pa., telephone directory discloses that during the time he was Secretary the joint office of A. W. and R. B. Mellon was in the Mellon National Bank Building, Pittsburgh, Pa., telephone, Atlantic 5800. This was also the Mellon National Bank telephone number. In a lawsuit involving the Aluminum Co. of America Mr. Mellon was a witness. This was in 1928. He was asked if he received any of the additional stock that was issued. He replied that he did not know. He was then asked if his brother, R. B. Mellon, received any of it. His answer was, "I do not know, but if he did I received some of it, too." This shows the close relationship between the one who is supposed to have sold the bank stock and the one who was supposed to have purchased it.

The World's Work, a magazine for March, 1932, discloses in an article entitled "My Brother and I," that the Mellon family owns and controls about $8,000,000,000 worth of property. Remember, we have much less than half this much money in circulation in the entire United States today. Remember, too, that his companies are using their surplus funds to buy up distressed properties belonging to their competitors that are ruined by this man-made depression.

Aluminum is highly protected by the tariff for Mr. Mellon's benefit. Oil has no tariff for Mr. Mellon's benefit.

I will not enumerate the impeachment charges. The printed hearings before the committee are available. I will give you my conclusions, which are fully authorized.

The President's action in appointing Mr. Mellon ambassador to England while impeachment charges were pending in the House was equal to granting a pardon to the accused while the jury is out.

My object in bringing impeachment charges against the Secretary of the Treasury was to get him out of that office, believing that he is an enemy of the plain people and that his policies have destroyed and are destroying an equal opportunity for individual citizens. No cyclone, plague, or epidemic of disease has wrought such havoc and caused such misery and suffering among people of a civilized nation as have been caused by this man's policies practiced upon a helpless people while they were undefended by their Chief Executives.

President Hoover, it is said, is the best President England has ever had. Now President Hoover is sending to England as our ambassador one who is recognized as England's best friend in America—excepting, of course, the President. We naturally think of the debt England owes us on loans secured during and after the war. He will get the United States to cancel its debt against England. I do not know what his reward will be. He secured for one of his companies a two-billion dollar oil concession in Colombia while he was Secretary of the Treasury.

Everybody knows that the ambassadorship was given to Mr. Mellon to get rid of him. It represents flight under fire, which is typical of the Harding appointees. Not only is he being run out of office, but he is being run out of the country. He is succeeded by a man who is thoroughly schooled in Mellon principles.

Our country has been suffering from "Mellonitis." The President, in an endeavor to protect the "melon," has partly relieved our country of "Mellonitis" without the operation that was about to be performed. The appointment, however, is a subterfuge for the purpose of saving the President, the Secretary of the Treasury, and the Republican Party.

Our penitentiaries and jails are filled with people who have been convicted of offenses against the laws of the States and Nation on proof not so convincing and for crimes that were minor and insignificant compared with the proof against Mr. Mellon on serious offenses.

The President probably concluded that the people could not stand at this time the exposure of true conditions surrounding the activities of the Secretary of the Treasury.

The President has appointed himself a committee of one to exonerate Mr. Mellon, thereby removing the jurisdiction of the case from the House of Representatives.

The pardon has saved the Republican Party from a scandalous exposure that would rock the pillars of our Government. Teapot Dome was a molehill compared with the Mellon-acquired $2,000,000,000 Barco concession in Colombia.

Mr. Mellon has the consolation of knowing that he has violated more laws and that his policies have caused more suicides, undernourished children, and human suffering, and he has illegally acquired more property and done the most damage to the general welfare of the people than any other person on earth without fear of punishment, and with the sanction and approval of three Chief Executives of a civilized nation. As he goes to England with his bag of gold that has been wrenched from his innocent victims in America, our people may enjoy a sigh of relief and turn their thoughts to rebuilding our Nation for the benefit of the plain people—the ones who build our country in time of peace and who save our country in time of war.

Being successful of ridding our country of the active Mellon rule, it is almost as big a victory as wresting the Magna Charta from King John at Runnymede. Let us hope that his successor will not carry out his policies.

When Mr. Mellon was about to take the oath as ambassador he made this significant statement: "This isn't a marriage ceremony; it is a divorce."

The private debts of international bankers must be paid, according to the Mellonites.

Permission having been granted, I insert the following speech, delivered by myself, Member of Congress from the first congressional district of Texas, at Chicago, Ill., June 12, 1931, at 8 p. m., to a mass meeting arranged by the progressive Republicans of Illinois.

MELLONISM

Our country is suffering from an overdose of Mellonism. Our people are in the clutches of organized greed. The sponsors of the movement that brought on this depression and aggravated its condition upon the people are followers of the Secretary of the Treasury, Andrew W. Mellon. Let us call them by their proper name. They are "Mellonites," regardless of whether they call themselves Democrats or Republicans. The three M's, to wit, Mellon, Morgan, and Mills, rate about 99 per cent on the question of running and controlling our Government. The three M's may well be said to represent, so far as the plain people and good government are concerned, misery, misfortune, and malfeasance. With all due respect to the President of the United States—for he is a victim of the reactionary leaders of the party to which he belongs—he is not the man who controls the policies and principles of the present administration. So far as his power goes, he is very little more than a mere hireling. Mr. Mellon is running this country, so far as the administration in power is concerned.

If Mr. Mellon's policies had been submitted to a vote of the people they would have been defeated by almost a unanimous vote. However, his policies have been put into effect through the administration in power contrary to the people's wishes. His policies have carried thousands of good, honest men and women to premature graves, caused suicides and starvation, wrecked and ruined homes and business institutions, and have caused children in many sections of this country to be underfed and undernourished.

Predatory wealth is in control of our Nation, and will remain in control as long as the present Secretary of the Treasury remains in office. This man is often referred to as the greatest Secretary of the Treasury since Alexander Hamilton. Those deluded citizens who really believe that must consider causing misery and distress to millions and placing tens of millions of people in a half-starved condition a great achievement. If one uses such a false standard to measure greatness, the Secretary of the Treasury should be hailed as the savior of our Nation. According to my view, he is the wage earners', farmers', veterans of all wars', and plain people's worst enemy in official life. He has not served under three Presidents, as many would have you to believe, but three Presidents have served under him. He doubtless accumulated more money during the World War, and by reason of the country's misery and misfortune, than any other war profiteer. Mellonism is an issue in our country, and will remain the issue until the plain people are given an opportunity to work and earn a living, to enjoy comforts and necessaries of life, and are given the rights and privileges they are entitled to receive as American citizens. Mellonism represents the essence of organized greed.

If anyone makes a fight against monopolies, trusts, and predatory wealth—which is really Mellonism—in favor of wage earners, farmers, defenders of our country in time of war and their dependents, and the plain people generally, he will be compelled to submit to abuse in the way of unfavorable publicity from the Mellonites of the Nation.

Organized greed is blind. The thought of "killing the goose that laid the golden egg" never occurs to them because they have no vision. The Good Book says that where there is no vision the people perish. During the last 10 years of Mellonism our country has been drifting without leadership, but in charge of organized greed. He who serves his generation must be in advance of it. The Mellonites, thinking only of self and personal gain, care nothing for the future generation. They are blinded by a screen of gold.

In 1921, when Mr. Mellon entered office, we had plenty of money in circulation; wages and products of the farm, orchard, and ranch were high. He wanted the reverse to be true. He has succeeded in making it so. We now have cheap labor and products, but high money, thereby making the rich richer and the poor poorer. Such a course has caused debts contracted when times were good to be doubled because it requires doubly amount of work to pay the debts. Interest rates have been doubled because it requires doubly amount of work to pay the interest. Taxes have been doubled, although the figures remain the same, because it requires doubly the amount of work to pay the taxes. Telephone, electric-light, water, and gas bills are doubled because it requires doubly the amount of work to pay the bills. This error which has been so expensive to the people can be corrected.

IMPEACHMENT OF MELLON

I announced some time ago that when Congress meets I expect to file in the House of Representatives impeachment charges against the Secretary of the Treasury. The only constitutional and legal way to oust a public official from public office is for the House to impeach him and the Senate to sit as a jury for the purpose of trial and convict him of the charges. Much has been said in the past about the legal disqualifications of Mr. Mellon to hold the office of Secretary of the Treasury, but never before has anyone announced a plan for his impeachment, which, if carried out, would get results. Heretofore, such agitation has been in a body that was powerless to act—the Senate of the United States.

Section 243 of title 5 of the Code of Laws of the United States provides as follows:

"No person appointed to the office of Secretary of the Treasury * * * shall directly or indirectly be concerned or interested in carrying on the business of trade or commerce or be the owner in whole or in part of any sea vessel * * * and every person who offends against any of the prohibitions of this section shall be deemed guilty of a high misdemeanor and forfeit to the United States the penalty of $3,000 and shall, upon conviction, be removed from office and forever thereafter be incapable of holding any office under the United States * * *."

Senator MCKELLAR, March 5, 1929, introduced a resolution in the Senate, which was adopted, requiring the Committee on the Judiciary to inquire into and report to the Senate whether Andrew W. Mellon may legally hold the office of Secretary of the Treasury. No action was ever taken on the report of that committee. The reason is evident. The Senate could not adopt the report of the Members who believed Mr. Mellon to be qualified to hold the office because that would be, in effect, prejudging a case which they had no right to pass on. The Senate can only pass on the qualifications of a public official in the event articles of impeachment are presented by the House of Representatives. The Senate could not adopt the report or take any action on the report submitted by the members of the committee who reported that Mr. Mellon was holding office in violation of the law. The adoption of such a report would have no effect whatever and would merely be prejudging any case of impeachment that the House might later submit.

When the House is organized I expect to submit the question of impeachment of Mr. Mellon. Under the rules of the House of Representatives, such a resolution will be privileged. The customary gag rule of the reactionary Republicans can not be used. They will be compelled to face the issue.

Positive proof of Mr. Mellon's disqualifications will be presented to the House of Representatives. I do not see how any Member can vote against his impeachment without, at the same time, violating his own oath of office, because Mr. Mellon, in holding the office of Secretary of the Treasury, is violating the laws of the United States. As suggested in the report of Senators NORRIS, CARAWAY, WALSH, and BLAINE, holding Mr. Mellon disqualified, "Law enforcement should commence at the top." The following is a part of what they said on law enforcement in connection with this subject:

"LAW ENFORCEMENT

"Just at the present time a great deal is being said about law enforcement. From the public press it is learned that the President of the United States has appointed, or is about to appoint, a commission to study the subject with a view of bringing about better enforcement of our laws. If we expect to enforce the law generally as to the citizens of our country, why have we not the same right to ask that our statesmen and our public officials should be weighed in the same balance? And is it not true that the ordinary citizen will not have the same respect for law generally if he understands that a plain statute is being violated by those in control of the Government itself? Why not begin our law enforcement at the top?"

Without going into details I will say that it is admitted that Mr. Mellon and his brothers completely dominate and control one of the largest corporations of its kind in the world. Such corporation or holding company has a large number of subsidiaries not only in this country but in many foreign countries. This concern owns 34 sea vessels. No one can possibly contend that Mr. Mellon, as owner of one-third of this corporation, is not a part owner of a sea vessel in violation of section 243 of title 5 of the Code of Laws of the United States of America. Of course, the resolution calling for his impeachment will contain other charges and all of them will be well supported by facts.

Mr. Mellon was a director in more than 300 corporations at the time he was appointed Secretary of the Treasury. He resigned as director and contends that since he is only a voting stockholder of these corporations he is not interested or concerned in carrying on their business either directly or indirectly. Many of his concerns are interested directly in the tariff, in the levying and collection of Federal taxes, and in shipping products upon the high seas. He has granted to his corporations millions of dollars in tax refunds. Recently Hon. C. N. Haskell, former Governor of Oklahoma, made this statement: "Usually brothers and cousins of Mr. Mellon are known to the business as directors and managers of his numerous corporations. But he is the big share owner and presses the button."

If we are successful in ridding our country of Mr. Mellon's rule, it will be as big a victory as wresting the Magna Charta from King John at Runnymede.

CONCENTRATION OF WEALTH

Senator BORAH says that 80 per cent of the wealth of our Nation is owned by 4 per cent of the people. A cartoon was recently published in Labor, a newspaper of national wide circulation, as follows:

"Let five apples represent all the wealth in the Nation. Let 100 people represent the entire population of the United States. The 96 people would have one apple and four very rich people would have an apple apiece."

During the year of 1929, the last year we have a statistical income-tax report, the net earnings of 504 individuals in the United States amounted to as much as the total gross value of all the cotton and wheat produced in America during the year of 1930. Thirty-six of these individuals had a net income greater than the total gross value of all the farm products produced by all the farmers in Texas, the greatest agricultural State in the Union during 1930. Mr. Mellon is the head of the Federal reserve system. Money is to the body politic what blood is to the human body. We have in our Nation to-day $1,000,000,000 less money in circulation than we had in 1920, although we have 17,000,000 more people in the United States to-day than we had in 1920. The per capita circulation of money has reduced from $53 in 1921 to $36 now. One had just as well expect his body to remain well and efficient after the withdrawal of one-third of his circulating blood as to expect his country to remain prosperous after the withdrawal from circulation of one-third of the country's money. In 1873, during one of the hardest panics the United States has ever suffered, France was prosperous because she had more than $40 of money per capita in circulation. The people of the United States were hard pressed because they had a much smaller amount of money in circulation. Since 1929, France has been prosperous and has been importing laborers into her country because she had more than $50 per capita money in circulation. During the same time, the people of the United States have been suffering, and more laborers have been leaving our country than have been coming in, because our per capita circulation has been one-third less than the per capita circulation of money in France. Mr. Mellon, as the dominating and controlling power of the Federal reserve system, has more to do with the per capita circulation of money than any other one person in America.

EQUALIZING THE BURDENS OF THE LAST WAR

I am not, at this time, thinking so much about equalizing the burdens of the next war. Many of the large fortunes, from which incomes from $1,000,000 to $60,000,000 a year are now being made, were accumulated during the World War by reason of the country's misery and misfortune. During this time, 5,000,000 men were baring their breasts to enemies' bullets, and offering to give their last drop of blood for the cause of their country, without the payment of any profit whatsoever or without hope of financial reward. We have the names and addresses, and know the approximate amounts accumulated by these individuals during the World War. Why should we look to other sources of revenue to pay the expenses of the last war until this source of revenue that should be used for that purpose is, in a large measure, exhausted? It is yet possible to make the war profiteers of the last war pay the larger part, if not all, of the expenses of that war. If, in carrying out the purpose of making the profiteers of the last war pay its expenses, it is found to be expensive and burdensome upon the class that now holds the greater portion of the wealth of our Nation, a future war will be less likely. I believe that he who profits most should pay most.

DEPRESSION

The word "depression" is used while the Republicans are in power and the word "panic" is considered more fitting while the Democrats are in power. The following recently appeard in the Pathfinder, a national publication, written by J. G. Calhoun, Julia, Ga.:

"There are many Hoovercrats standing in the bread line. You can tell them by their foolish expression. Hoover had us on short rations once before. He has us there again and it looks like he is going to keep us there."

During the Hoover campaign, the people of the United States were led to believe that in the event of his election he would open up wonderful foreign markets and the people of the United States could produce twice as much and still not supply the demand. Consequently, the early part of 1929, people all over the United States commenced to put their money in the stock market. The big rich, the owners of the stock, knew that there were no foreign markets and fed their stocks to the anxious investors, who were fooled by the foreign-markets propaganda. The theme song of Wall Street is "Bringing in the Sheep." When the stocks were finally owned principally by the small investors and America's vast middle-class citizenship and they were forced to commence buying from one another, the market broke and now the ultrarich can repurchase their stocks for 10 per cent to 50 per cent of what they sold them for in the latter part of 1929.

Mr. Hoover recently made a speech in which he stated that the war caused the depression. Did the World War take money out of circulation? No. Did the World War destroy independent business institutions in this country, perpetrate monopolies and trusts, and destroy individual opportunity? No.

Mr. Mellon recently made a speech, which was devoid of any cure for the depression. The crowd that Mr. Mellon wants to see prosper is prospering now. He can't promise them any more prosperity than they are now enjoying. A famous card player used to say, when he was prospering and the losers were complaining about his cheating in a game of poker, "It is music to the gambler's ears to hear the suckers squeal." Doubtless it is music to Mr. Mellon's ears to hear the cries of men, women, and children in the agony of their distress and agony brought on by his activities, which is lining his pockets with gold.

TRUSTS AND MONOPOLIES

A trust is a combination to restrict competition and create a monopoly. A monopoly has such a control of a commodity as to allow prices to be raised.

Mr. Mellon's administration does not believe in enforcing the laws against his big companies that are violating the antitrust laws of our Nation. The Attorney General of the United States is another one of his satellites. The Attorney General never brings a suit against the violators of the antitrust laws in a way that anyone will be compelled to go to jail or pay a fine in the event the Government wins the suit. It is always one of these "friendly suits" to test the law—a law that has been tested in more ways than any other law upon our statute books. An Attorney General who doesn't know the antitrust laws after reading the numerous decisions that fill volumes of law books on the act should be impeached for incompetency. The Attorney General has engaged in a "wrist-slapping" campaign with trusts and monopolies and is using his office and the courts of the United States as an agency of convenience for their benefit.

WHAT A TRUST OR A MONOPOLY CAN DO AND WHAT THEY ARE DOING

1. Destroy independent business.
2. Cut wages and cause a lower standard of living.
3. Unduly increase the price that the consumer must pay.
4. Place their factories in different sections of the world or in different sections of the United States in order that labor may be effectively dealt with. In one plant where laborers demand better wages or better working conditions, they are told to be satisfied or that particular plant will be closed down and another one in a different section where the laborers can be more easily dealt with will be operated.
5. Pay the president of a company $2,000,000 a year and even directors $300,000 a year, entirely out of proportion to the value of the services rendered.
6. Set low prices on the raw materials so that these big salaries and other extravagant expenses can be paid.
7. Take money out of circulation and hoard it in the banks of New York. One certain monopoly has $400,000,000 on deposit in New York now. It is not in circulation. This concern represents what was formerly 5,000 different unit companies in the United States. If the 5,000 different units had this money now, it would be in circulation and not hoarded in the banks of one big city.
8. Inflate values of their properties and require the people to pay a return upon watered stocks and bonds.
9. Place property rights above human rights.

UNEMPLOYMENT

More than 7,000,000 people in the United States to-day are able, willing, and anxious to work, but can not find jobs. The American people are not lazy. They are accused of producing too much. It looks like they produce so much to eat they starve. They produce so much to wear they can not buy clothes. If the plain

people of our Nation are allowed to prosper, everybody will prosper. We can not longer depend upon prosperity coming from the billionaire class; it fails to percolate through on down to the masses. There is a feeling that a man has a right to steal rather than that he or his family should suffer the pains and penalties of hunger and poverty when he is anxious, able, and willing to work but can not find a job. If Congress would meet and the Members would forget political parties and think of their country's welfare, laws could be passed within a period of a few weeks that would give everybody a job who wanted a job and put our country back in a prosperous condition. The unemployed could be put to work building highways, waterways, and public buildings. This is not going to be done if the Mellonites can prevent it. It would possibly cost the 4 per cent who own the Nation's wealth a little money.

The appeals for a special session when made to Mr. Hoover are made to the wrong person. It is useless to present such appeals to Mr. Mellon. It would be much easier to convert Clarence Darrow to the cause of Christianity than it would be to convert Mr. Mellon to the cause of the plain people. Mr. Mellon and many of his coconspirators against the public welfare are reputed to be enjoying incomes of from thirty to fifty million dollars a year. This is reputed to be their net incomes. I doubt that Mr. Mellon ever witnessed people suffering distress or poverty. Any man who sees men, women, and children in distress has a soft heart. An income of $30,000,000 a year is equal to an income of $100,000 for each working day. Mr. Mellon's salary as Secretary of the Treasury is $15,000 a year.

COUNTRY ABOVE PARTY

Every good citizen should think more of his country than he does any political party. The Mellonites think more of the reactionary Republican crowd because they are using that organization to promote their selfish and organized greed to the detriment and distress of the plain people—the ones who build our country in time of peace and who save it during the time of war.

ADJUSTED-SERVICE CERTIFICATES

Three million five hundred thousand veterans of the World War, who served longer than 110 days, hold adjusted-service certificates. The average value of each certificate is $1,010. Congress recently passed an act which permitted each veteran whose certificate has been issued more than two years to borrow an amount equal to 50 per cent of the face value thereof. Under this act and under the old law which permitted the veterans to borrow a small sum each year, approximately a billion dollars have been borrowed by the veterans from the Government on their certificates. This money has relieved much distress among veterans and helped the country by increasing the circulating medium. Much is being said about our present deficit in the United States Treasury and some newspapers and periodicals are trying to lead the people to believe that the deficit is caused by the veterans' loan bill. This is absolutely false. Not one dime of this deficit was caused by the Government loaning to the veterans a part of their own money. There was already in the Treasury approximately $800,000,000 in a reserve fund to retire these certificates upon death of the holders or maturity, which doubtless was used to make these loans. That amount, together with what was borrowed from the war-risk insurance fund, was sufficient to make loans without going to the Treasury for a penny.

Do not call the adjusted-service certificates a "bonus" unless you call them a "so-called bonus." I will admit that the word "bonus" is the popular name, but a very misleading one. The word was coined by the enemies of the veterans. The adjusted-service certificates do not represent a bonus. They represent an honest debt, which has been publicly confessed by the Congress of the United States to these veterans of the World War for services rendered.

During the war the private soldiers received $30 a month for home service and a 10 per cent increase for service overseas. But each soldier had deducted from his pay each month allotments to dependent ones; deductions for altering and repairing his clothing and shoes; deductions for laundry, tailoring, and barber bills; deductions of an average of $6.60 a month for insurance; deductions for installments on Liberty bonds. A majority of soldiers drew only a few dollars a month after these deductions were made, and a large percentage did not draw anything at all.

During the war, alien slackers and alien enemies in America, who were exempt from military service, received from $15 to $70 a day working in Government shipyards and munition plants. More than 33,000 millionaires were made during the World War, and by reason of the country's misery and misfortune.

During the war, many soldiers worked on the public roads in America, side by side with civilians. Immediately after the war was over, Congress passed a law which adjusted the pay of these soldiers, sailors, and marines on road-construction work. The corporal, who drew $1.66½ a day, who was used as a tractor mechanic, side by side with a civilian, who drew $8 a day, had his pay adjusted and he received adjusted pay equal to $6.33 a day for each day he so worked, or $158.25 a month. I have in my possession a copy of one of the pay rolls. It is included in my remarks made in the House of Representatives, January 17, 1931.

The railroads were drafted into the service during the World War. They were guaranteed a profit equal to the average returns of the railroads during the preceding three years—the most prosperous time of railroading in America. This is a case of where property rights were guaranteed a return and a fair return. Not satisfied with this, the railroad owners persuaded Congress to give them adjusted pay after the war was over which amounted to money and property of the value of more than $1,500,000,000. Remember, this was adjusted pay for the railroads. They were paid in cash or its equivalent.

More than 7,000 war contractors, who did not hold legal contracts from the Government to make supplies during the war, but most of whom held verbal contracts from the dollar-a-year men, who represented in many instances the industries controlled and owned by these dollar-a-year men, persuaded Congress to adjust their pay. Congress passed a law which provided for the adjustment of their pay, and under this law billions of dollars of adjusted compensation was paid out to these war contractors. Mr. Mellon received his millions from these adjustments.

A large part of the money that was raised through Liberty loan drives in America during the war was loaned to our allies. After the war Congress adjusted these debts and gave to these foreign nations what was equal to an outright gift or subsidy from the Treasury of the United States equal to $10,000,000,000. These foreign countries used our own money to pay their World War soldiers not only adjusted compensation but bonuses aggregating in some instances as high as $7,290 each.

Congress felt disposed to give our soldiers adjusted compensation. A law was passed in 1924 confessing a debt to each veteran of the World War who served more than 60 days of a dollar a day for home service and $1.25 a day for service overseas for extra compensation or extra pay. Veterans who served more than 60 days but less than 110 days were paid in cash. By reason of false statements made by the Secretary of the Treasury, who is the present occupant of that position, Congress was led to believe in 1924 that our Nation could not afford to pay this debt in cash. Consequently, the veterans were given a Government's "I O U," or post-dated check, or due bill, due in 20 years—1945—sometimes referred to as the "tombstone bonus."

This debt should have been paid in cash, and had it not been for the false statements of the Secretary of the Treasury, I am sure it would have been. The railroads, war contractors, and foreign nations were well taken care of when our country owed a $26,000,000,000 national debt. No one suggested we were not able to take care of these payments. Years later, when our national debt had been decreased considerably, the Secretary of the Treasury contended that the Treasury of the country could not possibly stand the payment of the debt to the soldiers for services rendered.

Congress, more than 10 years ago, outlined, by law, how our national debt should be retired. Had Mr. Mellon followed this law, instead of having a billion dollar deficit in the Treasury today, we would have a two and one-half billion dollar surplus. I heard the Secretary of the Treasury admit, in answer to a question before the Senate committee in January of this year, that he had paid three and one-half billion dollars more on the national debt during the past decade than Congress, by law, said that he should pay. Our national debt has been reduced from $26,000,000,000 to $16,000,000,000 the last 10 years. We owe less than any country on earth in proportion to wealth. Three and one-half billion dollars is the amout of the aggregate face value of all the adjusted-service certificates. If we pay them in full now, our country will not be in debt one dime more than Congress said 10 years ago it should be in debt at this time.

Our Nation has a property valuation of more than $500,000,000,000. There is a balance due on the adjusted service certificates of about two and one-half billion dollars, equal to one-half of 1 per cent of our total property valuation.

During the last few years, Mr. Mellon has refunded to the United States Steel Corporation, Aluminum Company of America and other war profiteers billions of dollars in taxes claimed to have been overpaid during the World War. When the United States Steel Corporation was refunded more than a hundred million dollars, it was also paid interest on the amount alleged to have been overpaid from the time that it was overpaid at 6 per cent. If we will pay the veterans of the World War the amount that Congress confessed was due as of the time the services were rendered, with 6 per cent interest since that time compounded annually, the full face value of the certificates is due now. The veterans have been paying 6 per cent interest and more compounded annually for their own money. It would therefore not be unfair for the Government to pay them 6 per cent compounded annually.

The individuals who profited the most by reason of our country's misery and misfortune during the recent war should be compelled to pay this bill. It can be paid without changing our tax laws or increasing our taxes in any way. The money will go to every nook and corner of the United States. It will increase the circulating medium, which will carry with it increased purchasing power. It must be paid sometime. It is due now, and it will do the veterans and the country the most good if paid now.

One certain weekly magazine has bitterly opposed the Government paying this honest debt and has criticized Congress for permitting the veterans to borrow a part of their own money. The stockholders of this particular magazine received 71 per cent dividends on their original investment last year. The magazine was transported by the United States mails. For every 7 cents it cost the Government to transport these magazines the magazine company paid 2 cents and the people paid the other 5. By reason of this direct subsidy to this particular magazine its stockholders were enabled to make a profit of 71 per cent on their original investment. It is people like these who are always talking about the soldiers' bonus or subsidy and referring to their efforts to get an honest debt paid as a "bonus racket." The Government has lost each year tens of millions of dollars on the transportation of

the magazines that are now having so much to say in their columns about Congress authorizing the loan to the veterans of 50 per cent of their own money at 4½ per cent interest. The Government is making millions of dollars a year lending the veterans their own money. The interest charged them will practically consume the remainder of their certificates.

WIDOWS AND ORPHANS LAW

When the next session of Congress convenes a determined effort should be made by the veterans of the World War to secure the enactment of a widows and orphans' pension measure for widows and orphans of veterans of the World War. Under the present laws a widow of a Spanish-American War veteran draws $30 a month, although her husband died of a disability in no way connected with his service. A surviving widow of a veteran of the World War who died of a disability not connected with his service draws nothing. The same injustice prevails with reference to children of deceased veterans of the two wars. This should be corrected by giving widows and orphans of veterans of the World War the same benefits as those now enjoyed by widows and orphans of veterans of the Spanish-American War.

GIVE THE PEOPLE THE TRUTH

Voters are never so likely to settle a question rightly as when they discuss it freely. The Hon. CORDELL HULL, of Tennessee, recently made this statement:

"If the people, as in the better days of this Republic, would take one night off each week from pleasure and recreation and assemble in every schoolhouse and other convenient buildings in America for a full discussion of our Government—Federal and State and local—the political problems, the conduct and attitude of each public official, I guarantee that government in this Nation would be improved 100 per cent within three years."

Senator HULL is right. I, like Thomas Jefferson, believe in the honesty of the people and believe that all is to be won by appealing to the reason of the voters.

The people are very patient; they are reasonable; what they do after consideration and free discussion is right. They are not going to put up with conditions as they are without entering a serious protest. Several prominent citizens of our Nation have already suggested that we are going to have a revolution, either of ballots or bullets. If the President of the United States fails to call Congress in special session for the purpose of making an effort to remedy conditions, and if the heel of organized greed continues to crush the plain citizens of our country, I shudder to think of what the consequences might be. We have the greatest Government on earth. We are suffering by reason of the wrong governmental philosophy of those at the top. The serious questions we are confronting are not partisan questions and should not be considered in a partisan way. We should rise above party and make an honest effort to solve them. The best citizen thinks more of his country than he does of any political party.

The lines of Gerald Massey are applicable to present conditions:

"Oh men, bowed down with labor,
Oh women, young yet old,
Oh hearts oppressed in the toilers' breast
And crushed with the power of gold.
Keep on with your weary struggle
Against triumphant might;
No question is ever settled
Until it is settled right."

Mr. TILSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from North Carolina [Mr. ABERNETHY] has to some extent taken the edge off the attack made by the gentleman from Texas [Mr. PATMAN] upon Mr. Mellon and has completely exonerated Mr. Wetmore as Acting Supervising Architect of the Treasury.

It was simply Mr. Wetmore's great ability that caused him to be retained in his present position year after year and through administration after administration of both parties. It was his ability as an executive and his thorough understanding of the building business that caused him to be retained in office, but under a technicality of the law, requiring an architect, he could not be appointed supervising architect. So he has continued as Acting Supervising Architect, but it amount to the same thing so far as his duties are concerned.

Mr. BYRNS. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. BYRNS. My recollection is, it was in 1916 that a vacancy occurred in the Office of Supervising Architect. Mr. Wetmore had been there a number of years, and I think his profession originally was that of law. He was made Acting Supervising Architect and has been in that position ever since.

Mr. TILSON. And he has been a very capable official, as everyone knows who is acquainted with his work.

Mr. BYRNS. And I happen to know that he has served with particular ability.

Mr. TILSON. I think almost everybody recognizes that fact.

Mr. BYRNS. We have found that to be the fact.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TILSON. Just for a question, because I wish to turn to another subject for a moment.

Mr. VINSON of Kentucky. Does the gentleman mean to say that if somebody does not qualify under the law that he should be permitted, because of other qualities that may be very superior, to do that which he can not do under the law?

Mr. TILSON. Oh, as Acting Supervising Architect Mr. Wetmore does just the same work he would do as Supervising Architect. It is simply a difference in name and that is all it amounts to.

Mr. VINSON of Kentucky. Does not the gentleman think when the law was passed that it was expected, while the law was permitted to remain on the books, that an architect should fill that position?

Mr. TILSON. The law has remained ever since.

Mr. VINSON of Kentucky. And that he should possess technical knowledge and experience in that line of work.

Mr. TILSON. I think his ability has been proven.

Now, Mr. Chairman, I wish to revert for a moment to the statement of the gentleman from Texas [Mr. PATMAN].

I think the gentleman from Texas puts his talents to very poor use in attacking Andrew W. Mellon. It happens that Mr. Mellon for 11 years served this Nation as Secretary of the Treasury. That his service in that capacity was not only honest, faithful, and efficient, but to a notable degree outstanding in its character is gratefully acknowledged by millions of his fellow citizens.

Before he came to that high position he was engaged in very large business enterprises. He had accumulated a large fortune, so that the amount of his salary as Secretary meant nothing to him, and yet he gave up active connections with all private business in order to serve his country. He came into office with the highest possible qualifications for the duties of the office because his entire business career had been the best possible training for it. The results have been so satisfactory to the people of this country, and especially to the Treasury, that he has been hailed all over the country as one of the greatest Secretaries of the Treasury in all our national history.

He has served this Government for 11 years unstintedly, to the sacrifice of his own business; although perhaps this meant less to him than to most men because of his age and because he had already reached that degree of private fortune that left him no worries so far as a competence is concerned. At any rate, it can not be denied that he gave himself unselfishly and most effectively to his country's service.

As a most fitting recognition of Mr. Mellon's services as Secretary of the Treasury, he has been promoted, as it were, to be ambassador to the Court of St. James. His name went to the Senate for confirmation, and almost without a dissenting voice, certainly without a call for a record vote, he was confirmed by the Senate, the very body that would have had to sit as a court in the trial of the impeachment charges brought by the gentleman from Texas, in his 1-man attack upon the Secretary of the Treasury, had they been presented by the House.

Mr. PATMAN. Will the gentleman yield?

Mr. TILSON. I prefer not to yield. The gentleman had 10 minutes, and I think he used the time for an unworthy purpose.

[Here the gavel fell.]

Mr. TILSON. Mr. Chairman, I ask for three minutes more.

The CHAIRMAN. Is there objection?

Mr. PATMAN. Reserving the right to object, if the gentleman will yield for a question.

Mr. TILSON. I shall not promise. The gentleman may object if he wishes.

The CHAIRMAN. The gentleman from Connecticut asks for three minutes more. Is there objection?

Mr. PATMAN. Reserving the right to object, and I will not object, but I hope the gentleman will yield to me to ask one question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TILSON. I made no promise to yield, but I will yield to the gentleman for one question.

Mr. PATMAN. The same law that disqualified Mr. Mellon as Secretary of the Treasury did not disqualify him as ambassador to the Court of St. James. I hope the gentleman will take that into consideration.

Mr. TILSON. There has never been a law to disqualify Mr. Mellon as Secretary of the Treasury. It seems that the gentleman has worked himself up into such a state of mind in connection with his proposed impeachment charges that his attack hardly deserves answer. It reminds me of an old Yale professor, under whose tutelage I sat for some time. He said that many formidable questions and apparently plausible statements might be answered and completely disposed of by the Yankee device of asking two other questions, and I think the gentleman's argument could very largely be answered in the same way. The two questions are, first, Is what the gentleman states true? If by any means he should be able to establish the truth of the statement or any substantial part of it, then the second question is, What of it?

In the present instance the gentleman has failed to bring a scintilla of evidence that any of his charges or any of his insinuations or innuendos are true; and, in the next place, even if it were true, for instance, that aluminum has been recommended by a certain group of architects as good material for use in building, what of it? Aluminum in its production and use has had a wonderful development. It has proved itself to be a fine material for building, but Mr. Mellon has not been giving his attention to aluminum. He has given himself unstintedly and wholly to the duties of his great office. The idea that Andrew W. Mellon with his record, reputation, and prestige before the American people and the whole world, for that matter, would stultify himself and prostitute the high office of Secretary of the Treasury to the ignoble purpose of private greed is simply too preposterous to be seriously entertained for a moment by any fair-minded person.

Mr. PATMAN. If I did not make a sufficient case against Mr. Mellon before the Judiciary Committee, why did he leave at the time he did?

Mr. TILSON. Because it was just at this time he received the great honor of promotion to the highest position in the diplomatic corps. Evidently neither the President, Mr. Mellon, nor anyone else regarded as worthy of serious attention the vague charges brought by the gentleman. Whether or not the gentleman's attack was calculated to amount to anything if taken to the Senate in the form of impeachment proceedings was pretty thoroughly settled by the same Members of this tribunal who would have had to hear and decide the case, when they almost unanimously—Democrats, Republicans, and others—joined in confirming Mr. Mellon for the highest position in the Diplomatic Service.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. PATMAN. The gentleman should remember that the committee had to quit the case, because there was nothing else to do. The President appointed him to this office, which was equal to a presidential pardon during trial. The committee could not do anything else.

Mr. TILSON. The gentleman's attack had nothing to do with the appointment; but if all the things charged by the gentleman had been true, or it had been believed that there was any foundation whatever for them, the Senate of the United States would not have confirmed him.

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the paragraph for the purpose of getting recognition. We are on a section having to do with the Supervising Architect. About four years ago the Congress, seeing the necessity for it, authorized an appropriation of $3,825,000 for the purchase of a site and construction of a public building in St. Louis. The present Federal building was constructed over 50 years ago. We are paying $70,000 a year in rent to the owners of private buildings in St. Louis to house Government agencies. As time went on and the architect worked on the plans, it was discovered that they would need an additional $1,245,000 to construct a building sufficient in size to care for the present Government agency in St. Louis. Last summer I took this matter up with the Supervising Architect's Office, and it was placed before the Bureau of the Budget. I was informed that it was approved by the Bureau of the Budget. Later on, in view of the condition of the Treasury, the President saw fit to issue orders that no additional legislation was coming down from the Bureau of the Budget at this session of Congress with reference to public buildings. I made some investigation and found that there are 19 projects in the country somewhat similar to the one in St. Louis, and that additional funds will be needed for some of them in order to construct the proper kind of buildings and additional legislation for others. I invited the Members representing the cities where the 19 projects are located to discuss the matter. We went to the Bureau of the Budget and stated our case. The director promised to take the matter up with the President. I then appeared before the Committee on Appropriations and told that committee the situation with reference to these projects, of course especially with reference to my own. I asked the committee if it would not discuss the matter with Mr. Martin, the assistant to Mr. Heath and Mr. Wetmore, when they came before the committee, because, as you all know, the officials of the Government are not permitted to discuss matters not in the Budget recommendations unless the committee brings the subject up. The Committee on Appropriations did as I suggested. I will place the hearings in my extension of remarks. They showed that these are old projects, not new projects, and showed that all that is asked is an authorization, in some instances, for additional money, in others for legislation simply to change the location of the site or something like that. The total amount involved in the 19 projects is $5,000,000, and not one dollar is asked until 1934; but in order to proceed properly with the plans and specifications, authorization is needed now.

I say, in the interest of economy the Bureau of the Budget should have sent down the recommendation, because if they do not construct the buildings now, especially in St. Louis, where they are going to construct a 6-story building, later, when they provide for the other four stories it will cost much more than $5,000,000 to complete the work.

Mr. Chairman, it is not only a foolish piece of business, as far as the St. Louis office is concerned, but it is a foolish piece of business as far as every one of the 19 projects are concerned. They are old projects. We do not want a dollar, I say, until 1934. In no way does it affect the balancing of the Budget in 1933. I hope the administration will bring down this recommendation when the deficiency bill is pending. There is one more thing I would like to say about the St. Louis building. When that building is constructed in St. Louis it will cost $5,000,000 completed. The old building will be sold, and the appraisers say it will bring about $5,000,000. It is the most valuable block of ground in St. Louis, and the new building is not, in the end, going to cost the Government of the United States one penny.

Mr. HARDY. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. HARDY. Since this does not cost any money, why does the gentleman not offer an amendment to put this item in the bill at this time?

Mr. COCHRAN of Missouri. I will say to the gentleman that the expert parliamentarian of the Committee on Appropriations, Mr. Shield, has advised me that it would be subject to a point of order. Therefore I will not offer the amendment.

Mr. Chairman, I ask unanimous consent to extend my remarks and to include therein a brief from the St. Louis Chamber of Commerce upon this subject.

The CHAIRMAN. Without objection, the request of the gentleman is granted.

There was no objection.

Mr. COCHRAN of Missouri. Mr. Chairman, under leave to extend my remarks I include the record of the hearings before the Committee on Appropriations. You will see the department thinks the legislation necessary, as do the members of the committee, Mr. BYRNS and Mr. WOOD included.

PROJECTS WHICH REQUIRE AMENDED LEGISLATION

The CHAIRMAN. I understand there are some 15 large buildings with respect to which a limit of cost has been fixed, but conditions have arisen requiring either additional plans or changes in limits of cost. The St. Louis project was brought to our attention by Congressman COCHRAN of Missouri.

Mr. MARTIN. We have 19 projects which, in the opinion of the department, will require some form of amended legislation sooner or later. These projects are scattered all over the country. I can give you an example of the different categories into which they fall.

The CHAIRMAN. You might tell us where they are.

Mr. MARTIN. I have them in a statement which I am going to furnish for the record. We report those every month.

We have a project in St. Louis and another in St. Paul, very large projects. The estimate of cost which has been authorized contemplated a 6-story building in St. Louis and a 6-story building in St. Paul. As the plans were started, the several departments made a material increase in their space demands. In one of these cities the increase was 37 per cent and in the other 48 per cent. The department has in mind so designing these two buildings that you can add additional stories at some later date, because we can not, of course, exceed the authorization.

At St. Louis it will be necessary to put four additional stories on at some later date, and St. Paul five additional stories.

Of course, there is a further matter; there will be an additional cost by doing the jobs in two bites, but sooner or later you will need some form of amended legislation to allow us to complete the job to meet the requirements.

Then we have several places where we are about to select the site, but we can not acquire title until we get authority from Congress to accept title subject to rights to mine minerals under the site or an easement that requires the maintenance of a sewer that runs across the site, and so forth.

The absence of that authority is likely to hold up those jobs until we get amended legislation.

Then we have several projects where the present legislation contemplates an addition to the present building. A more thorough study by the architects indicates that that is not the best way to meet that problem, that you probably should consider a new building rather than to expend a large sum on extending and remodeling an old structure.

At Grand Rapids, Mich., we have authority for an extension of the present building of $300,000. The extension was limited because of the area we had on the Government site to the rear of the present building. The present building is a beautiful building, not so very old. However, we could obtain enough space to meet the requirements at this time. As we started the plans, the city advised us that it was their intention to widen that street at the rear 25 feet and it would have to come off the Government side. That fact absolutely made it necessary to consider some other plan, because we should not expend money for small additions like that, and the building being of marble I believe it would be a very costly proposition. So the more forward-looking solution there is to acquire a site and build a work-type building for the parcel post of the post office and utilize the remaining space in the present building for all other activities. Such a project will take care of the city for a long time.

The CHAIRMAN. Would it be possible, Mr. Martin, for you to take each one of those projects and make a statement as to just why each one is being held up?

Mr. MARTIN. Yes, sir.

"ST. PAUL, MINN.

"Limit of cost authorized, $2,700,000. Federal activities proposed to be housed in the new building have increased their requirements 37 per cent above the amount on which the present limit of cost was based. To provide this additional space, change facing of building to all stone and install mail-handling apparatus will require an increase in the present limit of cost of $1,000,000. In the absence of amended legislation, the department will construct a 6-story building so designed that five additional stories may be added at some future date.

"PHOENIX, ARIZ.

"Limit of cost, $1,080,000. Under this legislation it was proposed to acquire a site and construct a building for a post office and a number of other Federal activities excepting the courts, and five other activities which were to remain in the present Federal building after remodeling. Since the estimate for the new building was prepared, Federal activities have increased their requirements 1,400 square feet, and the architectural plans developed show an increase over the original estimate of 11,000 square feet. The courts have requested air conditioning and space in the proposed new building which can not be furnished unless the present limit of cost is increased $545,000. The several amounts which would offset this increase would be the cost of remodeling present building, $40,000; rented quarters during remodeling, $20,000; sale value of Federal property estimated at $250,000, and additional cost of adding additional stories at some later date, $35,000. In the absence of amended legislation, the department proposes to construct a 3-story building so designed that three additional stories may be added at some future date.

"HAVRE, MONT.

"Original limit of cost was $200,000. Amended to provide for courts under limit of cost of $250,000. The contract was awarded under the original limit in advance of amended legislation, and bids for the additional court space exceeded the new limit by approximately $46,000. Deduction changes were made in an amount to complete the building within the new limit. Major deductions considered eliminated two wings at the second floor level and the installation of the elevator. A further increase of $40,000 is necessary to reinstate these omissions.

"GRAND ISLAND, NEBR.

"Limit of cost for additional land and extension $95,000. Federal activities have increased their space requirements nearly 5,000 square feet, necessitating a much larger extension than contemplated under the present legislation. Estimate for additional land was $25,000. Report of condemnation commission, $34,500. Increase necessary to furnish all space, $90,000.

"HUNTINGTON, W. VA.

"Limit of cost for additional land and extension, $390,000. Federal activities have increased their space requirements approximately 9,000 square feet since legislation was obtained. In order to provide this additional space, it is estimated that an increase of $75,000 in the limit of cost is necessary.

"PEORIA, ILL.

"The present legislation contemplates acquisition of additional land and extension to the present building under a limit of cost of $320,000. Since the legislation was obtained a more thorough examination of the building has been made and the Office of the Supervising Architect considers that the more economical and forward-looking solution at this place is for the acquisition of a larger block of additional land, demolition of the present structure, and the construction of a new building on the present site extended. An increase of $630,000 will be necessary in the limit of cost to carry out this scheme.

"GRAND RAPIDS, MICH.

"Limit of cost of $300,000 contemplated the extension and remodeling of the present building. The city of Grand Rapids proposes to widen the street in the rear of the present post office, which will require a strip off the rear of the present Federal site. Work has been held up on the plans of this extension because of this fact, and it is recognized that the obvious method for accommodating all activities at Grand Rapids is to acquire a site and construct a building thereon for postal activities, the present building to be remodeled for other activities. To accomplish this change will require an increase of $425,000 in the present limit of cost.

"ALAMOSA, COLO.

"Limit of cost of $90,000 contemplates the construction of a building on a site to be donated. Site offered as a donation is not suitable. To carry out this project it is necessary to acquire a site by purchase, which will necessitate an increase in the limit of cost of $15,000.

"DUQUESNE, PA.

"Limit of cost of $100,000 provided for a building on a site to be donated. Site offered by the city is an interior plot of insufficient frontage. This location is suitable and the purchase of the adjacent corner property will make it a very satisfactory site. To proceed with this project, it will be necessary to increase the present limit of cost by $45,000.

"HIBBING, MINN.

"Limit of cost, $135,000. A site has been selected but title to same can not be accepted because of reservations to mine coal and other minerals. In order to proceed with this project, it is necessary that legislation permitting the Secretary of the Treasury to accept title subject to such reservations be enacted.

"RENO, NEV.

"Legislation contemplates a site and building. A part of the site selected is subject to easements for the maintenance, repair, and replacement of a sewer and an irrigation ditch extending across the entire site. In order to acquire all the land comprising the site, it is necessary that the Secretary of the Treasury be authorized to accept title to a certain portion of the site subject to easement.

"CALUMET, MICH.

"Legislation contemplates acquisition of a site and the construction of a building under a total limit of cost of $120,000. Site selected by Treasury and Post Office agents is the location of the present leased postal quarters, the entire site, building, and equipment being offered to the Government for $19,000. The purchase of this property, refacing and remodeling of the building, is estimated to cost $45,000. No action can be taken toward this purchase until present legislation is amended.

"JACKSON, MISS.

"Project at this place temporarily held pending disposition of a bill permitting the use of the present site in conjunction with property already purchased.

"SAN DIEGO, CALIF.

"Limit of cost for project is insufficient to permit of the purchase of a site favored by Treasury and Post Office Departments. An increase of $70,000 in the limit of cost would permit the acquisition of this first choice.

"CINCINNATI, OHIO

"Limit of cost of $1,000,000 for a site is not sufficient to acquire a site in the immediate business area. Unless this amount is increased, it will be necessary to purchase a site on the edge of business and maintain a small postal station in the business section.

"WACO, TEX.

"Present legislation authorizes acquisition of a new site under a limit of cost of $150,000. Post Office Department considers the present site a better location for its activities than any of the new sites offered. In order to acquire sufficient land to make the present site suitable in area it is necessary that present legislation be amended.

"POTTSVILLE, PA.

"Legislation contemplates the acquisition of a new site and the construction of a new building under a limit of cost of $325,000. The shape and topography of the sites offered has caused the Post Office Department to recommend the acquisition of additional land, demolition of the present building, and a new building on the present site extended under a limit of cost of $315,000. Until amended legislation is obtained, no action can be taken toward carrying out the scheme approved by the Post Office Department.

"SALT LAKE CITY, UTAH

"Limit of cost for additional land and extension $1,315,000. The driveway at the rear of the present building is 26 feet wide on one street and 48 feet on the other. Additional land permitting the widening of the driveway can be purchased for $48,000, although originally held for $80,000. Had the present limit of cost been sufficient, this additional property would have been purchased. In order to acquire this land an increase of $48,000 would be necessary.

"There are several other projects which are being temporarily held on account of site complications and no definite statement can be made at this time as to whether or not these cases will ultimately require amended legislation.

"ST. LOUIS, MO.

"Limit of cost $3,825,000. Federal activities have increased their space requirements 48 per cent since the limit of cost was established. To provide this additional space will necessitate an increase in the limit of cost of $1,245,000. In the absence of amended legislation, the department proposes to construct a 6-story building so designed that four additional stories may be added at some future date."

The CHAIRMAN. Take the situation at St. Louis, for instance. I understood you to say that it was first contemplated to put up a 6-story building and ultimately to add four more. Is it the purpose now, and is that what is causing the delay, to arrange for the erection of the whole 10 stories?

Mr. MARTIN. No, sir.

The CHAIRMAN. What is it that is causing the delay?

Mr. MARTIN. The delay up to this time was caused by the courts demanding top-floor or top-building space.

Mr. WETMORE. To get away from the noise.

Mr. MARTIN. Obviously in a 6-story building they would have to be pretty close to the ground, probably on the third, fourth, and fifth floors. The courts were loath to approve a plan of a smaller building, because they were looking forward eventually to a 10-story building and they did not want to be tied down to the third, fourth, and fifth floors when they wanted, say, the seventh, eighth, and ninth floors. But finally, in order to get the job started, a number of conferences were held with the judges and the Department of Justice and the architect and the Treasury officials and we finally reached an agreement as to space assignments and we will have the foundations on the market within a short time. The foundations will be so designed that we can add additional stories at some later date and the design of itself will be such that architecturally it will be a proper building when the final four stories are added.

The CHAIRMAN. Then it is not the intention to hold that up altogether?

Mr. MARTIN. It is not the intention to hold up on that building or on any building where we can go as far as possible under the authorization.

The CHAIRMAN. That applies to St. Paul, also?

Mr. MARTIN. Yes, sir.

The CHAIRMAN. Have you any idea when you will start that building in St. Louis or be in a position to start it?

Mr. MARTIN. I think the foundation plans are getting very close to the market now, are they not, Judge Wetmore?

Mr. WETMORE. Yes.

Mr. MARTIN. And the same thing is true of St. Paul.

The CHAIRMAN. After your foundation plans are ready, what will be necessary?

Mr. MARTIN. Then you will put the superstructure job on the market for the 6-story building, the smaller building, within the limit of cost.

Mr. WOOD. How soon after the foundation is in?

Mr. MARTIN. The superstructure job ought to be on the market a couple of months before the foundations are completed in order that the construction may be continuous.

The CHAIRMAN. Can you tell us about when you think the foundation will be completed?

Mr. MARTIN. The present indications are that the foundations should be completed about October 1, 1932.

Mr. ARNOLD. How long do you think it will be before these other four stories will be necessary?

Mr. MARTIN. They are necessary right now.

Mr. ARNOLD. What would be the additional cost if you completed your six stories, then stopped, and then at a later date added four stories, over what it would be if you went right ahead and built your 10-story building in one operation?

Mr. MARTIN. I would say that if the judges are agreeable to stay on the third, fourth, and fifth floors, the estimated additional cost would be in the neighborhood of $100,000 by doing it in two bites.

The CHAIRMAN. That is over and above the actual cost?

Mr. MARTIN. Yes, sir. The judges demand being on the top floor when the other four stories are completed, the cost of remodeling the judges' quarters down below, in addition to the roof changes, and what not, will run a considerable sum above that.

The CHAIRMAN. It would seem to me, inasmuch as these 19 buildings have already been authorized by Congress and already acted upon, they are in a rather different category than new buildings.

Mr. MARTIN. There is no question about that.

Mr. WOOD. Why would it not be more economical to wait a little while and get an authorization to erect your 10 stories at one time? If, as you say, they need the space now, it is only a question of a very short time until you will have to put up the additional four stories, and it seems to me that would be a very uneconomical way of doing it.

Mr. THATCHER. You ought to do one of two things, either defer building this structure altogether until you are ready to go ahead with all of it, or else erect all of it at this time.

Mr. WOOD. Yes.

Mr. ARNOLD. If this is erected now as a 10-story building, what will be the value of the release from other property?

Mr. MARTIN. The post office and courthouse in St. Louis, which it is proposed to vacate, is estimated to be worth in the neighborhood of four to four and a half million dollars, and that building would either be vacated and the activities that could not be placed in the smaller new building would have to rent quarters, or you would have to retain the present post office and courthouse.

Mr. THATCHER. Would there be any market for that old site now?

Mr. MARTIN. You see, in any event, we are thinking about the market about two years from now.

Mr. ABERNETHY. Of course, you are going to use the building up to that time.

Mr. MARTIN. Yes.

Mr. ABERNETHY. What is the cost of the St. Louis building as it is proposed to complete it in 10 stories?

Mr. MARTIN. The total limit of cost for site and building is $3,825,000. We have approximately $2,700,000 available for construction.

Mr. ABERNETHY. Could you build it within that estimate?

Mr. MARTIN. We can build a 6-story building within the $2,700,000.

Mr. ABERNETHY. How much would it cost you to build the 10-story building?

Mr. MARTIN. It is estimated that it would cost $1,245,000 more.

Mr. ABERNETHY. I can not see why you should not go along and finish it at this time.

Mr. THATCHER. The six stories will be inadequate to house all the Federal activities?

Mr. MARTIN. Yes, sir; by some 100,000 square feet.

Mr. THATCHER. Representing a rental of about how much?

Mr. MARTIN. That would be hard to state, Mr. Congressman. At a dollar a foot it would be $100,000.

Mr. THATCHER. Annually?

Mr. MARTIN. Yes, sir.

Mr. THATCHER. If you erected your 10-story building, then you could house all the Federal activities.

Mr. MARTIN. All the Federal activities requiring space at this location and dispose of the old building.

Mr. THATCHER. About how much would it cost to do that; $1,500,000 more, you say?

Mr. MARTIN. $1,245,000 is the estimate.

Mr. WOOD. What stands in the way of erecting your 10-story building?

Mr. THATCHER. A Budget estimate.

Mr. WOOD. But if you get an authorization, that will remove the obstacle and I should think it would be worth while to get that and save the amount of money that you have indicated it would cost to do it as it is now proposed.

Mr. ABERNETHY. These 19 projects you are now discussing would come in under the sixth installment. What is the total amount of those 19 projects?

Mr. MARTIN. The increases in limits of cost of all of the 19 will be less than $5,000,000 and a number of them would not involve any increase in limit of cost.

Mr. ARNOLD. I should think the thing to do would be to hold up the contract on this general construction of these projects until the sixth installment comes along and do now what you know you will have to do eventually at a very much increased cost.

Is it not true that building costs are at a minimum now?

Mr. WETMORE. Yes; the costs are as low as they have been at any time since the war, I think.

Mr. MARTIN. We have contractors coming in and asking us to please take early action on the awarding of contracts because they want to hold their subcontractors to present prices. Several contractors have brought that to my attention.

Mr. ARNOLD. Inasmuch as this space is absolutely needed it would seem to me the proper thing to do would be to go ahead and do the whole job at this time.

Mr. MARTIN. We think so; yes, sir.

Mr. WOOD. If that is all there is standing in the way, an authorization for an additional appropriation, it strikes me, from all the facts you have given us, it would be the part of folly to put up a 6-story building and then wait until you get an authorization for another building, repair the roof or change the roof and then put on your additional face. It seems to me that would be a foolish piece of business.

STATEMENT OF ST. LOUIS CHAMBER OF COMMERCE

The St. Louis Chamber of Commerce is publicly on record for governmental economy. It will maintain that position by refusing to be a party to any attempt to increase Federal appropriations or expenditures for any project, unless definite economies can be shown as the result of the proposed outlay of Federal funds.

In line with this general policy, we believe, here is a case of "false economy" in which to "pinch" is to pay greater in some other more concealed fashion, a case where it's just as good business to spend in order to save, where such expenditure can be almost covered through the sale of assets already owned by the United States Government in this city, and not a large out-of-Treasury expense, a case where spending now will save considerable money because of present low building costs.

These chief reasons justify and compel the submission of this statement.

STATEMENT OF THE CASE

There is now before the Bureau of the Budget the question of an additional authorization for a Federal office building in St. Louis. No money is asked nor will be needed until 1934 or 1935.

Two plans have been advanced.

The first is for a 5-story building. An appropriation of $3,825,000 has been made to buy the ground and erect a building in which to house the offices, departments, agencies, and bureaus now quartered in the present Federal building and the old customhouse. The value of the ground has been fixed at $1,060,000; the preliminary expenses for plans, deeds, etc., have been estimated at $190,000, leaving approximately $2,575,000 for the cost of a building, with 181,500 square feet of floor space.

The second is for a 10-story building. An additional authorization of $1,250,000 is needed for the erection of a larger building adequate to house not only the bureaus, agencies, and departments located in the present two old buildings, but also a number of other Federal agencies now quartered elsewhere and for which the Government is paying a large annual rental. This plan also contemplates sufficient space for the expansion of existing agencies, as well as for new departments as they may be hereafter created.

Because of the present condition of the Federal Budget, there is some apprehension that the smaller-building idea might prevail. Therefore a thorough study has been made of all the factors involved.

We are submitting certain facts pertinent to the case and contending for the additional authorization primarily for reasons of economy.

ECONOMIC REASONS

The United States Government now owns three pieces of property in St. Louis which are an important factor in the present discussion of a new Federal building, i. e., (1) the old Federal building, Eighth and Olive Streets; (2) the old customs building, Third and Olive Streets; (3) a lot on the southeast corner of Fourth and Chestnut Streets.

The old Federal building at Eighth and Olive Streets was erected by the Treasury Department in 1874—58 years ago. Even though construction and land valuation at that time were low, the total cost was $5,686,854.68, of which $368,882.65 was paid for the site. Its total floor area totals 163,891 square feet.

In it at the present time are housed: Central post-office station, district court and clerk, court of appeals and clerk, district attorney and Department of Justice, marshal, grand jury, commissioner, customs collector, internal-revenue office, secret-service agents, Naturalization Bureau, Immigration Bureau, narcotic agents, prohibition agents, Engineer Corps, Bureau of Animal Industry, and veterans' employment bureau.

Three qualified appraisers have placed a sale value of $4,849,560 on this building.

The old Customs Building, located at Third and Olive Streets, has 51,893 square feet of floor area, and in it are now housed: Customs appraiser, food and drug administrators, locomotive inspection, Veterans' Bureau examiner, Civil Service Commission, Navy, Marine, and Coast Guard recruiting, Lighthouse Service and Steamboat Inspection, special prohibition agents, One hundred and second division of the Organized Army Reserve, fruit and vegetable inspectors, Market News Service, and the Interstate Commerce Commission's valuation service.

The sale valuation placed on this property by the appraisers is $48,195.

The lot at Fourth and Chestnut was purchased by the Government on June 27, 1911, as a site for a new Federal building, following the complaints of officials, merchants, and manufacturers that the then existing quarters were inadequate because departments and agencies were increasing and the then existing ones expanding. At that time Congress appropriated $1,600,000 to erect a building on this site, but it was never built.

The sale value of this property, according to the appraisers, is $180,808.80.

Thus the sale values of these three Federal Government-owned pieces of property totals $5,078,563, while the floor space of the two existing buildings totals 215,784 square feet.

Then came the World War in 1917, which probably doubled the number of agencies, materially increased the number of officials and assistants, as well as the volume of work to be done. A study of the situation following the war showed that the ground area at Fourth and Chestnut was inadequate, and the appropriation too small for the erecting of a building large enough to accommodate the then existing Federal agencies and bureaus, so the Treasury Department selected a new site at the southeast corner of Twelfth Boulevard and Market Street.

An investigation made by the Federal Business Association of St. Louis, an organization composed of the heads of departments, bureaus, and agencies of the United States Government stationed in St. Louis, revealed that a sizable number of Federal agencies in this city were not headquartered in the old Federal building or the old customhouse, and that provisions for these activities were not included in the plans for the proposed new structure on Twelfth Boulevard and Market Street.

Furthermore, it was found that the rental for the space occupied by them amounts to a considerable annual outlay of Federal money. A list of these agencies, their location, floor space occupied, and annual rental follows:

Agency	Location	Square feet	Annual rent
Veterans' Bureau	4030 Chouteau Avenue	19,280	$26,028
Engineer Corps	Victoria Building	11,589	17,383
Prohibition laboratory	1126 Title Guaranty	2,367	4,303
Bureau of Investigation	Title Guaranty Building	1,900	3,814
Weather Bureau	Railway Exchange Building	1,858	3,600
Bureau of Foreign and Domestic Commerce.	Mississippi Valley Transportation.	1,652	3,180
National-bank examiners	Federal Commerce Transportation Building.	1,500	3,060
Federal grain supervision	Merchants Exchange	2,600	2,907
Bureau of accounts, Interstate Commerce Commission.	1721 Railway Exchange Building.	1,000	2,160
Ordnance Office	Telephone Building	240	720
Total		43,986	67,160

The Government, therefore, in addition to maintaining the old Federal building and old customhouse, pays $67,160 annually in rentals for an additional 43,986 square feet of space.

Thus the total floor space the Government now has in St. Louis for the agencies so far mentioned is 259,870 square feet (including the old Federal building space, customhouse, and that which is now rented).

SUMMARY

1. The 5-story plan for the new Federal building, if carried through, would provide only 181,500 square feet of floor space.

But the present floor space in the two existing old buildings is 215,784 square feet, to which must be added, to determine the space now in use, the 43,986 square feet rented by the Government, or a total of 259,870 square feet.

Manifestly, therefore, the floor space contemplated in the 5-story plan is wholly inadequate, not only to house existing Federal agencies, but also to provide for their future expansion and to house any new departments, bureaus, or agencies which may be created in the future.

2. Present rent ($67,160) for space occupied outside of the two existing buildings is large enough of itself, but if carried over a period of years the amount becomes a serious consideration. Furthermore, unless adequate space is provided, any new agencies created, or any expansion of existing departments will swell the rental bill. This could be saved by the erection of the larger building. In these hectic days a dollar saved is a dollar earned.

3. The real estate now owned by the United States Government—the old Federal building, the old customhouse, and the lot at Fourth and Chestnut Streets—when sold will almost equal the cost of erecting the new 10-story office building. So the Government would in reality be paying a comparatively small extra sum for doing the job right.

4. Present building costs are low, perhaps lower than they will again be for years to come. It would be economy to build the large building now rather than wait until later and be penalized with higher costs.

It is therefore obviously good business to build the 10-story building rather than the smaller one for reasons of economy, and in order to provide an edifice where all present Government offices

can be housed and new agencies and the expansion of present ones can be properly cared for.

VALUE OF CENTRALIZATION

Central headquarters are a public convenience. When important activities move from place to place every few years, as renters are bound to do, confusion results and irritation develops. Local business constantly utilizes the facilities of Federal agencies. Only loss of time and money follows when one has to move from office to office, located widely apart, to transact business.

But with all offices established in one building, that fact soon becomes fixed in the public mind, stimulates increased use of their services, and establishes a beaten path between business houses and Government offices.

ST. LOUIS, PAST AND PRESENT

Fifty-eight years ago, when the old Federal building at Eighth and Olive was erected, the population of St. Louis was 310,864. There was practically no suburban population.

The picture to-day is quite different. In 1930 the population, as given by the United States Census Bureau, was 821,960, with a suburban population of 211,593, while the metropolitan area—which didn't exist in 1874—contains 1,293,516 people within its confines.

The Federal operating bureaus in 1874 were fewer and their duties relatively less, because the volume of business was not to-day's equivalent by hundreds of millions of dollars annually. There was, therefore, proportionately a lesser need for Government service and supervision.

Business in this district has increased even at a larger rate than the population, because the area has become one of the industrial centers of the country. St. Louis, city and suburban, will continue to grow, and with it the need for the expansion of existing Federal agencies and the location of the headquarters of new ones as created.

ADDITIONAL REASONS FOR A 10-STORY BUILDING

The site:

St. Louis voted an $87,000,000 bond issue for public improvements. One item in the issue provides for a memorial plaza, with plans for a group of buildings which, from the standpoint of architectural beauty, will be symbolic of the progress and greatness of the city.

All of these structures have been, or will be, erected from public funds raised through taxation. Millions of dollars have been and additional millions will be invested in them. Here will be transacted the business of the municipality.

The site of the proposed Federal office building, at Twelfth Boulevard and Market Street, was selected so that when completed the structure will front on this memorial plaza. Twelfth Boulevard and Market Street is the junction of two of the most traveled boulevards under a system of improved boulevards and streets prepared by the City Plan Commission.

The ends of Twelfth Boulevard, running north and south, verge to the southwest and the northwest. The central and south divisions of this widened thoroughfare have been completed, while the northern has been condemned, and the work of widening is now in process.

Market Street is being similarly widened, and commissioners have assessed the damages and benefits for the necessary right of way for widening, and by the time the Federal building is completed this street likewise will be finished. This boulevard will connect with the proposed improved Mississippi River waterfront and will join the boulevards and parkways extending along the river with the commercial and financial districts in the heart of the city and the residential sections.

Like the northern and southern extensions of Twelfth Boulevard, Market Street will connect with the State and Federal highway leading to the West, the Northwest, and the Southwest, as well as to the North and South. It likewise has direct connection with the bridges across the Mississippi River, and thereby connects directly with the Federal highways converging at St. Louis from all sections east of the river.

As a matter of fact, the Memorial Plaza, on which the proposed Federal building will be located, is the focal point of extensive city planning, on which St. Louis has already spent millions of dollars, and the work is only well in hand. A building which houses the offices of the United States Government should harmonize in monumental importance with the plans of the municipality.

CHARACTER OF BUILDINGS ON PLAZA

The type of buildings, public and private, erected on the Memorial Plaza, or immediately adjacent thereto, is a factor which should not be overlooked.

North of the new Federal building, across Market Street, is the new Civil Courts Building, which, when finally completed, will cost about $5,000,000. The City Hall, immediately west, across Twelfth Boulevard, was finished years ago, before the period of high construction costs, at $2,000,000. On the north side of the plaza is the Public Library, erected 20 years ago, for $1,500,000. On the south side of the plaza is the Municipal Courts Building, costing $2,083,000 for ground and building. A block south of the plaza on Twelfth Boulevard is the Police Administration Building and Gymnasium, costing $2,165,519. Northeast of the Civil Courts Building is the $6,000,000 Telephone Office Building, and across the street from the Public Library and facing the plaza is the $4,000,000 Missouri Pacific Building.

The Government of the United States, with an outstanding location in such a group, should not erect a building inferior in size, design, or needs to those erected by the city. If for no other reason, although there are others, national officials should not invite invidious comparisons that will follow failure to erect an edifice commensurate to its purpose and surroundings.

But that viewpoint is based on a consciousness that the dignity of the Federal Government, when erecting a building where its various officials in charge of local and district affairs will be housed, shall not permit its quarters to appear secondary to those of a municipal corporation.

CONCLUSION

The St. Louis Chamber of Commerce urges approval of an additional authorization now, large enough to enable the erection of a new 10-story Federal office building in St. Louis.

(1) Because it will save the Government $67,160 annually in rentals, plus the cost of maintaining the present two old buildings, to say nothing of increased rentals which may become necessary due to enlargement of present activities or the creation of new departments.

(2) Because it will adequately house all existing Federal agencies, bureaus, and departments in St. Louis, and take care of their future expansion and that of any new agencies created.

(3) Because the property now owned by the United States Government can be sold for an amount almost equal to the cost of erecting the new 10-story building.

(4) Because now is the time to build right as building costs are low.

(5) Because of the convenience of centralized location for business users of governmental facilities.

(6) Because the United States Government certainly should erect a structure in harmony with other buildings surrounding it, both in size and architectural beauty, so that invidious comparisons can not follow, and in order that its quarters may not be secondary to those of municipal corporations.

Respectfully submitted.

ST. LOUIS CHAMBER OF COMMERCE,
C. W. GAYLORD,
Chairman of the Board.

ST. LOUIS, Mo., *February 23, 1932.*

The pro forma amendment was withdrawn.

Mr. GLOVER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I did not rise to make a defense for Mr. Mellon nor to make any attack upon him. I have never seen the old gentleman but a few times in my life. The other gentleman who was mentioned this afternoon, Mr. Wetmore, the Supervising Architect, and for whom my friend, who happens to be a thirty-second degree brother, made an honorable defense, I happen to know myself. I was glad he did make that defense for him, because I happen to have that honor, the thirty-second degree, myself, and if he had not done it I would.

It has been my pleasure a few times to have visited Mr. Wetmore, the Supervising Architect, with reference to business connected with his office. I want to say for him, whether he is an architect or not, he has more knowledge of the architectural work going on by this Government in the United States than any man in it. There is not a job that you can inquire about but what this Supervising Architect is perfectly familiar with it and can give you any information you desire with reference to it.

I had the privilege of conferring with him not more than a week ago with reference to a matter, and I soon found out that he knew more about what I was inquiring about than I did, and it was in my own locality. I think he is the right man in the right place.

But, Mr. Chairman, that is not what I wanted this five minutes for. My good friend, the gentleman from Texas [Mr. PATMAN], has had his grievance against Mr. Mellon, and presumably the attack that he made this afternoon on the article of aluminum was leveled against Mr. Mellon. It happens that the great bauxite mines of America, next to the largest one in the world, I presume, are located in my district, in the county adjoining the county where I have lived all of my life. I have lived within 25 miles of those mines for my entire life. Aluminum is made from that article, and, as some gentleman said this evening, you will find that ware now in every 10-cent store in America. What I want to say is that the gentleman from Texas [Mr. PATMAN] ought not to reflect against a great ware of that kind when it is used in the construction of buildings and mined in Arkansas. I want some aluminum used in Federal

buildings, because it is produced down in Hot Springs County, Ark. [Laughter and applause.] It is the finest polished metal to be had. It is as cheap as anything to be had. It is cheaper than brass or some of those things that they want to use as a substitute. Somebody might have a prejudice against it, but not justly so. The bauxite mines in my district employ from 1,000 to 1,500 men all the time.

On this lead of bauxite there has recently been discovered, within 6 miles of where I live, some tripoli mines that will be developed soon, that enter into the making of Dutch Cleanser polish and other polishes for ware and which also enters into automobile tires and such things as that. That is right in connection with it, and it all is found right down in Hot Springs County, Ark., where I live. [Applause.] I am proud of it.

Mr. HARDY. Will the gentleman yield?

Mr. GLOVER. I yield.

Mr. HARDY. You have a diamond mine down there too?

Mr. GLOVER. We have a diamond mine there, too, the only one in the world. Arkansas is no longer called the "hoozier" State, but is called the "diamond" State. You can go down there and get your diamonds. You can go down there and get your baths. The truth of the matter is that down there you can get almost anything you want, if you want something dry. [Laughter and applause.]

Mr. STAFFORD. Mr. Chairman, I ask recognition for five minutes.

Mr. Chairman, the gravamen of the complaint of the gentleman from Texas is that, in certain specifications of the Treasury Department for public buildings, aluminum in some form or other is required in the material furnished, either in the frames or in the furnishings. I listened attentively to the address of the gentleman, and noted the interpolation of the gentleman from New York as to the use of aluminum in the Empire State Building. The membership would have been led to believe that aluminum was not in use in the construction of large buildings, but that the Treasury Department was attempting to force aluminum as a material in the construction.

If the gentleman from Texas had been fortunate in his peregrinations about the country in advocacy of the bonus to have had the time, as for example, on his visit to my home city in Milwaukee during the Christmas holidays, to have gone to the plant of the A. O. Smith Co., which Arthur Brisbane describes, in the method of producing pipes and chassis for automobiles, to be the ninth wonder of the world, he would have seen there a most modern office building, erected by the A. O. Smith Co., 12 stories of construction, entirely faced with aluminum. That was finished more than two years ago.

It has been stated to the gentleman that the Empire State Building, constructed under the direction of that great leader of Democracy, Alfred E. Smith, also has aluminum prescribed as its finishings. Does the gentleman contend that the Treasury Department should hold back in the pace of progress and refuse to recognize the value of aluminum with its intrinsic merits as a necessary building material?

Why not be fair? Why does he not call the attention of the country to the fact that aluminum is now being generally accepted as the finest type of material in office construction? The gentleman is only telling a half truth, and a very small half truth at that, when he reads from the architects' magazine which is limited entirely to public buildings. Why did not the gentleman go further and investigate architects' publications as to private buildings? If he had done that he would have found, I dare say, numerous instances where aluminum is to-day the accepted article for outside finish?

I think the gentleman owes an apology to this House for only giving half truths in trying to show that Mr. Mellon used the high privileges of his office, through the Supervising Architect, in prescribing aluminum as a necessary material for public-building construction?

Mr. PATMAN. Will the gentleman yield?

Mr. STAFFORD. Certainly.

Mr. PATMAN. In prescribing aluminum, does not the gentleman think the Secretary of the Treasury should also give wood and steel a chance?

Mr. STAFFORD. I am not living in the age of 100 or 200 years ago. We must move forward; and I know this much about fixtures, that when the building in which I have my office was remodeled it was provided, so as to keep out dust, that aluminum weather strips be used. I know that much. I am very sorry indeed the gentleman did not have time to visit our breweries on his visit to Milwaukee so that he might have gotten some liberal ideas, and also that the gentleman did not have time to visit the A. O. Smith plant in order to get modern ideas as to modern construction. We are all modern in Milwaukee.

I hope the gentleman, who has so often said he reflects the ideas of the war veterans, will go to the desk and sign the petition for the discharge of the Judiciary Committee in the matter of the repeal of the eighteenth amendment, because then he will surely be carrying out the will and wishes of the war veterans of the World War. [Applause.]

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to withdraw the pro forma motion I made to strike out the paragraph.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to withdraw his pro forma motion to strike out the paragraph. Is there objection?

There was no objection.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ: On page 35, after line 10, insert:

"New Orleans, La., post office and courthouse: For acoustical treatment in the court room, $2,000."

Mr. BLANTON. Mr. Chairman, I reserve a point of order against the amendment.

Mr. FERNANDEZ. Mr. Chairman and gentlemen of the committee, the amendment I have offered simply provides that $2,000 be made available for acoustical treatment in the Federal court room in the city of New Orleans. Unless this amendment prevails the judges and counsel will be forced to continue the practice of shouting above the whine of traffic that passes on Camp Street. There are three Federal court rooms on the second floor of the post office building. The central room is used by United States Judge Wayne G. Borah, and the court room on the Magazine Street side is used by the Fifth United States Circuit Court of Appeals. The third room, on the Camp Street side, is used only in emergencies on account of the lack of acoustical treatment.

It is impossible, gentlemen of the committee, for counsel or witnesses to hear what is going on in the court room under the conditions which prevail there to-day. I submit to the committee that is not decorum and is not in keeping with the dignity of a United States court.

Let me call the attention of the committee to page 625 of the hearing:

ACOUSTICAL TREATMENT, NEW ORLEANS (LA.) COURTHOUSE

The CHAIRMAN. There is an item here in reference to the New Orleans post office and courthouse, for acoustical treatment in the court room, $2,000. Tell us about that.

Mr. WETMORE. I want to say, in the first place, that our maintenance appropriation "for repairs and preservation" are not permitted by the comptroller to be used for acoustical treatment in public buildings. The appropriation is in terms for repairs and preservation, and we would have money enough to do this work out of our annual appropriation, if the comptroller would allow us. But he holds, and I suppose properly, that this character of expenditure is neither a repair nor a preservation. It is in the nature of an improvement, and he draws the line on us there.

The district engineer, Mr. Richly, stated:

"This room has been but little used on account of this trouble (that is, the acoustical defects), but since two additional judges have been appointed it will be necessary to use all the court rooms. I have conferred with several of the judges and recommended that consideration be given to the correction of the acoustics as requested, and which are very bad."

Further, in the hearings there is a letter from Judge Bryan addressed to the custodian of the building, complaining about the same situation.

The committee to-day cut out about three positions down in New Orleans, amounting to thousands of dollars, and I think at least the committee can be charitable enough to give New Orleans this $2,000 so as to repair the acoustics of this court room, which, as I have said, is something that is badly needed.

Certainly, it is not in keeping with the dignity of a Federal court to have witnesses crowding around the attorneys' tables and around the judge's stand to hear what is going on.

I hope the committee will restore this item to the bill.

Mr. BYRNS. Mr. Chairman, I would like very much indeed to agree to the gentleman's amendment. The gentleman has made a very earnest effort to have it included in the bill and it was a part of the Budget estimate. The reason it is omitted from the bill is because the committee felt it is one of those expenditures that can easily be deferred for another year. We eliminated many expenditures on this ground.

For years they have not had this improvement down there in New Orleans, and they have been getting along pretty well, and it seems to me on account of the present situation of the Treasury, we might well defer it for one more year at least.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. FERNANDEZ. I might call the gentleman's attention to the fact that they have not been using this particular court room that they have to use now. The fact they recently appointed two additional judges down there has made it necessary that they should use this additional court room. It is a small matter and I sincerely hope the committee will agree to the amendment.

Mr. BYRNS. It is a small sum, but I will say to the gentleman that consistent with the policy of the committee with reference to other appropriations, this being in our opinion not an absolutely essential appropriation, we eliminated it, and I think in order to be fair the committee must insist that the amendment ought to be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. FERNANDEZ) there were—ayes 4, noes 14.

So the amendment was rejected.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to call the attention of the committee to the fact that in the authorization of funds for public buildings there was authorized an appropriation of $580,000,000 as a total, out of which the District of Columbia was allotted $150,000,000.

I want to show you what is happening. The department committee went ahead and made its allocation with respect to the smaller towns, but the Bureau of the Budget has refused to pass it up to Congress, and the thing which I predicted would happen when the large cities and the District of Columbia received their money to build their buildings, the smaller cities would be left out. I stated at that time that the small towns throughout the United States would be shut out, and that is what has happened already.

The District of Columbia was to get $150,000,000 and $40,000,000 more for land, or $190,000,000 out of a total of $580,000,000. The District of Columbia has already received over $100,000,000, and to the credit of the Committee on Appropriations it may be said that they cut them down to $15,000,000 in this bill; but the Bureau of the Budget was willing to give more money for the District of Columbia and yet refused appropriations for the buildings that will take them now 6 or 7 or 8 years to finish, and they are the buildings that are needed in the smaller cities all over the United States.

As soon as they get the buildings in the District of Columbia and in the large cities of the country, then the smaller cities of the country can go. They are through with them.

This is not the fault of the Treasury Department nor the Post Office Department, but it is the fault of the Bureau of the Budget. After having granted $100,000,000 to the District of Columbia and $40,000,000 to buy land in the District of Columbia, they then refused to ask Congress to appropriate the money for buildings in the small cities, amounting to something like $154,000,000.

I am here to protest and to serve notice on the Bureau of the Budget and the committee, that if they expect large appropriations to the District of Columbia they are going to go through with the allocations made to the small cities, or we will see the reason why.

The pro forma amendment was withdrawn.

The Clerk, proceeding with the reading of the bill, read to the bottom of page 35.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOWARD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9699, the Treasury and Post Office appropriation bill, and had come to no resolution thereon.

THE CONGRESS OF NICARAGUA

The SPEAKER laid before the House the following communication:

MANAGUA, NICARAGUA, VIA TROPICAL RADIO,
New Orleans, La., February 23, 1932.

SECRETARIES OF THE FEDERAL CONGRESS,
Washington, D. C.

The Congress of Nicaragua congratulates the Congress of the United States of North America and the dignified American people on the occasion of the National Bicentennial of the great General Washington whose name and glorious actions are intimately bound with the institutions of the American Republic.

L. RAMIRES, *President.*
PABLO J. JIMINEZ, *Secretary.*
ALEJANDRO ASTACIO, *Secretary.*

ENFORCEMENT OF CRIMINAL LAW—BANKRUPTCY (H. DOC. NO. 262)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on the Judiciary, and ordered printed.

(For text of message of the President see Senate proceedings, p. 4920.)

LEAVE OF ABSENCE

Mr. GILLEN, by unanimous consent, was given leave of absence for six days, on account of important business.

NATIONAL DEFENSE

Mr. HOLADAY. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech by my colleague, Hon. WILLIAM E. HULL, before the American Legion Post, No. 2, Peoria, Ill., on February 18, 1932.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOLADAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

SPEECH OF HON. WILLIAM E. HULL, OF ILLINOIS

Honorable Commander and members of Peoria Post, No. 2: It was with a special pleasure that I received your kind invitation to be your guest to-night and to speak to you briefly upon matters of national importance.

Recently I have received numerous letters from the American Legion posts throughout the district and the Nation urging me to stand for a liberal policy toward national defense, and I want to say to-night that I stand before you, as I have always stood, a firm believer of the principle of maintaining defense adequate to assure the peace and tranquillity of our Nation.

Great strides are being made in scientific achievements toward perfection of instruments of destruction to be used in war, and no nation can sit calmly by and ignore the preparations made by the scientists of other Nations and not take some step toward meeting them.

The time has not yet come, in my opinion, when the lion and lamb can lie down in safety together. Nations are still jealous of each other; and while this condition exists the United States should have at least a nucleus of an Army, trained to the last minute in all modern methods of warfare, and our young men

should have an opportunity to at least have some slight vision of the training that is necessary for them to have in order to protect themselves if called upon to defend their country.

We should have a navy efficient and capable to at least match the navy of any other country in the world. That is the only sure way that I know of to enable us to keep our peace and integrity among the nations.

Our country was born in battle. When the Colonies, in 1775, rebelled against the mother country, it was in defense of the principle taxation without representation was tyranny, and they simply were fighting for equal rights as citizens of England; but, as the struggle continued, the great colonial leaders had a vision. It came to them that this was the day that men had looked forward to for thousands of years, and they came to the decision that they would at once and for all strike for the great principle that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness; and when George Washington received the surrender of Cornwallis at Yorktown, a new nation was born, and for the first time in the world's history there was a flag under whose folds was guaranteed to its citizens equal rights and equal justice.

George Washington, the great Commander in Chief of the victorious Continental Armies, became our first President, and under his matchless wisdom the United States took its place among the nations of the world and hoped for years of peace and tranquillity but it was not long before it became necessary to declare war against England in order to protect the rights of our American seamen, who were being impressed into service on British ships.

This War of 1812 gave birth to the American Navy and was practically won upon the high seas in a naval campaign that challenged the admiration of the world, the war being brought to a sudden close by the spectacular victory of Andrew Jackson and his straight-shooting mountaineers at the Battle of New Orleans.

In 1846 it became necessary to declare war upon Mexico in order to protect our southwestern boundary and settle the boundary dispute between the two countries, and as a result of the victory of Zachary Taylor at Buena Vista the boundary line between the two countries was definitely settled for all time to come.

In 1861, the great crisis of American history appeared. After many years of heated controversy and debate, the time had come to settle forever whether a government such as ours could maintain its integrity, half free and half slave.

In this great crisis, God gave us Lincoln.

Four years of frightful struggle ensued and when General Grant received the sword of Lee at Appomattox, it was determined beyond a peradventure of a doubt that this country of the people, by the people, for the people, should not perish from the earth.

In 1898, it became necessary to declare war against the Kingdom of Spain, not only to maintain our national integrity, but in order to rescue the citizens of our next-door neighbor, Cuba, who were being ground into the dust under the tyranny of the iron heel of Spain. When Teddy Roosevelt planted the Stars and Stripes on the San Juan Hill and the smoke of battle had cleared from the decks of Dewey's fleets in Manila Bay, freedom took another breath of life, and tyranny, such as was practiced in the islands of Cuba and the Philippines, disappeared from the face of the earth.

Then came the World War, and I bow my head with reverence and respect before you men who, by your heroic deeds, wrote so clearly the final chapters of that great conflict. No one can ever know, as well as you, the sacrifices that were made, the hardships that were endured in order to bring peace once more to a war-torn world. A greater man than I has told you that when you laid aside your steel-clad helmet, that when you hung up your khaki uniform, you had only performed a part of the responsibilities that were yours to perform. An even greater task lay before you in solving the problems of peace and making the adjustments that were necessary to bring about harmony out of the chaos caused by this great war. These problems confront you on every hand to-day, more serious in some respects than war; and in the solution of these problems, it is my hope that you will be guided by the wisdom of Washington, by the great human kindness of Lincoln, and by the conciliatory methods of the martyred President, McKinley. The drive recently started by the American Legion posts throughout the country to find jobs for a million of the unemployed is a worthy step in this direction; I bid you Godspeed in this good work and stand ready at all times to assist you in all your undertakings.

You are all more or less familiar with my activities in Congress in behalf of the veterans of our different wars and especially in behalf of the veterans of the World War, because all the legislation in their behalf took things up at the beginning and consequently had to be original, and many of the plans had to be worked out to meet new conditions. I gave eagerly and willingly all my best thought to the preparation of this legislation and have supported every practical effort that has been made to compensate and reimburse the soldiers of the World War as far as it is humanly and practically possible.

The legislation that was passed could not represent the opinion of any individual but had to reflect the composite thought of the entire Congress.

I was one of those who thought in the beginning that if we were going to pay the veterans an adjusted compensation, we ought to pay it in cash. I have never thought that it was common sense to postpone the payment of this compensation for 20 years because we all knew by that time pension legislation would be enacted to take care of those who were disabled, afflicted, and needed help. I felt that this act of Congress should provide for giving the boys a start after they came back from the war and in some measure to equalize their position with those who were not called to the colors. For this reason I will be glad to see the balance paid on these compensation certificates just as soon as some financial arrangement can be made to take care of them.

I realize that arrangements must be made in the near future, if it is not possible to do it at this time, to take care of the widows and orphans of the veterans of the World War as has been done in regard to the veterans of our other wars.

Economic conditions at the present moment are in a sort of chaotic condition, and these conditions must be taken into consideration. However, I think we should meet this matter in a courageous manner and as soon as it is possible make arrangements to fulfill in a full measure our obligations to these veterans.

During the time that I have served as your Representative in Congress, I have in a careful and painstaking and sympathetic manner handled individual cases for the veterans of the sixteenth district amounting now into the thousands.

The adjustments of these compensation claims are fixed by law; there is no way whereby a Member of Congress can wave a magic wand and cause a compensation claim to be allowed out of hand, but it is possible for a Member of Congress, if he so desires, to render valuable assistance to the soldiers and their dependents by finding out what is necessary in order to perfect a claim and then painstakingly help the soldier to secure the necessary evidence and see that it receives the proper consideration by the bureau official. This, I have tried to do and I take advantage of this opportunity to gratefully acknowledge the assistance that has come to me in this connection from the American Legion posts, not only here in Peoria but throughout the district. No soldier boy or his dependents need ever to hesitate or apologize for writing me in behalf of any matter with which they are concerned, because their communication will find a welcome at my office and it will receive the best attention that it is possible to give it.

I have been given the honor of presenting to you a bust of George Washington, sponsored by the George Washington Bicentennial Commission to commemorate the two hundredth anniversary of the birth of this great American, whose great achievements time has not dimmed but have come down through the ages, gathering additional luster through the years. George Washington—the great general but a kind husband, a great statesman but a humble citizen, a man of great achievements but a kind and faithful neighbor! It is exceedingly fitting that his bust should find a place in the lodge room of your post—he was the first American Legionnaire.

THE OIL SITUATION IN OHIO

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the oil situation in Ohio.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAMNECK. Mr. Speaker, I think most Democrats are getting tired of our tariff position being misrepresented. I noted in the Washington Post for Saturday, February 27, this concluding paragraph in an editorial:

> Democrats in the oil-producing States plead with no less vociferation for a duty on petroleum. The "iniquities of the tariff" soon melt away when it is applied to industries of Democratic States. In the face of these organized drives to tax two imports that are now admitted free the howl of the central Democratic organization against the Smoot-Hawley Act sounds like a wind blowing through an empty barrel.

Here is the official statement of our party as set forth in the platform of 1928:

> The Democratic tariff legislation will be based on the following policies:
>
> (a) The maintenance of legitimate business and a high standard of wages for American labor.
>
> (b) Increasing the purchasing power of wages and income by the reduction of those monopolistic and extortionate tariff rates bestowed in payment of political debts.
>
> (c) Abolition of logrolling and restoration of the Democratic conception of a fact-finding tariff commission, quasi-judicial and free from the Executive domination which has destroyed the usefulness of the present commission.
>
> (d) Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of government. Actual difference between the cost of production at home and abroad, with adequate safeguard for the wage of the American laborer, must be the extreme measure of every tariff rate.
>
> (e) Safeguarding the public against monopoly created by special tariff favors
>
> (f) Equitable distribution of the benefits and burdens of the tariff among all.

When the whole Nation is interested in our attempts to restore prosperity there can be little justification for the utterly false charges being continuously leveled against Democratic Members of Congress who are loyally following the principles officially enunciated by our national convention.

It might be interesting to know just why the paper making this attack has been so ardently misrepresenting the Democratic Party and the American petroleum industry. Why should it oppose this tariff only? What sinister or at least concealed motives lie behind its desperate efforts to whitewash the monopoly now being developed by the great oil-importing corporations at the expense of American labor and to the ruin of American prosperity?

This question is purely rhetorical. While you and I may guess the cause of the trouble, we do not know it positively and we can have no reasonable expectation that it will be revealed by those most interested.

The manner in which Ohio is being looted to-day for the benefit of the great oil-importing corporations and to the ruin of our industry and to the destitution of our workers, is suggested by the fact that every barrel of Pennsylvania oil produced in the 17 counties in southeastern Ohio is not only given away, but a $2 bill is taken out of the producer's pocket and pinned to every barrel sold. Over the rest of the State in the other three fields—Corning, Lima, and Wooster—the producer not only gives his oil away, but pins a $1 bill to every barrel sold at present prices. These facts are being widely disseminated through my State by the oil companies, who are informing the people concerning the facts underlying the poverty and distress which are the natural result of our free admission of cheap foreign oil produced by cheap foreign labor, while American workers starve.

At present 60 counties in Ohio are oil producing, while the other 28 counties are potential oil fields, according to A. E. Faine, statistician of the Ohio Penn Grade Oil Producers Association, whose carefully compiled statistics I am utilizing in these remarks. The potential territory thus far undeveloped in Ohio will also enter the producing field, with the resulting employment of thousands of men who are now jobless, whenever we give the American petroleum industry an equal chance at our own markets with foreigners whom we are to-day favoring to our ruin. Ohio contains 11 per cent of all the oil wells in the United States. Over one-half of the number of men normally employed in this industry in my State are without employment to-day.

The general discontent naturally produced by this unemployment, which is artificially caused and which could be easily remedied if simple justice were applied to the oil problem, is being capitalized and fomented by those elements which are eager to destroy our political institutions and our economic system. No one need be surprised that men who realize that their poverty has been created and is being continued in order that a few great oil-importing concerns may add a billion dollars or so per year to their profits should question the worth of a system which deliberately continues such a state of affairs.

The State itself is suffering from this situation. Oil production pays a tax rate of 10 per cent throughout the country. Ohio taxes gasoline 110 per cent. The Ohio producer ultimately pays all these taxes by lowered prices for crude oil, which is his product, because of the importation of foreign oil either already admitted or poised as a menace in case the American producer proves refractory.

Oil wells are being abandoned, to the great economic loss of the State. In the past two years 3,179 oil wells have been closed, causing a taxable valuation loss of many millions of dollars per year and a direct tax loss of thousands of dollars, while the loss in wages to employees who formerly operated those wells is a staggering total. Meanwhile, the closing of those wells means the loss forever of millions of barrels of oil, which can never be recovered. Every friend of conservation of our natural resources should note this effect of our unwise and costly policy of admitting foreign oil duty free.

There is no future for the petroleum industry in Ohio, and I see little promise in fact for the industry in other States of the Union if we are to continue the policy of granting such costly favors to a few oil importers or to a comparatively small number of manufacturers who prefer to save a cent or two on fuel oil while they wreck their own potential market in this Nation.

Those who suggest that the American petroleum industry can solve its problem by limiting production can know, if they do not already know, that this industry has involved private agreement, State regulation and even bayonets in order to reduce production well within the limits of demand, only to see the importers of foreign oil increase those imports until they had flooded the market which the American producer had tried to stabilize. This Nation is suffering to-day from overimportation of foreign oil and not from overproduction of American oil. It is suffering from the greed of those who are reckless whether their profits are stained with the tears and the blood of American workers while they continue to employ increasing numbers of peons and alien laborers for the sake of the possible profits.

Judas Iscariot got only 30 pieces of silver for his betrayal; Benedict Arnold got only a major general's rank and pension; but the oil importers are reaping hundreds of millions of dollars per year as the price of wreckage of American prosperity and their favoritism displayed toward foreign lands and foreign flags and foreign labor.

REPORT OF THE NATIONAL EMPLOYMENT COMMISSION

Mr. KVALE. Mr. Speaker, I ask unanimous consent to print in the RECORD the latest report of the national employment commission, which shows that the total to date is 117,535 men employed. I ask unanimous consent to include a telegram giving the result of the splendid work thus far attained in the State of Minnesota.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

NEW YORK, N. Y., *February 29, 1932.*

ED HOLLENBACK,
National Chairman Child Welfare,
Assistant to Mark T. McKee, Executive Director:

Nation-wide total to date 117,535. Following Minnesota towns credited men put to work as follows: Albert Lea, 80; Anoka, 5; Benson, 5; Brooten, 11; Cambridge, 37; Cloquet, 75; Columbia Heights, 105; Crookston, 50; Detroit Lake, 7; Duluth, 1,854; Eveleth, 139; Excelsior, 5; Faribault, 39; Fergus Falls, 164; Hanley Falls, 3; International Falls, 17; Isle, 15; Jackson, 9; Lesueur, 178; Marshall, 29; Minneapolis, 744, in addition over $5,000,000 pledged; Motley, 5; Osseo, 4; Pequot, 5; Perham, 10; Pipestone, 25; Red Wing, 44; Redwood Falls, 15; Robbinsdale, 150; Rochester, 230; Springfield, 4; Stillwater, 50; Tacomite, 65; Truman, 20; Wabasha, 4; Wadena, 24; Waterville, 34; Windom, 11; in addition following money pledges: Fergus Falls, $80,000; Ortonville, $8,000; Duluth, almost $2,000,000.

MILLER.

ABRAHAM LINCOLN

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a speech delivered by my colleague from New York [Mr. CELLER] over the radio on February 12 relating to Abraham Lincoln.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by my colleague, Hon. EMANUEL CELLER, over the radio, on February 12, relating to Abraham Lincoln:

ADDRESS OF HON. EMANUEL CELLER, OF NEW YORK

Abraham Lincoln, the sixteenth President of the United States, was born February 12, 1809, in a log cabin in the hills of Kentucky.

A half century later, when he had received the nomination for the Presidency, a biographer asked him for some details of his early life. "Why," he said, "it is a great folly to attempt to make anything out of me or my early life. It can all be contained in a single sentence; and that sentence you will find in Gray's Elegy—

'The short and simple annals of the poor.'

That's my life and that's all you or anyone else can make of it."

Truly enough his whole life was dedicated to an attempt to rescue the American under dog and to pull the poor and lowly from between the upper and nether stones of oppression.

His life is also typical of American opportunity—the America that has permitted a barefoot boy like Lincoln to rise to the Presidency. During the last presidential election the two men who ran for President and the two men who ran for Vice President in the major parties were also the products of American opportunity. Smith was the son of a blacksmith. Curtis was born in an Indian Kaw village. Robinson and Hoover were farmer boys.

When Lincoln was 7 years of age, his family moved from Kentucky to Indiana and there for 10 years he was engaged in laborious work of all sorts—farming, rail splitting, running errands for shopkeepers. He only had a year's schooling, at intervals, but his love of learning was insatiable. His mother had taught him to read and he chose as his reading the Bible, Æsop's Fables, Pilgrim's Progress, and Robinson Crusoe. Out of these seeds of reading grew the great ardor that Lincoln had for books. He would walk 20 miles to borrow a book and 20 miles to return it.

At the age of 19, while employed on a river boat, he took a cargo down the Mississippi River to New Orleans. There he got his first awful impression of slavery. The scenes he saw at the New Orleans slave market were ineffaceable, and he then vowed to strike a telling blow at this nefarious traffic. He brooded much over slavery, and that brooding culminated in his greatest act of charity and beneficence, the Emancipation Proclamation, which, although only a militia measure put forth during the Civil War, had far-reaching effects and practically broke the shackles of slavery in this country.

He had a fierce love of honesty. They called him Honest Abe. The story is often told of his walking 3 miles to return a few pennies of overcharge.

In 1834 Lincoln was elected a member of the Illinois Legislature. He was reelected several times, and then was licensed to practice law. He was generous by nature. He was always more anxious to win his client's case than to get his client's money.

His skill at law and in the legislature caused him to be nominated for Congress. He was elected and was Representative from the central district of Illinois. His activity in Congress was noteworthy, and he gained a national reputation for his clear-cut speeches denouncing slavery.

It is difficult in a 15-minute address to give any detail of the life of this great man. One can only touch the high spots and mention but a few of the jewels in the diadem of his splendid character.

We often hear much said of Lincoln's kindly humor. It was the humor of the common people. He knew their aims and their aspirations and reflected their views, consequently, in the quiet and plaintive tales he told of them. When he was in the White House he was afflicted with a slight attack of varioloid or smallpox. Speaking of this, he said: "Now that I have something to give, no one wants to take it from me."

In his famous debates with Douglas on the question of slavery, he often used ridicule and humor to wither the Douglas arguments. Douglas once twitted him for having been a dramseller at Springfield. (Lincoln had obtained a license as an inkeeper for the sale of liquor.) Lincoln quickly replied, "When I was a liquor seller at Springfield, you were one of my best customers. I have since relinquished my stand on the one side of the counter, but you have never relinquished your stand on the other."

In an endeavor to squelch a loud and verbose opponent in one of his famous debates, he told of a traveler. The traveler had lost his way, and, as he went along, a storm broke forth, the rain came down in torrents, the sky was split with lightning, and the world seemed to come apart with deafening thunder. He sank deep in mud and mire and could see only the slight traces of his path in the intermittent flashes of lightning. Not being a praying man, he was, nevertheless, forced to his knees by a dreadful clap of thunder and in his praying said, "Dear God, let us have a little more light and a little less noise."

When the Sons of Temperance called upon Lincoln in the White House and indignantly denounced Grant on the score of his heavy drinking, Lincoln, who had great faith in Grant because of his recent victories, said to the dry brethren, "Please let me have the name of the brand of whisky that Grant drinks, as I want to send a barrelfull of it to my other generals."

We love Lincoln because of his great humility, his great magnanimity. Salmon P. Chase had been his Secretary of the Treasury. He was a great man and a great Secretary, but he often spoke ill of Lincoln. Lincoln knew that he went around peddling his grief in private ears in an endeavor to sow dissatisfaction with Lincoln; nevertheless when a vacancy occurred in the Supreme Court as a result of the death of Chief Justice Roger Taney, Lincoln, realizing Chase's fitness for the position, and disregarding his personal grievance, gave him the appointment.

While he was President thousands of applications came to him for the exercise of clemency in behalf of soldiers who were doomed to die because of desertion or other offenses. William Scott was a lad from Vermont who, after a tremendous march in the peninsular campaign, volunteered to do double duty to spare a sick comrade. He slept at his post. He was caught and sentenced to death. Lincoln heard of it and visited him and, placing his hands on the boy's shoulders, said, "My boy, you are not going to be shot. I believe you when you tell me that you could not keep awake. I am going to trust you and send you back to the regiment. Now, what I want to know is how are you going to pay my bill?" Scott thought that Lincoln meant how he, Scott, was going to repay him in money, and he said he could give him all his pay. Lincoln said, "My bill is a large one, and the only way you can repay me is by doing your duty." Scott promised to do his duty. Not long after he was desperately wounded and died, but not before he could send a message to the President that he had tried to be a good soldier; that he had paid his debt in full, and that he had died thinking of Lincoln's kind face and thanking him for the chance he had given him to fall like a true soldier in battle.

Lincoln showed his merciful nature in his attitude toward the vanquished South. Lincoln had desired, if possible, to bring about a gradual abolition of slavery and through local State action. He did not wish, for example, that the right to vote should be given in a wholesale manner to all negroes, the literate and the illiterate. He desired that the franchise at first be restricted to a few educated negroes. In this attitude Lincoln incurred the enmity of the radicals in Congress who claimed he was not sound on slavery.

He desired in all available ways to give the people of the South a chance to express their own wishes at their own elections. He refused to send a group of Northern carpetbaggers to the South and have them elected as Representatives and Senators in Congress from those States. He was afraid lest in the Southern elections to Congress that very thing should happen which after his death did happen, namely, the election of scalawags and carpetbaggers from the North as Representatives from the Southern States, whose elections were secured at the point of Federal bayonets. He wished to declare a general amnesty to all Southerners and wanted to welcome them back to the Union, provided, of course, that they respected the Constitution and all forms of law and order, and on condition, further, that they would respect the rights of the liberalized negroes.

Undoubtedly, had Lincoln escaped the assissin's bullet and lived, he would have met the fate of Andrew Johnson, who succeeded him to the Presidency at his death. Johnson was impeached because he sought to carry out Lincoln's policy of mercy to the South. Lincoln, too, would have been impeached had he lived. A band of fanatical radicals ruled Congress. They were headed by Thaddeus Stevens, of Pennsylvania. They seemed bent upon utterly destroying the South and ushered in the "tragic era" of reconstruction. There is a current play in New York entitled "If Booth Had Missed." It seeks to continue the life of Lincoln as if the bullet John Wilkes Booth fired in Ford's Theater had missed its mark and Lincoln had served out his term. It then goes on to state that his benevolence to the South incurred the extreme hostility of the radicals and they impeached him. The impeachment in the Senate failed of but one vote and then Lincoln was shot by an editor. This, of course, is but the imagination of the playwright; it catches, however, the spirit of liberality of Lincoln's program for Southern reconstruction.

If time would permit, I could tell you of his great addresses, particularly of his Gettysburg address at the dedication of the national cemetery. His remarks there are immortal. Curiously enough, the speech of the occasion was delivered by Edward Everett. Lincoln was to say but a few words at the close of the exercises. Everett's oration lasted two hours. It was a fine specimen of Civil War oratory, which, however, charms no more. Lincoln spoke for a little over five minutes, but his words sank deep. Nevertheless his hearers were unaware that a classic had been spoken which will endure forever in the English language.

All through his life Lincoln suffered much. His whole career seemed to be a struggle against insurmountable odds. His perseverance, however, always ended in victory. Trouble chastened him and made him great. The more severe the storms and the snows and sleet of the winter of the Northwest the finer and harder and more wholesome is the wheat. The more intense the white heat of the flame the more finely tempered becomes the steel. "Sweet are the uses of adversity." Trial and tribulation bent and tempered the mind of Lincoln and made him indeed one of our great immortals.

During the cataclysm of the Civil War, with death and destruction all around him, with his own ministers caballing against him, with his many erstwhile friends denouncing him as a traitor, he seemed to stand alone in the dark. His patience, his pitifulness, his courage, his sense of justice, all stand out in bold relief. Well did Stanton say at his death, "He belongs to the ages."

Although he was a man of no pronounced creed or belief, he nevertheless had a deep religiosity, and we can safely say in the words of the great Hebrew prophet Micah that Lincoln did justice, loved mercy, and walked humbly before his God.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 268. An act to excuse certain persons from residence upon homestead lands during 1929, 1930, 1931, and 1932 in the drought-stricken areas; and

H. J. Res. 292. Joint resolution to authorize the Secretary of Agriculture to aid in the establishment of agricultural credit corporations, and for other purposes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House adjourned until to-morrow, Tuesday, March 1, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Tuesday, March 1, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(10 a. m.)

Public works administration, H. R. 6665 and H. R. 6670.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(10 a. m.)

A bill to amend the air mail act of February 2, 1925, as amended by later acts, further to encourage commercial aviation (H. R. 8390).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

Bills dealing with general suspension, restriction, further restriction, and prohibition of immigration into the United States.

A bill to authorize increased expenditures for the enforcement of the contract-labor provisions of the immigration law (H. R. 9598).

COMMITTEE ON IRRIGATION AND RECLAMATION

(10.30 a. m.)

A bill for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law (S. 3706).

A bill for the rehabilitation of the Stanfield project, Oregon (H. R. 8164).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

458. A letter from the Secretary of the Navy, transmitting a draft of bill to authorize the Secretary of the Navy to accept donations and contributions for use in providing for recreation, amusement, and contentment of enlisted men; to the Committee on Naval Affairs.

459. A letter from the Secretary of the Navy, transmitting a draft of a bill to permit disbursing officers of the Navy and Marine Corps to use for current expenditures public money received by them from sales and other sources; to the Committee on Naval Affairs.

460. A letter from the treasurer of the Washington Rapid Transit Co., transmitting one copy each of balance sheet and list of stockholders of the Washington Rapid Transit Co. as of December 31, 1931; to the Committee on the District of Columbia.

461. A letter from the executive officer of the Personnel Classification Board, transmitting a request for permission to dispose of obsolete survey material and questionnaires, so that they may be sold as waste paper or otherwise disposed of in accordance to law; to the Committee on the Disposition of Useless Executive Papers.

462. A letter from the secretary of the National Institute of Arts and Letters, transmitting official report of 1931 of the National Institute of Arts and Letters; to the Committee on the Library.

463. A letter from the Secretary of War, transmitting a report dated February 26, 1932, from the Chief of Engineers, United States Army, on Willamette River, Oreg. (H. Doc. No. 263); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LEAVITT: Committee on Indian Affairs. H. R. 8691. A bill authorizing the Secretary of the Interior to sell certain unused Indian cemetery reserves on the Wichita Indian Reservation in Oklahoma to provide funds for purchase of other suitable burial sites for the Wichita Indians and affiliated bands; with amendment (Rept. No. 639). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CLARK of North Carolina: Committee on Claims. H. R. 3725. A bill for the relief of the First National Bank of Brenham, Tex.; without amendment (Rept. No. 634). Referred to the Committee of the Whole House.

Mr. CLARK of North Carolina: Committee on Claims. H. R. 3726. A bill for the relief of the Farmers State Bank of Georgetown, Tex.; without amendment (Rept. No. 635). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 4910. A bill for the relief of Gust J. Schweitzer; with an amendment (Rept. No. 636). Referred to the Committee of the Whole House.

Mr. SMITH of Virginia: Committee on Claims. H. R. 5922. A bill for the relief of W. A. Peters; with an amendment (Rept. No. 637). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 5933. A bill for the relief of John Evans; with an amendment (Rept. No. 638). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JAMES: A bill (H. R. 9916) to authorize the conversion of a storage hangar at Fairfield Air Depot, Fairfield, Ohio, into a paint, oil, and dope warehouse at that station; to the Committee on Military Affairs.

Also, a bill (H. R. 9917) to authorize the conversion of the Air Corps shops at Langley Field, Va., into a post exchange at that station; to the Committee on Military Affairs.

By Mr. MOORE of Kentucky: A bill (H. R. 9918) to provide for the commemoration of the death of Granville Allen, first blood shed on soil of State of Kentucky in the Civil War; to the Committee on Military Affairs.

By Mr. JAMES: A bill (H. R. 9919) to authorize appropriations for construction of buildings, utilities, and appurtenances thereto at Chanute Field, Ill.; to the Committee on Military Affairs.

Also, a bill (H. R. 9920) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. GOSS: A bill (H. R. 9921) to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. GRANFIELD: A bill (H. R. 9922) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. LEAVITT: A bill (H. R. 9923) to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation; to the Committee on Indian Affairs.

By Mr. LEWIS: A bill (H. R. 9924) to stabilize the coal-mining industry; regulate interstate and foreign commerce in coal; provide for cooperative marketing; require the licensing of corporations producing and shipping coal in interstate commerce; to secure fair prices to the operators and to consumers, and fair living and working conditions for the miners concerned; and to create a coal commission; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOCH: A bill (H. R. 9925) to provide emergency reductions in the payments of salaries or other pay by the United States; to the Committee on Expenditures in the Executive Departments.

By Mr. GARBER: A bill (H. R. 9926) providing for the purchase of a site and the erection of a public building thereon in the city of Boise City, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. LEWIS: A bill (H. R. 9927) amending section 23 of the Federal reserve act; to the Committee on Banking and Currency.

Also (by request), a bill (H. R. 9928) to provide that transferors for collection of negotiable instruments shall be preferred creditors of national banks in certain cases; to the Committee on Banking and Currency.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 9929) to provide for immediate payment of adjusted-service certificates without interest deductions; to the Committee on Ways and Means.

Also, a bill (H. R. 9930) providing regulations governing the sale of foreign securities in the United States; to the Committee on the Judiciary.

By Mr. MONTAGUE: Joint resolution (H. J. Res. 320) to authorize an appropriation for the American group of the Interparliamentary Union; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H. R. 9931) granting a pension to Frederick F. MacCleverty; to the Committee on Pensions.

By Mr. AYRES: A bill (H. R. 9932) granting an increase of pension to James Elmer Mulford; to the Committee on Pensions.

By Mr. BARTON: A bill (H. R. 9933) granting a pension to Etta Janes; to the Committee on Invalid Pensions.

By Mr. BUCKBEE: A bill (H. R. 9934) for the relief of Ross P. Beckstrom Co.; to the Committee on War Claims.

Also, a bill (H. R. 9935) for the relief of Michael H. Lorden; to the Committee on War Claims.

Also, a bill (H. R. 9936) granting an increase of pension to Mary A. West; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9937) granting an increase of pension to Charity West; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9938) for the relief of Charles Samuelson; to the Committee on War Claims.

Also, a bill (H. R. 9939) for the relief of John August Johnson; to the Committee on War Claims.

By Mr. CABLE: A bill (H. R. 9940) to authorize reinstatement of war-risk insurance of John D. Deardourff, deceased; to the Committee on Claims.

By Mr. CAMPBELL of Iowa: A bill (H. R. 9941) granting a pension to Emma J. Eberly; to the Committee on Invalid Pensions.

By Mr. CARDEN: A bill (H. R. 9942) granting an increase of pension to Martha R. Henderson; to the Committee on Invalid Pensions.

By Mr. CHASE: A bill (H. R. 9943) granting an increase of pension to Annie I. Love; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9944) granting an increase of pension to Margret E. Siford; to the Committee on Invalid Pensions.

By Mr. COLLIER: A bill (H. R. 9945) for the relief of William D. Wilson; to the Committee on War Claims.

Also, a bill (H. R. 9946) for the relief of Joe Vivian Wood; to the Committee on Naval Affairs.

Also, a bill (H. R. 9947) for the relief of Thomas A. Smith; to the Committee on Military Affairs.

Also, a bill (H. R. 9948) for the relief of Jack L. Madden; to the Committee on Military Affairs.

Also, a bill (H. R. 9949) for the relief of Johnnie J. Jones; to the Committee on Military Affairs.

Also, a bill (H. R. 9950) for the relief of Oliver Phillips; to the Committee on Naval Affairs.

By Mr. CULKIN: A bill (H. R. 9951) granting an increase of pension to Anna E. Tyler; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H. R. 9952) granting a pension to Annie R. C. Owen; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 9953) granting a pension to Sarah S. Shumate; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 9954) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 9955) for the relief of Lucius K. Osterhout; to the Committee on Military Affairs.

By Mr. MARTIN of Oregon: A bill (H. R. 9956) granting a pension to William H. Graham; to the Committee on Pensions.

By Mr. MILLIGAN: A bill (H. R. 9957) granting an increase of pension to Sarah A. Cunningham; to the Committee on Invalid Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 9958) granting an increase of pension to Decatur D. Kinser; to the Committee on Pensions.

By Mr. PARSONS: A bill (H. R. 9959) for the relief of Glenna F. Kelly; to the Committee on Claims.

By Mr. SHREVE: A bill (H. R. 9960) granting an increase of pension to Mary A. Beers; to the Committee on Invalid Pensions.

By Mr. STEWART: A bill (H. R. 9961) for the relief of John J. Flanagan; to the Committee on Military Affairs.

By Mr. STRONG of Kansas: A bill (H. R. 9962) for the relief of Percy C. Wright; to the Committee on Military Affairs.

By Mr. SWICK: A bill (H. R. 9963) granting an increase of pension to Samantha R. Freed; to the Committee on Invalid Pensions.

By Mr. TARVER: A bill (H. R. 9964) for the relief of Bonnie S. Baker; to the Committee on Claims.

By Mr. TEMPLE: A bill (H. R. 9965) granting an increase of pension to Nancy Hartsoc Carr; to the Committee on Invalid Pensions.

By Mr. TURPIN: A bill (H. R. 9966) granting a pension to Gwilym T. Lewis; to the Committee on Pensions.

By Mr. WYANT: A bill (H. R. 9967) for the relief of Jacob King; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3050. By Mr. ANDREWS of New York: Resolution adopted by Western New York League of Savings and Loan Associations, urging opposition to the bill authorizing the creation of Federal home-loan banks when it comes before the House; to the Committee on Banking and Currency.

3051. Also, petition of 25 citizens of the fortieth congressional district urging support of the prohibition law; to the Committee on the Judiciary.

3052. Also, resolution adopted by Niagara Lodge, 330, of the International Association of Machinists, urging support of the anti-injunction bill when it comes before the House; to the Committee on the Judiciary.

3053. By Mr. BOEHNE: Petition of Robert H. Kelly and others, protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3054. By Mr. BUCKBEE: Petition of the Woman's Christian Temperance Union, branch of Streator, Ill., opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3055. Also, petition of William C. Gridley, Rockford, Ill., and others, opposing the Sunday observance bill; to the Committee on the District of Columbia.

3056. By Mr. BURDICK: Petition of Helen A. Thomas, and 16 other citizens of West Barrington and Barrington, R. I., opposing the repeal, resubmission, or any modification of the eighteenth amendment; to the Committee on the Judiciary.

3057. By Mr. CARTER of California: Petition of the South Berkeley Union, Woman's Christian Temperance

Union, opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3058. By Mr. KELLER: Petition of Group No. 1678 of the Polish National Alliance of the United States of North America, urging that October 11 of each year be set aside as General Pulaski's memorial day; to the Committee on the Judiciary.

3059. By Mr. CHASE: Petition of citizens of Port Matilda, Pa., urging enforcement of prohibition law; to the Committee on the Judiciary.

3060. Also, petition of citizens of Kane, Pa., urging enforcement of prohibition law; to the Committee on the Judiciary.

3061. Also, petition of citidens of DuBois, Pa., urging enforcement of prohibition law; to the Committee on the Judiciary.

3062. By Mr. CONDON: Resolution of the Touro Fraternal Association of Rhode Island, composed of over 700 citizens of Rhode Island, opposing the passage of House bill 7436, providing for registration of aliens and a certificate of identification; to the Committee on Immigration and Naturalization.

3063. By Mr. CULKIN: Petition of Harbor and Dock Commission, Oswego, N. Y., protesting against the proposed change in administration and method of procedure in improvement of rivers and harbors; to the Committee on Rivers and Harbors.

3064. Also, petition of sundry citizens of Pulaski, N. Y., and vicinity, protesting against the enactment of Senate bill 1202, providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

3065. By Mr. CURRY: Petition of citizens of California, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or State legislatures; to the Committee on the Judiciary.

3066. By Mr. EVANS of Montana: Resolutions of the Montana State branch of the National Woman's Party, urging submission to the States for ratification the equal-rights amendment; to the Committee on the Judiciary.

3067. By Mr. GARBER: Petition of the Chappell Oil Co., Enid, Okla., opposing the levying of a Federal tax on gasoline; to the Committee on Ways and Means.

3068. Also, petition of the business men and taxpayers of the city of Ringwood; of members of Lone Wolf Post, No. 57, American Legion, Lone Wolf; of Lowery Post, No. 29, American Legion, Lawton; and of Argonne Post, No. 4, American Legion, Enid, all of the State of Oklahoma, urging payment of the adjusted-compensation certificates; also telegram from Clark Moss, commander, Hanes Finley Post, No. 153, American Legion, Wagoner, Okla., urging, on behalf of the post, payment of the adjusted-compensation certificates, and advising said post has gone on record through resolutions favoring enactment of such legislation; to the Committee on Ways and Means.

3069. By Mr. GIBSON: Petition of the Woman's Christian Temperance Union of Newport, Vt.; to the Committee on the Judiciary.

3070. By Mr. GILCHRIST: Petition of Elmer Shockey and 60 other citizens of Jefferson, Iowa, asking that House bill 1, being the adjusted-compensation bill, be made a law; to the Committee on Ways and Means.

3071. By Mr. GREENWOOD: Petition of J. B. Thayer, of Bloomington, and 126 other citizens of Monroe County, Ind., protesting against the passage of House bill 8092 or any other compulsory Sunday-observance bill; to the Committee on the District of Columbia.

3072. Also, petition of J. A. Crary and 53 other citizens of Daviess County, Ind., protesting against the passage of House bill 8092, Sunday observance bill; to the Committee on the District of Columbia.

3073. By Mr. GRISWOLD: Petition of Elsie McGuffey and 136 other citizens of Markle, Ind., protesting against any change or modification of the prohibition law, and urging strict enforcement of this law; to the Committee on the Judiciary.

3074. Also, petition of Rev. M. Vayhinger and 27 other citizens of Fairmount, Ind., protesting against any modification of the prohibition law, and urging the strict enforcement of such law; to the Committee on the Judiciary.

3075. By Mr. HOOPER: Petition of numerous citizens of Battle Creek, Mich., and vicinity, protesting against the enactment of House bill 8092 or any other compulsory Sunday observance bills; to the Committee on the District of Columbia.

3076. By Mr. JENKINS: Petition signed by 52 citizens of Nelsonville, Ohio, urging Congress to reduce expenses and to not increase taxes, and that Congress give the wheat that is stored by the Government to feed the people that are unemployed; to the Committee on Ways and Means.

3077. Also, petition signed by 30 adult residents of Jackson, Ohio, protesting against compulsory Sunday observance bill now before Congress, S. 1202; to the Committee on the District of Columbia.

3078. By Mr. JOHNSON of Oklahoma: Petition of approximately 535 citizens of Union Chapel, Hennessey, Kingfisher, Omega, Altoona, and Cashion, Okla., opposing repeal, modification, or resubmission of the eighteenth amendment; and of approximately 400 members of the Woman's Christian Temperance Union and Sunday schools of Duncan, Kingfisher, Geary, Sterling, Yukon, and Anadarko, Okla., urging strengthening and rigid enforcement of the prohibition laws, as well as protesting against repeal, modification, or resubmission; to the Committee on the Judiciary.

3079. Also, resolution adopted by Lowery Post, No. 29, Lawton, Okla., American Legion, Department of Oklahoma, declaring stability and prosperity of country dependent upon regular remunerative employment, ability to adequately protect and defend ourselves from domestic disorders and foreign aggression, calling attention to strife and unrest throughout the world, and favoring recommending to Representatives in Congress the immediate increase of our standing armed forces to 1,000,000 men; to the Committee on Military Affairs.

3080. By Mr. JOHNSON of Texas: Petition of Mrs. Lex Smith, of Teague, Tex., favoring Senate bill 1234, for rural sanitation; to the Committee on Interstate and Foreign Commerce.

3081. By Mr. JOHNSON of Washington: Petition of Adam Dziedzie, president Group No. 480, Polish National Alliance, Wilkeson, Wash., urging the enactment of House Joint Resolution 144, establishing October 11 of each year as Gen. Casimir Pulaski memorial day; to the Committee on the Judiciary.

3082. By Mr. KELLER: Petition of Group No. 1892 of the Polish National Alliance of the United States of America, urging October 11 of each year to be set aside as General Pulaski's memorial day; to the Committee on the Judiciary.

3083. By Mr. KVALE: Petition of Ogmar Post, No. 268, Farwell, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

3084. Also, petition of System Federation, No. 75, St. Paul, Minn., urging enactment of Senate bill 935; to the Committee on the Judiciary.

3085. Also, petition of Northwest Pay Bonus Now Organization of Hibbing, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

3086. Also, petition of 10 district presidents of the Minnesota Woman's Christian Temperance Union, urging enforcement of the eighteenth amendment; to the Committee on the Judiciary.

3087. Also, petition of Farmers Union, Thorpe Local No. 174, Lake Lillian, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

3088. Also, petition of Farmers Union, Thorpe Local No. 174, Lake Lillian, Minn., urging enactment of House bill 7797; to the Committee on Agriculture.

3089. Also, petition of Farmers Union, Thorpe Local No. 174, Lake Lillian, Minn., urging enactment of Senate bill 2487; to the Committee on Agriculture.

3090. Also, petition of workers in the stone industry in Minnesota, urging use of native stone and fabrication in Federal construction work; to the Committee on Public Buildings and Grounds.

3091. Also, petition of United Veterans, Swift County Unit, Benson, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

3092. Also, petition of National Association of Letter Carriers, Branch No. 1058, Hibbing, Minn., opposing any decrease in the salaries of the postal employees; to the Committee on the Post Office and Post Roads.

3093. Also, petition of Northern Wholesale Hardwood Lumber Association, Minneapolis, Minn., opposing continuation of the National Government in private business and insisting upon a wise expenditure of public funds; to the Committee on Ways and Means.

3094. Also, petition of Central Co-Operative Association, South St. Paul, Minn., asking loaning of money by the Government on a long-time basis through Federal land banks in sufficient amount to pay present farm indebtedness at interest rate not in excess of that fixed on loans made to foreign countries during the World War; to the Committee on Banking and Currency.

3095. Also, petition of Central Co-Operative Association, South St. Paul, Minn., asking for tariff on importations of oils and fats, etc., from the Philippines, and on all competitive farm commodities imported; to the Committee on Ways and Means.

3096. Also, petition of Alta Vista Farmers Union, Local 116, and Wergeland Farmers Union, Local 120, asking that a sales tax be established on all products manufactured for food and clothing; to the Committee on Ways and Means.

3097. Also, petition of Central Co-Operative Association, South St. Paul, Minn., asking investigation into methods and policies of the Federal Farm Board, etc.; to the Committee on Agriculture.

3098. Also, petition of Rod and Gun Club of Forada, Minn., favoring Federal tax on shells instead of the Federal hunting license; to the Committee on Ways and Means.

3099. Also, petition of residents of the seventh district of Minnesota, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3100. Also, petition of Malta Local, No. 158, Clinton, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

3101. Also, petition of Malta Local, No. 158, Clinton, Minn., urging enactment of Senate bill 2487 and House bill 7797; to the Committee on Agriculture.

3102. By Mr. LAMBERTSON: Petition of Mrs. I. Livingood and 33 other persons of Corning, Kans., urging the maintenance of the prohibition law and its enforcement, and opposing any measure of repeal, modification, or resubmission to the States; to the Committee on the Judiciary.

3103. Also, resolution of the Woman's Christian Temperance Union Institute of Corning, Kans., urging the maintenance of the prohibition law and its enforcement, and opposing any measure of repeal, modification, or resubmission to the States; to the Committee on the Judiciary.

3104. Also, resolution of the Tonganoxie Friends, Tonganoxie, Kans., opposing the resubmission to the States of the repeal of the prohibition law, and urging adequate appropriations for law enforcement; to the Committee on the Judiciary.

3105. By Mr. LANKFORD of Georgia: Petition of citizens of Monroe County, Ga., protesting against removal and abandonment of airport at Forsyth, Ga.; to the Committee on Naval Affairs.

3106. Also, petition of citizens of Ware County, Ga., protesting against increased tax on tobacco, and requesting that a reduction be made in this tax; to the Committee on Ways and Means.

3107. By Mr. LINDSAY: Petition of John Foster, United States veterans' hospital, Fort Bayard, N. Mex., favoring the passage of House bill 1; to the Committee on World War Veterans' Legislation.

3108. Also, petition of American Federation of Full-Fashioned Hosiery Workers, Philadelphia, Pa., favoring the passage of the LaGuardia-Norris anti-injunction legislation; to the Committee on the Judiciary.

3109. Also, petition of United States Building & Loan League, Pittsburgh, Pa., favoring the passage of home loan bank legislation; to the Committee on Banking and Currency.

3110. Also, petition of the Propeller Club of the United States, port of Pittsburgh, Pa., opposing the passage of House bill 9390; to the Committee on Rivers and Harbors.

3111. By Mr. MARTIN of Massachusetts: Petition of sundry residents of Bristol County, Mass., protesting against enactment of Senate bill 1202; to the Committee on the District of Columbia.

3112. By Mr. MEAD: Petition of the Propeller Club of the United States, opposing House bill 9390; to the Committee on Interstate and Foreign Commerce.

3113. By Mr. MITCHELL: Petition of Vergil Lambert and others, of Westmoreland, Tenn.; to the Committee on Appropriations.

3114. Also, petition of Mrs. C. R. Hickerson, president Woman's Christian Temperance Union of Coffee County, Tenn.; to the Committee on the Judiciary.

3115. By Mr. NIEDRINGHAUS: Petition of the John J. O'Neill Branch, No. 343, National Association of Letter Carriers, urging support of Sweeney bill (H. R. 6183); to the Committee on the Post Office and Post Roads.

3116. Also, petition of the John J. O'Neill Branch, No. 343, National Association of Letter Carriers, opposing any reduction in the wages of Government employees; to the Committee on Appropriations.

3117. Also, petition of Helen Whitfield and 90 other citizens, of St. Louis, Mo., protesting against the passage of House bill 8092 or any other compulsory Sunday observance bills; to the Committee on the District of Columbia.

3118. By Mr. O'CONNOR: Petition signed by 292 citizens of the city of New York, protesting against the passage of House bill 8092; to the Committee on the District of Columbia.

3119. By Mr. PARKER of Georgia: Petition of the Benefit Association of Railway Employees, Savannah (Ga.) Local, No. 214, urging the enactment of Senate bill 2793, providing for the regulation by the Interstate Commerce Commission of busses and trucks carrying passengers and freight; to the Committee on Interstate and Foreign Commerce.

3120. Also, petition of Savannah (Ga.) Aerie, No. 330, Fraternal Order of Eagles, urging the enactment of House bill 7230, providing uniform pensions for the widows and orphans of the veterans of all wars in which the United States has participated; to the Committee on Pensions.

3121. Also, petition of Georgia Federation of Women's Clubs, urging the enactment of legislation that will provide pensions for the widows and orphans of World War veterans on the same footing as the widows and orphans of the veterans of other wars in which the United States has engaged; to the Committee on World War Veterans' Legislation.

3122. Also, petition of the grand jury for Monroe County, Ga., protesting against the contemplated removal and abandonment of the airport now located in said county near the city limits of Forsyth, Ga.; to the Committee on Interstate and Foreign Commerce.

3123. Also, petition of H. D. Solomon and 11 other citizens of Savannah, Ga., urging the enactment of Senate bill 2793 providing for the regulation by the Interstate Commerce Commission of busses and trucks carrying passengers and freight; to the Committee on Interstate and Foreign Commerce.

3124. By Mr. PRATT: Petition of Mrs. W. J. Whiston, Mrs. E. C. Quimley, Mrs. J. D. Van Kleeck, and 32 other residents, of Kingston, Ulster County, N. Y., praying for maintenance of the eighteenth amendment, and opposing repeal, modification, or resubmission to the States; to the Committee on the Judiciary.

3125. Also, petition of Frank S. Howland, E. E. Brady, John Slattery, and 24 other citizens of Athens, Greene

County, N. Y., praying for passage of the Beck-Linthicum resolution; to the Committee on the Judiciary.

3126. Also, petition of 47 members of the Woman's Christian Temperance Union of Canaan, Columbia County, N. Y., praying for opposition to the resubmission of the eighteenth amendment to the States; to the Committee on the Judiciary.

3127. By Mr. RICH: Petition of citizens of Potter County, Pa., favoring House bill 8092; to the Committee on the District of Columbia.

3128. By Mr. ROBINSON: Resolutions sent in by Mrs. F. L. Collis, and signed by Mildred Wheatman, secretary, Iowa Falls Parent-Teachers' Association, Iowa Falls, Iowa; Church of the Nazarene, representing 21 people; Four-Square Gospel, representing 75 people; 50 men and women of the Iowa Falls Christian Church; Iowa Falls Woman's Club, representing 60 people; Congregational Ladies' Bible Class, representing 20 ladies; and First Baptist Church, representing 85 people, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or State legislatures, and urging adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3129. Also, resolution adopted by the union evening service of the Methodist, Presbyterian, and United Brethren Churches, representing 800 people, on February 23, 1932, and sent in by Rev. Roscoe C. Jerrell, pastor of the Methodist Church, Toledo, Iowa, opposing the resubmission of the eighteenth amendment to be ratified by State legislatures or State conventions, and urging adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3130. By Mr. RUDD: Petition of the Propeller Club of the United States, port of Pittsburgh, opposing the passage of House bill 9390; to the Commitee on Interstate and Foreign Commerce.

3131. Also, petition of United States Building and Loan League, favoring the passage of home loan bank legislation; to the Committee on Banking and Currency.

3132. Also, petition of Medical Society of the State of New York, opposing the passage of Senate bill 2146 to prohibit experiments upon living dogs in the District of Columbia; to the Committee on the District of Columbia.

3133. Also, petition of American Federation of Full-Fashioned Hosiery Workers, Philadelphia, Pa., favoring the Norris-LaGuardia anti-injunction bills; to the Committee on the Judiciary.

3134. Also, petition of Pennsylvania Grade Crude Oil Association, favoring a reasonable tariff on crude petroleum; to the Committee on Ways and Means.

3135. Also, petition of J. Loveland, Forest Hills; Mary S. Vatter, of Maspeth, Long Island, and C. Rom, of New York City, N. Y., opposing the proposed Federal gasoline tax; to the Committee on Ways and Means.

3136. By Mr. SCHUETZ: Petition of Group No. 633 of the Polish National Alliance of the United States of North America, memorializing Congress to proclaim October 11, as General Pulaski's memorial day; to the Committee on the Judiciary.

3137. Also, petition of Group No. 1450 of the Polish National Alliance of the United States of North America, memorializing Congress to proclaim October 11 as General Pulaski's memorial day; to the Committee on the Judiciary.

3138. Also, petition of Group No. 996 of the Polish National Alliance of the United States of North America, memorializing Congress to proclaim October 11 as General Pulaski's memorial day; to the Committee on the Judiciary.

3139. Also, petition of Group No. 594 of the Polish National Alliance of the United States of North America, memorializing Congress to proclaim October 11 as General Pulaski's memorial day; to the Committee on the Judiciary.

3140. Also, petition of Group No. 2435 of the Polish National Alliance of the United States of North America, memorializing Congress to proclaim October 11 as General Pulaski's memorial day; to the Committee on the Judiciary.

3141. By Mr. SELVIG: Petition of Anna Dudley and 18 others and Lelah Presnall and 2 others, of Detroit Lakes; and Mathilde Davis and 8 others, of Rochert and Detroit Lakes, all of the State of Minnesota, protesting against the Sunday observance bill; to the Committee on the District of Columbia.

3142. Also, petition of State Senator Carl M. Iverson, of Ashby, Western Grain & Coal Co., Winona, Hjalmar Nilsson, St. Paul, and Petroleum Service Co., Minneapolis, all of the State of Minnesota, opposing enactment of a Federal gasoline tax; and L. M. Olson, Lake Park, Minn., urging reduction in taxes to prevent farmers from losing homes; to the Committee on Ways and Means.

3143. By Mr. SNOW: Petition of J. A. Olander and other citizens, of New Sweden, Me., requesting the enactment of appropriate legislation to place highway trucks and bus lines under regulation; to the Committee on Interstate and Foreign Commerce.

3144. By Mr. SWANSON: Petition of Helmer Reyelt Post, American Legion, Harlan, Iowa, favoring immediate cash payment of balance of adjusted-compensation certificates; to the Committee on Ways and Means.

3145. By Mr. SWING: Petition of 72 citizens of San Fernando, Calif., supporting the maintenance of the prohibition law and its enforcement, and protesting any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

3146. By Mr. TARVER: Petition of T. B. Owens and sundry other citizens of Rome, Ga., protesting against the passage of House bill 8092; to the Committee on the District of Columbia.

3147. By Mr. TAYLOR of Colorado: Petition of members of the Christian Church, the Methodist Church, and the Business and Professional Women's Club, of Clifton, Colo., opposing any measure of resubmission to the States of the eighteenth amendment, and urging adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3148. Also, petition from members of the First Baptist, Methodist, and Church of God Churches, of Olathe, Colo., opposing any measure of resubmission to the States of the eighteenth amendment, and urging adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3149. Also, petition of Mrs. W. H. Cutler and 42 other citizens of Durango, Colo., opposing repeal, modification, or resubmission to the States of the eighteenth amendment; to the Committee on the Judiciary.

3150. By Mr. TEMPLE: Petition of First Presbyterian Church of Canonsburg, Pa., supporting the eighteenth amendment, and protesting against submission of an amendment to the States repealing the eighteenth amendment; to the Committee on the Judiciary.

3151. By Mr. THOMASON: Petition of El Paso business men, protesting a tax upon the automotive industry; to the Committee on Ways and Means.

3152. By Mr. TIMBERLAKE: Petition of First Presbyterian Church, Loveland, Colo., protesting against submitting eighteenth amendment to the States for a referendum vote; to the Committee on the Judiciary.

3153. Also, petition of Willard (Colo.) Woman's Christian Temperance Union, protesting against submitting eighteenth amendment to the States for a referendum vote; to the Committee on the Judiciary.

3154. Also, petition of Loveland (Colo.) Woman's Christian Temperance Union, protesting against submission of eighteenth amendment to the States for a referendum vote; to the Committee on the Judiciary.

3155. By Mr. WELCH of California: Resolution of California Farm Bureau Federation, advocating a tariff on all foreign vegetable oils and products from which those oils are derived, and that the importations from the Philippine Islands be subjected to the same restrictions either by granting independence to the islands or by special provision of law; to the Committee on Ways and Means.

3156. By Mr. WIGGLESWORTH: Petition of sundry residents of the fourteenth Massachusetts congressional district,

protesting against the passage of Senate bill 1202 providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

3157. By Mr. WITHROW: Memorial in the nature of a joint resolution of the Legislature of the State of Wisconsin in special session, relating to a preferential excise tax on tobacco products manufactured from tobacco purchased from a cooperative marekting association; to the Committee on Ways and Means.

3158. By Mr. WYANT: Petition of Woman's Christian Temperance Union of Scottdale, Westmoreland County, Pa., representing 500 citizens, opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3159. Also, petition of Woman's Christian Temperance Union of New Kensington, representing 30 citizens, opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3160. Also, petition of Group No. 1211, Polish National Alliance, of Mount Pleasant, Westmoreland County, Pa., urging enactment of legislation proclaiming October 11 of each year as General Pulaski's memorial day; to the Committee on the Judiciary.

3161. Also, petition of Group No. 1760, Polish National Alliance, of New Kensington, Pa., urging enactment of legislation proclaiming October 11 of each year as General Pulaski's memorial day; to the Committee on the Judiciary.

3162. By Mr. HOOPER: Petition of residents of Climax, Mich., protesting against the enactment of Sunday observance bill S. 1202, or any other compulsory religious measures; to the Committee on the District of Columbia.

3163. By Mr. WYANT: Petition of Group No. 2213, Polish National Alliance, of Monessen, Pa., urging legislation to proclaim October 11 of each year as General Pulaski's memorial day; to the Committee on the Judiciary.

3164. Also, petition of officers of the First Lutheran Sabbath school, of Vandergrift, Pa., representing 700 members, opposing any change in eighteenth amendment, Volstead Act, and other enforcement measures; to the Committee on the Judiciary.

3165. Also, petition of Propeller Club of the United States, port of Pittsburgh, against House bill 9390; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, MARCH 1, 1932

(Legislative day of Wednesday, February 24, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Schall
Austin	Cutting	Kendrick	Sheppard
Bankhead	Dale	Keyes	Shipstead
Barbour	Dickinson	King	Smith
Barkley	Dill	La Follette	Smoot
Bingham	Fess	Lewis	Steiwer
Black	Fletcher	Logan	Stephens
Blaine	Frazier	Long	Thomas, Idaho
Borah	George	McGill	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Morrison	Vandenberg
Bulkley	Gore	Moses	Wagner
Bulow	Hale	Neely	Walcott
Byrnes	Harrison	Norbeck	Walsh, Mass.
Capper	Hatfield	Norris	Walsh, Mont.
Caraway	Hayden	Nye	Waterman
Carey	Hebert	Oddie	Watson
Connally	Howell	Patterson	Wheeler
Coolidge	Hull	Reed	White
Copeland	Johnson	Robinson, Ark.	
Costigan	Jones	Robinson, Ind.	

Mr. JOHNSON. I announce that my colleague the junior Senator from California [Mr. SHORTRIDGE] is still detained from the Senate by reason of continued illness. I ask that the announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. TOWNSEND. I wish to announce the unavoidable absence of my colleague the senior Senator from Delaware [Mr. HASTINGS]. I shall let this announcement stand for the day.

Mr. HULL. My colleague the senior Senator from Tennessee [Mr. MCKELLAR] is necessarily detained from the Senate. This announcement may stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva, Switzerland.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the executive officer of the Personnel Classification Board, reporting, pursuant to law, relative to an accumulation of papers on the files of the board not needed in the conduct of business or having any historical interest, and asking for action looking toward their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. DALE and Mr. MCKELLAR members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a cablegram from the speaker of the House of Representatives of Porto Rico, which was referred to the Committee on Pensions and ordered to be printed in the RECORD, as follows:

[Cablegram]

SAN JUAN, P. R., *February 24, 1932.*

HON. CHARLES CURTIS,
President of the Senate,
Washington, D. C.:

House of Representatives of Porto Rico, met in regular session, resolved to respectfully request Congress to pass H. R. 7230, introduced by Congressman GASQUE, to increase pensions of widows of Spanish-American War veterans.

MANUEL F. ROSSY, *Speaker.*

The VICE PRESIDENT also laid before the Senate a letter in the nature of a petition from H. M. Haley, of Goodland, Kans., praying for the passage of the bill (S. 3677) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by the Friendship Citizens' Association of the District of Columbia, protesting against the passage of legislation to decrease the salaries of Government employees, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the Friendship Citizens' Association of the District of Columbia, protesting against the appointment of retired military personnel and persons not citizens of the District to positions in the municipal offices of the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. FESS presented a petition of sundry citizens of the State of Ohio, praying that the coal specifications of Ohio Federal institutions may be so amended as to make possible the purchase of coal mined in Ohio, which was referred to the Committee on Military Affairs.

Mr. SHEPPARD presented memorials of sundry citizens of Tulia and Friona, in the State of Texas, remonstrating against the passage of compulsory Sunday observance legislation, which were referred to the Committee on the District of Columbia.

Mr. HARRISON presented petitions of sundry citizens of the State of Mississippi, praying for amendment of the World War Veterans' adjusted compensation act, so as to provide that veterans may secure relief within a shorter

period of time than two years, which were referred to the Committee on Finance.

Mr. BARBOUR presented a resolution adopted by Middlesex and Somerset (N. J.) Pomona Grange, No. 13, Patrons of Husbandry, favoring the making of an extra appropriation of $25,000 for road patrol work in the control of the Japanese beetle, which was referred to the Committee on Appropriations.

Mr. VANDENBERG presented a petition of sundry citizens of Flint, Mich., praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

Mr. BLAINE presented resolutions adopted by groups of the Polish National Alliance of Ashland and Milwaukee, in the State of Wisconsin, favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's memorial day, which were referred to the Committee on the Judiciary.

Mr. AUSTIN presented memorials of sundry citizens of the State of Vermont, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

Mr. TYDINGS presented a petition of sundry citizens of Silver Spring, Takoma Park, Capitol Heights, Mount Rainier, Bethesda, Rockville, and Gaithersburg, all in the State of Maryland, praying for the passage of legislation providing for the regulation of the closing of barber shops on Sunday in the District of Columbia, known as the Copeland Sunday health bill, which was referred to the Committee on the District of Columbia.

He also presented a memorial of sundry citizens of Takoma Park, Md., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by Group No. 727, Polish National Alliance, of Baltimore, Md., favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's memorial day, which was referred to the Committee on the Judiciary.

He also presented a memorial of members of the Federated Shop Craft Organizations, at Baltimore, Md., remonstrating against the confirmation of James H. Wilkerson, of Illinois, to be United States circuit judge, seventh circuit, which was referred to the Committee on the Judiciary.

Mr. WALSH of Massachusetts presented memorials of sundry citizens of the State of Massachusetts, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented petitions of sundry citizens of the State of Massachusetts, praying for the passage of legislation authorizing the Treasurer of the United States to pay the full face value in cash of adjusted-compensation certificates (bonus), upon demand from any ex-service man, which were referred to the Committee on Finance.

He also presented a petition of sundry citizens of Hampshire County, Mass., praying for the passage of the so-called Dill bill, being the bill (S. 3037) to protect labor in its old age, which was referred to the Committee on Pensions.

Mr. COPELAND presented numerous petitions and papers in the nature of petitions of sundry citizens and temperance organizations in the State of New York, praying for the maintenance of the prohibition law and its enforcement and protesting against any measure looking toward its modification or repeal, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by groups of the Polish National Alliance of Buffalo, Rochester, Syracuse, and Schenectady, in the State of New York, praying for the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's memorial day, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of the State of New York, praying for the passage of legislation to prohibit experiments upon living dogs in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented memorials, numerously signed, of sundry citizens in the State of New York, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented a petition of Seyburn-Liscum Camp, No. 12, United Spanish War Veterans, of Buffalo, N. Y., praying for the passage of legislation providing uniform pensions for widows, children, and dependent parents of certain war veterans, which was referred to the Committee on Pensions.

He also presented petitions of sundry citizens of Rochester, N. Y., praying for the passage of the so-called Capper-Kelly fair trade bill, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Oswego (N. Y.) Harbor and Dock Commission, remonstrating against any change in administration and methods of procedure in the improvement of rivers and harbors, which was referred to the Committee on Commerce.

He also presented several letters in the nature of memorials from branches of the Fleet Reserve Association in the State of New York, remonstrating against the enactment of legislation creating a department of national defense and favoring the enactment of legislation providing for increasing the efficiency of the Navy, which were referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the Young Men's Board of Trade, of New York City, N. Y., protesting against the enactment of legislation tending to reduce the standard of efficiency of the United States Army, which was referred to the Committee on Military Affairs.

He also presented memorials of sundry citizens of Schenectady, N. Y., remonstrating against the passage of legislation prohibiting or suspending automatic promotions of postal employees, which were referred to the Committee on Appropriations.

He also presented a resolution adopted by Harry B. Bentley Post, No. 443, the American Legion, of Elmira, N. Y., protesting against the making of reduced appropriations for citizens' military training camps, the Officers' Reserve Corps, or the Army, Navy, and Marine Corps, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by Gun Hill Post, No. 272, Veterans of Foreign Wars of the United States of America, protesting against the making of reduced appropriations for the War Department, which was referred to the Committee on Appropriations.

He also presented the petition of the Friday Study Club, of Watervliet, N. Y., praying for the furtherance of the work of the World Narcotic Defense Association, which was referred to the Committee on Finance.

He also presented a resolution adopted by the First Ward Democratic Club, of Yonkers, N. Y., favoring a revision of the tariff duty on sugar, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Glens Falls, N. Y., praying for the passage of legislation providing an embargo on exportations of arms, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by M. B. Butler Camp, No. 7, United Spanish War Veterans, of Niagara Falls, N. Y., protesting against the arrest of their comrade, Chief Clinton Rickard, by the Royal Mounted Police of Canada at Maniwake, Quebec, and favoring an investigation of the incident, which was referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of the State of New York, praying for the prompt ratification of the

World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the board of trustees of the Western New York League of Savings and Loan Associations, of Buffalo, N. Y., protesting against the passage of legislation authorizing the creation of Federal home-loan banks, which was referred to the Committee on Banking and Currency.

He also presented memorials of sundry citizens of the State of New York remonstrating against the passage of legislation reducing the salaries of Federal employees, which were ordered to lie on the table.

DES LACS LAKE DAM, NORTH DAKOTA

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (H. R. 5866) to authorize the construction of a dam across Des Lacs Lake, N. Dak., reported it without amendment and submitted a report (No. 352) thereon.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. From the Committee on Appropriations I report back favorably with amendments the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes, and I submit a report (No. 353) thereon. I give notice that I wish to call up the bill at the very earliest opportunity.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). The bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER:

A bill (S. 3867) restoring to tribal status and allotment certain lands on Standing Rock Indian Reservation in the States of South Dakota and North Dakota; to the Committee on Indian Affairs.

By Mr. LOGAN:

A bill (S. 3868) granting a pension to W. P. Saling; to the Committee on Pensions.

A bill (S. 3869) to amend and reenact paragraph (a) of section 3, chapter 801, of the act of July 3, 1926, as amended by chapter 349, act of May 29, 1930; to the Committee on Civil Service.

A bill (S. 3870) for the relief of Curtis Jett; and

A bill (S. 3871) for the relief of Thomas Salleng; to the Committee on Military Affairs.

By Mr. REED:

A bill (S. 3872) for the relief of Harry Gordon; to the Committee on Military Affairs.

A bill (S. 3873) to incorporate the Big Brother and Big Sister Federation, and for other purposes; to the Committee on the Judiciary.

By Mr. NEELY:

A bill (S. 3875) granting a pension to Emma Susan McMurdo; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 3876) to provide for payment of Indian bills and accounts, and for other purposes; to the Committee on Indian Affairs.

By Mr. HARRISON:

A bill (S. 3877) for the relief of John G. Sessions; to the Committee on Claims.

By Mr. WAGNER:

A bill (S. 3878) extending the classified civil service to include special-delivery messengers; to the Committee on Civil Service.

By Mr. SCHALL:

A bill (S. 3879) to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims"; and

A bill (S. 3880) to direct the distribution of the interest and principal of the permanent fund of the Chippewa Indians of Minnesota in accordance with the true purpose and intent of the agreements made pursuant to the act of January 14, 1889; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 3881) for the relief of George H. Sandel; and

A bill (S. 3882) for the relief of Louis Kusnitz; to the Committee on Military Affairs.

By Mr. NORBECK:

A bill (S. 3883) to provide for the payment of Sioux benefits to certain women of the Sioux Tribe of Indians; to the Committee on Indian Affairs.

By Mr. CAPPER:

A bill (S. 3884) to provide for the further development of vocational education in the several States and Territories, and for other purposes; to the Committee on Education and Labor.

By Mr. WAGNER:

A bill (S. 3885) to incorporate the Big Brother and Big Sister Federation, and for other purposes; to the Committee on the Judiciary.

AMENDMENTS TO AGRICULTURAL APPROPRIATION BILL

Mr. NEELY. Mr. President, the senior Senator from Tennessee [Mr. MCKELLAR] is absent by reason of a death in his family. At his request and on his behalf, I ask unanimous consent to submit 28 amendments to House bill 7912, the Agricultural Department appropriation bill, and ask that they may be printed and lie on the table.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, the amendments will be printed and lie on the table.

RECOMMITTAL OF A BILL

On motion of Mr. SMOOT, the bill (S. 695) authorizing additional hospital and domiciliary facilities for veterans of all wars, was ordered to be recommitted to the Committee on Finance.

CHANGE OF REFERENCE

On motion of Mr. NEELY, the Committee on Military Affairs was discharged from the further consideration of the following bills, and they were referred as indicated:

S. 1636. An act to provide for the erection at Parkersburg, W. Va., of a memorial monument to certain veterans of the Civil War; to the Committee on the Library.

S. 3123. An act for the relief of Russell C. Cross; to the Committee on Naval Affairs.

On motion of Mr. SHEPPARD, the Committee on Finance was discharged from the further consideration of the bill (S. 3803) for the relief of Edward N. Jerry, and it was referred to the Committee on Military Affairs.

INVESTIGATION OF PROHIBITION CONDITIONS

Mr. TYDINGS submitted the following resolution (S. Res. 172), which was referred to the Committee on the Judiciary:

Resolved, That a special select committee of 5 Senators, to be appointed by the President of the Senate, 3 from the majority political party and 2 from the minority political party, is authorized and directed to investigate conditions in the United States under the eighteenth amendment to the Constitution, and the prohibition laws, with a view to determining particularly (1) the economic and social conditions existing under the present enforcement laws, (2) the extent to which such laws are violated, (3) the amount of revenue which would be received by the United States Treasury should the manufacture and sale of intoxicating liquors be permitted by law, and (4) generally any matters related to or affecting the prohibition question. The committee shall report to the Senate as soon as practicable the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-second Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

INVESTIGATION OF CAMPAIGN EXPENDITURES IN 1932

Mr. DICKINSON submitted the following resolution (S. Res. 174), which was referred to the Committee on Privileges and Elections:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to investigate the campaign expenditures of the various presidential, vice presidential candidates, and candidates for the United States Senate in both parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage, and all other facts in relation thereto which would not only be of public interest but which would aid the Senate in enacting any remedial legislation or in deciding any contest which might be instituted involving the right to a seat in the United States Senate.

The investigation hereby provided for, in all the respects above enumerated, shall apply to candidates and contests before primaries, conventions, and the contests and campaign terminating in the general election in November, 1932.

Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee under oath by any person, persons, candidate, or political committee setting forth allegations as to facts which under this resolution it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpœna or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, clerical, and other assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee or any member of any subcommittee may administer oaths to witnesses and sign subpœnas for witnesses; and every person duly summoned before said committee or any subcommittee thereof who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate $100,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public, and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate on the first day of the next session of the Congress.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 14) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress.

PROPOSED ANTI-INJUNCTION LEGISLATION

The Senate resumed the consideration of the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

Mr. NORRIS. Mr. President, yesterday I entered a motion to reconsider the vote by which a certain amendment was agreed to. I announced then that if a subsequent amendment which I had offered was agreed to I would withdraw the motion, and if not I would insist upon it. The subsequent amendment has been agreed to. I understand, however, that to withdraw a motion to reconsider requires unanimous consent under the rule.

The VICE PRESIDENT. It requires a majority vote or unanimous consent.

Mr. NORRIS. I ask unanimous consent to withdraw the motion to reconsider.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

WAIVER OF PROSECUTION BY INDICTMENT

Mr. BRATTON. Mr. President, a few days ago attention of the Senate was directed to the fact that the chairman of the Committee on Appropriations in the body at the other end of the Capitol [Mr. BYRNS] had introduced legislation designed to consolidate bureaus and departments and do away with overlapping and duplication of departmental activities and expenses; that in addition the Senator from Arkansas [Mr. ROBINSON] had introduced a resolution designed to accomplish the same end; moreover, that the Senator from Georgia [Mr. GEORGE] had introduced a measure dealing with the same subject matter. Despite the fact that these three Members of the Congress had each separately sponsored legislation which was pending, a message came from the President suggesting, as though it originated at the White House, that legislation to that effect be undertaken.

On yesterday we received a message from the President suggesting certain reforms in judicial procedure. Among other things this was said:

WAIVER OF INDICTMENTS

Legislation should be enacted to permit an accused person to waive the requirement of indictment by grand jury. Where the accused admits his guilt, preliminary hearings and grand-jury proceedings are not necessary for his protection; they cause unnecessary expense and delay. In such cases the law should permit immediate plea and sentence upon the filing of an information. That would allow the accused to begin immediate service of his sentence without languishing in jail to await action of a grand jury, and would reduce the expense of maintenance of prisoners, lessen the work of prosecutors, and tend to speed up disposition of criminal cases.

Mr. President, in order that the situation may not be misunderstood, I invite attention to the fact that on January 5 last I introduced a bill the purpose of which was to accomplish exactly that result; that is to say, to permit the waiver of indictment where an accused person is willing to enter such waiver. That measure was considered by the Judiciary Committee and was reported favorably on February 10. It is on the calendar at this time. Reference was made to that fact on the last call of the calendar. The Senator from Arkansas [Mr. ROBINSON], the leader of the minority, invited attention to the importance of the measure and said that it should be considered by the Senate. The bill went over on the objection of the Senator from Wisconsin [Mr. BLAINE].

Mr. President, I invite attention to these facts simply to let it be understood that for some time this matter has been considered by one branch of the Congress. Legislation dealing with it has been proposed by a Member of the Senate. It has been considered by the Judiciary Committee of the Senate. It is now on the calendar of the Senate and I hope will receive early consideration by the Senate itself. Perhaps with the statements of the President to which attention has been directed the measure may be hastened to its final passage.

In view of these facts, I ask that the bill be printed in the RECORD at this point, together with a letter from the Attorney General under date of February 16, commenting upon the economies that would be effected by the passage of the legislation.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered.

The bill and letter are as follows:

Be it enacted, etc., That hereafter all prosecutions for capital or otherwise infamous crimes, in the courts of the United States and the courts of the District of Columbia, shall be by presentment or indictment of a grand jury unless the accused shall, in writing, and under such rules as the court may prescribe, expressly waive prosecution by presentment or indictment and consent to the filing of an information against him. In the event of such waiver the prosecution shall, with the approval of the court, be by information, and any judgment rendered and sentence imposed in any such case shall have the same force and effect in all respects as if the same had been rendered and imposed pursuant to a prosecution by presentment or indictment.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 16, 1932.

Hon. SAM G. BRATTON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your letter of the 12th instant, in which you ask to be furnished with an estimate of the economy which would be effected through the enactment of S. 2655, which provides for waiver of prosecution by indictment in certain criminal proceedings.

There would undoubtedly be a very substantial saving under such a provision, but its volume would depend primarily, of course, upon the number of accused persons willing to waive prosecution by indictment. There are no statistics available in the department upon which to base an estimate of what the number of such persons would be. Even if the number of such persons could be estimated with reasonable accuracy, it would still be necessary to estimate such items as the cost of producing witnesses before the grand jury in varying numbers and from varying distances in the respective cases and districts. I fear it would be impossible to predict with any degree of accuracy what the saving would be.

Respectfully,

WILLIAM D. MITCHELL, *Attorney General.*

Mr. BLAINE. I ask unanimous consent that immediately following the remarks of the Senator from New Mexico [Mr. BRATTON] an amendment which I propose to offer to the bill S. 2655 may be inserted in the RECORD.

There being no objection, the amendment intended to be proposed by Mr. BLAINE was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. BLAINE to Senate bill 2655: Page 1, line 9, after the word "him," insert a semicolon and the following: "except that no such waiver shall be allowed unless the accused has had a preliminary examination before a United States commissioner or other examining magistrate, which examination has resulted in a finding of probable cause."

LOANS TO VETERANS ON ADJUSTED-SERVICE CERTIFICATES

Mr. BLACK. Mr. President, I desire to ask the chairman of the Finance Committee [Mr. SMOOT] a question with reference to the bill S. 272, relating to loans to veterans upon their adjusted-service certificates, which was introduced in the Senate on December 9 and referred to the Committee on Finance. I wish to say that it has for its purpose the correcting of a manifest discrimination and injustice in the World War adjusted-compensation legislation. I call the Senate's attention to it because I desire to find out if it can be brought up, and, if it can not, I am going to move to discharge the committee at the first opportunity.

Mr. SMOOT. Mr. President, the committee has already reported about 50 such bills. The committee will meet again within a very few days, and, if there are any of them left upon the calendar, I am quite sure the committee will report them out either favorably or unfavorably.

Mr. BLACK. This is a bill, I will say to the Senator, that protects the holders of certificates who have had them for less than two years. Of course, many of the most patriotic soldiers did not obtain their certificates immediately, by reason of the fact that at the time they did not need the money.

Mr. SMOOT. No doubt at the next meeting of the committee we will reach the calendar upon which the bill referred to by the Senator appears. We have taken up the calendar in the effort to dispose of all that class of bills. The one to which he refers has evidently not as yet been reached, but I call the Senator's attention to the fact, as I have already said, that about 50 of them have been reported. If the Senator will just have a little patience, the committee is doing all it can and is working in every way it can to clear its calendar.

Mr. BLACK. I might say to the Senator that I do not want to be impatient; but so far as this bill is concerned, its terms are so simple and its merit is so unquestionable that it is difficult to understand why there should be the slightest delay, and I want to request that at next Tuesday's meeting the bill may be brought up before the committee.

PAYMENT OF WORLD WAR ADJUSTED-SERVICE CERTIFICATES

Mr. THOMAS of Oklahoma. Out of order I ask permission to introduce a bill, and, because of the importance of the measure, I ask further permission to make a statement explaining it.

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection? The Chair hears none, and the Senator from Oklahoma will proceed.

Mr. THOMAS of Oklahoma. Mr. President, the bill to be introduced by me proposes a plan for the payment immediately, and in full, of the obligation heretofore by law admitted to be due the ex-service men of the country. At this point I ask that the bill may be printed at length in the RECORD. I will not ask that it be read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 3874) to provide for the immediate payment of World War adjusted-service certificates, and for other purposes, was read twice by its title, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding the provisions of the World War adjusted compensation act, as amended, the adjusted-service certificates issued under the authority of such act are hereby declared to be immediately payable. Payments on account of such certificates shall be made through the several Federal reserve banks in the manner hereinafter provided upon application therefor to the Administrator of Veterans' Affairs, under such rules and regulations as he may prescribe, and upon surrender of the certificates and all rights thereunder (with or without the consent of the beneficiaries thereof). The payment in each case will be in an amount equal to the face value of the certificate; except that if, at the time of application for payment under this section, the principal and interest on or with respect to any loan upon any such certificate have not been paid in full by the veteran (whether or not the loan has matured), then, on request of the veteran, the administrator shall (1) pay or discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, (2) deduct the same from the amount of the face value of the certificate, and (3) provide for making payment in an amount equal to the difference between the face value of the certificate and the amount so deducted. No interest shall be charged on any loan authorized by section 502 of such act, as amended, made after the date of approval of this act and no interest shall be charged to the veteran after such date on loans heretofore made by the administrator, but in the case of any such loan made by the administrator out of the United States Government life insurance fund, the fund shall be entitled to receive interest to the date of maturity of the loan at the rate agreed upon at the time such loan was made, but the amount by which such agreed interest exceeds the amount of interest payable to the date of approval of this act shall be paid out of the adjusted-service certificate fund created under section 505 of such act, as amended. Upon payment under this section the certificate and all rights thereunder shall be canceled.

SEC. 2. For the purpose of providing funds for making the payments authorized in section 1, all amounts in the adjusted-service certificate fund created by section 505 of such act, as amended, are hereby made available and, in addition, the Secretary of the Treasury is authorized and directed to provide for the issuance from time to time of bonds of the United States, to be known as "adjusted-compensation payment bonds," and to be delivered to the Administrator of Veterans' Affairs. An amount equal to the face value of all bonds so issued shall be credited to such fund and the bonds shall be distributed to the several Federal reserve banks as hereinafter provided. Such bonds shall be payable 30 years from their respective dates of issue; except that the Secretary of the Treasury may in his discretion provide for a later period of payment of any issue of such bonds if in his opinion it is necessary in the public interest. Such bonds shall be in such denominations as the Secretary of the Treasury may prescribe, shall bear interest payable quarterly at the rate of 2 per cent per annum, and shall have all the rights and privileges accorded by law to other 2 per cent bonds of the United States. The total amount of such bonds shall not exceed the total amount required for the purpose of paying such adjusted-service certificates.

SEC. 3. Upon the receipt by the Administrator of Veterans' Affairs of any such bonds he shall distribute them to the several Federal reserve banks in proportion to the number of applications received from veterans within the various Federal reserve districts for payment of their adjusted-service certificates. Each bank receiving any such bonds is hereby authorized to issue Federal reserve bank notes in an amount equal to the face value of the bonds received by it, and such bonds shall be held as collateral security for such bank notes. Such notes shall be of such denominations (including denominations of $1 and $2) as may be authorized by the Federal reserve bank and except as provided in this act shall be subject to all the provisions of law relating to the Federal reserve notes. Payments on account of such certificates shall be made by means of such bank notes upon the order of the Administrator of Veterans' Affairs and in such manner as he shall prescribe. Such bank notes shall be legal tender in payment of all debts, public and private, except where otherwise expressly stipulated by contract, and shall be receivable for customs, taxes, and all public dues.

SEC. 4. (a) An application for payment under this act may be made and filed at any time before the maturity of the certificate

(1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

(b) If a veteran dies after the application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this act on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is filed but before the receipt of the payment under this act, or if the application is filed after the death occurs but before mailing of the check in payment to the beneficiary under section 501 of such act, as amended, payment shall be made to the estate of the veteran, irrespective of any beneficiary designation.

(c) Where the records of the Veterans' Administration show that an application disclosing an intention to claim the benefits of this act has been filed before the maturity of the certificate and the application can not be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

(d) If at the time this act takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor, he shall be entitled upon application made under section 302 of such act, as amended, to receive, at his option, either the certificate under section 501 of such act, as amended, or payment under this act.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this act.

SEC. 6. This act may be cited as the "adjusted compensation payment act."

NUMBER OF VETERANS AND AMOUNT DUE

Mr. THOMAS of Oklahoma. Mr. President, the number of ex-service men directly interested is approximately 3,658,527. The amount of the original obligation to such ex-service men was approximately $3,636,075,538. To date some 2,454,741 veterans have negotiated loans from the Government in a total sum of approximately $1,233,859,223.

On January 31, 1932, the approximate amount necessary to liquidate the balance admittedly to be due such ex-service men was $2,402,216,315, hence in order to pay now the full amount of such certificates it will be necessary to raise approximately the sum of $2,400,000,000. However, the fact that some 1,203,786 ex-service men have not applied for loans would indicate that such a number are not in special need of funds, and that in the event provision is made to pay the certificates in full a very large number of the ex-service men would not be in any hurry to cash their certificates.

It may be assumed that the 2,454,741 ex-service men who have already secured loans would make application immediately for the balance due, and if this assumption should be well founded it would take approximately the sum of $1,250,000,000 to make such immediate payment.

MONEY TO BE RAISED BY BONDS

The measure just introduced proposes a plan for raising the necessary funds and the payment of such funds to the beneficiaries under the certificates issued. The money is to be raised by a bond issue. Such bonds are to be of the kind issued to finance the construction of the Panama Canal—2 per cent consols—hence containing the circulation privilege.

The bonds are not to be offered for sale to the general public, as the public has neither the available cash nor the credit with which to purchase such bonds. All cash and credit now in the possession of the public should be retained for use in the payment of taxes, interest, debts, and the rehabilitation of industry. Instead of trying to sell such bonds to the public the bonds are to be issued and delivered to the several Federal reserve banks in proportion to the amount of money to be due the ex-service men residing in such reserve bank district.

Immediately upon the deposit of such bonds the several Federal reserve banks are authorized and directed to issue against such bonds Federal reserve bank notes for the full amount of such bonds, and thereafter upon the order of the Administrator of Veterans' Affairs the said banks are to pay out such notes—the actual notes, not checks—to the ex-service men in full payment of the amounts due on their respective adjusted-service certificates.

PURPOSES OF BILL

The main purpose of the measure is to settle with the ex-service men. The money is admittedly due them and the only question is the time of payment. Under present economic conditions, with other groups asking and receiving direct money relief, it can not be held out of order for the veterans to ask for an adjustment of the obligations due them in advance of the date set by law for payment.

In addition to settling with the veterans perhaps the proposed legislation would have an even greater value as a general relief measure. All during this session efforts have been made to devise some plan to bring about an end to deflation and an end to depression. Until deflation is checked the depression will linger. A number of relief measures have already been passed, but to date none have had any appreciable effect on either the people or upon the business of the country. Prices are still falling, money is still hoarded, unemployment increases, business is stagnant, and conditions are gradually growing worse.

The loaning of Government money to industry with which to pay interest and obligations has not, will not, and can not be more than a temporary palliative, and until the great masses of the people can be reinvested with some buying power times will continue to grow worse rather than better. No bill yet passed has any substantial element of relief for one-half our population made up of the unemployed, the wage earners on part time and reduced salaries, the farmers, and the small business men of the country.

INCREASE MONEY IN CIRCULATION

The bill proposed will put something like $2,400,000,000 of actual money, not credit, in immediate circulation and distribution throughout every section of the United States and even in many parts of the world. At this time credit is frozen and hence practically nonexistent. Money—actual cash, gold, silver, and paper—is either hoarded or is not circulating. At this time we have only some five and one-half billion dollars of actual money outside the Treasury. Of this sum approximately one-half billion is in foreign lands. It is estimated $100,000,000 are in Cuba alone. Then we are advised that some one and one-half billions is hoarded. Of the balance, the 22,000 banks are required by law to keep almost $1,000,000,000 in actual money in their vaults to meet the demands of depositors. These sums together make approximately three billions of money which, while outside the Treasury and therefore theoretically in circulation, is not in actual circulation, and for all practical purposes such vast sum has little more effect upon prices and business than if such money were on the bottom of the sea.

When we subtract three billions now out of practical circulation we find we have only two and one-half billion dollars of money—gold, silver, and paper—left with which to transact the business of the greatest, strongest, and richest nation of the earth.

With this situation confronting us is it any wonder we are in the midst of the most severe depression in history? The proposed bill, if enacted into law, will practically double the amount of actual money in circulation and will place the additional money where it will do the greatest possible amount of good. The actual currency, in relatively small quantities, will be distributed to all parts of all the States.

DIVISION OF MONEY AMONG STATES

At the end of my remarks I ask to have inserted as Exhibits A and B, respectively, a statement of the approximate amount which will go to each State and also a statement of the approximate amount which will go to some of the larger cities in each of the several States.

The PRESIDING OFFICER. Without objection, the exhibits will be printed in the RECORD.

(See Exhibits A and B at the conclusion of the speech of Mr. THOMAS of Oklahoma.)

Mr. THOMAS of Oklahoma. Mr. President, the direct and immediate effect of such a measure, if enacted into law, was stated in a signed article by H. L. Puxley, entitled

"Purchasing Power," and printed in Sunday's New York Times. The concluding paragraph in this article is in part as follows:

The fact remains that the unemployed man wants the bread that the baker wants to sell him, the baker wants to buy the wheat that the farmer wants to sell him, the farmer wants to buy the tractor that the manufacturer wants to sell him, the manufacturer wants to buy for his machinery the man power that the unemployed man wants to sell him. Put $100 of idle Federal reserve bank credit into the unemployed man's hands, and he, the baker, the farmer, the manufacturer should begin to work together as a mechanical exhibit works when a dime is put in the slot.

BENEFITS CLAIMED THROUGH BILL

The enactment of the proposed measure will, I claim, bring about the following results:

First. It will adjust a long drawn-out controversy with the ex-service men by paying them in full the amount of an obligation now by law admitted and acknowledged.

Second. It will increase the actual cash in practical circulation to an amount almost double that in circulation to-day.

Third. It will distribute such additional circulation uniformly to all parts of the country.

Fourth. It will reinvest directly and immediately more than three and one-half million men and their families with buying power.

Fifth. It will help directly a class of our citizenship not yet reached by any relief measures passed or proposed.

Sixth. In addition to helping the veterans it will help the farmer by providing funds in the hands of millions with which to purchase the farmers' produce.

Seventh. In the same way the farmers will be benefited, the small stores, the large stores, wholesalers, factories, truck lines, railways, and banks will be benefited.

Eighth. To the identical extent that small business is benefited the big business concerns will profit in added business and consequent dividends.

Ninth. The bill, if enacted, will serve notice to the people that money, instead of getting scarcer and thereby dearer, will become more plentiful, and to such extent as it becomes more plentiful it will become cheaper.

Tenth. Such notice that money is to become more plentiful and thereby cheaper will have the immediate effect of thawing out the money frozen in hidden places, as well as the money in the safety deposit boxes and the credit and money in the bank vaults of the country.

Eleventh. Such notice will serve to cause merchants to place orders to replenish their empty shelves and such orders will react on wholesalers, factories, the producers of raw materials, and on each and every class of wage earners.

Twelfth. As money comes down in buying power, commodity prices of all kinds will rise, and this is the identical end that all, save the favored few, are now demanding should be accomplished.

The bill, if enacted into law and if it will do what I have outlined, will bring about the following concrete definite results:

(a) Will advance prices of commodities.
(b) Will decrease the value of all debts.
(c) Will decrease the value of all interest.
(d) Will decrease the value of all taxes.
(e) Will decrease the value of all salaries.
(f) Will help the debtor class.
(g) Will prevent further bankruptcies and bank failures.
(h) Will put money in circulation and make it possible for the people to pay their taxes in support of local, State, and the Federal Government.
(i) In addition to the foregoing it will, I claim, help immediately and directly the great masses of our people in that it will raise prices, stimulate business, add value to property, add value to the collateral now pledged for loans and thereby enable borrowers to repay the loans, and will bring a definite and speedy end to the worst depression in history.

Such results, I claim, will come from the enactment of this measure.

The bill does not suggest a single new or radical provision of legislation. As to the payment of the amount admitted to be due the veterans, the only question is as to when such payment will be made.

As to the method of raising the money with which to make payment to the ex-service men, I propose the same method we used to finance the construction of the Panama Canal. The Panama Canal bonds were issued and used as the basis for national-bank currency and the Federal reserve act makes such bonds eligible for the issuance of Federal reserve bank notes. The bill as introduced takes advantage of existing laws, principles, and practices and extends same in aid of our soldiers who added glory to our country and to our flag.

EXHIBIT A

Amounts due veterans on certificates, by States

Alabama	$29,876,840
Arizona	7,411,302
Arkansas	25,373,058
California	136,500,005
Colorado	21,514,464
Connecticut	29,902,203
Delaware	3,918,525
District of Columbia	18,198,685
Florida	24,469,835
Georgia	35,151,645
Idaho	8,248,500
Illinois	157,543,750
Indiana	59,254,650
Iowa	46,574,480
Kansas	34,934,250
Kentucky	38,064,000
Louisiana	31,168,150
Maine	13,446,550
Maryland	31,140,525
Massachusetts	82,376,144
Michigan	85,407,400
Minnesota	53,105,250
Mississippi	21,456,974
Missouri	67,608,904
Montana	11,424,128
Nebraska	24,227,271
Nevada	1,988,889
New Hampshire	8,084,753
New Jersey	77,317,513
New Mexico	6,257,550
New York	245,948,177
North Carolina	38,794,117
North Dakota	9,738,745
Ohio	117,878,406
Oklahoma	39,815,376
Oregon	22,978,122
Pennsylvania	172,888,542
Rhode Island	13,731,012
South Carolina	21,349,617
South Dakota	13,074,391
Tennessee	36,318,844
Texas	95,655,800
Utah	8,930,767
Vermont	5,604,408
Virginia	41,006,200
Washington	37,874,647
West Virginia	25,976,846
Wisconsin	52,438,873
Wyoming	7,144,348

EXHIBIT B

Amounts due veterans, by cities

Birmingham, Ala	$3,008,136
Montgomery, Ala	792,948
Mobile, Ala	718,424
Phoenix, Ariz	817,887
Tucson, Ariz	562,602
Little Rock, Ark	1,117,368
Bakersfield, Calif	443,556
Berkeley, Calif	1,398,423
Los Angeles, Calif	21,008,718
Oakland, Calif	4,843,274
Sacramento, Calif	1,640,625
San Francisco, Calif	11,101,895
Stockton, Calif	839,625
Denver, Colo	6,000,873
Pueblo, Colo	1,040,494
Bridgeport, Conn	2,730,385
Hartford, Conn	3,053,379
New Haven, Conn	3,026,810
Waterbury, Conn	1,859,176
Wilmington, Del	1,752,455
District of Columbia	18,199,163
Jacksonville, Fla	2,149,208
Miami, Fla	1,835,468
St. Petersburg, Fla	670,651
Tampa, Fla	1,678,261
Atlanta, Ga	3,371,429

Columbus, Ga	$521,885
Macon, Ga	651,331
Savannah, Ga	1,028,790
Boise, Idaho	399,210
Pocatello, Idaho	305,208
Chicago, Ill	69,554,623
Danville, Ill	756,359
East St. Louis, Ill	1,531,548
Evanston, Ill	1,304,763
Joliet, Ill	885,646
Peoria, Ill	2,162,361
Rockford, Ill	1,767,798
Springfield, Ill	1,480,399
Evansville, Ind	1,868,934
Fort Wayne, Ind	2,102,365
Gary, Ind	1,836,992
Indianapolis, Ind	6,660,505
South Bend, Ind	1,905,690
Cedar Rapids, Iowa	1,057,327
Council Bluffs, Iowa	792,705
Davenport, Iowa	1,145,156
Des Moines, Iowa	263,734
Soux City, Iowa	1,492,560
Waterloo, Iowa	870,700
Hutchinson, Kans	502,968
Kansas City, Kans	2,262,884
Wichita, Kans	2,633,313
Covington, Ky	950,069
Lexington, Ky	665,916
Louisville, Ky	1,403,317
Paducah, Ky	488,357
Baton Rouge, La	455,711
New Orleans, La	6,804,440
Shreveport, La	1,136,794
Bangor, Me	495,570
Lewiston, Me	590,271
Portland, Me	1,195,981
Baltimore, Md	15,365,055
Cumberland, Md	720,590
Hagerstown, Md	589,136
Boston, Mass	15,149,423
Fall River, Mass	2,236,010
Lynn, Mass	1,982,962
Springfield, Mass	2,905,067
Worcester, Mass	3,785,127
Detroit, Mich	27,370,104
Flint, Mich	2,760,660
Grand Rapids, Mich	2,974,104
Lansing, Mich	1,382,976
Pontiac, Mich	1,244,836
Duluth, Minn	2,118,005
Minneapolis, Minn	9,599,048
St. Paul, Minn	5,613,972
Jackson, Miss	515,834
Meridian, Miss	341,760
Vicksburg, Miss	245,640
Kansas City, Mo	7,448,000
St. Louis, Mo	15,268,496
Springfield, Mo	1,079,960
St. Joseph, Mo	1,508,220
Billings, Mont	348,498
Butte, Mont	850,036
Great Falls, Mont	612,006
Grand Island, Nebr	316,440
Lincoln, Nebr	1,346,080
Omaha, Nebr	3,762,128
Reno, Nev	404,042
Las Vegas, Nev	113,568
Concord, N. H	434,500
Manchester, N. H	1,337,162
Nashua, N. H	537,781
Camden, N. J	2,295,604
Elizabeth, N. J	2,119,954
Jersey City, N. J	6,064,210
Newark, N. J	8,417,208
Paterson, N. J	2,678,210
Trenton, N. J	2,295,658
Buffalo, N. Y	10,787,526
Albany, N. Y	2,483,102
New York City	132,371,518
Rochester, N. Y	6,007,512
Syracuse, N. Y	3,991,902
Asheville, N. C	614,448
Charlotte, N. C	1,015,920
Durham, N. C	636,482
Greensboro, N. C	660,964
Winston-Salem, N. C	918,106
Fargo, N. Dak	414,712
Grand Forks, N. Dak	243,210
Minot, N. Dak	228,876
Akron, Ohio	460,981
Cincinnati, Ohio	797,853
Cleveland, Ohio	15,957,869
Columbus, Ohio	513,762
Toledo, Ohio	5,319,686
Muskogee, Okla	531,842
Oklahoma City, Okla	3,157,802
Tulsa, Okla	831,620
Eugene, Oreg	$216,812
Portland, Oreg	8,227,000
Salem, Oreg	626,340
Erie, Pa	2,154,108
Harrisburg, Pa	1,436,206
Philadelphia, Pa	35,900,102
Scranton, Pa	2,513,606
Pittsburgh, Pa	12,026,504
Providence, R. I	5,051,410
Pawtucket, R. I	1,536,512
Woonsocket, R. I	986,518
Charleston, S. C	764,064
Columbia, S. C	614,002
Greenville, S. C	355,120
Spartanburg,, S. C	348,766
Aberdeen, S. Dak	311,355
Rapid City, S. Dak	196,248
Sioux Falls, S. Dak	192,474
Chattanooga, Tenn	1,656,202
Knoxville, Tenn	1,462,818
Memphis, Tenn	3,491,403
Nashville, Tenn	2,125,216
Dallas, Tex	4,289,288
El Paso, Tex	1,774,846
Fort Worth, Tex	2,628,998
Houston, Tex	4,761,812
San Antonio, Tex	3,776,664
Ogden, Utah	703,202
Provo, Utah	263,710
Salt Lake City, Utah	2,461,266
Barre, Vt	171,380
Burlington, Vt	389,516
Rutland, Vt	264,862
Lynchburg Va	694,130
Norfolk, Va	2,200,904
Richmond, Va	3,097,196
Roanoke, Va	1,168,172
Spokane, Wash	2,809,524
Tacoma, Wash	2,591,548
Seattle, Wash	8,864,520
Charleston, W. Va	901,212
Huntington, W. Va	1,141,522
Wheeling, W. Va	931,248
Kenosha, Wis	875,216
Madison, Wis	1,015,002
Milwaukee, Wis	10,500,696
Oshkosh, Wis	710,202
Racine, Wis	1,155,102
Casper, Wyo	530,910
Cheyenne, Wyo	562,148
Sheridan, Wyo	265,456

The PRESIDENT pro tempore. The bill introduced by the Senator from Oklahoma will be referred to the Committee on Finance.

RAILROAD MERGER

Mr. KING. Mr. President, the Senator from Nebraska, who has charge of the pending bill, has kindly consented that I might bring to the attention of the Senate a matter which I regard as of some importance. I shall not consume much of the Senate's time in its presentation. I ask that the resolution I send to the desk be read for the information of the Senate.

The PRESIDENT pro tempore. Without objection, the resolution will be read.

The resolution (S. Res. 173) was read, as follows:

Whereas it has been asserted within the last few days by the chairman of the legislative committee of the Interstate Commerce Commission, in his official capacity, that through the formation of holding companies, and otherwise, numerous combinations of parallel and competing railroads engaged in interstate commerce have recently been made without authority of law, and particularly without first obtaining the approval of the Interstate Commerce Commission, as provided in section 5 of the interstate commerce act; and

Whereas the same authority has stated that there have apparently been deliberate attempts, by means of such combinations, to evade, anticipate, and forestall action by the Interstate Commerce Commission, and to restrict and impede said commission in the free and effective exercise of its lawful powers; and

Whereas it is a matter of common knowledge that in furtherance of the acts aforesaid large quantities of stocks and bonds in such holding companies and other corporations have been marketed and sold to private investors throughout the United States at prices far in excess of any present or prospective value, thus occasioning enormous losses to the purchasers thereof; and

Whereas a number of said combinations of railroads have been expressly declared by the commission to be in violation of law; and

Whereas there is now pending before the Interstate Commerce Commission an application of four railroad corporations in the eastern section of the United States which, if approved, would explicitly condone these violations of law and render the com-

mission powerless to exercise its independent judgment as to the public interest in the consolidation of railroads in such territory: Now, therefore, be it

Resolved, That the Attorney General of the United States be requested to inform the Senate as soon as practicable (1) whether such transactions constitute contracts, combinations, or conspiracies in restraint of trade or commerce among the several States or attempts to monopolize or restrain such commerce, in violation of the act of Congress of July 2, 1890, as amended, commonly called the antitrust act; (2) in what respect, if any, such transactions differ from the operation condemned by the Supreme Court of the United States in the so-called Northern Securities case (193 U. S. 197); and (3) what steps, if any, have been taken or are contemplated by the Department of Justice for the enforcement in these instances of the antitrust laws.

Mr. KING. Mr. President, it will be perceived that the resolution asks the opinion of the Attorney General as to whether the Sherman antitrust law has been violated by holding companies and parallel competing railroads engaged in interstate commerce. The Senate upon a number of occasions has requested the opinion of the Attorney General upon legal questions, particularly if they involved interpretations of the Constitution and Federal statutes or if they related to matters directly or indirectly within the cognizance of the Department of Justice.

Senators will recall the decision of the Supreme Court of the United States in the Northern Securities case (193 U. S. 197), where it was held that an arrangement for the consolidation of two competing transportation lines constituted an illegal combination in restraint of interstate commerce and fell within the provisions of the Sherman Act.

The resolution just read refers to a statement made a few days ago by Hon. Joseph B. Eastman, a member of the Interstate Commerce Commission, in which it is shown that mergers of competing railroad lines have been effected, that holding companies have been organized for the acquisition of various competing lines, and that such companies have obtained control of the capital stock of a large number of such competing lines.

Mr. Eastman refers to the report submitted by the Committee on Interstate and Foreign Commerce of the House of Representatives (71st Cong., 3d sess.), which presents in a detailed and comprehensive way the steps taken by such railroads and holding companies. The report fortifies Mr. Eastman's statement and, I think, supports the views and conclusions expressed by him. The companies referred to proceeded without the consent of the Interstate Commerce Commission to execute a gigantic plan which contemplated bringing under the control of four systems subbstantially all of the railroads of the eastern part of the United States.

It would appear from the statement, and the report mentioned, that the proceedings taken to effectuate the desired object were in controvention of the provisions of the Sherman law. If the steps taken by the railways and holding companies are in violation of the Sherman law, the Department of Justice should take cognizance of the same. Applications are now pending before the Interstate Commerce Commission which, if granted, would, in effect, condone what many believe to be illegal acts and amount to a pontifical blessing upon unrepentent transgressors.

It seems to me that the matter should be brought to the attention of the Department of Justice, and for that reason I am submitting the resolution which has just been read.

I shall not trespass upon the time of the Senate to discuss the many facts and questions involved, but desire to submit a few excerpts, with connecting comments, from Mr. Eastman's statement.

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Without objection, it may be done.

EXCERPTS FROM MR. EASTMAN'S STATEMENT AND COMMENTS

A number of roads have been acquired by holding companies and unifications "may be, and in some instances have been, effected without any supervision whatever by the commission." An important weakness of section 5 (of the interstate commerce act) grows out of the fact that it places "no control over the activities of the so-called holding companies in effecting the unification of railroad properties into systems." He then adds:

"1. The Pennsylvania Railroad Co. completely controls and dominates the Pennsylvania Co., which is a holding company pure and simple. Through this holding company the Pennsylvania Railroad has, we believe, acquired control of the Wabash and the Lehigh Valley Railroads. These acquisitions have not been approved by the commission, and the Pennsylvania Railroad denies that the commission has any jurisdiction over them under section 5. In this instance the control which the Pennsylvania Railroad exercises over the holding company is so direct and complete that we are not prepared to concede that the acquisition is not subject to the provisions of paragraph (2) of section 5. Nevertheless the present wording of that paragraph leaves this jurisdiction open to question, and the Pennsylvania Railroad has proceeded in entire disregard of its provisions.

"2. The so-called Van Sweringen interests have, we believe, acquired control of the Chesapeake & Ohio, the Erie, the Nickel Plate, the Pere Marquette, the Missouri Pacific, and probably the Chicago & Eastern Illinois Railroad. The bringing of these railroads under common control has not been sanctioned or approved by the commission, with the exception that it has authorized the Chesapeake & Ohio to acquire control of the Pere Marquette. The commission refused to approve the acquisition of control by the Nickel Plate of the Erie and the Chesapeake & Ohio (105 I. C. C. 425), and on another occasion it refused to approve the acquisition of control by the Chesapeake & Ohio of the Erie (138 I. C. C. 517). Nevertheless, all of the roads mentioned have been brought under common control. This has been done in large part through the agency of several holding companies, the most prominent being the Allegheny Corporation. The complicated interrelations of these holding companies and of the railroad companies in question are shown in detail in House Report No. 2789. Here the common control of the railroad companies, which is generally recognized as actual and effective, has been accomplished in a way which has been most cleverly disguised. It has not been done through any one holding company, but through a tangled maze of holding companies, which have utilized the resources of certain railroad companies, both directly and indirectly. Ultimate control seems to rest in certain individuals and banking concerns. There has apparently been a deliberate attempt to create a common control most difficult to analyze and equally difficult to trace and prove in a court of law. The cornerstone of the structure rests in the financial resources of the Chesapeake & Ohio Railroad. In three charts which are included in House Report No. 2789, between pages 878 and 879, a most interesting attempt has been made to analyze this maze in diagram form. In the third of these charts it is shown that the equities of the two then dominant individuals, O. P. and M. P. Van Sweringen, in the five principal railroads comprising the system, based on their proportion of contributed capital as of April 30, 1930, were as follows:

	Per cent
Nickel Plate	0.6879
Chesapeake & Ohio	.9815
Pere Marquette	.6387
Erie	.6015
Missouri Pacific	1.6904

"This system also has important interests in anthracite coal mining and distributing companies and in a so-called car-forwarding company.

"3. The third illustration is a holding company, known as the Pennroad Corporation, which has operated in the interest of the Pennsylvania Railroad, but is not controlled by it through ownership of stock. This holding company was created by the Pennsylvania Railroad ostensibly to protect its interests and those of its stockholders. The first right to subscribe to the stock of the Pennroad Corporation was given to the stockholders of the Pennsylvania Railroad, and control by the latter company was assured through a 10-year voting trust, under which three directors of the Pennsylvania Railroad were appointed to act as voting trustees, with authority to select their successors. This holding company has acquired controlling stock interests in the Detroit-Toledo & Ironton, the Pittsburgh & West Virginia, the Raritan River, and the Canton Co. Railroads, and substantial interests in the Boston & Maine, the Seaboard Air Line, and the New Haven, as well as lesser interests in other railroads. Coupled with stock interests which the New Haven has in the Boston & Maine and which the Pennsylvania Railroad has in the New Haven, the acquisitions of the Pennroad Corporation have given the Pennsylvania Railroad a very large voice in the affairs of the two principal New England railroads, just how large it is difficult to determine. All of these stock interests, controlling or otherwise, were acquired without any supervision by the commission, and under the theory that the commission is without jurisdiction. The Pennroad Corporation also has a controlling interest in the so-called car-forwarding company.

"Apart from section 5 of the interstate commerce act, the commission has certain jurisdiction under the Clayton Act over acquisitions of control, direct or indirect, of one railroad by another, or acquisitions of common control of two or more railroads, where it can be established that the effect of such acquisitions may be to substantially lessen competition between the corporations involved, or to restrain the commerce in which they are engaged, or to tend to create a monopoly of any line of commerce. But the enforcement of the commission's authority to break up such combination after they have been put together is hedged about by many difficulties and probably no such authority exists under the Clayton Act in the case of certain of the unifications which have been accomplished in the manner above described.

"Whether or not all or any of these unifications are consistent with the public interests it is unnecessary for present purposes to

determine. The important point to which we direct attention is that they have been accomplished entirely without supervision by the commission and without any opportunity on the part of the commission to consider the question of public interest. If, as we believe, it was the purpose of Congress to place the unification of the railway properties of the United States within the control of the commission, these illustrations show that wide opportunities exist for accomplishing such unifications without any such control in complete defeat of this purpose, and that these opportunities exist utterly irrespective of what the public interest may be."

Mr. Eastman further states that "unifications are being accomplished very largely in the two least desirable ways—either through purchases of stock or through leases," and adds that acquisitions of "control through stock purchases are also very likely to result in an increase in fixed charges, because the ordinary railroad can procure cash for such purchases, in the long run, only by selling more bonds."

Mr. Eastman refers to the idea prevalent in the railroad and financial world "that the only way in which railroads can be combined is by buying up stock, and that when stock is acquired quietly at low prices it is considered as a good deal, but it seldom works out that way. * * * If you will examine the record of the past, you will find that when one railroad has acquired control of another through purchase of stock, or when the same thing has been done by a holding company, the stock has usually been bought at high or comparatively high, prices."

He refers to the plan by which the Wabash Railroad was not able to market new issues of stock, and "could obtain cash for capital expenditures only from earnings or by further issues of bonds or increasing its indebtedness in other ways. It expended nearly $24,000,000 in buying Lehigh Valley stock at a price not very far from $100 per share. The same stock is now selling at about $16 per share. As a result of these purchases it was forced to increase its indebtedness very materially."

Mr. Eastman adds that "this method of putting roads together is one which has certain appeals to the bankers. They obtain commissions from negotiating or making purchases of shares; they obtain commissions or profits from the sale or disposition of the new bond or note issues which are necessary in order to secure cash for the purchases."

He referred to the method by which the control of certain railroads was obtained by the Pennroad Corporation, which "for all practical purposes is under the same control as the Pennsylvania Railroad; * * * that every railroad controlled by the Pennroad holding corporation was subjected, under the agreement, to the domination of certain directors of the Pennsylvania Railroad." * * * At present there is no effective control of the methods and processes of unification; that unifications can be accomplished without public supervision and regardless of what the public interest may be. * * * "In my opinion the operations of the holding companies have been contrary to the public interest in important respects."

With respect to the Pennroad Corporation, he adds that it "is so organized that its owners, the stockholders, have no voice in its management," and he quotes from House Report No. 2789, on page 632, in support of that statement.

Further quoting from House Report No. 2789, he states that: "9,090,000 shares of stock without par value were issued by the Pennroad Corporation at prices ranging from $15 to $17 per share. The proceeds were $141,285,000, but underwriting fees amounting to $5,251,586 were paid to Kuhn, Loeb & Co. Whether or not that firm suffered losses in connection with the underwriting which offset these fees in part, I do not know. It also received a commission of $327,397.70 in connection with the purchase of Canton Co. shares, and a smaller commission in connection with the New Haven shares. Being under no accounting restraint, the capital stock was set up in the balance sheet as a liability of $90,900,000, and the remainder of the proceeds, amounting to $45,133,414 after deducting the underwriting fees, were set up as surplus paid in."

Mr. Eastman refers to the operations of the Van Sweringen holding companies, and states that "one of them is known as the Allegheny Corporation, the property of which consists largely of shares of stock of other companies." Mr. Eastman states that the House report showed an "investment of $216,030,944 in stock and of only $23,886,812 in bonds. Against this investment it had bonds of its own outstanding amounting to $78,923,000 and accounts and notes payable of $18,382,659. Its stock issues accounted for $151,457,192, of which $120,499,746 was set up as a stock liability and $30,957,446 was carried as surplus paid in.

"* * * Apparently all of its securities were marketed through J. P. Morgan & Co., and House Report No. 2789 shows that that firm received commissions of $1,500,000 as compensation for services as purchaser of stock. What it made or lost in disposing of the stock and bonds to others has not been disclosed. Substantially all of the voting power was lodged in the common stock, which was carried on the books as a liability of $53,745,856. The preferred was carried at $66,753,900. The investment necessary for control of the Allegheny Corporation was further reduced by the fact that a large block of its common stock was held by another holding company, the General Securities Corporation, and a large block of that company's stock was in turn held by a further holding company called the Vaness Co."

Mr. Eastman illustrated the process of "pyramiding" by referring to the Chesapeake & Ohio Railroad. "A majority of the stock of that railroad was held on April 30, 1930, by the Chesapeake Corporation and constituted the great bulk of its assets. Against these assets it had issued $46,748,000 of its own bonds, and stock carried as a liability of $74,242,042. A majority of the stock of the Chesapeake Corporation was owned by the Allegheny Corporation, which in turn issued bonds, preferred stock largely without voting power, and common stock. A large block of Allegheny common was owned by the General Securities Corporation, and a large block of the stock of that holding company by the Vaness Co.

"The purchases of the Allegheny Corporation were largely made near the top of the market at comparatively high prices. House Report No. 2789 shows, for example, that it paid $159.87 per share for Pere Marquette stock, $60 for Erie common, $130.21 for Nickel Plate common, $80.87 for Missouri Pacific common, $136.05 for Missouri Pacific preferred, and $95.19 for Kansas City Southern common. In contrast with these prices, the Chesapeake & Ohio has recently purchased 46,200 shares of Pere Marquette stock from the Allegheny Corporation at $11 per share and has given a 4-year option to purchase 215,000 shares of Erie common at $13.25 per share.

"The outstanding vice, therefore, of the operations of the Van Sweringen holding companies was that, having purchased at high prices mere stock equities in various railroad companies, they made these investments a basis for the issuance of bonds and preferred stock which they sold to investors, retaining control through a margin of common shares and reducing the investment necessary for such control by further pyramiding processes. The financial structure thus created was manifestly overloaded with fixed charges, and a source of danger if the earnings of the underlying railroads should be reduced by reason of changes in economic conditions. The whole set-up was, in my judgment, unsound and inconsistent with the public interest. Where such a situation is created, moreover, there is danger that it will affect unfavorably the affairs of the underlying railroads, not only because of the reflected influence upon their credit but also because of the temptation to drain the resources of the railroads to meet the heavy load of fixed charges or preferred dividend payments.

"I call your attention to the fact that these unsound operations were sponsored by the two leading banking firms of the country. The Pennroad Corporation was sponsored and its securities were sold by Kuhn, Loeb & Co., the Allegheny Corporation was sponsored and its securities were sold by J. P. Morgan & Co.

"* * * I turn now to the operations of the railroads controlled by the holding companies. * * * The systems which have, in effect, been put together through the holding companies are inconsistent with the commission's consolidation plan. * * * Whether or not, however, if the commission refuses to sign on the dotted line and approve the 4-system plan as proposed, the carriers will be willing to give up any controls acquired through holding-company operations, remains to be determined."

The PRESIDING OFFICER. What does the Senator desire to have done with the resolution?

Mr. KING. I ask that it be referred to the Committee on the Judiciary.

The PRESIDING OFFICER. That reference will be made.

THE SILVER QUESTION

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD a paper relative to the silver question by C. M. Zander, executive secretary of the Board of Directors of State Institutions of Arizona and taken to the Silver Conference held in Denver, February 15, 1932, by Attorney John E. Russell, of Prescott, Ariz.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

IN A SURVEY OF THE POSITION OF SILVER IN THE WORLD'S ECONOMY, THE FOLLOWING FACTS WOULD INDICATE THE WHOLE PROBLEM SHOULD BE THOUGHT OUT BEFORE IT IS FOUGHT OUT

The silver question undoubtedly involves the whole subject of finance. It is unquestionably safe to state that the decline in the value of silver has a vital influence on the present world depression. It is further self-evident that in a Republic like ours, no change in the position of silver can be brought about unless it comes from a great section of the people themselves.

It is astounding and discreditable that the indifference to this question is so widespread in business circles. As usual there is great confusion of opinion, much misstatement of facts, and too much abstruse language among those who are discussing the question. All the naked facts, having any bearing on the question, should be speedily assembled and published in such simple terms so the man on the street and the man in the furrow could readily understand.

A proper study of this question most certainly involves answers to the following questions:

What is money?

How much should every individual know about it?

What is the history of finance?

Teaching as we do the history of every other human activity in the public schools, has ever a comprehensive history of finance been compiled and taught in the public schools? How few hundreds of people know anything about the real dealings of finance? Is there any advantage to anyone in keeping the people ignorant on the subject?

Is it true that gold has been used longer than silver as money?

Is it not a fact that silver was first used in moon worship and gold in sun worship by the most ancient people of both the Eastern and Western Hemispheres, and is it a further fact that all those people remaining more nearly stationary to the civilization existing at the time of moon worship, have used almost exclusively silver as money, continuously, since they discarded iron and copper?

What are the other historical facts such as the use of silver by Abraham, the betrayal of Christ, and the indicated ratio between gold and silver hinted by Atahualpa the Inca when to the room full of gold he gave to Pizzaro for his ransom he vainly added two rooms full of silver?

If there is any sentiment between gold and silver usage, does not silver have the better of it?

What were the necessities that induced ancient people to use both silver and gold for money?

What were the reasons the most advanced nations of modern times used both metals as money down to the present day? Was it mere habit?

According to history and prior to the first assault upon silver in 1873, has silver fluctuated more than gold? Has gold maintained more constant intrinsic value than silver?

Does history show there is science and psychology in inflation and depression?

Do the international bankers have the facts in this connection compiled?

Has such knowledge been discovered and rediscovered since earliest times?

Do the great modern banking houses know about the great banking house of the Egibi of ancient Babylon which amassed great wealth loaning money to kings and who, like the Rothchilds, took their sons into their business?

Have the international bankers a complete record of all the inflations and depressions, their causes, effects, and the overt acts, if any, on the part of powerful financial houses during the past hundred years? Would such a record in the possession of anyone financially able to act give a tremendous advantage over everyone else? Should not such a record be given to the public?

Did the New York banks in 1893 send a letter to the banks throughout the country ordering them to retire one-third of their circulation and call in one-half of their loans in order to cause a panic and ruin business as a strategic move to debase silver? Was the order carried out?

What was the "Crime of '73"?

Can the dominating banking interests be trusted to act without being influenced by special interest? Will the ex-treasurers of the United States give any historical facts in this connection?

Did the United States Treasury in 1920 start a smashing drive against silver when it was $1.30 an ounce?

Did India at the dictation from London in 1925 begin the demonetization of silver?

Have France and other countries followed suit since then?

Were these actions taken on the urgency of the business people of these countries or at the command of the large holders of gold of these countries? Do the people of these countries realize what has taken place?

Is the decline in the value of silver due to increase in volume or to debasement as money? Does the record of production of silver show an increase or decrease?

Has the reduction in the value of silver by more than one-half since 1925 destroyed the purchasing power, by the same ratio of more than one-half the people of the earth? Who is it, if this is true, that has the temerity to say this does not directly and indirectly affect business in this country? Has our trade with India and China fallen off since 1925?

Suspending history temporarily the following questions may be pertinent to the demonetization of silver:

Does the volume of business fix the demand for money?

Is it the demand for the gold and silver in money rather than its intrinsic worth that fixes the value or purchasing power of the metal?

Should the ratio of volume of money to volume of business be approximately maintained?

If the volume of currency is contracted, is the purchasing power of the remaining currency increased? If so, why? Are the owners of the remaining currency benefited by such contraction? Are the owners of business, the owners of property, and the payers of debts injured? Do not the debt payers include all the interest payers, both public and private? What is the total public and private debt, including the annual interest thereon, of this country?

If gold and silver were both used as money and silver were destroyed as such, would the gold enhance in value? Would the possessors of gold become more wealthy, and would they object either at home or abroad to the destruction of silver? Who or how many in this country own the major part of the gold or money of the country?

Does the control itself of money give additional power other than purchasing value? Is a small volume easier to control than a large volume? Is this additional reason for the demonetization of silver? The control and manipulation of how much money is necessary to depress business in this country? Is that control in the hands of a few people?

Assuming the concentration of wealth in this country may have bearing on the problem, the following questions of fact and history arise:

If there is psychology or natural cause for inflation and depression, can this condition be aggravated by manipulation of money, credits, and other methods? If so, could stocks and property be acquired during the intensified depression at robbery prices, held and sold during distorted inflation at frenzied figures?

Has there been a repeated concentration of wealth after each depression? Who was benefited in 1873? Did the international owners of gold in 1893 absorb a great amount of additional wealth purchased at depressed value with enhanced gold? Is not the greatest absorption in history going on right now with the purchasing power of gold enhanced by the recent slump in silver? Just who was it that got out of the stock market in 1929 and left the silly public to hold stocks at tremendously inflated prices paid for in hard cash? Were these stocks so sold to the public acquired during the slump of 1921?

Was there during the war boom of 1919 a great conversion into cash of property acquired during the slump of 1914 and 1916?

What has been the concentration of wealth since 1873? Who are the people that possess this concentration? Is it sacrilege to inquire? Does this wealth gravitate to the control of international bankers, owners of gold, and dealers strictly in finance? Is such concentration of wealth a good thing for the people who have it? Is it according to divine guidance, and is it ordained for the sound safeguarding of the Nation, as has been intimated?

The merit in restoring silver may be established by answers to these questions:

Could silver be restored to its price level of 1925 by international agreement? Would the holders of gold object?

If it takes twice as much property to pay a dollar debt now as it did in 1929, and if the restoration of silver would place the dollar back to its 1929 basis, should the debtors be denied the right to settle their 1929 debts with 1929 dollars instead of 1932 dollars?

If silver could be restored to its position of 1925, should the business of the world, and this Nation, be denied the privilege of doing business with half the population of the earth whose purchasing power would be doubled?

If silver has been debased by governmental edict, can it not be restored by the same method?

Would it be necessary to have united action?

Would not China and India join this country, and would not then England be forced to join to hold her Hindu trade, and following this event would not all the rest of the nations come in?

What is the probable trade that could be developed with the silver-using countries? Is this trade not more promising, if largely commanded by this country, than any trade it now enjoys?

If bimetalism for this country alone at some fixed ratio is scouted, could not only the silver be monetized which was acquired in trade with the silver countries? Would not this procedure capture the foreign trade of the silver-using nations to the exclusion of the gold countries?

Is there sound reason for the United States not to adopt bimetalism? Did not the addition of new gold from Alaska and the Rand in South Africa in 1898 to the currency of that time, have a similar effect that the addition of silver to the currency of to-day would have? Would not the revival of business solve the debt cancellation problem?

If it is answered that bimetallism would deflate the purchasing power of the American dollar, is it not true that it would not decrease the purchasing power of the American people because if the dollar was cheaper, there would be enough more dollars to make up the difference? Anyway, does trade mean dealing in dollars or the exchange of commodities? How many centuries was the business of the world carried on without any money?

If it is answered that to cheapen the dollar would impair the prestige of the dollar and Americans abroad, can it not be asserted that prestige does not concern a man who figuratively does not have a dollar to be proud of?

If it is answered that the addition of silver would dilute the value of gold and thus drastically reduce the great fortunes in gold, now such majestic monuments to modern genius as to command the admiration of the world, then if these great fortunes were the result of the destruction of silver since 1873, would it not be simple justice to let silver distribute those fortunes back to the people from whom they were taken? Is there any difference between the plunder of conquest and the plunder of finance where both result in ruined fortunes and blasted hopes that have been earned and are well deserved?

If the owners of gold object to the restoration of silver, would it not be proper to ascertain what methods and channels they have at their command, what corporations, publications, and individuals they can dominate in their campaign of opposition? Would this information not be valuable so that the people would know who was behind everybody and every influence in the discussion?

If the debasement of silver has anything to do with the present depression, is it not possible for the people this time to learn how to protect themselves? Must the country suffer again and again this scourge? Is it uneconomic and unstatesmanlike to insist that the general public shall be allowed to retain their savings and their homes and to prevent suicides, ruined health, and devastated lives, even though such a program would deny those savings to the owners of large accumulations of money?

To accumulate and distribute all the information on the silver question the United States Senate is probably the best constituted authority available to the public. This great body is now so constituted as to enable it to act without fear or favor and to probe the subject to its naked ribs. It can act without the taint of partisanship, and therefore its findings would command the respect

of the country. When the Nation was in possession of the facts so determined it would be in the mood to settle this matter so that the stability of silver would go down through the centuries of the future the same as it has come up through the centuries of the past.

PROPOSED ANTI-INJUNCTION LEGISLATION

The Senate resumed the consideration of the bill (S. 935) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

Mr. HEBERT. Mr. President, I move to strike out paragraph (e), beginning with line 17, on page 6, and ending with line 19; also in line 23, on page 6, beginning with the word "and" and ending with the word "property," in line 24.

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). The question is on the amendment offered by the Senator from Rhode Island.

Mr. REED. Mr. President, is it possible to couple two amendments in the same motion? Would not the question have to be divided and a vote taken first on striking out lines 17 to 19?

Mr. ROBINSON of Arkansas. No, Mr. President; but may I say that I think a division could be compelled. The Senator has the right to offer his amendment in any form that he chooses.

I rose for the purpose of asking the Senator from Rhode Island to make clear the object of his amendment. It is difficult to follow the amendment by a mere reading. If the Senator will restate it, perhaps it will be helpful.

Mr. HEBERT. My amendment, Mr. President, is to strike out lines 17, 18, and 19 in paragraph (e) on page 6, and, as germane to that, the words beginning in line 23, "and also to those public officers charged with the duty to protect complainant's property," ending in line 24.

The paragraph provides that no injunction may issue unless it appear—

> That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

And also that those public officers charged with the duty to protect complainant's property shall all be notified before an injunction may issue. It has occurred to me that the provisions of paragraph (d) of this section, which reads, "That complainant has no adequate remedy at law," would fully cover all that is included in paragraph (e) and, moreover, that it would be practically impossible to show by the testimony of the law-enforcing officers that they are unable or unwilling to afford protection.

I assume that none of the law officers would admit that he was unwilling to enforce the law, and perhaps few, if any, would admit that they were unable to do so; but the more serious objection to the section as it is worded is the requirement that all of the officers charged with the duty to enforce the law shall be notified. It is easy to contemplate what an obligation rests upon complainants under this provision if in a city like New York, for instance, the officers charged with the enforcement of the law are to have notice before an injunction may issue; but that, of course, is an extreme case.

If this provision were limited to the sheriff of the county or the chief of police of the city where the property is located, there might be some reason for its inclusion in the bill; but, as this section reads, it seems to me to be impossible of enforcement.

Mr. WALSH of Montana. Mr. President, I hope very much this amendment will not prevail—at least, the first part of it.

It seems perfectly obvious that the first resort for protection against the destruction of property ought to be to the officers of the law who are charged with the duty of protecting the property of citizens. There may be some objection to the language found in lines 22 and 23 of the same page, which requires as a prerequisite that relief should be sought from those public officers charged with the duty to protect complainant's property. In a city I suppose every police officer is charged with that duty, and in a county the sheriff and all of his deputies; and, of course, it was not intended that demand should be made of every policeman in a city, or every deputy sheriff in a county.

I desire to suggest to the Senator from Nebraska [Mr. NORRIS] that the situation would be quite met, and I am sure in accordance with the views of the committee, if the resort were confined to the chief of the force charged with the duty of protecting the property of the complainant; and the desired end would be reached by inserting after the word "to" in line 23, the words "the chief of," and after the word "officers," the words "of the county and city within which the unlawful acts have been threatened or committed," so that it would read:

> Such hearing shall be held after due and personal notice thereof has been given, in such manner as the court shall direct, to all known persons against whom relief is sought, and also to the chief of those public officers of the county and city within which the unlawful acts have been threatened or committed charged with the duty to protect complainant's property.

Mr. HEBERT. Mr. President, may I suggest to the Senator that there would necessarily be some ambiguity in that provision? For instance, there are counties where there are many cities, and there are, therefore, many chiefs of police in one county. The question arises whether all the chiefs of police in a county would have to be notified, though many of them would have no concern with a disturbance in any given city.

Mr. WALSH of Montana. No; the chief of police in the city in which the injury has been committed or threatened would be notified, and the sheriff of the county in which the injury is threatened or committed must be notified.

Mr. HEBERT. I think perhaps the amendment suggested by the Senator could be worked out, but as it was reported by him a moment ago, it seemed to me to admit of some ambiguity. I think it could be worked out so as to provide that the chief of police in the city where the offense is committed shall have notice of the proceedings, and in the case where there is no city in a county that the sheriff of the county shall be notified.

Mr. WALSH of Montana. I can see no reason why both should not be notified if there are both. If there is a chief of police in the city and a sheriff of the county, it is the duty of all of them; it is a concurrent duty.

Mr. HEBERT. Neither do I see why they should not both be notified, except that, as I said a moment ago, there may be several chiefs of police in the same county.

Mr. WALSH of Montana. Oh, yes; but the chief of police of the city in which the injury has been committed or threatened would be notified.

Mr. REED. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. REED. The Senators are evidently thinking of a strictly localized dispute, but if we will consider a difficulty that is not localized, I think we will see how impossible of fulfillment these requirements are.

Let us suppose, for example, that a strike occurred on the Southern Pacific Railroad, and that one of the great railway unions announced that it was out to destroy the property of that road anywhere along the line. Under this provision you would have to notify every policeman, every sheriff, every deputy sheriff, from New Orleans to Portland, Oreg., if that is where the Southern Pacific ends.

Mr. WALSH of Montana. It goes even to Seattle.

Mr. REED. Of course, that would be equivalent to saying that there would be a complete denial of relief. If, then, the road filed a bill in the State courts, and the case were removed to the Federal court, as it could be on diversity of citizenship, this rule would again come into play, and the injunction could not be issued even in the most flagrant case without this impossible prerequisite of notifying everybody along the line who had to do with law enforcement.

Mr. WALSH of Montana. The criticism, I think, is very well founded, but there would be no difficulty at all in notifying the chief of police of the city and the sheriff of the county through which the railroad goes.

Mr. REED. Not a bit; but I think sometimes we reach wrong conclusions by having in mind illustrations of strictly localized difficulties. I agree with the Senator that his

suggested change would be a great improvement, that notice to the local chief of police might well be given in a localized dispute. But I think we ought to be careful not to make it utterly impossible.

Mr. WALSH of Montana. I call the attention of the Senator to the condition in the case he cites, the Southern Pacific running from New Orleans to Seattle. It runs over the Northern Pacific tracks from Portland to Seattle, but it would be operating exactly the same. Of course, the Senator is aware of the fact that it has its local representatives, and ordinarily it has its local attorney in every county along the line. So that just tapping the wire would be all that would be necessary, and the sheriff of the county or the chief of police would be called upon to defend the company's property against threatened injury.

Mr. REED. That is true, Mr. President; but all proceedings would have to be tied up in court until such time as the return of the service of the notice might be made, and if the court in which the bill was filed was in New Orleans, let us say, no proceedings could be taken until proof of service on the chief of police in Seattle was received in New Orleans. It might effectively result in a denial of relief altogether.

Mr. WALSH of Montana. The injunction would go only against the injury in Louisiana. Of course, the court has no jurisdiction beyond its territory.

Mr. REED. Oh, yes.

Mr. WALSH of Montana. No.

Mr. REED. Of course, the action in equity is a proceeding in personam, and, having jurisdiction of the person, the court could restrain damage anywhere, even in another country, if it once acquired jurisdiction of the defendant.

Mr. WALSH of Montana. If the court acquired jurisdiction; but it could not possibly enforce a decree of the district court for Louisiana by reason of injury committed in the State of California.

Mr. REED. Oh, I think so, if the court had jurisdiction of the defendant.

Mr. WALSH of Montana. The Supreme Court of the United States, the Senator will remember, took notice of that kind of a decree, indeed, in the case of the famous Wilkerson decree, which went against all the world, everybody who had notice of it.

Mr. REED. Ah, that is different; I am talking of a case where jurisdiction over the person of the defendant has been acquired by service within the jurisdiction.

Mr. WALSH of Montana. I agree with the Senator about that.

Mr. REED. Then a contempt could be committed and would be punished, although the act constituting the contempt occurred in some foreign jurisdiction.

Mr. WALSH of Montana. But the Senator will observe that the persons who are actually served are limited in number, and that would be very useful to any company seeking an injunction.

Mr. NORRIS. Mr. President, it seems to me, to begin with, that Senators are imagining things which will never happen. The statement made by the Senator from Pennsylvania of this imaginary case which brought on the discussion is this: Suppose, he says, that a big railroad labor organization announced that they were going to destroy all the property of the Southern Pacific Railroad. I have an idea that if we all live to be as old as Methuselah we will never see anything of that kind occur, to start with.

Mr. REED. The Senator has forgotten, then, some of the things we saw in Pittsburgh in 1877, when they set out to destroy everything the Pennsylvania Railroad owned, and made a pretty good start at it.

Mr. NORRIS. Mr. President, it is almost beyond my imagination to think that one of the four big brotherhoods of railroad engineers, conductors, brakemen, or trainmen would announce to the public, "We are going to destroy all the property of the Southern Pacific Railway." The object they were seeking to accomplish through the strike would be dead the very minute they would make such an announcement.

Mr. REED. I did not suggest that the four big brotherhoods would do it. I said a big union might intend to do that. And I did not suggest that they would announce it publicly; they might announce it among themselves.

Mr. NORRIS. Would the Senator think that any of those railroad unions would even announce it among themselves?

Mr. REED. I do not think those particular four big brotherhoods would, because they are composed of intelligent men and are led by intelligent, patriotic men; but that is not true of all unions, and the Senator knows it.

Mr. NORRIS. There may be some, but they are not running the Southern Pacific Railway or the Burlington Railway or the Union Pacific Railway. We only have to go back a few days, to the conference which met in Chicago between the executive committee of the presidents of the railroads of the country and the representatives of the four big brotherhoods. They were in conference for a week or two, and at the end of that conference the men surrendered $250,000,000 of their salaries in order that the presidents of the railways, without sacrificing any of their salaries, might continue to pay dividends on the various railroads they represented.

Mr. REED. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. REED. The Senator seems to be trying to put me in the position of hostility to those four railroad brotherhoods. I want the Senator to be fair with me on that.

Mr. NORRIS. I want to be fair with the Senator, and I am not trying to do what he suggests. The Senator has not caught my idea at all. I am trying to show, to begin with, that the Senator's stated case was almost an imaginary one. That is all I am trying to show. I do not want the Senator to think that I believe he is a bolshevik, or anything of that kind. I would take his word for anything on earth for which he would give it to me, and his note quicker than that. I do not want the Senator to get such an idea. I had not such a thing in mind, although it may be that that construction might be put on what I said. I do not want anybody to put such a construction on my statement. I am not impugning the Senator's motives in the least, and I do not intend to. I concede his sincerity, as well as his ability and his logic and his judgment. But I wanted to show, to begin with, there was an unreasonable hypothesis.

This bill, in the particular respects in which it has been attacked now, is something probably never undertaken before. It provides that before one can get an injunction, the public officers charged with the duty of protecting the complainant's property shall be unable or unwilling to furnish adequate protection. Why is not that fair? The object of an injunction is to protect property. It is not a criminal proceeding, it is a civil proceeding; it is an equity proceeding, the sole object of which is to protect property.

Another provision which no one will dispute, one which has been included in all similar measures, one which has been a rule in equity since there has been such a thing as equity jurisprudence, is found in subdivision (d), that the complainant shall not have an injunction if he has an adequate remedy at law. If the officers whose duty it is to protect plaintiff's property are able to protect it, why should the Federal court come in and issue an injunction to protect that property, restraining anybody from doing damage? It seems to me that subdivision (e) states only an ordinary fact, which no one would dispute.

As to the notice, cases might be imagined where it would be difficult to give it. A notice is for the benefit of the other side, as well as for the defendant's side. I think, without any change in this clause at all, no court would deem it necessary, in a city, for instance, to notify every policeman in the city, if the bill were left just as it is. But I have no objection to providing, as the Senator from Montana has suggested, for notice to the chief of police, if that is desired, or applying to a county, the sheriff. We do not know what the proceeding will apply to. When a case is presented to a judge he will know whether it ought to be the sheriff of a county, the chief of police of a city, or both, or the officers of two cities or three cities. But I do not anticipate that there would be such a thing as naming every constable in a county, for instance. The court would

not name even the deputy sheriff. If he named the sheriff, that would be sufficient. So it seems to me that if this amendment is voted down, if the Senator from Montana or any other Senator will offer an amendment that will make it plainer, I will have no objection.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. FESS in the chair). The Senator will state it.

Mr. KING. Are we voting upon the amendment proposed by the Senator from Montana, or was it suggested as an amendment?

The PRESIDING OFFICER. The Senator has not proposed an amendment.

Mr. WALSH of Montana. Mr. President, let me state the parliamentary situation. The Senator from Rhode Island [Mr. HEBERT] moves to strike out subdivision (e) on page 6, and likewise to strike out, in lines 23 and 24, page 6, the words "and also to those public officers charged with the duty to protect complainant's property." I ask that the amendment be rejected, and if it is rejected, I shall then move to amend lines 23 and 24 so they will read:

And also to the chief of those public officers of the county and city within which the unlawful acts have been threatened or committed charged with the duty to protect complainant's property.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Georgia?

Mr. WALSH of Montana. Certainly.

Mr. GEORGE. I can very well see why the section should remain in the bill because I can understand, when a complainant in equity is asking an injunction, that he should be able to show that he is not able to protect his property through the ordinary processes of law. But I can not see any real reason why notice should be given to any officer, because we can have in an equitable proceeding no substantial relief against an officer. The courts certainly would not undertake to direct him or enter any judgment against him or in any wise affect him by its final order.

Mr. WALSH of Montana. Let me tell the Senator what induced the committee to include those words.

Mr. GEORGE. I shall be very glad to know.

Mr. WALSH of Montana. Under subdivision (e) it will be observed that the complainant seeking the injunction must represent that the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

Mr. GEORGE. I quite agree that that ought to be included. I think it may well be included.

Mr. WALSH of Montana. I understand the Senator agrees that it may well be included, but we do not want to make that imputation against the officers without giving them an opportunity to reply to it, and so notice is to be given to them that they may come in and say, if they can say so, "We are perfectly able to take care of the situation." We do not want to allow their integrity as officials to be impugned without giving them an opportunity to be heard on the matter.

Mr. GEORGE. I can see how that is commendable, and yet it is wholly unnecessary because there is no need of making anybody a party to the litigation unless we are going to have some substantial relief against that party. I rather think it is a dangerous provision for the reason that the defendant officers or respondent officers may come in and swear off the equity of the bill.

Mr. WALSH of Montana. Let me remark that the officers will not be made parties to the proceeding at all.

Mr. GEORGE. I thought the notice was to make them parties.

Mr. WALSH of Montana. Oh, no. Observe the language:

Such hearing shall be held after due and personal notice thereof has been given, in such manner as the court shall direct, to all persons against whom relief is sought, and also to the chief of those public offices of the county or city—

And so forth.

No relief is sought against them, but they are given an opportunity to come into court.

Mr. GEORGE. It is not the purpose of the bill to make them formal parties?

Mr. WALSH of Montana. By no means.

Mr. GEORGE. Then, that removes, of course, the objection I had in mind. If they were made formal parties we would have frequent cases where the whole equity of the bill would be sworn away by the respondents.

Mr. WALSH of Montana. Undoubtedly.

Mr. REED. Mr. President, I have previously asked that the motion be divided. I think under the rule I am entitled to insist upon my request.

The PRESIDING OFFICER. The Chair would state that the amendment of the Senator from Montana applies to the part to be stricken out and must be voted on first, so the question on the amendment of the Senator from Montana comes before the other question. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, line 23, after the word "to," insert the words "chief of," and in the same line after the word "officers," insert the words "of the county and State within which the unlawful act has been threatened or committed."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. REED] asks that the motion to strike out be divided. The clerk will report the first part of the motion.

The LEGISLATIVE CLERK. On page 6, strike out lines 17 to 19, both inclusive, in the following words:

(e) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

Mr. WALSH of Montana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Schall
Austin	Cutting	Kean	Sheppard
Bankhead	Dale	Kendrick	Shipstead
Barbour	Dickinson	Keyes	Smith
Barkley	Dill	King	Smoot
Bingham	Fess	La Follette	Steiwer
Black	Fletcher	Lewis	Stephens
Blaine	Frazier	Logan	Thomas, Idaho
Borah	George	McGill	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Morrison	Vandenberg
Bulkley	Gore	Moses	Wagner
Bulow	Hale	Neely	Walcott
Byrnes	Harrison	Norris	Walsh, Mass.
Capper	Hatfield	Nye	Walsh, Mont.
Carey	Hayden	Oddie	Waterman
Connally	Hebert	Patterson	Watson
Coolidge	Howell	Reed	Wheeler
Copeland	Hull	Robinson, Ark.	
Costigan	Johnson	Robinson, Ind.	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from Rhode Island [Mr. HEBERT], which will be stated.

The LEGISLATIVE CLERK. The Senator from Rhode Island proposes, on page 6, to strike out lines 17 and 18 and 19, in the following words:

(e) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. KEAN (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. BAILEY]. Not knowing how he would vote, I refrain from voting.

Mr. KING (when his name was called). On this vote I am paired with the junior Senator from Idaho [Mr. THOMAS], and therefore withhold my vote.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. METCALF (after having voted in the affirmative). I inquire if the Senator from Maryland [Mr. TYDINGS] has voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. METCALF. I have a general pair with him, and will therefore withdraw my vote.

Mr. HEBERT (after having voted in the affirmative). I have a general pair with the Senator from Louisiana [Mr. LONG], and therefore I withdraw my vote. I understand that if the Senator from Louisiana were present he would vote "nay" on the pending amendment.

Mr. JONES. I transfer my general pair with the senior Senator from Virginia [Mr. SWANSON] to the junior Senator from Pennsylvania [Mr. DAVIS] and will vote. I vote "nay." I am advised that if the Senator from Pennsylvania were present he would vote "nay" on this question.

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Idaho [Mr. BORAH] with the Senator from Kentucky [Mr. BARKLEY]; and

The Senator from South Dakota [Mr. NORBECK] with the Senator from Illinois [Mr. LEWIS].

Mr. SHEPPARD. I desire to announce that the following Senators are absent on official business:

The Senator from Arkansas [Mrs. CARAWAY], the Senator from Kentucky [Mr. BARKLEY], the Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. LEWIS], and the Senator from Missouri [Mr. HAWES].

I also desire to announce that if present the Senator from Texas [Mr. CONNALLY] would vote "nay."

The result was announced—yeas 16, nays 56, as follows:

YEAS—16

Austin	Fess	Moses	Stephens
Barbour	Goldsborough	Patterson	Walcott
Bingham	Hale	Reed	Waterman
Dale	Keyes	Smoot	Watson

NAYS—56

Ashurst	Costigan	Howell	Robinson, Ark.
Bankhead	Couzens	Hull	Robinson, Ind.
Black	Cutting	Johnson	Schall
Blaine	Dickinson	Jones	Sheppard
Bratton	Dill	Kendrick	Shipstead
Brookhart	Fletcher	La Follette	Smith
Broussard	Frazier	Logan	Steiwer
Bulkley	George	McGill	Thomas, Okla.
Bulow	Glass	McNary	Trammell
Byrnes	Glenn	Morrison	Vandenberg
Capper	Gore	Neely	Wagner
Carey	Harrison	Norris	Walsh, Mass.
Coolidge	Hatfield	Nye	Walsh, Mont.
Copeland	Hayden	Oddie	Wheeler

NOT VOTING—24

Bailey	Harris	Lewis	Shortridge
Barkley	Hastings	Long	Swanson
Borah	Hawes	McKellar	Thomas, Idaho
Caraway	Hebert	Metcalf	Townsend
Connally	Kean	Norbeck	Tydings
Davis	King	Pittman	White

So Mr. HEBERT's amendment was rejected.

The PRESIDING OFFICER. The clerk will now report the second portion of the divided amendment.

The LEGISLATIVE CLERK. The Senator from Rhode Island proposes to strike out on page 6, line 23, all after the word "sought," down to and including the word "property" in line 24, as amended, as follows: "And also to the chief of those public officers of the county and city within which the unlawful acts have been threatened or committed, charged with the duty to protect complainant's property."

Mr. HEBERT. The amendment which I proposed was to strike out beginning with the word "and" in line 23 and ending with the word "property" in line 24, on page 6. My understanding was that the Senator from Montana [Mr. WALSH] had suggested a modification of that amendment, and I am quite in accord with the modification that he suggests.

Mr. ROBINSON of Arkansas. That modification has been accepted.

Mr. REED. That has been agreed to by the Senate.

Mr. HEBERT. Very well.

Mr. REED. Mr. President, I wish to say just a word about this amendment. It proposes something totally new and fantastic in legal procedure. It is proposed to compel notice to be given in a pending lawsuit to officials who are not parties to it in any sense and against whom no relief whatever is asked.

The Senator from Georgia very well brought out the point a little while ago that as nothing is asked in the way of relief against these officials there is no reason why they should be made parties defendant, as, in fact, they are not made parties defendant. That being so, there is no reason why they should be notified as if they were parties defendant.

If their presence is desired in court, there is a perfectly sufficient method of bringing them in by subpœna. It very often happens that persons not parties to the litigation and against whom relief is not asked are needed at the trial, but a subpœna is perfectly adequate to bring them in. There does not seem to me to be any necessity for serving a notice of the suit upon them as if it were a lis pendens involving some matter in which they had an interest so that they had to be brought into the record by service of process in that way. It does not seem to me that it adds anything to the security of the complainant or anything to the security of the proper defendants in the lawsuit. Simply because it provides a species of freak procedure, I hope that it will be stricken from the bill.

Mr. WALSH of Montana. Mr. President, it seems to me because there is no precedent for this is no good reason why it should not be done. There had to be a beginning in the case of all procedures in the law. They came into being by reason of conditions which the courts were called upon to meet. It seems to me eminently advisable, when a charge is made against public officers that they are either unwilling or unable to protect property, that they should have an opportunity to come in and be heard in relation to the accuracy of that charge. I hope the amendment will not be adopted.

Mr. REED. Has the Senator from Montana any doubt that they would be brought in by subpœna in the usual way?

Mr. WALSH of Montana. They could be brought in in that way, but why issue a subpœna for them? The complainant goes into court and charges that these officers are negligent or the situation is such that they can not cope with it. Why issue a subpœna to get them in? Notice is sent to them that the application is being made.

Mr. REED. Very good, and yet they are not parties to the suit, and no relief is asked against them.

Mr. WALSH of Montana. Exactly; they are merely given an opportunity to refute the charge.

Mr. REED. Ah, but they are not; they are not parties; they are not even entitled to be called to the stand, unless one of the parties puts them on the stand. This gives them no relief; it tells them that there is a lawsuit going on, which, of course, they would learn from the newspapers, anyway; and then, having received the notice, there is nothing they are empowered to do. They can not demand that they be heard at all.

Mr. WALSH of Montana. They can find means to communicate their views to the court.

Mr. REED. I am quite sure one of the parties would be glad to call them; but why, unless there is some sense in it, adopt this novelty in judicial procedure when we know that the process of subpœna is perfectly adequate? I am quite unable to see it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island. [Putting the question.] By the sound the noes seem to have it.

Mr. REED. I ask for a division, Mr. President.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is before the Senate and still open to amendment. If there be no further amendments, the bill will be ordered to be engrossed for a third reading and read the third time.

Mr. BINGHAM. Mr. President, I inquire if there are to be no further amendments offered to the bill?

Mr. HEBERT. The minority will offer no further amendments. I understood the Senator from Minnesota [Mr. SHIPSTEAD] desired to offer an amendment when the amendments proposed by the minority had been concluded. I do not now see him in the Chamber.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Schall
Austin	Cutting	Kean	Sheppard
Bankhead	Dale	Kendrick	Shipstead
Barbour	Dickinson	Keyes	Smith
Barkley	Dill	King	Smoot
Bingham	Fess	La Follette	Steiwer
Black	Fletcher	Lewis	Stephens
Blaine	Frazier	Logan	Thomas, Idaho
Borah	George	McGill	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Morrison	Vandenberg
Bulkley	Gore	Moses	Wagner
Bulow	Hale	Neely	Walcott
Byrnes	Harrison	Norris	Walsh, Mass.
Capper	Hatfield	Nye	Walsh, Mont.
Carey	Hayden	Oddie	Waterman
Connally	Hebert	Patterson	Watson
Coolidge	Howell	Reed	Wheeler
Copeland	Hull	Robinson, Ark.	
Costigan	Johnson	Robinson, Ind.	

The VICE PRESIDENT. Eighty-two Senators have answered to the roll call. A quorum is present.

Mr. BINGHAM. Mr. President, I should like to ask one or two questions particularly of the members of the bar who are present. I find myself in a position where lack of training at the bar, lack of a legal education, and lack of familiarity with the practice of the Federal courts places me in a position of embarrassment when confronted with a technical measure of this kind.

I have endeavored to follow the debates as far as I could. I find in the RECORD of yesterday's proceedings, just at the end of the debate, a communication to the Vice President from the chairman of the committee on jurisprudence and law reform of the American Bar Association. It has been my practice, whenever I could, in matters connected with legislation affecting the statute law and affecting appointments to the courts to depend on opinions of the great bar associations of the State and Nation.

My first question, Mr. President, is why it should be that the American Bar Association has repeatedly, at its annual meetings, taken action in opposition to legislation of this kind.

I find in this statement on page 5060 of the RECORD that at Memphis in 1929 the American Bar Association authorized "continued opposition to all legislation radically limiting the jurisdiction of Federal courts or decreasing the power thereof."

Again, in 1930, the association adopted a recommendation recommending "continued opposition to all legislation radically limiting the jurisdiction of Federal courts, or decreasing the power thereof."

Again, in the same year, in regard to a bill introduced by the Senator from Minnesota [Mr. SHIPSTEAD], the association went on record in opposition to a measure similar to the one now before us.

And again, in 1931, the association apparently went on record in opposition "to all legislation limiting the jurisdiction of Federal courts, or decreasing the power thereof, adhering strictly to the instructions of the association at Memphis in 1929 and at Chicago in 1930."

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Montana?

Mr. BINGHAM. I will yield in just a moment.

As I say, to a layman, unfamiliar with the practice in the courts, this action of the bar association seems to be emphatically opposed to this legislation, and leads to a query on my part as to why so many distinguished lawyers on the floor of the Senate are supporting it.

I now yield to the Senator from Montana, and I hope he will answer the question.

Mr. WALSH of Montana. Mr. President, I rose simply to give to the Senator some information in relation to the resolutions of the American Bar Association to which he has adverted. Not being a lawyer, I suppose the Senator has not followed the course of this legislation; but the resolutions of the bar association do not refer to this legislation at all. They refer to another bill, introduced by the Senator from Nebraska [Mr. NORRIS], which if enacted into law would deprive the Federal courts of jurisdiction over controversies between citizens of different States, and would deprive the Federal courts of jurisdiction over controversies by reason of the fact that there is involved in the controversy a Federal question.

Those are the facts.

Mr. BINGHAM. Do I understand that this letter, then, does not apply at all to the legislation now before us?

Mr. WALSH of Montana. It does not—not the resolutions of the bar association to which the letter referred to by the Senator makes reference.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. ROBINSON of Arkansas. The Senator may be in error in his statement that the resolutions of the Bar Association to which the Senator from Connecticut has referred have no reference to the bill now under consideration. The letter to which the Senator from Connecticut has referred shows that Senate bill 935, which is the anti-injunction bill, is one of the measures which the author of the communication inserted in the RECORD yesterday had in mind.

I suggest to the Senator from Connecticut that the best evidence as to what the authors of the resolution of the Bar Association had in mind is to be found in the resolution itself. It is stated—

> That the association authorize continued opposition to all legislation radically limiting the jurisdiction of Federal courts or decreasing the power thereof.

That is the explanation which the authors of the resolution themselves gave in the resolution.

I respectfully suggest to the Senator from Connecticut that experience, not alone on the part of lawyers but on the part of others interested in litigation, has demonstrated the necessity for limiting or restricting the jurisdiction of Federal courts in certain instances, particularly including injunctions, for the reason that experience has proved that some inexplicable abuses have grown out of the unrestrained employment of that jurisdiction.

If the Senator from Montana will indulge me just a moment further, I shall say now what I had in mind saying at a later moment.

During the course of the debates in the Senate certain injunctions have been brought to the attention of the Senate. I recall that a comparatively short time ago one Federal judge signed an order, placing behind his order the power of the United States. When fairly construed that injunction order denied to you and to me and to every other person in the United States, whether parties to the proceeding or not, the right to administer to the sick, the right to supply food to the hungry, the right to give aid and assistance to the families of men who were engaged in the mining strike; and the abuse of the injunctive power in that one instance was sufficient to justify the Congress of the United States in taking its own view of the matter and restricting the jurisdiction, so that never again can any such action lawfully occur.

Another instance has been cited—I think it was cited by both the Senator from Montana [Mr. WALSH] and the Senator from Nebraska [Mr. NORRIS]—the case of the musicians' strike, where a contract of musicians employed in the

theaters of Chicago was expiring on Sunday, the day following, and a Federal judge enjoined them from going out of their employment. The equivalent of the order was to instruct them that notwithstanding they had neither a moral nor a civil obligation to continue in the employment they must do so, not by reason of any law attempted to be enacted by the authority of the people or their representatives but by reason of an order issued by a Federal judge.

In 1922, while the shopmen's strike was in progress, the Attorney General of the United States, who had recently recommended a judge for appointment, applied to that judge in the name of the Government for an injunction so sweeping in its terms, so comprehensive in its effects that it tended to paralyze the efforts of the workers who were out on strike. The judge in that case seemingly had the opinion that it was the province of the court to settle the strike, to determine the issues involved between the laborers and their employers. The terms of the injunction were oppressive—needlessly so. Anyone reading them would reach the conclusion that the judge and the Attorney General had decided that the strike ought to be terminated and that the power of the Government ought to be employed to end the strike.

They proceeded on the theory that the laborers were violating the law when they went out on strike, notwithstanding the fact that the Labor Board, as it was then constituted, had no power to enforce its decisions save through publicity, notwithstanding the fact that the employers in some instances had violated the decisions of the Labor Board, as the President of the United States himself said in a message to the Congress on the subject, and notwithstanding the further fact that the Congress had refused to adopt a provision giving the Labor Board the power to enforce its decisions. That provision was offered here. It was considered and finally rejected. The Congress stood upon the principle that there could be no compulsory determination of disputes of the class which were comprehended by the injunction in the case to which I am referring.

It is cases of this character which are not known to members of the bar association, as a rule, which call for legislation. There are comparatively few lawyers who, in the course of their practice, are engaged in the trial of lawsuits which bring to them definite knowledge of the procedure in injunction cases involving labor disputes.

Lawyers who had tried an injunction suit and won it, or lost it, in all probability reached the conclusion that Congress, which creates the courts and defines their jurisdiction in the first instance, ought never to change the jurisdiction after once it has been defined. But I submit to the Senate that any lawyer who studies the case of the musicians' strike, who studies the shop craft case, and who studies the case involving the strike of the miners in West Virginia and in other sections will reach the conclusion that the Congress is right in trying so to restrict and define the jurisdiction of the Federal courts that they can not exercise it to the destruction of the recognized rights of citizens.

The opinion of a bar association expressed in a resolution is influential always, but it is not and ought not to be controlling or conclusive, for the simple reason that generally comparatively few members of the association are familiar with the subject matter of resolutions, and oftentimes resolutions are proposed by those who have a very definite and specific object in suggesting them.

Mr. WALSH of Montana. Mr. President, I was entirely correct in saying that the resolution does not refer to the pending bill, which I shall demonstrate directly. The letter refers to an entirely different bill.

Mr. ROBINSON of Arkansas. Mr. President, with reference to the statement just made by the Senator from Montana, I read:

Hon. CHARLES CURTIS,
Vice President of the United States.
SIR: We have been advised that S. 935—

That is, the bill under consideration—

will be up for consideration by the Senate on Tuesday, the 23d of this month. We feel that the position taken by the American Bar Association with reference to legislation of this character should be called to the attention of the Senate.

This position of the American Bar Association is evidenced by the formal action taken at its annual meeting at Memphis in 1929, and reported in volume 54 at page 93 of its annual report. This action consisted of the approval of the following resolution:

"That the association authorize continued opposition to all legislation radically limiting the jurisdiction of Federal courts, or decreasing the power thereof."

The latter part of the matter printed in the RECORD has relation to other limitations proposed to be imposed on the jurisdiction of the Federal courts, but the portion I have read has relation to the bills like that now under consideration.

I thank the Senator from Montana for yielding to me.

Mr. WALSH of Montana. Mr. President, I was quite accurate in saying that the letter has no reference whatever to the pending bill. The pending bill is Senate bill 935 of the Seventy-second Congress. I have here what is said about the bill referred to:

Your committee recommends the defeat of Senate 2496, known as the Shipstead bill, limiting the jurisdiction of Federal courts sitting in equity or labor disputes, and fixing the public policy in relation thereto, on the ground that it is legislation—

And so forth.

That was a report made by a subcommittee of the American Bar Association, as will appear from the letter, in the year 1929. It had relation to Senate bill 2497, erroneously cited as Senate bill 2496, of the Seventy-first Congress, introduced by Mr. SHIPSTEAD, of Minnesota, which bill the Senate Judiciary Committee rejected, and for which it offered a substitute, as will appear from the minority and the majority reports, copies of which I have in my hand. The minority at that time offered a substitute, in substance quite like the bill before us—not identical with it, but quite like it—and then the Senator from Nebraska, during this Congress, presented the pending bill. That is radically different from the Shipstead bill, condemned by the report of the American Bar Association, which was a brief bill, reading as follows:

SEC. 28. Equity courts shall have jurisdiction to protect property against irreparable injury arising from definite destructive action, when there is no remedy at law; for the purpose of determining such jurisdiction the expression "remedy at law" shall be held to be any remedy, criminal or civil, provided by legislation, and nothing shall be held to be property unless it is exclusive, tangible, and transferable; and section 4 of the antitrust act of 1900, together with all amendments thereof, and all laws and parts of laws inconsistent herewith, are hereby repealed.

That is the Shipstead bill, which is referred to in a letter speaking of the action taken by the committee of the American Bar Association.

Mr. BINGHAM. Mr. President, will the Senator from Montana yield?

Mr. WALSH of Montana. I yield.

Mr. BINGHAM. Does the Senator take the position, then, that the chairman of the committee on jurisprudence and law reports of the American Bar Association in his letter dated February 20, 1932, advising the Vice President that the pending bill would be up for consideration, did not know what he was talking about when he said that the position taken by the American Bar Association in reference to legislation of this character should be called to the attention of the Congress?

Mr. WALSH of Montana. The facts are as I stated them. The inference necessarily is that the writer of the letter did not know what he was talking about.

Mr. BINGHAM. That is what I was trying to find out.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. WALSH of Montana. I yield.

Mr. ROBINSON of Arkansas. The Senator from Montana is entirely correct in his statement that the resolution of the bar association itself was adopted prior to the introduction of the pending bill and could not, of course, have direct application to it. But the author of the statement printed in the RECORD to which the Senator from Connecticut refers, namely, the letter dated February 20, 1932, quoted the resolution as applicable to the class of legislation, and sought to apply it to Senate bill 935 in the language I have read.

Mr. WALSH of Montana. I desire to say that the judicial committee took exactly the same position taken by the American Bar Association, that the Shipstead bill should not be passed.

Mr. BINGHAM. Then it is the opinion of the Senator from Montana that the pending bill does not go contrary to the expressed wishes of the American Bar Association?

Mr. WALSH of Montana. My recollection is that the American Bar Association has never expressed itself upon this bill.

Mr. BINGHAM. May I call the Senator's attention to the fact that at the meeting of the American Bar Association held at Atlantic City in September, 1931, the Shipstead bill, so called, was not referred to, but the reference was, "Your committee will continue its opposition to all legislation limiting the jurisdiction of the Federal courts"?

Mr. WALSH of Montana. As I have said, that has reference to the other bill introduced by the Senator from Nebraska, particularly limiting the jurisdiction of the United States courts, with reference to which I have had a great many letters protesting against it, chiefly from representatives of corporations, who are in the habit of transferring everything they can into the Federal courts.

Mr. BINGHAM. Mr. President, since it is quite obvious that this bill is going to pass, I certainly am very glad to have the statement from one of the most distinguished members of the American Bar Association that their action did not refer to the bill before us.

I would like to ask one other question. I have received a letter, and I presume every other Senator has received a similar one, from the National Erectors' Association, 33 West Forty-second Street, New York City, protesting against the passage of this bill and calling attention to the fact that—

> Dr. Raymond Moley, professor of public law and jurisprudence at Columbia and a member of the New York State Commission on the Administration of Justice, gives the result of an investigation into rackets in the New York Times of August 9, 1931. After describing the "simple racket" he says: "The complex interrelations of labor, business, and politics in large cities, however, have made possible the development of vast elaborations of the same theme. These have technically been called collusive-agreement rackets. * * * The racket either in its simple form or development into the labyrinthian proportions of the collusive agreement takes its toll in nearly every field. At one time in one of our cities there were 163 rackets of the collusive-agreement character. This means that a large part of human endeavor in that city was and probably is carried on by and through illegal conspiracies."

In describing the collusive-agreement racket, Doctor Moley says:

> The dramatic unity of such associated activity presents four types of characters—business men, labor leaders, politicians, and professional criminals. Business men seek to create and maintain for themselves a favored position in their respective services or fields. Unscrupulous labor leaders seek a monopoly of control over the workmen engaged in a given trade by controlling the avenues of employment. The politicians participate in the action because they fill and control public offices that are concerned with the processes of business and trade. Serving at times all these interests are the unacknowledged but nevertheless real mercenaries—professional criminals, gunmen, muscle men—

And so forth.

The letter goes on to say:

> The more irresponsible and legally immune a labor union or other group becomes, the more attractive also it becomes as a vehicle for exploitation. The growth of the unions along right lines and the fulfilling of their high ideals will not be enhanced by measures which lessen their resposibilities as compared with those of other citizens.

I have heard a good deal said about the so-called "yellow-dog" contract, and I should be very glad to vote for anything which would make that form of slavery or human servitude impossible in our country. But, with reference to the bill before us, I have been told by distinguished members of the bar in the city of Washington that it does limit Federal courts in a dangerous manner.

We are informed by the counsel of the National Erectors' Association, Mr. Walter Drew, that the collusive agreement is a conspiracy between a group of employers and a labor union whereby the monopoly of the union in a particular trade is used to protect both the union and the employer group from outside competition, with the result that the two groups enjoy joint monopolies in the trade and territory covered by the agreement.

It is obviously the idea of the counsel representing the National Erectors' Association that this legislation will lead to something which would not promote legal harmony but might promote that kind of collusive agreement.

Has the Senator from Montana given attention to that matter?

Mr. WALSH of Montana. Mr. President, is the professor to whom the Senator referred a professor at Columbia?

Mr. BINGHAM. The professor quoted in the letter, Dr. Raymond Moley, professor of public law and jurisprudence at Columbia, was describing the form of collusive-agreement racket, which the author of this letter, with whom I am not acquainted—and I am asking for information—says is the kind of agreement racket that would be promoted if this legislation were enacted. I am sure the Senator must disagree with him or he would not be in favor of the legislation.

Mr. WALSH of Montana. I want to say in that connection that the legislation has been pending here, as my recollection serves me, for about four years. Very extensive hearings have been had, and everyone who wanted to be heard upon the matter and who could be in any wise helpful was invited to come before the committee. I do not remember that the distinguished gentleman who now criticizes the bill came before the committee to help us draft it and to insert the necessary safeguards against the practices to which he adverts. I must say to the Senator from Connecticut, notwithstanding the elaborate hearings, the question of the opportunity to enter into collusive arrangements under the bill was not so forcibly presented at least as that it made any impression upon my mind, and I do not recall that any of the witnesses indicated any such dire results from the legislation.

Mr. BINGHAM. I suppose the letter was sent to all Senators.

Mr. WALSH of Montana. Possibly it was sent to Senators within the last day or two while the discussion was in progress, but, of course, the matter ought to have the very careful consideration of the committee.

Mr. BINGHAM. Is there anything in the bill which would restrict or prevent the sort of collusive-agreement racket that is referred to in the letter?

Mr. WALSH of Montana. I should say not. I should say that would have to be taken care of by some other statute. Indeed, I should think enterprises of that character would be condemned by penal law and not unlikely by the Sherman Antitrust Act.

I have now in my hand the bill to which the first part of the resolution of the bar association refers. It is a bill introduced by the Senator from Nebraska [Mr. NORRIS] in the second day of the present Congress, being S. 939, and entitled "A bill to limit the jurisdiction of district courts of the United States." That was the bill with reference to which the American Bar Association expressed its objection first, and, second, to the Shipstead bill which I read a few moments ago.

Mr. BINGHAM. Then it is the Senator's opinion that when in this letter reference is made to S. 935, the writer of the letter confuses it with S. 939?

Mr. WALSH of Montana. No; by no means. The letter refers to the pending consideration of S. 935, but the writer confuses that bill with S. 2497 of the Seventy-first Congress. He does not assume, but it might easily be assumed, that the two are identical, whereas as a matter of fact they are radically different. The Committee on the Judiciary rejected S. 2497 just as the bar association did.

Mr. BINGHAM. It is most unfortunate from the point of view of the layman that this letter from the bar association should be inserted in the RECORD so late and should be of such a nature that the Senator from Montana is able to claim that it does not refer to the legislation now before us. I ask that the letter of Mr. Drew may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ERECTORS' ASSOCIATION,
New York City, February 27, 1932.

Hon. HIRAM BINGHAM,
United States Senator, Senate Office Building,
Washington, D. C.

DEAR SIR: In behalf of the National Erectors' Association, whose members fabricate a very large percentage of the structural iron and steel used in the United States and whose products enter largely into the channels of interstate trade, I desire to protest against the enactment of the Norris anti-injunction bill into law.

This is class legislation in favor of a militant, strongly organized group which already enjoys a large measure of legal privilege and immunity. This condition of privilege and immunity under the present legal situation has largely contributed to the growth of certain conditions and tendencies which constitute a distinct menace to our national economic life. The proposed legislation would stimulate and aggravate these conditions and tendencies and would be a direct invitation to their extension to the channels of interstate trade and commerce. I refer specifically to the collusive agreement and the racket.

The collusive agreement is a conspiracy between a group of employers and a labor union whereby the monopoly of the union in a particular trade is used to protect both the union and the employer group from outside competition, with the result that the two groups enjoy a joint monopoly in the trade and territory covered by the agreement. Local political affiliations are used to strengthen the combination so that it becomes practically immune from attack. The Lockwood investigation in New York City disclosed that nearly all of the building trades of the city were controlled by these collusive combinations, and investigations in many other cities have revealed similar conditions. Due to the restrictions of Federal law, these combinations are now largely local. If those restrictions were removed or weakened, there would be an undoubted extension of the field now covered by such agreements to the products and materials carried in interstate commerce.

The chief strength of the unions is found in the building trades, and it is fair to assume that the conditions brought about by union control in this field are typical of conditions that would become general if such control were extended. The exorbitant and burdensome cost of construction which is so general in our large cities is due largely to these collusive combinations and to the restrictions, profiteering, and corruption which has grown up under them. Can anyone say that any measure which will tend to establish these conditions more firmly or to extend them to different fields of industry is in the public interest?

Dr. Raymond Moley, professor of public law and jurisprudence at Columbia and a member of the New York State Commission on the Administration of Justice, gives the result of an investigation into rackets in the New York Times of August 9, 1931. After describing the "simple racket" he says, "The complex interrelations of labor, business, and politics in large cities, however, have made possible the development of vast elaborations of the same theme. These have technically been called collusive-agreement rackets * * *. The racket, either in its simple form or development into the labyrinthian proportions of the collusive agreement, takes its toll in nearly every field. At one time in one of our cities there were 163 rackets of the collusive-agreement character. This means that a large part of human endeavor in that city was, and probably is, carried on by and through illegal conspiracies." In describing the collusive-agreement racket, Doctor Moley says, "The dramatic unity of such associated activity presents four types of characters: Business men, labor leaders, politicians, and professional criminals. Business men seek to create and maintain for themselves a favored position in their respective services or fields. Unscrupulous labor leaders seek a monopoly of control over the workmen engaged in a given trade by controlling the avenues of employment. The politicians participate in the action because they fill and control public offices that are concerned with the processes of business and trade. Serving at times all these interests are the unacknowledged but nevertheless real mercenaries, professional criminals, gunmen, muscle men, 'gorillas,' and 'sab cats.'"

The more irresponsible and legally immune a labor union or other group becomes, the more attractive also it becomes as a vehicle for exploitation. The growth of the unions along right lines and the fulfilling of their high ideals will not be enhanced by measures which lessen their responsibilities as compared with those of other citizens.

Respectfully,

WALTER DREW, *Counsel.*

Mr. FESS. Mr. President, I have received a great number of letters in protest against the legislation, and I find that the writers of the letters are identifying this bill with legislation proposed in the last Congress. They evidently do not know the number of the pending bill but are following largely the suggestion of the bar association which has to do with legislation of the preceding session. My mail is quite abundant on the same subject.

Mr. JOHNSON. Mr. President, may I inquire whether this confounding of legislation and ignorance of it emanates from distinguished lawyers?

Mr. FESS. The Senator from Ohio is not capable of determining that fact.

Mr. VANDENBERG. Mr. President, the Senator from Connecticut has submitted one layman's perplexity and I want to submit another. I refer to the constitutionality of section 11 and its unlimited provision for the right of trial by jury in all contempt proceedings. I would not, as a layman, presume even to submit the inquiry to the Senate if it were not for the fact that I am directly related to section 12 of the pending bill. Section 12 is precisely similar to independent legislation which I have repeatedly introduced for the last four years respecting proceedings in contempt with particular reference to the freedom of the press. In other words, sections 11 and 12 bear jointly upon the same phase of the problem.

This issue in respect to the press arose acutely in the so-called Ohio case in 1929. Immediately, as a result of obvious, indefensible judicial tyranny which was suffered at that point and in that instance, there was a general movement among the newspapers of the United States to inquire into the possibility of curbing this type of tyranny in which a judge, in a State jurisdiction, acted as complainant, prosecuting witness, and ultimate arbiter in an indirect contempt which related solely to his own conduct.

I should like to digress long enough to say that I think one of the great advantages of the pending legislation relates to the contribution which one section of it is proposing to make to the essential freedom of the press, as well as the legitimate freedom of labor contracts. It may, in this respect, offer a useful example for emulation in State legislation.

In the course of the inquiry to which I referred, I came to the inevitable conclusion—based, of course, not upon my own findings but upon the best available legal advice which I could procure—that a provision for the rotation of judges as originally proposed in my bill S. 1726 in 1929, and as now provided in section 12 of the pending measure was the utmost safe limit to which legislation could undertake to go within constitutional scope, with the exception of the so-called criminal provision which is in the Clayton Act. Furthermore, it seems to me that this rotation of judges is ample protection against abuse, with such added right of limited trial by jury as is set up in the Clayton Act. It is my understanding that the provision in the Clayton Act which provides for trial by jury in contempt cases is confined to the following specifications:

> If the act or thing done be of such character as to constitute also a criminal offense under any statute of the United States or under the laws of any State in which it was committed.

In other words, the provision for trial by jury in contempt in the Clayton Act applies solely at the point where the contempt is of itself a violation of a State or Federal law. The legitimacy of trial by jury under such circumstances seems obvious. It is my understanding that this provision which bears directly upon the question which I am now submitting to the Senate was taken into the courts for construction in the so-called Michaelson case. I believe that the United States district court concluded, as reported in Two hundred and seventy-fourth Federal Reporter, 604, that even this limited provision for trial by jury is unconstitutional; that this adverse finding was concurred in by the United States circuit court as reported in Two hundred and ninety-first Federal Reporter, 945; but that this finding was reversed in the Supreme Court in a ruling in Two hundred and sixty-sixth United States Reports, 65, on the distinct and specific ground that it was a circumscribed and very limited application of the principle of trial by jury in a contempt proceeding. The reversal, however, was in effect a severe warning.

Mr. President, I would not, of course, undertake to submit a legal conclusion to the Senate upon this score——

Mr. LOGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. VANDENBERG. I will yield in just a moment. But I am bound to say, based upon my rather lengthy study which preceded the original preparation of the language which now appears in section 12 of the bill before us, that I was driven to the conclusion that a general and broad provision for trial by jury in all contempt proceedings of this nature would invade the inherent powers of the courts and unquestionably would fall under the ban of the Constitution.

I yield now to the Senator from Kentucky.

Mr. LOGAN. I understand the Senator's objection is that it would be unconstitutional to provide that a man who has been guilty of a contempt should have a trial by jury. I understand the Senator's objection is that it is unconstitutional?

Mr. VANDENBERG. I am undertaking to state that I have been advised that an unlimited extension of the privilege would be a violation of the Constitution.

Mr. LOGAN. It is not the Senator's personal opinion, is it, that a man charged with contempt is not entitled to trial by jury?

Mr. VANDENBERG. No; I am not discussing that question at all. On the contrary, I am saying that my fear would be that section 11 might fail ultimately to provide any relief, however appropriate, through trial by jury because of the effort of the section to make it an unlimited right of trial by jury, which is at the very least highly doubtful as a constitutional proposition. The question I am submitting, therefore, in its practical phase is whether or not the right of trial by jury as defined in section 11 would not more advisedly be defined and limited as it is in the language of the Clayton Act, which already has been construed by the Supreme Court and supported by the Supreme Court. We can not leap the bounds of the Constitution. Judge Baker used a very happy figure of speech in his decision in the Michaelson case when he said that Congress is the potter which shapes the vase, but when it is shaped the judicial power is poured into it by the Constitution and not by Congress. The final decision in respect to this particular point will be made by the Supreme Court and not by us, and of course I am content to leave the law to this final adjudication. I only submit the question for its contemporary bearing on our legislative viewpoint.

Mr. LOGAN. I am frank to confess that I have not had that view of the matter suggested by the Senator. If there is any objection that I have to the bill now being discussed, it is to the fact that it allows a judge to inflict, without a trial by jury, any punishment more than is necessary to protect the orderly procedure of the court. I am opposed to any judge inflicting punishment except so far as may be necessary to enable him to conduct the affairs of his court. We have had such a law in our State for 100 years or more, I believe. No judge down there may inflict punishment for contempt except a direct contempt, and then he is limited to the imposing of a few hours' imprisonment and a small fine. If he wants the punishment to go beyond that he must impanel a jury. The law has never been attacked that I know of, either in the Federal or State courts.

Mr. VANDENBERG. I am discussing the constitutional phase of the Federal question as it impends, as I see it, in section 11, and as it has been attacked and adjudicated. I am doing so solely, of course, upon accumulated testimony and evidence as it came to me in connection with my study of the same problem in section 12.

The State of Illinois in July, 1931, enacted in its State jurisdiction precisely the same type of contempt law which is defined in section 12 to which I have referred.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Wisconsin?

Mr. VANDENBERG. I will yield in just a moment. I find in the Chicago Tribune at that contemporary period the observations of Mr. Henry Barrett Chamberlain, operating director for the Chicago Crime Commission, who as a constitutional attorney raised the question as to whether even a provision for the rotation of judges could qualify as a constitutional proposition. If there be any doubt about the constitutionality of the rotation of judges, there is, of course, multiplied doubt of grave degree respecting the constitutionality of universal jury trials in contempt proceedings. So in connection with my study of the newspaper phase of the question I am constantly prompted to raise the question whether or not section 11 in its unlimited grant of the right of jury trial can justify itself under the Constitution.

I now yield to the Senator from Wisconsin.

Mr. BLAINE. I just want to suggest to the Senator, with his permission, that he has narrowed and limited the law as defined in the Michaelson case. That case not only holds that jury trial is permissible when there is contempt that also consists of a violation of the statute but is also permissible whenever the contempt is of a criminal nature, whenever it is criminal contempt, quite without respect to whether or not there is any law punishing the particular thing for which the contempt proceeding is instituted.

So the decision in the Michaelson case is much broader and is much wider; in fact, it implies and holds as well that criminal contempt is to all intents and purposes criminal, and therefore the parties so charged would be entitled to jury trial unless there is absence of procedure permitting the jury trial. In the case of the Clayton Act it extended only to certain contempts; that is, contempts which were also of the character of criminal acts under the statute; but under the Michaelson case the legislative power is extended far beyond that, and I should be glad to read that portion of the opinion, if the Senator desires.

Mr. LOGAN. Mr. President——

Mr. VANDENBERG. Just a moment. Of course, I would not undertake to discuss the Michaelson case with the Senator from Wisconsin in its technical phases. As I have read it, it refers particularly to the limited power in the Clayton Act, and adds this significant language:

> If the reach of the statute had extended to the cases which are excluded, a different and more serious question would arise.

It is this different and more serious question which I now raise for whatever it may be worth.

Mr. BLAINE. Mr. President, if the Senator will permit me, let me say that the court in that expression had in mind what is popularly known as civil contempt. If the Senator will read the very next sentence or two, following what he has read, he will find the court stating:

> In criminal contempts, as in criminal cases, the presumption of innocence obtains. Proof of guilt must be beyond reasonable doubt and the defendant may not be compelled to be a witness against himself.

And then on the next page the opinion discusses the same subject at somewhat greater length, but the only question the court raises is with respect to what are known as civil contempts, and upon that question the court does not pass in the Michaelson case.

Mr. LOGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. VANDENBERG. I yield.

Mr. LOGAN. The Senator from Michigan has suggested a point which is perhaps the most serious one in connection with this whole matter before the Senate. I should like to suggest to the Senator, as to the power of the legislature to limit the jurisdiction of equity courts, that for many years it was held by leading lawyers that it was beyond the power of the legislature; that is, the legislative department of the Government could not limit the jurisdiction of an equity court after that jurisdiction had been conferred; that jurisdiction might be entirely withheld, but if it was conferred it could not be limited, and the court could exercise its equity jurisdiction in accordance with the old common-law rule.

If that holding is to be followed by our courts in this day, if the Supreme Court should follow that doctrine, this bill, should it become law, will be declared unconstitutional. My impression, however, is—and it is a very definite impression—that for the past 20 years or longer the courts have

been getting away from that interpretation of the law, and the weight of authority now is, and the more respectable authority will be found to hold, that if the legislature has the power in the first place to grant the jurisdiction, and if it has the power to take it away, it may limit the jurisdiction which it has conferred. That must be the position of those who advocate the passage of this bill, that Congress having in the first place conferred upon the Federal courts the equity jurisdiction it may take it away entirely; and, if it has the right to take it away entirely, it has the right to limit it. So I think the Senator, although he proclaims himself to be a layman, has raised probably the real question that will ultimately be considered in regard to this proposed legislation.

Mr. VANDENBERG. Mr. President, I do not desire to argue the constitutional point further. It seems to me that the measure should not go to a vote without this particular and paramount question having been raised regarding this one section for whatever comment it deserves to invite. So far as I am personally concerned, I should very much prefer that section 11 should be limited in some rational aspects similar to the limitation in the Clayton Act. But if it remains as written—and I may as well make this statement now as later—if it remains as written, much as I should regret to vote for any section which I believed to be unconstitutional in a bill, I would be still more reluctant because of the presence of the doubtful section, to vote against the bill as a whole with a dozen other sections which I favor. However, the point, it seems to me, for the sake of the record, should be the subject of a somewhat conclusive statement on behalf of the proponents of the bill. In the final analysis, of course, the Supreme Court will speak for itself and with undebatable conclusiveness respecting the particular section which I have discussed.

Mr. SHIPSTEAD. Mr. President, I send to the desk an amendment, which I ask may be read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 6, line 10, it is proposed to insert the word "tangible" before the word "property," and on page 7, line 2, to insert the word "tangible" before the word "property."

Mr. SHIPSTEAD. Mr. President, I shall not impose myself upon the Senate except for a very short time. The debate has demonstrated that there seems to be a unanimous opinion in the Senate that abuses in the use of the injunctive power by courts of equity have become so flagrant that legislative relief is called for. There also seems to be a unanimous opinion in the Senate that the "yellow-dog" contract is an unconscionable contract and ought to be outlawed. As a result, in this bill there is provision made for the outlawing of the "yellow-dog" contract by stigmatizing it as an outlaw. Then the question will go to the Supreme Court for that court to determine whether or not the outlawing of that kind of a contract is an interference with the constitutional right of freedom of contract. Certainly it has been very plain that the Senate is anxious to enact legislation that will prove effective to eliminate the abuses that have been complained of.

These abuses have been enumerated by so many eminent men that I am not going to take any time of the Senate to repeat them or to enumerate other abuses that may not have been mentioned. I believe the subcommittee of the Senate which has had this proposed legislation in charge for the last two or three years is entitled to the thanks of the Senate for the conscientious and energetic work they have performed in considering the great mass of testimony which has been presented in preparing this bill for the consideration of the Senate.

I believe that those members of the committee who have expressed themselves as being opposed to certain provisions of the bill have conducted themselves in a dignified way and in a manner that can certainly not be criticized even by the friends of the bill. I hope that no one will consider me presumptuous if, as a layman, I call to the attention of the Senate some aspects in which possibly the bill may be made even more effective than those who are now its friends hope that it may be.

In this bill we find enumerated a list of prohibitions directed to courts of equity; a certain number of things are set forth which they shall not do in the matter of issuing injunctions, until we come down to line 5, on page 6. There we find what in the history of injunctions in the past has proved, and I am afraid in the future will prove, the most significant words in the American system of law so far as labor disputes are concerned. These words I will quote. They appear in the bill following the listed prohibitions and are to this effect:

Except after findings of fact by the court to the effect.

In those words we find the root to the evil of labor injunctions when we study their history. On these words we find that all the prohibitions enumerated in this bill are founded. If the court finds certain things to be so, the prohibitions do not remain prohibitions, and he is allowed to issue injunctions under the law. The guide to the finding of facts is left to the conscience of the judge sitting in a court of equity, and there is where it always has resided. That has always been the guide to the findings of fact in the issuing of injunctions.

In the old chancery court of England the chancery judge was the keeper of the King's conscience. Under our system the judge sitting on the bench is the keeper of his own conscience merely, or, as is sometimes believed, the keeper of the conscience of the corporation which asks for the injunction. Judges of equity courts seem too often to be keepers of the conscience of the corporations which are influential in placing and keeping them upon the bench. As a result, we have discovered by bitter experience that the court finds what it thinks he ought to find, such as that the complainant has no adequate remedy at law, and that substantial and irreparable injury to complainant's property will follow; that unlawful acts will be committed, and that public officers charged with the duty to protect the complainant's property are unable or unwilling to furnish adequate protection.

To an humble layman who believes in government by law instead of government by injunction, it would appear that if the local officers, the police officers, the peace officers can not or will not protect the complainant's property, the complainant has a remedy in law by appealing to the governor of the State for the protection of the militia. This is a remedy at law furnished by the Government. It is the remedy with which the ordinary citizen is expected to be satisfied, and, being the remedy furnished for the ordinary citizen, it ought to be a sufficient remedy for corporations.

As to subsection (d) of section 7, when the court finds that the complainant has no adequate remedy at law the findings of the court in these disputes are usually based upon a strained conception of what constitutes an adequate remedy. The ordinary citizen finds that he is expected to be satisfied with a remedy furnished at law when the legislative body has defined the crime and prescribed the penalty for the violation of the law.

Thus, the legislative body has made it a criminal act for anyone to burn my house, and prescribed the penalty of imprisonment for the person who burns it. This may not save my house, but I must accept the remedy at law. I may make complaint that the remedy is not adequate because it does not prevent the burning of the house; but it is the remedy furnished at law, and I must accept it.

In all this debate in the Senate I think there has been overemphasis on the preventive effectiveness of injunctions so far as they are intended to protect physical property. In the railroad strike of 1894, Judge Wood, of the Federal court in Chicago, issued an injunction against railroad workers who were on strike. No rioting occurred, and no destruction of property occurred, until after the injunction had been issued. Mr. Debs was not arrested until after the rioting had ceased and after the strike had subsided; and he was arrested under the criminal statutes of the State a week before he was arrested for violating the court order of

Judge Wood. I believe the history of injunctions in labor disputes shows that they have not been effective for the prevention of crime, and as a matter of fact it is very doubtful if that has been the purpose of these injunctions.

If a person makes a threat of destroying my property, if he threatens personal injury to me or my property, I can have him bound to keep the peace and furnish bond. This is the remedy at law. It developed in the debate yesterday about this bridge that we have heard so much about in the debate in the last few days that everyone in the whole country seems to have been so concerned about, on the ground that the owner would have no remedy at law, that he would not have his bridge protected unless he had the right to secure injunctions against union labor men—it developed in the debate yesterday that he did have a remedy, and he did have sources of protection for his bridge without resort to an injunction.

As a matter of fact, the complainant in most cases does not have any fear of damage to his plant or other property. What he wants is to stop the legitimate activities of laborers in concert, so that the corporation can deal with them as individuals. To accomplish this the corporation uses a judge who very often owes his position on the bench to the influence of the corporation whose agents ask him for injunctive relief.

In subsection (a) the court finds that unlawful acts have been committed and will be continued. If unlawful acts have been committed we again have a remedy at law if the legislative body has furnished one—and it usually has. Certainly it is not necessary for me to enumerate the remedies at law for unlawful acts.

I should like to ask the Senator from Nebraska about subsection (a) in paragraph 7. Do the Senator and the committee consider that that is confined to injunctions that may be issued in relation to labor disputes only? It is not a general provision, is it? In fact, all of the provisions of this bill are confined to labor disputes, are they not, if I may ask the Senator the question?

Mr. NORRIS. Not all of them, Mr. President. There are some general provisions. For instance, section 11 as now amended is general and applies to everything. Section 12 is general. Those are all that I think of at present.

Mr. SHIPSTEAD. I thank the Senator. That is what I wanted to know.

I should like to ask another question, if I may; and that is, what unlawful acts might be involved here—any unlawful act that might occur in the vicinity where the controversy was taking place?

Mr. NORRIS. Is the Senator propounding that question to me?

Mr. SHIPSTEAD. Yes.

Mr. NORRIS. I should say not. It would be some unlawful act connected with the dispute or the controversy that was there. I can not assume that any court would take any other view of the matter. There might be an unlawful act there that was entirely separate from and had no connection whatever with the labor difficulty.

Mr. SHIPSTEAD. I thank the Senator.

I venture to repeat, because I think it is worthy of repetition, a paragraph from a statement of the distinguished Senator from Illinois [Mr. LEWIS] the other day, when he said:

> The equity jurisdiction of the later English courts was a mere offshoot of the Roman system prevailing in the time of the Cæsars. This was a writ wholly and only for the purpose of exercising a prerogative of the sovereign of nations, a power assumed and exercised to prevent invasion, intrusion, or any form of usurpation of royal prerogative in matters of government. There never was an assumption in the adoption of the theory of injunction that it should apply to individual conduct and to persons. That exercise of authority has grown upon the courts of this country in the growth of complete usurpation. Yet the tendency continued and multiplied until there was a general assent to allow this innovation upon the theory that the circumstances surrounding each offense justified the departure to avoid violence.

In the words of the distinguished Senator from Illinois—and I want to thank him for calling that matter to the attention of the Senate, because I think the historical aspect of this subject should never be out of the minds of men dealing with it—it is true that it is an offshoot of the Roman system of law. That was a system of law designed to make it possible for 10 per cent of the people who were free, who owned all the wealth and also the other 90 per cent of the population as slaves, to live in perfect comfort and safety under the social and political conditions existing at that time. In other words, that system of law was conceived and developed to protect the masters from the slaves. The Romans gave it to the Franks and the Germans, and this system was carried to England by the Normans, where the system became so obnoxious that Englishmen had to cut off the heads of several hundred judges in order to compel those remaining on the bench to have some respect for Anglo-Saxon law. In order to restore respect for the courts, and to establish justice, it was necessary to kill many of the judges.

This system of law, conceived in the political, social, and economic conception of the rulers of ancient Rome, was checked and modified in England only after the spilling of much human blood, then transferred to the United States, and began in the early nineties to show signs of reverting to the ugly characteristics of its birth in the slave period of Rome. When the creation and growth of corporation powers started in the United States, with their increasing influence, this system of law was gradually increased and extended until its ugly tentacles spread over the land, displacing government by law with government by equity, doing away with trial by jury, ignoring or setting aside legislative remedies and constitutional guaranties. The creature of a people's government became so powerful as to threaten the very life of its creator. Its main source of sustenance has been the "due process of law" clause of the fifth amendment to the Constitution, the provisions of which amendment have been so perverted that in the name of due process of law to protect property they have in many cases destroyed the guaranties of liberty and life found in the same amendment.

This perversion has been made possible by the system's own extended definition of property. Under this strained definition of property, equity jurisdiction has been extended so that courts of equity now issue injunctions in labor disputes not only when there is no remedy at law but where there is a remedy at law, and apparently on the assumption that the remedy furnished by a court of equity is more complete and therefore a better remedy than that furnished at law. They prefer the autocratic Roman system of administration of law to the Anglo-Saxon system of statute law and trial by jury. As a result injunctions have historically been issued in these cases principally to prevent irreparable injury to intangible property.

The so-called property rights involved in most labor injunction cases are not the tangible property of the employer, but the claimed intangible property rights which arise from relationships established with employers and employees, interference with which affects the marketing of the products of labor.

Economists call these rights "market opportunities." These rights are really personal rights, and not property; and it is only by treating them as property that injunctions can be issued in most labor cases.

Certainly it is not necessary to enlighten the Senate on this subject, but for the purpose of the record, to illustrate what I mean by that statement, I will call attention to what was called the Wonderland Theater case, in Minneapolis, some years ago, where the manager of the theater refused to hire union labor in the operation of his theater. The Labor Review and members of labor unions published in the paper the fact that the manager of the Wonderland Theater refused to hire union labor. Pamphlets were also printed and spread throughout the city calling the attention of whoever might read the pamphlets to the fact that a labor controversy was on, and that the manager of the Wonderland Theater did not employ union labor.

The manager of the theater applied to the court for an injunction, claiming that his property was taken away from him; that he was deprived of his property without due process of law. The court held that he had an intangible

property right in the patronage of the public, and that, in effect, the result of advertising the facts connected with the strike was to deprive him and his theater of the patronage of the public; and to the extent that he was deprived of that patronage, to that extent he claimed he was deprived of property without due process of law.

The editor of the Labor Review and other labor men refused to obey the injunction that the court issued on the ground that patronage of the public was a personal right merely and not a property right. They were sentenced to jail for a period of three months for publishing what no one denied were the facts about this controversy. They went to jail because the court held it to be the property right of the theater to do business with the public and to accept their patronage; that that was property.

In order to protect that personal right, which the court determined was property, they had to violate other provisions of the Constitution and deprive other citizens of personal rights, to freedom of the press, to freedom peacefully to assemble, and so forth.

While that was in a State court, I simply point to it as showing what has taken place and what usually takes place in labor controversies because of the fact that what up until 30 or 40 years ago was not considered to be property within the provisions of the equity power has so been changed by the courts in the matter of procedure that they now call practically any human activity property they see fit to call property for the purpose of finding an excuse for limiting the lawful activities of human beings, on the ground that they have a right to do so under the excuse of protecting property, and in order to accomplish the purpose they have to call things property that are not property in themselves.

Criticism of injunctions on this ground was first developed by Governor Altgeld, of Illinois, and in the early nineties by eminent writers in journals of law. The Pearre anti-injunction bill of the Roosevelt period was based upon this theory, and labor opposition to the Clayton bill in 1914 in its original form was based upon this principle. In the Clayton Act there was inserted the provision " the labor of a human being is not a commodity." This provision was inserted in the act to prevent the courts from holding that the labor of the human being is a commodity or article of commerce. Of course, this provision of the Clayton Act, intended to invoke the prohibitions against involuntary servitude of the thirteenth amendment, became meaningless under this old but, in America, comparatively new and growing system of law.

Mr. Thomas S. Spelling, who, since the early nineties and during the early nineteen hundreds, was quoted more than any other American writer by eminent men as an authority on equity, always held this view. The conception of what constitutes property has undergone such great changes in the last half century that if it had not been for this change labor injunctions would very likely never have been heard of.

There is a well-grounded difference of opinion as to whether, for the purpose of legislation, the definition of property is legislative or judicial prerogative. This amendment does not trespass upon the grounds of that controversy. This amendment would limit injunctive relief during labor disputes to tangible property only, leaving the vast field of intangible personal rights to remedies at law.

This amendment is in harmony with the bill now before the Senate because that bill is a bill limiting jurisdiction of courts of equity in labor disputes. The necessity to eradicate the abuses of the power of injunctions in these cases is conceded by those who favor the bill and those who are opposed to it. The prohibitions enumerated prior to section 7 are merely a restatement of what is already considered the best equity practice; that is, with the exception of reference to the " yellow-dog " contract. The enforcement of these prohibitions will depend upon the administration by the court of the principle involved in the words " except for the finding of fact by the court to the effect," and so forth. That is where they have rested in the past, and without this amendment they will there remain without limitation. This has been the source of abuses we are endeavoring to eliminate. I fear that without the adoption of this amendment we leave the source of the evil untouched, and therefore untouched the evil itself.

If I may take just a few moments, I want to call attention to a decision of the Supreme Court handed down last spring, which I think ought to guide courts in labor disputes as well as others where the liberties of human beings who labor are at stake. I would like to see all courts, inferior as well as the Supreme Court, apply that rule of law in deciding questions of jurisdiction and power, and the use of the equity power decided in a case brought under the so-called Minnesota newspaper " gag " law, decided last spring.

The case came to the court as the result of legislative enactment by the Legislature of Minnesota. The law provided that criminal libel could be enjoined by a court of equity, and under that provision of the Minnesota law two editors were permanently enjoined from publishing their papers on the ground that they were a public nuisance.

The case was carried to the Supreme Court of the United States, which held the law unconstitutional. The court said that the injured party in a case of criminal libel had a remedy at law under the criminal libel statutes of the State, and, having a remedy at law furnished by the State, the use of a court of equity to take jurisdiction was uncalled for and was a violation of constitutional guaranties of freedom of the press.

Upon the passage of the Minnesota act and its enforcement every large corporation owning a newspaper in the United States immediately saw that its property and its rights were endangered, and they raised money to carry the case to which I have referred to the Supreme Court, and there the law was held unconstitutional. I think the court decided correctly that there was a remedy at law; and where there is a remedy at law, a court of equity should never have jurisdiction.

In most of these controversies complained of, where the protection of property is involved, where there is a question of trespass, injunctions have been issued on the ground that there is trespass. If there is a remedy in the courts of law for criminal libel, there is a remedy for trespass to the injured party. But when we come to labor disputes, we find that the courts issue injunctions in cases of trespass, setting aside the laws of the State. There seems to be one rule for labor and another for capital.

It is against this continuous, progressive encroachment of courts of equity upon courts of law, the displacement of the Anglo-Saxon system of law by the Roman system of law, against which I protest, and I want to go on record as protesting against it.

Mr. President, I would like to have a record vote on this amendment. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. NORRIS. Mr. President, it is an unpleasant task for me to oppose this amendment offered by the Senator from Minnesota, who, as a matter of fact, has given a great deal of time and attention to this question for quite a number of years.

There are two schools of thought. One believes that the right way to proceed in order to prevent the harm which has come and is continually coming from the granting of such injunctions as have been discussed is to define property. The people who believe in that way may be right. I have a great deal of sympathy with their theory. But the matter came before the Committee on the Judiciary something over two or three years ago, when the Senator from Minnesota offered his bill relating to the granting of injunctions, which was only half as long as one's finger, which was intended to correct the evils of injunctions mainly by a definition of property.

The pending amendment carries out that theory. But the subcommittee of the Committee on the Judiciary, to which was referred the bill of the Senator from Minnesota, devoted to it a great deal of time, a great deal of thought, and a great deal of attention, and sought much legal advice, because they were impressed with the fact that it was backed by the Senator from Minnesota, and we knew his earnestness, and that back of him was one man whom most Mem-

bers of the Senate have learned to know and to love for the years he has been here as a representative of the organization of seamen, Mr. Furuseth. He believes in what was advocated by the Senator from Minnesota. But after the subcommittee had given the attention to which I have referred, and had sought that advice, it reached the conclusion that the method proposed was not the best way for curing the injunctive evil. I myself was in great sympathy with what had been proposed by the Senator from Minnesota, but as nearly as we could gather from our research, the lawyers who had studied the subject were practically unanimous against it. Anyway, the committee decided to build up a bill instead of the one offered by the Senator from Minnesota, and did so. That has been modified and changed and has come down to us now through several Congresses and is the bill now before us, drawn along entirely different lines. Right or wrong, we took that course. We have done the best we could.

The subcommittee which drafted the bill had a little conference in regard to the amendment. I did not know until yesterday anything about it being offered. We are afraid of it because it is engrafting onto this bill practically a fundamental principle which would be perfectly applicable if we had taken the other horn of the dilemma. We do not believe it safe thus to limit property as the amendment would do.

Mr. NEELY. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from West Virginia?

Mr. NORRIS. Certainly.

Mr. NEELY. Does the Senator think that the adoption of the amendment would endanger the validity of the entire measure?

Mr. NORRIS. I do not believe it would result in the entire measure being declared unconstitutional, but I think it would result in some very necessary parts of it, perhaps, being so held. At least it is based on a different theory entirely from that upon which the bill is constructed, and we do not believe it is wisdom to take part of one theory and part of the other.

Mr. SHIPSTEAD. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. NORRIS. I yield.

Mr. SHIPSTEAD. In view of what the Senator said a moment ago, may I express the hope that the Senator does not feel that anything I said to-day or anything I may have said heretofore would indicate that I am in any way dissatisfied with the committee or question the sincerity or earnestness of purpose of the committee?

Mr. NORRIS. Oh, no; I have no such thought. I think, while the Senator did not get out of the committee what he wanted, he has been perfectly satisfied that the committee did what they thought was the best thing to do. I am speaking now not only for myself but for the Senator from Montana [Mr. WALSH] and also for the Senator from Wisconsin [Mr. BLAINE] who have been on the subcommittee with me from the very beginning. The amendment comes before us now without any notice. While I realize that it is offered in the best of good faith and in the belief that it would improve the bill, yet we are afraid it would not do so, and, therefore, I hope the amendment will be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. SHIPSTEAD], on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JONES (when his name was called). Making the same announcement as before with reference to my pair and its transfer to the Senator from Pennsylvania [Mr. DAVIS], I am at liberty to vote. I vote "nay."

Mr. KEAN (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. BAILEY]. Not knowing how he would vote on this question, I withhold my vote.

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote on the pending amendment, I withhold my vote.

Mr. TOWNSEND. I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR]. Not knowing how he would vote if present, I withhold my vote.

The roll call was concluded.

Mr. GLENN. I have a general pair for the day with the senior Senator from Oklahoma [Mr. THOMAS]. Understanding that if present he would vote as I intend to vote, I feel at liberty to vote. I vote "nay."

Mr. HEBERT (after having voted in the negative). I have a general pair with the junior Senator from Louisiana [Mr. LONG]. I understand that if he were present he would vote as I have voted on this question. Therefore I allow my vote to stand.

Mr. SHEPPARD. I wish to announce that the Senator from Colorado [Mr. COSTIGAN] and the Senator from Missouri [Mr. HAWES] are absent on official business.

Mr. FESS. I wish to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Colorado [Mr. WATERMAN] with the Senator from Missouri [Mr. HAWES].

The result was announced—yeas 6, nays 72, as follows:

YEAS—6

Cutting	La Follette	Schall	Shipstead
Johnson	Nye		

NAYS—72

Ashurst	Connally	Hebert	Reed
Austin	Coolidge	Howell	Robinson, Ark.
Bankhead	Copeland	Hull	Robinson, Ind.
Barbour	Couzens	Jones	Sheppard
Barkley	Dale	Kendrick	Smith
Bingham	Dickinson	Keyes	Smoot
Black	Dill	King	Steiwer
Blaine	Fess	Lewis	Stephens
Borah	Fletcher	Logan	Thomas, Idaho
Bratton	Frazier	McGill	Trammell
Brookhart	George	McNary	Vandenberg
Broussard	Glass	Morrison	Wagner
Bulkley	Glenn	Moses	Walcott
Bulow	Goldsborough	Neely	Walsh, Mass.
Byrnes	Hale	Norbeck	Walsh, Mont.
Capper	Harrison	Norris	Watson
Caraway	Hatfield	Oddie	Wheeler
Carey	Hayden	Patterson	White

NOT VOTING—18

Bailey	Hastings	Metcalf	Townsend
Costigan	Hawes	Pittman	Tydings
Davis	Kean	Shortridge	Waterman
Gore	Long	Swanson	
Harris	McKellar	Thomas, Okla.	

So Mr. SHIPSTEAD'S amendment was rejected.

Mr. WALSH of Montana. Mr. President, I offer the following amendment: On page 11, lines 19, 20, and 21, I move to strike out the words "or any controversy arising out of the respective interests of employer and employee."

It has been felt by the friends of the bill that by reason of provisions in section 6 and the provisions referred to in the amendment in the definition of labor disputes, there might possibly arise some embarrassment in the prosecution of actions for personal injury or death resulting as the consequence of an accident. It is for the purpose of obviating any such difficulty that the amendment is offered.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Montana, which will be stated.

The CHIEF CLERK. On page 11, line 19, after the word "employment," strike out the words "or concerning employment relations, or any other controversy arising out of the respective interests of employer and employee," so as to make the subsection read:

(c) The term "labor dispute" includes any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether or not the disputants stand in the proximate relation of employer and employee.

The amendment was agreed to.

Mr. BLAINE. Mr. President, I desire to offer the amendment which I send to the desk.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. The Senator from Wisconsin moves to add a new paragraph to section 8, to read as follows:

(b) If at any stage of the proceedings under this act it shall appear to the court or be specifically alleged by the defendants or either of them that the complainant or any detective or other person directly or indirectly employed by him in connection with industrial relations has incited, promoted, or encouraged the labor dispute giving rise to the proceedings or any unlawful acts in connection therewith, all proceedings hereunder shall be suspended and any restraining order or temporary injunction shall be inoperative until a hearing and determination has been had to determine the facts with respect to such allegations, and the court shall thereupon require that issue be joined and that a hearing thereon shall be immediately held.

Testimony relating to such issue shall be taken in the same manner as is taken in equity proceedings within the jurisdiction of said court.

After the taking of such testimony, if the court finds against the complainant on the issue joined, the court shall make a finding of fact and shall assess against the complainant, and the defendants shall recover threefold, the loss, expense, and damage caused by the issuance of such restraining order or temporary injunction, together with all reasonable costs, including a reasonable attorney's fee, incurred in the action instituted by complainants, and where there is more than one defendant, the amount assessed and recovered shall be apportioned among the defendants according to their respective interests as may be shown in said proceeding, and any restraining order or temporary injunction issued in the action instituted by complainants shall be dissolved, as a part of the judgment for damages and costs on the special issue joined.

A review of such findings and the judgment rendered in such matter may be had in the same manner as is now provided for a review in equity proceedings of which said court has jurisdiction.

Mr. BLAINE. Mr. President, on yesterday I submitted the proposal so that the amendment might be printed and Members of the Senate might have an opportunity to read it. While the amendment appears to be long, it is very simple. The length of the amendment is due to the necessity of setting up the necessary procedure to accomplish the main purpose designed.

It will be recalled that in the Indianapolis Street Railway Co. strike the employees had been struggling for 10 years in the effort to obtain a decent wage. Finally organizers came from Detroit, that city being the headquarters of the general organization of street railway employees. After some days had elapsed the employees finally thought that they were strong enough successfully to carry on a strike, and on June 2, 1926, Judge Baltzell, on the request of the attorneys for the street railway company, issued an injunction against a probable strike.

It was ascertained after that injunction was issued that a man by the name of Boggs, an employee of the street railway company, had wormed himself into the organization and had himself elected president of the local employees' organization. Two other men, by the names, respectively, of Thompson and Young, who were likewise employees of the street railway company, also wormed themselves into the organization. Boggs and Thompson and Young were all spies; they were all agents of the company. When the street railway employees met on the night of July 2 to determine whether or not they should strike, and when the organizers read the injunction to those men, advised them that they had the facts before them, and urged them that they could not strike without disobeying the injunction, Boggs, the company detective, the agent of the street railway company, made an inflammatory address and lashed the workingmen into voting a strike. As a result thereof the contempt proceedings developed.

This amendment provides that where such a situation develops during the trial of the injunctive proceedings or where the defendants specifically allege that the complainant has employed spies and agents who incited, promoted, and encouraged the strike or some unlawful act that brought about the injunction, then the proceedings shall cease at that point and the court shall proceed immediately to take testimony respecting such allegation. If the court shall find that the allegation is true, then the court shall fix threefold damages in favor of the defendants and dissolve the injunction. I have decided upon the threefold damage provision on account of identically the same provision being embodied in the Clayton Act. After a determination of that question, then the amendment sets out the manner in which judgment shall be entered and appeal taken. The ordinary procedure is provided for.

The entire purpose of the amendment is to prevent the complainant in strike cases hiring detectives and other agents to incite and promote and encourage the men to go on strike, or hiring detectives or other agents to commit unlawful acts and then attribute such acts to the employees.

I think, Mr. President, that the disclosures made in the Indianapolis Street Railway case show the most reprehensible conduct ever exhibited in the history of America. In that case private detectives were hired by the employer actually to encourage and promote a strike and then to have all the blame fixed upon the employees. There ought to be some responsibility, and I am endeavoring to fix that responsibility upon the complainants, so that if they employ such agents and detectives to promote and encourage and incite unlawful acts or incite strikes or incite anything because of which the complainant expects to have an injunction issued to restrain them, then there will be some provision in the law which will be a warning to the complainants that such things must not happen, and if they do happen the complainants must respond in damages threefold for the unlawful and unwarranted acts committed by them.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. WALSH of Montana. Mr. President, I am in favor of the amendment offered by the Senator from Wisconsin, but I have a few amendments to offer to improve its language. Some of the provisions of the amendment seem to be rather ambiguous and obscure.

The VICE PRESIDENT. The first amendment offered by the Senator from Montana to the amendment of the Senator from Wisconsin will be stated.

The CHIEF CLERK. It is proposed to strike out, in line 5, the words "in connection with industrial relations" and to insert in lieu thereof the words "for the purpose of securing information concerning a labor dispute."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment of the Senator from Wisconsin.

Mr. BORAH. Mr. President, does that amendment appear in line 5?

Mr. WALSH of Montana. It appears in line 5. The language there is as follows:

(b) If at any stage of the proceedings under this act it shall appear to the court or be specifically alleged by the defendants or either of them that the complainant or any detective or other person directly or indirectly employed by him in connection with industrial relations—

The phrase "in connection with industrial relations" seems to me to be exceedingly obscure. I propose to substitute for it the words "for the purpose of securing information concerning a labor dispute."

Mr. BORAH. After the amendment suggested by the Senator from Montana there follow the words "has incited, promoted, or encouraged the labor dispute"?

Mr. WALSH of Montana. Exactly; yes, sir.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment of the Senator from Wisconsin.

The amendment to the amendment was agreed to.

Mr. WALSH of Montana. I offer another amendment to the amendment.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In the amendment offered by the Senator from Wisconsin, in line 6, it is proposed to strike out the words "the labor dispute" and insert "the same."

Mr. WALSH of Montana. That becomes necessary by reason of the adoption of the preceding amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment proposed by the Senator from Wisconsin.

The amendment to the amendment was agreed to.

Mr. WALSH of Montana. I offer a third amendment to the amendment.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In lines 6 and 7, it is proposed to strike out the words "giving rise to the proceedings."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment proposed by the Senator from Wisconsin.

Mr. BORAH. Mr. President, I should like to ask the Senator from Wisconsin, the author of the amendment, a question as to the clause which reads:

> * * * and shall assess against the complainant, and the defendants shall recover threefold, the loss, expense, and damage caused by the issuance of such restraining order or temporary injunction, together with all reasonable costs.

Has language such as that ever been passed upon by the courts in proceedings of this nature?

Mr. BLAINE. I think that has been passed upon by the court in cases arising under the Clayton Act, which provides that there shall be threefold damages for loss inflicted by violation of the act; and in injunction proceedings, I think in every jurisdiction, where a person obtains an injunction, and finally the injunction is dissolved, the court may render judgment for the loss, damage, attorney's fees, witness fees, all costs, and in some cases twofold or threefold for the actual damages, as a punitive measure. I have not any doubt about that proposition.

Mr. ROBINSON of Arkansas. Mr. President, before the vote shall be taken on the amendment, I think it proper to call the attention of the author of the amendment and others to certain considerations which may have weight. We all know that in times of widespread labor controversies, when strikes are threatened or are imminent, various methods of strategy are resorted to by the parties to the controversy. The Senator from Wisconsin, the author of the amendment, referred a few moments ago to one that is very impressive. That was a case, as I heard him, where persons actually serving the employers found their way by devious methods into positions of influence in the employment of the laborers and became ostensibly the representatives of the laborers. It was, of course, unfair, but nevertheless it might happen again in an acute controversy. If it had not become known that these persons were actually incited to their action by the employers, the employees themselves would have been responsible. Under this amendment the course pursued by the persons referred to in stimulating and bringing on the labor trouble were nominally employed by the laborers.

I am wondering whether there have not been numerous instances in which persons of the class referred to in the amendment have worked their way into positions of trust when as a matter of fact they had insidious purposes in mind. Many times it might be possible that those secret machinations would not become known. On the face of the employment, they are representatives of the organizations of which they are officers. They are members of one of the railway brotherhoods, for instance, in a railway strike, and they have secured that employment for the purpose of making trouble. What protection would the brotherhoods have against that sort of condition under this amendment? They could not get any relief. If they sought relief from a court of equity, as, for instance, the dissolution of an injunction, they would be denied it; and, of course, the same thing is true of the other side of the controversy if similar processes are pursued by their opponents.

It occurs to me that while the intention of this amendment is to be approved, it is possible that it might be used as an agency of oppression. I wonder if the author of the amendment has given consideration to that phase of the matter.

Mr. BLAINE. Mr. President, as I had originally drafted the amendment, it is my understanding that these persons employed as detectives would be employed for the particular purpose of inciting, promoting, and encouraging a labor dispute. The persons who are employees of the company—in its employ—seeking better terms of employment, better pay, better conditions, would not be employed for that purpose at all; but they are the ones who are the victims of the spies who get into the organization. They are, in fact, not employees of the company except for the particular purpose of spying on the organization.

Mr. ROBINSON of Arkansas. Of course, the success of their efforts depends upon their keeping secret the purpose of their employment. If it becomes known that they have worked their way into the organizations for the purpose of spying or of reporting to their actual masters, their usefulness would be, of course, at once at an end.

I am speaking now, however, of the case where a detective, just for instance, induces a railway brotherhood to give him employment for the purpose of helping to conduct a strike. He is actually employed by others who have adverse interests to the laborers. That is just one illustration; but that fact is not known. That fact, of course, is secret. He is actually the emissary of the opponent of the laborer, though he is nominally in the employ of the laborer; and he commits an act that indicates that he is stimulating labor troubles. The laborers themselves want a measure of relief and protection; but they are estopped by reason of the fact that they have in their employ a man or men who have helped to work up the trouble of which they are complaining.

Of course, my suggestion is all based on the hypothesis that in times of strike questionable methods are resorted to by either side, or sometimes by both sides.

Mr. BLAINE. Mr. President, as I was suggesting, when I drafted the amendment I did not have in mind the possibility of an employee actually being engaged in what I regard as an unlawful act. After I suggested the matter to the members of the subcommittee, the Senator from Montana [Mr. WALSH] suggested and offered an amendment which has been adopted, I think, which relieves any danger whatever respecting that matter. That is my concept of the amendment offered by the Senator from Montana, which has been adopted—that where men are employed for the purpose of obtaining information, in those cases it clearly excludes a legitimate employee or an employee who is actually in the course of the particular employment, whatever it might be—street railway, railroad, industrial, or otherwise.

If that does not satisfy the Senator from Arkansas, I hope he will say so.

Mr. ROBINSON of Arkansas. I do not think that goes to the point I am raising. I may be mistaken about it.

Mr. BLAINE. I may not properly appreciate the point the Senator is making; but I do think the amendment offered by the Senator from Montana reaches the proposition that the Senator has suggested.

Mr. ROBINSON of Arkansas. Which amendment has the Senator in mind?

Mr. BORAH. Mr. President, may I ask the Senator a question? The amendment reads:

> If at any stage of the proceedings——

Mr. ROBINSON of Arkansas. Where is that?

Mr. BORAH. At the beginning of the amendment:

> If at any stage of the proceedings under this act it shall appear to the court or be specifically alleged by the defendants or either of them that the complainant or any detective or other person directly or indirectly employed by him in connection with industrial relations has incited—

As I understand this amendment, an employer might employ a person for the purpose of securing information for him; but if the person went out of his way and joined in inciting a labor strike, nevertheless the man who employed him for the simple purpose of securing information as to the situation would be responsible. It seems to me that the language ought to be such as to bring home to the employer the knowledge of what this man was going to do. Otherwise, I do not think triple damages should be assessed

against a man for employing a person for a perfectly legitimate purpose when the man does an unlawful thing.

Mr. ROBINSON of Arkansas. Without the knowledge or consent of his employer.

Mr. BLAINE. Mr. President, I have not in my mind the language of the amendment as offered by the Senator from Montana; but, as it occurs to me, it was "directly or indirectly employed by him for the purpose of obtaining information."

To my mind, an employee of a street-railway company—the Indianapolis Street Railway Co., for example—who would accept employment for the particular purpose of obtaining such information when his own fellow workers were protesting against labor conditions, or protesting against the small amount of money they received, would be betraying the very men who were seeking justice in that case; and the employer would be doing an immoral act to employ one of the employees to obtain that information.

Mr. BORAH. Mr. President, it seems to me that in a controversy of this kind the complainant might well employ a person to secure for him inside information with reference to the plans and purposes of the strikers, and so forth. That might not be in every sense just the proper thing to do; but it does seem to me that an employer is in a wholly different position when he employs a person to acquire information and gives him information than he would be when we undertake to make him responsible for that man going out and inciting a riot. The employer might be just as much opposed to this detective doing that thing, if he had knowledge of it, as you or I would be; but he would have a right to have the legitimate information as to what was going on if he could get it.

Mr. WALSH of Montana. Mr. President, it is my opinion that the criticism made by the Senator from Idaho is sound. I am satisfied now that neither the language offered by myself nor the language in the bill as originally framed meets the situation. I think something like this should be substituted: "Anyone who, at the instance of the employer, becomes a member of the association for the purpose of carrying out the purposes of his employer "——

Mr. BORAH. I think that would be better.

Mr. WALSH of Montana. I believe something of that kind ought to be substituted for the language of the bill.

Mr. BLAINE. Mr. President, I have not the exact language of the amendment offered by the Senator from Montana and which has been adopted. The Senator from Montana has just suggested some appropriate language that would obviate the criticism of the Senator from Idaho. The Senator from Montana is drafting that particular language; and I think if we can suspend for a moment or two it will be perfected.

I want to say in connection with this matter that we need not be altogether too tender hearted respecting the employers. I know from experiences we have had in my own State that there were certain detective agencies that were set up for the very purpose of furnishing spies in these labor disputes. That is their particular business, and it is a most reprehensible business. Those spies go into a labor dispute with the knowledge of the employer. It is not like a common, ordinary employment agency, where some one is employed in the course of the employer's business to do a specific, particular thing, but from the very inception it is an unlawful thing which the detective agency proposes to do. From the very inception it is almost a criminal thing; and the employers know full well that that entire strike is turned over to the direction and engineering of the detective agencies. So the employer is put on his guard; and he ought not to be protected against a spy, even though the spy runs contrary to the instructions of the principal. When the principal employs a spy he ought to be charged with the full responsibility of every act, lawful or unlawful, that that spy may commit.

Mr. President, I do not think we need to have any tender care in these matters respecting any danger which might come to an employee who is employed by the employer during the course of a strike for some other purpose than that in which the employee had engaged prior to the strike, because that employee at once ceases to be a bona fide member of the organization, or the proposed organization, and he, in turn, becomes a part of the conspiracy to defeat the very purpose of the men who are struggling for decent wages and fair conditions under which they may labor.

Mr. President, my view of the situation is that the act of anyone who is employed as a spy for the purpose of inciting or engineering or promoting a strike ought to bind the principal in those cases, and the purpose of inflicting threefold damages, of course is punitive. There is a wrong; a tort has been committed; a wrongful thing has been done; and the punitive damages are imposed as punishment for the wrongdoing.

Mr. WALSH of Montana. Mr. President, let me ask the Senator from Wisconsin and the Senator from Idaho whether this language will not meet the situation, "If at any stage of the proceedings under this act it shall appear to the court or be specifically alleged by the defendants or either of them that the complainant or any detective or other person, at the instance of the employer, becomes a member of any organization of employees being a party to a labor dispute in the interest of the employer and under employment by him has incited, promoted," and so forth? Does that meet the view of the Senator?

Mr. BORAH. I rather think it would, but it is a little difficult to deal with this kind of an amendment in this manner. I did not see it until about 30 minutes ago.

Mr. WALSH of Montana. It is rather hurried.

Mr. BORAH. I rather think it would meet my view. I shall not make any further objection at this time, but I am perfectly clear that it must be brought home to the employer that this man is doing a wrong thing with his knowledge.

Mr. WALSH of Montana. I ask that the vote by which the amendment to the amendment was heretofore adopted be reconsidered.

The VICE PRESIDENT. Without objection, the vote by which the amendment to the amendment was agreed to is reconsidered.

Mr. WALSH of Montana. Then I offer this amendment, after the word "person" in line 4 to insert the words "at the instance of the employer becomes a member of any organization of employees being a party to a labor dispute in the interest of the employer and under employment by him."

Mr. NORRIS. Mr. President, I think it is perfectly apparent to all Senators here that putting important amendments into a bill on the floor, and without some consideration, is not a proper way to legislate. I doubt very much the wisdom of our putting on an important amendment like this without any consideration, especially when it is more or less technical, added to a bill which is going to be assailed on all sides, on constitutional grounds and every other ground. To draft an amendment now to that kind of a bill on a technical subject just when we are ready to vote on the passage of the bill and put it before the Senate is hardly fair to Senators.

I do not feel in this particular case that I ought to ask Senators to vote for the amendment, although I am in entire sympathy with it. The amendment was never proposed to me by anybody during the years the committee has been investigating this question. It seems to me it would be a good thing to put something into the bill so as to make impossible such a thing as the terrible occurrence which happened in the street-car strike in Indianapolis, Ind., an indefensible thing, a cruel, inhuman thing. But I said when it was presented that the amendment ought to have been presented to the committee, and that we ought to have had an opportunity to analyze it.

Objection is made to the amendment on the floor which seems to be well taken, and an attempt is made to revise it and to remodel it. If we were going over until to-morrow before a final vote on the bill, I would not have any objection, of course, to taking the amendment up, and I would like to see it in shape.

I want to remind Senators, too, that we have in this bill, in section 6, particularly, a limitation of financial responsibility which has received a great deal of criticism and is still criticized from many quarters, and is claimed by some to be unconstitutional, it being said that we will have this difficulty and that difficulty to contend with.

The pending amendment goes to the liability for damages of certain persons. I would like, especially since it has been remodeled, to examine it to see whether there is any confliction between it and other sections of the bill which seek to remove liability and fix liability in certain cases.

I do not want to vote against the amendment, and I do not intend to, but I hope the Senator from Wisconsin, under all the circumstances, will withdraw it. I suggest that he send it to the Judiciary Committee of the House of Representatives, where this bill is under consideration, and take the matter up with the chairman of that committee, or some member of the committee, and if the amendment can be put onto the bill in the House and be brought up in conference, it could easily be threshed out, and if something beneficial can be written from it, it can be properly written in conference.

I want to call attention to another thing. To whom are the damages to be paid? In my judgment, what we ought to do in order to remedy the kind of a situation sought to be reached is to make it a criminal offense, and punish any corporation or official of a corporation, or of a union, or any other organization, that will employ a detective for the purpose of arousing the other side to call strikes or to do the kinds of things the people in Indianapolis did. Such things ought to be crimes. When damages are to be assessed, how is it to be shown how much a union, for instance, was damaged in a case of that kind? That is another question which strikes me at first blush to be one difficult of decision, to tell just what the measure of damages is to be.

Taking it all in all, it seems to me we should not take any chance on putting anything not necessary into this bill, just on the eve of its passing.

Mr. BLAINE. Mr. President, during my service here I have found it very often the case that many of the provisions in a bill as it finally passed were proposed from the floor of the Senate or the floor of the House of Representatives. I appreciate that this amendment was not submitted to the committee, nor were the amendments in the cases to which I have referred submitted to the committees having charge of the legislation. I do not conceive that to constitute any valid reason for the rejection of an amendment.

Moreover, Mr. President, I think it is proper to suggest that this bill first received the consideration of five of the best-trained minds of the country with respect to the drafting of the bill. I need not name those men. They are well known to the subcommittee. One of them was to a large extent responsible for much of the language in the bill. This matter, of course, came to our attention when we heard former Governor Grosbeck, of Michigan, describe the Indianapolis Street Railway contest, and the committee had that information before it. Yet the committee did not turn its attention to the almost criminal acts which happened in that case.

That is no fault of the committee. Their minds did not turn that way. I am sure my mind did not turn that way, nor did it occur to me that the Indianapolis Street Railway case presented a situation which was so grossly wrong until I undertook an investigation of the hearings preparatory to this debate.

As I studied the testimony and the practices involved, my mind at once set upon the question of whether or not we could prevent that sort of thing. I went to the Clayton Act, and I found in that act that, where there was a violation of the act resulting in damage to anyone, the persons aggrieved would have the right to sue in court and obtain threefold damages.

The Clayton Act does not set up any rule for determining the method by which those damages are to be assessed. There is no measure of damages set up in the Clayton Act. I know of no law imposing damages which sets up the rule for assessing the damages. There may be such, and I assume there are, but in most cases the rule as to damages is a rule which comes under rules of evidence, and usually they are not set up in the substantive law. So I followed exactly the proposal of the Clayton Act in this respect.

We can not set up in this measure a detailed statement of the rules which are to prevail respecting the imposition of damages. That must be left to the court. The court will ascertain from the testimony just what expense the injured party may have been put to, and assess the damages accordingly. That is the rule in practically all cases, both at law and in equity.

Mr. President, at the outset of what I have been saying I mentioned the fact that our committee had the assistance of several men in this country, all specialists respecting labor legislation, distinguished men.

After I had discussed the Indianapolis case on the floor of the Senate it occurred to me that we ought to have a provision in the bill, as a part of section 8, which would reach the very thing that we are intending to reach by the amendment. So I sent the preliminary draft to one of those men who so generously furnished of his time and his great ability in assisting the committee in drafting the bill. With the few changes that he made in the first paragraph respecting the very matter about which the Senator from Montana has submitted an amendment, I received the suggested draft.

Mr. President, I am convinced that there is nothing technical about the amendment. The proposal in the amendment is identical with the proceeding in every case outside of labor disputes. If an injunction is obtained by a citizen against a municipal authority, we will say, for instance, restraining that municipal authority from undertaking certain public works, and that citizen complaining as a taxpayer is defeated in the injunctional proceeding, I doubt that there is a jurisdiction in the United States that does not provide that the defendant shall have the right to assessed damages against the complainant as soon as the injunction is dissolved upon a hearing, to assessed damages against the complainant not only for the actual loss of the defendant but for all the costs which the defendant has incurred, all the attorney's fees, and so forth. It is identically the same procedure. There is nothing technical about it.

Practically every lawyer in the actual practice of the law has had experience respecting injunctions such as I have described. To my mind it is not of such character to warrant the defeat of the amendment simply because we feel that it is altogether too technical. My own opinion is that the provision as contained in the amendment I have submitted does exactly what I think every Senator wants to do without the suggested amendment; but on the suggestion of the Senator from Montana. I appreciated that the language might be made a little more clear, might be made a little more desirable.

I think, after all, that none of the things which have been suggested is ever going to happen to a bona fide workingman. The things that have been suggested are the things which are going to happen to the man who has betrayed his fellow workmen, who has sold himself out to his employers, who is a creature detestable in the eyes of every honest workingman. That kind of a workingman has ceased to be one of his fellow workers and has become a part of the conspiracy in connection with the employer to defeat the rights of the workingmen.

Mr. President, my own feeling is that with the perfecting language, which I do not concede to be necessary, but with the suggestions of the Senator from Montana, the amendment ought to be adopted. The purpose is proper. The subject is not a technical one after all. I do not want to delay the Senate longer or to delay a vote longer, but simply because the committee has not passed on the matter, simply because we have not set forth the rules of damage, simply because somebody may trump up these imaginary cases, is no just reason why the amendment should be rejected.

The VICE PRESIDENT. The question is on the amendment of the Senator from Montana to the amendment of the Senator from Wisconsin, which will be reported.

The CHIEF CLERK. In the amendment of the Senator from Wisconsin the Senator from Montana proposes to strike out all after the word "person" in line 4 down to and including the word "relations" in line 5 and insert in lieu thereof the following:

At the instance of the employer becomes a member of any organization being a party to a labor dispute in the interest of the employer and under employment by him.

And, in lines 6 and 7, to strike out the words "giving rise to the proceedings," and in line 6 to strike out the word "the" and insert the word "such."

Mr. TRAMMELL. Mr. President, may I submit an inquiry to the Senator from Montana [Mr. WALSH]? If we adopt the amendment as proposed by the Senator from Montana, then under its provisions as they will be amended one of the defendants or all of the defendants can go into court and allege that this state of facts exists, and thereupon all proceedings are suspended until that question is settled?

Mr. WALSH of Montana. That is not under the amendment offered by me. That is in the body of the amendment offered by the Senator from Wisconsin.

Mr. TRAMMELL. That is the point about which I am making inquiry.

Mr. WALSH of Montana. It is my judgment the Senator is correct about it. However, my amendment does not touch that feature of the amendment of the Senator from Wisconsin at all.

Mr. TRAMMELL. Then one defendant may appear in court and specifically allege that this state of facts exists, and then the temporary injunction or any restraining order issued is suspended and inoperative until that question is settled. That would be the effect of the amendment if it is adopted, as I understand it.

I want to correct the abuses we have had from this system of recklessly issuing injunctions. I think the laboring people of our country are entitled to protection against such abuses. But, of course, if we adopt an amendment of this character it only requires one defendant to go into court to have all the temporary restraining orders suspended, the temporary injunction made inoperative, and tie up the proceedings and place things back where they were originally until these questions are determined. Do we want to go that far?

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Montana?

Mr. TRAMMELL. Certainly.

Mr. WHEELER. I think the Senator is mistaken. If one of the defendants goes into court and makes that allegation, it does not dissolve the temporary injunction or the permanent injunction. All it does is to have the court stop the proceedings at that point and take testimony. It does not do away with the temporary injunction or the permanent injunction until such time as the court makes its finding of fact that the allegation is true.

Mr. TRAMMELL. The Senator does not think it should dissolve it?

Mr. WHEELER. Not at all.

Mr. TRAMMELL. The Senator does not think it does suspend it?

Mr. WHEELER. It does not suspend it.

Mr. TRAMMELL. But it does according to the language of the amendment. I have raised that question.

Mr. BLAINE. Mr. President, let me call the Senator's attention to the provision on page 2 of the amendment, line 19:

Any restraining order or temporary injunction issued in the action instituted by the complainants shall be dissolved as a part of the judgment for damages and costs on the special issue joined.

That is after there has been a finding that the allegation of the defendant was sustained.

Mr. TRAMMELL. That is true. That is where the court has reached its decision after having held inquiry.

Mr. WHEELER. That is when the temporary injunction or restraining order is dissolved.

Mr. TRAMMELL. Yes; but if the Senator will pardon me, I call attention to line 8, page 1, after the word "therewith," where it says:

All proceedings hereunder shall be suspended and any restraining order or temporary injunction shall be inoperative until a hearing and determination has been had to determine the facts with respect to such allegations.

That is the point I am raising.

Mr. BLAINE. Is not the Senator in favor of suspending the injunction and making it inoperative during the time the hearing is going on, when facts develop as they did in the Indianapolis Street Railway case, where a direct representative of the company itself in fact was made president of the union and incited the men to strike against the company?

Mr. TRAMMELL. I am in favor of such a proceeding.

Mr. BLAINE. That is what this does.

Mr. TRAMMELL. But the Senator's amendment goes further than that.

Mr. BLAINE. I think not.

Mr. TRAMMELL. The Senator's amendment states that if one of the defendants goes into court and alleges these things, then the restraining order shall be suspended and become inoperative.

Mr. BLAINE. The very moment a defendant makes that allegation the court at once enters upon a determination of the question. It is a part of the whole proceeding. It is ancillary to the main action, but it is carried on at the same time. The judge does not continue to take evidence respecting the violation of the injunction. The judge then takes evidence respecting the allegation, and that may all be done in a day or half a day or in an hour or two; but it is during those proceedings that testimony shall be taken immediately. There is no other construction to be placed upon it, unless the judge determines that the case must go over, or that sort of thing. That we can not control any more than we can control individual action with respect to judges trying any lawsuit. A judge may adjourn court overnight, of course.

Mr. TRAMMELL. I want to give every protection possible to the laboring man. I think I have always been his friend and my record will show that fact, but it does seem to me we are going a long way when we provide that in the event one defendant goes into court and alleges that somebody connected with some employer has incited a strike or some unlawful act, that then upon that allegation alone the court has to suspend the operation of any temporary injunction which previously has been issued. It is mandatory upon the court to suspend its operation. The law itself would suspend it. The court would not have to suspend it. It would be automatically suspended just upon one person going into court and making an allegation of that character.

Mr. BLAINE. The practice in the States, if this were the law, would be for the court, as soon as that question was raised, to treat it identically as the court treats an objection to the admission of evidence. The court would proceed at once to determine that issue and then continue with the trial of the case along the ordinary course usually adopted by courts.

Mr. WHEELER. May I make this suggestion to the Senator? What the Senator wants to do is to have the proceeding suspended. I think if the Senator would strike out, beginning in line 9, the words "and any restraining order or temporary injunction shall be inoperative," that would answer the objection. I can not see any harm in letting the temporary injunction be operative pending the determination of the issue, if it has been granted. For instance, if a temporary injunction has been granted, then we would simply say that all proceedings pending shall be suspended until such time as a hearing and determination have been had upon the facts with respect to such allegation. We would then have it, in other words, in exactly the same position as it was at the time when the allegation was made. Then if the court finds on a final hearing of the

evidence that the allegations are true he dissolves the injunction, if one has been granted, and finds damages in treble the amount, or whatever he feels they should be.

Mr. BLAINE. Mr. President, of course all lawyers in this body are familiar with the ordinary court procedure when an issue of this kind is raised. It is identically the same as in the case of an issue on the question of the introduction of evidence. The inoperativeness of the injunction is during the time that that testimony is being taken. Is there anyone who conceives that any court is going to undertake to enforce an injunction or that an injunction or restraining order would be violated while that proceeding was going on? I assume not.

I can also appreciate that the provision that the proceedings shall be suspended can only be construed to mean the proceeding which refers to the injunction. The suspension of the restraining order during that time may or may not be of any particular consequence. I have no great determination about it. I know that no court would proceed on the injunction if the special issue were being tried. However, if it satisfies the Senator's doubt, very well, I do not think it damages the purpose of the amendment very much.

Mr. TRAMMELL. Mr. President, I have no objection to the purpose of the amendment; I am entirely in sympathy with the purpose as proposed by the Senator from Wisconsin, but the language which provides that the restraining order or temporary injunction shall be inoperative until the hearing and determination, in my opinion, automatically suspends the injunction or restraining order. I wondered if the Senator desired to go that far; that with merely one defendant going into court and alleging that a certain condition exists, upon that allegation alone, under the law the injunction shall be suspended?

Mr. BORAH. Mr. President, let me ask the Senator from Wisconsin a question. If the allegation should be made and brought to the attention of the court, the court would have it in its power to suspend the operation of the injunction in accordance with the seriousness of the charge which has been made; but here it is proposed that the law itself shall suspend the operation. Does the Senator not think it is sufficient to leave it within the power of the court to control his own injunction after the charge shall have been made?

Mr. BLAINE. Where an allegation of the kind referred to is made, it is only going to be made in good faith. I think that the injunction ought to be made inoperative during that time. However, I do not think it is of sufficient consequence to waste very much time upon the proposition. Therefore, Mr. President, I will perfect my amendment by striking out the language beginning in line 9 and reading "and any restraining order or temporary injunction shall be inoperative."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Montana to the amendment of the Senator from Wisconsin. Is there objection to taking a vote upon the three amendments at one time, as they are related? The Chair hears none.

The amendments were agreed to.

The VICE PRESIDENT. The question now is on the perfected amendment of the Senator from Wisconsin, as amended.

Mr. NEELY. Mr. President, the object of the amendment proposed by the able Senator from Wisconsin [Mr. BLAINE] is laudable and desirable in the highest degree. The evil which it is designed to prevent is, so far as the Senate is concerned, without a single defender or a single friend. But I join the chairman of the Committee on the Judiciary, the eminent Senator from Nebraska [Mr. NORRIS], in beseeching the Senate not to encumber with this or any other hastily prepared amendment the pending anti-injunction bill which is the result of not only months but years of endeavor, and which, above every other measure now before the Congress, embodies the heart's desire of the millions of women and men who live by toil. The bill contains numerous beneficent provisions, but manifestly its supreme purpose is to outlaw the so-called "yellow-dog" contract—an agreement which no laboring man can sign without surrendering his constitutional rights of liberty and the pursuit of happiness and sacrificing all of his freedom and much of his self-respect. This contract makes the employer of labor an absolute master and the employee an abject slave.

The country that enforces it, perpetuates it, or tolerates it can not consistently boast that it is the land of the free. To my regret, it has been alleged that the "yellow-dog" contract was born in the State of West Virginia—the State which I venerate above every other in the Union. I hope that the allegation is without justification. But regardless of the place where the "yellow-dog" contract was brought to life, it is high time that this iniquitous instrumentality of intolerable tyranny be put to death. And after death it should be buried in a grave so wide and deep and secure that no black-robed Gabriel from his high seat of authority on a Federal bench can ever resurrect it with trumpet or tongue or pen.

The bill, if passed, will, in controversies which involve the rights of labor, put the law beyond the reach of that small but dangerous minority of Federal judges who habitually trample upon the rights of those who toil.

Let us not at this late hour endanger the validity of this most meritorious measure by adopting amendments which the committee has neither approved nor considered, and the effects of which we can not now pause to determine. Will not the Senator from Wisconsin withdraw his amendment and permit the capital punishment of the "yellow-dog" contract to be inflicted without further delay?

Mr. BLAINE. Mr. President, when the Clayton Act was passed it was hailed as being labor's charter of liberty. However, it was not very long until the courts held that the Clayton Act was merely a statement of the law as it always had been. It seems to me, Mr. President, in view of that situation, that the new substantial feature in the Clayton Act that was not the law theretofore is the provision respecting threefold damages that may be imposed for losses inflicted by the violation of the Clayton Act, unless it is the limited right of a jury trial in contempt cases.

Mr. President, if it should be found, as has been predicted time and time again, that by this bill we are simply writing into a statute the law as it now is, without this amendment we will have obtained no substantial additional legislation in the interest of the great mass of the workingmen.

I do not know what the courts are going to do when this bill shall become a law, and none of us can predict what they will do; but if the courts in the case of this bill do that which they did when the Clayton Act became a law—a law which its proponents proclaimed as being the charter of liberty for the workingmen—then the important thing that we will have accomplished, in addition to the present law, is this very wholesome measure giving threefold damages to the workingmen when the employer has employed spies and other agents to bring about a strike and to commit unlawful acts, all of which are charged to the workingman.

Mr. NORRIS. Mr. President, I had not intended to say anything further. As I said before, I think this amendment is unwise, but the Senator from Wisconsin is so insistent, and I think so unreasonable, that it seems to me the Senate ought at least to have a yea-and-nay vote on the amendment.

There is no Member of the Senate but would like to punish representatives of great corporations and combinations who are guilty of such conduct as that shown in the Indianapolis street-car strike. Practices of the kind there indulged ought to be made crimes. However, that was the only instance that came to us during the investigation and the hearings which have been going on for more than three years, and probably nothing similar will ever again occur. Yet, for fear of such a possibility, we are going to put in the bill this amendment, I think, unwisely.

Now, let us see just what the amendment is. I do not think it has all been read at the desk, including some of its very material parts, but it starts out—and this language, as I remember, has not been changed:

If at any stage of the proceedings under this act—

Not a proceeding, but "the proceedings"—

it shall appear to the court—

That is one way, but there is another way—

or be specifically alleged by the defendants or either of them—

If it shall appear to the court or be alleged, then certain things follow, which are set out in the amendment. I want to call the attention of the Senate to what will happen under this language if it shall be incorporated in the bill, and it should remain in the bill, in case it were endeavored to make it effective.

There are two ways in which operations may be suspended: One is, if it shall appear to the court—I suppose from the evidence as it develops—then the court can take action, and it would be his duty to take action; but another way is if it is alleged by the defendants or any of them, then what shall happen?—

All proceedings hereunder shall be suspended * * * until a hearing and determination has been had.

Let us see about that. A corporation commences an action for the purpose of securing an injunction against nonunion labor men. The corporation makes a friend of one of the defendants and then starts proceedings to obtain an injunction. The laboring men desire to have it dissolved, but just about the time the laboring men are making a motion to dissolve it, a defendant comes forward and makes the necessary allegation. That is all he has to do. He does not need to have any proof under this amendment; he merely has to make the allegation; he makes it and thereupon automatically all proceedings shall be suspended until a hearing and determination has been had on the facts in regard to the defendant's allegation.

The injunction stands; a motion to dissolve it can not be entertained by the court, even if the court wanted to do so, because the defendant has made an allegation that suspends everything. That is what we are likely to bring about on the spur of the moment by adopting an amendment that has been written at the desk by somebody and never even been read to the Senate.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Wisconsin?

Mr. NORRIS. I yield to the Senator.

Mr. BLAINE. It is hardly fair to draw the conclusion the Senator has drawn, and the Senator should read the balance of the sentence, which provides:

And the court shall thereupon require that issue be joined and that a hearing thereon shall be immediately held.

Mr. NORRIS. Exactly. That is just what the court will do; but the hearing will be had upon the allegation of that defendant, who may have no other object in view except to hold that injunction intact until the court finishes hearing his application on his allegation; and with a good lawyer behind him I can conceive how he might keep the court busy for some time on his allegation. In the meantime the defendants, who may have a good reason to dissolve the injunction, are completely frustrated because this allegation is made.

I have to disagree with the men I have been working in conjunction with so long, so faithfully, so pleasantly, and so agreeably. I did not intend to say anything, but just to let the matter go, because it is disagreeable to oppose either one or both of my colleagues who have been earnestly and faithfully giving of their time and their ability for so long on this extremely difficult question. I do feel, however, that we are making a mistake, even though if we had time to frame the language and get it right the amendment would go in and would do some good. It might prevent the recurrence of such a thing as happened at Indianapolis; but without this law it never has recurred, so far as I know. It may have happened a good many times and never have been found out, but this is the only case that has come to our notice.

I do not believe we ought to take the chances now, on this bill, of doing it. It does not seem to me that it is quite fair for Senators to urge it under these circumstances. It seems to me, with another committee considering this same bill, word for word—or it was, when it was introduced, word for word the same as this bill—they could give the matter consideration, and see if it could not be put in shape so that we would not have this difficulty.

I think I have pointed out a difficulty that would mean that this would be damaging. It seems to me it would, although we may be able to remedy that if we discuss it long enough, and if we strike out the provision giving the defendant the right to make this allegation and have a suspension of everything while this proceeding is being held, and tie the hands of the court so that it can not dissolve an injunction that has been issued.

Mr. BLAINE. Mr. President, this amendment seems to be between two jaws of a vise that are pressing together. On the one hand, the Senator from Florida [Mr. TRAMMELL] thought it would be a most unusual situation, a most unjustifiable thing, to have the temporary restraining order held inoperative during the hearing. On the other hand, the Senator from Nebraska [Mr. NORRIS] is afraid that the employer is going to make one of his friends the defendant, and that friend is going to set up this allegation that some spy or detective has been employed while the laboring man is endeavoring to get the injunction dissolved.

Mr. President, when we have on the one hand those who contend that the injunction or the temporary restraining order should not be inoperative and on the other hand those who contend that it should be operative, it seems to me that a situation is created which is very similar to the situation that the able Senator from Nebraska described yesterday.

We need not fear respecting any injury that is going to come to the workingman because of this provision. Why, Mr. President, it is not only the Indianapolis case that is involved. Those who are familiar with the Debs case know that to a large extent certain detective agencies in this country, employed by the railroads, aided and abetted and encouraged and incited that strike. I have not any doubt that in the railroad strike in which Judge Wilkerson issued an injunction, many of the bridges that were burned, many of the houses that were burned, most of the injuries that were done to property were due entirely to agents of the railroads, who provoked the commission of those very acts; and it is common knowledge that those agents were the spies and detectives of the employers in many cases.

Mr. President, when this issue arises in an injunction proceeding it is particularly provided that thereupon that issue must be joined, and testimony must be immediately taken, and that issue determined in identically the same manner as is an objection to the admission of evidence.

As to the fear that the workingman may be injured by this provision, Mr. President, I dare say that most of the major strikes in this country have been engineered by detectives and spies employed by the employers. I think that if that question were to be brought to an issue in this country we would have the overwhelming testimony of every labor organization in this country that they know in their own hearts that most of the violence in the major strikes are due to wilful interference by the employers themselves in hiring detectives and agents to incite, to form plots, to destroy property, and then charge all of that destruction, those crimes and that damage, to the workingmen.

That is the fact of the matter, and we might just as well recognize it now. Explanations or apologies or regrets can not cover up the fact that, after all, employers have as their agents provocateurs detectives and spies at the bottom of every strike, and the source of practically every act of violence. In few instances, and largely in individual cases only, have the laboring men of this country ever gone out on a strike when they committed violence and the destruction of property.

No, Mr. President; the conspiracies that have been alleged against the working people have come about in many cases because the employers have hired some unconscionable yellow dog in the form of a human being to worm himself into a labor organization or to set up situations whereby work-

ingmen would be incited. Whenever those workingmen were incited, they were incited by the will and by the wish of the employer.

So, Mr. President, I am sorry that there should have been any objection to this amendment by my colleagues. As I said, it is true we have not had a long time to consider it. I received it only on yesterday morning from one of the men who are largely responsible for the language contained in this bill. He drafts legislation for his State with such accuracy that I know of not a single important act of that State that has ever been declared unconstitutional or invalid. So this language has been carefully used, carefully worked out, by one most skillful in his calling, whose drafting of legislation in the past has met the test of every court whenever it has been brought before the courts.

So, Mr. President, I am quite willing to have a record vote upon this amendment. I believe that if this bill is held, as was the Clayton bill, simply to reenact legislation as it presently is, all that we shall have left other than we now have will be this very wholesome provision that employer shall respond in punitive damages for their unlawful acts in promoting, inciting, and developing strikes, and the disorders and violence that have attended strikes.

Mr. NORRIS. Mr. President, when I had the floor before I neglected to state something that I wanted to refer to that the Senator had spoken of before; but he has called the fact to my attention again and reminded me of it.

It does not take a very able man—nor does it take any very great degree of statesmanship—to leave the impression in a case of this kind that those who have been associated with you for years are either not acting in good faith or their ignorance is so great that they are not able to see the right way to go.

The particular thing I wanted to refer to, however, was the intimation, twice made by the Senator from Wisconsin, that this whole bill is going to be declared unconstitutional except this amendment of his, brought in at the eleventh hour to save the situation and to get out of the hopper something that would stand the test of going through the courts.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Wisconsin?

Mr. NORRIS. I yield to the Senator.

Mr. BLAINE. I think in all fairness the Senator can not charge that I have made any such intimation.

Mr. NORRIS. The Senator has made it twice.

Mr. BLAINE. I said that it has been intimated. I think the act will be declared valid and of some considerable importance, and I do not intimate that it is a mere skeleton. I say there are members——

Mr. NORRIS. Well, Mr. President, I will sit down and let the Senator proceed. If the Senator is through, I will go on now. If he is not, I will take my seat and let him finish.

Mr. President, the Senator did say, I think in almost so many words, that if the court held the balance of the act unconstitutional this amendment would still stand. When the court passes on the act, as it ultimately will, if it holds that the act is unconstitutional the Senator from Wisconsin will probably have the honor of reading in an opinion from the Supreme Court that the great lawyer, the member of the Judiciary Committee of the Senate, the member of the subcommittee that framed the bill, the Senator from Wisconsin, had almost himself confessed that the whole thing was a hoax, anyway, and that all he expected to save out of it was that little amendment that he thought of just a few minutes before the vote was taken.

Read the opinion of the Supreme Court, where they refer to what the chairman of the House Judiciary Committee said in some of the decisions when they were taking the life blood out of the Clayton Act, as the Senator has intimated. They quoted reports from the Committee on the Judiciary of the Senate, they quoted speeches and controversies taking place on the floor of the House of Representatives, and I had hoped that we would get through this bill and enact it into law and that no court with a fine-tooth comb, in going over the debates, could ever find any doubt cast upon the constitutionality of the bill by any of its friends. But I am afraid I will have to give that hope up now.

It would be something great if we saved this amendment out of the awful mess, then to find that a bogus defendant would have the right, in a case where an injunction had been issued and a hearing was being had upon a motion to dissolve, to walk into court some bright morning and make certain allegations, without any proof, without any evidence of the truth of them, simply make them on paper and put them before the judge; and what must the judge do? He must stop a hearing on a motion to dissolve the injunction if he is engaged in it at that time.

Nobody has denied but that that would be the effect. That might never occur, but it is just as likely for a corporation which wants to get an injunction and make it stick to hire a defendant who will make such allegation, as it is for the corporation to hire some detective to join a union, the matter about which the Senator has been speaking.

They could do either thing or both of them, and if they do this one, they will at least be able to keep an injunction in force as long as they can keep a judge busy hearing this man's allegation.

I suppose the first allegation he would make, if the case were pending in Chicago, would require evidence from San Francisco, and there would be a delay in order to get the man's witnesses there. All kinds of jobs would be put up to delay the hearing or prolong it, and while it is proceeding, even though we concede, for the sake of the argument, that the injunction never ought to have been issued, even though we concede that there sits a judge, honest and upright and able, who realizes, as far as he has gone in the hearing, that it probably is illegal and wrongfully issued, his hands are tied, he can not proceed another step, he can not issue a single order, until he steps aside and takes up this side issue and determines whether or not the allegations of this bogus defendant are true or false.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BLACK. Mr. President, I desire to have read the amendment which was offered, so that we may know what the amendment is.

Mr. NORRIS. Has the Senator the amendment in its perfected form?

Mr. BLACK. I understood the Senator from Wisconsin to withdraw a part of his amendment.

The VICE PRESIDENT. The amendment, as modified, will be read.

The CHIEF CLERK. It is proposed to add a new paragraph to section 8, as follows:

(b) If at any stage of the proceedings under this act it shall appear to the court or be specifically alleged by the defendants or either of them that the complainant or any detective or other person at the instance of the employer becomes a member of any organization being a party to a labor dispute in the interest of the employer and under employment by him has incited, promoted, or encouraged such labor dispute or any unlawful acts in connection therewith, all proceedings hereunder shall be suspended until a hearing and determination has been had to determine the facts with respect to such allegations, and the court shall thereupon require that issue be joined and that a hearing thereon shall be immediately held.

Testimony relating to such issue shall be taken in the same manner as is taken in equity proceedings within the jurisdiction of said court.

After the taking of such testimony, if the court finds against the complainant on the issue joined, the court shall make a finding of fact and shall assess against the complainant, and the defendants shall recover three-fold, the loss, expense, and damage caused by the issuance of such restraining order or temporary injunction, together with all reasonable costs, including a reasonable attorney's fee, incurred in the action instituted by complainants, and where there is more than one defendant, the amount assessed and recovered shall be apportioned among the defendants according to their respective interests as may be shown in said proceeding, and any restraining order or temporary injunction issued in the action instituted by complainants shall be dissolved, as a part of the judgment for damages and costs on the special issue joined.

A review of such findings and the judgment rendered in such matter may be had in the same manner as is now provided for a review in equity proceedings of which said court has jurisdiction.

The VICE PRESIDENT. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GLENN (when his name was called). I have a pair for the day with the senior Senator from Oklahoma [Mr. THOMAS]. I understand that if present he would vote as I intend to vote, and I feel at liberty to vote. I vote "nay."

Mr. HEBERT (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. LONG]. Not knowing how he would vote, I withhold my vote.

Mr. JOHNSON (when his name was called). I am paired with the junior Senator from Utah [Mr. KING]. He would vote on this question as I intend to vote, so I can vote. I vote "nay."

Mr. KEAN (when his name was called). I have a pair with the junior Senator from North Carolina [Mr. BAILEY]. Not knowing how he would vote, I withhold my vote.

Mr. LOGAN (when his name was called). I have a pair with the junior Senator from Pennsylvania [Mr. DAVIS]. In his absence I withhold my vote.

Mr. METCALF (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR]. Not knowing how he would vote on this question, in his absence I withhold my vote.

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Delaware [Mr. HASTINGS] with the Senator from Nevada [Mr. PITTMAN].

Mr. JONES. I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. In his absence I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. BINGHAM (after having voted in the negative). In the absence of my general pair, the junior Senator from Virginia [Mr. GLASS], I withdraw my vote.

The result was announced—yeas 3, nays 69, as follows:

YEAS—3

Blaine	La Follette	Shipstead

NAYS—69

Ashurst	Copeland	Hayden	Robinson, Ind.
Austin	Costigan	Howell	Schall
Bankhead	Couzens	Hull	Sheppard
Barbour	Cutting	Johnson	Smith
Barkley	Dale	Kendrick	Steiwer
Black	Dickinson	Keyes	Thomas, Idaho
Borah	Dill	McGill	Trammell
Bratton	Fess	McNary	Vandenberg
Brookhart	Fletcher	Morrison	Wagner
Broussard	Frazier	Moses	Walcott
Bulkley	George	Neely	Walsh, Mass.
Bulow	Glenn	Norbeck	Walsh, Mont.
Byrnes	Goldsborough	Norris	Watson
Capper	Gore	Nye	Wheeler
Caraway	Hale	Oddie	White
Carey	Harrison	Patterson	
Connally	Hatfield	Reed	
Coolidge	Hawes	Robinson, Ark.	

NOT VOTING—24

Bailey	Hebert	Long	Stephens
Bingham	Jones	McKellar	Swanson
Davis	Kean	Metcalf	Thomas, Okla.
Glass	King	Pittman	Townsend
Harris	Lewis	Shortridge	Tydings
Hastings	Logan	Smoot	Waterman

So Mr. BLAINE's amendment as modified was rejected.

Mr. WALSH of Montana. Mr. President, I offer for the RECORD a copy of the "yellow-dog" contract featured in the Red Jacket case.

The VICE PRESIDENT. Is there objection to printing the contract in the RECORD?

There being no objection, the contract was ordered to be printed in the RECORD, as follows:

THE EMPLOYMENT CONTRACT OF LILLYBROOK COAL CO., ONE OF THE PLAINTIFFS IN THE RED JACKET INJUNCTION CASE

It is mutually agreed between Lillybrook Coal Co., hereinafter for convenience referred to as the first and second party, respectively, as follows:

1. The first party hereby employs, and the second party hereby agrees to work for the first party in or around its coal mines upon the terms and conditions herein stated, which employment may be terminated by either party hereto at will.

2. The mines of the first party are operated by nonunion labor, and the first party agrees that it will continue to so operate said mines so long as the second party remains in its employ.

3. The second party accepts the above employment with the express understanding and agreement that he is not a member of the United Mine Workers of America or other labor unions; that he will not agree to become a member of or join the United Mine Workers of America or other labor union while he is in the employ of the first party; and if at any time while he is in the employ of the first party he desires to become a member of the United Mine Workers of America or other labor union, he will immediately quit the employment of the first party. And the second party further agrees that while he is in the employ of the first party he will not make any effort to induce, persuade, or otherwise procure the other employees, present or future, of the first party to agree to become a member or members of the United Mine Workers of America or any other labor union or to join the same.

Witness the following signatures.

_____.

_____.

Mr. WALSH of Montana. Mr. President, inasmuch as Congress is without power to declare contracts of the character of that just inserted in the RECORD contrary to public policy and therefore void, I submit some landmarks in the history of the law in relation to the liberty of contract.

Acts limiting the hours of labor on works conducted by municipal corporations were held, because they violated the liberty of contract, to be void, in the case of People *v.* Coler, (166 N. Y. 1); in State *v.* Varney Electrical Supply Co. (160 Ind. 338), and in Ex parte Kuback (85 Calif. 274). But on the contrary they were held valid in Milwaukee *v.* Raulf (116 Wis. 172 (1916)), and in Campbell *v.* City of New York (216 N. Y. S. 141).

Acts fixing the time for the payment of wages, as, for instance, on the 1st and 15th of each month, were held to be in violation of liberty of contract and therefore unconstitutional in Frorer *v.* People (141 Ill. 171), Braceville Coal Co. *v.* People (147 Ill. 66), Johnson *v.* Goodyear Mining Co. (127 Calif. 4), and State *v.* Potomac Coal Co., (116 Md. 380). It was held otherwise in Erie Railroad Co. *v.* Williams (233 U. S. 685).

Acts fixing the method of paying employees as on the basis of the weight of unscreened coal were held unconstitutional in Goodcharles *v.* Wegeman (113 Pa. 431), Ramsey *v.* People (142 Ill. 380), in re House bill 203 (21 Colo. 27), and Harding *v.* People (160 Ill. 459); but it was held otherwise, namely, that such acts were constitutional in McLean *v.* Arkansas (211 U. S. 539), and in Rail Coal Co. *v.* Ohio (236 U. S. 338).

Acts limiting the hours of labor for women were held unconstitutional in Ritchie *v.* People (155 Ill. 98), but held otherwise in Commonwealth *v.* Hamilton Manufacturing Co. (120 Mass. 383), Wenham *v.* State (65 Nebr. 394), State *v.* Buchanan (29 Wash. 602), Muller *v.* Oregon (208 U. S. 412), Riley *v.* Commonwealth of Massachusetts (232 U. S. 671), Miller *v.* Wilson (236 U. S. 385), and Radice *v.* New York (264 U. S. 292). That is to say, Mr. President, the Supreme Court of the State of Illinois in the case of Ritchie *v.* People (155 Ill. 98) held that if a woman desired to contract to work 16 hours a day or 20 hours a day, she had a perfect right to do so, and no law could be enacted prohibiting anybody from employing her for those unconscionable hours.

Acts limiting the number of hours of labor in which men could be employed were held unconstitutional, as an unlawful limitation of power to enter into contracts, in Low *v.* Rees Printing Co. (41 Nebr. 127), in re Morgan (26 Colo. 415), Lochner *v.* New York (198 U. S. 45); but it was held otherwise in Bunting *v.* Oregon (243 U. S. 426), and Holden *v.* Hardy (169 U. S. 366).

Acts requiring employees to be paid in cash instead of scrip or store goods were held unconstitutional in Millet *v.* People (117 Ill. 294), State *v.* Goodwill (33 W. Va. 179), State *v.* Loomis (115 Mo. 307), Leep *v.* Railway Co. (58 Ark. 407), State *v.* Haun (61 Kans. 146), and State *v.* Missouri Tie & Timber Co. (131 Mo. 563), but the contrary

view was taken by the Supreme Court of the United States in Erie Railroad Co. *v.* Williams (233 U. S. 685).

Acts prohibiting railroad employees from contracting away the right to recover for injuries were held to be violative of the liberty of contract in Shaver *v.* Pennsylvania Co. (71 Fed. 931), but the contrary view was taken by the Supreme Court of the United States in Chicago, Burlington & Quincy Railway Co. *v.* McGuire (219 U. S. 549).

Injunctions granted on the basis of "yellow-dog" contracts were authorized in State *v.* Julow (129 Mo. 163), Adair *v.* United States (208 U. S. 161), Coppage *v.* Kansas (236 U. S. 1), Hitchman Coal & Coke Co. *v.* Mitchell (245 U. S. 229), Vail-Ballou Press *v.* Casey (212 N. Y. S. 113), People *v.* Marcus (185 N. Y. 257), Bittner *v.* West Virginia-Pittsburgh Coal Co. (15 Fed. (2d) 652), International Organization, etc., *v.* Red Jacket Consolidated Coal & Coke Co. (18 Fed. (2d) 839), Flousheimer *v.* Schlesinger (187 N. Y. S. 891), McMichael *v.* Atlanta Envelope Co. (151 Ga. 776), Third Avenue Railway *v.* Shea (179 N. Y. S. 43), Cyrus Currier & Sons *v.* International Molders Union (93 N. J. Eq. 61), Kinloch Telephone Co. *v.* Local Union (275 Fed. 241), Callan *v.* Exposition Cotton Mills (149 Ga. 119), and Montgomery *v.* Pacific Electric Railway (293 Fed. 630).

But injunctions were denied upon that basis in La France Co. *v.* Electric Workers (108 Ohio St. 61), Interborough Rapid Transit Co. *v.* Green (227 N. Y. S. 258), and Interborough Rapid Transit Co. *v.* Lavin (247 N. Y. 65).

I call attention to these cases for the purpose of enforcing upon the minds of Senators that a wide change has come over the judicial minds of the country as to the question of liberty of contract, the earlier decisions having been induced, as everybody must now realize, by reason of the judges entertaining antiquated and obsolescent views concerning economic questions.

Mr. REED. Mr. President, I shall not detain the Senate long. I am going to vote for the bill with a good deal of shame, and I want to explain in a word or two why I expect to vote that way.

As I said yesterday in the Senate when there were but few Senators present, in about 30 years of active practice in one of the largest industrial districts in the country and with clients who probably employed the majority of the working people in my home county and with a pretty continuous round of cases that kept one in court most of the time, I am proud to say that I have never yet applied for or obtained an injunction in a strike or other labor difficulty.

That is not because of any tenderness of feeling for rioters, but because I have always felt convinced that a court of equity ought not by that method to be converted into a police court, that the burden of enforcing such injunctions as those is too great for the court to be asked to assume. I am happy to say that I have always been able to dissuade those of my clients who wanted such injunctions from applying for them. So that it is nothing new for me to say that I disapprove of the use of the injunction in labor cases. I always have and always will.

Furthermore, I disapprove of the "yellow-dog" contract. If it is competent for us to outlaw it by declaring it contrary to the public policy of the United States, I think it is a happy thing that we should do it. To that extent I approve wholly of the purposes of the bill.

But the reason why I am ashamed to vote for the bill is the condition in which it leaves the Senate. I was scolded yesterday afternoon by my distinguished friend from California [Mr. JOHNSON] for presuming to read the bill and criticizing its terms, for presuming to think that, professing to be the friends of labor, we might after all be hurting the workman; and yet I am sincerely convinced that in section 6 of the bill, if the House does not amend it, we have taken away from the workmen of America rights much more substantial than we are giving them. That section provides that—

> No association or organization—

And that means either a labor union or an organization of employers or a corporation employer—

> participating or interested in a labor dispute shall be held responsible or liable in any court of the United States for the unlawful acts of individual officers, members, or agents except upon clear proof of actual participation in, or actual authorization, of such acts, or of ratification of such acts after actual knowledge thereof.

Let there come a strike, let the employer hire a lot of plug-uglies to guard his plant, let them commit all sorts of outrageous and wanton acts of cruelty upon undefending strikers—and we have known it to happen—under this section which we pretend to pass for the sake of the workingman those unoffending victims will be denied any recourse in the United States courts for damages unless they can show that the corporation actually and formally ratified those unlawful acts. The time will come when some workman will go into court with such a case and will find himself confronted with that section. Then I assure you, Mr. President, we will not be considered the friends of the workingman and we will not be thanked for what we are doing to-day.

Furthermore, let us take some of the preposterous provisions on the other side. Let us suppose that the I. W. W. foment a strike in the Western Union Telegraph Co. Let us suppose that they preach anarchy and violence and destruction of property, and that the head of the I. W. W. gets up in public meetings and asks his followers to go out and wreck every Western Union office they come upon. In the face of that section and in that situation, the company could not file a bill against the head of the I. W. W. to restrain him from preaching anarchy until it previously had notified the chief of police or the sheriff in every town, village, and little community in the United States in which it had an office. That is the preposterous result which we are working out here under section 6 of the bill. Every effort which we have made to ameliorate that in the course of the consideration of the bill has been voted down with a crash, with only about 15 or 16 votes recorded in favor of our efforts to try to perfect such absurdities.

I shall not take the time of the Senate to discuss it any further. Only because of my conviction that the principal objects of the bill are wise and in spite of my conviction that the bill is very badly drawn, and because of my hope that in the House of Representatives those provisions to which I have called attention will be reviewed and corrected, in the hope that the House will do its work better than we have done it here, I shall vote for the bill.

Mr. JOHNSON. Mr. President, I am not going to detain the Senate long. I have taken no time upon the presentation of the views that I hold and that I have held for 40 years on legislation of this sort, but I do not propose that the last word said in behalf of the bill or in regard to it shall be a word of shame. I shall vote for the bill because of a feeling of pride and exultation—pride because finally the Senate has done something of justice to the men who toil in this land, with exultation, sir, because of the overwhelming vote I know is going to be recorded in favor of the bill.

If I felt one atom of shame in regard to a measure of this sort, I would not stand upon this floor and say that I vote for it with a feeling of shame. I vote for it with pride and exultation. At last we have seen the day in the Congress of the United States when the Congress dare legislate against Federal injunctions outrageously and infamously issued against working and toiling people. So let us have a roll call, and those who vote with shame may vote with shame, and we who vote with pride and joy and exultation will record our votes in that fashion, too.

Mr. HEBERT. Mr. President, as a member of the minority of the Judiciary Committee, I have given considerable study to the provisions of this bill, and as a result of that consideration, both in committee and subsequent to the meetings there, I have proposed, on behalf of the minority, some amendments which I believed, and which I still believe, would, if adopted, have made this bill preferable in many respects to its present form. I did that, as I explained at the outset of this debate, not for the purpose of delay and not with any idea of interfering with the passage of the bill.

I have repeatedly said, and I say now at the close of the debate, that I favor some of the provisions of this measure. I have been in favor of them from the outset. If by its enactment we can in any measure discourage the use of the employment contracts which have been the subject of so much discussion here, not only in this debate but in proceedings heretofore in the Senate; if by the enactment of this measure we can prevent the issuance of offensive forms of injunctions in labor disputes and can curb the courts which have issued them in the past, then there is merit in the legislation; there will be merit enough in it to justify my vote, Mr. President, in favor of the bill, notwithstanding I see some grave objections to other provisions of it.

Mr. BORAH. Mr. President, this is an important measure. In many respects I think the most important feature of the bill is that which undertakes to deal with the so-called "yellow-dog" contract. I feel that this legislation will put an end to that character of contract.

It is true that the Supreme Court of the United Sates in some two or three cases has, in effect and under certain circumstances, held such contracts to be valid under the liberty-of-contract clause of the Constitution, but questions involving the "yellow-dog" contract have never gone to the Supreme Court under the circumstances in which they will now go there under this measure, if, indeed, they shall go there. This is the first time the Congress has legislated in respect to the "yellow-dog" contract. It has now declared it to be contrary to public policy. The Supreme Court, as I understand the decisions, has said that the judgment of the legislature, with respect to public policy, will not be disturbed unless it is in pronounced contravention to some specific provision of the Constitution. Whatever there may be in the way of controversy as to other provisions of the bill, I entertain no doubt as to what the future will be as to this form of contract. I feel that it will no longer be recognized as a contract enforceable in a court of equity. If that is the result a great achievement in the interest of justice and fair dealing will have been recorded. For this reason I am pleased with the opportunity of recording my vote for the bill.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and it was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Several Senators called for the yeas and nays, and they were ordered.

The Chief Clerk proceeded to call the roll.

Mr. REED (when the name of Mr. DAVIS was called). My colleague the junior Senator from Pennsylvania [Mr. DAVIS] is necessarily absent from the Senate at this time. If present, he would vote "yea."

Mr. GLENN (when his name was called). I have a pair for the day with the senior Senator from Oklahoma [Mr. THOMAS], who is unavoidably absent. I am advised if he were present he would vote as I intend to vote on this measure. Therefore I am at liberty to vote and vote "yea."

Mr. HEBERT (when his name was called). As previously announced, I have a pair with the junior Senator from Louisiana [Mr. LONG]. I understand if he were present he would vote as I intend to vote. Therefore I am at liberty tc vote and vote "yea."

Mr. JONES (when his name was called). Understanding that the Senator from Virginia [Mr. SWANSON], with whom I have a general pair, would if present vote as I expect to vote, I feel at liberty to vote and vote "yea."

Mr. KEAN (when his name was called). I have a pair with the junior Senator from North Carolina [Mr. BAILEY]. I understand if present he would vote as I intend to vote. I am therefore free to vote and vote "yea."

Mr. LOGAN (when his name was called). I have a pair with the junior Senator from Pennsylvania [Mr. DAVIS]. If he were present, he would vote as I intend to vote. Therefore I am at liberty to vote and vote "yea."

Mr. NEELY (when Mr. MCKELLAR's name was called). The Senior Senator from Tennessee [Mr. MCKELLAR] is absent because of a death in his family. I am authorized to state that if present he would vote in favor of the passage of this bill.

Mr. METCALF (when his name was called). I have a general pair with the Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR]. Understanding that if present he would vote as I intend to vote, I feel free to vote, and vote "yea."

The roll call was concluded.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is necessarily absent on public business. If he were present and free to vote, he would vote "yea." He is paired with the Senator from Washington [Mr. JONES].

Mr. JOHNSON. I desire to announce that my colleague [Mr. SHORTRIDGE] is absent on account of sickness. If he were present, he would vote "yea."

Mr. GEORGE. I wish to announce that my colleague [Mr. HARRIS] is necessarily absent on account of illness. If he were present, he would vote "yea" on the passage of the bill.

Mr. WATSON. I desire to announce that if the Senator from Delaware [Mr. HASTINGS] were present he would vote "yea."

Mr. GORE. I believe my colleague [Mr. THOMAS of Oklahoma] has not voted. I desire to say that if present he would vote "yea."

Mr. FESS. I wish to announce the necessary absence of the Senator from Colorado [Mr. WATERMAN].

I have also been requested to announce that the senior Senator from Utah [Mr. SMOOT] is necessarily absent on emergent official business.

Mr. SHEPPARD. I wish to announce that the Senator from Nevada [Mr. PITTMAN], the Senator from North Carolina [Mr. BAILEY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Louisiana [Mr. LONG] are necessarily absent from the Senate. If present, they would vote "yea" on the passage of the bill.

Mr. HARRISON. I desire to state that my colleague the junior Senator from Mississippi [Mr. STEPHENS] is necessarily detained from the Senate by illness.

The result was announced—yeas 75, nays 5, as follows:

YEAS—75

Ashurst	Costigan	Howell	Robinson, Ark.
Bankhead	Couzens	Hull	Robinson, Ind.
Barbour	Cutting	Johnson	Schall
Barkley	Dale	Jones	Sheppard
Black	Dickinson	Kean	Shipstead
Blaine	Dill	Kendrick	Smith
Borah	Fess	La Follette	Steiwer
Bratton	Fletcher	Lewis	Thomas, Idaho
Brookhart	Frazier	Logan	Townsend
Broussard	George	McGill	Trammell
Bulkley	Glass	McNary	Vandenberg
Bulow	Glenn	Morrison	Wagner
Byrnes	Goldsborough	Neely	Walcott
Capper	Gore	Norbeck	Walsh, Mass.
Caraway	Harrison	Norris	Walsh, Mont.
Carey	Hatfield	Nye	Watson
Connally	Hawes	Oddie	Wheeler
Coolidge	Hayden	Patterson	White
Copeland	Hebert	Reed	

NAYS—5

Austin	Hale	Keyes	Moses
Bingham			

NOT VOTING—16

Bailey	King	Pittman	Swanson
Davis	Long	Shortridge	Thomas, Okla.
Harris	McKellar	Smoot	Tydings
Hastings	Metcalf	Stephens	Waterman

So the bill was passed.

REPORTS OF THE FINANCE COMMITTEE

Mr. WALSH of Massachusetts, from the Committee on Finance, to which were referred the following bills, submitted adverse reports thereon:

S. 2292. An act for the relief of Col. Frank B. Parker (Rept. No. 355); and

S. 2373. An act authorizing the payment to Peter C. McCartin of allotments made to his children under the veterans' act of 1924 (Rept. No. 356).

Mr. GEORGE, from the Committee on Finance, to which were referred the following bills, submitted adverse reports thereon:

S. 1882. An act for the relief of Paul Little (Rept. No. 357);

S. 1883. An act for the relief of Stephen Sawyer (Rept. No. 358); and

S. 1885. An act granting compensation to John Spiropoulos (Rept. No. 359).

PROPOSED PHILIPPINE INDEPENDENCE

Mr. HAWES. From the Committee on Territories and Insular Affairs, and on behalf also of the Senator from New Mexico [Mr. CUTTING], I report back favorably with amendments the bill (S. 3377) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, and I submit a report (No. 354) thereon. I ask unanimous consent that the report which accompanies the bill and is a part of the report be printed in the body of the RECORD.

The VICE PRESIDENT. Without objection, that order will be made; and the bill will be placed on the calendar.

The report is as follows:

[Sen. Rept. No. 354, 72d Cong., 1st sess.]

PHILIPPINE INDEPENDENCE

Mr. HAWES and Mr. CUTTING from the Committee on Territories and Insular Affairs submitted the following report (to accompany S. 3377):

Your Committee on Territories and Insular Affairs to whom were referred a number of bills providing for Philippine independence, having considered all such bills, favorably report S. 3377, with an amendment, and recommend that the bill, as amended, do pass.

UNCERTAINTY

For a generation the Philippine problem has confronted the American people. It involves American-Philippine political and economic relations, and the fulfillment of our promise of independence. This bill provides sound, feasible, and fair methods of substituting a definite policy for one of evasion and indecision.

Virtually every witness who testified at the extended hearings conducted by the committee has expressed the view that the present uncertainty characterizing our relations with the Philippine Islands should be removed. Further delay threatens to be prejudicial to the best interests of both the United States and the Philippine Islands.

FAR-EASTERN SITUATION

The present situation in the Orient should not prevent Congress from taking definite action at this time. Unsettled conditions in the Far East may continue indefinitely; they may be settled at any time. But the varying fortunes of conflicting forces on the other side of the Pacific can not justly be set up by us as an excuse for delaying the solution of our own problems.

The fulfillment of our duty toward the Philippines must be determined upon the basis of the welfare of the people of the United States and the 13,000,000 people of the Philippine Islands. To change at this time a long-established national policy because of conditions for which we are not responsible and over which we have no immediate control will be interpreted as timidity or weakness.

FACTORS RECONCILED

The recommended bill harmonizes previous divergent views of different groups likely to be affected by Philippine independence. The American farmer, speaking through the three national farm federations, and the dairy organizations, is seeking protection from Philippine competition in our markets. The American workingman, through the American Federation of Labor and organizations on the Pacific coast and the American Legion, is demanding the exclusion of Filipino immigrants as well as protection from duty-free Philippine articles produced at lower labor costs.

Nor can the rights and interests of the Filipino justly be ignored. He, too, is under the American flag, and that not by his own choice but by our own will and purpose. While he remains under our sovereignty he should not be discriminated against. It would be politically immoral to retain indefinitely the Filipino people in their present status as wards and at the same time impose upon them discriminating and unfair restrictions and inhibitions.

We have also to consider our promise to grant independence to the Filipino people. By the declaration of our political parties, by the utterances of our Presidents, by an enactment of Congress, we have pledged our word as a Nation that they should at some time be free and independent. This we can not evade.

INDEPENDENCE—"WHEN" AND "HOW"

Only two questions require decision. First, "When shall the Philippines be granted independence?" and, second, "How shall it be granted, so as to protect both Philippine and American welfare?"

To achieve these purposes the bill in the main provides that:

PHILIPPINE AUTONOMY

1. The Philippine people shall adopt a constitution for the government of the "Commonwealth of the Philippine Islands," pending complete independence. Under that government they will enjoy complete autonomy as to domestic affairs, subject only to the restrictions and limitations specified in the bill that safeguards both the sovereignty and responsibilities of the United States.

TRADE LIMITATIONS

2. Pending final withdrawal of American sovereignty, free importations of certain Philippine products into the United States shall not exceed specified limits, based upon the *status quo* as represented by estimated importations from existing investments.

IMMIGRATION RESTRICTIONS

3. Pending independence Philippine immigration to the United States is limited to a maximum annual quota of 100.

COMPLETE INDEPENDENCE

4. At the end of a 15-year period from the date of inauguration of the Government of the commonwealth of the Philippine Islands the people of the islands shall at a plebiscite vote on the question of independence, and if a majority favor independence the President is directed to recognize and declare the independence of the Philippine Islands, whereupon, for all purposes, they will become to the United States a foreign nation.

These provisions establish a process for the independence of the Philippine people and the adjustment in an orderly manner of our economic and other relations with them. They provide the erection of the new Philippine national structure and at the same time a safe and satisfactory transition from the present dependent to the future independent status.

GRADUAL TRADE ADJUSTMENT

Twenty-five years ago free-trade relations were established between the United States and the Philippine Islands. This was done by the American Congress against the expressed desire and despite the opposition of the people of the islands. As a consequence of free trade Philippine industries and trade with the United States have developed on that basis.

This arrangement resulted in an artificial stimulation in the production of certain articles and manufactures in the Philippines and an extraordinary increase in the volume of American-Philippine trade, with a corresponding decrease in the trade of the islands with foreign countries.

Obviously, the existing free-trade relations between the United States and the Philippines can not be terminated abruptly without serious injury to Philippine economic interests and American trade with the islands. Both require a definite time to prepare for the change. Investments made on the basis of free trade must be given sufficient time for adjustment or liquidation without loss. Philippine industries must be given time to establish themselves on a competitive basis before they are placed outside the tariff walls of the United States.

MORAL OBLIGATION

The United States owes a moral obligation to the Filipino people in this respect. The existence of this obligation can not be too strongly urged. We can not justify an act which might result in the destruction of the economic structure that we helped to build in the Philippines, with the consequent lowering of standards of living.

Orderly transfers of sovereignty have usually been accompanied by such provisions as those proposed in this bill. When the Philippines was ceded to the United States by Spain we agreed by treaty to permit Spain for 10 years to send her merchandise and her ships to the Philippines on the same basis as ours. We did this because we realized that we would injure Philippine and Spanish interests if we abruptly forced on the Philippine Islands a different arrangement.

A DEFINITE PERIOD

The committee examined the various proposals as to the time at which independence should be granted. There were proposals for immediate independence, for independence in 5 years, for independence in 10 years, and for independence in 20 years. The reasons urged in behalf of each were considered. Your committee concluded that a period of 15 years was required for the necessary readjustments. Some members of the committee yielded their preference for earlier independence on the basis of evidence developed at the hearings. There was unanimous agreement that a definite date for independence should be set.

During the first 10 years of the 15-year period there is to be a limitation on importations from the Philippines to the United States, as already indicated.

GRADUATED TARIFF

At the end of the first 10 years there begins a gradually increasing tariff levy in the nature of an export tax imposed and collected by the Philippine government on all Philippine free exports to the United States. From the eleventh to the fifteenth year the tax will rise from 5 per cent to 25 per cent of the American tariff on like articles imported from foreign countries. Products on the general free list of the American tariff will not under the bill be subject to this tax.

Three main considerations dictated this procedure. First, to permit Philippine industries to adjust themselves to the new con-

ditions following independence; second, to induce the Filipino people to diversify their products on a competitive basis and to find new markets for them; third, to protect American agriculture, labor, and industry.

PAYMENT OF BONDED INDEBTEDNESS

One additional reason prompted this provision. It will permit the Philippine Islands to discharge its bonded indebtedness prior to independence, for the bill requires that all collections from this tax shall constitute a special fund to be used exclusively for the retirement of the outstanding indebtedness of the Philippine Islands. It is believed that at the end of the 15-year period the bonded indebtedness of the islands will have been paid.

UNITED STATES SOVEREIGNTY UNIMPAIRED

The sovereignty of the United States over the Philippine Islands during the 15-year period continues unimpaired. The United States also retains such authority in the government of the Philippine Islands as is commensurate with its responsibilities. But it is in the nature of reserved powers and authority rather than of actual and affirmative participation in the government. The authority can be exercised when the necessity for it arises. Additional power is unnecessary. These powers extend to the safeguarding of the finances of the Philippine nation, its currency, its foreign trade, its public lands and mines, public order, and all those activities and services of the government necessary for the protection of life, liberty, and property. It is also provided that foreign relations of the islands shall be exclusively under the control and supervision of the United States, and that our Government at any time may intervene to prevent a violation of international obligations.

RECOGNITION OF AMERICAN AUTHORITY

Pending the consummation of independence, United States sovereignty will be represented in the Philippines by a high commissioner who shall be recognized as such representative by all the departments of the Philippine government.

The high commissioner will act as the representative of the United States, and he is vested with all of the prestige and authority required for the discharge of such responsibility. He shall have access to all of the records of the Government and have means at his disposal to acquaint himself with the manner in which the government of the Commonwealth is conducted.

Should any of the eventualities described in the bill involving either the finances or the orderly functioning of the government occur, the way is clear for the exercise of authority by the United States to remedy such conditions.

The governmental powers reserved to the United States and the United States high commissioner are effective to insure an efficient administration of public affairs in the Philippines.

MILITARY AND NAVAL BASES

Under the provisions of this bill the United States also reserves the right to retain its present military, naval, and other reservations in the Philippine Islands. It is also provided that after independence the United States may obtain, by lease or purchase, any additional territory in the Philippine Islands as it may consider necessary for such purposes. There is no provision in the bill to prevent the withdrawal or abandonment of these naval and military posts at any time, or at the end of the 15-year period. That question is left to future decision and determination.

The bill provides that after the people of the Philippine Islands have voted for independence, and prior to the final withdrawal of American sovereignty, a conference of representatives of the American and Philippine Governments shall be held for the purpose of formulating recommendations as to future trade relations between the United States and the independent government of the Philippine Islands.

CONCLUSION

The recognized policy of the United States in the Philippines has been to prepare the Philippine people for independence. Every Chief Executive since our occupation of the islands down to the present time has stated that we were in the Islands for the purpose of assistance rather than colonization. Every legislative act of Congress has contemplated ultimate independence. For 30 years every act of the American Government in the islands has been based upon and in furtherance of this policy.

We have done much for this people. Americans may justly say that we have accomplished for the Filipino people in 30 years what no other nation has done for the people of its colonies in a hundred years. And the Philippine people appreciate that fact and they are grateful to America for it.

The rest they must do and achieve by themselves. And they can only have this opportunity if, as this bill provides, they are permitted to lead their own life, enjoying their independence, free to exercise their own genius, and thrown on their own resources.

Every condition precedent that we have imposed upon them has been fulfilled. They now have a stable government. We can no longer postpone a definite solution of the question of independence without serious injustice. The Filipino people unitedly are respectfully, but with insistence, urging their independence. Further delay will not be understood by them and can not be justified by us.

The bill, as amended, is as follows:

A bill (S. 3377) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes

Be it enacted, etc.—

CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands, at such time as the Philippine Legislature may fix, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898, the boundaries of which are set forth in Article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900. The Philippine Legislature shall provide for the necessary expenses of such convention.

CHARACTER OF CONSTITUTION—MANDATORY PROVISIONS

SEC. 2. The constitution formulated and drafted shall be republican in form, shall contain a bill of rights, and shall, either as a part thereof or in an ordinance appended thereto, contain provisions to the effect that, pending the final and complete withdrawal of the sovereignty of the United States over the Philippine Islands—

(a) All citizens of the Philippine Islands shall owe allegiance to the United States.

(b) Every officer of the government of the Commonwealth of the Philippine Islands shall, before entering upon the discharge of his duties, take and subscribe an oath of office, declaring, among other things, that he recognizes and accepts the supreme authority of and will maintain true faith and allegiance to the United States.

(c) Absolute toleration of religious sentiment shall be secured and no inhabitant or religious organization shall be molested in person or property on account of religious belief or mode of worship.

(d) Property owned by the United States, cemeteries, churches, and parsonages or convents appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, or educational purposes shall be exempt from taxation.

(e) Trade relations between the Philippine Islands and the United States shall be upon the basis prescribed in section 6.

(f) The public debt of the Philippine Islands and its subordinate branches shall not exceed limits now or hereafter fixed by the Congress of the United States; and no loans shall be contracted in foreign countries without the approval of the President of the United States.

(g) The debts, liabilities, and obligations of the present Philippine government, its provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

(h) Provision shall be made for the establishment and maintenance of an adequate system of public schools primarily conducted in the English language.

(i) Acts affecting currency, coinage, imports, exports, and immigration shall not become law until approved by the President of the United States.

(j) Foreign affairs shall be under the direct supervision and control of the United States.

(k) All acts passed by the legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.

(l) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines, and, upon order of the President, to call into the service of such armed forces all military forces organized by the Philippine government.

(m) Appeals to the Supreme Court of the United States shall be as now provided by existing law and shall also include all cases involving the constitution of the Commonwealth of the Philippine Islands.

(n) The United States may exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution, and for the protection of life, property, and individual liberty and for the discharge of government obligations under and in accordance with the provisions of their constitution.

(o) The authority of the United States high commissioner to the government of the Commonwealth of the Philippine Islands, as provided in this act, shall be recognized.

(p) Citizens and corporations of the United States shall enjoy in the Commonwealth of the Philippine Islands all the civil rights of the citizens and corporations, respectively, thereof.

SUBMISSION OF CONSTITUTION TO THE PRESIDENT OF THE UNITED STATES

SEC. 3. Upon the drafting and approval of the constitution by the constitutional convention in the Philippine Islands, the constitution shall be submitted to the President of the United States, who shall determine whether or not it conforms with the provisions of

this act. If the President finds that the proposed constitution conforms substantially with the provisions of this act, he shall so certify to the Governor General of the Philippine Islands, who shall so advise the constitutional convention. If the President finds that the constitution does not conform with the provisions of this act, he shall so advise the Governor General of the Philippine Islands, stating wherein in his judgment the constitution does not so conform and submitting provisions which will in his judgment make the constitution so conform. The Governor General shall in turn submit such message to the constitutional convention for further action by them pursuant to the same procedure hereinbefore defined until the President and the constitutional convention are in agreement.

SUBMISSION OF CONSTITUTION TO FILIPINO PEOPLE

SEC. 4. After the President of the United States has certified that the constitution conforms with the provisions of this act, it shall be submitted to the people of the Philippine Islands for their ratification or rejection at an election to be held within four months after the date of such certification, on a date to be fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution and ordinances appended thereto. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return and, if a majority of the votes cast on that question shall be for the constitution, shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast hereon and a copy of said constitution and ordinances. The Governor General shall, in that event, within 30 days after receipt of the certification from the Philippine Legislature, issue a proclamation for the election of officers of the government of the Commonwealth of the Philippine Islands provided for in the constitution. The election shall take place not earlier than three months nor later than six months after the proclamation by the Governor General ordering such election. When the election of the officers provided for under the constitution has been held and the results determined, the Governor General of the Philippine Islands shall certify the results of the election to the President of the United States, who shall thereupon issue a proclamation announcing the results of the election, and upon the issuance of such proclamation by the President the existing Philippine government shall terminate and the new government shall enter upon its rights, privileges, powers, and duties, as provided under the constitution. The present government of the Philippine Islands shall provide for the orderly transfer of the functions of government.

If a majority of the votes cast are against the constitution, the existing government of the Philippine Islands shall continue without regard to the provisions of this act.

TRANSFER OF PROPERTY AND RIGHTS TO PHILIPPINE COMMONWEALTH

SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as has heretofore been designated by the President of the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the government of the Commonwealth of the Philippine Islands when constituted.

RELATIONS WITH THE UNITED STATES PENDING COMPLETE INDEPENDENCE

SEC. 6. After the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the new government shall be as now provided by law, subject to the following exceptions:

(a) There shall be levied, collected, and paid on all refined sugars in excess of 50,000 long tons, and on unrefined sugars in excess of 800,000 long tons, coming into the United States from the Philippine Islands in any calendar year, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(b) There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 200,000 long tons, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(c) There shall be levied, collected, and paid on all yarn, twine, cord, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fibers, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 3,000,000 pounds of all such articles hereinbefore enumerated, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(d) In the event that in any year the limit in the case of any article which may be exported to the United States free of duty shall be reached by the Philippine Islands, the amount or quantity of such articles produced or manufactured in the Philippine Islands thereafter that may be so exported to the United States free of duty shall be allocated, under export permits issued by the government of the Commonwealth of the Philippine Islands, to the producers or manufacturers of such articles proportionately on the basis of their exportation to the United States in the preceding year; except that in the case of unrefined sugar the amount thereof to be exported annually to the United States free of duty shall be allocated to the sugar-producing mills of the islands proportionately on the basis of their production in the preceding year, and the amount of sugar which may be exported from each mill shall be allocated between the mill and the planters on the basis of the proportion of sugar received by the planters and the mill from the planters' cane, as provided in their milling contract. The government of the Philippine Islands is authorized to adopt the necessary laws and regulations for putting into effect the allocation hereinbefore provided.

(e) The government of the Commonwealth of the Philippine Islands shall impose and collect an export tax on all articles that may be exported to the United States from the Philippine Islands free of duty under the provisions of existing law as modified by the foregoing provisions of this section, including the articles enumerated in subdivisions (a), (b), and (c), within the limitations therein specified, as follows:

(1) During the eleventh year after the inauguration of the new government the export tax shall be 5 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(2) During the twelfth year after the inauguration of the new government the export tax shall be 10 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries;

(3) During the thirteenth year after the inauguration of the new government the export tax shall be 15 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries.

(4) During the fourteenth year after the inauguration of the new government the export tax shall be 20 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries.

(5) After the expiration of the fourteenth year after the inauguration of the new government the export tax shall be 25 per cent of the rates of duty which are required by the laws of the United States to be levied, collected, and paid on like articles imported from foreign countries.

The government of the Commonwealth of the Philippine Islands shall place all funds received from such export taxes in a sinking fund, and such fund shall, in addition to other moneys available for that purpose, be applied solely to the payment of the principal and interest on the bonded indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities until such indebtedness has been fully discharged.

When used in this section in a geographical sense, the term "United States" includes all Territories and possessions of the United States except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

SEC. 7. Until the final and complete withdrawal of American sovereignty over the Philippine Islands—

(1) Every duly adopted amendment to the constitution of the government of the Commonwealth of the Philippine Islands shall be submitted to the President of the United States for approval. If the President approves the amendment or if the President fails to disapprove such amendment within six months from the time of its submission, the amendment shall take effect as a part of such constitution.

(2) The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government of the Commonwealth of the Philippine Islands which, in his judgment, will result in a failure of the government of the Commonwealth of the Philippine Islands to fulfill its contracts, or to meet its bonded indebtedness and interest thereon, or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which, in his judgment, will violate international obligations of the United States.

(3) The chief executive of the Commonwealth of the Philippine Islands shall make an annual report to the President and Congress of the United States of the proceedings and operations of the government of the Commonwealth of the Philippine Islands and shall make such other reports as the President or Congress may request.

(4) The President shall appoint, by and with the advice and consent of the Senate, a United States high commissioner to the government of the Commonwealth of the Philippine Islands who shall hold office at the pleasure of the President and until his successor is appointed and qualified. He shall be known as the United States high commissioner to the Philippine Islands. He shall be the representative of the President of the United States in the Philippine Islands and shall be recognized as such by the government of the Commonwealth of the Philippine Islands, by the commanding officers of the military forces of the United States, and by all civil officials of the United States in the Philippine Islands. He shall have access to all records of the government or any subdivision thereof, and shall be furnished by the chief executive of the Commonwealth of the Philippine Islands with such information as he shall request.

If the government of the Commonwealth of the Philippine Islands fails to pay any of its bonded or other indebtedness or the interest thereon when due or to fulfill any of its contracts, the United States high commissioner shall immediately report the

facts to the President, who may thereupon direct the high commissioner to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts. The United States high commissioner shall annually, and at such other times as the President may require, render an official report to the President and Congress of the United States. He shall perform such additional duties and functions as may be lawfully delegated to him from time to time by the President.

The United States high commissioner shall receive the same compensation as is now received by the Governor General of the Philippine Islands, and shall have such staff and assistants as the President may deem advisable and as may be appropriated for by Congress. He may occupy the official residence and offices now occupied by the Governor General. The salaries and expenses of the high commissioner and his staff and assistants shall be paid by the United States.

The first United States high commissioner appointed under this act shall take office upon the inauguration of the new government of the Commonwealth of the Philippine Islands.

(5) The government of the Commonwealth of the Philippine Islands shall provide for the selection of a Resident Commissioner to the United States, and shall fix his term of office. He shall be the representative of the government of the Commonwealth of the Philippine Islands and shall be entitled to official recognition as such by all departments upon presentation to the President of credentials signed by the chief executive of said government. He shall have a seat in the House of Representatives of the United States, with the right of debate, but without the right of voting. His salary and expenses shall be fixed and paid by the government of the Philippine Islands. Until a Resident Commissioner is selected and qualified under this section, existing law governing the appointment of Resident Commissioners from the Philippine Islands shall continue in effect.

SEC. 8. (a) After the date of the inauguration of the government of the Commonwealth of the Philippine Islands—

(1) For the purposes of the immigration act of 1917, the immigration act of 1924 (except section 13(c)), this section, and all other laws of the United States relating to the immigration, exclusion, or expulsion of aliens, citizens of the Philippine Islands who are not citizens of the United States shall be considered as if they were aliens. For such purposes the Philippine Islands shall be considered as a separate country and shall have for each fiscal year a quota of 100. This paragraph shall not apply to a person coming or seeking to come to the Territory of Hawaii who does not apply for and secure an immigration or passport visa.

(2) Citizens of the Philippine Islands who are not citizens of the United States shall not be admitted to the continental United States from the Territory of Hawaii (whether entering such Territory before or after the effective date of this section) unless they belong to a class declared to be nonimmigrants by section 3 of the immigration act of 1924 or to a class declared to be nonquota immigrants under the provisions of section 4 of such act other than subdivision (c) thereof, or unless they were admitted to such Territory under an immigration visa. The Secretary of Labor shall by regulations provide a method for such exclusion and for the admission of such excepted classes.

(3) Any Foreign Service officer may be assigned to duty in the Philippine Islands, under a commission as a consular officer, for such period as may be necessary and under such regulations as the Secretary of State may prescribe, during which assignment such officer shall be considered as stationed in a foreign country; but his powers and duties shall be confined to the performance of such of the official acts and notarial and other services which such officer might properly perform in respect of the administration of the immigration laws if assigned to a foreign country as a consular officer, as may be authorized by the Secretary of State.

(4) For the purposes of sections 18 and 20 of the immigration act of 1917, as amended, the Philippine Islands shall be considered to be a foreign country.

(b) The provisions of this section are in addition to the provisions of the immigration laws now in force, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this section. An alien, although admissible under the provisions of this section, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this section, and an alien, although admissible under the provisions of the immigration laws other than this section, shall not be admitted to the United States if he is excluded by any provision of this section.

(c) Terms defined in the immigration act of 1924 shall, when used in this section, have the meaning assigned to such terms in that act.

PLEBISCITE ON THE QUESTION OF PHILIPPINE INDEPENDENCE

SEC. 9. (a) At any time after the expiration of the fifteenth year and before the expiration of the seventeenth year after the inauguration of the government provided for in this act the people of the Philippine Islands shall vote on the question of Philippine independence. The Legislature of the Commonwealth of the Philippine Islands shall provide for the time and manner of an election for such purpose, at which the qualified voters of the Philippine Islands shall be entitled to vote.

(b) If a majority of the votes cast are in favor of Philippine independence, the chief executive of the Commonwealth of the Philippine Islands shall so report to the President of the United States, who shall, within 60 days after the receipt of such report, issue a proclamation announcing the results of such election, and within a period of two years after such report the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution then in force: *Provided*, That the constitution has been previously amended to include the following provisions:

(1) That the property rights of the United States and the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

(2) That the government of the Philippine Islands will sell or lease to the United States lands necessary for coaling or naval stations at certain specified points, to be agreed upon with the President of the United States not later than two years after his proclamation recognizing the independence of the Philippine Islands.

(3) That the officials elected and serving under the constitution adopted pursuant to the provisions of this act shall be constitutional officers of the free and independent government of the Philippine Islands and qualified to function in all respects as if elected directly under such government, and shall serve their full terms of office as prescribed in the constitution.

(4) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities which shall be valid and subsisting at the time of the final and complete withdrawal of the sovereignty of the United States, shall be assumed by the free and independent government of the Philippine Islands; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands, or any Province, city, or municipality therein, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

(5) That the government of the Philippine Islands, on becoming independent of the United States, will assume all continuing obligations assumed by the United States under the treaty of peace with Spain ceding said Philippine Islands to the United States.

(6) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except paragraph (3)) in a treaty with the United States.

(c) If a majority of the votes cast are against Philippine independence, the chief executive of the Commonwealth of the Philippine Islands shall so report to the Congress of the United States for their action regarding the future political status of the Philippine Islands: *Provided*, That until Congress otherwise provides the Philippine Islands shall revert to the status established by this act for the first 10 years after the inauguration of the government of the Commonwealth of the Philippine Islands.

NOTIFICATION TO FOREIGN GOVERNMENTS

SEC. 10. Upon the proclamation and recognition of the independence of the Philippine Islands under their constitution, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands.

TARIFF DUTIES AFTER INDEPENDENCE

SEC. 11. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: *Provided*, That within six months after the people of the Philippine Islands have voted on the question of Philippine independence, if a majority of the votes cast are in favor of independence there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the chief executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

CERTAIN STATUTES CONTINUED IN FORCE

SEC. 12. Except as in this act otherwise provided, the laws now or hereafter in force in the Philippine Islands shall continue in force in the Commonwealth of the Philippine Islands until altered, amended, or repealed by the Legislature of the Commonwealth of the Philippine Islands or by the Congress of the United States, and all references in such laws to the Philippines or Philippine Islands shall be construed to mean the government of the Commonwealth of the Philippine Islands. The government of the Common-

wealth of the Philippine Islands shall be deemed successor to the present government of the Philippine Islands and of all the rights and obligations thereof. Except as otherwise provided in this act, all laws or parts of laws relating to the present government of the Philippine Islands and its administration are hereby repealed as of the date of the inauguration of the government of the Commonwealth of the Philippine Islands.

EFFECTIVE DATE

SEC. 13. The foregoing provisions of this act shall not take effect until accepted by concurrent resolution of the Philippine Legislature or by a convention called for the purpose of passing upon that question as may be provided by the Philippine Legislature.

AMENDMENTS TO PHILIPPINE INDEPENDENCE BILL

Mr. BROUSSARD submitted two amendments intended to be proposed by him to the bill (S. 3377) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which were ordered to lie on the table and to be printed.

ARTICLE BY HON. GEORGE STEWART BROWN ENTITLED "THE PEOPLE SHOULD BE CONSULTED AS TO CONSTITUTIONAL CHANGES"

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in the Journal of the American Bar Association by Hon. George Stewart Brown, judge of the United States Customs Court, the subject of which is "The People Should Be Consulted as to Constitutional Changes."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Bar Association Journal of June, 1930]

THE PEOPLE SHOULD BE CONSULTED AS TO CONSTITUTIONAL CHANGES—METHOD OF RATIFICATION BY STATE CONVENTIONS IS GREATLY TO BE PREFERRED, AS IT COMES NEARER TO SECURING THEIR DIRECT ASSENT TO RADICAL CHANGES UNDER WHICH THEY MUST LIVE—DEFECTS OF METHOD OF SUBMISSION TO LEGISLATURES

By Hon. George Stewart Brown, judge of the United States Customs Court

In connection with the many proposals to amend the Federal Constitution attention should be called to the fact that proposed amendments do not have to be ratified by legislatures, as is commonly supposed to be the case. On the contrary, the amending clause of the Constitution (Art. V) wisely provides an alternative method for ratification by State conventions. The latter method is greatly to be preferred, because it comes much closer to consulting the people themselves and to procuring their direct assent to any suggested change. The way it works out amounts virtually to a popular referendum. It takes longer than ratification by legislatures. Speed is not everything, however. Indeed, deliberation is much to be preferred to mere speed in making serious and grave constitutional changes. The original Constitution was ratified by the people acting through State conventions.

The method of submission to legislatures in practice has a number of patent defects.

In the first place, members of a legislature may be, and frequently are, elected before the suggested constitutional change is proposed by Congress. Consequently, when the proposal comes before them, unless they refuse to act at all, they are compelled to act without the aid of a previous discussion of the matter during their campaign for election. Even if the particular legislature is elected after Congress makes the proposal, the election is involved in and affected by a multitude of other issues and policies of a local, personal, political, and partisan character. Mere partisanship sometimes controls everything else in their selection. Their position upon the pending change in the Federal Constitution may be an element in their election, but it generally is a very slight element, submerged and buried among the many other issues involved.

Consequently, legislatures elected before proposal always completely lack a popular mandate for their action in ratifying or rejecting a proposed Federal amendment. Likewise legislatures elected after proposal also lack a distinct, definite, or certain popular mandate for their action, due to this confusion with so many other things.

State conventions, on the other hand, must necessarily be elected after proposal upon the sole issue of saying "aye" or "no" to the suggested change. In every district throughout the land a candidate for delegate favoring the proposal will run against a candidate for delegate opposing the proposal. The personality of such candidate will count for little or nothing. Local, partisan, and political considerations will not figure or influence their election. The sole consideration which will influence the voter will be the attitude of the candidate for delegate "for," or "against," the Federal amendment proposed. Thus the issue will be direct and certain, unconfused with all other issues, and the resulting popular mandate, for the action of the convention, will be certain, definite, and complete.

This constitutes a perfectly legal method of consulting the wishes of the people upon any proposed change in the Federal Constitution.

It is true that, except in the ratification of the Constitution itself, we have not used the State convention method in ratifying constitutional changes. However, it is hardly an intelligent argument against a superior method simply to cite neglect in using it. That is a state of political conventionality and stupidity we have not reached as yet.

One reason its use has been neglected is that out of 19 amendments proclaimed as ratified only 5, the thirteenth, fourteenth, fifteenth, eighteenth, and nineteenth, made radical changes in the organic law, for which the consent of the voters of the several States was reasonably or necessarily required. The first 10 (the Bill of Rights) were merely declaratory of the original purposes of the instrument. They carried out the gentleman's agreement, which procured the practically conditional ratification of New York, Massachusetts, Virginia, and South Carolina to the Constitution and later induced ratification by Rhode Island and North Carolina, who first rejected. They added no new matter. They merely expressed in definite, clarified language what the authors of the Constitution already understood it to mean. The thirteenth, fourteenth, and fifteenth came from the arbitrament of civil war and recorded its results. They were used as a substitute for a treaty with the Southern Confederacy. Any treaty would have had the effect of recognizing the right of secession. The sixteenth, or income-tax amendment, merely reasserted a long-exercised Federal power, which a court decision had avoided. The eleventh also asserted a State prerogative, also previously claimed to exist and also avoided by a court decision. The twelfth and seventeenth merely rearranged the election of President and United States Senators, not affecting governmental power in any way. It was perhaps natural that these amendments were all proposed to legislatures. It is undoubtedly true that radical changes, such as the eighteenth and nineteenth, should have been proposed to State conventions to insure their popular sanction and approval. But that mistake should not be repeated in the future. Hereafter the people should be fully and completely consulted, through the convention method, as to any radical changes in the Constitution, or any redistribution of governmental powers therein, to insure popular consent to, and acquiescence in, such changes. This suggestion should be looked upon as purely nonpartisan and nonpolitical in character, as it undoubtedly is.

State conventions, elected to consider a proposed Federal amendment, would be called in each State by the legislature thereof, according to the machinery already existing therein for calling State conventions for amending the State constitutions. The legislature would have the authority to determine the apportionment of delegates to be elected by popular vote from the various political units of the State and the time and place of meeting, unless those things were already provided for by the existing State constitution. There are no political difficulties or stumblingblocks whatsoever attending such a method of ratification. One thing should be distinctly understood—Congress has nothing to do with calling the State conventions, their manner and form of procedure, mode of election, or selection of the time and place they should meet. Those details are entirely a matter of State determination, by the legislature of the State.

The persons selected by the people as delegates do not run for a political office, which would consume much time and labor and involve them in politics. Called simply to pass on a proposed Federal amendment, they would have no political power beyond debating the new Federal proposal and voting for its adoption or rejection. Distinguished persons from all the walks of life, business, professional, and labor, would gladly run for delegates to such conventions without detriment to their private work. For such conventions would merely assemble, debate, vote, and adjourn. Then the labor and political duty of the delegates is over. Distinguished advocates and opponents of the proposal would serve in such conventions, a far abler type than most of those who serve in State legislatures. The debates would be of a high grade and fully elucidate the subject, as were the debates by the distinguished men who took part in the State conventions which ratified the Constitution. As a consequence, the action of each State in ratifying or rejecting would have the proper weight and dignity which action upon grave constitutional changes should always involve.

Legislatures, on the contrary, frequently act upon Federal amendments without a popular mandate, and hastily without proper debate. Political considerations, pure and simple, frequently govern their action. Of the 38 legislatures which were announced as ratifying the nineteenth amendment, 30 were hold-over legislatures, elected before proposal, called hastily into special session, and necessarily acting without a popular mandate from their constituents. Ten States refused to ratify. There were also ratifications of the eighteenth amendment by legislatures which did not seem to be representative of the popular will in their States.

The precedent which must be followed is that submitting the Constitution itself to State conventions. The following extract from the Journal of Congress of the Confederation exhibits the proceedings of that body on receiving the report of the convention which framed the Constitution:

"United States in Congress assembled, Friday, September 28, 1787.

"Congress having received the report of the convention lately assembled in Philadelphia:

"*Resolved, unanimously*, That the said report, with the resolutions and letter accompanying the same, be transmitted to the several legislatures, in order to be submitted to a convention of delegates chosen in each State, by the people thereof, in conformity to the resolves of the convention made and provided in that case."

The portion of the resolution of the Philadelphia Convention, referring to ratification by State conventions, which the above resolution of Congress carried out, read as follows:

"*Resolved*, That the preceding Constitution be laid before the United States in Congress assembled; and that it is the opinion of this convention that it should afterwards be submitted to a convention of delegates chosen in each State by the people thereof under the recommendation of its legislature for their assent and ratification, and that each convention assenting to and ratifying the same should give notice thereof to the United States in Congress assembled."

Much subsequent friction could be avoided if we would always follow that historic precedent. In making radical constitutional changes ordinary political delicacy should move us to consult the pople who must live under them and whose government it is.

Had the fifteenth amendment been proposed to State conventions the history of the times indicates that it would have been defeated. (Speech of Allen Caperton Braxton, Virginia State Bar Association Proceedings for 1903.)

Had the eighteenth amendment been proposed to State conventions there is grave doubt whether it would have been ratified by 36 States. Moreover, had it been so ratified we would know that the people desired it, a question which has been a subject of violent dispute ever since it was proclaimed.

Had the nineteenth amendment been proposed to State conventions it seems certain that it would have failed.

We have been very remiss in the past in not procuring the express consent of the people through popularly elected State conventions to every radical constitutional change or shift of governmental powers between our State and Federal governmental agencies.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEES

The VICE PRESIDENT. Reports of committees are in order.

Mr. WALSH of Montana, from the Committee on the Judiciary, reported adversely the nomination of Charles A. Jonas, of North Carolina, to be United States attorney, western district of North Carolina.

Mr. NYE, from the Committee on Public Lands and Surveys, reported favorably the nomination of J. Lindley Green, of Alaska, to be register of the land office at Anchorage, Alaska.

Mr. COUZENS, from the Committee on Interstate Commerce, reported favorably the nomination of Thad H. Brown, of Ohio, to be a member of the Federal Radio Commission for a term of six years from February 24, 1932.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The VICE PRESIDENT. If there are no further reports of committees, the calendar is in order.

TREATIES

The Chief Clerk proceeded to read Executive KK (70th Cong., 2d sess.) and Executive A (72d Cong., 1st sess.).

Mr. McNARY. I ask that the treaties may go over.

The VICE PRESIDENT. The treaties will be passed over.

FEDERAL FARM BOARD

The Chief Clerk proceeded to read the nominations of members of the Federal Farm Board.

Mr. McNARY. Mr. President, at the request of the senior Senator from South Dakota [Mr. NORBECK] the matter of the confirmation of these appointments has been deferred. It is agreeable to the Senator now that some date may be set during the week. A few days ago the Senator from Florida [Mr. TRAMMELL] disclosed some opposition to the nominations, and I was wondering if we could come to an agreement as to some date this week when we might take up these matters.

Mr. TRAMMELL. I think we might arrange some date during the week. I had desired to get some information in regard to certain activities on the part of the members of the board.

Mr. McNARY. Will it be agreeable to the Senator to consider the matter on Friday afternoon?

Mr. TRAMMELL. That will be agreeable to me if it is agreeable to others who are interested.

Mr. McNARY. I can speak for the Senator from South Dakota as agreeable to him. In my opinion, he is the only Member of the Senate with whom it is necessary for me to consult. No one else has brought the matter to my attention.

Mr. TRAMMELL. That will be agreeable to me.

Mr. McNARY. Then I give notice that I shall call up the confirmation of these nominations in executive session at 3 o'clock on Friday, or thereabouts.

CUSTOMS SERVICE

The Chief Clerk read the nomination of Fred A. Bradley to be collector, customs collection district No. 9, Buffalo, N. Y.

Mr. COPELAND. I ask that this nomination may go over.

The VICE PRESIDENT. The nomination will be passed over.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. ODDIE. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, that order will be made. That completes the calendar.

The Senate resumed legislative session.

ADJOURNMENT

Mr. McNARY. I move that the Senate adjourn until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 32 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, March 2, 1932, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 1 (legislative day of February 24), 1932

POSTMASTERS

ALABAMA

Roger S. Bingham, Talladega.

FLORIDA

Thomas J. Chason, Tallahassee.

LOUISIANA

T. Lucien Ducrest, Broussard.
William T. Kent, De Quincy.
Roger F. Baudry, Garyville.
Louis Hebert, White Castle.

UTAH

Erastus F. Birch, Eureka.
Harold C. Nelson, North Salt Lake.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 1, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Not unto us, O Lord, not unto us, but unto Thy name give glory for Thy mercy and for Thy truth's sake. Thou wilt bless every good act and not allow any good thing to be forgotten. O God, help us to associate ourselves with great principles of truth and wisdom that shall bless generations to come. Inspire rectitude in the public conscience, and may the sense of justice and consistency grow strong in the social order. Continue to give us faith to endure and strength to stand patiently waiting for the disclosures of Thy providence. Bless us, our Heavenly Father, with a complete integrity of mind, and may there be not one rusted link in our mental armor, and thus safeguard us against failure and weakness. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MONETARY REFORM LEGISLATION

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BUSBY. Mr. Speaker, I do this solely because I know there is very great interest in the question that is before the Committee on Banking and Currency to do something toward the stabilization of the purchasing power of money. I know that too often we have the attitude of dismissing the subject of money legislation by saying that nothing can be done about it; that it is an evil that has come down to us through time; and that it is an evil that must endure.

The Secretary of the Treasury, Mr. Mills, is of that same opinion, as will be noted from the hearings before the Committee on Banking and Currency in connection with the recent legislation enacted by the House.

In order to get this matter more squarely before the membership of the House I expect to address to each one of you a letter, and I will read that letter now:

MY DEAR COLLEAGUE: Won't you please read this letter?

Congress has been busy since December trying to devise credit schemes to bring the country out of its awful financial condition. All of these schemes are destined to fail because credit and loans will not meet the situation. Of the 40,000,000 people who could be gainfully employed, 8,000,000 are looking for work. They are out of jobs and in most instances all property has been taken from them. Recruits are fast joining their ranks. The annual national income has been reduced from $90,000,000,000 to less than $60,000,000,000 a year, and much of this loss of $30,000,000,000 has fallen on the laborers, the farmers, and those least able to bear it. They have ceased to be producers and therefore can not be consumers except at the hand of charity. The result is that profitable business is gone. Almost every railroad is losing money fast; steel production is at 25 per cent capacity, the lowest ever. Electric-power production is making a miserable showing. Power to consume is gone and business is following fast.

We might as well hope to end a drought with a lawn sprinkler as to try to end this depression by supplying credit and increasing debt without providing income and producing power. More debts piled on the people will only deepen their troubles later. What the people need is a fair price for the commodities they produce. Farm commodities, labor, and all other commodities produced must be lifted back to the level they were when the billions of dollars of debts were made. Congress must "regulate the value thereof" (money) so as to give the people honest currency and a stable dollar.

Let us not say, "That can not be done," until we have spent time and study on the subject. The constituents of every Member of Congress are in want and are in awful financial straits because we have failed to provide a plan to give them an opportunity to labor and have an income. Instead we are continually trying to arrange loans and get them further into debt.

I have given a great deal of study to this subject. I am convinced that the Congress can meet the requirements of the Constitution, "To coin money, regulate the value thereof," as the power was given us by the framers of the Constitution.

I am inclosing herewith three speeches dealing with these subjects:

First. An analysis of our deplorable financial condition and a discussion of some of the causes which have brought about that condition (delivered in the House December 19 last).

Second. A plan to stabilize the purchasing power of currency in relation to commodity prices, headed "Government Should Maintain Honest Dollars" (delivered in the House on February 15 last).

Third. Monetary reform legislation the true relief (delivered February 19 last).

Won't you please take the time to carefully read these discussions, not because they are a perfect presentation of the subject but that we (all Members working together) may evolve and set up a currency and credit system that will save our people from the recurring evils now upon them. Let's do our best to lay aside prejudices which enwrap us about the "money question" and try, through understanding, to scientifically work out the question logically.

The leading economists of this country and the world are convinced of its soundness. The famous statistician, Roger W. Babson, said, "Only those who do not understand it oppose it." A great number of Members of Congress understand and advocate the plan. The farm organizations are all demanding this legislation.

The House Committee on Banking and Currency will begin hearings on the question the 16th and 17th of this month. It is the hope of Members who have studied the question to have a meeting in the House Chamber of all Members of every political party and plan further efforts and arrangements to get such legislation. Interest in the subject of restoring the prices of commodities to a fair level is intense. Let us all understand and work together.

In conclusion, I feel that I should ask your pardon for intruding this letter and these speeches upon you. I assure you that my only purpose is to assist in a move to definitely cement forces for a cause and a plan to save our people. Now is the time to act. When a man is feeling well, even though he knows he has fundamental disorders, he is not inclined to submit to an operation or to medicine. It is only when he is in great pain or distress that he is willing to undertake these remedies. So it is in finance and business.

Sincerely yours,

JEFF BUSBY,
Member of the House Committee on Banking and Currency.

Mr. Speaker, I believe until we have done our best to supply the remedy for this situation that we should be held accountable by our people for the culpability that we have shown in not trying to meet it. I do not believe we are incapable of meeting our responsibility in this matter. [Applause.]

FIXING COMMENCEMENT OF TERMS OF PRESIDENT, VICE PRESIDENT, AND MEMBERS OF CONGRESS

Mr. JEFFERS. Mr. Speaker, I call up a conference report on the joint resolution (S. J. Res. 14) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress, and I ask unanimous consent that the statement on the part of the managers of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the Joint resolution (S. J. Res. 14) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

"'Article —

"'SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"'SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"'SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"'SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right

of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"'SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"'SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.'"

And the House agree to the same.

LAMAR JEFFERS,
RALPH F. LOZIER,
CHAS. L. GIFFORD,
Managers on the part of the House.

G. W. NORRIS,
WM. E. BORAH,
THOS. J. WALSH,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the joint resolution (S. J. Res. 14) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate resolution provides that the terms of the President and Vice President shall end at noon on January 15 and the terms of Senators and Representatives at noon on January 2. Under the House amendment the terms of President and Vice President end at noon on January 24 and those of Senators and Representatives at noon on January 4. The conference agreement provides that the terms of the President and Vice President shall end at noon on January 20 and the terms of Senators and Representatives at noon on January 3.

The Senate resolution provides that the regular sessions of Congress shall begin at noon on January 2. Under the House amendment January 4 is fixed as the day of meeting instead of January 2. The conference agreement fixes the time for meeting at noon on January 3.

The first sentence of section 3 of the Senate resolution provides that whenever the right to choose a President has devolved upon the House, and the House has not chosen a President before the time fixed for the beginning of his term, then the Vice President shall act as President, "as in the case of the death or other constitutional disability of the President." Under the corresponding provision of the House amendment (the first clause of the second sentence of section 3) the Vice President elect acts as President not only when the House has failed to choose a President before the time fixed for the beginning of his term, but also in any case where, at that time, the President has failed to qualify for any reason. Under the House amendment it is made clear that in such a case the Vice President will act only until the House has chosen a President and he has qualified or until the President elect chosen by the Electoral College has qualified. The conference agreement retains the substance of the House provision with changes in phraseology.

The second sentence of section 3 of the Senate resolution gives Congress the power by law to declare what officer shall act as President in a case where the election of the President has devolved upon the House and that of the Vice President has devolved upon the Senate and neither the President nor the Vice President has been chosen before the time fixed for the beginning of their terms. The officer who acts as President in such a case will act only until the House has chosen a President or the Senate has chosen a Vice President. The corresponding provision of the House amendment (the last clause of the second sentence of section 3) provides for the case wherein both the President elect and Vice President elect have, for any reason, failed to qualify at the time fixed for the beginning of their terms by giving Congress the power by law to declare who shall act as President in such case or to provide the manner in which a qualified person shall be selected. In such case the person who acts as President is to act only until a President or a Vice President has qualified. If, in such case, the Vice President elect should have qualified before a President has qualified, then, although he would act in place of the person acting under the law of Congress, he would act only until the House has chosen a President and he has qualified or until the President elect chosen by the Electoral College has qualified. The conference agreement retains the substance of the House provision with changes in phraseology.

The House amendment—first sentence of section 3—provides that if the President elect is dead at the time fixed for the beginning of his term, the Vice President elect becomes President. There is no corresponding provision in the Senate resolution. The conference agreement carries out the policy of the House resolution, with changes to make it clear that the Vice President elect becomes President only at the time fixed for the beginning of the term.

The House amendment—section 4—gives Congress the power by law to provide means by which a President or a Vice President may be selected, when the right of choice has devolved upon either body, if any of the persons from whom the House may choose a President or the Senate may choose a Vice President, as the case may be, has died. There is no corresponding provision in the Senate resolution. The House provision has been retained under the conference agreement, with minor changes in phraseology.

Under the Senate resolution the provisions relating to the contingencies with respect to the filling of the office of President take effect on the 15th of October following ratification, whereas under the House amendment such provisions take effect upon ratification. The conference agreement adopts the House provision. Under the Senate resolution the provisions relating to the terms of President, Vice President, Senators, and Representatives and the provisions relating to the meeting day of Congress take effect on the 15th of October next following ratification, whereas under the House amendment such provisions take effect on the 30th of November of the year following the year of ratification. The conference agreement adopts the Senate provision.

Section 6 of the House amendment provides that the amendment shall be inoperative unless ratified within seven years from the date of submission of the proposed amendment to the States, and unless ratification is by legislatures the entire membership of at least one branch of which has been elected subsequent to the date of submission of the amendment to the States. There is no corresponding provision in the Senate resolution. The conference agreement retains the provision that the amendment shall be inoperative unless ratified within seven years from the date of submission to the States, but omits the provision relating to ratification by legislatures the membership of one branch of which has been elected subsequent to submission.

LAMAR JEFFERS,
RALPH F. LOZIER,
CHARLES L. GIFFORD,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and two-thirds having voted in favor thereof, the conference report was agreed to.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House for the further consideration of the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further

consideration of the Treasury and Post Office Departments appropriation bill, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Mechanical equipment: For installation and repair of mechanical equipment in all completed and occupied public buildings under the control of the Treasury Department, including heating, hoisting, plumbing, gas piping, ventilating, vacuum cleaning, and refrigerating apparatus, electric-light plants, meters, interior pneumatic tube and intercommunicating telephone systems, conduit, wiring, call bell and signal systems, platform scales, and for maintenance and repair of tower clocks; for installation and repair of mechanical equipment for any of the foregoing items in buildings not reserved by vendors on sites under the control of the Treasury Department acquired for public buildings or the enlargements of public buildings, the total expenditures on this account for the current fiscal year not to exceed 10 per cent of the annual rentals of such buildings: *Provided*, That of the sum herein appropriated not exceeding $125,000 may be used for the installation and repair of mechanical equipment in marine hospitals, the national leprosarium, and quarantine stations (including Marcus Hook), and not exceeding $38,000 for the Treasury, Treasury Annex, Liberty Loan, and Auditors' Buildings in the District of Columbia, but not including the generating plant and its maintenance in the Auditor's Building, and not exceeding $10,000 for changes in, maintenance of, and repairs to the pneumatic-tube systems in New York City installed under franchises of the city of New York approved June 29, 1909, and June 11, 1928, and the payment of any obligations arising thereunder, in accordance with the authority of the acts approved August 5, 1909 (36 Stat. 120), and May 15, 1928 (45 Stat. 533), authorizing the Secretary of the Treasury to enter into contracts with the city of New York to abide by the terms, conditions, and requirements of said franchises: *Provided further*, That this sum shall not be available for the payment of personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of $100 at any one building, $775,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

I notice in the paragraph just read a provision relating to repairs to the pneumatic-tube systems of New York City, which have been installed under certain franchises with the municipality. Years ago, when serving as a member of the Committee on Post Offices and Post Roads, I gave considerable attention to the pneumatic-tube service in connection with the transfer of the mails in the five leading cities of the country. Does this item refer to the transfer of the mails or is it the private pneumatic-tube service in our Government buildings?

Mr. BYRNS. These are the mail tubes in Government-owned buildings. We will come to the item in which the gentleman is interested a little later, I think.

Mr. STAFFORD. These are the private pneumatic tubes in the buildings proper for transferring by little cylinders mail or communications between the different parts of the building?

Mr. BYRNS. Yes; in the Government-owned buildings. The pneumatic-tube service is carried in the Post Office Department appropriation bill.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Outside professional services: To enable the Secretary of the Treasury to obtain outside professional and/or technical services, as provided by the public buildings act approved May 25, 1926 (U. S. C., Supp. V, title 40, sec. 342), and by the act approved March 31, 1930 (46 Stat. p. 137), and to pay reasonable compensation for such services, and to employ appraisers, when necessary, by contract or otherwise, $2,400,000, to remain available until expended.

Mr. JOHNSON of Texas. Mr. Chairman, I move to strike out the last word for the purpose of securing information from the chairman of the committee. The paragraph just read, relating to outside professional services and appropriating money to pay for the services so obtained, refers to certain acts heretofore passed, being the act approved May 25, 1926, the act approved May 31, 1930. I, of course, do not recall the provisions of those acts. The particular information that I am seeking is this: Does this authorize the employment of architects who do not have a civil-service status?

Mr. BYRNS. Yes. It authorizes the employment of private architects within the discretion of the Secretary of the Treasury.

Mr. JOHNSON of Texas. As I understand the chairman of the Committee on Appropriations, under the law cited the Acting Supervising Architect of the Treasury has authority to employ architects when, in his judgment, they are necessary, although they have no civil-service status.

Mr. BYRNS. That is true.

Mr. JOHNSON of Texas. My reason for asking these questions is that I have inquiries of that kind occasionally from architects, and I wanted some authoritative statement with reference to the matter.

Mr. BYRNS. Those architects, the gentleman will understand, are usually employed in the case of the larger buildings, or when a congestion arises making it necessary to secure plans and specifications in order to speed up the work. Of course, it is done by contract.

Mr. JOHNSON of Texas. Does the Supervising Architect have discretion to employ them for any special length of time?

Mr. BYRNS. They are employed to draw plans for a particular building by contract, and they do not do anything with reference to the supervision of the work.

Mr. JOHNSON of Texas. How is their compensation fixed? Is it by contract?

Mr. BYRNS. By contract; yes. They only draw the plans and specifications. They do not do any of the supervision. They have no supervision of the building itself, because that is done by civil-service employees. The amount paid is usually 4.8 per cent. I will say to the gentleman, in further explanation, that the statement was made in the hearings that there are in the hands of private architects 156 projects, drawings for which are now being prepared, the total limit of cost being $124,775,023.22. As the gentleman knows, 6 per cent is the usual fee paid to architects.

Mr. JOHNSON of Texas. Six per cent of the contract price?

Mr. BYRNS. Yes.

Mr. JOHNSON of Texas. They are not paid a salary but are paid on a percentage basis with reference to the cost of construction?

Mr. BYRNS. Yes. That percentage is usually about 4.8 per cent and for this reason: The architect is not expected to follow the building on to construction, but, of course, he is available for consultation.

Mr. JOHNSON of Texas. So such an architect gets less than an architect employed in connection with private buildings?

Mr. BYRNS. Yes.

Mr. JOHNSON of Texas. How long has the Supervising Architect had the discretion to employ these architects?

Mr. BYRNS. Since 1926.

[Here the gavel fell.]

Mr. LANHAM. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. LANHAM. Mr. Chairman, at the time of the passage of the general building act certain provisions were made for the employment of outside skill, but that with reference to technical and architectural services was incorporated subsequently in an amendment to that act, passed, as I recall, in 1930. Since that time the Supervising Architect of the Treasury has been authorized to employ outside architects in the construction of Federal buildings.

There is now pending before the Committee on Public Buildings and Grounds a bill to make permanent this discretionary power in the Supervising Architect of the Treasury. Some of the bills which have been introduced on that subject even go so far as to make that provision mandatory where a building costs more than $50,000. Hearings have been held upon those various measures and the committee will soon act thereon in executive session.

I will further state to the gentleman that the Supervising Architect's Office, of course, has architects employed in its regular personnel who plan the buildings that cost the smaller amounts, because in some respects those buildings are more or less standardized. When architects are em-

ployed in the construction of the larger and monumental buildings, which necessarily vary in many of their features, they are paid in accordance with a sliding scale, dependent upon the total cost of construction. The testimony before the committee showed that where outside architects were employed the general average of cost was 4.8 per cent, whereas when the work was done in the department the cost was about 2.7 per cent.

It seems that the present authority of the Supervising Architect of the Treasury or, rather, of the Treasury Department, to employ outside architects is coextensive in time with the present building program. However, as I say, measures are pending to make that the permanent policy, and it seems the authorities of the Treasury Department are of the opinion that that should be done, because it speeds up building and allows more work to be completed, but they think it should be discretionary and not mandatory.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. LANHAM. Yes.

Mr. JOHNSON of Texas. Of course, the cost is greater when private architects are employed, but, as the gentleman says, these architects are employed in order to expedite construction, and, of course, I imagine expedition in construction would save some cost, because the architect's fees are only a small portion of the cost of construction.

Mr. LANHAM. Of course, on monumental buildings the architects' fees amount to quite a sum of money. However, it does facilitate the work. The Treasury Department made the statement before the committee that it was not its desire to build up a big organization here, for which there would be no use after the lapse of the present building program.

Mr. JOHNSON of Texas. I thank the chairman of the Appropriations Committee, Mr. BYRNS, and my colleague, Mr. LANHAM, who is chairman of the Committee on Public Buildings and Grounds, for this information.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

PUBLIC BUILDINGS, OPERATING EXPENSES

Operating force: For such personal services as the Secretary of the Treasury may deem necessary in connection with the care, maintenance, and repair of all public buildings under the control of the Treasury Department (except as hereinafter provided), together with the grounds thereof and the equipment and furnishings therein, including inspectors of buildings, repairs and equipment, assistant custodians, janitors, watchmen, laborers, and charwomen; telephone operators for the operation of telephone switchboards or equivalent telephone switchboard equipment in Federal buildings, jointly serving in each case two or more governmental activities; engineers, firemen, elevator conductors, coal passers, electricians, dynamo tenders, lampists, and wiremen; mechanical labor force in connection with said buildings, including carpenters, plumbers, steam fitters, machinists, and painters, but in no case shall the rates of compensation for such mechanical labor force be in excess of the rates current at the time and in the place where such services are employed, $10,495,000: *Provided*, That the foregoing appropriation shall be available for use in connection with all public buildings under the control of the Treasury Department, including the customhouse in the District of Columbia, but not including any other public building in the District of Columbia, and exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices.

Mr. BLANTON. Mr. Chairman, on page 42, line 15, I move to strike out the word "public," a pro forma amendment.

Mr. Chairman, the public is concerned regarding every action taken by either branch of Congress. On Thursday of last week there was placed on the Speaker's desk a petition to discharge the Committee on the Judiciary from consideration of a resolution designed to repeal the eighteenth amendment.

There was a spectacular rush from the floor, led by our friend from New York [Mr. LAGUARDIA], to sign this petition. From the manner of the rush and the crowding of the well of the House one would have imagined the entire House of Representatives was wet as the deep blue sea and that the petition would be signed immediately; but our friends—and they are our friends—since last Thursday have searched the highways and byways to get signatures to this petition, and only after this long search are they able to produce the 145 signatures necessary. This is the first interval that the House of Representatives has had from wet speeches from Thursday to the present time, because all of the activities of our wet Members have been exerted to get the required 145 signatures to this petition. Notwithstanding Thursday has passed and Friday and Saturday and Sunday and Monday and part of Tuesday, they have not yet had the petition signed by a sufficient number of Members. They still lack one signature, which they will have in a few minutes. [Applause.]

Mr. LAGUARDIA. Why does not the gentleman sign it?

Mr. BLANTON. This just shows that the House of Representatives is not wet, for it is composed of 435 Members. This is a mere gesture. Our friend from Maryland [Mr. LINTHICUM] and our friend from Pennsylvania [Mr. BECK] and our friend from New York [Mr. LAGUARDIA], all leaders of the wets, know that they will not get enough votes to pass the discharge rule because in order to pass it on the floor of this House and to bring the resolution up for consideration there must be a majority of the Members voting, a quorum being present, to make the resolution in order.

This is a mere gesture to embarrass some of their friends, both wet and dry. What is going to be accomplished by it? Nothing! I happen to have in my pocket here a resolution passed in their national convention here by the educators of the United States—the teachers, if you please, who teach the youth of the land. When they met here while this very petition was under process of being signed they passed this resolution:

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for one minute more, to read the resolution.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. LAGUARDIA. Mr. Chairman, reserving the right to object, I desire to be recognized in opposition to the gentleman's amendment afterwards.

There was no objection.

Mr. BLANTON. The resolution is as follows:

The department of superintendence urges teachers to continue to impart respect for the Constitution of the United States and for all of its various amendments.

We urge the enforcement of the entire Constitution of the United States as the supreme law of the land, and we reaffirm our belief in the principles of the eighteenth amendment and in the habits of life and conduct which it is intended to inculcate.

This resolution I have just read was passed by the teachers of the United States. It comes from those who train your children, and it is the mothers and the fathers of the children of the land who are going to stand between you and any impairment of the eighteenth amendment. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, any time that this House has the experience of seeing the distinguished gentleman from Texas get unduly excited we may know that it is because he becomes panicky on the eve of a defeat. I submit to the gentleman from Texas, in all kindliness, that it is no idle gesture when 145 Members of this House, representing over 40,000,000 citizens, petition the Congress to consider a proposition to let the people of this country reconsider the matter of the repeal of an amendment to the Constitution.

Mr. O'CONNOR. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. O'CONNOR. The petition is now closed and will be recorded in the Journal and the RECORD. One hundred and forty-five signatures are now on the petition. [Applause.]

Mr. LAGUARDIA. I thank the gentleman.

Mr. Chairman, I am happy that I was on the floor when this great moment arrived, and I am doubly happy that the last man to sign the petition was a distinguished son of the State of Texas [Mr. MANSFIELD]. [Applause.]

Mr. O'CONNOR. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. O'CONNOR. I want to call the attention of the gentleman to the fact that on Friday last I asked unanimous consent that this petition be taken to the Naval Hospital to be signed by my colleague from New York [Mr. GRIFFIN]. When I made that request, after consultation with many Members, it was not thought possible that anybody here would object to granting this courtesy to a colleague, but the gentleman from Texas [Mr. BLANTON] did object. May I say further that we brought in here to-day a gentleman from Connecticut [Mr. FREEMAN], who had to be helped into the Chamber, to sign this petition, because so anxious was he to affix his name to this scroll that he was willing to risk his very life in doing what he considered to be his conscientious duty. [Applause.]

Mr. LAGUARDIA. That indicates the state of mind and the attitude of the gentleman from Texas. He would not object to a request of that kind on any other proposition which did not involve prohibition. Supporters of prohibition apparently will not reason but are moved by emotion and fanaticism whenever the subject is discussed.

Mr. BLANTON. The gentleman from Texas, as long as he is here and a Member of this House, is going to demand that all legislative acts be transacted here in the House of Representatives and not off somewhere in New York or Texas or Washington.

Mr. LAGUARDIA. The gentleman knows that there is no more sacred duty than taking the oath of office in the well of this House, and yet we have by unanimous consent permitted the oath of office to be taken by sick Members outside of the Hall of the House. In this instance it was the mere signing of a petition.

Mr. BLANTON. But this was a legislative step, a legislative act. When the request was made to permit signing in a hospital I said:

Mr. Speaker, reserving the right to object, I have the kindliest of feeling for both gentlemen from New York, the one in the hospital and the one making the request, but I think that establishes a very unwise precedent, and I object. The motion to discharge the Judiciary Committee from the consideration of a resolution proposing to amend the Constitution of the United States is a crucial step toward legislation than which there is none other more serious and important. The signing of such motion is a legislative act, and the floor of this House is the place for all such legislative acts to be transacted. To establish such an unwise precedent might lead to others even more important. I regret that I must object to the request.

Mr. LAGUARDIA. Mr. Chairman, we have arrived at a time when we must reason, when we must discuss this question of prohibition normally, clearly, and rationally, and not under the fanaticism of the past. [Applause.] The condition of the country is such that the question must be decided. The eighteenth amendment has not brought about the condition which the gentleman read from the resolution. We must continue the fight until the question is properly settled, until we can by a proper constitutional and legislative channel bring about the control of liquor under the Government and not continue the universal disregard and contempt of law, with its corollary of crime and corruption, all created by prohibition. [Applause.]

Mr. BYRNS. Having had one speech for and one speech against, I hope Members will reserve all speeches on prohibition until we conclude this bill.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Operating supplies: For fuel, steam, gas for lighting and heating purposes, water, ice, lighting supplies, electric current for lighting, heating, and power purposes, telephone service for custodial forces; removal of ashes and rubbish, snow, and ice; cutting grass and weeds, washing towels, and miscellaneous items for the use of the custodial forces in the care and maintenance of completed and occupied public buildings and the grounds thereof under the control of the Treasury Department, and in the care and maintenance of the equipment and furnishings in such buildings; miscellaneous supplies, tools, and appliances required in the operation (not embracing repairs) of the mechanical equipment, including heating, plumbing, hoisting, gas piping, ventilating, vacuum-cleaning and refrigerating apparatus, electric-light plants, meters, interior pneumatic tube and intercommunicating telephone systems, conduit wiring, call bell and signal systems in such buildings, and for the transportation of articles or supplies authorized herein (including the customhouse in the District of Columbia, but excluding any other public building under the control of the Treasury Department within the District of Columbia, and excluding also marine hospitals and quarantine stations, mints, branch mints, and assay offices, and personal services, except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of $100 at any one building), $3,901,500. The appropriation made herein for gas shall include the rental and use of gas governors when ordered by the Secretary of the Treasury in writing: *Provided*, That rentals shall not be paid for such gas governors greater than 35 per cent of the actual value of the gas saved thereby, which saving shall be determined by such tests as the Secretary of the Treasury shall direct: *Provided further*, That the Secretary of the Treasury is authorized to contract for telephone service in public buildings under the control of the Treasury Department by means of telephone switchboards or equivalent telephone-switching equipment jointly serving in each case two or more Government activities where he finds that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

Mr. TILSON. Mr. Chairman, I move to strike out the last word. I do this in order to ask the gentleman from Tennessee a question. This item appropriates for gas, including the rental and use of gas governors. Then the proviso reads:

That rentals shall not be paid for such gas governors greater than 35 per cent of the actual value of the gas saved thereby.

Is not this a rather unusual provision in an appropriation bill?

Mr. BYRNS. I can only say to the gentleman that it has been in the bill for a very long time. My particular attention was never called to it before. I only know that it has been carried in the bill, without objection, for many years. It is simply a limitation on the amount that shall be paid for rental.

Mr. TILSON. Undoubtedly it was put in originally for some good purpose, and I do not now object to it; but I was interested in the matter because of the unusual language of the provision. It probably is not important.

Mr. BYRNS. I really can not give the gentleman any information on that, except, as I say, it has been a part of the bill for many years.

The Clerk read as follows:

Office of Supervising Architect: Salaries: For the Supervising Architect, and other personal services in the District of Columbia, $694,880.

Mr. BYRNS. Mr. Chairman, I move to strike out the last word and ask the indulgence of the members of the committee while I call attention to the occupancy of some of the public buildings here in the city of Washington. There were two or three things which influenced the Committee on Appropriations in limiting the amount to be expended out of this appropriation for next year to $15,000,000 in the District of Columbia. The proposition first was to appropriate $120,000,000, about $22,000,000 of which was to be expended in the District. The committee felt that that was a much greater percentage than ought to be allowed for the District, in comparison with what was being appropriated for the 48 States in the Union; and, even as reduced to $15,000,000, the District of Columbia is getting a very good share on a pro rata basis.

The Congress has been speeding up these District buildings, and I have no criticism to make of that. There was another reason which influenced the committee and that was that it wanted to be sure in the future as to just what was going to be done with these buildings after they are completed. I remember, and I am sure other gentlemen will recall seeing in a supplement of one of the Sunday newspapers a picture of this magnificent apex building, which is excluded from this appropriation, published some two or three months ago. It is a beautiful building, and it ought to be a beautiful building, because it is the key to all of this building program in the District. It was said that it was to be occupied by the Coast Guard and the Federal Park and Planning Commission, and some other commission, which has to do with the distribution of office space here in the District of Columbia. I think we can not criticize the Park and Planning Commission for proposing to establish itself in beautiful and luxurious quarters in that building, but I am sure we all agree that these buildings ought to be utilized in the first

instance for real, genuine permanent activities of the Government, which are now occupying rented quarters.

Let me call attention for a moment to the new Commerce Building. When that building was erected, we were told it was being made of sufficient size to take care of future increases in the Department of Commerce for at least 10 years or more. The Department of Commerce was moved into that building on January 1. They immediately spread out all over the building and took possession of the entire space and are now occupying it, notwithstanding the fact it was built with the idea that it would be large enough to take care of increases for 10 years or more. As I say, they have spread out all over that building, while there are other activities, such as the Federal Radio Commission and many others I could name, which are occupying expensive rented quarters here in the District. I had occasion to call attention of at least two members of the Public Building Commission to that fact, and they told me it was the intention to move the Radio Commission into that building. I asked why they did not do the sensible thing and move them in there on January 1, when they moved the Department of Commerce. I said, "You have spread the Department of Commerce throughout the building now, and you are going to have a difficult time getting one official, who now has one room all to himself to double up with somebody else, whereas if you had exercised what I believe would have been ordinary common judgment, you would have set apart whatever was necessary for the Department of Commerce, and said that you were going to put the Radio Commission or some other commission in there." I was assured by both of those gentlemen that possibly that would have been the better way to have done it, but that they were ultimately going to put some other activities in there. I predict, however, that unless there is pressure brought you will never see any other activity in that Commerce Building save the Department of Commerce. I have a statement here which was prepared, and which I shall ask permission to insert into the RECORD, showing just what the present space of the Department of Commerce is in the new building, and what its space was in other buildings before it moved on January 1. I am not going into a description of that building. You gentlemen know something about it. It cost $17,500,000.

I am not sure whether there are 3,000 or 3,300 rooms in the building, but each room in that building cost possibly $5,000. It is a magnificent building and one of which we all can be proud, with its walnut panels, its big conference rooms, one of which, I am told, will seat 1,000 people, and other conference rooms scattered here and there, with private elevators, one of them for the exclusive use of the Secretary of Commerce, so the newspaper says, costing $6.34 every day. I think there has been the grossest sort of extravagance in the erection of that building, but that is not what I rise to complain of at this time. The building has been erected and the money has been expended, but it is a question of what use is going to be made of the building from now on, as to whether we are going to put some activities in there and save some of this enormous rent that we expected to save when we started this public-buildings program in the District of Columbia. The old space occupied by the Commerce Department, exclusive of the Bureau of Standards, and, of course, that bureau is going to be continued out on Connecticut Avenue and is properly excluded, was 1,015,534 square feet. The present space occupied by the Department of Commerce in the new building since January 1 is 1,093,450 square feet. Of that 1,015,534 square feet of old space 386,946 square feet were for the Census Office, both permanent and temporary. Of course we know that every 10 years they increase the employees of the Census Office and must have a great deal more space, but with the exception of the two or three years in every decennial period the permanent organization is much smaller. The space in the new building for the permanent census force is 191,950 square feet.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. PARSONS. How much space is taken up by private elevators to carry certain friends up to see different bureau chiefs?

Mr. BYRNS. I do not know, but I am sure they have plenty. When you exclude the Census Office from both old and new space what are the figures? The old space occupied by the Department of Commerce is 628,588 square feet.

To-day they have 901,500 square feet in this new building, exclusive of the Census, or an increase over what they had prior to January 1 of 272,912 square feet. The number of employees in both cases is approximately the same. Not a single new activity has been added since January 1, yet the Department of Commerce to-day, adequately supplied with space before January 1, with no complaint from any source that they were crowded, has 272,912 square feet more than it had on January 1.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MONTAGUE. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MONTAGUE. The gentleman spoke of there being no new activities. Is not the Bureau of Fisheries to be housed in this building?

Mr. BYRNS. Yes. I am glad to be corrected by the gentleman. The Bureau of Fisheries is there, but I think they have their splendid aquarium, equipped at the expense of many, many thousands of dollars, down in the basement, and not in the office quarters of the building.

Mr. JOHNSON of Missouri. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. JOHNSON of Missouri. It is reported that this new building contains a dining room, a private dining room for the Secretary of Commerce. Is that true or not?

Mr. BYRNS. I am glad the gentleman mentioned that. I want to call the attention of the House to the space occupied by these various activities. This is not the total number of square feet that I shall give you, but this is the approximate increase in the new building over what it was prior to the removal to the new building excluding the Bureau of Standards and the Census Office.

The increase of space in the offices occupied by the executives of the department amounts to 8,000 square feet. The increase of space occupied by other employees amounts to 172,000 square feet. The increase of space occupied by special equipment is 25,000 square feet. The increase of space occupied for storage purposes is 7,500 square feet. The increase of space occupied by restaurants in the building is 23,000 square feet. The increase of space occupied for miscellaneous purposes, such as furnace rooms, shops, library, research rooms, and so forth, amounts to 47,000 square feet. The increase of space for files is 400 square feet.

Now, Mr. Chairman, I have risen simply to call attention to these facts. I think the Public Buildings Commission ought to take into consideration the fact that when the Government is spending millions of dollars in putting up these new buildings, it has done so with the intention that rent should be saved to those activities of the Government in private quarters, and if we are going to spend $17,500,000 for the purpose of erecting a building for one department and give it 273,000 square feet more than it had occupied, it seems to me we are going a long way. That was one reason which influenced this committee in feeling that until we had some assurance from those in charge of these public buildings in the District of Columbia, as far as we were concerned we were not going to recommend the erection of a single other new building, the apex building or any other building. [Applause.] That is the reason there is carried in this bill a provision that not a cent of this appropriation shall be spent upon

the construction of the apex building, which has not yet been started.

Mr. HARE. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HARE. Is the attitude of the committee responsible for the Interdepartmental Building Committee to send up an installment for public buildings at this session of Congress?

Mr. BYRNS. Oh, no; not at all.

Mr. HARE. Is it not a fact that the committee has not sent up an installment for public buildings at this session of Congress?

Mr. BYRNS. That is true.

Mr. HARE. Does the chairman know whether or not an installment will be sent before the close of this session?

Mr. BYRNS. My information is that the sixth installment will be sent up in December, but it has no relation to this.

Mr. HARE. Not before December next?

Mr. BYRNS. That is my information.

Mr. THATCHER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. THATCHER. In regard to the Commerce Building, another unfortunate feature is the fact that if it is found they have too much space now and are required to contract their activities for other commissions, like the Radio Commission, it means extra expense in reconstructing the interior for that purpose?

Mr. BYRNS. The gentleman may be right. In addition to the trouble of getting them to agree to contract their space.

Mr. McMILLAN. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. McMILLAN. As I understand the gentleman's remarks, it seems that the Public Buildings Commission is the agency of the Government responsible for the assignment of these various departments. Is it possible for the gentleman or his committee to build a fire of some kind under that Public Buildings Commission? It seems to me that is the responsible agency.

Mr. BYRNS. I am just trying to set one now.

Mr. McMILLAN. I hope the gentleman will, because it seems to me that is where the fire is needed.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to extend my remarks on this subject by inserting this table.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

Comparison of space occupied by Department of Commerce at the present location, as compared with space allotted in new Department of Commerce Building

	1 Net space		2 Space occupied by executives		3 Total number of executives		4 Average square feet per executive		5 Space occupied by other personnel		6 Number of persons occupying space 5	
	Present space	New building	Present space	New building	Present space	New building	Present space	New building	Present space	New building	Present space	New building
Secretary	3,157	9,900	1,652	3,200	6	6	275	533	997	1,050	7	7
Assistant Secretary	1,254	1,500	729	1,000	2	2	365	500	483	450	3	3
Solicitor	2,841	4,150	834	1,250	2	2	417	625	1,388	1,700	7	7
Chief clerk and superintendent	3,779	56,211	337	900	1	2	337	450	1,261	2,500	12	11
Library	8,094	17,269	480	667	1	1	480	667	863	5,489	6	15
Telephone room	334	1,480										
Mail room	2,005	4,100							618	1,676	12	12
Emergency room	367	2,200										
Addressograph, multigraph, and mimeograph		9,500										
Disbursing officer	2,425	4,350	240	300	1	1	150	193	1,560	3,015	27	27
Appointment division	2,963	4,200	228	300	1	1	228	300	1,692	2,400	21	21
Division of publications	2,641	3,920	238	290	1	1	238	290	1,320	2,100	14	14
Division of purchases and sales	9,505	22,260	63	285	1	1	63	285	1,350	2,657	31	31
Public works section	1,095	1,500	225	300	1	1	225	300	1,019	1,124	18	18
Home building and home ownership	4,208	3,000	372	300	1	1	372	300	3,740	2,604	38	24
Timber Conservation Board	377	900	60	300	1	1	60	300	302	585	5	5
American Marine Standards Commission	383	600	76	300	1	1	76	300	257	250	3	3
Federal Employment Stabilization Board	1,888	2,250	240	300	1	1	240	300	1,624	1,914	15	15
Public Buildings and Public Parks		10,160										
Telegraph offices (Western Union and Postal Telegraph)		600										
Total Secretary's office	47,316	160,050	5,774	9,692	21	22	275	441	18,474	29,514	219	213
Radio Division	5,305	4,453	842	649	2	2	421	324	3,000	2,373	29	29
Aeronautics Branch	22,185	23,388	2,652	3,385	9	9	294	376	15,649	16,153	196	196
Foreign and Domestic Commerce	116,363	116,351	16,962	16,242	48	48	353	338	80,361	98,742	865	865
Bureau of the Census	386,946	191,950	18,092	9,400	115	33	157	285	148,356	74,250	2,773	766
Steamboat Inspection Service	7,586	6,731	581	710	2	1	291	710	2,448	2,598	14	14
Bureau of Navigation	9,848	9,850	510	870	2	2	255	435	4,562	6,334	38	38
Bureau of Standards	463,197		611		2		305		88,856		273	
Bureau of Lighthouses	9,843	13,197	1,387	2,015	7	8	207	252	6,627	7,727	60	59
Coast and Geodetic Survey	74,085	103,485	718	1,082	2	2	359	541	28,718	53,709	244	244
Bureau of Fisheries	38,009	36,462	1,782	2,948	7	7	254	424	10,672	12,919	69	68
Patent Office	252,963	378,650	3,222	4,600	14	14	268	330	73,269	176,450	1,411	1,423
Bureau of Mines	45,085	48,883	8,436	8,567	24	24	351	357	22,481	31,559	209	209
Total for the department	1,478,731	1,093,450	61,569	60,180	255	172	241	350	503,473	512,328	6,400	4,124

	7 Average square feet per person of personnel		8 Space occupied by special equipment		9 Number of persons occupying space 8		10 Space used for files		11 Space used for storage		12 Space used for restaurants		13 Space used for miscellaneous purposes	
	Present space	New building	Present space	New building	Present space	New building	Present space	New building	Present space	New building	Present space	New building	Present space	New building
Secretary	142	150					148	150					[1] 360	[2] 5,500
Assistant Secretary	161	150					42	50						
Solicitor	198	243	[3] 372	[3] 600	1	1	247	600						
Chief clerk and superintendent	105	227					512	800	351	17,887	352	23,900	[4] 966	[5] 10,290
Library	144	366	[6] 5,901	[6] 10,876	12	3			850					[7] 237
Telephone room			334	1,480	5	7								
Mail room	52	140	[8] 33	[8] 112			12	12					[9] 1,342	[9] 2,300
Emergency room													367	2,200
Addressograph, multigraph, and mimeograph				[10] 9,500		74								

Footnotes at end of table.

Comparison of space occupied by Department of Commerce at the present location, as compared with space allotted in new Department of Commerce Building—Continued

	7		8		9		10		11		12		13	
	Average square foot per person of personnel		Space occupied by special equipment		Number of persons occupying space 8		Space used for files		Space used for storage		Space used for restaurants		Space used for miscellaneous purposes	
	Present space	New building	Present space	New building	Present space	New building	Present space	New building	Present space	New building	Present space	New building	Present space	New building
Disbursing office	58	112	[11] 425	[11] 785			200	250						
Appointment division	81	114					921	1,350	122	150				
Division of publications	94	150					828	1,160	255	370				
Division of purchases and sales	47	86					263	263	6,690	19,055			1,087	
Public works section	57	63					76	76						
Home building and home ownership	98	109					96	96						
Timber Conservation Board	60	117					15	15						
American Marine Standards Commission	85	83					50	50						
Federal Employment Stabilization Board	108	128					24	36						
Public Buildings and Public Parks														[12] 10,160
Telegraph offices (Western Union and Postal Telegraph)														600
Total, Secretary's office	84	139	7,065	23,353	18	85	3,434	4,908	8,258	37,462	352	23,900	4,122	31,287
Radio Division	103	82	[13] 677	[13] 273	4	4	726	738	60	420				
Aeronautics Branch	80	82	[14] 468		3		2,196	2,525	1,220	550				[15] 768
Foreign and Domestic Commerce	93	114	[16] 9,855		60		9,861	9,898		1,831				
Bureau of the Census	50	154	[17] 68,221	[17] 39,700	637	109	51,034	25,150	36,396		3,936			
Steamboat Inspection Service	174	185	[18] 1,471	[18] 1,090	6	6	1,560	1,533	726				[19] 800	[19] 800
Bureau of Navigation	120	169					4,029	2,546	967					
Bureau of Standards	87		[20] 294,649		744		5,697		63,234		4,267		[21] 5,883	
Bureau of Lighthouses	110	134	[22] 170	[22] 380			984	1,790	575	785				[23] 500
Coast and Geodetic Survey	118	220	[24] 11,922	[24] 29,049	51	51	3,898	4,871	12,897	14,774			[25] 15,932	
Bureau of Fisheries	155	190	[26] 4,080	[26] 4,545	6	6	1,489	40	10,442	3,990			[27] 9,544	[27] 9,100
Patent Office	52	119	[28] 1,500	[28] 5,800	15	15	153,369	150,040	20,302	7,500	820		[29] 481	[30] 34,300
Bureau of Mines	103	151	[30] 3,292	[31] 1,000	24	10	3,722	3,786	7,154	2,831				[31] 1,140
Total for the department	79	124	403,370	105,190	1,568	286	241,999	210,825	162,231	70,143	9,375	23,900	36,762	77,895

[1] Conference room.
[2] Secretary's conference room and general reception room.
[3] Law library.
[4] Conference room, seventh floor.
[5] Conference rooms, first and seventh floors.
[6] Library book stacks: New building—stacks, 6,100 square feet; periodicals, 1,230 square feet; reading room, 1,380 square feet; reference room, 1,454 square feet; newspaper room, 712 square feet.
[7] Locker space.
[8] Mail racks and lockers.
[9] Garage and loading platform.
[10] Multigraph, mimeograph, addressograph, and rotaprint equipment; formerly assigned to bureau space.
[11] Vault, vestibule, counter tables for preparation of pay rolls.
[12] Maintenance shops in basement, 8,600 square feet. Offices of watch force, first floor, 1,560 square feet.
[13] Bookkeeping machines and calculating machines.
[14] Radio laboratory and testing equipment.
[15] Conference rooms 5042–5046.
[16] Multigraph, mimeograph, addressograph, and rotaprint equipment.
[17] Machine shop, tabulating machines, and drafting tables, and multigraph, mimeograph, addressograph, and rotaprint equipment, library and emergency rooms in present location only.
[18] Drafting tables and desks.
[19] Conference and board of supervisors' meeting room.
[20] Laboratory equipment.
[21] Conference rooms, exhibits.
[22] Blue-printing equipment.
[23] Conference room.
[24] Space occupied by special equipment:

Room	Purpose	New building area
B-802-812	Instrument shop	3,060
B-803-13	Carpenter shop	2,301
B-814-C	Steel-tape testing	1,518
B-814-B	Paint-spraying room	297
B-220	Copper-plating generator	144
B-220-A	Copper-plating vat room	719
B-228	Engineer's shop, electrician and electrotypers	627
B-224-A	do	560
B-817	Pendulum laboratory	299
B-817-A	do	323
B-902-915	Photographic laboratory	5,300
B-103	Lithographic press	3,233
B-128	Platepress room	844
B-105-111	Transfer and process rooms	1,458
B-113	Process dark room	527
B-127	Laundry machine	570
B-129	Laundry whirler	255
1814-B	Chronometer testing	344
1115	Library, blue prints, and maps	769
1119	Library, sounding records	723
1906-1910	Rotary-type printing press	299
2014	Seismograph	337
2107	Library book stacks	1,672
2123	Library archives	874
2802	Conference room	630
2809	Tide predictor	345
2208	Conference room	570
2204	Radio laboratory	361
	Total	29,049

[25] Included space used for passageways, rest and emergency rooms, locker rooms, etc., direct-current generator and refrigerating equipment. None of the space used as indicated in column 13 for the present building is included in the space indicated as net space in the new building under column 1.
[26] Refrigerator machinery and laboratories
[27] Aquaria and exhibits; entire area for aquaria in new building; exhibits to be stored for time being.
[28] Photostat plant.
[29] Search room, library reading room, public stenographers' room, hearing rooms, and cloakrooms.
[30] Multigraph, mimeograph, addressograph, tabulating, and rotaprint equipment, chemical laboratory and grinding room.
[31] Tabulating equipment, chemical laboratory, and grinding room.
[32] Exhibits at present located in corridors of Winder Building (534 square feet).

Mr. HARE. Mr. Chairman, I ask recognition in opposition to the pro forma amendment.

I desire at this time to call attention to H. R. 8167, for I have been advised by the chairman of the Committee on Banking and Currency that arrangements will be made within the next few days to conduct hearings on the bill. It reads as follows:

Be it enacted etc., That section 27 of the Federal Farm Loan act, as amended (U. S. C., title 12, secs. 941-943), is amended by adding at the end thereof the following: "Any person having obtained a loan from a Federal land bank or a joint-stock land bank may buy and sell farm-loan bonds issued by the mortgagee bank, and any such bank is authorized and directed to accept such bonds at par value when presented by a mortgagor in payment of any installment due under a mortgage, or in full satisfaction of a mortgage after it has been in full force and effect for a period of five years: *Provided*, That where a mortgage has been foreclosed and the mortgagee bank was the purchaser at the foreclosure sale and still has title to the property, the mortgagor shall have the right to purchase and tender such bonds in full satisfaction of the mortgage indebtedness and redeem said lands, the bank being required to execute deed for same.

You will see the bill provides that Federal land banks and joint-stock land banks will be required to accept their bonds when presented by a mortgagor, in satisfaction of an amortization installment due, or in satisfaction of a

mortgage in full. The purpose of this bill is to give farmers who have borrowed money from any of the land banks the right to purchase and present bonds to a Federal land bank, or a joint-stock land bank, in satisfaction of a mortgage held by such a bank. That is, if a bank should hold a bond against which I have borrowed $10,000 and you are willing to sell the bond for $3,500, this bill if enacted into law would give me the right to purchase the bond and present it to the bank in satisfaction of my mortgage.

I introduced this bill last year and was assured of a hearing, but it was not reached.

I have information to the effect that the banks will not accept these bonds in satisfaction of a mortgage when presented by a mortgagor, but the banks do, whenever an opportunity arises, go into the market and buy the bonds and the difference between what the land sells for in case of a foreclosure and what they have paid for the bonds is placed to the credit of the bank. In other words, if a condition should arise where I would be unable to meet my installment and the bank holds a $10,000 mortgage against me, it will foreclose my mortgage.

The land may be bought by the bank or it may be bought by some other person for, we will say, $7,000. The bank goes into the market, buys the bond for $3,500, and takes the difference between the $3,500 and the $7,000 and places it to its credit. I feel there would be no injury to the bank and there would be no injury to anyone if a mortgagor under such circumstances were permitted to buy and present the bond in payment of his mortgage prior to the foreclosure. I believe it would be only fair and just to permit a mortgagor to do this. I believe he ought to be allowed to do it. There would be no injury to the bank, as I see it; there would be no loss to the bank and there would be no loss to anyone except the bondholder, and he does not have to sell if he does not want to.

Mr. GARBER. Will the gentleman yield?

Mr. HARE. Yes.

Mr. GARBER. Does the bill include the Federal land banks?

Mr. HARE. It includes both classes of banks, although this can be done under existing law in case of a Federal land bank, provided the bond or bonds are presented by the association of which the mortgagor is a member.

Mr. GARBER. Would it require the banks to accept the bonds whether they were due or not?

Mr. HARE. Yes; of course. Permit me to say that since I introduced this bill a number of interested farmers have written me to the effect that it is the policy of some of these banks to foreclose mortgages upon the failure of a mortgagor to promptly meet his installments and buy outstanding bonds at a lower price than that for which the lands are bought at foreclosure. They say that the bonds are purchased in the name of some individual connected with the bank who places the bonds in the assets of the institution at a value equal to that paid for the land, "pocketing" the difference. Personally, I am unable to concede of such irregularity and can not help but think that representatives of the Farm Board would be able to detect such transactions and see to it that such practices are not allowed. However, I brought the matter to the attention by way of a letter to the Federal Farm Board January 15, 1932; having received no report or acknowledgment of the letter, I wrote again on February 11, calling attention to my request. On yesterday I had a telephone message advising that I would have a report sometime shortly.

I feel quite sure the Federal Farm Loan Board will oppose the proposed legislation. On what grounds I am unable to thoroughly understand. There may be some good reason, but so far I have not been able to see it. There seems to be no doubt but what a bank can, under the law, foreclose a mortgage and then go into the market and purchase a bond or bonds sufficient to offset same, even though the bonds may not yet be due. The bank, as I understand, is then the holder of the bond and has thereby liquidated the liability to the bondholder to that extent; that is, the transaction seems to be completed. To illustrate my idea:

Suppose a farmer 10 years ago filed an application with a joint-stock land bank for $10,000 and the application was approved. The bank would then issue and sell a bond sufficient to get $10,000 and lend same to the farmer. The bank would have a mortgage in the amount of $10,000 given by the farmer. The bondholder would have a $10,000 bond issued by the bank, and the farmer would have the $10,000 obtained from the bondholder through the bank. The farmer becomes liable to the bank for so much per annum, and the bank is liable for a certain amount to the bondholder. There comes a time when the farmer is unable to pay the annual installment due on his mortgage. The bank refuses to extend the time and proceeds to foreclose the mortgage. At the sale the bank becomes the purchaser of the land, we will say, for $5,000. In the meantime the market value of the bond held by the bondholder has decreased as much probably as the value of the land, and the boldholder offers the $10,000 bond for, say, $3,500, the bank becomes the purchaser and wipes out a $10,000 liability less the amounts paid in the meantime. Now, if the farmer had had the right to have bought the bond from the bondholder at the price he offered to sell, say, $3,500, and then delivered same to the bank in satisfaction of his mortgage, it seems to me that the bank having the mortgage in its possession could then wipe out its liability just as easily and in the same manner as it could if the bank had purchased the bond from the bondholder in the first instance. It appears to me that the farmer or the mortgagor should have the right to buy the bond and satisfy the liability of the bank with it in the same manner and to the same extent accorded the bank. The purpose of this bill is to give the mortgagor that right. There can be no reason why the farmer should not be allowed to avail himself of the right to purchase and use these bonds in this time of business depression or at any other time to the same extent that the banks are allowed to purchase and use them.

I want to say in conclusion this is one bill, if passed, that will give some relief to the farmers who borrowed money through our land banks, because if reports are true, none of the legislation enacted within the past 60 days has brought any relief to that class of farmers who have borrowed money from Federal land banks or joint-stock land banks, even though it was declared here time and time again that the legislation was designed to give relief to the land banks and to agriculture.

I hope that I may secure the cooperation and support of the Members of the House in an effort to secure the passage of this bill. I hope you will find it possible to appear before the Banking and Currency Committee when the date set for the hearings is fixed.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. HARE. Yes.

Mr. HOGG of Indiana. I think the gentleman has an excellent idea, and I believe his bill should be enacted soon. I wonder what the prospect is of its being reported out of committee.

Mr. HARE. The chairman of the committee has gone no farther than to say he will give a hearing on the bill at an early date.

Mr. HASTINGS. When is the hearing to be held?

Mr. HARE. The chairman says the date will be fixed within the next few days.

Mr. HASTINGS. No definite date has been fixed?

Mr. HARE. Not at present.

Mr. Chairman, if I had the time, I would like to go farther and explain the provisions of another bill before the Banking and Currency Committee, which I hope will receive consideration before this Congress adjourns.

The bill I refer to is H. R. 5125, which would protect the depositors against losses in both State and National banks as well as other types of banking institutions. To my mind there is no piece of legislation that would contribute more toward reviving business and restoring confidence than a law that would insure bank depositors against losses. I think we could have taken not more than 10 per cent of the money appropriated or authorized to be appropriated

within the past 60 days to meet what is called an emergency, to restore confidence and to revive business activity, and made a more successful job out of it by insuring bank deposits than will follow from the use and expenditure of the billion of dollars referred to. My impression is that the money appropriated will be used and give some temporary relief, but, unless steps are taken to insure deposits in banking institutions, there is to be no permanent relief from the standpoint of reviving and continuing business to any great extent or with any degree of success.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. SABATH. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from Tennessee [Mr. BYRNS]. Mr. Chairman and gentlemen, the chairman of the Appropriations Committee [Mr. BYRNS] should be congratulated, not only by the House but by the entire country, for the splendid service he is rendering to the House and to the Nation.

Years ago various gentlemen, being sincerely interested in bringing about economy, recommended the construction of new structures and buildings so as to eliminate the excessive rents the Government has been paying in the District of Columbia. I do not have the figures before me, but I do know that the amount which the Government is paying out for rentals runs into hundreds of millions of dollars. However, I find it difficult to understand, with the construction of so many large buildings, why we are still paying these exorbitant rentals to the owners of some of these buildings in the District of Columbia.

I am not going to charge criminal neglect on the part of the commission, but I do say it is high time for this House to put a stop to these methods and to start economizing, not by a reduction of the salaries paid to the employees, but by eliminating unnecessary expenditures such as these; the result would be a saving of hundreds of thousands of dollars uselessly paid out for rentals, inasmuch as we have buildings ready, especially the expensive buildings which we have erected in the last few years, in which we can house every department.

Before I conclude I desire, Mr. Chairman, to ask a question of the gentleman from Tennessee. I notice that there is an appropriation of $694,880 for the Supervising Architect and that it provides for personnel services in the District of Columbia. Does that include the fees paid to architects in the office and to those who have been engaged by the Supervising Architect for the preparation of plans and specifications and for the supervision of the construction of buildings in the District of Columbia?

Mr. BYRNS. No; it does not. It only applies to architects in his office who are under civil service. It does not apply to private architects.

Mr. SABATH. Is there any chance of obtaining information as to how much money has been paid to various architects in the last three years under the Hoover administration?

Mr. BYRNS. It is fully set out in the hearings, and I can give it to the gentleman in a moment if he wishes it.

Mr. SABATH. I would like to have these figures, because a great many complaints are being made in regard to the excessive fees allowed to architects who have been engaged by the Supervising Architect. I am not going to say that these fees are unreasonable, but I have received many complaints to the effect that only politically favored, and by no means specially fitted, architects receive any consideration, and that the outstanding architects of the country are completely ignored. In the future I expect to address the House in regard to the information that has come to my notice as to why and how certain contractors, who have been receiving the contracts for all of these buildings, and architects are being engaged, and also as to their connections.

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN (Mrs. OWEN) Is there objection?

There was no objection.

Mr. BYRNS. Mr. Martin, of the Treasury Department, made the statement to the committee that up to December 9, 1931, we had contracts with private architects for 217 projects, and the total obligations up to December 1, 1931, for those 217 projects, including an estimated amount for travel, amounted to $11,329,264.98. That is the total amount of obligations and money paid up to December 1, 1931.

Mr. SABATH. On the projects under construction?

Mr. BYRNS. All projects on which private architects have been employed up to December 1, 1931.

Mr. SABATH. And that amounts to $11,329,264.98?

Mr. BYRNS. Yes. The gentleman understands, of course, that that applies to private architects who have been employed in the past, not only here in the District but throughout the country.

Mr. SABATH. During the past fiscal year?

Mr. BYRNS. It is for all the years that have passed up to December 1, 1931. That is the total amount.

Mr. HASTINGS. That is not on the present construction, but up to date?

Mr. BYRNS. It is the cash paid and obligations incurred.

Mr. SABATH. What does that include? Does it take in the last four years or six years, or does that represent all the time in the past?

Mr. BYRNS. I may say to the gentleman it is really all in the last two or three years.

Mr. SABATH. That is what I desired to know. So this amount of $11,329,264 has been expended in the last two or three years with private architects, in addition to the sum that we are now appropriating for the department.

Mr. LANKFORD of Virginia. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. LANKFORD of Virginia. Would the gentleman put along with those figures the volume of work that has been done as a result of the payment of these fees? As I understand the fees are the same as those paid to any other architect that one may employ, 2 or 3 per cent for the plans and 2 or 3 per cent for supervision of construction. I understand these are the same fees that are paid architects all over the country and I think if the gentleman would add to his figures the volume of work that has been accomplished, it would be instructive. Can the gentleman do that?

Mr. SABATH. If I can get that information, I shall gladly embody it in my remarks, but my attention has been called to this situation, and I was under the impression that the amount provided here was not sufficient to take care of all the construction and therefore I asked the question of the chairman, feeling that $694,000 would not suffice for all this work, and I was right, because I now receive the information that the amount which has been paid out is $11,329,264.

Mr. BYRNS. If the gentleman will refer to page 41 of the bill he will find there an appropriation of $2,400,000 which is made especially to take care of outside, professional services.

Mr. SABATH. I overlooked this, due to the fact that just about that time the gentleman from Texas moved to strike out the "public" from the bill so as to make a prohibition speech, and my thoughts were distracted from this important proposition.

Of course, I realize the gentleman from Texas did not gain anything and will not gain anything, because the people of the Nation are ready, willing, and desirous, and are appealing to Congress to change the prohibition law. So, therefore, anything that the gentleman may say on the floor from now on will not avail him, and I am mighty glad that he only speaks for those who are not well informed, because all of the well-informed people realize and recognize that the people of the country have had enough of this foolish, unwise legislation, and that they are now demanding real relief from existing conditions.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, I want to further enlarge the picture given you by our chairman with respect to this extravagant Department of Commerce Building.

Our chairman, in speaking of the fact that there was ample space there to have provided offices for our Reconstruc-

tion Finance Corporation, failed to tell you that General Dawes paid $70,000 rent for his offices in the old building, and this is in addition to such furnishings as he is buying at the expense of the people and the Government.

Our chairman, because he is more courteous than I am to these bureau chiefs down here, failed to tell you that the land itself on which this $17,500,000 building was constructed is valued at $30,000,000.

The gentleman from Tennessee failed to tell you that in order to construct this great, tremendous palace of an office building down there they demolished good, substantial, stone and brick buildings of the value of several hundred thousand dollars. They demolished them and paid a large amount, in certain instances, to have them torn down and moved away. This is part of the picture of this terrible extravagance.

The gentleman from Tennessee failed to tell you that in the hearings before his committee it was shown that one of the most important bureaus in that department, the Bureau of Foreign and Domestic Commerce, that should have at its head a man intimately familiar with the business of the department—the gentleman failed to tell you that on July 1 last the Secretary of that department placed at the head of this important Bureau of Foreign and Domestic Commerce a man who has never had any connection whatever with the department since way back in 1924, when he was a $2,200 secretary under Secretary Hoover. He was on July 1, 1931, placed in charge of this important bureau—a former $2,200 clerk, if you please—at a salary of $8,000, and his salary this year will be $9,000.

Mr. SABATH. And that is economy.

Mr. BLANTON. That is the economy of this present most extravagant administration that the country has ever witnessed.

No wonder we find distinguished men like Merle Thorpe, editor of Nation's Business, in his radio address the other night telling Congress that the business men of this Nation demand retrenchment, telling Congress that they are tired of promises and want retrenchment. Our friend the gentleman from Tennessee is giving this to them. With the passage of this bill his committee will have cut down the President's Budget estimates on the bills thus far passed almost $100,000,000. [Applause.] Is not that a saving for the people of the country? I want to tell Mr. Merle Thorpe that if he will get the business men of the Nation to require the other small part of the Congress to back up this House we will make some retrenchments under the splendid leadership of the gentleman from Tennessee that will help to balance the Budget.

The great trouble is that we make retrenchments in the bills here and then they go somewhere else and are enlarged.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. BLANTON. I am sure my good friend from Indiana is not going to uphold the extravagance of this department?

Mr. HOGG of Indiana. Does the gentleman know that there are 149 employees of the Department of Commerce abroad who get as high as $8,000 a year and expenses?

Mr. BLANTON. I know that the traveling expenses which many of the employees of the department are getting are outrageous and that many receive as much for traveling expenses a year as their salary amounts to. Just think of it. I wish you would check up the salaries and traveling expenses that are paid these employees since the classification act was passed. You would find that they have raised $2,200 clerks to so-called bureau chiefs with a salary of eight or nine thousand dollars. It is outrageous. We must repeal this classification act before this Congress adjourns.

Mr. LANKFORD of Virginia. Mr. Chairman, I rise in opposition to the amendment. I know a little something about this Bureau of Foreign and Domestic Commerce, which the gentleman from Texas has been talking about. Of course we are all for economy. The gentleman from Texas has described some of the abuses without depicting the whole picture.

I want to tell you of a situation that arose in my district. I recently received a letter from some business men in Norfolk. This was sent me voluntarily without any thought of this kind, but the Department of Commerce has improved the conditions in Hampton Roads so that it has increased the receipts $250,000 in the last six months. That was done by the head of the Bureau of Foreign and Domestic Commerce.

Now, you do not want a $2,100 man at the head of a bureau of this kind. Yet a man of this kind, with the responsibilities that go with it, in the foreign-trade department, if you get one for eight or nine thousand dollars you are getting him very cheap.

I know something about the work, and I want to say to you that it requires a man of experience and an able man.

Mr. BLANTON. And yet the gentleman knows that factories are closed up all over the United States, and that the heads of 7,000,000 families are walking the streets unable to find jobs.

Mr. LANKFORD of Virginia. Yes; and the same conditions are true in Europe.

Mr. BLANTON. The Department of Commerce is not doing very much for them.

Mr. LANKFORD of Virginia. I have just given the gentleman an instance where it improved conditions, and receipts $250,000 in the last six months—is not that worth doing?

Mr. BLANTON. That probably would have occurred anyway, without any Department of Commerce.

[Here the gavel fell.]

Mr. LaGUARDIA. Mr. Chairman, in reference to the statement made by the distinguished gentleman from Virginia, it seems to me that the present condition in the Bureau of Foreign and Domestic Commerce is emphasized at this time.

The truth is that when it was easy to sell American goods, when Europe was not manufacturing, and the world had to buy from the United States, the Bureau of Foreign Commerce took all the credit for the exportation which really we could not help. Now, anyone can sell goods when there is no competition, but it takes a real salesman to sell goods when there is real and keen competition.

I do not think the fault is entirely with the representatives in foreign countries from the Department of Commerce. I think they are made ridiculous by the administration, in the bedtime stories of Dr. Julius Klein, who goes on the radio every week and sends out mimeographed copies of his speech over the United States, telling what the Department of Commerce is doing, and what the department expects to do. I think the Department of Commerce, except Doctor Klein, is making a serious effort to carry on its work and trying to be helpful.

The trouble is that it is the great doctor of the department who continues to oversell the Department of Commerce.

Doctor Klein has been talking over the radio for the last year or year and a half, and I have been listening to him attentively. Every week he tells us that the depression is over, or that if we will follow his suggestion of redecorating our homes, or changing the drainage pipes in them, it will so stimulate business that the depression will cease to be. A great deal of the criticism directed toward the Department of Commerce is due to this gentleman, who is a modern, twentieth century Baron von Munchausen. He tells the greatest fables of any man I have ever heard in public life. In former days, when I was in the Consular Service, this same activity was carried on by the Consular Service. In some of the larger cities they had commercial attachés, but whether we have them in the Department of Commerce or under the Department of State, it is a good thing to have intelligent, keen, live wires—representatives stationed abroad to keep manufacturers and exporters in this country informed of conditions. However, they can not perform miracles, and I submit that now is the time for the Department of Commerce to show its salesmanship, when it requires real salesmen to sell goods, and if they can not do it, then perhaps next time Congress will act upon it.

The Clerk read as follows:

Postmaster General, $15,000; for personal services in the office of the Postmaster General in the District of Columbia, $220,790; in all, $235,790.

Mr. PARSONS. Madam Chairman, I move to strike out the last two lines for the purpose of asking a question of the committee. I want to know what the figures are for expenditures for public buildings within the District of Columbia, and for public buildings outside of the District of Columbia.

Mr. ARNOLD. For the fiscal year 1933 the expenditures in the District of Columbia are limited to $15,000,000. The amount carried in this bill will allow about $93,000,000 for use in the country outside the District. The Bureau of the Budget asked for something like $21,800,000 for use in the District of Columbia. The committee felt that at this particular time, with the conditions throughout the country as deplorable as they are, we could very well slow down on the construction program in the District of Columbia, and to that end we inserted a limitation preventing any work from being done on the reconstruction of the State, War, and Navy Building and on the apex building.

Mr PARSONS. What were the figures for the last fiscal year of expenditures in the District of Columbia, approximately, and expenditures on the building program outside of the District?

Mr. ARNOLD. The gentleman means for the fiscal year 1932?

Mr. PARSONS. Yes.

Mr. ARNOLD. As I understand, about $10,000,000 for use in the District of Columbia in 1932, and something like $66,000,000 outside.

Mr. PARSONS. The $66,000,000 includes the appropriation expenditures for the post office in Chicago?

Mr. ARNOLD. A portion of it.

Mr. PARSONS. How much? Twenty-one million dollars?

Mr. ARNOLD. No; it is not all appropriated. Just the amount was appropriated that will be necessary to carry the work along during the 1932 fiscal year.

Mr. PARSONS. I withdraw the pro forma amendment.

The Clerk read as follows:

Bureau of Accounts, $97,370, of which amount $50,000 shall be available only for temporary employees to carry out the provisions of section 15 of the act of May 29, 1930 (U. S. C., Supp. V, title 5, sec. 702a), for the maintenance of individual records of civil-service retirement and disability fund deductions so far as they relate to employees of the Postal Service.

Mr. BLANTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. I note the presence now on the floor of our former distinguished colleague, Col. John Philip Hill, of Maryland, who was well known as the Rider of the Great White Charger of Baltimore. He having been the former leader of the "wets" in this House in the early days, I am wondering whether or not it would be in order for him to be given the privilege of signing this wet resolution?

The CHAIRMAN. The Chair can not entertain such a request.

Mr. BLANTON. I think that the present distinguished occupant of the chair, Mrs. OWEN, is eminently correct in her ruling.

The Clerk read as follows:

For printing and binding for the Post Office Department, including all of its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $1,140,000.

Mr. PARSONS. Madam Chairman, I move to strike out the last word and the figures in line 7, page 49, for the purpose of calling to the attention of the House the contemplated building program of the sixth allotment of post-office buildings throughout the country. The statement was made by the chairman or some one on the floor a few moments ago that they expected that bill to be sent up in December. Of all of the relief measures we have had proposed in this House, there has not been a single one except the road proposition last Saturday that proposes to give employment to labor. We have tried to make economies on the appropriation bills, and I think it is only fair to the Members of this House and to the people throughout the country to take the savings that have been made on appropriation bills and apply them to the building program on projects outside of the District of Columbia. There are more than 100 projects in the country for which appropriations could be made at this time, whereby the organization planning Government buildings could work out the details, acquire title, draw the plans and specifications for buildings, and have them ready for construction on or after July 1, 1933. If this program is passed up now, and not enacted into law until the short session next December or perhaps some time next January or March, then the entire organization in the architect's office, gaining title, drawing plans and specifications, will have to be disbanded during the summer. It is very important that we have that measure now, and while it can not be placed on this bill I call it to the attention of the Members so that they may be checking the matter with the interdepartmental committee and using their influence to ask the administration to send that public-building program to the Congress before this session adjourns.

The Clerk read as follows:

Appropriations hereinafter made for the field service of the Post Office Department, except as otherwise provided, shall not be expended for any of the purposes hereinbefore provided for on account of the Post Office Department in the District of Columbia: *Provided*, That the actual and necessary expenses of officials and employees of the Post Office Department and Postal Service, when traveling on official business, may continue to be paid from the appropriations for the service in connection with which the travel is performed, and appropriations for the fiscal year 1933 of the character heretofore used for such purposes shall be available therefor: *Provided further*, That appropriations hereinafter made, except such as are exclusively for payment of compensation, shall be immediately available for expenses in connection with the examination of estimates for appropriations in the field including per diem allowances in lieu of actual expenses of subsistence.

Mr. KETCHAM. Mr. Chairman, I offer an amendment, in line 2, after the word "compensation," strike out the comma.

I have taken this opportunity to call attention to the importance of a little thing, namely, a comma. My remarks will be about a comma but will not be about this particular comma.

It will be recalled that on July 10, 1931, the so-called oleomargarine legislation became effective, which imposed a tax of 10 cents a pound upon oleomargarine, whenever it was colored beyond a certain very slight degree. Within the past year a contest has developed concerning that particular proposition, and one of the oleomargarine companies has gone into court, making a claim that by reason of the fact that the original law was written with certain punctuation, that they, by that very fact, were relieved of tax, the 10 cents per pound tax paid upon products made from vegetable oils, previous to July 10, 1931. That position was sustained by the United States Supreme Court. Therefore, here is a comma, that by its omission in the engrossed copy of a bill when written in 1886, may possibly mean millions of dollars in tax refund, because this one company has already filed a claim for $150,000 refund on account of an oleomargarine tax paid previous to the enactment of this oleomargarine law in 1931, which covers the period between 1886 and 1931.

An examination has been made of the report of the bill in 1886 as it came from both Senate and House committees. An examination has been made of the language of the bill and the punctuation as it was printed in the CONGRESSIONAL RECORD in 1886. In each instance following the word "oil" in the phrase "vegetable oil," there is found a comma, but in some unaccountable way, when the engrossed copy of the bill was presented the comma was omitted between "oil" and "annatto," which is the following term, and the legal construction has centered upon the phrase "vegetable-oil annatto," as it finally appeared in the law of 1886. There is no such particular kind of annatto. Annatto is a vegetable coloring matter not directly connected with vegetable

oils. The two are separate and distinct products. Because this phrase was used in the original law and it appears in that law with a hyphen and not a comma, it is construed to mean only coloring matter, and therefore during this long period vegetable oil could not be considered as one of the constituents of the manufacture of oleomargarine, and therefore the basis of the claim for refund.

The principal purpose of this rather extended explanation is to call the attention of every person upon the floor who is interested particularly in dairy products, to the fact that a rehearing is being petitioned for before the Supreme Court, in order to secure a new construction upon that very important item. I am sure that all of you who come from dairy districts will be interested to see that that particular matter is given a rehearing, and it is now up for consideration. I would ask you to just note the remarks made and, if you are interested, to get in touch with those who have the matter in charge, and add your request to that of others in support of such rehearing.

Mr. THATCHER. Will the gentleman yield?

Mr. KETCHAM. I yield.

Mr. THATCHER. Did not the hearings and the text show clearly the intent of Congress?

Mr. KETCHAM. The committee reports and CONGRESSIONAL RECORD certainly do. For the information of those who are now listening, may I say I have just examined the law as it now is, and the present law contains that same punctuation that was intended in the law of 1886. I mention it not only because of the importance of this proposition at the present time, but sometimes, when we think that little things do not amount to very much we may have some evidence as to what the omission of a comma in this particular instance may amount to. It may amount to tens of millions of dollars refund, if not corrected.

[Here the gavel fell.]

Mr. KETCHAM. I withdraw the pro forma amendment.

The Clerk read as follows:

The Postmaster General is hereby authorized to pay a cash reward for any invention, suggestion, or series of suggestions for an improvement or economy in device, design, or process applicable to the Postal Service submitted by one or more employees of the Post Office Department or the Postal Service which shall be adopted for use and will clearly effect a material economy or increase efficiency, and for that purpose the sum of $1,500 is hereby appropriated: *Provided*, That the sums so paid to employees in accordance with this act, shall be in addition to their usual compensation: *Provided further*, That the total amount paid under the provisions of this act shall not exceed $1,000 in any month or for any one invention or suggestion: *Provided further*, That no employee shall be paid a reward under this act until he has properly executed an agreement to the effect that the use by the United States of the invention, suggestion, or series of suggestions made by him shall not form the basis of a further claim of any nature upon the United States by him, his heirs, or assigns: *Provided further*, That this appropriation shall be available for no other purpose.

Mr. GOSS. Mr. Chairman, I reserve a point of order. I wish to inquire of the chairman, if the Government recognizes this service, why we appropriate such a small amount as $1,500 for the reward of these employees and then stipulate that not more than $1,000 can be expended in any one month or for any one invention? It seems to me that with the thousands of employees, if it is worth while to make an appropriation at all, we should have a slightly larger appropriation, say, perhaps $5,000, or something of that sort, to reward these employees.

Mr. BYRNS. That is all they have used. They only expended $1,350, for instance, in the year 1931. It has been found from past experience that they never use more than $1,500, and seldom that much. For that reason it has been fixed at that amount.

Mr. GOSS. But I was wondering if it would not encourage more to try to make inventions if they had a little more available, in view of the fact that we think it is important enough to legislate on it at all.

Mr. BYRNS. No; because if it were to happen at any time that the expenditures would amount to more than $1,500, they could come to Congress and get an additional appropriation.

Mr. GOSS. I withdraw the reservation of the point of order.

The Clerk read as follows:

For compensation to postmasters and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, $50,800,000.

Mr. MAAS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MAAS: On page 53, line 6, after the figures, add the following proviso: "*Provided*, That none of this appropriation shall be available for payment of compensation to Charles J. Moos, postmaster at St. Paul, Minn."

Mr. MAAS. Mr. Chairman, ladies and gentlemen of the committee, I have resorted to a drastic measure in order to force attention to a situation which I believe as a legislative body we have the right and obligation to inquire into.

The postmaster of St. Paul, Minn., Charles J. Moos—not to be confused with Maas—has been holding office for over two years without appointment, his previous term having expired. The department has consistently refused to submit his name to the Senate for confirmation or to call for an examination, as I have requested, for the appointment of a successor.

I have opposed the renomination of this postmaster because of his connection with the noncancelable lease of the commercial station at St. Paul, and that matter became a national scandal, of which this House took cognizance by legislative action in breaking that lease.

I have made charges against this postmaster but have had no opportunity to be officially heard on these charges. The Post Office Department has simply whitewashed him. The Postmaster General has taken a very high-handed attitude in the whole controversy.

I very much dislike to take the time of the committee, but I believe there is a matter of principle involved. If an administrative officer is to be permitted to hold appointees in office indefinitely in violation of the spirit of the Constitution and the statutes themselves then it is the duty of the legislative branch to correct the situation which permits that abuse. The statutes provide that the term of a postmaster is four years. They do not provide one day more than four years. The Constitution requires that the appointments of postmasters be submitted to the United States Senate for investigation and confirmation.

I charge that the Post Office Department is in a deliberate conspiracy to defeat the ends of justice by keeping this man in office at a compensation of $8,000 a year without appointment; that they are protecting him and keeping him in a position whereby he does not have to defend himself against the charges which have been made and that they are conspiring to defeat the Constitution by preventing the Senate from exercising its prerogative of reviewing these appointments.

This man has now held office for more than two years since the expiration of his term. There is no way we can bring this matter to a head without the drastic action I have proposed, which is to abolish his salary. That would automatically force the administration to consider the proposition of sending his name to the Senate, where these charges can be officially investigated. I submit, gentlemen, that if the charges are unfair, or if they are trivial, as the Postmaster General claims, an opportunity should be given to investigate the charges and determine that as a fact. If this man is entitled to vindication and if he has such a valuable record, then certainly the people of St. Paul should know that, and this man is entitled to that vindication. The only place in which such vindication can be secured is in the United States Senate, where his nomination would go for confirmation. However, the administration knows this man would fail of confirmation because of the charges which have been made against him, and they are deliberately holding up his nomination because they fear both the result of such an investigation and the result of failure to confirm him, because then some more of the sordid story of this

post-office scandal would come out. So this man is being kept in office by the Postmaster General, the same Postmaster General, Walter Brown, who has exonerated Mr. Moos of all these charges.

I charge that Postmaster General Brown is guilty of the grossest misconduct in office in shielding this man Moos against an investigation and in defeating the intent of the Constitution by denying to the United States Senate its right to pass upon the fitness of Moos for reappointment as postmaster at St. Paul. This same Postmaster General in an offensive and insulting manner refused to make available official records of his department to a Senate committee duly constituted to investigate these very matters of the Post Office Department.

[Here the gavel fell.]

Mr. KVALE. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GARBER. Will the gentleman yield?

Mr. MAAS. Yes.

Mr. GARBER. Have there been any specific charges in writing filed in this case, hearings held, and evidence adduced in support of the charges?

Mr. MAAS. There were; yes, sir. The charges were made to me. I inherited this situation. The reappointment of this same postmaster was held up six years ago; that was before I became a Member of the Congress.

Mr. GARBER. The gentleman misunderstands my question.

Mr. MAAS. The gentleman means were any charges filed with the Post Office Department?

Mr. GARBER. Yes.

Mr. MAAS. Yes. I submitted those charges, with substantiating documents, to the Post Office Department.

Mr. GARBER. Was there any action taken?

Mr. MAAS. I was informed by Brown that the postmaster at St. Paul had been whitewashed, and they refused to give me a hearing or to permit me to see the alleged investigation. I challenged them to make it public, and still do.

Mr. GARBER. The gentleman is asking this committee to take action which will result in withholding the salary of this postmaster. On what evidence? What substantial evidence is the gentleman offering in support of such drastic action?

Mr. MAAS. If the committee will give me the time—and I know I can not crave too much indulgence—I will very briefly detail the specific charges.

Mr. GARBER. I certainly would join in a request that the gentleman be given sufficient time to inform the committee.

Mr. MAAS. That is exactly what I desire to do.

Mr. ARENTZ. Is the gentleman proposing to withhold the salary of the acting postmaster or that of the postmaster?

Mr. MAAS. He is not postmaster, yet he is drawing $8,000 a year. He is merely handling the office as acting postmaster without any kind of appointment since his term expired.

Mr. ARENTZ. By withholding the salary the gentleman is trying to make them nominate him as postmaster or put somebody in his place?

Mr. MAAS. Exactly; that is what I want to do. I want this thing adjudicated. I want this man's name either sent to the United States Senate, where I can be heard before an impartial body and present my charges with substantiating evidence, or if I am wrong I want my district and my people to know it, and I want this man vindicated, I want him reappointed and confirmed by the Senate. But if my charges are true, I want him removed from office, and I want a new postmaster appointed. [Applause.]

This man went into the insurance business after he was postmaster. He went into the insurance business, as all the evidence will indicate, for the specific purpose of getting the insurance on this noncancelable lease, and he got insurance on this building, which a Federal court later condemned, for $334,000 as the value of the building, the land, and the lease itself, and yet he carried insurance on this same building for these owners of over $1,000,000.

This was his part for his silence against the making of the rotten lease. He went to Chicago at Government expense to solicit this insurance at a time when he could have objected, as we know, to the lease being made noncancelable and his price not to protest was to be put into the insurance business and receive the insurance on this rotten building, which he did.

From this as a beginning he has made a very profitable insurance connection. He is vice president now of one of the largest insurance agencies in the country. He devotes less than two hours a day to his work as postmaster, for which he draws $8,000 a year, and the rest of the time he is either at his insurance office or he is out on the streets soliciting insurance in competition with men who are trying to make their living out of the insurance business. At a time like this, the people are justly indignant that men who have families dependent on them and who are solely dependent on their insurance business must compete with a high Government official drawing $8,000 a year who on Government time can go out and write insurance. Of course, he is in position to bring to bear a great deal of prestige and pressure in writing insurance. He carries the insurance on practically all the postal employees including their official bonds, and woe be it to an employee who does not boost the postmaster's private insurance business.

Understand, gentlemen, I am prepared to substantiate everything I am saying to you now. The men who are promoted in his organization are the men who are his stool pigeons and who go out and boost his insurance business.

He has a system whereby he has workers who are his stool pigeons sitting beside other workers and whenever they find that their fellow workers are going to buy automobiles or a home, they tell the postmaster and then the postmaster sends for these employees and tells them they had better give him their insurance.

I wish to emphasize that this is not a patronage fight, for I am not asking for patronage. I am demanding, however, that a postmaster be appointed at St. Paul, either this man or some one else. I am not concerned with who is postmaster but I am concerned with what kind of a man is postmaster and with how he uses that office.

I object to any public official using his public office to advance his own private interests for gain. That is what I charge Moos with doing. His chief and, it seems, sole concern in his office as postmaster is to use it to give him special advantages over his competitors in the insurance business. He has organized the postal employees into a huge and rather open sales force for his various private business enterprises. The gross impropriety of the postmaster's dealing with his Government employees in both a public and private capacity is too apparent to need discussion. How can he enforce official discipline against a postal employee who is a good insurance customer and a big business getter for Mr. Moos's firms? This relationship alone is enough to disqualify him for reappointment.

Ladies and gentlemen of the committee, from the beginning I took this matter first to the President and Postmaster General. I have been to them repeatedly and pleaded for them to straighten up this mess themselves. It was only after I could get no satisfaction that I brought the matter here to the House, which is the same course as had to be followed in the case of the infamous and scandalous lease at St. Paul, which was also defended, as this Postmaster Moos is, by this same Postmaster General Brown. I begged the President and officials of the Post Office Department to clean up this lease situation. It was only after persistent refusal to take action, and after Brown's defense of the lease, that I was forced to call the matter to the attention of Congress. Now the same thing has been repeated in the case of this postmaster at St. Paul, who was in office throughout that sordid transaction.

Gentlemen, under the circumstances where else could I take this situation? What else was left to do?

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes out of order.

Mr. WOOD of Indiana. Mr. Chairman, I object.

Mr. WOOD of Indiana. Mr. Chairman, we have just seen the beautiful example of a gentleman trying to vent his personal spleen and have this deliberative body determine the matter for him.

If one-third of the things are true that this man has alleged, he has been derelict in his duty, or he would have brought to the attention of either the Appropriations Committee or the Post Office Committee, the charges that he is making here to-day.

Mr. MAAS. Will the gentleman yield?

Mr. WOOD of Indiana. I do not yield. I did not bother you.

I want to say that it is not only unfair, but it is unbecoming a man who styles himself a Congressman of the United States.

If what the gentleman says is true, and he says he is able to substantiate what he alleges, why did he not come before the Appropriations Committee and submit his facts? He did not come nor did he desire to come. He made no effort to come before the committee.

I can not believe that the Postmaster General of the United States is guilty of conspiracy to violate the law. If he has been or has violated the law, it is the duty of that gentleman to introduce a resolution to impeach him.

It is too easy for gentlemen, with utter disregard of the truth, with utter disregard of the situation, with utter disregard of the effect their blackened speeches may have, to get up on this floor and attack the character of men who have no chance to be heard. I say this is all wrong and ought to be condemned by all right-thinking men.

I know nothing about this case. I would like to know the facts about it, and if this man had done his duty and had gone before the committee, he would have submitted his facts.

Mr. MAJOR. Will the gentleman yield for a question?

Mr. WOOD of Indiana. Yes.

Mr. MAJOR. Why has the department held this appointment over for two years without doing anything about it?

Mr. WOOD of Indiana. I do not know a thing about it. I suspect the Postmaster General would have been able to explain that. That is why I say this is an unfair proposition.

Mr. MAJOR. I will say to the gentleman that he was before a committee recently and did a mighty poor job of explaining it.

Mr. WOOD of Indiana. I do not know anything about that. If he did a poor job, why did you not send for the facts some place else?

It is not an unusual thing for a postmaster to hold over. I suspect there are a thousand in the United States that have held over for one or two or three or four years. This is not an unusual thing, and there must be some excuse for it or else it would not have obtained in this instance.

So I say to you, gentlemen, that if we are to be led away from the line of duty laid down for us by the oath of office we take here we will condemn this character of procedure and condemn the men who are guilty of violating, not only their oath of office but the duty that they owe to this Congress and to the public.

Mr. BLANTON. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. BLANTON. What is the use of worrying about it? After the 4th day of next March we Democrats are going to take control, and our appointment of postmasters will be prompt and decisive.

Mr. WOOD of Indiana. Yes; that is a nice way to settle it. I do not expect that this gentleman or any other Republican postmaster will be in office 15 minutes after that. [Laughter.]

Mr. BLANTON. Not if we can help it. [Laughter.]

Mr. MAAS. Will the gentleman yield to me for a statement?

Mr. WOOD of Indiana. I yield to the gentleman for a question.

Mr. MAAS. I want to say that I did appear before the Appropriations Committee, and when the gentleman was chairman of it.

Mr. WOOD of Indiana. We never had that question before us in the world.

Mr. MAAS. I asked for a hearing.

Mr. WOOD of Indiana. When?

Mr. MAAS. I asked the gentleman from Indiana when he was chairman, and I will ask the gentleman from Tennessee if I did not ask him for a hearing?

Mr. BYRNS. The gentleman from Minnesota did approach me and say that he wanted to be heard, and that it was on this subject. I suggested to him that possibly we did not have jurisdiction.

Mr. WOOD of Indiana. The gentleman never asked me the question. The question he asked me was with reference to putting a prohibition upon the appropriation because of the row they had about the lease for this post office.

Mr. BYRNS. Mr. Chairman, I move to strike out the last word. I know nothing of the controversy existing in Minnesota and could not possibly have any personal interest in it. I am not questioning what the gentleman from Minnesota [Mr. MAAS] has said. Something ought to be done toward settling the proposition and making a permanent appointment, but that is not a matter that concerns me. That is a matter for the administration. I do not think this is the way to legislate on a matter of that sort. I do not think it is proper to come in and undertake to deny a salary on an appropriation bill. If we set that sort of a precedent, Members can clearly see where it would end. Every time there was an objection to some one, whether well founded or not, there would be a proposition to eliminate his salary. It seems to me there is a better way to get at that than in this way. I hope the amendment will not prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

The Clerk read as follows:

For compensation to clerks and employees at first and second class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen, messengers, laborers, and substitutes, $182,325,000.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word. I note that the amount provided in this section is $182,325,000. The amount provided in this section last year was $190,000,000. There is a reduction of almost $8,000,000. Is that reduction based on the provision at the end of the bill prohibiting the automatic increases in the Postal Service as provided by law, and in the event that that provision of the bill should be stricken from the bill either here or in another body, or eventually cast out of the bill, will $182,325,000 be sufficient to carry on the work in accordance with existing law?

Mr. BYRNS. We took $675,000 from the Budget estimate, and that amount represents the automatic increases.

Mr. LAGUARDIA. But there is a difference of almost $8,000,000 in the amount this year and the amount last year.

Mr. BYRNS. That is brought about by the difference in the volume of business now as compared with what it was when the original estimates were made.

Mr. LAGUARDIA. And $675,000 only is attributable to the contemplated savings in stopping the automatic increases?

Mr. BYRNS. The Budget estimate was $183,000,000, a considerable decrease from the present appropriation, due entirely to the fact that business had decreased about 7 per cent.

Mr. LAGUARDIA. So that the only saving is $675,000 in connection with the intention of the committee to stop the automatic increases in salaries provided by law.

Mr. BYRNS. So far as this particular item is concerned; yes.

Mr. LAGUARDIA. Well, it is hardly worth while, and I shall move to strike from the bill the provision limiting automatic increase, which after all is part of the law.

The Clerk read as follows:

For compensation to clerks in charge of contract stations, $1,900,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

The paragraph under consideration has engaged the attention of the committee in prior years. It is an appropriation, as I recall, that provides for an allowance to so-called drug store stations. The appropriation last year was $2,100,000. The Budget estimate was $1,950,000, and the committee has cut the Budget estimate $50,000. I wish to inquire whether it is the purpose of the Post Office Department to curtail the number of these contract stations at drug stores throughout the country, which are very serviceable to the public, or whether it is their policy to cut down the allowances.

Mr. BYRNS. No. It appeared that the expenditures this year would amount to $1,900,000. We have recommended the same amount for 1933.

Mr. STAFFORD. But the committee has made no allowance whatsoever for additional service.

Mr. BYRNS. No. Unless this additional service should come by a reduction of the cost.

Mr. STAFFORD. The gentleman is aware of the fact that the Post Office Department has a sliding scale, whereby compensation is awarded according to the amount of business that the various contract stations do during the year, and it has been the policy as business increased to make increased allowances. The fact that last year only $1,900,000 was expended for this service shows there will not be any leeway whatsoever to provide for increased pay, where the business has increased above that being received according to the scale established by the Post Office Department.

Mr. BYRNS. In 1931 the expenditures were $1,870,000. The estimated expenditure this year is $1,900,000. As the gentleman knows, business is decreasing. They are not having anything like the business they had in prosperous times. In addition to that, there is considerable competition growing up with reference to the contract stations. Drug stores are very anxious to get them, and there are quite a number of contracts expiring.

Mr. STAFFORD. I must take issue with the gentleman's position that there is great competition for these stations. In my own city there are many drug stores that will not perfom the service for the scale of pay which the Government metes out because the service that the drug stores gives is three or four fold what they receive from the Government. I think the gentleman is in error when he says there is much competition for this service.

Mr. BYRNS. I will read what Mr. Coleman, the First Assistant Postmaster General, said:

We have anticipated a reduction this year on account of the conditions, and we anticipate there will be some spirited competition for these stations. During more prosperous times we have had considerable difficulty in getting first-class stores to put in contract stations, and where there was no competition in some cases it forced us to put in a classified station.

So, I repeat, the Post Office Department insists there will be a great deal more competition by drug stores and places of business seeking to secure these leases which are to be made the next year than heretofore.

Mr. STAFFORD. I rather agree with the gentleman's position that in these depressed times particularly the small drug-store proprietors are willing to take anything at all rather than lose the little gratuity or honorarium that they receive from the Post Office Department for this service, which really saves the Government millions and millions of dollars.

Mr. BYRNS. Now, may I call the attention of the gentleman to this further statement by Mr. Coleman? He was asked by me:

Then you are, in fact, not going to put in additional stations next year?

And he replied:

We may be able to put some in through savings in the competition that we anticipate. Stores are not as busy as they were two or three years ago, and we anticipate they will be more anxious to retain these stations, and possibly will lower their bids.

That is the theory upon which this appropriation was fixed.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For unusual conditions at post offices, $75,000.

Mr. AMLIE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, last Friday the gentleman from Illinois [Mr. ARNOLD] presented a very thorough analysis of the operation of the Post Office Department. I was very much interested in his explanation showing that out of a total operating deficit for 1931 of the sum of $146,545,199 that the sum of $48,047,308 was not properly postal deficit at all but rather a contribution or subsidy made through the Post Office Department for the carrying on of various governmental functions which are deemed expedient and wise.

There is, however, another item which he did not discuss which, in my opinion, could well have been included under the general classification of postal subsidies. It is the sum of $50,800,000 paid to postmasters. In the main this item is nothing more or less than a political subsidy paid to the dominant national political party.

Last Thursday an editorial appeared in the Baltimore Evening Sun entitled "Suggestion to Uncle Sam":

The politicians of this region are already fighting over the postmastership made vacant by the death of Benjamin F. Woelper, jr. The postmastership in a city the size of Baltimore is a fat job, and from time immemorial it has been used to pay political debts.

But what need has Baltimore for a postmaster? It isn't he who does the real work. The post office is run by a permanent staff under the direction of a permanent assistant. The political postmaster could be a pure dumb-bell and the work would go on just the same. He could live in California and the work would still go on. In fact, in most cases it would probably go on better were he not around to gum up the work by injecting his political ideas.

Uncle Sam is hard up. He needs money badly. Why doesn't he save a little by letting Baltimore go without a political postmaster until times get better and we can afford such luxuries?

Now, I can well realize that this is not a matter that we could expect the regular Republicans to go into because they are the dispensers of political patronage aggregating approximately $50,000,000 a year, which is truly a party's ransom. Nor, on the other hand, could we very well expect the Democrats to make an issue of this matter, particularly in view of the fact that they think they can see within their reach this vast ocean of gravy. But in so far as we progressives from Wisconsin are concerned, it does not make any difference. If we had a Democratic administration we would have nothing to say about the appointment of postmasters, nor do we have anything to say about these matters of political patronage under a Republican administration, although I presume we could have our share of this patronage if we were willing to become administration "yes" men. We are in the position of an illiterate State legislator who declared that he would not sell his birthright for a "mess of partridges."

I have considered the introduction of an amendment to this bill, either striking out or greatly reducing the amount of money made available for the payment of postmasters' salaries, but will not do so, for I realize that this would be neither just nor equitable to a large number of politically appointed postmasters who are doing their work faithfully and efficiently. If we were to reduce the appropriation available for the payment of postmasters' salaries, it would merely mean that these men would be the first ones who would be displaced, while the postmasters more useful politically would be retained.

The situation, in my opinion, can only be cured by having the office of postmaster placed on a civil-service basis, with

promotions for this office coming from the ranks of the postal employees.

It is my understanding that the gentleman from Pennsylvania, Mr. CLYDE KELLY, has introduced in this House from time to time measures that would accomplish this result, but that he has never been able to get any of these bills reported out of committee. I very sincerely hope that the majority party will avail itself of its opportunity and pass this much-needed legislation. It is long overdue.

I am sure that it would have been enacted before now but for the reforms inaugurated by President Harding, which apparently sought to accomplish this result.

HARDING'S HOPE

On the 10th day of May, 1921, the late President Harding issued an Executive order, providing as follows:

When a vacancy exists or occurs in the position of postmaster of an office of the first, second, or third class, if such vacancy is not filled by nomination of some qualified person within the competitive classified civil service, the Postmaster General shall certify the fact to the Civil Service Commission, which shall forthwith hold an open competitive examination to test the fitness of applicants to fill such vacancy, and when such examination has been held and the papers submitted therewith have been rated the commission shall furnish a certificate of not less than three eligibles, if the same can be obtained, to the Postmaster General, who shall submit to the President the name of one of the highest three eligibles for appointment to fill such vacancy.

This Executive order expressed the pious hope that the administration supporters would permit the vacant postmasterships to be filled by civil service out of the ranks of the postal employees, but further provided that if the situation should arise where the vacancy was not filled in this manner, then the Postmaster General was to recommend for appointment to the President one of the three men who stood highest in a civil-service examination. In practice, however, we have seen that the appointment of a postmaster out of the classified civil service has been a rare exception rather than the rule. The administration has been given little rest by its supporters. Examinations are usually given until the chosen man becomes one of the three eligibles, whereupon he is appointed. The whole proceeding is but a farce. But despite the modus operandi by which these postmasters got their jobs, the effect of this Executive order has been bad upon these postmasters from a standpoint of party usefulness.

The mere fact that they, in form, had written a civil-service examination made them feel that they were civil-service employees, and they sought retirement from politics within the cloistered atmosphere of their respective post offices. The Executive order apparently deceived no one but the postmasters themselves. It led them to believe that they were Government employees rather than subsidized politicians. From an administration standpoint it became necessary to make them realize that while they are classed as second-line zouaves they must still come to the front as shock troops every four years, and oftener if occasion demands it.

In a speech delivered at Omaha, Nebr., September 17, 1931, Postmaster General Brown said:

As the period approaches, which comes every four years, when public attention is focused for a time upon national politics, spokesmen for themselves and for various groups, partisan and otherwise, are prone to be generous with their observations with respect to the duties, obligations, and limitations in matters political.

The indisputable fact is that the laws of our land place no restrictions whatever upon presidential officers, a term which includes postmasters of the first, second, and third classes. The statutes which forbid political activity on the part of Government employees are limited in their application to members of the classified service. They have no relation whatever to executive officials who are appointed by the President with the advice and consent of the Senate.

"Beyond all question the best politics is the best public service," he said.

About the same time First Assistant Postmaster General Arch Coleman, at a postmasters' convention in Ashland, Ky., defended the right of the postmasters to mix in politics. He said:

I have never had much use for a mugwump or a man without political convictions. * * * Presidential postmasters have every right to show their loyalty to the administration, of which they are a part, by presenting to their friends and neighbors the truth relative to the activities of the administration.

Even this brusque reminder did not serve sufficiently to get the postmasters out of their cloistered retreats and into the first-line trenches. Subsequently, on January 18, 1932, at Appleton, Wis., W. Irving Glover, the Second Assistant Postmaster General, urged the 350 Wisconsin postmasters there assembled to roll up their sleeves and prove their allegiance to the Republican Party who got them their jobs, by campaigning for Hoover. The message, according to a newspaper version, was one, first, of optimism of the "prosperity around the corner type" wherein comment was made on the weakness of the Democratic forces, and the closing part was an administration version of Lord Nelson's appeal to his men, "England expects every man to do his duty." The newspaper report of the meeting is as follows:

Glover said that in his opinion there was no outstanding candidate for the Presidency on whom the Democrats would agree that could win against President Hoover. He declared that postmasters owe allegiance to the party because it got them their jobs. He said that it was time they banded together and shouted their party loyalty from the housetops.

First, second, and third class postmasters are not under civil service and are under no restrictions to keep out of politics, said Mr. Glover. He said they owe their jobs to the Republican Party, now headed by Mr. Hoover, and they should prove their loyalty by working for him. Their only duty as postmasters is to work their full eight hours and see that the Postal Service is up to standard, he said, and then they can get up enthusiasm for their party the rest of the time.

The people of the country, however, are awaiting with interest any remarks that may be made by the Third or Fourth Assistant Postmaster Generals of the United States to the postmasters in conclave assembled. They will probabaly be in the nature of the exhortation of a football coach to the members of his losing team between halves.

Commenting on these talks, the Milwaukee Journal, conservative Democratic paper, on January 18, 1932, said:

Mr. Glover gives himself away in his counsel, "Most people are under the impression that a postmaster can't enter politics." True, most people are. And where did they get that impression? From the long fight that has been waged to take the post office out of politics and conduct it for what it really is, a business institution. That has been the battle for civil service, and gains have been made. Yet listen to this from Mr. Glover:

"Postmasters should get out and work for their party and be glad to do it. The postmaster should be a leader and booster of his party in his district."

The case of President Hoover must be pretty bad. And he probably does need all the help he can get. But is he, and are his "yes" men, considering what the consequences are to be? At one leap they go back, frankly and brazenly, to the spoils system. Is what Andrew Jackson fastened on the Nation for many decades to be the Hoover way in an extremity?

In the South the spoils system, and worse, has never been routed. The virtual sale of post offices has been a national scandal. The North has claimed to be against such a thing. If the postmaster, however, must be first of all a party man, judged as a ward heeler rather than as a business executive who handles the mails efficiently, how long will it be until post offices will be sold to the highest party bidder in northern cities?

UNFAIR TO POSTAL EMPLOYEES

It is a gross injustice to the men who devote their life work to this important service of our Government that they must always work under a superior who holds his position solely because of political influence and because of political service that he may be able to render. I do not believe that we can find in the United States to-day any group of men in any kind of work employed at a comparable wage who render the efficient service given by the postal employees.

Certainly the average postmaster is no abler than is the average of the civil-service employees who work under him. Besides this, of course, he does not have their experience with the duties of the post office gained through many years of work and apprenticeship. I do not care whether it is in the post office or any industry, there is no man so well qualified to run and operate it as a man who has worked his way up from the bottom, because he is familiar with every detail through long work and experience.

It would be only fair that the postmastership of each post office should be filled by a postal employee who has worked his way up. It would give to each civil-service employee in the Postal Service a goal toward which he could strive. Certainly, if he understands the working of the post office and is honest and efficient, he should be better qualified to fill such office than is a man who has played politics most of his life.

UNFAIR TO THE POSTAL SERVICE

In fairness to the Post Office Department and the work which it performs the Postal Service should have the opportunity to make use of men who have learned the work from the bottom up. It is elemental that the most successful heads of industry generally are men who have served their apprenticeship by working their way up from the bottom. The trouble now is that the whole post-office system has to be organized on such a basis that the real work of the department will go on no matter what the qualifications of the politically appointed postmaster may be, whether there is a vacancy in the office, and, if filled, whether such postmaster so appointed functions or not. It would be only fair that the Post Office Department should be relieved from the necessity of providing this tremendous political subsidy every year to the dominant political party.

IMPROVED FEDERAL SERVICE

There has never been a time when it was so essential that the functions of government be maintained on an honest, efficient, and nonpartisan basis. This can not be done if we are to permit politics to enter into the public service. The time is now at hand when the functions that must be performed by the Government will become increasingly greater rather than less. I realize that there will be a great outcry against this on the part of those who would leave the individual wholly at the mercy of the great monopolies and concentrated wealth which is in control of the economic life of the country and of the economic well-being of every individual as well. Nevertheless, this same group, when they felt themselves in danger, did not hesitate to come to Congress and ask that a $2,000,000,000 corporation be set up to aid them out of their difficulties, on the threat that if this were not done the whole credit and banking structure of the country would collapse. Many thoughtful men realize that the theory of laissez faire is fast becoming inoperative. This is apparently realized by the increasing number of groups which call upon Congress for legislative help at every session. If this is true, I submit that it is doubly important that the Government service be maintained on an honest, efficient, and nonpolitical basis. It is an opportunity that I hope the majority party will not pass by. [Applause.]

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment and in opposition to the position taken by my distinguished colleague, who is new to legislative procedure in this House.

I can not agree with my colleague from the first district of Wisconsin that the postmasters filling the offices of the first class are merely supernumeraries. Certainly the postmaster at New York, the postmaster at Chicago, the postmaster at my home city, and, in fact, the postmasters in all the leading cities of the country fulfill a very required service in directing the affairs of their respective offices. The work would not go on without the executive ability of those men. During Democratic administrations and during Republican administrations I have known of men in charge of the administrative work of the big post offices of this country who gave very high service in directing the administration of their respective offices.

The gentleman from the first district of Wisconsin has many first-class post offices and many second and third class post offices in his district. I am acquainted with one, because a part of that district 20 or more years ago was a part of the district I now have the honor to represent, that of Waukesha. There a former postal clerk was raised to the position of postmaster. He was appointed during the last six years by reason of his ability, and I do not think he was appointed by reason of any political affiliations.

Let me say for the benefit of the Members that when I first entered Congress, 29 years ago, all postmasters were appointed as a result of politics. The fourth-class postmasters throughout the country were named at the suggestion of political referees in Democratic States, if the Republican Party was in power, and in Republican States the Congressmen from the various districts were charged with the responsibility of determining the appointees themselves.

However, under President Harding the civil-service rule was extended to the first, second, and third class offices.

I suppose the gentleman from Wisconsin classifies me as an administration man, but let me say to him that in all of my service in this House, dating back 29 years and over a period of 20 years, I never had the recommendation of a postmaster in Milwaukee.

As I understand it, if there is a vacancy, there is an examination held, and I know the present postmaster at Milwaukee, against my protest nine years ago, was recommended for appointment because he was in the first three of those recommended by the Civil Service Commission.

Mr. MURPHY rose.

Mr. STAFFORD. I yield to the gentleman from Ohio.

Mr. MURPHY. I just want to inquire at this point whether in the days when the postmaster was appointed because of his political faith, we did not have pretty good postmasters?

Mr. STAFFORD. I am one of the few that believe in a principle that I am not afraid to enunciate on the floor of this House so far as postmasters are concerned, and it is a principle I have held for many, many years. For one, so far as the first-class offices are concerned, I would not continue to allow them to hold office for more than two terms. I believe it is advantageous to the service to put in new blood, to put in business men after a certain period of incumbency of four or eight years; otherwise they become nothing more than creatures of red tape. If the gentleman will permit me a moment, I remember years back, because during the first eight years of my service in this House from 1903 to 1911 it was my privilege to serve on the Committee on the Post Office and Post Roads——

[Here the gavel fell.]

Mr. STAFFORD. I ask unanimous consent, Mr. Chairman, to proceed for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. And during those years the Committee on the Post Office and Post Roads had the preparation of the appropriation bill. It was my privilege from the very beginning of my service to serve on the subcommittee having charge of the Post Office appropriation bill. I gave intensive study to post-office affairs, and during all these years I have believed that what is essential is to have business men occupy these high positions of responsibility and to have periodic changes, so that new ideas may be introduced.

My attention in those early years was called to a Vermonter who had been in the Post Office Department for 20 years or 25 years, and he said that the trouble with the Post Office Department and the Postal Service was that it was just honeycombed with red tape.

Oh, I could go on and go on to show that the Postal Service has suffered by reason of not being up to date in business ideas, and for one I favor the turning out every eight years of the postmasters, regardless of their records, and putting in good, efficient men who will bring new ideas from the business world, especially in these very important positions. This idea of continuing men in these responsible positions for all time because they were once qualified under the civil service is not according to my idea of business efficiency and business progress.

Mr. MEAD and Mr. KELLER rose.

Mr. STAFFORD. I yield first to the chairman of the Committee on the Post Office and Post Roads.

Mr. MEAD. Does the gentleman think it is advantageous for the service to have the Postmaster General issue an order

that virtually drives the postmaster into politics, and at the same time issue a second order which is posted on the bulletin board of every post office, making it an offense for the rank and file to participate in politics?

Mr. STAFFORD. I am not acquainted with those respective orders, but I would not circumscribe the postal employees, and I do not believe there is any order that circumscribes the right of any civil-service employee to do as he sees fit in the exercise of his high functions of citizenship. [Applause.]

I know a vice president of a civil-service organization in my home city that libeled and lied about me——

Mr. MEAD. He should be severely punished.

Mr. STAFFORD. Oh, severely punished. I have had rural carriers, I have had letter carriers, I have had post-office clerks' organizations all against me, but I have never sought and will never seek to have them deprived of their bread and butter because of their opposition to me because of any political position they may have taken. I will be able to maintain my position in this House by reason of my record here.

I now yield to the gentleman from Illinois.

Mr. KELLER. I just wanted to know whether the gentleman knew of another case where a man won out purely because of his merit and without any political merit to either a first-class or second-class or third-class office in Wisconsin.

Mr. STAFFORD. Oh, yes; I could name the postmaster at Hartland, a second-class office; and if I were on the Committee on the Post Office and Post Roads giving the same detailed attention to the matter I did during the first eight years of my service here, I could name innumerable cases.

I believe that to-day in all the second, third, and first class offices, the Postal Service has reached a far better stage of efficiency than ever before in the history of the Government; and while I do not like any occasion where I am called upon to reply or take a position against the new Member from the first Wisconsin district, yet I felt called upon, in justice to the service and to the way in which it is administered, to rise here and give some little information which I have at first hand. [Applause.]

The Clerk read as follows:

For pay of rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, and tolls and ferriage, Rural Delivery Service, and for the incidental expenses thereof, $106,000,000.

Mr. HASTINGS. Mr. Chairman, I regard the item making appropriations for the Rural Delivery Service, of $106,000,000, as one of the most important in this or any other bill that comes up for consideration of Congress.

Approximately one-fourth of the people of the United States live upon the farms. This appropriation is designed to give to the people living in the rural communities the same mail service as those people enjoy who live in the cities and towns. When I entered Congress the amount appropriated for the rural mail service was $53,000,000. The amount carried in this bill is exactly twice as much.

The rural mail service has expanded rapidly during the past few years. It was established in 1896 when William L. Wilson was Postmaster General in the second Cleveland administration. Three experimental routes were then established.

The report of the Postmaster General for the fiscal year ending June 30, 1931, indicates there were 42,412 rural mail routes in operation on that date and that the total mileage of these routes aggregated 1,354,759 miles. The average length of a rural route is 31.943 miles.

During the past 10 years there has been a net decrease of 1,340 routes brought about through consolidations, and during the past year there has been a decrease of 939 routes, with 73 established, or a net reduction of 866 routes.

There is a demand for additional rural mail service, either through new routes or extension of existing ones. The report shows that at the end of the fiscal year there were in the hands of inspectors for investigation and report 143 cases.

The amount appropriated for this service for the current year was $107,550,000. This bill, for the next fiscal year, carries $106,000,000, or $1,550,000 less than the appropriation for the current year. The bill carries for this particular item the full amount of the Budget estimate.

I want to express my regret that the Budget did not estimate as much for the coming year as for the current year. The report of the Postmaster General shows that the number of petitions received for the establishment of new routes during the past year was 633 and that of these 454 were accepted for investigation by inspectors, and that improved facilities were extended to rural communities without the need for increase appropriations for the past two years.

I wanted to bring to your attention the following closing sentence in this part of the report of the Postmaster General (p. 16):

On the contrary the amounts appropriated by Congress have not been fully expended for the past several years.

I have had a number of requests for additional mail facilities from my district. I now recall two—one for the extension of a rural route out of Stilwell in Adair County, Okla., and the other for the extension of a rural route out of Keota, Haskell County, Okla. Both would have given increased mail facilities to the people who live in those respective communities. The extensions were not granted, as stated by the Postmaster General, because:

We are therefore not in position to take favorable action upon any cases that would increase the cost of the rural mail service.

I live in one of the new States of the Union. We are developing rapidly. Roads are being extended throughout every community and bridges are being built across the streams. The older States have the advantage in that good systems of roads were built earlier, and as a consequence rural routes were established at a much earlier date, so that the rural communities in the older States are fairly adequately served. The decision not to expend money in the new States, and particularly throughout the West, is a discrimination against those States.

I do not think there is any appropriation which meets with more enthusiastic approval than the item under consideration making appropriation for the rural mail service and the appropriation for the Federal contribution toward the building of good roads, both of which are so greatly appreciated by and assist the people who live in the rural communities.

I have read the hearings before the subcommittee, which would indicate that Mr. George L. Wood, in charge of the rural mail service, believes that the amount contained in the bill, and estimated for by the Budget, is adequate, and that through consolidations new routes may be established and old ones extended.

There is no service which is more helpful to the rural population. This service permits the farmers to take daily papers, keep up with current events, keep advised of market conditions, and saves them much time for their work on the farms.

The amount paid a rural carrier is $1,800 per annum for a standard route of 24 miles, with 4 cents per mile additional for equipment. They receive $30 per mile for each additional mile over the standard route.

On June 30, 1931, there were 47,833 post offices of all classes in the United States. Through these offices the people are served by postmasters, assistants, clerical help, city and village carriers, and star-route and rural mail carriers. In the aggregate they constitute a veritable army of the employees of the Government and are very important to the people of the country. Nearly all of them are under the civil service. They are well-trained, active, loyal, intelligent, efficient public servants.

It has been my good fortune to be able to attend many of their district meetings. They are to be commended and complimented upon their efforts to improve the service, which is both efficient and courteous. Throughout the year, in season and out of season, each is at his post with clock-like precision. Whether in the office or on the trains, along

the rural routes or in the air, these employees serve the people of the country with fidelity.

The air service is a new one and is being rapidly expanded. The amount carried in the bill for this service is $19,000,000, which is a reduction of $1,000,000, but it is insisted that no injury will come to the service for the reason that there are indications that favorable contracts covering the entire mileage may be made by the Government within the amount of the appropriation. The amount carried for air service in the pending bill is more than was expended for this service for the year ended June 30, 1931. This appropriation is not only for carrying the mail but to stimulate aircraft. We can now vision the time in the near future when aircrafts of much larger capacity will in a large measure replace railway and automobile travel.

In addition, the aircraft should be stimulated for national defense. Through the amounts appropriated for the Army and the Navy and the Post Office Department and the amounts expended in commercial flying there has been a wonderful development in aircraft in the last decade.

I really arose not to make a speech but to call attention to the importance of the Postal Service and to pay a tribute to the postal employees.

Mr. TARVER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 54, line 14, strike out the sum "$106,000,000" and insert "$106,850,000."

Mr. TARVER. Mr. Chairman, I rise in support of my amendment. On last Friday I undertook to discuss this subject matter that has been discussed by our colleague, Mr. HASTINGS, and to indicate reasons which to my mind were sufficient for the restoration of at least a part of the reduction made by the Appropriations Committee in this item of the bill.

I am in accord, of course, with the efforts of the Appropriations Committee to effect economies in the several departments, and I am sure that every Member of this House and the country as a whole appreciate sincerely the fact that they have been able to accomplish economies along this line.

And yet no economy is desirable which would have the effect of crippling the Rural Free Delivery Mail Service, depriving farmers of this country of any portion of any benefits that they now receive from this governmental activity. The appropriation for the last two years has been $1,550,000 in excess of the appropriation carried in this bill. Those of you who have read the evidence which was taken before the Appropriations Committee, set out on pages 87 to 92 et seq., of the hearings, copies of which I hope you have before you, will notice that it is proposed to effect this economy in only three ways: First, by the consolidation of existing rural routes; second, by the entire declination of any additional routes; and, third, by declining all applications for extensions of existing routes. It is not clearly apparent to one who scans this record of evidence before this committee carefully just how these economies, if they should amount to as much as is estimated by the Bureau of the Budget, would effect a saving of $1,550,000, because it is estimated that the saving on account of consolidation of rural routes next year will amount to only $300,000, that the elimination of the addition of new routes will effect a saving of $44,000, and that the elimination of extensions of existing routes will save $150,000, making, I believe, a total of $494,000.

But let us consider whether it is desirable that we should cripple the service by consolidations, which in many instances are unwise and could only be justified by the most extreme need for economy, and by the refusing in all instances to permit the establishment of a new route or the extension of an existing route. I think gentlemen will agree with me, those of you who represent, as I do, rural constituencies, that many consolidations have been effected by the department which have seriously hampered the rural service. I call attention to the fact that the superintendent or chief of the Bureau of Rural Mails, testifying before the Appropriations Committee, said that consolidations in the matter of one route in California had increased the length of the route to 90 miles and the salary of the carrier, together with allowances for his equipment, to almost $5,000 per year, destroying opportunities for other men to secure employment, paying in this instance, and doubtless in many more to which attention is not called, substantially double the average salary of the rural carrier. The department's policy of consolidation, as I know, speaking now with relation to cases in my own district, sometimes effects consolidations of routes which can not be successfully carried throughout the year in all kinds of weather by one man. The Post Office Department has its maps, which, of course, look smooth no matter if the routes run through mountainous country or across creeks and rivers, and examining them it says it can take this 35-mile route here and that 45-mile route there and consolidate them and let one man carry by automobile 80 miles a day, when, as a matter of fact, he may be able to do it nine months in the year, but during bad weather in the winter and spring it would be impossible; and where such consolidations are accomplished that fact is demonstrated with injustice to the carrier and injury to the service.

So much for the question of consolidations. It appears in these hearings with relation to the creation of new routes, that there are now approved by the Post Office Department approximately 100 new routes which can not be established if this appropriation is cut, as is proposed. It is also shown by the hearings that there have been approved many hundreds of extensions to existing routes which can not be allowed if the appropriation is cut. I know something is said in the hearings about the possibility of allowing some extensions in emergency cases, but all of you know, who have dealt with matters of this kind, that for the last several months the Post Office Department has allowed no extensions, and that policy has come about when it had an appropriation of $1,550,000 in excess of the appropriation carried in this bill. If it could not allow extensions with that appropriation, how can you expect it to be done if the appropriation shall be decreased as proposed in this bill? I want to read from a letter just received by me from the First Assistant Postmaster General, a declaration of his present policy, with relation to one particular route in my district where an extension has been approved—and this is only one instance of a great many of similar character. He says:

This change, which will involve an increase in the cost of operating the service, has been approved. In view of the present conditions of the national finances, however, we are obliged to consider the probability of a lesser amount being available for the conduct of the rural mail service next year than is now provided. Until this matter is definitely determined it is impossible to create any obligations that would be an additional charge on the appropriation for the next fiscal year.

So if now, with an appropriation of $107,550,000, the same appropriation that was had during the fiscal year 1931, it is impossible for the department to grant any extension or to create any new routes, then how utterly impossible it would be for a year and a half, at least until the end of the fiscal year 1933, if we fail to add something to this appropriation, which this bill reduces to $106,000,000, to hope service of that character will be accorded our constituents who do not now receive it; and in that particular let me point out that in many of these cases where petitions for extensions have been approved the department has heretofore indicated to these patrons that if they would put their roads in condition, if they would comply with the regulations of the department, service would be accorded them.

It is not good faith to refuse extensions under such circumstances.

I know of one instance in my own district where a great deal of money has been spent by the people, in accordance with suggestions from the department, improving their roads so as to qualify for this service, and after having spent their money and having qualified, then the department informed them that on account of stringent economic conditions the service could not be accorded them.

We are not asking that all of the $1,550,000 which the Appropriations Committee has stricken from this appropriation be restored, but let us at least give this amount, less the amount they figure they can save by consolidations. In other words, they say they will save $400,000 by reason of consolidations effected this year, and that they will effect other consolidations next year which will save an additional $300,000.

[Here the gavel fell].

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TARVER. I thank the Chairman and the Members for the courtesy of extending me this time. I do not as a rule consume much of your time. I am very deeply interested in this matter. It is not being urged as a matter of formality but as one of substantial justice to the rural population of this country.

I am offering an amendment which proposes to deduct the $400,000 which the department claims to be able to save by consolidations effected this year and the $300,000 which they claim they will be able to save next year by additional consolidations, or $700,000, from $1,550,000, the amount of the reduction in the appropriation, and to restore the difference, $850,000, to the appropriation, in order that this service may continue to function in the best interests of the rural population of the country and without injury and damage to the service which they are now receiving. I think this is a modest request. I do not believe that the needs for economy go to the extent of requiring the House to seriously injure or hamper a service which, under the law under which it was established, was to be extended as rapidly as possible to serve the entire rural population of this country. [Applause.]

[Here the gavel fell.]

Mr. ALLGOOD. Mr. Chairman, in the 1924 appropriation bill for the Post Office Department, Mr. Madden, chairman of the Appropriations Committee at that time, recommended an increase of $1,350,000 over the previous year, to be used in lengthening rural routes already established and in establishing new routes where needed. In contrast to this the same appropriation bill carried an increase of $6,300,000, to be used in extending routes in towns and cities. When this section of the bill was reached the CONGRESSIONAL RECORD shows that I was the first Member of this House to point out the discrimination that was being made against the extension of mail service to the country people. At that time I did not discredit the need of the extension of mail service in the cities and towns, but since about half of our people lived in the country and on the farms I did not think this division of funds was right, and I am happy to state to-day that my discussion of this question resulted in the bill being recommitted carrying an additional million dollars for the extension and creation of rural routes. At that time as well as now many needed extensions were being denied by the Post Office Department, but the increase which was secured has enabled me to secure in my district rural free delivery service to more than 5,000 people. Not only were the people of my district benefited by this increase but thousands of other rural people throughout the Nation were benefited. At this time I am fearful that the defeat of the amendment of Mr. TARVER, of Georgia, which seeks to continue the same appropriation of last year, will mean that we will not be able to secure any extensions or new rural routes for this year.

I favor the Tarver amendment even in spite of the fact that it is time for the Nation to economize. The defeat of this amendment will deny service to the very people who have been and are now receiving the least consideration from our Government. I stand foursquare for economy in all appropriation bills and I shall point out to you wherein we can economize in this bill and not injure the mail service. On page 57 of this bill, line 25, there is an appropriation of $19,000,000 to cover the cost of air mail service. When this item is reached I have an amendment prepared to strike out the $19,000,000 and insert in lieu thereof $10,000,000, which if passed will mean a saving each year of $9,000,000. The testimony disclosed in the hearings on this item shows that a reliable air-transport company stated that it would carry the air mail for one-half the amount being paid for same under the existing contracts. You may not adopt my amendment, but the time is coming in this country when we will be forced to cut out these subsidies. I contend that it is unfair to pay a subsidy of $9,000,000 a year to air-transport companies for the benefit of the users of air mail service and deny needed mail service to the country people. On page 17 of the committee's report on this bill is shown a subsidy of $19,000,000 being paid annually to shipping concerns engaged in carrying foreign mail. This $19,000,000 is an annual net loss to our Government, because the postage collected on this foreign mail falls short this enormous amount.

Items like these in this bill and in other appropriation bills should be stricken out so that the Government can live within its income.

Within a few days the Ways and Means Committee will bring before this House a tax measure, and it is my understanding that it proposes to levy a sales tax on practically every necessity of life. This means that clothing, shoes, hardware, medicine, automobiles, automobile repairs, tires, household furnishings, and many other articles will be increased in price to the consumer. It is also indicated that electricity and gasoline will be taxed and admissions to picture shows will be included. All of these proposed taxes strike at the masses of our people who are already burdened with property taxes, and privilege taxes, levied by the municipalities, counties, and States, which taxes Congress is powerless to remove or reduce, but we can and should equalize the tax burden on all the people of this Nation by refusing to increase the tax burdens upon millions of people who have but little of this world's goods, and we should increase the income-tax rates upon those who have made and are continuing to make huge fortunes. In conclusion, Mr. Chairman, I want to say that, regardless of what disposition may be made of the tax measure which will later come before this House, I hope the Tarver amendment to this bill will be adopted. [Applause.]

Mr. BYRNS. Mr. Chairman, the committee has not cut the Budget estimate one single cent. The Budget estimate was $106,000,000. This is one of the few items in the bill which the committee did not seek to reduce. I just wonder if this House, which has stood so loyally in behalf of economy during the consideration of all appropriation bills, and which has refused, in spite of every pressure, to increase any item of the Budget, is going to make an exception here. I do not think so, especially when I tell you that the superintendent of rural free delivery states that $106,000,000 will enable him to carry on next year as he is carrying on this year, and will enable him to maintain the present high standard of service.

Mr. TARVER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. TARVER. Did not the Chief of the Bureau of Rural Mails, referred to by the gentleman indicate further that proceeding under the appropriation as provided in this bill would necessitate the disallowance of petitions for extensions of existing routes, the creation of new routes, and affect the making of more consolidations of existing routes?

Mr. BYRNS. The superintendent of rural mails stated that he expected to save, through consolidations, the sum of $300,000 next year. I repeat, and the hearings so show, that he said the amount estimated by the Budget would enable him to maintain the present service, and, through savings, to put in some extensions; and, as Mr. Coleman said, he hoped to be able to put in some new routes, although there was no definite promise to that effect.

The gentleman from Georgia stated that they had more than $107,000,000 for the current year, but I call attention to the fact that they propose to expend this year only $106,543,000. They will turn back into the Treasury on June 30 $1,127,000. Now, why should we undertake to increase this appropriation over and above what the Budget has esti-

mated, simply for the purpose of having it turned back to the Treasury at the end of the fiscal year?

Mr. TILSON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. TILSON. Is it not a fact that many rural routes are still in existence which were laid out in the horse and buggy and mud roads era, where other consolidations are possible, so as to still further take advantage of the new era of good roads and thus save considerable additional sums?

Mr. BYRNS. Precisely. And I want to say that the Post Office Department is doing a splendid work in this matter of consolidating rural routes. No rural carrier loses his job; no one is displaced, but when a vacancy occurs in the rural service and it is found possible to consolidate that route with one other or with two others, as the case may be, it is consolidated, and no carrier is appointed to fill the vacancy. In that way the Post Office Department this year will save $400,000 to this service and to the Government, and it will save next year not less than $300,000, and Mr. Wood, the chief of the Rural Delivery Service, said in these hearings that it might be possible to save $400,000.

Mr. HASTINGS. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. HASTINGS. Does the gentleman believe the Post Office Department ought to retain that much money out of these appropriations when there are new applications for routes which have been approved by the inspectors and when there are extensions of routes which have been approved by the inspectors? I want to say to the gentleman that the letters from which I have quoted show that the statement has been made that these extensions could not be made because of financial conditions, and yet I call the gentleman's attention to the fact that the Postmaster General in his report says they have had money left over every year. How does the gentleman reconcile these statements?

[Here the gavel fell.]

Mr. PATTERSON. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. I said a moment ago that there would be $1,127,000 turned back into the Treasury on June 30. The gentleman refers to financial conditions. I presume he is speaking of the condition of this particular appropriation?

Mr. HASTINGS. That is exactly what I am speaking of.

Mr. BYRNS. But if the gentleman was speaking of the financial condition of the country, I do not know when it was as bad as it is now and when this Congress could render a better service to the country than by refusing to make unnecessary appropriations, thus preventing an increase in the deficit which it is said will exist June 30, 1933. However, the gentleman himself is a supporter of the rule and stood for it in connection with the Interior Department appropriation bill to the effect that we would not increase any items beyond that recommended by the Budget, and I would be surprised if my warm, personal friend from Oklahoma, one of the most earnest supporters of economy in the House, should undertake to increase an item above that of the Budget estimate, because if we should adopt this amendment it would mean increasing that estimate by $850,000.

Mr. HASTINGS. If the gentleman will yield, he is not going to get away with that. I did not criticize the gentleman because the committee allowed the full amount of the bureau's estimate, but the gentleman is not going to dodge me when I ask him this question: Does he believe that any of these appropriations should be left unexpended when there are applications for routes that have been approved and applications for extensions of routes that have been approved by the inspectors? That is what I want the gentleman to reply to.

Mr. BYRNS. I misunderstood the gentleman. I thought the gentleman was advocating this increase and I am very glad to know he is not.

Mr. HASTINGS. But I want the money we appropriate expended, and that is what I am inveighing against.

Mr. BYRNS. I agree with the gentleman, if that will satisfy the gentleman, that if they had routes which properly ought to have been put in, of course, they should have been put in.

Mr. HASTINGS. Every Congressman who represents a rural district knows that is true.

Mr. BYRNS. However, I will say to the gentleman that he is not going to cure that situation by appropriating $850,000 over and above the Budget Bureau's estimate.

Mr. HASTINGS. I am trying to put a little fire under the Post Office Department in order to make them expend the money appropriated by Congress and as directed by the Congress of the United States to be expended.

Mr. PATTERSON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. PATTERSON. I think that every Member who represents a rural district has received letters similar to those received by our colleague from Oklahoma [Mr. HASTINGS], and it seems to me the amendment offered by the gentleman from Georgia should be agreed to, for this reason: That if they had gone ahead and put in the routes that were approved by the inspectors, there would have been no complaint; but the fact is that every Member of Congress who represents a rural district was advised that these routes were not put in because of the lack of funds, yet it appears from the gentleman's statement that quite a sum of money is to be turned back into the Treasury which could have been used in establishing new routes or extending old routes.

Mr. BYRNS. But how are we going to cure that situation by appropriating $850,000 more than the Budget estimates and that much more than the Post Office Department states it is going to spend in 1933, and when, as a matter of fact, they are actually turning back this year into the Treasury $1,127,000? There is no use permitting ourselves to be misled in connection with an item of this sort. I have always been in favor of rural routes, and I am to-day. I want to see them continued and increased as the years go by, but there is no use losing our heads because this is a matter that affects rural free delivery. As I have said, we have not increased the Budget in a single item in any of these appropriations, and I appeal to the committee to keep up its good record in this instance. [Applause.]

Mr. PATTERSON. It appears, however, that there are 2,000 or 3,000 routes that could be established, but they say they can not be established because they do not have the money, yet they are turning back quite a sum of money into the Treasury this year.

Mr. BYRNS. How is the gentleman going to cure the situation, when it appears that we appropriated $1,127,000 more than they are going to use during the present fiscal year?

Mr. PATTERSON. But that might occur in the future if we did not take the proper action.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TARVER and Mr. PATTERSON) there were—ayes 27, noes 60.

So the amendment was rejected.

The Clerk read as follows:

For transportation of foreign mails by steamship, aircraft, or otherwise, including the cost of advertising in connection with the award of contracts authorized by the merchant marine act of 1928 (U. S. C., title 46, secs. 861–889; Supp. V, title 46, secs. 886–891x), $38,816,000: *Provided*, That not to exceed $7,000,000 of this sum may be expended for carrying foreign mail by aircraft under contracts which will not create obligations for the fiscal year 1934 in excess of $7,000,000: *Provided further*, That the Postmaster General is authorized to expend such sums as may be necessary, not to exceed $250,000 to cover the cost to the United States for maintaining sea post service on ocean steamships conveying the mails to and from the United States and not to exceed $3,600 for the salary of the assistant director, division of International Postal Service, with headquarters at New York City.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 57, line 14, after the word "City," insert: "*Provided further*, That none of the money

herein appropriated shall be paid on contract No. 56 awarded to the Seatrain Co. under the provisions of the merchant marine act of 1928."

Mr. LAGUARDIA. Mr. Chairman, I want to beg the attention of the committee for what I consider to be one of the most flagrant, incredible abuses of the merchant marine act. The act was passed for the purpose of aiding American shipping to meet foreign competition.

Now, please, gentlemen, listen to this. It is incredible.

The Post Office Department advertised for bids to transport railroad cars from the United States to Cuba, and so drafted the specifications that only one company could bid. This is bad enough in itself, but this one company was a Canadian company, operating one ship built in England and flying the British flag.

These are the facts, gentlemen. After the bids were put in, an American company from New Orleans called the attention of the department to the fact that they were operating two American ships in this ferry business of ferrying these cars from the United States to Cuba, that they asked for no subsidy, that they could meet the competition of the British ship, but they could not meet the competition of the British ship if a subsidy were given.

All of the facts will be found on page 2956 of the RECORD of January 29, 1932, so forcefully presented by the gentleman from Louisiana [Mr. MONTET].

I appeared before the Committee on Appropriations and gave all of the facts in the case and invited an inspection of the correspondence between the office of the Comptroller General and the Postmaster General. The comptroller has held that the contract was in violation of the law.

When we arrived here in December and I heard about this contract being awarded to this company operating a British ship, I protested to the Shipping Board because they were then considering a loan to this company under the provisions of the merchant marine act. The original company was the Overseas Railway Co., and when the protest was made that it was a Canadian company, the contract was awarded to the Seatrain Co., which was a reorganization and is now an American corporation. Their ship was a British ship flying the British flag at the time the contract was awarded. Please bear that in mind.

All of this matter is a matter of record between the office of the Comptroller General and the Post Office Department. The Comptroller General has held that the contract is illegal.

I informed the Shipping Board that a protest would be made if a loan were authorized under this contract, because the postal contract, as you gentlemen know, is the basis for a loan. I very ill-advisedly released a copy of my letter to the Shipping Board to the press. A Congressman will do this sometimes. One young man of the press, not representing any of the large papers or any of the press associations, but representing a trade paper, rang up the Shipping Board that Saturday afternoon and asked them about it. He was told to wait and to ring up in 10 minutes. He did ring up in 10 minutes, and they said, "We have just awarded the loan," which was a loan of a little over $2,000,000 for each ship.

We have it within our power to stop this abuse. This contract has not taken effect. You will find on page 216 of the hearings that the Postmaster General stated to the committee, "Of course, that contract is not yet effective. It is not in operation." Since then I have ascertained—and this was only yesterday—that it is not yet in operation. I personally inquired at the Shipping Board and found that no money has been paid on the loan authorized.

Now, I submit to every Member who has the interests of American shipping at heart that if we want to carry out the purposes of the merchant marine act the way to do it is to stop abuses of this kind, because abuses of this kind some day will cause Congress to protest and repeal the act.

There is no question of competition involved here. It is just a matter of ferrying railroad cars, and they do not expect to carry any mail. The American company operating two American-built vessels is not asking for any subsidy. The Seatrain contract is not yet in operation.

I say we can serve notice on the Post Office Department and on the Shipping Board that we expect to scrutinize their administration of the merchant marine act, their expenditure of public funds which we appropriate, and I know of no better way than to adopt the amendment which I have offered, the contract being not yet in effect, and in this way stop the execution and consummation of this contract. [Applause.]

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I merely wish to call the attention of the committee to a communication which was called to my attention to-day. It is a report of Mr. Manson on February 20, 1932, to General President William L. Hutcheson, of the United Brotherhood of Carpenters and Joiners of America.

I have received further information pertaining to work being done in the Orient on ships operated by the American Mail Line out of Seattle and San Francisco. These ships originally belonged to the Shipping Board Corporation and were sold to the Dollar interest. I have tried to find out the terms of contract and conditions of sale, and at this time I am at a loss to know what interest the United States Government has in these boats. These ships were well known as the President Line, and number about 10. Up to a few months ago our members in San Francisco and Seattle were employed on these ships when in port, doing most of the repairs and alterations. Now I am informed that this has all been changed and most of the work is being done abroad, which has a tendency to make the present bad conditions a little worse. The following is a list of jobs which is known to have been done on ships in the Orient recently:

Swimming tanks were constructed and placed on promenade deck of all these vessels.

A teak rail and bulkhead were constructed and installed around the promenade deck winches on all ships.

A number of the first-class state rooms were remodeled on most of the ships.

The Asiatic steerage in most of the ships has been repeatedly remodeled, and last month the ships began arriving with the whole of the steerage space in holds 8 and 9 remodeled into rooms.

The calking of decks on the ships is being done in the Orient continually. This work is done by taking on a crew of Chinese mechanics in Shanghai or Hong Kong and taking them along as a crew to Manila and back to their port of embarkation.

Any assistance that can be given in this matter will be greatly appreciated.

I call the attention of the House to what these big shipping companies are doing to help increase the unemployment in the United States.

Mr. GOSS. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. GOSS. I call the attention of the gentleman to page 69, section 7, of this bill, and ask the gentleman if he thinks that would stop such abuses?

Mr. CONNERY. Will the distinguished gentleman from Connecticut read it?

Mr. GOSS. I will.

SEC. 7. In the expenditure of appropriations in this act the Secretary of the Treasury in the case of the Treasury Department, and the Postmaster General in the case of the Post Office Department, shall, unless in his discretion the interest of the Government will not permit, purchase, or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

Mr. CONNERY. I would be in favor of that proposition.

Mr. GOSS. Does the gentleman think it would cure this difficulty that he speaks of?

Mr. CONNERY. No; I do not think that would take care of it. That would not make them employ carpenters in the United States.

Mr. LAGUARDIA. If the gentleman will yield, we had that question up when we were considering the merchant marine act, and we had the assurance by the steamship companies who have the subsidies that these abuses would not occur.

Mr. MONTET. Mr. Chairman, I hope the amendment offered by the gentleman from New York [Mr. LAGUARDIA] will prevail. The facts surrounding the transaction sought to be effected by this amendment were set out by me in detail and brought to the attention of the House on Janu-

ary 29 of this year. The facts stated by the gentleman from New York [Mr. LAGUARDIA] are correct.

The contract sought to be effected, in my opinion, is not within the provisions of the law. The manner in which the purpose of this contract was sought to be effectuated was not accomplished in the manner provided by law.

While bids were asked for under the advertisement, it was impossible for any company to bid except the Seatrain Co. The conditions of the advertisement were such that no one could bid except that particular company. Therefore there was absolutely no competition in the granting of this mail award. And, gentlemen of the committee, I want to assure you that there was not then and there is not now any necessity for this particular service between New Orleans and Habana. If this contract is carried out, you will be wiping out of our merchant marine the only like service we have in this country which is financed from beginning to end by private American capital and a company which has received no subsidy from our Government nor asked for any.

Mr. LAGUARDIA. And an American-built ship.

Mr. MONTET. Yes; an American-built ship. You will be absolutely wiping out of the Gulf trade that particular company. I hope, therefore, not only to serve notice on the Post Office Department and the Shipping Board that we are going to scrutinize their acts but in this day and time, when we are undertaking to practice economy, here is an opportunity to save $2,000,000. Why not do it?

The shipping trade between Habana and New Orleans does not need this particular service. If the service should be needed, we have an American company, with American capital, operated by Americans, ready to give us that service without the aid of a subsidy. [Applause.]

Mr. FOSS. Does this company the gentleman speaks of have mail contracts?

Mr. MONTET. No; it has no mail contracts. Their business has been carried on without Government subsidy, and it is ready and willing to give the necessary car service between New Orleans and Habana. To that end that particular company made application to the Interstate Commerce Commission for a permit to operate between New Orleans and Habana. That permit has been granted. This same Seatrain line to which was granted this contract protested to the Interstate Commerce Commission the application of this other company upon the ground that the business between New Orleans and Habana did not justify any more service. In spite of that fact it prevailed upon the Post Office Department, taking an opposite position, that the requirements of the business justified their service.

Mr. FOSS. The company the gentleman speaks of would be willing to assume mail contracts, would it not?

Mr. MONTET. Yes. There is no necessity for it; and as I just stated, in the interest of economy and for the purpose of serving notice once and for all on these various departments that we will scrutinize their actions, I hope the amendment of the gentleman from New York will prevail.

Mr. BYRNS. Mr. Chairman, much was said pro and con with reference to this particular contract in the hearings, and I confess that personally I was considerably impressed with what these gentlemen have had to say on the floor, but your committee was faced with this sort of a situation: The Postmaster General told us that he had entered into a contract. Of course, he made an explanation at some length of why he had done so. I invite the gentleman to read the hearings in order to have the other side of the proposition. The committee being faced with a contract which had been made by the Postmaster General under the law passed by the Congress, and faced with the further fact that in addition to this contract, which we were told had been duly signed, this particular Seatrain Co. had gone to the Shipping Board and had applied for a loan under the law and had been granted $5,250,000 to build two new additional ships, we felt there was nothing else for the committee to do save to make the appropriation necessary to carry out the contract. Otherwise, if the contract is a legal one, of course, the Seatrain Co. could go into the courts and enforce it against the Government.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. GARBER. Did the committee investigate the legality and the equity of the contract entered into?

Mr. BYRNS. It made the best investigation that it could. If the gentleman will examine the hearings, he will find them more or less extended with reference to this particular contract. The Postmaster General and the Second Assistant appeared and presented their side of the matter. Then Mr. Malone and possibly some other witnesses appeared and presented their side of the matter. The gentleman from New York [Mr. LAGUARDIA] appeared and made an able argument in support of the position he has taken here, and likewise the gentleman from Louisiana [Mr. MONTET]. The committee did not undertake to pass upon the legality of the contract. As I stated, the Postmaster General is vested with authority to make these contracts, and the committee felt this way about it. The committee considered this matter very carefully with a view to seeing whether or not an appropriation would be carried. This appropriation is made in a lump sum. It does not refer to any particular contract. If this amendment of the gentleman from New York be adopted and the contract is legal, it is not going to have the slightest effect on what this Seatrain Co. can collect out of the United States Government. While the amendment does say that none of this particular appropriation shall be used for this contract, nevertheless, the gentleman as a good lawyer knows that if the contract is legal all it would have to do would be to go to the Court of Claims and collect the amount of the contract. Therefore, if it is a legal contract, the amendment offered by the gentleman from New York is not going to save one dollar. On the contrary, it will put the United States Government to the expense of having this matter go through the courts. If it is not a legal contract, the Comptroller General, of course, following his duty, will see to it that the money is not expended on this particular contract.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COX. Are we to understand from what the gentleman says that his committee was impressed with the merits of this protest and that except for the fact that a contract had been made the committee probably would not have made the appropriation?

Mr. BYRNS. I did not want to make that statement, because the members of the subcommittee are all on the floor at the present time and are thoroughly capable of speaking for themselves. I said so far as I was concerned I was impressed with the position taken by the gentleman from Louisiana [Mr. MONTET] and the gentleman from New York [Mr. LAGUARDIA], but I felt then and I feel now that in view of the fact that this matter has gone to the extent of having the contract made, and in view of the fact that the Shipping Board has passed a loan of more than $5,000,000 for the building of two ships, there was nothing for the committee to do except to make the appropriation.

There was nothing else, as I construe it and as the committee construed it, except to go ahead and make the appropriation to carry out not only this contract but all contracts that have been made by the Postmaster General under existing law.

The Postmaster General did say to this committee, as you will find in the hearings, that in regard to the one ship that has been in operation all along from New Orleans to Habana, he did not propose to spend any money until Congress had passed upon that proposition.

Mr. LAGUARDIA. Because it was a British ship?

Mr. BYRNS. Because it was and had been a British ship. That was his reason. Of course, the Postmaster General felt, as I understood him, that that did not affect the situation because the company was afterwards chartered under American law, but he stated that as far as that one ship was concerned he did not propose to spend any money, but with reference to the two new ships, of course he does.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. LAGUARDIA. I am correct in stating that so far the contract has not been put into effect?

Mr. BYRNS. I think the gentleman is correct, except that this loan has been made.

Mr. LAGUARDIA. No. No money has been advanced up to yesterday.

Mr. BYRNS. I think the gentleman is right. I have stated the case to the House. As I say, the committee felt it would not be warranted in denying this appropriation upon a contract which had been legally entered into. Of course, if the House takes a different view, that is its responsibility.

Mr. THATCHER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. THATCHER. Did not the subcommittee also believe it was a question of basic policy, that Congress itself ought to determine by legislation?

Mr. BYRNS. The gentleman is entirely right.

Mr. THATCHER. And that the Committee on Appropriations ought not to undertake to legislate on the question of policy involved?

Mr. BYRNS. The gentleman is entirely right. We were simply following the law in making this appropriation.

Mr. MONTET. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MONTET. Did the Committee on Appropriations consider the legality or validity of the contract?

Mr. BYRNS. Not except as I have stated. We held extensive hearings.

Mr. MONTET. Then does the gentleman believe that if the contract is of doubtful validity, as I believe it is, in the event this Congress did control the appropriation in the manner sought to be effected by the gentleman from New York, the Seatrain Line would go to court and try to enforce collection?

Mr. BYRNS. Well, I do not know. I assume that the Seatrain Co. believes it has a legal contract, and I assume it would, because it is a very valuable contract, I have no doubt, as far as they are concerned.

Mr. MONTET. But does the gentleman believe that if the membership of this House feels that the contract, although effected by one department, is of doubtful validity or is illegal, it becomes our duty, even though we know the contract appears illegal, to make the appropriation?

Mr. BYRNS. Oh, no. If I thought the contract was illegal I would not vote for the appropriation. I do not know.

Mr. LAGUARDIA. The Comptroller General says it is not legal.

Mr. BYRNS. Then if that be true I assume he will not authorize the payment.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The question was taken; and on a division (demanded by Mr. BYRNS) there were—ayes 59, noes 28.

So the amendment was agreed to.

Mr. CONNERY. Mr. Chairman, I offer an amendment, which I send to the desk.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 57, at the end of the LaGuardia amendment, insert the following: "No part of any money appropriated by this act shall be used for contracting for repairing ships of the United States unless such contracts for repairing such ships shall be performed by citizens of the United States."

Mr. BYRNS. Mr. Chairman, I reserve a point of order on the amendment.

Mr. CONNERY. Mr. Chairman, my idea is to clear up the situation which I called to the attention of the House a few moments ago. These companies take on these crews at Hong Kong and they use foreign labor on repairing American vessels. I would like to see this stopped. With the unemployment situation in this country, we do not want American vessels, especially if they have subsidies from the United States, to take on foreign crews and give them work while we have plenty of men out of work in San Francisco, all over the Pacific coast and the Atlantic coast as well.

Mr. STAFFORD. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. STAFFORD. Do I understand the gentleman would ban any repairs to a ship, that might be necessary in foreign ports, unless it could be made with American labor?

Mr. CONNERY. Yes; I think I would.

Mr. STAFFORD. Then they would be anchored there until American citizens were transported over there?

Mr. CONNERY. Oh, I think we could find plenty of American citizens who are carpenters and mechanics in Hong Kong and Shanghai.

Mr. STAFFORD. But not in Siam or Australia or other ports around the world.

Mr. CONNERY. Besides, they have their own ship carpenters who can make emergency repairs on the ships. But that is not the idea. They are going over there and taking foreign labor to make permanent repairs with the idea of paying them small wages or wages that amount to nothing.

Mr. STAFFORD. Well, should we not require that all ships flying American flags shall only use Americans to man the ships?

Mr. CONNERY. Well, I would not be against that, either.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. LAGUARDIA. The gentleman will recall the fight we had when the merchant marine act was before us. That law provides, as I recall, that 75 per cent of the crew shall be made up of American citizens, but the trouble is that the very companies which are now getting subsidies from the United States Government disregard the law and they not only carry Chinese crews but a reserve crew to take the place of the Chinamen who desert after they reach port.

Mr. OSIAS. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. OSIAS. Is the gentleman aware that there is an American navy yard in the Philippines and that being so would the amendment preclude the employment of Filipino laborers on those ships?

Mr. CONNERY. I will say, in answer to the gentleman, that personally I am in favor of giving the Philippines their independence, and that would take care of the entire situation as far as the Philippines is concerned. [Applause.]

Mr. OSIAS. That would suit me very well.

Mr. STAFFORD. But that does not answer the gentleman's question.

Mr. BYRNS. Mr. Chairman, I make the point of order that the amendment is out of order, because while it is drawn in the form of a limitation it actually changes existing law, and may have the effect, and doubtless will have the effect, of changing existing contracts which have been entered into.

The CHAIRMAN (Mr. HOWARD). In the view of the Chair the point of order is not good, and it is overruled.

Mr. BYRNS. Mr. Chairman, I am only going to take two or three minutes. I do not think this amendment ought to be adopted. No matter what may be your opinion as to the real merits of it, let it come up as a matter of legislation.

Here we are asked, on an appropriation bill, to adopt an amendment which is purely legislation and which may, as a matter of fact, impair every contract the Government has entered into and subject the Government to a multitude of lawsuits on the part of every ship company which has a contract under this law.

I do not think, with the meager information we have, that we ought to adopt a drastic amendment of this sort.

Suppose a ship should go to Europe, to the African coast, or to the oriental coast and break down. What would happen? You could not even repair it under the terms of this amendment.

If you are going to adopt legislation of this kind, let us do it in an orderly way. Let it come from the proper legisla-

tive committee in the form of a legislative bill, when we can discuss it and safeguard it. But here you are asked to adopt an amendment and there is no man on the floor of this House who knows just where it will lead and just how it will affect the Government and the contracts which have been entered into.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

Mr. DAVIS. Mr. Chairman, I move to strike out the paragraph. I appeared before the subcommittee of the Appropriations Committee having in charge this bill and proposed a limitation in the form of an amendment so as to provide that hereafter no ocean mail contracts should be awarded under the merchant marine act of 1928 to any company which is directly or indirectly operating foreign-flag ships in competition with American-flag ships and also providing that no such contracts should be awarded to any industrial carrier—that is, a company engaged primarily in the transportation of its own products and not as a common carrier.

I understand in a general way that the committee declined to adopt this limitation on the ground that they considered it really a legislative matter. I have great respect and admiration for the distinguished chairman of the Appropriations Committee, my own colleague, and the other members of that committee, and ordinarily I would agree with them as to that. I myself am not in sympathy with the Appropriations Committee assuming legislative authority unless absolutely necessary. In this connection, however, I wish to call attention to the fact that during the last Congress I prepared and introduced a bill of the same character, except it did not embrace the industrial-carrier feature. The Committee on the Merchant Marine and Fisheries unanimously reported that bill; the Committee on Rules unanimously reported a resolution providing for the consideration of the bill; and it unanimously passed this House. Most of you gentlemen doubtless voted for it because nobody voted against it.

However, as meritorious as it was, and as strongly approved as it was at this end of the Capitol, it never became a law. It was smothered elsewhere through the influence of the Postmaster General, who desired to continue to exercise his power, and by the representatives of two of the lines which would be adversely affected by this American amendment. They are now fighting it. I want to state that I think I can safely predict that the Committee on Merchant Marine, Radio, and Fisheries will again report a bill of that character, and I believe the American Representatives in the House will again pass it.

However, as to what may result elsewhere, I am not now able to predict, and there would be a very strong, cogent reason for fastening a provision of this kind upon an appropriation bill which will pass and become a law, for this reason. After that bill to which I have referred, which provided nothing further than that thereafter an ocean mail contract should not be awarded to a company which was operating foreign-flag ships in competition with American-flag ships—after it had unanimously passed the House, the Postmaster General requested the Senate committee to hold it up, and while it was pending in that committee, and before the committee had acted upon it, he awarded three mail contracts.

[Here the gavel fell.]

Mr. DAVIS. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS. While it was pending, and in order to circumvent, in the event it became the law, he awarded three contracts for the carriage of ocean mail, involving several millions of dollars of the people's money, and one of the contracts, under its terms, was not to become effective for three years, and one was not to become effective for two years, showing that he did this deliberately for the purpose of circumventing the very bill which was pending.

Mr. BACON. Will the gentleman yield?

Mr. DAVIS. Yes.

Mr. BACON. Would the gentleman care to name those three contracts?

Mr. DAVIS. Yes; they were with the United Fruit Co., which was then and is now operating foreign-flag ships in competition with American-flag ships, and which, in addition to that, is now earnestly and diligently seeking a $5,000,000 increase in its contracts, and which is not only operating foreign-flag ships in competition with American-flag ships but which is an industrial carrier, and which is engaged primarily in the transportation of bananas and other fruit from the Tropics to the United States, where it has a virtual monopoly of the banana trade, as is known by all men.

And speaking about the lack of competition with respect to the Seatrain case, when these contracts were awarded during the pendency of that bill the specifications were worded in such a way that no other company could bid under the specifications except the United Fruit Co.

Mr. BACON. Could the gentleman give us the other two contracts?

Mr. DAVIS. I said there were three contracts awarded to the United Fruit Co.—all the same company.

Mr. KELLER. Who owns it?

Mr. DAVIS. Oh, it is a very wealthy corporation.

Now, what else? These specifications were prepared and advertised and bids called for in such a way that nobody else could bid on it.

All of the United Fruit Co. ships are refrigerated; that is, they are air cooled for the purpose of carrying bananas and fruit, and they brought nothing into this country except that. So the specifications in the advertisement provided that the ships under the proposed contract should be all refrigerated. There was another line that was in that service, a 100 per cent American line, composed of American ships flying the American flag, operated by an American company, whose ships were much larger than the United Fruit Co. ships. They said:

> If you will amend the specifications so as to provide that the refrigerated space for each ship shall be fully as much as the total capacity of the United Fruit Co. ships, we can then refrigerate that space and bid upon the contract and have left a large amount of other space for the carriage of general cargo for other people as a common carrier.

But the Postmaster General refused to do this, and so there was no competition in the bids for this service.

Now, judging from his performance in the past, I want to say to the gentlemen of the Committee on Appropriations, who are earnestly seeking to save—and I want to commend them for it—here is an opportunity, to my mind, to save several million dollars and do it not only in the interest of the taxpayer, but in the interest of an American merchant marine, because what assurance have we that he will not go along and accede to the request and the earnest efforts of the United Fruit Co. and give them an increase of $5,000,000 before we can get through Congress a general bill legislating upon the subject.

Now, what else? I want to say to those gentlemen who discussed the Seatrain proposition that that is insignificant. That is a baby compared with other things that have been done.

For instance, another company, and one that is fighting and will continue to fight American legislation of this kind, is the International Mercantile Marine, which has written contracts with the British Government, under which it contracts that it and its subsidiaries will do nothing injurious to the British trade or the British merchant marine, and the British Government reserves the right to cancel the contract if they do so, and so on. It is now operating 46 or 48 ships in the foreign trade owned by their subsidiary companies, which are incorporated under foreign countries, who have all foreign directors and officers and personnel on their

ships, and who are under all the obligations of nationality, such as ships are generally with respect to countries, subject to seizure and all that sort of thing in case of national emergency.

It is operating 46 or 48 ships in the foreign trade, and it is operating 1 ship, the *Minnekahda*, under the American flag in the foreign trade.

In the meanwhile, this company had a subsidiary, called the American Line, which has three fine ships, for the construction of which they borrowed three-quarters from the Government at a low rate of interest, and these ships are engaged in the intercoastal service, operating between New York and San Francisco through the Canal Zone.

That is in a protected trade, because under our law, which has been a law from time immemorial, no foreign ships can operate in the coastwise or intercoastal trade of this country. That is the law in other countries with respect to their coastwise service.

Notwithstanding the fact that it is operating 46 or 48 times as many foreign ships in direct competition with the American ships as it is operating American ships, it has a contract for $418,000 a year for transportation of mail between New York and Balboa, two American ports, which is forbidden by the law. [Applause.]

If you want to stop contracts that are illegal, under which the Government is paying out large sums, there is one to operate upon. Now it wants additional contracts, so it is fighting legislation of this kind.

There is one more line I wish to mention, and that is the Munson Steamship Co., which, under this bill, is getting $1,690,000 a year for the transmission of mails in four ships between New York and South America. In addition to that, last year it operated 129 foreign ships, and the year before that it operated 150 foreign ships, and, of course, it is against this legislation.

[Here the gavel fell.]

Mr. DAVIS. I ask for five minutes more.

The CHAIRMAN. Without objection, it is so ordered.

Mr. DAVIS. Mr. Chairman, now, strange as it may seem, these three foreign affiliated lines, which are serving two masters, if they are serving the American interests at all, have had more influence than the real American ship lines and they have had more influence than the taxpayers of the country. They have succeeded in having permitted the continuance of a policy that was never contemplated under the provisions of the merchant marine act of 1928. The whole purpose and spirit of that act, as stated in the first section, and repeatedly stated and shown all the way through, is solely for the purpose of building up the American merchant marine.

Whenever we put money into the coffers of companies who are so unpatriotic as to use their efforts to build up and operate foreign-flag ships in competition with American-flag ships, which American citizens are operating, I say that we have fallen on evil days. [Applause.]

Now, with the respect that I have for this distinguished committee, I dislike very much to offer an amendment to this bill, but I think I know that the members of this committee are favorable to the principle of the amendment. I think I know that they were prompted, as they say, by the other feature. But we are confronted with such a situation that if we wait until the ultimate passage of a general law, when certain interests are so powerful, commitments may be made that will cost the American taxpayers millions and millions of dollars. If this sort of policy is continued, I say that this whole structure is going to be torn down, the whole law will be repealed, because it is being prostituted and abused, and I am going to help do it. Those who are interested had better help clean house rather than tear down the house. I think most of us are for an American merchant marine, for a real honest-to-goodness merchant marine; we are not for any hybrid affairs, and we can not afford to stand for the people's money being diverted in such manner as is being done. [Applause.]

Mr. Chairman, I withdraw the other amendment I offered and offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS: Page 57, line 14, after the LaGuardia amendment, insert: "*Provided further*, That no part of this sum shall be used for the purpose of awarding, after March 1, 1932, an ocean mail contract under the merchant marine act, 1928, to or for extending or increasing an ocean mail contract now held by any person, firm, corporation, or association which directly or indirectly through any associate, affiliate, subsidiary, or holding company, or otherwise, operates as owner, agent, or charterer any foreign flag ships in competition with any American flag ships."

Mr. LAGUARDIA. Mr. Chairman, I rise in support of the amendment. It is certainly good to see the gentleman from Tennessee [Mr. DAVIS] back in his old form. [Applause.] It seems to me there can not be two sides to this question. We have legislated and provided funds to subsidize American shipping. The theory of that is to meet foreign competition. That is the reason we passed the merchant marine act of 1928, under the guise of postal contracts, because it was stated that American shipping could not meet foreign competition. We give a subsidy under the color of carrying mail. The payments are many times that of actual carrying mail on a poundage basis. Now, we are put in the ridiculous position, after only a little over three years of operation of this law, where we are simply handing out money to companies who are in agreement with foreign companies and who are dividing trade with foreign corporations and foreign shipping. Not only are these companies operating ships of foreign flag and registry but every one of these companies on the Atlantic is part of the conference with foreign-ship corporations outnumbered by them, and the conference arranges the schedules of sailings, the rates for freight, and for passenger service. I submit that if American companies are in agreement with foreign companies with an agreement to fix rates and sailings, there is no need of a subsidy. The case the gentleman pointed out of the Coast Line running from New York to San Francisco I took up with the comptroller in 1930. I have this complete report here and I shall put it in the RECORD if anyone desires it.

Mr. KELLER. Surely.

Mr. LAGUARDIA. It was held there that the line from New York to Balboa and Colon was a fiction, but that it satisfied the requirements of the law to bring it within its provisions to obtain a postal contract. So, as the gentleman states, we have a line entirely coastwise, where there can be no foreign competition, receiving a subsidy on the fiction that it drops mail at one side of the canal to bring it over to the other side of the canal by rail operated by the United States Government. This is an absolutely dishonest taking of public funds. So that there can be no question about this; here is a full-page ad of shipping contained in the New York Times. You will find there advertisements of the International Mercantile Marine Co., No. 1 Broadway. They advertise the White Star Line, a British line; they advertise the Red Star Line, a Belgian company; the Atlantic Transport, a British company—all under the one management and the one company. Yet we are paying subsidies to the merger of which this same company is a part. There can be no question about that.

Only recently we had a merger of the International Mercantile Marine, the Roosevelt Line, the American Steamship Line, the Dollar Line, and some other lines on the coast into one company, and where did they go to merge? To the great seaboard State of Nevada! They are incorporated under the laws of Nevada.

Out in the State of Nevada the various steamship companies under the sharp vigilance of the British shipping interests organized and formed a company which not only took over the United States Lines, with its great German-built *Leviathan*, but prepared itself for juicy contracts and fat subsidies from the United States Government, and every British shipowner licked his chops. The British shipping interests have outsmarted American operators. They listen to P. S. A. Franklin's stale stories, pretend to enjoy them and laugh, and then put over anything they want. Why, the International Mercantile Marine Co. has been and now is absolutely directed entirely by British brains and British interests. The only ray of hope is that soon Mr. Kermit

Roosevelt will be able to take control of the merger, for he is a splendid American, a good business man, and is developing into a real shipping authority. American shipping is in good hands with Kermit Roosevelt, but I stop there when I refer to the whole International Mercantile Marine crowd. We must by our action to-day insist upon a complete severance of American shipping interests with foreign interests. If the conference is necessary, if agreements with foreign shipping are necessary, if arrangements with foreign shipping interests on schedules and rates are necessary, then I say that ship subsidy from the United States Government is not necessary. These conferences have been the most vicious, the most selfish causes of losses to American interests. I know from personal knowledge that American shipping interests get the worst of every agreement, arrangement, or decision of these so-called conferences in which American shipping companies go in with the foreign shipping interests.

I am glad the gentleman from Tennessee, Judge DAVIS, offered the amendment. I am for it. The amendment which I had prepared was more inclusive and even broader. The action of the House to-day will serve notice on American ship companies receiving the benefit of millions of dollars of subsidy from our Government that we expect them to build up an American merchant marine and to use the subsidy for that purpose and for the purpose of competing foreign competition. Any company which will accept a subsidy from the American Government and then operate foreign ships is not only stealing public funds but is guilty of betraying its own country. The purpose of the subsidy—and I call it a subsidy, as I have said before, though it is given under the guise of a postal contract—is to stimulate and encourage American shipbuilding, American operation of American ships under American command and an American crew. Let certain companies on the Pacific coast take heed, particularly the Dollar Line, that if the practice of using a Chinese crew, engaging in the smuggling of Chinese into the country, paying starvation wages to a Chinese crew, in that way practically encouraging the smuggling of narcotics, is continued, that the American Congress will not stand for it and will by legislation put an end to such practice. If the Davis amendment is adopted, it may cause some inconvenience to British stockholders and British shipping interests, to Belgian stockholders and Belgian ships, to Norwegian stockholders and Norwegian ships, to crimps, shanghaing, Chinese coolies for the crews of certain ships; but it will eventually reflect to the benefit of an American merchant marine. We are willing to appropriate and generally assist the development of a real merchant marine, but the American people have a right to expect that it shall be a real American merchant marine, American built and owned, American operated, and manned by Americans. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that all debate upon this amendment be limited to 25 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BACON. Mr. Chairman, I rise in opposition to the amendment. I am in entire accord in principle with what the gentleman from Tennessee [Mr. DAVIS] has said. However, this presents a very serious legislative matter, and I think it would be fair to give the steamship lines the gentleman has mentioned an opportunity to be heard in their own defense. This is a legislative proposal that should not be added to an appropriation bill.

Mr. DAVIS. We held extensive hearings on that bill last year. Every one was invited to come. Some of the companies did come and appeared before the committee, and not a single solitary man who appeared there undertook to say that the bill was wrong or unsound in principle.

Everybody had full opportunity to be heard.

Mr. BACON. I agree absolutely with the gentleman in principle. I do not know anything about two of the lines which the gentleman from Tennessee mentioned, nor am I directly familiar with the International Mercantile Marine Co. and the Roosevelt Steamship Co., which the gentleman also mentioned, but through the courtesy of the gentleman from New York [Mr. LAGUARDIA] I have been given a copy of a letter which the Roosevelt Steamship Co. addressed to the Shipping Board. In all fairness to them I would like to read one or two paragraphs from that letter:

When the Roosevelt interests merged with and acquired control of the International Mercantile Marine Co. it was definitely understood that the future development of the company would be under the American flag exclusively, and this was one of the principal including reasons for the merger.

I may say that the Roosevelt of the Roosevelt Steamship Co. is Mr. Kermit Roosevelt, son of President Theodore Roosevelt.

The International Mercantile Marine Co. is anxious to and will dispose of all its foreign-flag vessels just as soon as a reasonable business offer can be obtained for them. At the present time, due to world-wide depression, it is absolutely impossible, as the board well knows, to find a purchaser for these foreign ships, except at a distress figure.

As the company desires to invest the money obtained for this foreign-flag tonnage in American ships, it is to the interest not only of the company and its stockholders to obtain a fair price, but of the American merchant marine as well. We state as emphatically as it is possible to do so that not only will the company sell its foreign-flag ships at the earliest opportunity consistent with good business, with a view to investing the proceeds in American ships, but that it will be their fixed purpose not to purchase or contract any additional foreign-flag vessels.

Therefore, if it had not been for this depression, the International Mercantile Marine Co. would have been rid of every single foreign ship at this time. Because of the world depression, this amendment offered by the gentleman from Tennessee [Mr. DAVIS] may force a group of fine Americans, who are trying to keep the American flag on the North Atlantic, to sell the remainder of their foreign-flag ships at ruinous prices.

I continue reading:

As a matter of fact, the company's present fleet of foreign-flag vessels averages about 14½ years of age, and as the commercial life of vessel property is 20 years, it is apparent that this foreign-flag fleet will disappear in any event over the next few years. Such replacements as are necessary to maintain trade the company expects to make with American steamers.

It is interesting to note that in November, 1918, the company received a very fair offer to sell all of their British-flag ships to a British syndicate, and that that sale was prevented by President Woodrow Wilson. Later, on November 26, 1918, the company was informed that the United States Government wished to purchase the company's British tonnage at the same price as that offered by the British syndicate, and a contract was prepared by the Shipping Board and was signed by the International Mercantile Marine Co.; but on April 1, 1919, the company was informed that the United States Government had concluded not to go ahead with their contract. The result of this was that through the interposition of President Wilson the sale of all the British tonnage of this line to a British company was prevented, and had the Government not interfered this company would have had no foreign ships at all. From that time on the International Mercantile Marine Co. did everything they could to dispose of their foreign-flag ships and were to some extent successful. In 1927 they succeeded in selling the White Star Line to the Royal Mail Steam Packet Co. As a matter of fact, since the war this company has disposed of 29 foreign-flag ships other than the White Star Line to a total tonnage of 217,405 tons. They have therefore sold a total of 55 foreign-flag ships since the war with a total tonnage of 617,405 tons. Then came the depression, and the few remaining ships under the foreign flags that they had could not be sold except at ruinous prices. Most of these remaining ships are old boats, averaging 14½ years of age, and it is my information that practically all, if not all of them, have been laid up and are not now being used. The company has stated to the Shipping Board that whatever price they may get for these ships will be put into new

American-built boats. They therefore wish to hold them for a better market in order to get as big a price as possible.

The effect of this amendment will be to force the company to sell in the present demoralized shipping market at a loss to them. I submit in all fairness that this amendment, legislative in character, tacked on to an appropriation bill, will work a great hardship to an American company, all of whose officers and directors are Americans, and also, whose list of stockholders shows that more than 96 per cent of the total shares outstanding are owned by American citizens.

To attack this group of Americans who are trying to rehabilitate the American merchant marine at a time when the markets of the world are demoralized and when a depression exists all over the world, is to say the least unfair and unsportsmanlike. It seems to me they should be given a reasonable time to dispose of their few remaining foreign ships before a provision, such as the gentleman from Tennessee suggests, is made part of the permanent law. If the gentleman from Tennessee will bring in legislation to accomplish what his amendment seeks to accomplish, and will give this American steamship line a reasonable and fair time to dispose of what is left of their foreign-flag tonnage, I will be glad to support him and vote for his bill. As I stated in my opening remarks, I am in agreement with him 100 per cent but in the carrying out of that principle I believe in American fair play.

[Here the gavel fell].

Mr. BACON. Mr. Chairman, I ask unanimous consent to extend my remarks by placing in the RECORD at this point the letter from the Roosevelt Steamship Co. addressed to the Shipping Board.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. BACON]?

There was no objection.

The letter referred to is as follows:

MARCH 23, 1931.

UNITED STATES SHIPPING BOARD,
Washington, D. C.

DEAR SIRS: Referring to the hearing held by the board on March 2 last with respect to the Roosevelt-International Mercantile Marine Co. merger, we have, as requested, amplified our statement made at this hearing and have included below the additional information asked for by the members of the board.

1. The International Mercantile Marine Co. is a New Jersey corporation, owned and controlled by American citizens and operated in their interests and for their profit. The company and its predecessors in interest have been in the steamship business and have owned and operated American steamers since 1870.

The latest list of stockholders of the International Mercantile Marine Co. shows that more than 96 per cent of the total shares outstanding are owned by American citizens. This list is on file with our transfer agents and available to you if you wish.

2. The interests controlling the Roosevelt Steamship Co.—Mr. Kermit Roosevelt, Mr. John M. Franklin, Mr. Basil Harris, Mr. Vincent Astor, and their banking associates—have recently acquired and now own a working control of the International Mercantile Marine Co. This working control was purchased with the definite idea of acquiring a company with large cash resources, efficient and experienced management, and a world-wide freight and passenger organization, which would furnish the basis for a major development exclusively under the American flag. In addition, it was believed that the excellent facilities of the International Mercantile Marine Co., including offices in all important cities and splendidly located North River piers, would at once be of the greatest value to the American Pioneer vessels, both from the standpoint of soliciting and of handling freight.

Moreover, it was apparent that the control of the International Mercantile Marine Co. would make available at the appropriate time the finances necessary to make a substantial bid for the American Pioneer Line.

The Roosevelt Steamship Co. has maintained and will continue to maintain its corporate identity.

3. In July, 1930, when the merger of the Roosevelt-International Mercantile Marine interests was under consideration and before any action had been taken, full details of what was then proposed was stated before the Shipping Board at an informal hearing for the purpose of ascertaining whether the board saw any possible objection either in principle or with respect to the plan of the contemplated merger. After a full disclosure and discussion, the Shipping Board offered no criticism or objection other than that it would be ultimately necessary to dispose of all foreign-flag operations. Following this hearing before the board the merger has been carried to a conclusion, both as to principle and method, precisely as outlined to the board in July, 1930, for the express purpose of expansion under the American flag.

4. The International Mercantile Marine Co. owns both American and foreign-flag steamers, operating across the Atlantic and intercoastal. It has recently completed at Newport News, Va., three of the largest and finest ships built in the United States—the steamship *California*, steamship *Virginia*, and steamship *Pennsylvania*. These ships are now running in the California-New York trade, and cost in excess of $21,000,000.

The present depreciated investment of the company in American flag tonnage amounts to about $21,000,000. This compares with the company's present investment in foreign-flag tonnage of about $17,500,000. The American tonnage, however, consists in the main of practically new ships, whereas the foreign-flag ships average about 14½ years.

When the Roosevelt interests merged with and acquired control of the International Mercantile Marine Co., it was definitely understood that the future development of the company would be under the American flag exclusively, and this was one of the principal inducing reasons for the merger.

The International Mercantile Marine Co. is anxious to, and will, dispose of all its foreign-flag vessels just as soon as a reasonable business offer can be obtained for them. At the present time, due to the world-wide depression, it is absolutely impossible, as the board well knows, to find a purchaser of these foreign ships except at a distress figure.

As the company desires to invest the money obtained for this foreign-flag tonnage in American ships, it is to the interest not only of the company and its stockholders to obtain a fair price but of the American merchant marine as well. We state as emphatically as it is possible to do so that not only will the company sell its foreign-flag ships at the earliest opportunity consistent with good business, with a view to investing the proceeds in American ships, but that it will be their fixed purpose not to purchase or construct any additional foreign-flag vessels.

As a matter of fact, the company's present fleet of foreign-flag vessels averages about 15½ years of age; and as the commercial life of vessel property is 20 years, it is apparent that this foreign-flag fleet will disappear in any event over the next few years. Such replacements as are necessary to maintain trades the company expects to make with American steamers.

5. It might be well to recall to the board's attention the determined efforts which the International Mercantile Marine Co. has made in the past few years to dispose of its foreign tonnage and to acquire American tonnage.

Since 1918 the company has made every effort consistent with obtaining a fair price to sell its foreign-flag tonnage.

In November, 1918, the company received an offer from a British syndicate to purchase all its British tonnage, which offer was accepted by cable by the directors of the company after the United States Government had been consulted and had given its informal consent.

On November 18, 1918, however, the president of the company received the following letter:

WHITE HOUSE, *November 18, 1918.*

MY DEAR MR. FRANKLIN: With regard to the sale to the British Government of the International Mercantile Marine, may I not request that no action be taken in the matter until the views of this Government are fully presented and considered?

Very sincerely yours,

WOODROW WILSON.

To this letter Mr. Franklin replied as follows:

NOVEMBER 20, 1918.

MY DEAR MR. PRESIDENT: Your letter of the 18th instant was received this afternoon and it will be placed to-morrow before the board of directors of the International Mercantile Marine Co.

I beg to advise you that the action heretofore taken by our board in this matter was upon our understanding that it met with the approval of our Government and I feel sure that our board would not wish to take any further steps looking to the completion of the transaction that would be contrary to your wishes.

Sincerely yours,

P. A. S. FRANKLIN.

On November 21, 1918, Mr. Franklin wrote President Wilson that in response to his request the board of directors would take no action until the views of the United States Government were fully presented and considered and received.

The following reply from President Wilson:

NOVEMBER 25, 1918.

MY DEAR MR. FRANKLIN: Allow me to acknowledge receipt of your letter of November 21 and to express my appreciation of the action of the board of directors of the International Mercantile Marine Co. in resolving to take no further action in the matter that has been under discussion until the views of the Government are fully presented and considered.

I hope and believe that I can give you the views of the Government in a very short time, because I realize that it is not fair to keep the board of directors in uncertainty.

With appreciation, sincerely yours,

WOODROW WILSON.

Thus, in accordance with the request of the President of the United States the sale to the British syndicate was suspended.

On November 26, 1918, the Hon. Bainbridge Colby, then acting chairman of the United States Shipping Board, notified the company that the United States Government had decided to purchase the company's British tonnage at the same price as that offered by the British syndicate, and a formal contract of purchase was prepared by the Shipping Board and signed by the International Mercantile Marine Co.

But on April 1, 1919, the Hon. R. B. Stevens, vice chairman of the United States Shipping Board, advised the president of the company that the United States Government had concluded not to go ahead with its agreement to purchase the British tonnage, as conditions had changed.

The result of the whole matter was that the company failed to sell its British tonnage either to the British syndicate or to the United States Government. If the United States Government had not interfered with the sale of the company's foreign-flag tonnage to the British syndicate or if it had carried out its agreement to buy the company's foreign-flag tonnage, the company would not to-day have any foreign-flag tonnage.

6. In 1920 the company offered to purchase from the United States Government through the United States Shipping Board for operation under the American flag 30 ex-German steamers for the lump sum of $28,500,000 and to recondition them at an expenditure which would have at least equaled that amount. The only reason that this offer was finally rejected was that the Shipping Board was enjoined from selling the ships to anyone.

7. The company continued its effort to dispose of its foreign tonnage, and in 1927 was successful in selling the White Star Line, its principal foreign-flag property, to the Royal Mail Steam Packet Co. The sale involved approximately one-half of the company's foreign-flag ships from the standpoint of tonnage. The character and importance of these ships and of the White Star Line, however, make this sale much more significant than even the great tonnage involved and plainly demonstrated the company's policy to abandon foreign-flag operations. The foreign-flag vessels not included in this sale, while substantial in tonnage, were of minor importance compared with the White Star Line ships.

The form of the transaction above mentioned was a sale by the International Mercantile Marine Co. of all of the stock of the Oceanic Steam Navigation Co., known as the White Star Line, for approximately $35,000,000. Approximately $24,000,000 of this purchase price has been paid, and there still remains due from the Royal Mail Steam Packet Co. the sum of about $11,000,000. The balance of this purchase price is secured by a lien or mortgage on the entire capital stock of the Oceanic Steam Navigation Co. By this transaction the company disposed of 36 foreign-flag vessels of approximately 400,000 tons, including the *Majestic*, *Olympic*, and *Homeric*, which were by far the most important of the company's foreign tonnage.

All payments of principal and interest to date have been paid by the Royal Mail Steam Packet Co. when due.

At various dates since the war the company has disposed of 29 other foreign-flag ships of a total tonnage of 217,405 tons.

This makes a total of 55 foreign-flag ships disposed of since the war, with a total tonnage of 617,405 tons.

Despite diligent efforts, the company has been unable to obtain any substantial offer for the balance of any of its foreign-flag tonnage, and it is an utter impossibility in the present world-wide depressed condition of shipping to expect that a purchaser can be found immediately.

As previously stated, the company's present investment in American ships has grown to $21,000,000, whereas the value of the company's investment in foreign ships has dwindled since 1927 from $68,000,000 to $17,500,000.

8. As suggested, we attach a statement showing the various trades in which the ships owned by the International Mercantile Marine Co. or its subsidiaries are running. You will observe that none of the company's services compete with the American Pioneer Line.

In the New York-London trade the Atlantic Transport Line is maintained by the *Minnekahda*, flying the American flag, and by the *Minnewaska* and *Minnetonka*, under the British flag.

The Baltimore Mail Steamship Co. is a corporation organized under the laws of Maryland. Its total authorized capital is $10,000,000, of which amount $3,000,000 of preferred stock has been issued. The Roosevelt Steamship Co. has subscribed to a total of $750,000 of this preferred stock and has an operating agreement with the Baltimore Mail Steamship Co. The International Mercantile Marine Co. has no service to Germany and, therefore, does not compete with the Baltimore Mail Steamship Co.'s service.

The Antwerp service controlled by the company has been largely responsible for making possible the present operating arrangement which has worked out so satisfactorily for the American Diamond Line. The company has been very glad to cooperate with the board in connection with this service and believes that this cooperation has been of great value to the board.

9. We also attach a copy of the latest consolidated balance sheet of the International Mercantile Marine Co. It will be observed that the foreign-flag companies are carried on the company's books as an investment in the sum of $20,153,000. In this amount there is an ample cash reserve. This investment has been completely segregated and is not dealt with as a part of steamship operations. It is treated precisely like any other investment made by the company in outside securities. The loss or profit on the investment will be a capital loss or gain, and has nothing to do with the company's American steamship operations. We repeat, this investment will be disposed of at the earliest possible moment.

None of the earnings from American-flag vessels have been, or will be, utilized in connection with the investment in the foreign-flag tonnage. On the contrary, just as soon as the foreign-flag vessels are sold these funds will become available for purchase of American tonnage.

10. In considering this whole question it should be borne in mind that the company's original purchases of foreign-flag ships were made at a time when there was no construction-loan fund or adequate mail compensation available to make possible the successful operation of steamers under the American flag in the foreign trade. In the situation then existing the company had to operate either foreign-flag ships or no ships at all. If it had not engaged in the steamship business with foreign ships, its experience and resources would not now be available in building up an American merchant marine.

The recent change in conditions which now makes possible, for the first time, operation under the American flag came about at a time when this company found itself with a large amount of foreign-flag tonnage on its hands and in a period of great world depression in shipping. It has been impossible for the company to change overnight under such conditions, although great progress has already been made and the end is clearly in sight.

It is obviously not in the best interests of the company, nor of the future of the American merchant marine, for this company to deplete its resources by unreasonable sacrifices of its remaining foreign-flag tonnage, because every such sacrifice would mean just so many dollars less which the company would have for the purchase of American-flag ships.

We submit that the American mercantile marine has been strengthened, actually and potentially, by the Roosevelt-International Mercantile Marine merger.

We believe that the company as to-day constituted is an alert, efficient, and experienced organization, which is fast approaching a position in which it can play a great part in the development of American shipping.

It must be apparent that any lack of sympathetic understanding of the great problem with which this company has been faced and which it has already largely met can only result in unnecessary injury to the company, its stockholders, and to the Nation, and prevent a group of earnest American shipping men from carrying to a successful conclusion a major development exclusively under the American flag, already under way.

Very truly yours,

ROOSEVELT STEAMSHIP CO. (INC.).

Mr. BOYLAN. Mr. Chairman, I am in favor of the development of the merchant marine. I voted for the celebrated White Act, and in every way cooperated to have the American flag flown on the seven seas. But in this proposition suggested in the amendment offered by the distinguished gentleman from Tennessee [Mr. DAVIS] we are going into legal questions.

Many of the amendments offered this afternoon should really have been submitted to the Attorney General for opinion. We of the Committee on Appropriations do not claim to be a committee of lawyers, nor are we supposed to pass on the legality of contracts. The gentleman from Tennessee has stated that legislation was introduced by him but not successfully passed in the last Congress. So the gentleman comes here and hopes by means of a rider, skillfully drawn, which provides a limitation, to put into effect legislation that he was unable to pass in the last Congress.

The question is, Is the Government going to keep the faith? We believe in the sanctity of a contract between individuals in industrial and commercial life. Is the Government going to keep the faith as they expect individuals to keep it? It has been held, in the interpretation of this rider, that contracts entered into for a 10-year period to carry the mails would not receive an appropriation for the next year or the ensuing years on these contracts, owing to the effect of this rider.

Mr. DAVIS. Will the gentleman yield?

Mr. BOYLAN. I regret I can not. I have only five minutes.

Are we going to have the Government be unfaithful to its contract? Shall it be said that the United States has entered into a contract with citizens in good faith and then violated that contract? The fleets of many of these companies that have mail contracts were purchased from the Shipping Board, and they were purchased alone on the proviso that a mail contract would go with them.

Now, after the Government has sold those fleets to the steamship men and given them a 10-year mail contract, they want to come in and say, "Oh, we have sold you the fleet; you are carrying the bag. We got rid of it. Now we will get after you by cutting off the appropriation to be paid for the carrying of the mail." Is that fair? Is that just? Is that equitable? Will that reflect credit upon our Government?

Why not let the gentleman from Tennessee bring in a bill in the regular way from his own committee, and give these people a chance to be heard, and then if the Congress

sees fit to pass the bill, well and good, but do not try to legislate indirectly by putting a rider of this kind on an appropriation bill.

The gentleman speaks about the Munson Steamship Co. of New York. That is an American company. They took over the management of our barge canal in the State of New York, and did it satisfactorily and well. Gentlemen, this is a fight between certain steamship companies that have purchased Shipping Board fleets, who have no foreign-flag vessels, and those companies that operate for the time being both lines. It is the old fight of the Mississippi Steamship Co. against the Munson Steamship Co. in the State of New York. It is unfair and unjust to these companies, and it is in violation of all law of equity and justice and right. Are we simply going to legislate because we have the power? Is it going to be a question of might making right? I think it would be unfair to the precedents established by those who have gone before us to pass legislation of this kind. If you want it, get it in the regular way and not by the devious, subterranean method of a rider, which is unfair because it is strictly one-sided; it does not give both sides an opportunity to be heard. The gentleman from Tennessee [Mr. DAVIS] submitted his rider to the Appropriations Committee, who rejected it. Now he tries to fasten it on the bill in committee.

Surely, gentlemen, this is a most unscientific way to legislate. Many Members are not familiar with this subject; the time for debate has been limited to a very few minutes, not enough to explain satisfactorily the points at issue.

When American companies, owned entirely by American citizens, made purchases of Shipping Board fleets under contracts to operate the fleets in specific trades, no such limitation as contemplated by this rider was even thought of. These companies believe that any such enactment affecting those holding existing contracts would tend seriously to impede their progress and perhaps to impair their very existence, not to mention the adverse effect upon their obtaining credit from banks and others.

In the light of all these facts I sincerely trust that the amendment will not prevail and that the distinguished gentleman from Tennessee [Mr. DAVIS] will bring in his legislation in the form of a bill so that it can be fully considered in the regular manner. [Applause.]

Mr. LAMNECK. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAMNECK. Mr. Chairman, ladies and gentlemen of the committee, in my opinion there is no amendment that has been offered before this body since it assembled in December that means more to the American Government than the amendment offered by the chairman of the Merchant Marine Committee. I am on that committee. I am a new member, but I have seen enough in our investigation of the affairs of the merchant marine and in the handling of the money the Government has appropriated for the building up of the merchant marine, not only in the loaning of money to build ships but also in the way of mail contracts, to come to the conclusion that the suggestion made by the gentleman from Tennessee [Mr. DAVIS] should receive the serious consideration of every Member of this House.

The original idea of the merchant marine act was to do what? It was to build our merchant marine, to be owned by American capital, to be used to carry merchandise made by American manufacturers, and also to be used as an auxiliary of the Navy in case of great emergency.

What justification have we for loaning money to a shipping company owned by foreign capital, and what business is it of ours to award a mail contract to a foreign-owned company in competition with an American-owned company? I can not see any sense in it whatever. It looks ridiculous to me. I hope the amendment passes.

Mr. WOOD of Indiana. Mr. Chairman, I do not think there is anyone here to-day who has any doubt whatever of my interest in the establishment of an American merchant marine. The fact is that I introduced the first bill at the time we were considering various bills for the establishment of an American merchant marine, and a portion of that bill is embodied in the present law. That law as passed did not suit me, as it did not suit many other Members of the House, but it was the best we could get under the circumstances. That it is defective we are all willing to admit, after the years it has been put into practical operation. But the very fact that it is defective and the fact that those defects have been proven, by reason of its application in practice, is all the more reason why the correction of those defects should be undertaken deliberately and after full knowledge of what we are doing. I think that all of you who listened to the able address made by the gentleman from Tennessee [Mr. DAVIS] concluded that there is so much involved in this amendment that some legislative committee ought to consider it from beginning to end, especially in view of the interests which are affected. I do not think anyone here wants to do the American merchant marine any injury.

I want to call your attention to the fact that in 1915 we had no merchant marine. There were no merchant vessels plying the seas. There was just one on the Pacific Ocean, and that is all. However, since the war and by reason of the war we have realized the necessity of having an American merchant marine, and we set about building one.

When we passed a law providing for the establishment of an American merchant marine, who was going to invest their money in it? It was the men who were in the shipping business at the time, men who knew something about the game. They were the owners of vessels and, of necessity, they were at that time under foreign registry. Ever since that time they have been trying to get out from under that foreign registry, and most of them would have succeeded in doing that completely had it not been for the world-wide depression we are in.

You take the United Fruit Co. It had 56 vessels under foreign registry at the time the merchant marine act was passed.

These have been reduced more than one-half. I hold no brief for the United Fruit Co., but their business is largely in South and Central America and, as has been said, they are largely engaged in the raising and transporting of bananas to the United States. Of necessity, they have to have some of their vessels under registry with the South and Central American Republics in order to do business in those countries. Are you going to destroy all the good they are doing the United States simply because of the fact that of necessity, and in order to transact their business, they have to register some of their ships in this way. Are you going to wipe them out of business on this account? I do not think this is fair, and I do not believe the gentlemen here will consider it fair.

The gentleman from Tennessee [Mr. DAVIS] has said that he introduced a bill at the last session of Congress and that it passed unanimously, but this amendment is not that bill. It was different from his now proposed amendment, as the gentleman admitted when he had the floor; and sitting here as a Committee of the Whole we should be very careful about the application of this Holman rule, and if it were not for the Holman rule the amendment would be subject to a point of order. Therefore we should be very careful in passing legislation upon appropriation bills for fear of the very thing I am telling you now. We are liable to hurt some one.

If this amendment becomes law you are going to make it impossible for any modification or any change in the contract, either for the benefit of the United States or for the benefit of the shipowners. There are millions and millions of dollars invested in this matter and I want to say to you gentlemen that I want to see a merchant marine for the United States established upon a sound and substantial basis, and I ask that you do not do anything at this time by legislating upon an appropriation bill that you will have cause to regret.

You will never know the benefit that this merchant marine has been to the people of the West and to the people all over this country in furnishing them an avenue through which they could ship in American bottoms. So do not hurt this industry now by this legislation; be fair and let all parties interested have a chance to be heard.

Mr. DAVIS. Mr. Chairman, I understand there are 6 minutes remaining which I had asked for in order to conclude the debate; and inasmuch as we can do this by unanimous consent, I ask unanimous consent that the gentleman from New York [Mr. CULLEN] may have 2 minutes of that time and then I shall conclude in the 4 minutes remaining.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. CULLEN. Mr. Chairman, I have been listening very attentively to this debate as it has gone along this afternoon. If there is one man more than another that stands on the floor of this House for the benefit of an American merchant marine, with no egotism on my part, I may say it is myself. I have worked in every way to promote the American flag upon the seven seas of the globe. [Applause.]

I have great respect for the chairman of the Merchant Marine Committee [Mr. DAVIS], whose judgment on these matters I fully recognize, but there is now a simple problem before the House. Are we going to abrogate contracts that the Government has made with these shipping people because of some damage that may be done by some American or foreign ships?

We have entered into a direct contract with the Government and just as my friend, the gentleman from New York [Mr. BACON] has said, these shipowners are willing and ready to dispose of their ships and bring them under the American flag as fast as they can do so.

I do not think you gentlemen are now going to sit here and destroy the shipping industry altogether just because a few foreign ships are carrying the mail. These foreign ships that are carrying the mail to-day were purchased by American shipowners and they are going to take that flag off of them as soon as they can, and therefore we ought not to put ourselves in the position of destroying contracts that the Government has made with these American citizens by destroying their contracts relative to carrying the mail. I know very well that you gentlemen are now going to do this, and I hope that the amendment will not pass. If we are to have legislation, let us bring it in in a proper manner and consider it in a proper parliamentary way.

Mr. DAVIS. Mr. Chairman, the gentleman from New York, Mr. CULLEN, and the gentleman from New York, Mr. BOYLAN, are both laboring under a misapprehension. The amendment does not in any wise affect or attempt or purport to affect any existing contracts. On the contrary, it says this:

Provided further, That no part of these funds shall be used for the purpose of awarding, after March 1, 1932, an ocean mail contract—

And so forth.

In other words, it simply forbids the future awarding of contracts, and does not in any respect affect any existing contract. So that answers the argument made by these two gentlemen.

You have adopted an amendment which does affect a contract, but I do not undertake to do that in the amendment I propose, and do not want to be as drastic unless it becomes necessary.

Mr. BACON. I want to call to the attention of the gentleman that the International Mercantile Marine Corporation does want to sell its ships, but they could not sell them by March of next year.

Mr. DAVIS. The International Mercantile Marine Corporation has been saying that for years. I asked the president a year ago why they did not cancel the contracts with the British Government. They have not undertaken to do so—they have made no effort to do so. They can to-morrow transfer every one of their foreign-flag ships to American registry if they want to, and provided their master, Great Britain, will permit them to do it.

During the World War they made a tentative deal to sell their vessels to the United States, but Great Britain, our own ally, refused to permit them to be transferred to American registry, and so the deal was not consummated. That is the situation they are in. You are defending men who have boldly and defiantly made and maintained these contracts and operated a large number of foreign-flag ships, and yet obtained a mail contract in violation of the law. That is doubtless due to the fact that J. P. Morgan & Co. are the chief stockholders. [Applause.]

The gentleman from Indiana defends the United Fruit Co. and says that they could not operate the ships unless under foreign flags. I deny that such is the fact. This amendment does not keep any of them from operating all the ships they want to under any flag which they wish. It simply says if they do operate under a foreign flag, they must go to them for help and not expect the American taxpayers to put up the money for them. [Applause.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. WOOD), there were 70 ayes and 58 noes.

So the amendment was agreed to.

Mr. CONNERY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

At the end of the Davis amendment, just adopted, insert:
"*Provided further*, That none of the money herein appropriated shall be paid to any company having a contract under the merchant marine act of 1928 which carries a foreign crew in violation of law or which contracts for repairs other than emergency work in foreign countries."

Mr. BLAND. Mr. Chairman, I make the point of order against the amendment on the ground that it is legislation on an appropriation bill and interferes with the discretion of an executive officer.

Mr. BYRNS. And upon the further ground that a similar amendment has already been voted upon this afternoon.

The CHAIRMAN. It is not exactly a similar amendment. The point of order is overruled.

Mr. CONNERY. Mr. Chairman, this amendment is offered now to take care of the objections which were raised to the other amendment offered a while ago. This allows repairs to be performed on our ships in a foreign port if they are emergency repairs, such as was referred to by some one as the breaking of a propeller or anything of that sort.

At the same time it prevents these ships from going to Hong Kong, Shanghai, or a foreign port, taking on foreign crews, then going to Manila, and while en route having this crew perform work such as changing staterooms, remodeling staterooms, building guard rails—in other words, permanent repairs—which should be done on the Pacific coast, in Seattle or San Francisco, by American workmen. I have no desire to offer any amendment which would prevent these ships from doing emergency repairs such as the repairing of a propeller or the repairing of engines. I do not believe they should be allowed to employ foreign laborers for permanent repairs when those repairs should be done in the United States by American workmen, and can be done here.

Mr. BYRNS. Mr. Chairman, as I said a while ago on an amendment similar to this, this is but another step toward putting legislation on an appropriation bill without consideration upon the part of the committee and without knowledge on the part of the House. I think matters of this importance ought to be left to the legislative committee, so that it could bring in a bill, if such a bill is necessary, which has been fully considered by that committee and which we will be certain will not run the chance of impairing existing contracts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 24, noes 43.

So the amendment was rejected.

Mr. BYRNS. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: Page 57, line 3, strike out "$38,816,000," and insert "$38,695,600."

Mr. BYRNS. Mr. Chairman, this amendment is offered in view of the action taken this afternoon by the committee in striking out of the bill the appropriation which will be necessary for the so-called Seatrain contract.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

For balances due foreign countries, $1,400,000.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to; accordingly the committee rose, and the Speaker having resumed the chair, Mr. HOWARD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9699 and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. SUMMERS of Washington, for the day, on account of illness.

Mr. DRAIN, for two days, on account of illness.

Mr. PATTERSON, for one week, on account of the illness of his son.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 14 minutes p. m.) the House adjourned until to-morrow, Wednesday, March 2, 1932, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

FEBRUARY 25, 1932.

To the Clerk of the House of Representatives:

Pursuant to clause 4 of Rule XXVII, I, J. CHARLES LINTHICUM, move to discharge the Committee on the Judiciary from the consideration of the joint resolution (H. J. Res. 208) entitled "A joint resolution proposing an amendment to the eighteenth amendment of the Constitution," which was referred to said committee January 15, 1932, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. J. Chas. Linthicum.
2. James M. Beck.
3. John J. O'Connor.
4. Anning S. Prall.
5. Patrick J. Carley.
6. James M. Fitzpatrick.
7. William A. Pittenger.
8. Stephen A. Rudd.
9. William J. Granfield.
10. James T. Igoe.
11. William P. Connery, jr.
12. Emanuel Celler.
13. Percy H. Stewart.
14. Malcolm B. Baldrige.
15. F. LaGuardia.
16. W. L. Tierney.
17. Samuel B. Pettengill.
18. J. O. Fernandez.
19. Jas. L. Whitley.
20. George W. Lindsay.
21. Parker Corning.
22. Leonard W. Schuetz.
23. Charles H. Martin.
24. Patrick J. Boland.
25. Augustine Lonergan.
26. Florence P. Kahn.
27. Ruth Pratt.
28. Martin L. Sweeney.
29. Charles D. Millard.
30. Harry L. Englebright.
31. A. Piatt Andrew.
32. N. Lichtenwalner.
33. Melvin J. Maas.
34. Harry P. Beam.
35. William H. Dieterich.
36. Harry C. Ransley.
37. Francis B. Condon.
38. Richard J. Welch.
39. William E. Hess.
40. John J. Boylan.
41. Gerald J. Boileau.
42. Ralph Horr.
43. Gardner R. Withrow.
44. M. K. Reilly.
45. E. W. Goss.
46. Peter C. Granata.
47. B. M. Jacobsen.
48. C. E. Hancock.
49. Edward A. Kelly.
50. John J. Delaney.
51. Chester C. Bolton.
52. Charles A. Karch.
53. John B. Hollister.
54. William I. Sirovich.
55. W. F. Brunner.
56. William H. Sutphin.
57. Guy E. Campbell.
58. John J. Douglass.
59. John J. Cochran.
60. George P. Darrow.
61. Michael J. Hart.
62. James Wolfenden.
63. John W. McCormack.
64. Paul H. Maloney.
65. Clark Burdick.
66. Loring M. Black, jr.
67. Robert H. Clancy.
68. Frank Oliver.
69. George J. Schneider.
70. Thomas R. Amlie.
71. C. D. Sullivan.
72. Peter A. Cavicchia.
73. Harry A. Estep.
74. Robert L. Bacon.
75. Martin J. Kennedy.
76. Fred A. Hartley, jr.
77. Samuel S. Arentz.
78. James M. Mead.
79. John C. Schafer.
80. Frederick R. Lehlbach.
81. Samuel Dickstein.
82. Thomas H. Cullen.
83. George N. Seger.
84. William P. Cole, jr.
85. William H. Stafford.
86. Edward Lowber Stokes.
87. John M. Evans.
88. Harold Knutson.
89. Joseph A. Gavagan.
90. Vincent L. Palmisano.
91. Charles A. Kading.
92. O. L. Auf der Heide.
93. James J. Connolly.
94. Frank P. Bohn.
95. Isaac Bacharach.
96. L. C. Dyer.
97. Jesse P. Wolcott.
98. Seymour H. Person.
99. Roy O. Woodruff.
100. Oscar De Priest.
101. Wm. L. Fiesinger.
102. Henry W. Watson.
103. George Holden Tinkham.
104. A. P. Lamneck.
105. John Q. Tilson.
106. Clarence J. McLeod.
107. Andrew L. Somers.
108. Robert Crosser.
109. Sol Bloom.
110. Pehr G. Holmes.
111. Joseph L. Hooper.
112. Wilbur M. White.
113. C. F. Curry.
114. W. G. Andrews.
115. Stephen W. Gambrill.
116. Clarence F. Lea.
117. Hubert H. Peavey.
118. Geo. F. Brumm.
119. Numa F. Montet.
120. William E. Hull.
121. Richard S. Aldrich.
122. R. M. Kleberg.
123. Benj. M. Golder.
124. Mary T. Norton.
125. Carl R. Chindblom.
126. John W. Boehne, jr.
127. Edmund F. Erk.
128. Patrick J. Sullivan.
129. Byron B. Harlan.
130. H. F. Niedringhaus.
131. Dennis Chavez.
132. Thos. S. McMillan.
133. Edmund F. Cooke.
134. Fred A. Britten.
135. Joseph W. Martin, jr.
136. Albert E. Carter.
137. Charles L. Gifford.
138. Frank H. Foss.
139. R. B. Wigglesworth.
140. A. J. Sabath.
141. A. J. Montague.
142. R. P. Freeman.
143. J. E. Major.
144. Hamilton Fish, jr.
145. J. J. Mansfield.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, March 1, 1932.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Wednesday, March 2, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Railroad holding companies (H. R. 9059).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

Post-graduate school for the United States Naval Academy.

COMMITTEE ON PATENTS

(9.30 a. m.)

Theater owners.

COMMITTEE ON THE JUDICIARY

(10 a. m.)

To create a Federal Industrial Commission to aid in the stabilization of employment in industry, agriculture, and commerce, and for other purposes (H. R. 5317).

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

(10 a. m.)

Granting certain lands to the board of commissioners of the Orleans levee district in the city of New Orleans, State of Louisiana, for levee and street purposes (H. R. 8779).

To amend an act for the relief of contractors and subcontractors for the post office and other buildings, and work under the supervision of the Treasury Department (H. R. 9348).

Authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes (H. R. 9146).

To provide for the sale of an easement for a railway right of way over the post office at Newark, N. J. (H. R. 8981).

To provide for the sale of a portion of the site of the post office and customhouse building in Newark, N. J. (H. R. 8980).

To authorize the transfer of jurisdiction over public land in the District of Columbia (S. 2498).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GILBERT: Committee on the Library. H. Con. Res. 24. A concurrent resolution thanking the Governor of the State of Virginia for the statues of George Washington and Robert E. Lee; without amendment (Rept. No. 640). Referred to the House Calendar.

Mr. LEAVITT: Committee on the Public Lands. H. R. 6059. A bill to continue the authorization for the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges in and approach roads to the national parks and monuments under the jurisdiction of the Department of the Interior, and for other purposes; with amendment (Rept. No. 641). Referred to the Committee of the Whole House on the state of the Union.

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 1225. A bill authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Campus Martius Memorial Museum, of the city of Marietta, Ohio, the silver service presented to the United States for the gunboat *Marietta;* without amendment (Rept. No. 643). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRANE: Committee on Naval Affairs. H. R. 5828. A bill to authorize the attendance of the Navy Band at the convention of the Veterans of Foreign Wars of the United States at Sacramento, Calif.; with amendment (Rept. No. 646). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRANE: Committee on Naval Affairs. H. R. 5847. A bill to authorize the attendance of the Marine Band at the Confederate Veterans' reunion to be held at Richmond, Va.; with amendment (Rept. No. 647). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRANE: Committee on Naval Affairs. H. R. 6444. A bill authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Alabama Society of Fine Arts the silver service presented to the United States for the United States ship *Montgomery;* without amendment (Rept. No. 648). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRANE: Committee on Naval Affairs. H. R. 8635. A bill to authorize the attendance of the Marine Band at the United Spanish War Veterans' convention at Milwaukee; with amendment (Rept. No. 653). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on the Public Lands. H. R. 8914. A bill to accept the grant by the State of Montana of concurrent police jurisdiction over the rights of way of the Blackfeet Highway, and over the rights of way of its connections with the Glacier National Park road system on the Blackfeet Indian Reservation in the State of Montana; without amendment (Rept. No. 655). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Idaho: Committee on Irrigation and Reclamation. S. 3706. An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law; without amendment (Rept. No. 656). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. S. J. Res. 110. A joint resolution authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress; with amendment (Rept. No. 657). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. DRANE: Committee on Naval Affairs. H. R. 600. A bill for the Relief of Robert Bennett; without amendment (Rept. No. 642). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 5289. A bill for the relief of Samuel Puff Bailey; with an amendment (Rept. No. 644). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 5594. A bill for the relief of Harold I. June; without amendment (Rept. No. 645). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 6637. A bill authorizing the President to present a medal of honor to Richmond Pearson Hobson; without amendment (Rept. No. 649). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 6860. A bill for the relief of Florence Northcott Hannas; without amendment (Rept. No. 650). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 7939. A bill to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando; without amendment (Rept. No. 651). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 8120. A bill for the relief of Jack C. Richardson; without amendment (Rept. No. 652). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 8970. A bill to authorize certain officers of the United States Navy and the Marine Corps to accept such decorations, orders, and medals as have been tendered them by foreign governments in appreciation of services rendered; without amendment (Rept. No. 654). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9905) granting an increase of pension to Marilla Flynn; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 5951) granting an increase of pension to Emma S. Young; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MICHENER: A bill (H. R. 9968) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. GREEN: A bill (H. R. 9969) to authorize the erection of a 200-bed addition to the United States Veterans' Administration hospital at Lake City, Fla.; to the Committee on World War Veterans' Legislation.

By Mr. BUTLER: A bill (H. R. 9970) to add certain land to the Crater Lake National Park in the State of Oregon, and for other purposes; to the Committee on the Public Lands.

By Mr. ANDRESEN: A bill (H. R. 9971) to amend subdivision (a) of section 4 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended; to the Committee on the Judiciary.

By Mr. HARTLEY: A bill (H. R. 9972) to regulate the shipment in interstate commerce, the manufacture, sale, importation, exportation, and use (except for lawful purposes) of explosives, brass knuckles, stilettos, machine guns, tear gas, tear bombs, and other weapons and instrumentalities used in the perpetration of crimes of violence; to the Committee on Interstate and Foreign Commerce.

By Mr. BOLAND: A bill (H. R. 9973) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mrs. NORTON (by request of the Commissioners of the District of Columbia): A bill (H. R. 9974) to authorize appointment of public-school employees between meetings of

the Board of Education; to the Committee on the District of Columbia.

By Mr. CARLEY: A bill (H. R. 9975) relating to contracts for the erection or alteration of public buildings; to the Committee on Public Buildings and Grounds.

By Mr. MEAD: A bill (H. R. 9976) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Commmittee on the Library.

By Mr. DOXEY: A bill (H. R. 9977) to amend the Judicial Code to require that presentments, indictments, and trials of crimes and offenses shall be in the division wherein such crimes and offenses were committed, that jurors shall be returned from the division wherein the term of the court is held, and that grand juries shall be discharged whenever sessions are discontinued for five days; to the Committee on the Judiciary.

By Mr. GRIFFIN: A bill (H. R. 9978) to provide for the honorary designation of St. Anns Churchyard in the city of New York as a national shrine and for the erection of a monument or statue thereon to the memory of Gouverneur Morris; to the Committee on the Library.

By Mr. GREGORY: A bill (H. R. 10016) to amend the Judicial Code; to the Committee on the Judiciary.

By Mr. WARREN: Concurrent resolution (H. Con. Res. 26) to establish a commission, to be known as the United States Roanoke Colony Commission, to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C.; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALMON: A bill (H. R. 9979) granting a pension to Julius Harrison; to the Committee on Pensions.

By Mr. BACHMANN: A bill (H. R. 9980) granting an increase of pension to Lydia D. Roberts; to the Committee on Invalid Pensions.

By Mr. BARTON: A bill (H. R. 9981) granting a pension to James E. Hamilton; to the Committee on Invalid Pensions.

By Mr. CHRISTGAU: A bill (H. R. 9982) granting a pension to Mary Tompkins; to the Committee on Pensions.

By Mr. CRAIL. A bill (H. R. 9983) for the relief of Bernard Gallagher; to the Committee on Military Affairs.

By Mr. DISNEY: A bill (H. R. 9984) granting a pension to Ralph Smith; to the Committee on Pensions.

Also, a bill (H. R. 9985) for the relief of Jennie May Lee; to the Committee on Claims.

By Mr. FINLEY: A bill (H. R. 9986) granting a pension to Joshua S. Mullins; to the Committee on Invalid Pensions.

By Mr. GAVAGAN: A bill (H. R. 9987) for the relief of Paris H. Qualles; to the Committee on Pensions.

Also, a bill (H. R. 9988) granting a pension to Matthew A. Henson; to the Committee on Pensions.

By Mr. GUYER: A bill (H. R. 9989) granting a pension to Frank C. Tyson; to the Committee on Pensions.

By Mr. HAINES: A bill (H. R. 9990) granting a pension to Rafael Manuguid; to the Committee on Pensions.

Also, a bill (H. R. 9991) granting an increase of pension to Annie M. Wierman; to the Committee on Invalid Pensions.

By Mr. HARTLEY: A bill (H. R. 9992) for the relief of Thomas Luciano; to the Committee on Naval Affairs.

Also, a bill (H. R. 9993) granting a pension to Anna Marie Eggers; to the Committee on Pensions.

By Mr. HAWLEY: A bill (H. R. 9994) for the relief of Kiser's (Inc.); to the Committee on Claims.

By Mr. HESS: A bill (H. R. 9995) granting a pension to Charles W. Ammann; to the Committee on Pensions.

By Mr. HOPKINS: A bill (H. R. 9996) granting an increase of pension to Martha M. Lane; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 9997) granting an increase of pension to Walter W. McGowen; to the Committee on Pensions.

By Mrs. KAHN: A bill (H. R. 9998) for the relief of the McGilvray-Raymond Granite Co.; to the Committee on Claims.

By Mr. KLEBERG: A bill (H. R. 9999) granting a pension to Ellen Loughborough; to the Committee on Pensions.

By Mr. LEWIS: A bill (H. R. 10000) for the relief of William E. Friend; to the Committee on Military Affairs.

By Mr. LICHTENWALNER: A bill (H. R. 10001) granting a pension to Augustus Zieber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10002) granting a pension to Charles B. Deysher; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 10003) for the relief of Joseph Salinghi; to the Committee on Claims.

By Mr. NELSON of Wisconsin: A bill (H. R. 10004) for the relief of B. H. and Margaret Hibbard; to the Committee on Claims.

By Mr. PARKER of Georgia: A bill (H. R. 10005) granting a pension to Oliver H. Davis; to the Committee on Pensions.

Also, a bill (H. R. 10006) granting an increase of pension to Lucy D. Maddox; to the Committee on Pensions.

By Mr. PERKINS: A bill (H. R. 10007) granting an increase of pension to Mary H. Thompson; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 10008) granting a pension to Albert W. Ostner; to the Committee on Pensions.

By Mr. STALKER: A bill (H. R. 10009) granting an increase of pension to Emma L. Perry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10010) granting a pension to Cora B. Dwyer; to the Committee on Pensions.

By Mr. SWICK: A bill (H. R. 10011) granting an increase of pension to Mary J. Pattison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10012) granting an increase of pension to Susan E. Burritt; to the Committee on Invalid Pensions.

By Mr. TEMPLE: A bill (H. R. 10013) granting an increase of pension to Emma J. Rizor; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 10014) granting an increase of pension to Mary M. Adams; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 10015) granting an increase of pension to Margaret Bennett; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3166. By Mr. ALMON: Petition of Mrs. W. E. Pettus, of Huntsville, president Woman's Christian Temperance Union, signed by 1,195 citizens of Madison County, Ala., supporting the maintenance of the prohibition law and its enforcement, and against any measure looking toward the modification, resubmission to the States, or repeal of the eighteenth amendment; to the Committee on the Judiciary.

3167. By Mr. ANDREW of Massachusetts: Petition signed by officers and members of Lobster Fishermen's Protective Association, Gloucester, Mass., favoring passage of White-Nelson bill prohibiting the importation of lobsters less than 10½ inches in length; to the Committee on Merchant Marine, Radio, and Fisheries.

3168. By Mr. ANDREWS of New York: Resolution adopted by 75 women of the Woman's Christian Temperance Union of Wilson, N. Y., urging support of the prohibition law; to the Committee on the Judiciary.

3169. Also, resolution adopted by John A. Boechat Post, No. 295, of the American Legion, urging opposition to the reduction of civil-service salaries; to the Committee on Appropriations.

3170. By Mr. BACON: Petition of 79 residents of Freeport, N. Y., and vicinity, protesting against the modification, re-

submission, or repeal of the eighteenth amendment; to the Committee on the Judiciary.

3171. Also, petition of Branch 44, Fleet Reserve Association, Central Islip, N. Y., protesting against the creation of a department of national defense; to the Committee on Expenditures in the Executive Departments.

3172. Also, petition of Branch 44, Fleet Reserve Association, Central Islip, N. Y., protesting against the reduction of Government salaries; to the Committee on Expenditures in the Executive Departments.

3173. Also, petition of Branch 44, Fleet Reserve Association, Central Islip, N. Y., protesting against the enactment of House bill 409; to the Committee on Naval Affairs.

3174. Also, petition of Group No. 2646 of the Polish National Alliance of the United States, 10 Henrick Avenue, Glen Cove, N. Y., urging the establishment of October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3175. By Mr. CANNON: Petition of G. W. Miller and other citizens of Fulton, Mo., opposing House bill 8902; to the Committee on the District of Columbia.

3176. Also, petition of Eunice Wright and other citizens of Mexico, Mo., opposing House bill 8902; to the Committee on the District of Columbia.

3177. By Mr. CHRISTGAU: Resolution adopted by members of the Yellow Bank Farmers' Union, Local No. 151, Lac qui Parle County, Minn., favoring the passage of Senate bill 1197, introduced by Senator FRAZIER, and House bill 7797, introduced by Representative SWANK; to the Committee on Agriculture.

3178. Also, petition signed by the citizens of Dodge Center, Minn., protesting against the passage of House bill 8092, providing for the observance of Sunday by barbers in the District of Columbia; to the Committee on the District of Columbia.

3179. Also, resolution adopted by the Northwest Pay Bonus Now Organization of Hibbing, Minn., urging that favorable action be taken on the measure providing for the immediate cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

3180. By Mr. CONNERY: Petition of veterans and citizens of Des Moines, Iowa, favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3181. Also, petition of veterans and citizens of Illinois, favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3182. Also, petition of veterans and citizens of Akron, Cleveland, and Ravenna, Ohio, favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3183. Also, petition of veterans and citizens of Forest City, Ill., favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3184. Also, petition of veterans and citizens of Wisconsin, Pennsylvania, and Illinois, favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3185. By Mr. CONDON: Petition of Emily J. Round and 30 other citizens of Rhode Island, opposing House bill 8092, providing for the closing of barber shops on Sunday in the District of Columbia or any other compulsory religious measures that have been or shall be introduced; to the Committee on the District of Columbia.

3186. By Mr. CROSS: Petition of Jewell Sorley and others, of Waco, Tex., opposing legislation tending to the reduction of salaries of postal employees; to the Committee on Expenditures in the Executive Departments.

3187. Also, petition of farmers of Eddy, Tex., expressing their attitude toward the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

3188. Also, petition of farmers of Temple, Tex., expressing their attitude toward the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

3189. Also, petition of farmers of Belton, Tex., expressing their attitude toward the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

3190. Also, petition of farmers of Chilton, Tex., expressing their attitude toward the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

3191. Also, petition of farmers of Rosebud, Tex., expressing their attitude toward the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

3192. Also, petition of farmers of Moody, Tex., expressing their attitude toward the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

3193. Also, petition of farmers of Mart, Tex., expressing their attitude toward the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

3194. Also, petition of farmers of Copperas Cove, Tex., expressing their attitude toward the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

3195. By Mr. DAVENPORT: Petition of Bessie A. Peacock and 62 other citizens of Blossvale, N. Y., protesting against compulsory Sunday observance, and particularly against the passage of Senate bill 1202 entitled "A bill providing for the closing of barber shops on Sunday in the District of Columbia"; to the Committee on the District of Columbia.

3196. By Mr. DICKINSON: Petition of 15 residents of Kansas City, Oyer, Osceola, and Humansville, Mo., protesting against the passage of House bill 8092 or any other compulsory Sunday observance bills that have or may be introduced; to the Committee on the District of Columbia.

3197. By Mr. ENGLEBRIGHT: Petition of Mrs. J. McSweeney, of Portola, Calif., and various other citizens of the community, protesting against Sunday closing; to the Committee on the District of Columbia.

3198. Also, petition of J. R. McClelland and other citizens of Eldorado County, Calif., protesting against Sunday closing; to the Committee on the District of Columbia.

3199. Also, petition of Richmond Chamber of Commerce, Richmond, Calif., indorsing House bill 7115; to the Committee on Agriculture.

3200. Also, petition of Loren L. Ewing, commander Shasta Post, No. 197, the American Legion, indorsing cash payment of soldiers' bonus legislation; to the Committee on Ways and Means.

3201. Also, petition of citizens of Susanville, Calif., protesting against Sunday closing legislation; to the Committee on the District of Columbia.

3202. By Mr. EVANS of California: Petition signed by 25 persons, opposing the resubmission of the eighteenth amendment to the States by a resolution to submit a repeal amendment either to State conventions or to State legislatures for ratification; to the Committee on the Judiciary.

3203. Also, petition signed by approximately 162 persons, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3204. Also, petition signed by approximately 79 persons, urging the maintenance of the prohibition law and its enforcement; to the Committee on the Judiciary.

3205. By Mr. GAMBRILL: Petition of the Woman's Christian Temperance Union of Prince Georges County, Md., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3206. By Mr. GARBER: Petition of the members of the Woman's Christian Temperance Union organization of Boise City, Okla., opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3207. Also, petition of John Barrett, United States marshal of Ancon, Canal Zone, urging passage of Hon. WILL R. WOOD'S bill pertaining to the Canal Zone; to the Committee on Interstate and Foreign Commerce.

3208. Also, petition of citizens of Foss, Okla., urging passage of Senate bills 1197 and 2487 and House bill 7797; to the Committee on Agriculture.

3209. Also, petition of Mrs. Lincoln Beerbower, Warren, Ariz., regarding the need for legislation providing adequate

protection to our domestic copper industry; to the Committee on Ways and Means.

3210. Also, petition of citizens of the eighth district of Oklahoma, urging passage of House bill 9593; to the Committee on the Judiciary.

3211. Also, petition of Morjan, of Detroit, Mich., opposing passage of House bill 8768; to the Committee on Interstate and Foreign Commerce.

3212. Also, petition of associated industries of Oklahoma; to the Committee on Appropriations.

3213. Also, petition of members of the Farmers' Educational and Cooperative Union, Shawnee, Okla., urging passage of Senate bills 2487 and 1197 and House bill 7797; to the Committee on Agriculture.

3214. Also, petition of George W. Elliott, of Philadelphia, urging passage of House bill 8681 and Senate bill 717; to the Committee on Interstate and Foreign Commerce.

3215. Also, petition of J. B. Ford Co., of Wyandotte, Mich., opposing House bill 8768; to the Committee on Interstate and Foreign Commerce.

3216. Also, petition of school children of Tulsa public schools, urging passage of No. 12381; to the committee on the Public Lands.

3217. Also, petition of citizens of Enid, Okla., protesting against an increase in taxes on motor vehicles, tires, accessories, and service parts; to the Committee on Ways and Means.

3218. Also, petition of citizens of Tonkawa, Okla., urging support of tariff on oil; to the Committee on Ways and Means.

3219. Also, petition of J. H. Hill, of Tulsa, Okla., opposing proposed Federal gasoline tax; to the Committee on Ways and Means.

3220. Also, petition of citizens of St. Louis, Mo., urging passage of Senate bill 3677; to the Committee on Interstate and Foreign Commerce.

3221. Also, petition of citizens of Philadelphia, urging passage of the Norris-LaGuardia anti-injunction bill; to the Committee on Labor.

3222. Also, petition of S. A. Rourke, 3717 North McKinley, Oklahoma City, Okla., urging enactment of old-age pension legislation; to the Committee on Labor.

3223. Also, petition of Doctor Church, of Akron, Ohio, urging passage of Senate bill 2683 and House bill 4499; to the Committee on Military Affairs.

3224. By Mr. GAVAGAN: Petition of Private (First Class) Moe Wolff Post, No. 113, Veterans of Foreign Wars of the United States, urging passage of House bill 1; to the Committee on Ways and Means.

3225. By Mr. GLOVER: Petition of citizens and landowners of southeast Arkansas; to the Committee on Agriculture.

3226. By Mr. GOSS: Petition of Burton L. Frink, Robert Taylor, Orvil Curtis, and other citizens of Canaan and East Canaan, Conn., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3227. Also, petition of Group No. 2258 of the Polish National Alliance of Thomaston, Conn., asking that on the 11th day of October of each year a proclamation be issued by the President for the observance of the day as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3228. Also, petition of Group No. 2128 of the Polish National Alliance of Beacon Falls, Conn., asking that on the 11th day of October of each year a proclamation be issued by the President for the observance of the day as General Pulaski Memorial Day; to the Committee on the Judiciary.

3229. Also, petition of Group No. 283 of the Polish National Alliance of Waterbury, Conn., asking that on the 11th day of October of each year a proclamation be issued by the President for the observance of the day as General Pulaski Memorial Day; to the Committee on the Judiciary.

3230. Also, petition of the Woman's Christian Temperance Union of Seymour, Conn., protesting against the resubmission of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3231. By Mr. HOPKINS: Petition presented by E. C. Kessler and signed by 107 citizens of Maryville, Mo., protesting against House bill 8092 to provide compulsory Sunday observance; to the Committee on the District of Columbia.

3232. By Mr. JOHNSON of Missouri: Petition of Central Trades and Labor Assembly of Springfield, Mo., favoring legislation for the Sunday closing of barber shops in the District of Columbia, H. R. 8092; to the Committee on the District of Columbia.

3233. Also, petition of Mrs. D. W. Coates and others, of Sedalia, Mo., opposing legislation for the Sunday closing of barber shops in the District of Columbia, H. R. 8092; to the Committee on the District of Columbia.

3234. Also, petition of Local No. 259, Journeymen Barbers International Union, of Sedalia, Mo., favoring legislation for the Sunday closing of barber shops in the District of Columbia, H. R. 8092; to the Committee on the District of Columbia.

3235. By Mr. JOHNSON of Texas: Petition of Terry L. Moore, of Gause, Tex., favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

3236. By Mr. JONES: Petition of E. B. Wright and 9 other citizens of Castro County; S. S. Adamson and 15 other citizens of Donley County; John Turcotte and 122 others of Gray County; W. T. Plumlee and 71 others, of Crosby County; J. O. Latta and 158 others, of Cottle County; J. D. Coleman and 149 others, of Collingsworth County; W. J. Collier and 50 others, of Dickens County; J. H. Adkins and 109 others, of Dawson County; J. W. Lanin and 65 others, of Floyd County; W. W. Brownlee and 94 others, of Fisher County; M. L. Graham and 73 others, of Hardeman County; F. A. Linnville and 9 others, of Haskell County; M. S. Hudson and 100 others, of Hale County; W. O. Thomas and 90 others, of Hall County; J. A. Goss and 102 others, of Hockley County; Chas. M. Davis and 70 others, of Lubbock County; W. R. Stokes and 32 others, of Lynn County; W. O. Moore and 133 others, of Scurry County; L. D. Chamblin and 122 others, of Terry County; M. L. Risner and 136 others, of Wheeler County; J. R. Patten and 6 others, of Cochran County; all of the State of Texas; and W. H. Pratt and 14 other citizens of Ellis County, Okla., with reference to the agricultural marketing act; to the Committee on Agriculture.

3237. By Mr. KADING: Petition signed by Prof. C. F. Bolle and 10 other members of the faculty of Northwestern College, Watertown, Wis., believing that it would not be desirable to sell Admiralty Island in southeastern Alaska, but to preserve it because of its magnificent scenery, fine forests, and wild-life reserve; to the Committee on the Public Lands.

3238. By Mr. KELLER: Petition of Veterans of Foreign Wars, FitzPatrick Post, No. 32, Pulaski County, Ill., favoring the payment of the balance of the adjusted-compensation certificates; to the Committee on Ways and Means.

3239. By Mr. KETCHAM: Petition representing 1,050 residents of the communities of Allegan, Plainwell, Otsego, Benton Harbor, Niles, Buchanan, Marcellus, Centreville, Three Rivers, Paw Paw, Covert, Prairieville, Wayland, and Woodland, all of the fourth district of Michigan, supporting the eighteenth amendment, the Volstead Act, and adequate appropriations for the enforcement of the same; to the Committee on the Judiciary.

3240. By Mr. KVALE: Petition of United Veterans, Swift County Unit, Benson, Minn., urging enactment of House bill 7230; to the Committee on World War Veterans' Legislation.

3241. By Mr. LANKFORD of Virginia: Petition of Dr. R. L. Raiford and 50 petitioners of Franklin, Va., urging maintenance of the eighteenth amendment and opposing any change in same; to the Committee on the Judiciary.

3242. By Mr. LONERGAN: Petition of the Polish National Alliance, memorializing Congress to proclaim October 11 of each year as General Pulaski Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3243. By Mr. LUCE: Petition of members of Sergt. Wm. E. Walter's Auxiliary, No. 46, United Spanish War Veterans, Framingham, Mass., urging consideration of House bill 7230; to the Committee on Pensions.

3244. By Mr. MANLOVE: Petition of residents of the fifteenth congressional district of Missouri: Mrs. L. W. McClelland, J. D. Huddleston, Nina Huddleston, J. W. Barger, Alice Shipman, Mrs. M. Wheeler, Mrs. E. R. Denny, Mrs. J. J. Burbridge, Mrs. E. W. Sams, Olive B. Bailey, Nettie Wheeler, S. J. Adams, J. R. McLaughlin, E. Nichols, F. L. Harrington, D. D. Ellis, Carl Peterson, A. L. Gardner, H. C. Tarr, J. M. Underwood, J. A. Griggs, Mrs. Ben Allen, Mr. and Mrs. C. E. Earl, Mr. and Mrs. J. R. Hooker, Mr. and Mrs. F. W. Davis, S. I. Barton, and others, against House bill 8092; to the Committee on the District of Columbia.

3245. By Mr. MEAD: Petition of Harry B. Bentley Post, No. 443, American Legion, Elmira, N. Y., opposing reduction of appropriations or personnel in citizens' military training camps, Officers' Reserve Corps, or Army, Navy, and Marine Corps; to the Committee on Appropriations.

3246. Also, petition of Polish National Alliance, Group No. 834, urging enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3247. Also, petition of Italian Chamber of Commerce in New York, protesting against House bill 9393; to the Committee on Foreign Affairs.

3248. Also, petition of International Association of Machinists, Niagara Lodge 330, urging passage of Senate bill 935; to the Committee on the Judiciary.

3249. By Mr. PATMAN: Resolution of American Legion Post, No. 9, Ogden, Utah, submitted by Harold Ambler, commander, and Jos. M. Roerenes, adjutant of said post, urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3250. Also, resolution of American Legion Post, No. 169, Eldorado, Ill., submitted by Cecil C. Stinson, adjutant, and 174 members of said post, indorsing immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3251. Also, resolution of American Legion Post, No. 92, Alva, Okla., submitted by V. G. Gardener, commander of said post, indorsing full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3252. Also, resolution of American Legion Post, No. 16, Cudahy, Wis., submitted by Herbert G. Schubring, adjutant of said post, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3253. Also, resolution of San Joaquin Chapter, No. 15, Disabled American Veterans of World War, Stockton, Calif., submitted by Norman L. Weinstein, adjutant of said chapter, indorsing full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3254. Also, resolution of American Legion Post, No. 190, Crandall, Tex., signed by C. McSween, secretary, and other members of said post, indorsing immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3255. Also, resolution of American Legion Post, No. 247, Honey Grove, Tex., submitted by J. Frank Parrish, service officer, and other officers of said post, indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3256. Also, resolution of American Legion Post, No. 295, Wollaston, Mass., signed by Richard Rowles, chairman of said post, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3257. Also, petition of American Legion Post, No. 230, at Lookeba, Okla., urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3258. Also, resolution of American Legion Post, No. 678, at New York, N. Y., submitted by William F. Beck as chairman of resolutions committee of said post, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3259. Also, resolution of American Legion Post, No. 57, at Chaska, Minn., submitted by A. F. Lahl, as adjutant of said post, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3260. Also, resolution of American Legion Post, No. 38, at Piggott, Ark., submitted by John H. Weller, as adjutant of said post, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3261. Also, petition of G. B. Green and 24 other World War veterans of Mathis, Tex., urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3262. Also, petition of citizens of Paintsville, Ky., submitted by Bert Roberts, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3263. Also, petition of Homer E. Kirkpatrick and 21 other ex-service men of Trenton, Fannin County, Tex., indorsing full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3264. Also, petition of W. A. McNeel and 114 business concerns of Hearne, Tex., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3265. Also, petition of L. F. Morningstar and 167 veterans of Salem, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3266. Also, resolution of American Legion Post, No. 114, Batesville, Ark., submitted by R. W. Tucker, commander of said post, opposing the action of the Arkansas delegation to the national convention, and urging full cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3267. Also, petition of Jacob P. Hooper and 67 other ex-service men, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3268. Also, petition of F. H. Patterson and 290 other veterans and legionnaires of Paris, Tex., and other near-by towns, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3269. Also, petition of American Legion Post, No. 225, Whitewright, Tex., signed by officers and members of said post, indorsing immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3270. Also, petition of Edmund C. Yates and 38 other ex-service men of Fisher County, Tex., urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3271. Also, petition of John L. Ennis and six other World War veterans of Dayton, Ohio, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3272. Also, petition of American Legion Post, No. 59, and other citizens of Roan Mountain, Tenn., submitted by James D. Powell, as vice commander of said American Legion post, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3273. Also, petition of E. J. Garven and 39 other citizens of San Antonio, Tex., urging immediate payment of the balance due on adjusted-service certificates; to the Committee on Ways and Means.

3274. Also, resolution of veterans in Windham and Willimantic, Conn., adopted at an open meeting, and presented by James J. Lee, as chairman of the committee, urging immediate payment of the balance due on adjusted-service certificates; to the Committee on Ways and Means.

3275. Also, petition of Arthur F. Hubbard and 158 other members of the American Legion Post at Graham, Tex., and other ex-service men in that vicinity, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3276. Also, petition of J. R. Hayes, adjutant American Legion Post, No. 264, Burkburnett, Tex., and 329 other citizens of that locality, indorsing House bill 1, providing for full payment of adjusted-service certificates; to the Committee on Ways and Means.

3277. Also, petition of American Legion Post, No. 12, Rockmart, Ga., urging immediate payment of adjusted-

compensation certificates in full; to the Committee on Ways and Means.

3278. Also, petition of Henry C. Payne and 72 other veterans of Johnson City, Tenn., urging immediate payment of the balance due on adjusted-service certificates; to the Committee on Ways and Means.

3279. Also, resolution of Post No. 24, Department of Arkansas, American Legion, indorsing immediate payment of the adjusted-service certificates in full; to the Committee on Ways and Means.

3280. Also, petition of every unit of the Veteran Marine Corps Legion in the United States, submitted by Edward A. Callan, national adjutant, indorsing immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3281. Also, petition of Charles Stanley Snyder and 20 other citizens of Laurinburg, N. C., urging the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3282. Also, petition of J. H. Hurst and 100 other citizens of Hemphill, Sabine County, Tex., urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3283. Also, petition of Gurley Fields and 17 other citizens of Evergreen, N. C., urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3284. Also, resolution of American Legion Post, No. 149, Beaver, Okla., signed by R. E. Weir, adjutant, and W. M. Wilson, commander, of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3285. Also, resolution of American Legion Post, No. 71, Denton, Tex., submitted by Jack Hodges, adjutant of said post, urging full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3286. Also, resolution of American Legion Post of Texarkana, Ark., submitted by William S. James, of said post, indorsing the payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3287. Also, resolution of American Legion Post, No. 90, signed by A. L. Whitson, commander of said post, Timpson, Tex., indorsing immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3288. Also, petition of American Legion Post, No. 164, Alma, Mich., submitted by R. A. Gaffney, commander of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3289. Also, resolution of American Legion Post, No. 66, Sulphur Springs, Tex., submitted by M. T. Gafford, adjutant of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3290. Also, resolution of American Legion Post, No. 5, McMechen, W. Va., signed by Thomas J. Cooper, adjutant of said post, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3291. Also, resolution of American Legion Post, No. 12, Tyler, Tex., submitted by Joe J. Lindsey, adjutant of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3292. Also, resolution of American Legion Post, No. 430, Chicago, Ill., submitted by R. C. Kreigh, commander of said post, indorsing immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3293. Also, resolution of American Legion Post, No. 164, at Imboden, Ark., submitted by Joseph A. Hedrick, commander, and W. I. Swink, adjutant of said post, urging immediate payment of the balance due on adjusted-service certificates; to the Committee on Ways and Means.

3294. Also, petition of D. F. McLaurine and 378 other disabled World War veterans and 13 citizens and taxpayers of Legion, Tex., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3295. Also, petition of John E. Thoms and 51 other World War veterans residing near Roxton, Tex., urging immediate payment of the adjusted-service certificates as provided in House bill 1; to the Committee on Ways and Means.

3296. Also, petition of American Legion Post, No. 368, and 105 citizens of Joaquin, Tex., submitted by D. O. Sholar, commander of said post, urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3297. Also, petition of veterans of the National Home, Danville, Ill., signed by Elmer C. Spiker and 100 other veterans, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3298. Also, petition of Frank Lewis and 200 other World War veterans, of Chicago, Ill., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3299. Also, petition of W. A. McNeel, service officer, American Legion Post, No. 454, Hearne, Tex., and 142 other veterans, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3300. Also, petition of Edward Felker and 160 other World War veterans of the State of Pennsylvania, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3301. Also, petition of T. H. Martin, jr., and 52 other veterans of Azle, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3302. Also, petition of Hugh W. Clemmons and 26 other veterans, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3303. Also, petition of American Legion Post, No. 301, Littlefield, Tex., signed by T. Wade Porter and 134 members of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3304. Also, petition of W. H. English and 138 other ex-service men of Tripp and Mellette Counties, S. Dak., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3305. Also, resolution of American Legion Post, No. 249, at Manteca, Calif., submitted by Maurice Tracie, as adjutant of said post, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3306. Also, resolution of American Legion Post, No. 322, at the National Military Home, Calif., submitted by Collin N. Ball, as adjutant of said post, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3307. Also, resolution of the Disabled American Veterans of the World War, Chapter No. 4, Austin, No. 5, Bonham, No. 6, Tyler, No. 21, Wichita Falls, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3308. Also, resolution of American Legion Post, No. 29, Lawton, Okla., submitted by George W. McMillan and Sanford Brandon of said post, indorsing payment of the adjusted-service certificates; to the Committee on Ways and Means.

3309. Also, resolution of Minnesota Amputation Post, No. 1559, Veterans of Foreign Wars, Minneapolis, Minn., submitted by John E. DeVeau, commander of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3310. Also, resolution of American Legion Post, No. 325, Los Angeles, Calif., submitted by Woodson Jeffreys, adjutant of said post, urging immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

3311. Also, resolution of American Legion Post, No. 272, submitted by John A. Simpson, chairman, and other members of said post, demanding immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3312. Also, resolution of the delegates of the Oregon to Washington, D. C., veterans, signed by George Allman and

other delegates, unanimously urging the immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3313. Also, petition of American Legion Post, No. 235, Emory, Tex., signed by W. B. Clendenin, adjutant, and other members of said post, urging the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3314. Also, resolution of American Legion Post, No. 121, Waco, Tex., submitted by George O. Jones, commander of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3315. Also, resolution of American Legion Post, No. 255, Gunter, Tex., submitted by Porter W. Davis, commander, and other members of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3316. Also, resolution of American Legion Post, No. 50, Big Sandy, Mont., submitted by Robert W. Greene, commander of said post, urging the immediate payment of the adjusted-service certificates in full; to the Committee on Ways and Means.

3317. Also, resolution of American Legion Post, No. 223, Maywood, Calif., submitted by Robert L. Massey, chairman of said post, favoring a full cash payment of adjusted-service certificates by the Seventy-second Congress; to the Committee on Ways and Means.

3318. Also, resolution of American Legion Post, No. 166, Victoria, Tex., submitted by E. W. Schramm, adjutant of said post, urging full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3319. Also, resolution of American Legion Post, No. 340, Winnsboro, Tex., submitted by John B. Gibon, adjutant of said post, indorsing full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3320. Also, resolution of the Kiwanis Club of Muskogee, Okla., submitted by Joel U. Yankee, president of said club, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3321. Also, petition of O. F. Schneider and 16 other veterans, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3322. Also, resolution of Veterans of Foreign Wars, Post No. 368, Utica, N. Y., submitted by Samuel J. Gorman, quartermaster of said post, indorsing full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3323. Also, resolution of Veterans of Foreign Wars, Post No. 1287, Winona, Minn., submitted by Carl H. Hargesheimer, commander of said post, indorsing full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3324. Also, petition of colored veterans of Rusk County, Tex., submitted by Merritt Reese and 41 other veterans, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3325. Also, petition of M. L. Hopson and 84 other World War veterans of Brewster County, Tex., urging immediate full payment of adjusted-service certificates; to the Committee on Ways and Means.

3326. Also, petition of Antonio Linares and 15 other World War veterans of San Juan, P. R., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3227. Also, petition of R. C. Winter and 56 other veterans of Portland, Oreg., urging the immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3328. Also, resolution of the Murray Good Government Club, of Norman, Okla., submitted by James Spurlock, of said club, urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3329. Also, resolution of Copper County Chapter, No. 27, Disabled American Veterans of the World War, at Calumet, Mich., submitted by Bert M. Obenhoff, commander, indorsing full cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3330. Also, resolution of American Legion Post, No. 195, at Crocker, Mo., submitted by Neal Burgess, adjutant of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3331. Also, petition of American Legion Post Auxiliary, No. 66, Sulphur Springs, Tex., submitted by Mrs. L. Faulk, chairman of said auxiliary post, and 22 other members, urging full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3332. Also, resolution of American Legion Post, No. 275, Big Springs, Nebr., submitted by Floyd Hester, commander of said post, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3333. Also, resolution of Veterans of World War, Zane Chapter, No. 12, Zanesville, Ohio, submitted by Roy E. Keller, commander of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3334. Also, resolution of American Legion Post, No. 470, Houston, Tex., submitted by Frank J. Moon, adjutant of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3335. Also, resolution of American Legion Post, No. 335, Woodsboro, Tex., submitted by Robert M. Miller, chaplain of said post, opposing the action of the Detroit national convention, and urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3336. Also, petition of Jess Boggs and 75 other ex-service men of McCulloch County, Tex., urging full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3337. Also, petition of Helen Kehrwald and 400 other voters of Highwood, Ill., and vicinity, urging full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3338. Also, petition of Leland Payne and four other World War veterans of Sikeston, Mo., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3339. Also, resolution of Disabled American War Veterans, Chapter No. 7, Denver, Colo., submitted by John Andrew, adjutant of said chapter, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3340. Also, resolution of American Legion Post, No. 115, Birmingham, Ala., submitted by Yel Cowherd, commander of said post, indorsing immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3341. Also, petition of Oscar Reiser and 75 other citizens of the Commonwealth of Pennsylvania, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3342. Also, petition of American Legion Post, No. 51, Franklin, Tex., signed by A. H. Poetter, commander of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3343. Also, resolution of American Legion Post No. 130, Chicago, Ill., submitted by E. J. Butler, adjutant of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3344. Also, resolution of Disabled American Veterans of World War, Chapter No. 10, Vincennes, Ind., submitted by William I. Connor, adjutant of said chapter, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3345. Also, resolution of Disabled American Veterans of World War, Chapter No. 3, Indianapolis, Ind., submitted by Roy H. Cooper, adjutant of said chapter, indorsing full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3346. Also, resolution of American Legion Post No. 1, Commerce, Tex., submitted by Paul C. Jones, commander of

said post, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3347. Also, resolution of American Legion Post No. 87, Lafayette, Ga., submitted by Harry Winer, adjutant of said post, indorsing payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3348. Also, resolution of American Legion Post No. 68, Athens, Tenn., submitted by Jack Shipley, commander of said post, indorsing payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3349. Also, resolution of American Legion Post No. 24, Blytheville, Ark., submitted by Curtis J. Little, of said post, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3350. Also, resolution of American Legion Post No. 147, Marion, Ill., submitted by Ray A. Evans, commander of said post, indorsing immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3351. Also, resolution of Disabled American Veterans of World War, Chapter No. 3, Indianapolis, Ind., submitted by Roy H. Cooper, adjutant of said chapter, indorsing immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3352. Also, resolution of the Disabled American Veterans of the World War, Chapter No. 14, San Antonio, Tex., signed by H. S. Groesbeeck, commander of said chapter, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3353. Also, resolution of Stark Veterans' Association, Canton, Ohio, signed by J. R. Tucker, of said association, indorsing the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3354. Also, petition of Detroit Naval Post No. 233, Detroit, Mich., signed by Leo Moran, adjutant of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3355. Also, resolution of One hundred and eleventh Infantry Veterans' Association, Pittsburgh, Pa., submitted by William G. Blough, adjutant of said association, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3356. Also, resolution of American Legion Post No. 338, Westmont, Ill., submitted by Frank L. Bradford, adjutant of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3357. Also, resolution of Veterans of Foreign Wars, Post No. 1069, Hamilton, Ohio, submitted by Arthur G. Kraft, adjutant of said post, representing 53,000 citizens of the community, urging the payment of the adjusted-service certificates; to the committee on Ways and Means.

3358. Also, resolution of American Legion Post No. 155, Colton Post, Colton, Calif., submitted by Denver Clark, commander, and William C. Weinberger, adjutant of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3359. Also, resolution of Veterans of Foreign Wars, Post No. 1965, Memphis, Tenn., submitted by O. P. Lansom, adjutant of said post, indorsing immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3360. Also, resolution of Disabled American Veterans of the World War, Chapter No. 5, Bonham, Tex., submitted by Weldon A. Giles, commander, and James E. Russell, adjutant of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3361. Also, resolution of American Legion Post, No. 272, Chicago, Ill., submitted by John A. Simpson, chairman of committee of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3362. Also, resolution of Veterans of Foreign Wars, Post No. 1289, Chattanooga, Tenn., submitted by Wilkes T. Throsher, commander of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3363. Also, petition of W. D. McFarlane and other ex-service men in and near Graham, Tex., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3364. Also, resolution of James J. Lee and other veterans of Willimantic, Conn., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3365. Also, petition of Charles F. Hutchings, Spotswood, N. J., and five other citizens and veterans of Perth Amboy and New Brunswick, N. J., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3366. Also, petition of Dalton Graddy and 55 other disabled American veterans of World War, Kansas City, indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3367. Also, petition of J. W. Cowart and 36 other citizens and ex-service men, of Houston, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3368. Also, petition of C. S. Bennett, Pine Castle, Fla., and 37 other veterans, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3369. Also, petition of American Legion Post, No. 464, Weslaco, Tex., submitted by C. D. Bennett, jr., adjutant of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3370. Also, petition of American Legion Post, No. 265, and other citizens of Freeport, Tex., signed by W. J. Jolly, chairman of said post, indorsing full cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3371. Also, petition of W. E. Shields and 30 veterans, of veterans' hospital, Palo Alto, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3372. Also, petition of J. H. Sneed and 47 other veterans of Decatur, Ala., indorsing immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3373. Also, resolution of Rotary Club of De Kalb, Tex., indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3374. Also, petition of B. F. Word and 34 other ex-service men of Meridian, Tex., indorsing payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3375. Also, petition of 83 citizens of Prichard, Ala., submitted by Mr. John A. Chronis, of Prichard, Ala., urging the immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3376. Also, resolution of Sonoma Valley Chamber of Commerce, Sonoma, Calif., submitted by Wade H. Wilson, secretary of said organization, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3377. Also, petition of O. H. Spann and 260 other citizens of Navasota, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3378. Also, petition of veterans of Llano County, Tex., signed by R. L. Futch and 164 other veterans, urging the payment of the adjusted-service certificates; to the Committee on Ways and Means.

3379. Also, petition of Charles P. Smith and 239 veterans of Rusk Co., Tex., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3380. Also, petition of Charles C. Smith and 222 other citizens of Rusk County, Tex., indorsing the immediate pay-

ment of the adjusted-service certificates; to the Committee on Ways and Means.

3381. Also, petition of J. M. Stine and 400 other citizens and veterans of Seattle, Wash., indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3382. Also, resolution of American Legion Post No. 71, Hot Springs, S. Dak., submitted by W. B. Sieg, adjutant of said post, urging the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3383. Also, resolution of American Legion Post No. 21, Connellsville, Pa., submitted by Lewis A. Leiberger, adjutant of said post, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3384. Also, petition of American Legion Post No. 79, Alpine, Tex., submitted by M. L. Hopson, adjutant of said post, urging the immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3385. Also, petition of American Legion Post, No. 116, Lometa, Tex., submitted by T. H. Glover and other members of the said post, indorsing the full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3386. Also, petition of W. R. Irvin and 4,000 citizens of Wichita Falls, Tex., urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3387. Also, petition of H. A. Miller and 85 other veterans of Brawley, Calif., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3388. Also, petition of F. W. Walter and 28 other veterans of Bremond, Tex., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3389. Also, petition of Will L. Lang and 42 other citizens of Calvert, Tex., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3390. Also, petition of 89 members of American Legion Post No. 45, Clarksville, Red River County, Tex., submitted by M. D. Vaughn, commander of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3391. Also, roster of J. J. Hawley and 1,321 veterans of the Pay Bonus Now Organization, Houston, Tex., indorsing immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3392. Also, petition of W. F. Dunnigan and 250 citizens of Oakland, Calif., and vicinity, urging the immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3393. Also, petition of Walter E. Scarborough and 500 other citizens of Kaufman County, Tex., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3394. Also, petition of J. W. Ritchie and 7,781 other citizens of Dallas, Tex., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3395. Also, petition of J. M. Stine and 1,550 other citizens of Seattle, Wash., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3396. Also, petition of Walter A. Argenbright and 11,000 other citizens of Dallas, Tex., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3397. Also, petition of Federated American War Veterans (Inc.), submitting 8,000 signatures of veterans of New York City, urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3398. Also, petition of Disabled American Veterans of World War, Chapter No. 7, Mobile, Ala., signed by Clinton Requer and 5,274 veterans of said chapter, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3399. Also, petition of 330 American Legion posts of Texas, from the following cities and towns: San Antonio, Cuero, Hillsboro, Pearsall, Ballinger, Tyler, Thurber, Wolfe City, Greenville, Midland, Corsicana, Del Rio, Uvalde, Sherman, Paris, Marlin, San Angelo, Beaumont, Jacksboro, El Paso, Taylor, Gonzales, Lockhart, Brownsville, Munday, Clarksville, Brenham, Orange, Cleburne, Dallas, Amarillo, Belton, Lott, Jacksonville, Burnet, Childress, Sulphur Springs, Anson, Floresville, Houston, Karnes City, Throckmorton, Mineral Wells, Austin, Jasper, Alpine, Corpus Christi, Baird, Palestine, Nacogdoches, Wharton, Groesbeck, Texas City, Timpson, Pecos, Huntsville, McKinney, Canyon, Devine, Stamford, Pharr, La Grange, Sour Lake, Donna, Sweetwater, San Benito, Happy, Bellville, Lometa, Rockwall, Wichita Falls, Mexia, Clarendon, Crowell, Temple, Sylvester, Wink, Waxahachie, Dalhart, Schulenburg, San Marcos, Hamlin, Higgins, Marfa, Navasota, Mart, Bandera, Newton, Sanderson, Spur, Terrell, Weatherford, Gainesville, Kaufman, Victoria, Vega, Mercedes, Athens, Georgetown, Memphis, Luling, Smithville, Snyder, Big Spring, Petersburg, Crandall, Breckenridge, Hereford, Goliad, Rotan, Brownwood, Hemphill, Archer City, Deport, Shiner, San Diego, Marietta, Falfurrias, Blessing, Seymour, Mount Pleasant, Eagle Pass, Tulia, Paducah, Dublin, Hamilton, Killeen, Dumas, Whitewright, Knox City, Sinton, Comanche, Fort Stockton, Emory, Junction, Teague, Stephenville, Angleton, Bastrop, Fredericksburg, Seguin, Honey Grove, Wellington, Tahoka, El Campo, Perryton, Plainview, Winters, Stratford, Burkburnett, Freeport, Marble Falls, Brownfield, Post, Richmond, McGregor, Beeville, Dallas, Giddings, Lampasas, Granger, Bonham, Mason, Rusk, Elgin, Mineola, DeKalb, Wills Point, Trinity, McLean, Electra, Chillicothe, Clifton, Garland, Brady, Rosebud, Liberty Hill, Matador, Winnsboro, George West, Moran, Ganado, Grandview, Grand Saline, Carrizo Springs, Port Neches, Whitney, Asherton, Joaquin, Llano, Daisetta, Menard, Columbus, Mirando City, O'Donnell, San Augustine, Raymondville, Moulton, Cleveland, Bronte, Yoakum, Whitesboro, Farmersville, Silverton, Muleshoe, Cotulla, Edinburg, Borger, Three Rivers, Olney, Milano, Bishop, McCamey, Pittsburg, Cross Plains, La Porte, Odessa, Mount Vernon, Rising Star, Jourdanton, Slaton, La Feria, Panhandle, Sealy, Dilley, Dimmitt, Waelder, Dayton, Caldwell, Catarina, Calvert, Hempstead, Amherst, DeLeon, Palacios, West, Turkey, Ingleside, Fort Worth, Pasadena, Kerrville, Hubbard, Thornvale, Goldwaithe, Gladewater, Channing, Troup, Miles, Johnson City, Celina, Jewett, Overton, Lyford, Kemp, Normangee, Cooper, and Rio Grande City, submitted by R. O. Whiteaker, department adjutant, Austin, Tex., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3400. By Mr. PERSON: Resolution of Group No. 2049 of the Polish National Alliance of the United States of North America, Hamtramck, Mich., favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3401. Also, resolution of Group 2469 of the Polish National Alliance of the United States of North America, Hamtramck, Mich., favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3402. Also, resolution of Group 2341 of the Polish National Alliance of the United States of North America, Detroit, Mich., favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3403. Also, resolution of Group 2318 of the Polish National Alliance of the United States of North America, Detroit, Mich., favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3404. Also, resolution of Group 1310 of the Polish National Alliance of the United States of North America, Detroit, Mich., favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3405. Also, resolution of Group No. 1360 of the Polish National Alliance of the United States of North America, favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3406. Also, petition of E. A. Jarrean and 62 other citizens of Flint, Mich., and vicinity, protesting aginst the enactment of Senate bill 1202; to the Committee on the Judiciary.

3407. By Mr. RUDD: Petition of Yellow Taxi Corporation, of New York City, opposing the proposed Federal tax of 1 cent per gallon on gasoline; to the Committee on Ways and Means.

3408. By Mr. SANDERS of New York: Petition of 325 citizens of Batavia, N. Y., headed by Mrs. W. E. Prentice, and sent in by Flora M. McCumber, supporting the prohibition law and its enforcement and against modification, resubmission, or repeal; to the Committee on the Judiciary.

3409. Also, resolution of Clarkson Woman's Christian Temperance Union, opposing resubmission of the eighteenth amendment to the States; to the Committee on the Judiciary.

3410. Also, petition of the Presbyterian Sunday school of Nunda, N. Y., opposing resubmission of the eighteenth amendment to the States; to the Committee on the Judiciary.

3411. Also, petition of the Methodist Episcopal Sunday school of Nunda, N. Y., opposing resubmission of the eighteenth amendment to the States; to the Committee on the Judiciary.

3412. Also, petition of Baptist Sunday school, of Nunda, N. Y., opposing resubmission of the eighteenth amendment to the States; to the Committee on the Judiciary.

3413. Also, resolution of Polish National Alliance Group of Batavia, N. Y., consisting of 613 members, favoring the enactment of House Joint Resolution 144, directing the President of the United States to proclaim October 11 of each year as General Pulaski's memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3414. Also, resolution of the Ladies' Aid and Missionary Society of the Methodist Episcopal Church at Brockport, N. Y., opposing resubmission of the eighteenth amendment to the States; to the Committee on the Judiciary.

3415. Also, petition of Donald Webster and other citizens of Clarkson and Brockport, N. Y., supporting the prohibition law and its enforcement and against modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

3416. By Mr. SHOTT: Petition of Logan Coal Operators Association, of Logan, W. Va., protesting against the passage of the Norris anti-injunction bill, and also to a substitute bill introduced by Senator HEBERT; to the Committee on the Judiciary.

3417. By Mr. SPARKS: Petition of 54 citizens of Ellsworth, Kans., protesting against House bill 8092, sent in by Laura E. Charlton, Ellsworth, Kans.; to the Committee on the District of Columbia.

3418. By Mr. STALKER: Petition of residents of Candor, N. Y., urging support of the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

3419. Also, petition of residents of Ithaca, N. Y., and vicinity, urging support of Senate bill 3045 when presented to House of Representatives for vote; to the Committee on Banking and Currency.

3420. By Mr. STEWART: Petition of 39 citizens of the fifth New Jersey congressional district, protesting against the compulsory Sunday observance bill; to the Committee on the District of Columbia.

3421. By Mr. SWANSON: Petition of Business and Professional Women's Club of Council Bluffs, Iowa, favoring House bills 5659 and 1967, and strict enforcement of section 307 of the tariff act of 1930; to the Committee on the Judiciary.

3422. By Mr. SWICK: Petition of Group No. 1237, Polish National Alliance of the United States, 1307 Moravia Street, New Castle, Lawrence County, Pa., urging the enactment of House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3423. By Mr. TEMPLE: Petition in support of the Wheeler bill for the remonetization of silver; to the Committee on Banking and Currency.

3424. Also, petitions of W. W. Sprowls, jr., Houston, Pa.; R. W. Collins, Fox Wholesale Grocery Co., J. W. Latchem Transfer Co., Walter Pfile Coal Co., Woodward Furniture Co., all of Charleroi, Pa.; Brown Motor Co., Chartiers Motor Co., Harold B. Dunn, Gatten & Anderson, George K. Gray, Irwin & Nelan, Pittsburgh Wheeling Warehouse Co. (Inc.), J. A. Reynolds, R. G. Salathe, Al G. Stech, George F. Titlow, jr., Guy Woodward, Washington County Motor Club, all of Washington, Pa.; J. B. Kriss, Sprowl & Hixon Service Station, of Canonsburg, Pa., protesting against a Federal tax on gasoline; to the Committee on Ways and Means.

3425. By Mr. THOMASON: Petition of Pammie Landers Post, No. 381, American Legion, Robert Lee, Tex., urging immediate payment of balance due on adjusted-service certificates; to the Committee on Ways and Means.

3426. By Mr. TIERNEY: Petition of the Harford Chapter No. 56, National Sojourners, urging support of measures designed to strengthen the agencies of our national defense; to the Committee on Appropriations.

3427. Also, petition of P. A. O., appealing for support of the 78 provisional officers referred to by General Hines; to the Committee on World War Veterans' Legislation.

3428. Also, petition of Group No. 803 of the Polish National Alliance of the United States of North America, urging enactment of House Joint Resolution No. 144; to the Committee on the Judiciary.

3429. Also, petition of State executive committee of the Socialist Party of Connecticut, requesting prompt enactment of legislation providing for an orderly and speedy program of unemployment relief; to the Committee on Ways and Means.

3430. Also, petition of Group No. 315 of the Polish National Alliance of the United States, of Bridgeport, Conn., in support of House Joint Resolution No. 144; to the Committee on the Judiciary.

3431. Also, petition of the Propeller Club of the United States, port of Pittsburgh, in opposition to H. R. 9390; to the Committee on Interstate and Foreign Commerce.

3432. Also, petition of Star Council, No. 42, Sons and Daughters of Liberty, Greenwich, Conn., urging passage of H. R. 1697; to the Committee on Immigration and Naturalization.

3433. Also, petition of automobile dealers' division of the Litchfield County Automobile Club, American Automobile Association, opposing Federal tax on automobiles, auto parts, and gas; to the Committee on Ways and Means.

3434. Also, petition of Emma J. Dayton Council, No. 6, of Stamford, Conn., urging passage of H. R. 1967; to the Committee on Immigration and Naturalization.

3435. Also, petition of Paul Revere Council No. 67 of Connecticut representing the Sons and Daughters of Liberty, urging the passage of H. R. No. 1967; to the Committee on Immigration and Naturalization.

3436. Also, petition of national legislative committee of the American Legion recommending increased appropriation to aid additional rifle clubs; to the Committee on Appropriations.

3437. Also, petition of the Common Council of the City of Bridgeport, Conn., urging legislation that will provide for an orderly and speedy program of unemployment relief; to the Committee on Ways and Means.

3438. By Mr. WASON: Petition of W. W. Eastman and 62 other residents of Hill, N. H., protesting against Sunday observance bill; to the Committee on the District of Columbia.

3439. Also, petition of Herbert H. Rolfe and 57 others, of the second New Hampshire congressional district, protesting against the Sunday observance bill; to the Committee on the District of Columbia.

3440. By Mr. WHITE: Resolution of Polish National Alliance of the United States of America, memorializing Con-

gress to enact House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3441. By Mr. WYANT: Petition of 82 citizens of Greensburg, Westmoreland County, Pa., protesting against any legislation compelling barbers to observe Sunday in the District of Columbia; to the Committee on the District of Columbia.

3442. Also, petition of Methodist Episcopal Church of Derry, Westmoreland County, Pa., opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

WEDNESDAY, MARCH 2, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal God, who in the quiet light of Thy counsel revealest all things in the slow history of their ripening and showest Thy will in the inmost and ultimate harmony of the world; save us from the blight which rests upon the unasking soul that is never bowed down before Thee, and bestow upon us the refreshing dew of the spirit of worship which shall minister to our cleansing and uplifting that we may lay hold of the higher strength which lies about us and entertain the secret presence waiting at our door. Temper our hearts that life may show us its real friendliness amidst its harsh severities, its real worth amidst its disappointing scenes, its high dignity and spiritual ministry amidst all that tends to overthrow its wholesome discipline. Live Thou in us this day and grant that whatever we do may be done to Thy honor and glory and in utter conformity to Thy blessed will. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar days of Monday, February 29, and Tuesday, March 1, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kendrick	Sheppard
Austin	Dale	Keyes	Shipstead
Bankhead	Davis	King	Smith
Barbour	Dickinson	La Follette	Smoot
Barkley	Dill	Lewis	Steiwer
Bingham	Fess	Logan	Stephens
Black	Fletcher	McGill	Thomas, Idaho
Blaine	Frazier	McNary	Thomas, Okla.
Borah	George	Metcalf	Townsend
Bratton	Glass	Morrison	Trammell
Brookhart	Glenn	Moses	Tydings
Broussard	Goldsborough	Neely	Vandenberg
Bulkley	Gore	Norbeck	Wagner
Bulow	Hale	Norris	Walcott
Byrnes	Harrison	Nye	Walsh, Mass.
Capper	Hatfield	Oddie	Walsh, Mont.
Carey	Hayden	Patterson	Waterman
Connally	Hebert	Pittman	Watson
Coolidge	Howell	Reed	Wheeler
Copeland	Johnson	Robinson, Ark.	White
Costigan	Jones	Robinson, Ind.	
Couzens	Kean	Schall	

Mr. JOHNSON. I announce that my colleague the junior Senator from California [Mr. SHORTRIDGE] is still detained from the Senate by reason of continued illness. I ask that the announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. TOWNSEND. I wish to announce the unavoidable absence of my colleague the senior Senator from Delaware [Mr. HASTINGS].

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva, Switzerland.

Mr. SHEPPARD. I have been requested to announce that the senior Senator from Tennessee [Mr. MCKELLAR] is necessarily absent on public business and that the junior Senator from Tennessee [Mr. HULL] is detained by illness. I ask that this announcement with respect to both Senators may stand for the day.

I also desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily out of the city.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

CLEARANCE UNDER FIXED BRIDGES ON CANALS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend title 33, chapter 4, section 252, paragraph (a), of the navigation rules for the Great Lakes and their connecting and tributary waters relative to clearance under fixed bridges on certain canals, which, with the accompanying paper, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram from Hon. Floyd B. Olson, Governor of Minnesota, favoring the passage of legislation to complete the national inland waterway program and to properly finance it, which was referred to the Committee on Commerce.

He also laid before the Senate a telegram in the nature of a petition from John F. Devos, of Miami, Ariz., praying for the imposition of a tariff duty on the importations of copper, which was referred to the Committee on Finance.

Mr. KING. Mr. President, I have had forwarded to me a resolution favoring the modification of the Volstead Act by a labor organization, the United Garment Workers of America, Local No. 107, of Ogden, Utah, which I present and ask its reference to the appropriate committee.

The VICE PRESIDENT. The resolution will be referred to the Committee on the Judiciary.

Mr. KING. I also present a petition signed by a large number of veterans of the World War addressed to me from Salt Lake City, Utah, asking legislation favorable to the bonus, which I ask may be referred to the appropriate committee.

The VICE PRESIDENT. The petition will be referred to the Committee on Finance.

Mr. KING. Also, I present a letter from the president of the National Retail Hardware Association, Indianapolis, Ind., praying for the reduction of the expenditures of the Federal Government and commenting upon the forces which seem to be intrenched in opposition to any economies. I ask its reference to the Committee on Appropriations, with the recommendation that they pay attention to the letter.

The VICE PRESIDENT. The letter will be referred to the Committee on Appropriations.

Mr. ASHURST presented the petition of F. D. Barr and 46 other citizens of Phoenix and vicinity, in the State of Arizona, praying for the imposition of a tariff duty on importations of oil, which was referred to the Committee on Finance.

Mr. BLAINE presented a resolution adopted by the Woman's Christian Temperance Union of Ripon, Wis., protesting against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

Mr. BROOKHART presented a petition of sundry citizens of Washington, Iowa, praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

Mr. SHEPPARD presented a letter in the nature of a memorials from the Frances E. Willard Woman's Christian

Temperance Union, of San Antonio, Tex., remonstrating against the proposed repeal or modification of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Houston, Tex., praying for the immediate cash payment at full face value of adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

Mr. CAPPER presented a memorial of sundry citizens of Kansas City, Kans., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

Mr. JONES presented a resolution adopted by the Shelton, Mason County (Wash.), Commercial Club, favoring the passage of legislation to stabilize the values of imports from countries changing their monetary standards, which was referred to the Committee on Finance.

He also presented a resolution adopted by members of the Shelton, Mason County (Wash.), Commercial Club, expressing their faith and confidence in the American Government and the Nation's resources and future, and also the efforts of the President and the Congress toward bringing about financial reconstruction, industrial and business activity, and a return of the earning and buying power of the people, etc., which was referred to the Committee on Finance.

He also presented the petition of sundry citizens of Longview, Wash., praying for the passage of the so-called Glenn-Smith bill, especially in connection with the drainage situation in the Columbia River district, which was referred to the Committee on Irrigation and Reclamation.

He also presented resolutions adopted by the Woman's Christian Temperance Unions of Auburn, Cosmopolis, and Hoquiam, all in the State of Washington, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to State conventions or legislatures, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by Group No. 616 of the Polish National Alliance of Enumclaw, Wash., favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's Memorial Day, which was referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Algona, Auburn, Enumclaw, Kelso, and Walla Walla, all in the State of Washington, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

Mr. WALCOTT presented a memorial of sundry citizens of Canaan and East Canaan, Conn., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

He also presented a memorial and telegrams in the nature of memorials from F. C. Spence, receiver of the New Haven & Shore Line Railway Co., of Guilford; the Standard Cycle & Auto Supply Co., of Winsted, and sundry citizens of Hartford, all in the State of Connecticut, remonstrating against the imposition of a Federal tax on gasoline, which were referred to the Committee on Finance.

He also presented resolutions adopted by Murphy-Rathbun Post, No. 189, of New London, and the Ladies' Auxiliary to Anderson-Shea Post, No. 2046, of Manchester, both of the Veterans of Foreign Wars, in the State of Connecticut, favoring the immediate payment in full of adjusted-compensation certificates (bonus), which were referred to the Committee on Finance.

He also presented petitions of the committee on international relations of the Connecticut Federation of Churches, of Hartford; the New Haven Branch, American Association of University Women, of New Haven; and sundry citizens of Westport, all in the State of Connecticut, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Star Council, No. 42, Sons and Daughters of Liberty, of Greenwich, Conn., favoring the passage of House bill 1967, to provide for exclusion and expulsion of alien communists, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Woman's Christian Temperance Union of Seymour, Conn., protesting against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Ladies' Auxiliary to Anderson Shea Post, No. 2046, Veterans of Foreign Wars of the United States, of Manchester, Conn., favoring the passage of the so-called Gasque bill, being the bill (H. R. 7230) providing for uniform pensions for widows, children, and dependent parents of certain war veterans, which was referred to the Committee on Pensions.

He also presented petitions of Meriden Post, No. 45, of Meriden, and William H. Gordon Post, of Greenwich; the New Canaan Post, of New Canaan; Groton Post, No. 114, of Groton, all of the American Legion; and the Hartford Chapter, Reserve Officers Association of the United States, of Hartford, all in the State of Connecticut, praying for the passage of the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties and opposing the proposed reduction in appropriations for the War Department, which were ordered to lie on the table.

He also presented petitions and papers in the nature of petitions of the Kiltonic Post, of Southington; Groton Post, No. 114, of Groton; Horace J. Tanguay Unit, of Thompsonville; Stanley Dobosz Post, of Rockville; Shaw-Sinon Post, of Wallingford; Darrow Unit, of Guilford; Coyle Post, of Waterbury; and George Alfred Smith Post, of Fairfield, all units of the American Legion Auxiliary in the State of Connecticut, praying for the passage of the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties and also the establishment of a World War veterans' committee of the Senate, which were ordered to lie on the table.

Mr. COSTIGAN presented memorials signed by 261 citizens of the State of Colorado, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented memorials and papers in the nature of memorials of the Woman's Christian Temperance Union of Dolores, by Mrs. Clara B. Jones, president, representing 35 members; the Englewood Community Church, of Englewood, by R. H. McVickers, pastor, representing 105 people; the Dry Creek Woman's Christian Temperance Union, of Lamar, by Mrs. Hazel Harknen, recording secretary, representing 100 people; the Eames Woman's Christian Temperance Union, of Denver, by Alice L. Welton, corresponding secretary, and Mrs. Gertrude Blakesley, president, representing 50 people; the Ladies' Aid Society of Dolores, by Ruth Shields, secretary, representing 40 people; the Woman's Missionary Federation of Denver, by Mrs. E. J. Campen, president, and Mrs. L. J. Phillips, secretary, representing 15,000 people; the Church of the Brethren of Haxtum, representing 250 people; the First United Presbyterian Church of Loveland, by J. Clyde Mahaffey, pastor, representing 370 people; the First Congregational Church of Lyons, representing 50 people; the Bethlehem Lutheran Ladies' Aid of Longmont, representing 32 people; the Woman's Christian Temperance Union of Willard, representing 35 people; the

First Presbyterian Church of Loveland, representing 220 people; the Northern Avenue Methodist Episcopal Church of Pueblo, by George L. Williams, pastor, representing 400 persons; the Church of God, by A. G. Ahrendt, pastor, of Olathe; the Olathe Methodist Episcopal Church of Olathe, representing 70 people; the First Baptist Church of Olathe, by Charles B. Lewis, pastor, representing 110 people; the Methodist Episcopal Church of Loveland, by John R. Creamer, minister, representing 300 people; the Clifton Christian Church, of Clifton, by George E. Jones, pastor, representing 300 people; the Baptist Auxiliary of Dolores, by Mrs. Helen E. Starkey, secretary, representing 34 people; and 61 citizens of Boulder, all in the State of Colorado, remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by State conventions or legislatures, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

PROPOSED FEDERAL GASOLINE TAX—FUNDS FOR CROP PRODUCTION

Mr. SMITH. Mr. President, I present certain resolutions of the legislature of my State. They are short, and I would like to have them read and referred to the proper committees.

The VICE PRESIDENT. Is there objection to the reading of the resolutions? The Chair hears none, and the Secretary will read.

The Chief Clerk read as follows:

A concurrent resolution to memorialize Congress not to place any tax on gasoline

Whereas Congress of the United States has under consideration legislation the purpose of which is to place a Federal tax upon gasoline; and

Whereas the State tax imposed upon gasoline sold in South Carolina is at the present time 6 cents per gallon; and

Whereas taxes on gasoline is a matter which has been and should be left to the legislative bodies of the various States: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Legislature of South Carolina hereby respectfully memorializes the Members of the House of Representatives from South Carolina and the Members of the Senate from South Carolina to use their influence to prevent Congress from passing any legislation whereby the Federal Government shall place a tax upon gasoline; be it further

Resolved, That properly attested copies of this resolution be transmitted to the Members of Congress from South Carolina.

IN THE HOUSE OF REPRESENTATIVES,
Columbia, S. C., February 29, 1932.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the house of representatives and concurred in by the senate.

[SEAL.] J. WILSON GIBBES,
Clerk of the House.

A concurrent resolution calling to the attention of the Congress of the United States of America the urgent credit need of the farmers of this State and memorializing the Congress for action in respect thereto

Whereas due to the unusually low prices of the principal cash crops of South Carolina the total value of all crops declined from $140,744,000 in 1928 to $71,214,000 in 1931, thus reducing to a very low level the amount of cash in the hands of farmers; and

Whereas two large chain banking systems, consisting of 53 banks, and several independent banks, all of which were located in the smaller towns, have failed within the last three months, thus cutting off the most important source of credit heretofore available to farmers; and

Whereas credit from the remaining banks is limited and will be difficult to obtain and merchant credit will be expensive and difficult to secure; and

Whereas the cropping season for our principal crops comes earlier than in most States, the credit needs of farmers of South Carolina are particularly great and immediately pressing; and

Whereas the absolute need for fertilizers, for certain supplies for many tenants, for the replacement of greatly depleted work stock and equipment, is very great and urgent: Therefore be it

Resolved by the house of representatives (the senate concurring), That it is the sense of the General Assembly of the State of South Carolina that this State's proportionate part of the $50,000,000 provided for crop production under House Resolution No. 7360 of the United States Congress, providing emergency financing facilities for financial institutions to aid in financing agriculture, commerce, and industry, and for other purposes, is, under present distressing conditions, totally inadequate to meet the needs of this State; be it further

Resolved, That it is the sense of this body that the board of directors of the Reconstruction Finance Corporation shall secure the additional $150,000,000 as provided for in section 9 of this act; be it further

Resolved, That a copy of these resolutions be forwarded to each Senator and Representative of this State in Congress now assembled at the Capitol of the Nation; be it further

Resolved, That they be urged to use every means with the directors of the corporation to hasten the selling of the bonds in order that the agricultural interests of the country may be furnished this greatly needed assistance in time to produce this year's crops, because delay will in a large measure prevent any benefit that might come from the operation of the act.

IN THE HOUSE OF REPRESENTATIVES,
Columbia, S. C., February 29, 1932.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the house of representatives and concurred in by the senate.

[SEAL.] J. WILSON GIBLES,
Clerk of the House.

Mr. SMITH. Mr. President, I should like to state in connection with the last resolution read that since it was adopted by the State legislature there has been an additional $25,000,000 added, so as to make the amount now available $75,000,000.

The VICE PRESIDENT. The first resolution of the South Carolina Legislature will be referred to the Committee on Finance; the resolution last read will be referred to the Committee on Banking and Currency.

PROPOSED FEDERAL GASOLINE TAX.

Mr. ROBINSON of Arkansas. Mr. President, some days ago I had inserted in the RECORD the names of persons who had sent messages to me protesting against the imposition of a Federal tax on gasoline. I desire now, with the permission of the Senate, to make a brief statement relative to the matter.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. ROBINSON of Arkansas. Mr. President, many of the States have already in force comparatively heavy taxes on gasoline. In the list of States that have imposed such a tax is the State of Arkansas. It would be difficult without greatly hampering commerce to increase the rate that is now being levied in that State.

Various messages have been received by myself, since those referred to on a former occasion, from citizens and organizations, all in the State of Arkansas, strongly protesting the imposition of a Federal gasoline tax. Among those are included telegrams from J. Marion Stafford, secretary and manager of the chamber of commerce at Stuttgart; Messrs. Buford Compton and Buford Tatum, of Danville; Shirley & Darnell, of Charleston; F. F. Justiss, of Eldorado; A. Hester, of Nashville; John W. Ellis, of Camden; John M. Bransford, representative in the General Assembly of the State of Arkansas from Lonoke County, of Lonoke; R. E. Fakes, of Lonoke; R. D. Bishop, of Lonoke; N. D. Early and many other citizens of Stuttgart; Harvey Parnell, Governor of the State of Arkansas; C. W. Westmoreland, of Magnolia; W. H. Evans, of Little Rock; R. G. Hudson, of Hot Springs; McGregor & Pickett, of Little Rock; M. C. Butler, of Arkadelphia; Ira B. Foster, of Pine Bluff; A. M. Yeary, of Brinkley; W. M. Rogers, Robert G. Motley, E. E. Dennis, and J. T. Rhodes, all of Little Rock; A. G. Boyd, of Pine Bluff; Daniel Harder Post, the American Legion, of Stuttgart; L. Krumpen, jr., and other citizens of Stuttgart; S. J. Lowe, jr., of Stuttgart; Conn Hardware Co., by J. E. Young, also of Stuttgart.

I ask that the telegrams be received and referred to the Committee on Finance.

The VICE PRESIDENT. That order will be made.

REPORTS OF COMMITTEES

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 284) for the relief of William B. Thompson, reported it without amendment and submitted a report (No. 360) thereon.

Mr. WALSH of Massachusetts, from the Committee on Finance, to which were referred the following bill and joint resolution, submitted adverse reports thereon:

S. 1675. An act to amend section 19 of the World War veterans' act (Rept. No. 361); and

S. J. Res. 65. Joint resolution extending the benefits of section 202 (10) of the World War veterans' act (Rept. No. 362).

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment, reported it with amendments and submitted a report (No. 363) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WATSON:

A bill (S. 3886) to authorize the purchase of tobacco from funds heretofore or hereafter appropriated for the Veterans' Administration (with an accompanying paper); to the Committee on Finance.

By Mr. NEELY:

A bill (S. 3887) for the relief of Clay W. Leps; to the Committee on Claims.

By Mr. BROUSSARD:

A bill (S. 3888) granting a pension to Albert R. Hill; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 3889) authorizing a preliminary examination and survey of the Rogue River, Oreg.; and

A bill (S. 3890) authorizing a preliminary examination and survey of the Umpqua River, Oreg.; to the Committee on Commerce.

By Mr. STEIWER:

A bill (S. 3891) forbidding the transportation of any person or persons kidnaped or otherwise unlawfully detained in interstate or foreign commerce, and making such act a felony; to the Committee on the Judiciary.

By Mr. DALE:

A bill (S. 3893) granting a pension to John Shannon (with accompanying papers); and

A bill (S. 3894) granting an increase of pension to Julia D. Rogers (with accompanying papers); to the Committee on pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 3895) to aid the Grand Army of the Republic in its Memorial Day services, May 30, 1932; to the Committee on Appropriations.

A bill (S. 3896) for the relief of George L. Rulison; to the Committee on Claims.

A bill (S. 3897) granting a pension to Mary Jane Adams (with accompanying papers);

A bill (S. 3898) granting a pension to John R. McCalister;

A bill (S. 3899) granting an increase of pension to Lena E. Powell (with accompanying papers); and

A bill (S. 3900) granting an increase of pension to Rachel Ann Faris (with accompanying papers); to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 3901) for the relief of the parents of the late William Lloyd Parker; to the Committee on Claims.

By Mr. WAGNER:

A bill (S. 3902) for the relief of Alice Sullivan Stafford; to the Committee on Claims.

By Mr. GORE:

A bill (S. 3903) to regulate the sale of wheat owned or financed and controlled by the Federal Farm Board, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. GOLDSBOROUGH:

A bill (S. 3904) to incorporate the Big Brother and Big Sister Federation, and for other purposes; to the Committee on the Judiciary.

By Mr. BARBOUR:

A joint resolution (S. J. Res. 114) proposing an amendment to the Constitution relating to intoxicating liquors; to the Committee on the Judiciary.

RETIREMENT INSURANCE FOR RAILWAY EMPLOYEES

Mr. WAGNER. Mr. President, I introduce a bill to provide retirement insurance for railway employees, and for other purposes, which has been approved by the Railway Labor Executives' Association. I ask that the bill may be printed in the RECORD and referred to the Committee on Interstate Commerce.

There being no objection, the bill (S. 3892) to provide retirement insurance for railway employees, and for other purposes, was read twice by its title, referred to the Committee on Interstate Commerce, and ordered to be printed in the RECORD, as follows:

S. 3892

A bill to provide retirement insurance for railway employees, and for other purposes

Be it enacted, etc.—

ARTICLE I

DEFINITIONS

SECTION 101. When used in this act and for the purposes of this act—

First. The term "carrier" includes any carrier by railroad, express company, and sleeping-car company, or other operator of transportation facilities subject to the railway labor act, and any subsidiary or auxiliary transportation service used by or operated in connection with such a carrier.

Second. The term "employee" includes every person in the service of a carrier who is included within the definition of "employee" in the railway labor act, and specifically includes all persons commonly described as "furloughed employees," meaning those not actively employed but subject to call for employment and maintaining rights of employment under contracts governing terms and conditions of employment entered into between representatives of carriers and their employees, in accordance with the provisions of the railway labor act. The term "employee" also includes the officers or other official representatives of any organization of the employees of a carrier who have been duly designated and authorized to represent them under and in accordance with the provisions of the railway labor act, and who, during or following employment by a carrier, are engaged in such representative service in behalf of the employees of said carrier.

Third. The term "board" means the railway employees' retirement insurance board created by this act.

Fourth. The term "commission" means the Interstate Commerce Commission.

Fifth. The term "commencement date" means the date which is hereby fixed as six months after the effective date of this act, upon which carriers and employees become liable to contribute to the funds established by this act on the basis of compensation payable to the employees for services performed on and after said commencement date.

Sixth. The term "contributory service" means that service performed by an employee for a carrier on and after the "commencement date" defined and fixed in this act.

Seventh. The term "prior service" means that service performed by an employee for a carrier prior to said "commencement date."

Eighth. The term "age" means age at the latest attained birthday.

OBLIGATIONS—PURPOSE—EFFECTIVE DATE

SEC. 102. In order to promote and increase the safety and efficiency of interstate transportation service, it shall be the duty of all carriers and employees subject to this act to accept and to fulfill the obligations herein imposed upon them for the purpose of establishing and maintaining a system of retirement insurance under which the rendition of personal services can be maintained at a high grade of efficiency with due regard for the general welfare.

This act may be cited as the railway employees' retirement insurance act and shall become effective on the first day of the second month following the date of its passage.

EMPLOYEES' RETIREMENT ANNUITY

SEC. 103. Every employee of a carrier upon becoming eligible to retirement, or exercising a privilige of retirement, as hereinafter provided, shall be entitled to receive for the remainder of his life an annuity, payable in monthly installments, in conformity with and under the terms and conditions of the provisions of this act.

SEC. 104. The amount of annuity to which each employee shall be entitled on retirement shall be determined by the payment of contributions by carriers and employees, which shall be calculated, as nearly as may be, to produce an annuity equal to 2 per cent of the average annual compensation of each employee multiplied by the number of years of the employee's contributory service, plus an additional annuity as a reward for the employee's prior service, in the amount hereinafter provided.

The Railway Employees' Retirement Insurance Board created by this act shall be charged with its administration. The ways and means of establishing and maintaining the funds necessary to provide for the payment of the annuities and other disbursements herein provided, and the amount of annuities payable at various ages of retirement, together with other details of the administration of this act, are hereinafter set forth, particularly in Article II of

this act, under the caption "Schedule of Standards of the Board," and it shall be the duty of the board to administer this act in substantial compliance with such standards. The board may, however, from time to time, after due investigation, make a report to the Interstate Commerce Commission proposing any modification of, or supplements to, any of the requirements or provisions of said schedule which the board may deem helpful to the administration of this act or necessary or advisable to accomplish its declared objects and purposes. If, after giving public notice of said proposals and a hearing thereon (upon application) to any party whose rights or obligations are affected thereby, the commission shall issue its order approving the proposed modifications or supplements to said schedule as helpful to the administration of this act or necessary or advisable in order to accomplish the objects and purposes of this act, said modifications and/or supplements shall thereby be established in full force and effect as though originally written in the said schedule in this act.

RAILWAY EMPLOYEES' RETIREMENT INSURANCE BOARD

SEC. 105. There is hereby established, as an independent agency in the executive branch of the Government, a board to be known as the Railway Employees' Retirement Insurance Board and to be composed of five members appointed by the President, by and with the advice and consent of the Senate. The terms of office of the members first taking office shall expire, as designated by the President at the time of nomination and as hereinafter provided, respectively at the end of the second, third, and fifth years after the effective date of this act. The terms of office of all successors shall expire five years after the expiration of the terms for which their predecessors were appointed; except that any member appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. Vacancies in the board shall not impair the powers, nor affect the duties of the board, nor of the remaining members of the board, of whom a majority of those in office shall constitute a quorum for the transaction of business.

(a) Two members of the board shall be appointed (initially for respective terms of three and five years, and thereafter both for terms of five years) from recommendations made, in such manner as the President shall direct, by the representatives of the employees, duly designated and authorized to act in conformity with the requirements of the railway labor act, so as to provide substantially for representation on the board satisfactory to the largest possible number of employees concerned.

(b) Two members of the board shall be appointed (initially for respective terms of three and five years and thereafter both for terms of five years) from recommendations made, in such manner as the President shall direct, by the representatives of the carriers so as to provide substantially for representation on the board satisfactory to the largest number of carriers concerned.

(c) The fifth member, who shall be the chairman of the board, shall be appointed (initially for a term of two years and thereafter for a term of five years) without recommendation by either carriers or employees and shall not be pecuniarily or otherwise interested in any carrier or organization of employees, and shall possess mature experience in financial and insurance matters.

(d) Each member shall receive a salary at the rate of $12,000 per annum, together with necessary traveling expenses and subsistence expenses or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while away from the principal office of the board on business required by this act.

(e) A member of the board may be removed by the President for inefficiency, neglect of duty, malfeasance in office, or ineligibility, but for no other cause.

(f) Each member of the board shall have power to administer oaths and affirmations, to take acknowledgements and to issue subpœnas. The board shall have a seal which shall be judicially noticed. All decisions of the board shall require the approval of at least three members and shall be entered upon the records of the board and shall be public documents. The board shall make an annual report to Congress. The board shall maintain central offices in Washington, D. C., but may meet at any other place whenever it deems this necessary, and may designate one or more of its members to conduct hearings, to take testimony, and to make reports to the board.

(g) The board may (1) appoint such experts and assistants to act in a confidential capacity and engage such other officers and employees as it may find necessary to the proper performance of its duties, giving preference, wherever possible, to eligible employees subject to this act but unemployed; and (2) fix the salaries of such experts, assistants, officers, and employees; and (3) make such expenditures (including expenditures for rent, for personal services at the seat of government and elsewhere, for law books, periodicals and books of reference, and for printing and binding and for salaries, compensation, and necessary traveling expenses and expenses actually incurred for subsistence) as may be necessary for the execution of the functions vested in said board. All expenditures of the board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman. Witnesses summoned before the board shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

POWERS AND DUTIES OF THE BOARD

SEC. 106. The board shall have and exercise all the powers and duties necessary to administer the act in accordance with its provisions and to accomplish the objects and purposes thereof; and particularly—

(a) It shall be the duty of the board to demand and to compel the payment of all contributions of carriers and employees required under the provisions of this act; and the board is authorized to institute and carry to a conclusion any and all legal proceedings which it may deem necessary for that purpose.

(b) The board shall gather, compile, compute, and publish from time to time data and information necessary and helpful to the performance of the duties of the board in the administration of this act, and shall make such investigations and publish the results thereof concerning employment conditions and relations between carriers and employees as shall be pertinent and helpful to the administration of this act.

(c) The board shall have the power and duty to make, publish, and enforce rules and regulations necessary for the efficient execution of the functions vested in the board.

(d) The board shall gather, compile, and publish such records as may be necessary to enable the board at all times to determine the respective rights, duties, and obligations of the carriers and their employees under the provisions of this act, and of any other persons affected thereby.

(e) It shall be the duty of the board to determine the amount of all contributions due or payments required under the provisions of this act, to keep public records of the same, to entertain applications from any and all persons directly interested in the enforcement of this act, to conduct hearings on such applications, and to settle controversies regarding such enforcement, and to make final decisions upon all issues of fact and to decide all other issues affecting the rights and obligations of any person under and by virtue of the provisions of this act, subject to the right of any person affected to obtain a judicial review (as hereinafter provided) of any action of the board, if otherwise any such person would be deprived of a constitutional right of judicial review.

(f) The board shall be empowered to examine the records of the Interstate Commerce Commission, and the records of any carrier subject to this act which are subject to the examination of the Interstate Commerce Commission, and to make such copies and such use thereof as may be necessary to aid the board in the execution of the functions vested in the board.

SERVICE RECORDS

SEC. 107. Within six months after the effective date of this act each carrier shall furnish to the board the service records of all its employees on the effective date of this act, whether actively engaged or furloughed (including the available records of officers and representatives of employee organizations, hereinbefore included within the definition of "employee"); and after the effective date of this act each carrier shall furnish to any employee leaving its service for any cause a service certificate showing the service of such employee, so far as it affects his rights or obligations under this act.

(a) Upon application by the board, or by the employee concerned, it shall be the duty of a carrier to furnish the board or the employee, as the case may be, with a certificate showing any past service of a former employee of such carrier when such an employee has been reported as an employee in active service, or as a furloughed employee, of another carrier on the effective date of this act.

(b) The board may require employees or carriers to furnish the ages of employees or any other information pertinent to the service, compensation, rights, or obligations of the employees or carriers under this act, which shall be found by the board to be necessary to the execution of the functions of the board.

CONTRIBUTIONS OF CARRIERS AND EMPLOYEES

SEC. 108. For the purpose of providing the funds necessary for the payment of annuities and other disbursements required by this act, each employee shall contribute to funds, which are to be established and maintained as hereinafter provided, those percentages of his compensation received subsequent to the commencement date fixed in this act which are established in the schedule of standards, hereinafter set forth; and at the same time each carrier shall contribute to said funds a sum of money equal to each sum thus contributed by each employee. Each carrier shall deduct the amount of each employee contribution from the compensation due each employee at such intervals, and shall pay such contributions into said funds in such manner as the board may require, together with the corresponding and equivalent amount of the carrier contributions, concurrently due and payable. The aggregate amount of such carrier and employee contributions shall be charged by each carrier as a separate item of operating expense, and not included in any other item, and so accounted for in its reports to the Interstate Commerce Commission.

(a) All contributions of carriers and employees to the funds established in this act shall be paid into the Treasury of the United States to the account of said funds and disbursed, in accordance with the provisions of this act, upon vouchers and warrants upon the order of the board, evidenced by the signature of the chairman. The Treasurer of the United States, as treasurer of said funds, is authorized and directed, with the approval of the Secretary of the Treasury, to invest and reinvest, so far as possible, all moneys in said funds not immediately required for disbursements, in the bonds, notes, or other obligations of the United States; and the interest on said investments shall be credited to the respective accounts of said funds. The treasurer shall make an annual report of the condition of said funds to the board and shall furnish such further information regarding the same from time to time as may be requested by the board.

SEC. 109. All expenses of the board and other expenses of the administration of this act shall be paid out of the fund hereinafter established and described as the "normal retirement insurance fund."

ELIGIBILITY, RETIREMENT, AND SERVICE

SEC. 110. (a) Only employees who have attained the age of 21 years and have been employed by one or more carriers for an aggregate of at least one year's service are subject to the provisions of this act. All requirements of this act shall be construed so as to exclude from consideration the first year of an employee's service and all service prior to the age of 21 years.

(b) No employee shall be eligible to receive an annuity or other beneficial payment under this act until one year after the effective date of this act.

(c) All employees shall be eligible for retirement upon attaining the age of 65 years, or upon the completion of 30 years' contributory service. Retirement at the age of 65 years shall be compulsory, with the following exceptions:

(1) No employee who has attained the age of 56 years or more on or before the effective date of this act shall be compelled to retire before he attains the age of 70 years;

(2) Any employee not within the foregoing exception who attains the compulsory retirement age of 65 years who desires and is able to continue his employment may be permitted on joint application of his employer-carrier and himself to defer his retirement for a period of not more than three years, if the board upon investigation shall find that such an extension of his service will be advantageous to the particular service in which he is engaged.

SEC. 111. Any employee who, after the effective date of this act, shall enter the service of any carrier after he has attained the age of 55 years, without having rendered any prior service to any carrier prior to attaining said age, shall not be subject to any of the provisions of this act.

SEC. 112. Any employee who has attained the age of 69 years on or before the effective date of this act shall be retired one year thereafter upon an annuity paid out of the prior-service pension fund in the amount hereinafter fixed in section 204 of this act without any payment out of or obligation to contribute to the normal retirement insurance fund.

SEC. 113. The prior service period of any employee shall be computed by including as one month every calendar month (prior to the commencement date fixed in this act) during which he has been paid compensation by a carrier for service and for every 12 of such months the employee shall be credited with one year's service. In the computation of the total number of years of service of either prior service or contributory service, an ultimate fraction of less than six months shall be disregarded, but an ultimate fraction of six months' service or more shall be computed as one year.

SEC. 114. After the commencement date fixed in this act an employee shall have the option during a leave of absence or furlough not exceeding one year to continue his contributions on the basis of his annual compensation during his last preceding year of service (and to have said period of leave of absence or furlough included in his total service period and given appropriate weight in the ultimate computation of his average annual compensation). In the event that the employer-carrier has required or requested an employee to take such a leave of absence or furlough and the employee exercises his option to continue contributions, said carrier shall make corresponding contributions; but if said leave of absence or furlough is wholly voluntary, the employee shall be required to make both the carrier and employee contributions in order to have said period included in his total service period. Where a leave of absence or furlough exceeds one year no carrier contributions shall be required after one year, but an employee may continue to make provision for a retirement annuity and other beneficial payments under this act by paying both the carrier and employee contributions herein required on the basis heretofore set forth in this paragraph, in the same manner and with the same effect as though continuing in employment for the compensation earned during the year preceding his suspension of employment.

SEC. 115. The board is specifically authorized to make and enforce rules and regulations for computing the amount of service with which an employee shall be credited and the compensation of an employee upon which contributions shall be based, but all such rules and regulations shall have general application, and the specific applications and interpretations by the board of such rules and regulations in individual cases shall be final and binding upon carriers and employees.

SEC. 116. Wherever rates of pay, rules, and working conditions are determined by a contract, made in conformity with the requirements of the railway labor act between a carrier and its employees, the provisions of said contract and its interpretation or application as agreed to between the parties thereto, or as determined by any board of adjustment or arbitration established by the parties, shall be given full force and effect in any action taken by the board in the execution of its functions under this act to compute the service or compensation of an employee or to determine the contributions or disbursements to be made in accomplishing the objects and purposes of this act.

SEPARATION FROM SERVICE

SEC. 117. Any employee who shall become separated from the service of a carrier after the commencement date fixed herein and shall within one year after separation enter the service of another carrier shall have the same status in respect to the provisions of this act as if he had been engaged continuously in the service of one carrier, except that his period of nonservice shall be regarded as a voluntary leave of absence period in accordance with the provisions of section 110, paragraph (e) of this act, unless said employee shall after separation from the service of the first carrier exercise the option provided in paragraph (a) of this section.

(a) Any employee upon separation from the service of a carrier for any cause may exercise within a period of one year the option of terminating his accrued rights to any annuity, or other benefit, under this act by applying for a refund of all contributions made by him under this act with 3 per cent interest thereon computed annually. This refund with interest shall be paid to any such employee making application therefor as promptly as possible and shall constitute and be received as a full settlement of all obligations of every kind and character to such employee under and by virtue of the provisions of this act.

(b) If any employee shall become separated from the service of a carrier and fail to exercise his option to obtain a refund as provided in this section and shall not enter the service of another carrier within a period of one year, he may continue as a beneficiary of the funds to which he has contributed, either to the extent of his previous contributions and any previous equivalent contributions of a carrier or to the extent of said previous contributions plus any further contributions he may continue to make in the amount of his employee contribution plus an equivalent carrier contribution (both payable by said separated employee) on the basis of his compensation for the year of service last preceding his separation from service. If any such employee shall at any time default in paying the entire amount of these two contributions as and when directed by the board, his option to make any further contributions and to extend his beneficial interests under the provisions of this act shall at once cease, and his beneficial interests shall be determined on the basis of contributions made prior to such default.

DISABILITY

SEC. 118. Any employee who shall have served for not less than five years after the commencement date fixed herein and who, before becoming eligible for retirement, shall become totally and apparently permanently disabled for efficient service in the work previously performed by said employee by reason of any disease or injury not due to intentional self-injury of said employee (the burden of proof whereof shall be upon the employer) shall, upon the application of himself or the employer-carrier and due allowance of the claim by the board after investigation, be paid from the normal retirement insurance fund a monthly award equal to one-twelfth of 2 per cent of his total compensation during the entire period of his contributory service; but the total amount so paid shall not exceed twice the amount of his own contributions plus 3 per cent interest, computed annually, to the date of his disability. Such proof of such disability under this section shall be required as may be prescribed by the board, and continuous proof of such disability shall be required at least once each year in such manner and form as may be prescribed by the board, and if the beneficiary shall recover before reaching retirement age and become again qualified for efficient service fairly comparable in compensation to his service at the time of retirement, said disability awards shall be discontinued. The period of disability shall not be counted as service under this act and no contributions by employee or by employer-carrier shall be made during that period. Appropriate deduction for contributions repaid as disability awards shall be made in computing any retirement insurance to which a disabled employee may become eventually entitled.

DEATH BENEFIT

SEC. 119. Upon the death of any employee before or after retirement, the amount of his own contribution with 3 per cent interest thereon, less any amounts which may have been paid to him in annuities or for disability with 3 per cent interest thereon, shall be refunded to his legal representatives.

SEC. 120. An officer or representative of an employee organization who is not included within the definition of "employee" in section 101 of this act but who has rendered contributory service or prior service to one or more carriers may elect to continue as, or to become, a beneficiary under the provisions of this act by paying into the funds herein established the same employee contributions and the same carrier contributions which would be paid had such an officer or representative continued in the service of a carrier-employer on the basis of the compensation received for the last year of his service to a carrier.

ARTICLE II

SCHEDULE OF STANDARDS FOR THE BOARD

SEC. 201. Accounts: There shall be established an account for the normal retirement insurance fund, an account for the prior service pension fund, and such other accounts (which may include a surplus account) as the board may from time to time direct.

SEC. 202. Normal retirement insurance fund: All contributions to provide annuities, based on contributory service rendered after the commencement date fixed in this act, shall be credited to the normal retirement insurance fund, into which fund shall be paid, from the compensation of each employee in such manner as the board shall direct, a percentage of each employee's compensation according to the following schedule; payments being made in behalf of the employee, based on compensation earned during a calendar year of service, according to the age attained by the employee at the beginning of that year, as follows:

Attained age 34 or younger, 2 per cent.
Attained age 35 to 39, inclusive, 2½ per cent.
Attained age 40 to 44, inclusive, 3¼ per cent.
Attained age 45 to 49, inclusive, 4 per cent.
Attained age 50 and over, 5 per cent.

In the event, and whenever the board shall determine, with the approval of the Interstate Commerce Commission, that a smaller or greater percentage is sufficient or necessary to provide for payment to each retired employee of a normal retirement annuity amounting to substantially 2 per cent of the average compensation of each employee for each year of contributory service multiplied by the number of years of such service, the foregoing percentages may be diminished or increased, as so determined by the board and approved by the commission. The foregoing provisions as to attained ages and percentages applicable thereto may be likewise modified.

Concurrently with each payment of the contributions of the employees (which are to be deducted by the carrier from said employees' compensation and paid over in such manner as the board shall direct) the carrier shall pay into the same fund an amount equal to the amount of the payment made of the employees' contributions.

SEC. 203. Prior service pension fund: In addition to each of the foregoing contributions to the normal retirement insurance fund and concurrently with each of said payments, the carrier and the employee shall each make a payment into the prior service pension fund amounting to 1½ per cent of the compensation of the employee, these additional contributions being made in order to provide a more adequate annuity upon retirement for those employees who have attained advanced years at the commencement date when payments into the normal retirement insurance fund begin.

SEC. 204. Annuities: Upon retirement, as hereinafter provided, each employee shall be entitled to be paid out of the normal retirement insurance fund an annuity equal to 2 per cent of his average annual compensation during his service subsequent to the commencement date fixed in this act, multiplied by the number of years of said service; and in addition shall be entitled to be paid out of the prior service pension fund an annuity equal to 1 per cent of his compensation for the first year after said commencement date, multiplied by the number of his years of service prior to said year: *Provided, however,* That such additional payment shall not exceed the amount necessary so that his total annuity from both accounts shall equal, if possible, but not exceed one-half of his compensation for said first year of service after the said commencement date. In the case of an employee who becomes eligible for an annuity with less than one year's service after said commencement date, his prior service pension payment shall be based on 1 per cent of his compensation during his last year of service preceding said commencement date.

SEC. 205. Whenever the board is of the opinion that within a period of 30 days the prior service pension fund may be found to be insufficient to meet the payments required from it, the board is authorized to transfer such sums of money from the normal retirement insurance fund as can be transferred without jeopardizing the ability of said fund to meet payments required from it; but all such sums so transferred shall be repaid to said normal retirement insurance fund before the said prior service pension fund is discontinued, as hereafter provided. It shall be the duty of the board to exercise its discretionary powers under section 104 of this act so as to protect the solvency of the normal retirement insurance fund and to provide an adequate and safe margin at all times between the contributions to and the disbursements from said fund. When eventually disbursements from the prior service pension fund shall cease to be required under the provisions of this act and all loans to said fund from the normal retirement insurance fund have been repaid, the board shall be authorized and it shall be its duty to give notice to all carriers and employees that further contributions to the prior service pension fund shall be discontinued as of a given date and as soon as possible thereafter the balance in said fund shall be transferred to the normal retirement insurance fund.

ARTICLE III

ANNUITANTS

SEC. 301. No annuity or other payment, nor any right thereto, under this act shall be assignable, either in law or equity, or subject to any tax, execution, levy, attachment, garnishment, or other legal process.

SEC. 302. No annuity or other payment to a beneficiary under this act shall be paid to any person who is not a citizen and resident of the United States, and if any annuitant shall establish his residence outside the United States, his right to further annuities shall thereupon cease, and, upon a finding to that effect by the board after due investigation, there shall be refunded to such a beneficiary the total amount of all contributions made by him, plus 3 per cent interest thereon compounded annually, minus the total amount of any payments of any kind under the act previously made to said beneficiary, which refund shall constitute a full settlement of all obligations to said beneficiary under this act.

ARTICLE IV

EXISTING RAILWAY PENSION SYSTEMS

SEC. 401. The board shall have the power to provide by appropriate rules and regulations for the substitution of the provisions for retirement annuities and other benefits to employees under this act for any existing provisions for the voluntary payment of pensions to employees subject to this act by carriers subject to this act in such a manner as to relieve such carriers of their obligations under such existing pension systems and to transfer such obligations to the funds herein established: *Provided,* That if the fulfillment of any such transferred obligation shall require additional contributions or larger payments than would otherwise be required under the provisions of this act, then the carrier originally responsible for the creation of such an obligation shall accept full responsibility for said additional contributions, or for the excess amount of such payments over those which would be required under the provisions of this act. In the event that the board is unable to make satisfactory arrangements with any carrier for the substitution of the provisions under this act for its existing pension system, then and in that event the provisions of this act shall be applied to said carrier and its employees without regard to any conflict or duplication in the operation of such an existing pension system and the operation and effect of the provisions of this act.

ARTICLE V

JUDICIAL REVIEW

SEC. 501. The several district courts of the United States and the Supreme Court of the District of Columbia shall have jurisdiction to entertain an application and to grant appropriate relief in the following cases which may arise under the provisions of this act:

(a) An application by the board to compel an employee residing within the jurisdiction of said court, or a carrier subject to service of process within said jurisdiction, to comply with any obligation imposed on said employee or carrier under the provisions of this act.

(b) An application by an employee or carrier to the Supreme Court of the District of Columbia or to the district court of any district wherein the board maintains an office, or has otherwise designated an agent authorized to accept service in its behalf, to compel the board to set aside an action or decision claimed to be in violation of a legally enforceable right of the applicant, or to take an action, or to make a decision necessary for the enforcement of a legal right of the applicant, when the applicant shall establish his right to a judicial review upon the jurisdictional ground that, unless he is granted a judicial review of the action or decision, or failure of the board to act or to decide, of which he complains, he will be deprived of a constitutional right to obtain a judicial determination of his alleged right.

The jurisdiction herein specifically conferred upon the said Federal courts shall not be held exclusive of any jurisdiction otherwise possessed by said courts to entertain actions at law or suits in equity in aid of the enforcement of rights or obligations arising under the provisions of this act.

SEC. 502. Any employee or agent of a carrier or other person subject to this act who shall willfully fail or refuse to make any report or furnish any information required by the board in the administration of this act, or who shall willfully fail or refuse to make any accounting or payment required under this act, or who shall knowingly make any false or fraudulent statement or report required for the purpose of this act, or who shall knowingly make or aid in making any false or fraudulent statement or claim for the purpose of receiving any award or payment under this act shall be punished by a fine of not less than $100 nor more than $10,000 or by imprisonment not exceeding one year.

SEC. 503. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL

Mr. TRAMMELL submitted an amendment intended to be proposed by him to House bill 7912, the Agricultural Department appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 40, line 4, after the word "regions," insert "and for encouraging of agriculture and the utilization of lands reclaimed in the South by drainage."

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. WHEELER submitted amendments intended to be proposed by him to the bill (H. R. 8397) the Interior Department appropriation bill, which were ordered to lie on the table and to be printed, as follows:

On page 28, between lines 14 and 15, insert the following:

"For completion of public high school at Frazer, Mont., and for necessary equipment for manual, laboratory, and other lines of training, $15,000, to be immediately available."

On page 64, between lines 19 and 20, insert the following:

"CARE OF INDIGENT INDIANS

"For reimbursement to Cascade and Hill Counties, State of Montana, for hospitalization and subsistence for certain indigent ward and nonward Indians resident within such State, but not within any established reservation, $13,383.77, of which $6,726.16 shall be paid to Cascade County and $6,757.61 shall be paid to Hill County."

KIDNAPING OF THE LINDBERGH BABY

Mr. BARBOUR. Mr. President, I ask unanimous consent to submit a question to the chairman of the Judiciary Committee, the Senator from Nebraska [Mr. NORRIS].

The VICE PRESIDENT. Without objection, the Senator from New Jersey will proceed.

Mr. BARBOUR. Mr. President, in the light of the ghastly tragedy that has befallen one of the most distinguished

and beloved families in my State, the dastardly and cowardly kidnaping of the Lindbergh baby from its cradle last night, may I inquire of the distinguished Senator from Nebraska the status of Senate bill 1525, introduced by the Senator from Missouri [Mr. PATTERSON], which bill very properly makes kidnaping a felony punishable either by death or imprisonment? I am sure the hearts of the people of the Nation, as well as of New Jersey, go out to this honored family in their hour of anguish, and I express the hope that this shocking occurrence will help expedite the immediate passage of this or any other measure that may tend to put an end to a crime which I, as a father myself, consider the most horrible of crimes and even worse than murder.

Mr. NORRIS. Mr. President, in reply to the Senator from New Jersey, I will state that the bill referred to was in due course referred to the subcommittee of the Committee on the Judiciary, and I understand from the clerk the subcommittee has reported it to the Judiciary Committee, and it is now on the calendar of that committee. I want to say to the Senator that, so far as I know, there has been no attempt on the part of anyone to delay the proper consideration of the bill. There is not any doubt but that within a very short time it will be taken up as soon as it is reached on the calendar by the full committee and disposed of.

Let me say to the Senator, while I have the floor, that the jurisdiction of Congress in a matter of this kind, of course, as he understands, is very much limited. I presume, under our Constitution, the Congress would be confined in its action regarding crimes of this kind to cases where the kidnaped person was taken across a State line, or something of that kind. It is, to a great extent, a matter within the province and jurisdiction of the various States, but, so far as the Government of the United States has jurisdiction, I think I am safe in assuring the Senator that the Judiciary Committee will give it as prompt and careful attention as it is possible to do.

Mr. BARBOUR. I thank the Senator from Nebraska.

Mr. ROBINSON of Arkansas. Mr. President, I should like to ask the Senator from New Jersey what are the provisions of the statute of New Jersey on the subject?

Mr. BARBOUR. I will say to the Senator frankly that I am not very familiar with the statute; but I am having my office look it up now.

Mr. ROBINSON of Arkansas. Practically all States, if not all of them, have statutes penalizing kidnaping and most of them, according to my information, make it a very grave felony, heavily punishable by imprisonment.

ADDRESS BY SENATOR BARKLEY BEFORE A JOINT SESSION OF THE GENERAL ASSEMBLY OF KENTUCKY

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague the senior Senator from Kentucky [Mr. BARKLEY] before a joint session of the General Assembly of Kentucky on February 23, 1932.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, Mr. Speaker, and members of the general assembly, I am deeply grateful to you for the courtesy of the invitation which is responsible for my presence here to-day. While I have always been interested in the deliberations of the Kentucky Legislature, both as a citizen of the State and as a public officer, it so happens that only once in my life have I seen it in session, and that was so many years ago that it is barred by the statute of limitations.

Though I appreciated deeply the invitation to address you, when I received a copy of the joint resolution conveying it I hesitated to intrude myself into your midst by accepting it, because I am familiar with the very great problems with which you are dealing on behalf of the people of Kentucky, and I know how rapidly your allotted time is passing. But when I recalled that you had extended a similar courtesy to a large number of really distinguished citizens of the United States, I recognized that, though I was not entitled to claim membership in their class, I could not afford to admit it publicly. Under these circumstances, I felt like the young lawyer who was paying frequent and ardent attention to a young lady who had many other admirers. The girl's father, upon learning of his attentions, wrote to him as follows: "I am informed that you are paying constant attention to my daughter. I desire to see you next Monday night." Whereupon the young lawyer replied: "Dear Sir: Your circular letter received. I will be at the meeting."

We are in the midst of national and internationl circumstances which call for the most constructive thought, the most broad-minded treatment, the most intense and unselfish concentration of purpose of which the world of business, of politics, of national and international statecraft are capable.

It would be futile to attempt to assign or allocate all the causes which have produced our present difficulties, unless by recognizing them we can avoid them in the future.

It is an amusing sort of pastime to engage in disputes as to the relative degree of responsibility of politics, business, finance, government, and economics for the disaster which has overtaken the Nation and the world. I doubt whether any of them can establish a complete alibi.

In so far as our present situation may be traceable to the outbreak and extent and devastating intensity of the World War, certainly statecraft must accept the larger share of responsibility. Without here attempting to reiterate the threadbare controversy as to which group of the contending forces brought it about, I think no one would deny the charge that one or more governments, one or more rulers, one or more régimes, were primarily guilty of producing it or failing to prevent it. This responsibility, this guilt, this failure, therefore, lies largely in the field of politics and statecraft.

What has occurred since the close of the World War has been a mixture of politics and of business, a combination of the inaptitude of governments and the cupidity of business. It is not my task to apportion this responsibility.

But as a result of this combination we see the world prostrated. We see international business paralyzed, confidence gone, fear enthroned, millions of able and honest men idle and hungry and objects of public charity. We see the credit of many nations strained if not completely broken, budgets unbalanced, deficits mounting in both public and private treasuries, and institutions in which the people placed their confidence no longer able to perform the duties and functions for which they were organized; and we see men and organizations who a little while ago condemned and belittled all Government activities in the realm of business now crying out to the Government as the only agency of rescue left to them and to the people.

As was to have been expected, countless remedies, put forward by countless men, known and unknown, have chased one another through the mails, the magazines, and the newspapers, until almost a babel of tongues seems to have been reestablished and, in the language of Longfellow, "Things are not what they seem."

It is not my province to add mine to the confusing list. But if we are to escape similar catastrophes in the future, as well as dig ourselves from under this one which now besets us, we must look some facts in the face.

When the war came to a close, Great Britain found herself with a public debt of more than $40,000,000,000, a debt equal to about $1,000 for each inhabitant of the British Isles. This debt was not spread out over the colonies of England. It was solely the debt of the people of England, Scotland, and Wales.

Other nations of Europe found themselves loaded with equally staggering burdens until every sensible and observant person in the world realized the utter truthfulness of the old adage that, "Whoever wins a war loses it."

Our own debt was more than $26,000,000,000, an amount equal to one-tenth of our total wealth before the war; and in addition to her own internal debt, which she paid in a depreciated currency, Germany was assessed with an obligation of $32,000,000,000 as reparations on account of damages done during the war. Germany could not be imprisoned for "war guilt," so she was fined to the extent of $32,000,000,000, and now the whole world recognizes the serious question whether she can pay it, and those who were supposed to get it are intimating that we in America ought to pay it by canceling the debts which they owe us, under the theory that the one victorious nation which got nothing out of the war should continue to pay and pay and pay.

Yet we in our own country, by the erection of trade barriers which are indefensibly silly and short-sighted, have not only contributed to the mendicancy of other nations, but have well-nigh killed the famous goose that is supposed to furnish us with our own supply of golden eggs.

And yet, again, in spite of all that we saw and are supposed to have learned from that dreadful experience, the nations of the world, including our own, are finding it necessary or expedient to expend nearly twice as much in anticipation of another war that may come as they were expending in 1914 in anticipation of the war that did come.

And yet, again, in spite of the accumulation of these evils which are directly traceable to that war, we have large groups in our own country who are either afraid or unwilling to join any concert of nations, under any name or plan, to prevent a recurrence of such another world disaster, by judicial, calm, and peaceful settlement of international disputes.

What do we propose to do about it? We are told that the thing for us to do is to cancel all war debts everywhere, to wipe the slate clean and start all over again.

That is a very alluring prospect, of course, to the nations which owe the debts and which in large or small degree brought on the great conflict out of which they grew. But there is one thing which this international altruism can not lose sight of, and that is that we did not produce that war in America, and we were not

remotely responsible for anything that did produce it. If the whole continent of Europe can be permitted so to maneuver its affairs over a long period of years as to make a World War inevitable because a demented student shoots an inconsequential archduke, and then load the burden of that war on the backs of innocent American taxpayers, then what incentive is there for them to go to the last ditch in preventing or avoiding another such debacle?

I am as generous of heart and as liberal of purse as my circumstances will permit, but I am not willing at this juncture of the world's affairs to see the whole burden of this European misadventure left on the backs of the American people, for you may cancel all international debts, if you will, but you can not cancel our own war debt, which represents in large degree money which we loaned to Europe, except by paying it. It would be infinitely wiser to reduce some of the artificial and blighting barriers to the flow of international trade and the resumption of international credit, so that the nations of the world can begin to make some money and pay their debts. In that way they can not only begin to meet their obligations but would at the same time, by avoiding the necessity for repudiation, enable them to save their self-respect.

But unless and until we can bring about a rational readjustment of international economics, what shall we do at home? We have problems enough here to engage the attention of most of us, problems which are appalling and are common to us all, problems which bedevil the town council and the State legislature no less than they bedevil the Congress of the United States.

I recognize the difficulty, if not the impossibility, of wholly separating our purely domestic problems from the combination of conditions and circumstances to which I have alluded. But there are some of them which we must deal with and solve, at least for the present, without regard to the degree to which world conditions have contributed to their existence.

One of these is that of taxation, and its handmaid, the increasing expense of operating local, State, and National Governments in this land of ours.

When the distinguished clerk of the house of representatives transmitted to me the invitation to address you he facetiously suggested that if I could tell you where to find $4,000,000 in additional revenue per annum for the operation of the State government, for God's sake come on down here and do it. My first impulse was to say in reply that I would gladly do it if he would come or send some one to Washington who could tell us where to find one and a half billion dollars of additional revenue per annum which the Secretary of the Treasury tells us will be needed to balance the Budget of our National Government.

This only serves to emphasize the universality of the difficulties under which all governments are resting and the difficulty of finding a satisfactory solution; and it is a strange—and to the average man a baffling—paradox that at a time when the people are least able to pay, the demand for increased taxes is greatest.

The enormous increase in the cost of government in this country is one of the most astounding and one of the most menacing facts in our history. This increase is not chargeable alone to the politicians. They have done their share to bring it about. But the people themselves are not to be acquitted altogether of a share in this responsibility. It has been the outgrowth of the demand of the people for improvement in their social, economic, and political welfare, and government in one form or another has been the agency most available and most serviceable in the promotion of enterprises which had at their roots the insatiable desire for a better civilization. These constantly increasing demands, which have been reflected in legislation calling for greater expenditures by the agencies of government over a period of a century and a half, have grown into an enormity which few stopped to measure until this greatest of all economic depressions came upon us almost without warning or notice, and now we are running around in circles trying to make income and expenses balance by reducing costs where we can and increasing taxes where we must. But the net result, I fear, will probably be a greater increase in taxes than a greater decrease in costs.

When in October, 1800, the Federal Government was moved from Philadelphia to the new Capital at Washington, a newspaper of the period recorded the fact that there were 54 Government employees involved in the move; that all documents and papers were brought to Washington in five small boxes and seven large boxes. To-day we are spending hundreds of millions of dollars in a building program in the National Capital to house the books and papers and records and the scores of thousands of employees now located in the various departments and bureaus.

Since that date our population has increased 2,300 per cent. We now have 10 major departments, 154 subsidiary bureaus, and 35 independent establishments in the Government at Washington.

In the year 1900 the expenditures of the Federal Government amounted to $650,000,000. To-day that amount barely pays the interest on our public debt, while the total annual expenses amount to more than $4,000,000,000.

In 1900 the amount contributed by each American citizen to support the Federal Government was $9.25. In 1932 that citizen contributes $40 to the expense of the National Government.

When at the beginning of this session of Congress we started out with some hope of being able to reduce these expenditures by something like $300,000,000 per annum, these hopes were soon dispelled when we were forced to take $500,000,000 with which to constitute the capital stock of a new Government corporation, created to afford credit to distressed financial, agricultural, industrial, and transportation organizations, which found elsewhere no facilities for obtaining credit, and $125,000,000 with which to infuse new circulating blood into the farm-loan system, which had been created and operated under the fostering care of the Federal Government. In addition to these great sums, which, combined, amount to a larger sum than the total expenses of the National Government prior to the World War, there is no way by which we can predict the extent to which the Government may be called on to administer the pulmometer to other enterprises or activities which may send up the S O S call for emergency relief.

But the Federal Government has not alone been the agency through which governmental expenses have mounted to staggering figures. State, county, and municipal governments have moved in the same direction, and largely on account of the increased demands of the people for exercise of the functions of government in the solution of their complex problems. The road-building programs, health conservation, the necessary injection of Government into the regulation and control of the activities of a complex age, the effort to keep unchoked the channels of trade and of industry, the enforcement of laws, and all the increasing manifestations of governmental power brought forth by the increasing demands of the people for its exercise have made inevitable the picture which it is so easy to draw and which in these distressing days is so unpleasant to have to unfold.

The grand total of expenses per annum in this country for expenses of government is more than $12,000,000,000, which for the year 1931 was more than one-sixth of our total national income.

To what extent this enormous sum may be decreased is not easy to estimate. It is not difficult to promise to reduce governmental expenses, but it is difficult to keep the promise. Every governmental agency, when established, soon acquires a very natural belief that it is indispensable and begins to marvel how the people were able so long to exist without it. When efforts are made to curtail or abolish it we are at once confronted with the reproach that we are contributing to the army of the unemployed by attempting to reduce or abolish Government positions.

In addition to this, there are certain fixed charges involved in every government which can not be eliminated without seriously crippling its functions and usefulness, as well as certain other moral obligations to the people which can not be abandoned without a degree of stultification. So that when it is all summed up only those who have to deal with the situation as executives or legislators know how ineffective are all our efforts to reduce expenses even in times like these in proportion to our reduction in income.

But if there is to be any relief of a permanent character to the people, if there is to be any new hope infused into the hearts of millions of our people in all the States and counties and cities of America, we must not be contented to do mere lip service to economy. We must inaugurate it at every point where it can be done without seriously interfering with the necessary functions of government, National, State, and local. We can not as public officers insist upon the compulsory exercise of rigid economy on the part of people and groups of people, while at the same time we continue to indulge in the unnecessary extravagances which all kinds of governments have acquired during the last decade and a half. Neither can we allow the financial affairs of our Government, whether State or National, to become so involved or precarious as to affect the credit of these governments in the eyes of the people. When the people lose faith in the integrity of our Government in its ability to meet its obligations, they will have lost faith in the only organized force under which they can seek or obtain protection either in peace or in war.

For this reason, therefore, while we may not and ought not to attempt, especially in the conduct of the National Government, to bridge the entire distance between income and expenses by harsh and unreasonable levies upon the private income of the people, or upon their property by increasing burdens that are already unbearable, or by contributing further to the bankruptcy of individuals or of industries, nevertheless we might as well recognize—and I believe the people are sufficiently intelligent and fair to recognize—that new sources of income and of taxation must be sought out in lieu of those which have been lost or exhausted in order that the institutions of our Government may maintain themselves for the adequate service of the people in every necessary activity.

My own belief is that it would be unfair, if not unwise, to attempt to raise by taxation the whole of a billion and a half dollars per annum by the National Government to try to pay at once the deficit which has been created by loss in revenues due to the depression. For more than 10 years we have been piling up surpluses in the Treasury each year, which have been applied to the premature payment of our war debt. There is nothing unwise or unbusinesslike in spreading the burden of attempting to balance our Budget over a period of years that will accomplish the same result and at the same time aid the people in the recovery for which we are all praying, but which has been predicted time and time again without sufficient advance information.

Another great problem which confronts the people of the Nation and of every community in it is that of unemployment. It is not a wholesome situation to realize that 8,000,000 able-bodied men, living in what has been boasted of as the richest Nation in history, find themselves, without any fault of their own, unable to obtain the necessary work to give their families the necessities of life. Considering the length of time during which this condition has obtained, we may regard ourselves as fortunate that there has been so much patience and long suffering on the part of those who have been the victims of that situation. And one of the

faults which I find with some of those in high authority was their tardy willingness to recognize the facts as they were and their deliberate efforts to conceal from the American people what every man on the street already knew.

We have been considering in the National Capitol measures of various kinds to deal with and offer some relief for this situation. We are engaging in an academic debate over the primary responsibility of communities, States, or the Nation as a whole to attempt to afford relief to those in distress. Undoubtedly there is a primary obligation on the part of local communities and even of States to deal with this problem within their own borders. But we must not ignore the fact that the people, and especially those who are innocent victims of this crisis, draw no fine-spun or legalistic distinctions between the responsibility of local or national agencies of relief. While I believe in the primary responsibility of local agencies and local governments in dealing with problems that are local, I am not one of those who believe that a great nation, which is supported in peace by the taxation of the people and in war by the shedding of their blood, can afford to see its defenders or their dependents starve by sheer want and neglect while we engage in a sophomoric dispute over the question as to who should offer first aid.

While the question of unemployment is more acute at present than in ordinary times, we might as well recognize the fact that there will continue to be a certain and too large amount of permanent unemployment due largely to our growing technological causes.

We have made a god of mass production. We have boasted that we in America have given to the world 85 per cent of the inventions by which labor of the human hand has been eliminated to the extent that 1 man may now do the work of 50 men and at the same time produce a larger quantity of goods.

We have boasted of this and gloried in it on the theory that it was a great boon to the human family to be relieved of some of the burdens of manual toil. But we have, I fear, in our enthusiasm over the coming of the machine, overlooked some of the hardships which have come to those who were displaced by these modern methods. I do not wish to be understood as decrying or regretting the advance of machinery which has contributed so greatly to the enjoyment of living in the modern world in which we live. I recognize the futility of attempting to turn the clock back to an antiquated century. But if these changes in the methods of manufacture and of distribution of the necessities and the luxuries of life have been of sufficient benefit to society as a whole to justify their inauguration, then society as a whole owes it to those who have been and will be displaced to find a way by which they may maintain themselves and their families in self-respect and comfort as a part of that society upon which these benefits have been conferred.

In other words, if, as the result of our modern methods, a permanent condition has been established whereby all of the people may be employed three-fourths of the time, or three-fourths of the people employed all of the time, there is but one course, in my judgment, that can be pursued that does justice to all of our people. If there is not to be work enough for all of the people all of the time, then such work as remains to be done must be distributed among them so that each may have his share according to his ability and his opportunity. If this means the shortening of hours or of days, then society will have to adjust itself to such a new order. If it means the inauguration of the 5-day week or the 6-hour day in order that all of those who are willing to work may share in the toil upon which all must depend for their maintenance, then society must pay the price of its own advancement, for its own smug and complacent comfort. I do not mean to suggest or predict that government, as such, will necessarily be called upon to inaugurate such a change by compulsion; but industry, and finance, and politics, and religion, and sociology, and all the countless men and women who believe in justice and in equal opportunity for every man and woman living under the American flag, must give early consideration to this great problem which involves so large a proportion of the worthy and honorable men and women who form this great Nation.

The wise and farsighted adjustment of these troublesome questions that knock at our doors for solution can not be long deferred. Already we find a disposition in some quarters to take advantage of our present condition to inveigh against the stability, the wisdom, and the integrity of our political and our social institutions. Already we hear the threat of the iconoclast who would tear down the ancient landmarks of our national history. Already our ears are being deafened by the sound of destructive forces which would prey upon the misery of the people to make a holiday for their visionary passions.

That there have been and are great evils in our economic and political system no careful student can deny. That these evils must be eliminated, no man of vision or patriotism will contest. That we may be entering upon a new era of broader participation in the enjoyment of human blessings that should flow from democratic government, let us all fervently hope.

But we can not correct whatever evils may exist in our political, economic, or social life by destroying the foundations upon which our Nation has grown so great. We can inaugurate a more universal distribution of the benefits of modern civilization than have been thus far accomplished, but we can do it under the forms of democracy and under the direction of the popular will if that popular will is fostered and guided by the councils of wisdom of far-sightedness and of sacrifice.

It is not strange that we find among us the pessimistic and the doubting. It is not easy to explain, for instance, how or why it has been that in the United States of America more banks, State and National, have closed their doors than suffered a similar fate in all the civilized nations of the world combined. It is not easy to explain why in one year 2,345 American banks closed their doors, involving deposits of $2,000,000,000 of the people's savings, while our next-door neighbor, the Dominion of Canada, has not had a bank failure in nearly 10 years. It is not difficult to understand why in such circumstances great masses of the American people are beginning to wonder what is the matter with our banking system and whether some device can not be established by which they will be free from the fear which has resulted in the great amount of hoarding, of which such feverish complaint has recently been made; and especially when we contemplate that the great financial system set up in 1913 to protect us from such unprecedented conditions has been perverted from its original purposes and has been guilty of the same lack of confidence for which the people are being so severely criticized and condemned. I do not undertake here to offer offhand a solution for this pressing problem; but that a way out must be found if our financial institutions are to regain the confidence of the people and are to continue in the performance of the great function for which they were ordained, no sincere or earnest person can dispute. It is not difficult to understand why millions of our people complain at an economic condition which piles enormous surplus in field, factory, and warehouse, while they themselves go hungry and naked from inability to purchase them.

And we might as well also understand that these unprecedented and deplorable conditions can not be eliminated permanently by a mere extension of the facilities of credit. We can not borrow ourselves into prosperity. Since the beginning of this session of Congress in December, partisan politics has been largely adjourned. Men of all political faiths have sought to combine whatever wisdom they may possess in an unselfish effort to bring whatever relief, though temporary, can be afforded by legislation. We have placed at the disposal of American business, American agriculture, and American finance the credit of the Nation to a degree never before contemplated either by the founders or by the subsequent maintainers of constitutional government in the United States. We have done it in the hope largely that it might preserve the life of the patient until nature could take its course, or a major operation could be performed. But we need not deceive ourselves into the belief that this is a permanent cure for the disease from which we suffer. What the American people need is the restoration of their purchasing power. Many millions of them have already borrowed all the money they can borrow and much more than they can repay. It is small comfort to these millions to offer them facilities for increasing their indebtedness when they can not pay what they already owe. For this reason, while these temporary measures may serve to inject artificial stimulation into a very weak patient, they can not be regarded as a permanent cure for a chronic ailment.

What the American people need is not only the more rigid economy in the expenditure of public money but the elimination of all unnecessary extravagances and the lifting of the burden of oppressive taxation wherever possible. They need also a market for the products of their toil. That market will be increased at home when we have done something that lays the ax at the root of the evil by facilitating the resumption of trade at home and abroad. That market can be increased in the waiting, anxious nations of the world by a systematic reduction of the artificial and wicked trade barriers among all the nations of the world, and between this Nation and all of them, so that the flow of international credit and of commerce may revive the sinking hopes of men, both in high and humble station.

I have faith in the belief that out of our present confusion of tongues, a great voice will arise to speak the truth, and when it is spoken the people will hear it and follow it. I have faith in the permanence of the institutions of our country. They have brought us through 150 years of toil and sacrifice and advancement. They inspired us in our original revolution. They have struggled and lived through civil conflict, through disasters produced at the hand of nature, and through the folly of man. They have lifted us to a station in the affairs of mankind never realized by any other nation in all the history of humanity. They are worthy of our sacrifice when war comes either to our shores or to our institutions. They are worthy now of our patience, of our devotion, of our unselfish consecration in the hope and the firm belief that in the future, as in the past, they will emerge from the crucible of our present unhappy situation stronger, juster, more abiding in the hearts of the people of America than they have ever been before. It is my hope and belief that in the Nation and in every State and hamlet the same qualities which have led us to the heights of fame and achievement will command us not to retreat, or surrender the heritage which has been passed on to us by those whose names and deeds we hold as sacred; and that by our example and our singleness of purpose, without partisan rancor or factious indiscriminate condemnation, we may be instrumental in holding high in the heavens the banner of justice, of liberalism, and of progressive democracy.

MODIFICATION OF ANTITRUST LAWS

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to have printed in the RECORD an edi-

torial from the New York American of February 25, 1932, and an editorial from the Boston News Bureau of February 23, 1932, favoring the passage of Senate bill 3256, which is designed to protect and foster trade and commerce and which was introduced by me several weeks ago.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York American, Thursday, February 25, 1932]

CONGRESS CAN AID BY LIFTING ANTITRUST STRAITJACKET

There is before the upper House a sensible measure proposed by Senator WALSH of Massachusetts to hearten honest business executives by modernization of the antitrust laws.

Known as Senate bill 3256, it has been properly described as a law "to protect and foster trade and commerce."

It would transform the Federal Government from a policeman wielding a nightstick over organized business into a civilized agency for guiding business along socially useful lines.

The fatuity of a mere negative attitude of curbing and discouraging business initiative has been fully demonstrated in recent months as more than 7,000,000 Americans have hopelessly trudged the streets without employment.

In 1890 there was a need to place restraint on greedy corporations. There still is in 1932.

Archaic antitrust laws instead make it a criminal offense for competitors to sit around a table to determine means of promoting cooperation, economic order, and consequent business prosperity.

Senator WALSH has suggested a way out, which conforms to the demand long made in the Hearst newspapers for rationalization of our antitrust laws.

The Senator from Massachusetts would leave the Sherman Act and the Clayton Acts, with their punitive clauses, on the statute books, but he would exempt from their jurisdiction certain business contracts when and if approved by the Federal Trade Commission.

In refusing to dissolve the United States Steel Corporation two decades ago the United States Supreme Court paved the way for Senator Walsh's amendment.

The high tribunal applied the famous "rule of reason" doctrine to the interpretation of the antitrust law. It gave a broad rather than a literal interpretation of the Sherman Act. Holding in effect that the Steel Corporation was a good trust, it refused to dissolve it because it had not restrained commerce "unreasonably."

But the court still left a wide twilight zone, which has paralyzed the initiative of business builders.

Senator WALSH would cease making a fetish of "restraint of trade" and would instead apply to business deals the commonsense test of whether or not they are in the public interest.

The essence of the Walsh amendment lies in these words: "If the commission (Federal Trade) is of the opinion that the contract is in the public interest, it shall issue and cause to be served on the petitioner an order approving the contract, or failing such opinion it shall issue and cause to be served on the petitioner an order disapproving the same. Without in any way limiting the power of the commission to determine whether the contract is or is not in the public interest, it shall be considered presumptive evidence that such contract is in the public interest if it results in a fair and reasonable compensation to producers of average ability and efficiency and to labor, and does not result in a selling price of the goods or commodities covered thereby in excess of a fair and reasonable price based on all fair and reasonable items of cost plus fair and reasonable profits, but the burden of proving that the contract is in the public interest shall be on the petitioner."

The public is protected against abuse of power by the regulatory commission, by a provision that all rulings shall be subject to review on petition by an aggrieved party in the circuit court of appeals.

The bill provides for the enlargement of the commission to a membership of nine. With the added duties, the personnel should consist of men of the highest integrity and discernment. Without an able personnel, the new formula can hardly succeed.

The bill opens the way for law and order in business in place of cut-throat competition and business anarchy.

It would stop antisocial wastage of natural resources.

It opens the gates wide for proper price fixing and beneficial merger agreements.

It would give business men wide opportunity to build a rational economic system, which could provide consumers with low prices and good service, and labor with high real wages.

It would help to end pauperization of millions of unemployed, because productive energy is misdirected.

It would help to end the anomaly of want and privation amidst plenty.

The powers that be in Washington should recognize that the business public does not consist of innocents who can be bamboozled by superficial antihoarding drives, but of intelligent men who will be heartened by genuine economic reform.

Passage of the Walsh bill would do its full share toward promoting business confidence and breaking the deadlock of paralyzing depression.

[From Boston News Bureau, February 23, 1932]

GUILDS' LESSON—MEDIEVAL THEORY OF TRADE REGULATION SERVICEABLE IN COMPETITIVE PRESENT—WALSH BILL HOLDS IDEA

By Thomas F. Woodlock

NEW YORK.—Last month Senator WALSH of Massachusetts introduced a bill "to protect and foster trade and commerce, to supplement the powers of the Federal Trade Commission, and for other purposes," the object being to "thaw out" the situation created by the antitrust laws. The heart of the bill is in section 46, which deals with contracts "to merge, consolidate, acquire stock ownership, fix prices, curtail production, apportion production, apportion sales, apportion territory, pool sales, pool profits, fix resale prices, of patented, copyrighted, or trade-marked or otherwise identified goods, or to do any act or acts which are prohibited or might be considered prohibited by the antitrust acts." All such contracts are to be submitted to the Federal Trade Commission, which shall open hearings upon them and after such hearings shall either approve or disapprove the contracts and such approval shall exempt them from the application of the antitrust statutes. A very important clause in section 46 (6) reads as follows:

"Without in any way limiting the power of the commission to determine whether the contract is or is not in the public interest, it shall be considered presumptive evidence that such contract is in the public interest if it results in a fair and reasonable compensation to producers of average ability and efficiency and to labor, and does not result in a selling price of the goods or commodities covered thereby in excess of a fair and reasonable price based on all fair and reasonable items of cost plus fair and reasonable profit, but the burden of proving that the contract is in the public interest shall be on the petitioner."

MEASURE ENVISAGES GUILD IDEA

Here we have clearly emergent the "just price" and the "just wage" of medieval days, with a strong suggestion of the medieval guild system—all perfectly good ethics and therefore perfectly good economics. And we have the regulative power removed from the courts acting post factum to a commission acting ante factum, which is the most obvious kind of common sense. Without accepting every detail of Senator WALSH's bill as sound and well adapted to the end in view, it can be said that it correctly envisages that end and takes the most direct road to that end. Further, it can be said of it that it is distinctly preferable to a bill which would amend either the Sherman Act or the Clayton Act—or so it seems to this writer. As a matter of fact, the Sherman Act's language needs no amendment but only an interpretation which shall give to the words "restraint of trade" their true meaning in the light of to-day's facts. So far as the Clayton Act is concerned, Senator WALSH's bill would take care of that.

Recognition of the destructive effects of unrestrained competition is one of the outstanding fruits and profits of the present world emergency, and it is earnestly to be hoped that we shall garner it for use. It is lawful for us, as the Latin poet had it, to learn from the enemy. Every heresy derives whatever vital power it possesses from the fragment of truth that underlies it, and the emphasis of the classical socialists upon the principle of cooperation is the secret of the vitality in the socialist weltanschauung.

Nature (to borrow that convenient phrase signifying the general "order of things") has forced the world into most intimate economic relations with cooperation as their fundamental principle, and we now find that she has no use at all for the principle upon which Adam Smith and his followers relied; i. e., free and unrestrained competition between individuals. The unfortunate thing is that while we see this to be true in the economic order, we are far from seeing that it holds true also in the political order. Nationalism in the latter is the equivalent or analogue of unlimited competition in the former and is fully as deadly in its consequences. Both will be, in fact, destructive of our system of civilization if allowed to run their course unchecked.

REGULATION ECONOMIC NECESSITY

"Regulation" of trade and commerce was a necessary part of the guild system and is a necessary part of any economic system which bases upon cooperation. The rules and practices of the guilds were very carefully drawn and were jealously watched by the courts of the day. It was, indeed, in guild days that regulation of "public utilities" originated, was accepted, and was practiced even before the law of contract took shape. As this writer tried to point out some time ago, the notion that "utilities" are "public" because they perform governmental functions is a purely modern invention without the slightest support in history, law, or common sense, presumably advanced to support the "prudent-investment" theory of value for rate making after a large advance in commodity prices. Nobody likes "regulation," but it is necessary for the reason that law is necessary, and we must make up our minds to accept it as a lesser evil than the evil of anarchic competition.

When, as, and if the world can achieve an end to the war and once again start something like normal trading, we shall have to consider very seriously legislation on much the same lines as those laid down in Senator WALSH's bill. If we could do it meantime, so much the better.

EVILS OF SHORT SELLING

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New York World-Telegram of February 27, 1932, giving a report of an able address delivered by Mr. A. Vere Shaw, of Boston, Mass., a lecturer at the Massachusetts Institute of Technology, upon the evils of short selling as now carried on on the New York Stock Exchange.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York World-Telegram, Saturday, February 27, 1932]

SHORT SELLING IS HELD ILLEGAL BY A. VERE SHAW—ECONOMIST DECLARES IT IS A DESTRUCTIVE, NONCREATIVE, GAMBLING DEVICE

Severe criticism of short selling as a destructive and noncreative gambling device was voiced last night in a Columbia network radio address by A. Vere Shaw, economist, investment counsel, financial writer, and a lecturer at Massachusetts Institute of Technology. He is a member of the firm of Shaw, Kirkbride & Co.

From 1930 to 1931 the entire common capitalization of the J. I. Case Co. was sold ninety-four times, he said, and from 1906 to 1912 the entire common capitalization of the Reading Railroad was sold from twenty to forty times each year. These he cited as extreme examples of speculation, which is under scrutiny to-day.

Replying to Richard Whitney, president of the New York Stock Exchange, who recently defended short selling, Mr. Shaw said:

"Memberships in the stock exchange fluctuate in price, yet the stock exchange has never made it possible for short selling to be conducted in its own memberships. Why, then, should it insist that members of other business organizations be subjected to this 'officious' practice?"

Asserting that price is influenced by demand and supply, Mr. Shaw stressed that demand may be encouraged or discouraged and that supply may be interfered with, both rightfully and wrongfully, and that there are "wrongful ways of interference without resorting to the forging of stock certificates."

CASH, BUT NO STOCK

"The capitalization of a company is a matter of record," he said. "To issue securities beyond the amount authorized, or of a type not authorized, is a fraudulent and illegal act. Now comes the short seller, a stranger to the company and its stockholders, with cash but no stock, who puts on the market shares which do not exist.

"He thus expands the capitalization of the company without notice, without regulation, and unsuspected by buyers or the public. He thereby achieves a result which the corporation itself can not legally accomplish, but which it permits him to bring about when it lists its shares on the exchange. Is this not in the nature of a conspiracy between the corporation, the short seller, the lending shareholder, and the stock exchange which provides the facilities?

"We are told that this is not a sale of nonexistent shares but a sale for future delivery of shares that do exist. However, if there were a meeting of all those who consider themselves shareholders in this company, it would be found that more shares were represented than were in existence. While a known number of shares is outstanding, an additional unknown number has been sold short, and until these sales are covered there does exist a new and unauthorized class of nonvoting shares. This fictitious 'overcapitalization' represents the interest of short sellers, who have a negative influence on the welfare of the company."

STATISTICS OF BANK FAILURES

Mr. BLAINE. Mr. President, I ask to have printed in the RECORD a carefully prepared table of bank failures, showing the number of such failures for the 10 years prior to Mr. Mellon's incumbency of the office of the Secretary of the Treasury and during the 10 years which he was Secretary of the Treasury, including January, 1932.

There being no objection, the table was ordered printed in the RECORD, as follows:

Bank failures

TEN YEARS BEFORE MELLON

Year:	
1911	107
1912	79
1913	120
1914	117
1915	126
1916	54
1917	42
1918	27
1919	43
1920	49
Total	764

TEN YEARS OF MELLON

Year:	
1921	502
1922	354
1923	650
1924	777
1925	612
1926	956
1927	831
1928	491
1929	642
1930	1,345
Total	7,160
1931	2,298
Total, 1921–1931	9,458
January, 1932	334

GOVERNMENTAL EXPENDITURES

Mr. WATSON. Mr. President, I ask unanimous consent to have printed in the RECORD two articles on the subject of governmental expenditures, written by Arthur Sears Henning and published in the Chicago Tribune, Mr. Henning being the able correspondent of that newspaper in this city.

Mr. NORRIS. Mr. President, I should like to make an inquiry of the Senator from Indiana. He has just asked, as I understand, to have printed in the RECORD an editorial from the Chicago Tribune.

Mr. WATSON. No. I asked to have printed in the RECORD two articles written by Arthur Sears Henning, correspondent of the Chicago Tribune in this city, and published in that newspaper, on the subject of governmental expenditures.

Mr. NORRIS. Very well.

The VICE PRESIDENT. Is there objection?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune of December 26, 1931]

BUREAUCRACY IS DUG IN DEEP AND HOLDS ON TIGHT—ONLY PUBLIC REVOLT CAN UPROOT IT

By Arthur Sears Henning

WASHINGTON, D. C., December 27.—After half a century of intensive development, paternalism is so deeply intrenched in the Federal Government that it will take a political revolution to uproot it.

The farmers resist any curtailment of the vast machinery for promotion of the interest of agriculture at the expense of the public Treasury built up since the Civil War. Business men would economize almost everywhere save in the services furnished them by the Department of Commerce, which, enormously expanded when headed by Mr. Hoover, is about to move into a Greek temple covering three city squares. Labor is up in arms at any suggestion of retrenchment in the Department of Labor, which was created just before the World War.

PUT EXPENSE ON THE TAXPAYER

Few of these services would have been established in the first place if the expense of their maintenance had been assessed in the form of fees upon the ostensibly benefiting interests. In nearly every case the cost was assessed upon the entire body of taxpayers. The motive underlying the creation of each service to particular interests was that of getting something for nothing.

In many cases no actual service has been rendered, the bureaus involved taking credit for natural development.

The Federal bureaucracy which fattens on paternalism is composed of more than 700,000 persons, through whom approximately 3,000,000 people subsist, upon the Government's civil pay roll. This octopus reaches a myriad of tentacles into both Houses of Congress and into both major political parties, compassing a strangle hold on legislation and appropriation.

FEAR TO VOICE OBJECTIONS

Thousands of the most influential persons in private life are fully aware of the waste of public money on paternalism, on subsidies to agriculture, industry, and labor, and on functions regulatory of the public activities and private morals of the individual, but refuse to speak out from fear of the vengeance of the bureaucracy.

"Everything you have said about the enormous waste of tax money in extravagant expenditures and in activities beyond the scope of the original conception of the Federal Government is true," said a millionaire manufacturer, who proceeded to cite numerous instances of his own observation. "But don't quote me. I sell a lot of equipment to the Post Office Department and I can't afford to lose the business."

Revolt is brewing, however, in the ranks of industry and commerce against hampering Government regulation. Merle Thorpe, editor of the Nation's Business, who has made a study of paternalism and the Federal bureaucracy, asserts that business is no longer independent. I asked him to outline the results of his investigation.

LOSES FREEDOM OF ACTION

"One of the factors of the present situation, generally overlooked, is that business has had its freedom of action whittled away," he said. "To-day it is no longer independent. It can not move without jostling the tax gatherer, the commissioner, the

supervisor, the inspector, the examiner, and other public agents. It constantly trips over rules and regulations of bureaucratic origin and is continually entangled in miles of official red tape.

"Politics has seductively but none the less effectively hamstrung the manufacturer, the distributor, the merchandiser, the transportation man, the banker, the insurance man, the oil, coal, and timber producers, and the farmer.

"This hamstringing has been brought about not only by the 1,900,000 laws we have put on the statute books but by allowing boards and bureaus and commissions to build up multitudinous and multifarious regulations which have all the effect of law.

"The second obstacle is the regulatory features of government. Every business man and practically every professional man is now directly or indirectly subject to regulations; springing from Congress, State legislatures, city and county councils, and administered by an army of bureaucrats.

"Consider the plight of the railroads to-day. One of our first experiments in regulation was designed to correct unfair practices on the part of a few railroad managers. The course of that experiment is typical of all governmental activities. It started on a small scale. But we have added crust upon crust to the original purpose of the Interstate Commerce Commission until railroad management to-day is circumscribed by a wall of prohibitions.

"It can not fix the price of the only thing the railroads have to sell, which is transportation. It can not issue stocks or bonds without approval of the Government. The Government tells the railroad what safety appliances it must install. It fixes the hours of service of employees.

"Railroad management can not build a new line without permission. It can not extend an old line without permission. It can not abandon a line without permission, even if it shows, as in one case, that the passenger traffic does not pay the engineer's salary. It can not acquire other railroads without permission. Nor can railroads determine the rate of wages to be paid their employees.

CAN NOT KEEP THEIR PROFITS

"At the same time the Government may order railroads to add to their equipment or extend their lines. The Government fixes the value and the enormous expense of the valuation has been not only a tax upon the railroads but upon the taxpayers. The railroads must keep their accounts as the commission prescribes. The railroads can not keep their profits in good years if they exceed 6 per cent. And they are not, as is stated over and over again by politicians, guaranteed any income whatsoever. They are allowed to earn so much—which is quite a different thing.

"As a matter of fact, railroad management rests in a Government bureau; different from private management because, while it has the power, it does not share the responsibility."

The expense of this kind of secondary government management is not reflected alone in public pay rolls, Mr. Thorpe pointed out. While the Interstate Commerce Commission employs 2,000 persons the practitioners registered at the commission in 1930 numbered 4,351. These are paid by the railroads and the public and probably the expense is many times greater than the actual expense of the commission.

GOVERNMENT BY SUGGESTION

"The third obstacle which curtails the freedom of the business man in the United States—a country which enjoys the position of the greatest economic Commonwealth—is supervision," Mr. Thorpe continued. "It is a milder form of regulation, but none the less deadly and deterrent. Supervision suggests and the suggestion takes on more and more of governmental order. It reached its fine bloom recently when field men of the Government were threatening retailers who would not fill out questionnaires on chain stores.

"Closely akin to supervision is 'servicing.' By oral and ocular advice citizens are told what crops to raise, how to raise them, and how with the helping hand of Government to market them. The Federal Government in Washington will tell you how to build a henhouse and how to train grocery clerks, how to hang curtains in the home, how to pack a schoolboy's lunch, how to predict the price of hogs by logarithms, how to prescribe castor oil for the baby.

SEVENTY MILLION PAMPHLETS

"The Government deluges the country with more than 70,000,000 copies of pamphlets a year, many of them containing self-helps which recalls Macaulay's outburst: 'Nothing is so galling to a people not broken in from birth as a paternal or, in other words, a meddlesome government, a government which tells them what to read and say and eat and drink and wear.'

"It may be that we have embarked so far on this road to paternalism that there can be no turning back. The plight of Australia, now bankrupt because of paternalistic schemes, the recent cataclysm in England and in Germany, both brought about by the same insidious growth, seem to offer no restraint to those who would plunge government into more and more social schemes involving our economic welfare."

[From the Chicago Tribune of December 30, 1931]

UNITED STATES PRINT SHOP AN EXAMPLE OF BUREAU WASTE—AND IT COSTS TAXPAYERS MILLIONS

By Arthur Sears Henning

WASHINGTON, D. C., December 29.—The Government Printing Office provides an excellent bird's-eye view of the present extent of the paternalism which is costing the American taxpayers approximately $2,000,000,000 annually that measures the differences between Uncle Sam's income and outgo this fiscal year.

The establishment of the Public Printer, with his 5,000 employees and $3,000,000 appropriation, is the headquarters of the greatest correspondence school on earth. More than 200,000,000 copies of publications, costing $10,000,000 for printing alone, issue annually from the Government printing presses, furnishing information and instruction on more than 10,000 different subjects.

THEY REGULATE EVERYTHING

In the constantly expanding range of subjects dealt with in these publications, there is graphically exposed the results of the urge to bring all human habit and activity under the regulation and care of the central government.

Here are monographs on the noble experiment of denying the individual the right to drink alcoholic beverages which accounts for nearly one-half of the amount that Uncle Sam's ledger is in the red. Here are myriads of pamphlets manifesting the solicitude of the Federal Government for the welfare of the citizen from the cradle to the grave.

More than 100,000 scientists and other kinds of experts conduct the experiments, researches, and studies that go into the Government publications, nearly all of which are distributed free of charge. They advise the expectant mother. They tell you how to take care of a baby. They instruct the farmer in the growing and marketing of his products and his wife in cooking, sewing, and furnishing the home.

NO TOPIC TOO TRIVIAL

They tell you how to keep well and how to get well when you are sick. They furnish you dress patterns. They quench your thirst for knowledge of the life history of bed bugs and tell you how and how often to change the bed sheets. They tell you how to make a flytrap. If your taste runs to delicacies you can learn from Uncle Sam how to prepare caviar for the table and if you are aweary, you can take it from your Government that "a folding chaise longue is the last word in relaxation."

If you are thinking of taking up betel-nut chewing you can learn all about it from a Government publication. Other monographs instruct you on the digestibility of tepary beans, on saving babies in Buenos Aires, on "métodos oficiales para reducir la mortalidad infantil," on pumping from wells for irrigation, on the anatomy of the railroad worms, on the proper method to brush your teeth, on expert shoe polishing, on the art of brick laying, on breast feeding, on the character of paleozoic rocks encountered in a well near Florence, Ala., on dietetic discoveries at Miss Farmer's school of cookery, on the malleability and metallography of nickel, on the nature of language, on the "elimination and toxicity of caffein in nephrectomized rabbits," and on thousands of other matters mentioned in thousands of pages of the catalog of Government publications.

SHIPPED OUT BY THE TON

Books and pamphlets prepared and published and distributed by mail at Government expense are shipped out of Washington by the ton every day. They are a leading stock in trade of the Senator or Congressman seeking to ingratiate himself with his constituents. The free-seed graft was abolished but the free-publication graft flourishes as the green bay tree.

"The United States is the greatest of all publishers," says the Superintendent of Documents. "It employs thousands of scientists, who are engaged the year round making investigations in all branches of agriculture and household economy, in geology, in mining, in electricity, in chemistry, in astronomy, in engineering, in aviation, in preventive medicine, in forestry, in irrigation, in shipping and railroad problems, in trade and manufacture.

"The results of all these activities of the most comprehensive and effective organization ever known are constantly reduced to print and poured out in an incessant flood from the Government Printing Office, at Washington, the largest printing plant in the world."

BOASTS ON INCREASED PRODUCTION

The Public Printer, in his last annual report, boasts of the increased production of his plant, not mentioning the increased cost to the taxpayers. He tells of a total of 3,903,932,177 copies of all printed matter turned out during the year, an increase of 501,800,591 copies over the previous year.

"The tremendous growth in the work of the Government Printing Office during the 10 years, 1921–1930," he says, "is shown by the increase of 39 per cent in the computed value of its products, which totaled $117,256,250.97 for the 10 years, 1921–1930, as compared with $84,262,580.79 for the 10 years, 1911–1920."

The printing and binding done for Congress cost $2,499,510 in 1930, and "almost exhausted the annual working capital of the Government Printing Office available for that purpose," says the Public Printer. The CONGRESSIONAL RECORD, which cost $758,693, an increase of $178,404 over the preceding year, has a circulation of 36,000 copies, of which 520 represent paid subscriptions. Each Senator receives 88, each Representative 60 copies for free distribution.

There were 8,859,918 copies of bills printed. The printing of testimony at committee hearings held on these bills cost $349,601.

FOR CONGRESSMEN'S FRIENDS

The speeches of Senators and Representatives printed in pamphlet form for franking to constituents number 16,843,850 copies, costing $67,368. There were 15,157,200 copies of farmers' bulletins mailed chiefly by Members of Congress which were turned out at a publication cost of $206,919. The Agricultural Year Book, another

favorite item in the rural Member's bag of tricks, was issued in 400,576 cloth-bound copies at a cost of $281,879.

Then there was the 354-page memorial volume "suitably bound in blue cloth with a special hand-lettered cover design" and entitled "The list of mothers and widows of American soldiers, sailors, and marines entitled to make a pilgrimage to the war cemeteries in Europe."

The Government Printing Office is now engaged in turning out a monumental 25-volume edition of the writings of George Washington for which Congress has appropriated $157,975.

FEDERAL AID TO STATES IN FORESTATION

Mr. COPELAND. Mr. President, I submit a resolution, which I ask be read, and request the attention of the distinguished Senator from Oregon [Mr. McNARY].

The resolution (S. Res. 175) was read, as follows:

Whereas the consumption of the forests of the United States has progressed to a point at which their early exhaustion is threatened, it being estimated (1) that over 50 per cent of all the softwood lumber cut in the United States has been cut during the last 30 years; (2) that with a population almost 60 per cent greater to-day than at the beginning of the twentieth century, the United States has been using nearly 300,000,000,000 feet of softwood lumber alone during each decade since 1900; (3) that in 1928, with a population of more than 120,000,000, the annual cut of softwood lumber alone was 28,000,000,000 feet; and (4) that there now remain in the territory east of the prairies only about 25,000,000,000 feet of original timber; and

Whereas there are great areas in the United States which, aside from their underlying minerals, are suitable for forestation only, it being estimated that of the great land area constituting the 13 Northeastern States, from Maine to and including the two Virginias, about one-half, or 75,000,000 acres, are suitable for forestation only; and

Whereas proper utilization of such lands as a public domain, under proper control, would to some extent effect a modification of the climate, substantially affect or control the run-off of water, supply a cheap and dependable supply of lumber, and, through development, with roads, camping places, leased hunting and fishing rights, and other opportunities for social activities, would afford valuable resources for entertainment and improvement in national health, besides giving wealth-producing and steady employment to a large number of persons; and

Whereas it is desirable (1) that a coordinated plan be immediately developed for the cooperation of the Federal and State Governments in the utilization of such lands suitable for forestation only, (2) that information necessary as a basis of legislation be compiled, and (3) that recommendations for legislation be made: Therefore be it

Resolved, That the Secretary of Agriculture is requested (1) to advise the Senate as soon as practicable whether, in his opinion, the Government should undertake to aid the States in the utilization for forestation purposes of those areas of land in the United States suitable for forestation only, and (2) to state fully his reasons for any opinion which he may submit, together with the facts upon which such opinion is based.

Mr. COPELAND. Mr. President, this resolution involves a matter simply of information from the Secretary of Agriculture; and I ask unanimous consent that it may be placed upon its immediate passage.

Mr. McNARY. Mr. President, the purposes of the resolution may be very commendable but the matter is an important one, and I think it should go over for the day.

Mr. COPELAND. Very well.

The VICE PRESIDENT. The resolution will go over under the rule.

Are there further concurrent or other resolutions? If not, the morning business is closed.

DEPRECIATION OF FOREIGN-CURRENCY VALUES

Mr. REED. Mr. President, I move that the Senate proceed to the consideration of Order of Business No. 168, Senate Resolution 156, to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

Mr. NORRIS and Mr. McNARY addressed the Chair.

Mr. REED. I may say, in making that motion, that if the motion is agreed to, it will be my intention immediately to ask that the consideration of the resolution be set aside temporarily, and that we proceed with the conference report on the constitutional amendment; and subsequently——

Mr. McNARY. That does not go far enough to suit the Senator from Oregon.

Mr. REED. And subsequently, I was going to say, to set it aside for the consideration of the two appropriation bills now on the calendar.

Mr. ROBINSON of Arkansas. What is the calendar number, may I ask the Senator?

Mr. REED. No. 168.

Mr. McNARY. Mr. President, a number of Members of the Senate have requested the consideration of unobjected bills on the calendar; and I should expect the resolution to be set aside for that purpose immediately following action on the request of the Senator, if it is granted.

Mr. REED. I shall be glad to make that request, also.

Mr. ROBINSON of Arkansas. Mr. President, I do not believe that the Senate should proceed, at this stage of affairs, to the consideration of this resolution. The matter is a controversial one. If the calendar is to be considered, I suggest to the Senator from Pennsylvania that he let the resolution go over for the present.

Mr. REED. I should like to have it made the unfinished business, and then, when these emergent matters are disposed of, to have it taken up.

Mr. ROBINSON of Arkansas. The Senator intends to insist upon his motion?

Mr. REED. I shall have to do that.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum, Mr. President.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kendrick	Sheppard
Austin	Dale	Keyes	Shipstead
Bankhead	Davis	King	Smith
Barbour	Dickinson	La Follette	Smoot
Barkley	Dill	Lewis	Steiwer
Bingham	Fess	Logan	Stephens
Black	Fletcher	McGill	Thomas, Idaho
Blaine	Frazier	McNary	Thomas, Okla.
Borah	George	Metcalf	Townsend
Bratton	Glass	Morrison	Trammell
Brookhart	Glenn	Moses	Tydings
Broussard	Goldsborough	Neely	Vandenberg
Bulkley	Gore	Norbeck	Wagner
Bulow	Hale	Norris	Walcott
Byrnes	Harrison	Nye	Walsh, Mass.
Capper	Hatfield	Oddie	Walsh, Mont.
Carey	Hayden	Patterson	Waterman
Connally	Hebert	Pittman	Watson
Coolidge	Howell	Reed	Wheeler
Copeland	Johnson	Robinson, Ark.	White
Costigan	Jones	Robinson, Ind.	
Couzens	Kean	Schall	

The PRESIDENT pro tempore. Eighty-six Senators have answered to their names. A quorum is present. The question is on agreeing to the motion proposed by the Senator from Pennsylvania [Mr. REED]. That motion is not debatable.

Mr. WALSH of Massachusetts. Mr. President, what is the motion?

The PRESIDENT pro tempore. The Senator from Pennsylvania has moved that the Senate proceed to the consideration of Senate Resolution 156, to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

Mr. LA FOLLETTE. Let us have the yeas and nays.

Mr. ROBINSON of Arkansas, Mr. ASHURST, and other Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Arkansas.

Mr. ROBINSON of Arkansas. I ask unanimous consent to make a brief statement, not exceeding five minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Arkansas will proceed.

Mr. ROBINSON of Arkansas. Mr. President, the Senate has an unofficial committee which assumes to formulate programs of procedure. I refer to the committee of which the Senator from Michigan [Mr. VANDENBERG] is chairman. It is not a standing committee of the Senate, but it performs a function that on many occasions has proved helpful in preventing conflicts in the Senate to determine what measures shall have precedence.

After due consideration of a number of measures, the committee referred to formulated a partial and tentative program, and issued and published a statement, delivering

copies of it to all Senators. That statement is dated February 29; and it gives, or seeks to give, precedence in the following order:

The anti-injunction bill.

The tariff bill.

And the resolution which the Senator from Pennsylvania seeks to have considered out of the order arranged and agreed upon by the informal committee to which I have referred.

I recognize the fact that the Senate has absolute control over its procedure and can ignore arrangements of the character described when entered into, but usually, before overriding or disregarding such tentative arrangements, notice is given or complaint is made. Now, when the Senator from Oregon [Mr. McNARY], pursuant to a quasi-agreement, was about to ask unanimous consent to proceed to the consideration of bills on the calendar, which is the regular order, the Senator from Pennsylvania, without notice, undertakes to have the Senate proceed to the consideration of his resolution out of the order prescribed by the committee.

Without attempting to debate the merits of the resolution, or, for that matter, the merits of the decision reached by the committee, I am going to ask the Senate to adhere in this instance to the action and recommendation of the committee.

I think it will be a mistake not to do that. If we are to be served with notice by leaders from the other side, who apparently are dissatisfied with the action of the committee that seeks to make a harmonious arrangement regarding precedence in the consideration of bills, that that arrangement is to be disregarded whenever it does not suit an individual Senator, and if the arrangement is to be overridden in the way this is attempted to be done, the committee referred to will become utterly useless and helpless. It is not fair to the committee, if we are to recognize the committee at all. There is no intention to prevent consideration of the Senator's resolution in due course.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. Yes. I think I have concluded all I have to say.

Mr. VANDENBERG. I think I shall have to speak in the Senator's time; otherwise I am out of order.

Mr. ROBINSON of Arkansas. I yield to the Senator.

Mr. VANDENBERG. Mr. President, I rose simply to concur in the observations submitted by the Senator, and to say that this thoroughly nebulous committee realizes the limitations upon its authority; and in the effort harmonize a program it is undertaking constantly to keep itself in consultation with the leadership upon the other side of the aisle, and to agree, so far as possible, upon a program to which we can adhere for the sake of the expedition of business. The Senator from Arkansas has correctly stated that the program as printed is the agreement as indicated.

Mr. HARRISON. Mr. President, may I ask the Senator from Michigan a question in the time of the Senator from Arkansas?

Mr. ROBINSON of Arkansas. Yes; I yield.

The PRESIDENT pro tempore. The Senator from Arkansas has the floor by unanimous consent.

Mr. ROBINSON of Arkansas. I yield to the Senator from Mississippi.

Mr. HARRISON. May I ask the Senator if it is not true that some of us on this side intended to bring up the so-called tariff bill which passed the House sometime ago even before the anti-injunction legislation was taken up, but we refrained from doing so on the arrangement that this tariff bill was to follow the anti-injunction bill, and then the exchange resolution was put on by the committee?

Mr. VANDENBERG. The Senator is entirely correct.

Mr. HARRISON. And we abided by that understanding.

Mr. REED. Mr. President, I ask unanimous consent that I may proceed for three minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. REED. Mr. President, I did consult the Senator from Michigan about getting up this resolution. I understood from him that it was satisfactory that it should be brought up immediately after the anti-injunction bill was disposed of. I was surprised to find on reading the printed list presented by the steering committee that somebody, without consulting with me—and, of course, he was not bound to consult with me—had inverted the order and had put the tariff bill first, followed by the resolution embodying a request to the Tariff Commission for information. In other words, this nebulous committee, about which the Senator speaks, proposes that we shall act on the tariff first and get the information about the tariff after we shall have acted on it.

I did not suppose for one moment that that could have been a deliberate intention of so logical a person as my friend from Michigan. If he insists that that is his intention, if he insists that we shall first legislate upon the tariff, and having legislated upon it we shall then seek information to enable him and us to legislate, of course, in his position as chairman of the steering committee, he will doubtless muster enough votes on this side, in addition to our Democratic friends, who do not want the truth brought out either before or after.

Mr. ROBINSON of Arkansas. I would not say that, if I were the Senator from Pennsylvania. We are all seeking the truth.

Mr. REED. I am sure of that.

Mr. ROBINSON of Arkansas. And the Senator surely would not attribute to me a motive to object to the truth.

Mr. REED. No; I would not, of course.

Mr. ROBINSON of Arkansas. If I object to the Senator's resolution, it is because I think it may get us farther away from the truth.

Mr. REED. Perhaps that is the motive of all of the Senators on the other side. I notice, however, that when the resolution once before passed the Senate it was then reconsidered on motion of one of our Democratic friends.

Mr. ROBINSON of Arkansas. I think I made the motion.

Mr. REED. I believe the Senator from Mississippi [Mr. HARRISON] made the motion. The desire for truth undoubtedly exists on the other side of the aisle; but Senators over there want their truth taken discreetly, like other dangerous things, and I think they would prefer to have it after Congress has acted on the tariff bill and after the Congress has adjourned.

Mr. ROBINSON of Arkansas. I hardly think I ought to ask the Senator to yield for the observation I am about to make, but I believe he will do so.

Mr. REED. Of course I will.

Mr. ROBINSON of Arkansas. It is very surprising to find the Senator from Pennsylvania embarking on such an unusual and astonishing enterprise as a search for the truth. [Laughter.]

Mr. REED. I thank the Senator, and it is very disheartening, when one is reforming and starting out to search for the truth, as I am doing, to meet with so many checks and to be constantly rebuffed, to have one's resolution first passed and then reconsidered, and then objected to every time it is reached on the calendar. Really, I can not think of any other way of getting the resolution before the Senate, Mr. President, than moving to take it up, a crime which has been committed in the past by many of us.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED. I yield.

Mr. NORRIS. I want to assure the Senator that no matter whether I agreed with what the Senator was trying to do or not, under ordinary circumstances I would be in favor of taking his resolution up. But the Senator has not proceeded in the ordinary way. I presume the clerk would have been calling the calendar within a short time, and if this resolution had been objected to when it was reached on the calendar, then, under the rules, the Senator would have had the right to make a motion to take it up anyway. But he has made his motion now, which of course is in order, but

under the rules there can be no debate about it, and it seems to me it is a procedure which is very seldom resorted to. I would feel inclined to vote against the motion now that there is opposition to it, especially after I have heard what the Senator from Michigan has said. My inclination would have been to vote the other way.

Mr. COUZENS. Regular order, Mr. President.

Mr. NORRIS. The Senator's three minutes are not up yet.

Mr. COUZENS. Oh, yes; they are.

Mr. REED. I fancy my three minutes are up.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Pennsylvania.

Mr. HARRISON. It is not a debatable question, Mr. President?

The PRESIDENT pro tempore. It is not, except by unanimous consent.

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MCNARY. On this vote I have a pair with the junior Senator from Arkansas [Mrs. CARAWAY]. I understand that that Senator would vote on this question as I intend to vote, and therefore I am at liberty to vote. I vote "nay."

Mr. JONES. I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. In his absence I withhold my vote.

Mr. TOWNSEND. I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR]. As he is absent, I withhold my vote.

Mr. GEORGE. I desire to announce that my colleague, the senior Senator from Georgia [Mr. HARRIS], is detained from the Senate by illness.

Mr. SHEPPARD. I desire to announce that the junior Senator from Tennessee [Mr. HULL] is absent on account of illness.

Mr. HEBERT (after having voted in the affirmative). I have a pair with the junior Senator from Louisiana [Mr. LONG]. Not knowing how he would vote, in his absence I withdraw my vote.

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. HULL].

Mr. SHEPPARD. I desire to announce that the Senator from Missouri [Mr. HAWES], the Senator from Texas [Mr. CONNALLY], the Senator from North Carolina [Mr. BAILEY], and the Senator from Nevada [Mr. PITTMAN] are necessarily absent. If present, those Senators would vote "nay."

The result was announced—yeas 12, nays 68, as follows:

YEAS—12

Barbour	Frazier	Patterson	Smoot
Bingham	Metcalf	Reed	Walcott
Davis	Moses	Robinson, Ind.	Waterman

NAYS—68

Ashurst	Couzens	Johnson	Schall
Austin	Cutting	Kean	Sheppard
Bankhead	Dale	Kendrick	Shipstead
Barkley	Dickinson	Keyes	Smith
Black	Dill	King	Steiwer
Blaine	Fess	La Follette	Stephens
Bratton	Fletcher	Lewis	Thomas, Idaho
Brookhart	George	Logan	Thomas, Okla.
Broussard	Glass	McGill	Trammell
Bulkley	Glenn	McNary	Tydings
Bulow	Goldsborough	Morrison	Vandenberg
Byrnes	Gore	Neely	Wagner
Capper	Hale	Norbeck	Walsh, Mass.
Carey	Harrison	Norris	Walsh, Mont.
Coolidge	Hatfield	Nye	Watson
Copeland	Hayden	Oddie	Wheeler
Costigan	Howell	Robinson, Ark.	White

NOT VOTING—16

Bailey	Harris	Hull	Pittman
Borah	Hastings	Jones	Shortridge
Caraway	Hawes	Long	Swanson
Connally	Hebert	McKellar	Townsend

So the Senate refused to proceed to the consideration of Senate Resolution No. 156.

PROPOSED BANKING LEGISLATION

Mr. KING. Mr. President, may I have the attention of the Senator from Virginia [Mr. GLASS]?

The Committee on Banking and Currency for a year or more have been engaged very diligently in examining the resolution offered by the Senator from Virginia with respect to what, if any, improvements may be made in the banking law and cognate questions. They have taken a large amount of testimony. I have been advised, or I thought I had been advised, that a bill was ready to be reported. I should like to ask the Senator when the bill will be reported to the Senate, and what is the reason for the delay, in view of the long time it has been before the committee, and in view of the fact that other measures introduced at later dates seem to have been accorded preference?

Mr. GLASS. Mr. President, I may say to the Senator that one reason for the delay was the request that two certain provisions of the bill be taken out and put into an emergency measure known as the Glass-Steagall bill, with a view to the immediate relief of a very distressing situation. That was done, as the Senator knows, and we are now prepared to go ahead with the permanent legislation which we have in mind. The bill has been reported by the subcommittee to the general Committee on Banking and Currency. It has been made a continuing order. The subcommittee hopes within a few days at most to resume the consideration of the bill before the general committee.

Mr. KING. May I say that the Senator from Virginia, I know, has been diligent in the matter. He challenged attention a few days ago to the fact that some banking organizations in the United States seem to be hostile to the bill and undoubtedly—and I draw this inference from statements made by various persons as well as by the press—were doing all they could to defeat it. I was wondering whether the pressure was so great as to delay the reporting of the bill and whether an attempt is being made now by an investigation of stock sales to becloud the atmosphere so as further to delay consideration of the very important measure which the Senator has done so much in formulating.

Mr. GLASS. The statement made as to the attempt of certain banking interests to interfere with the consideration of the bill was entirely accurate. That attempt persists and will persist until the bill shall have been considered by both branches of Congress. It will be pursued into conference, as is the case with all important bank bills which are thus pursued by interested people. Those speaking for certain banks have undertaken to interfere with the progress of the bill, but I think I may assure the Senate that those who have the bill in charge are not to be deterred or delayed by selfish interests.

Mr. KING. I thank the Senator for the information.

FIXING TERMS OF PRESIDENT, VICE PRESIDENT, AND CONGRESS

Mr. NORRIS. Mr. President, I ask the Chair to lay before the Senate the conference report on Senate Joint Resolution 14, fixing the terms of President and Vice President.

The PRESIDENT pro tempore laid before the Senate the following conference report submitted by Mr. NORRIS on Monday last:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 14) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

"'ARTICLE —

"'SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"'SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"'SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"'SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"'SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"'SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.'"

And the House agree to the same.

G. W. NORRIS,
WM. E. BORAH,
THOS. J. WALSH,
Managers on the part of the Senate.

LAMAR JEFFERS,
RALPH F. LOZIER,
CHAS. L. GIFFORD,
Managers on the part of the House.

Mr. NORRIS. I move that the Senate proceed to the consideration of the conference report.

The motion was agreed to; and the Senate proceeded to consider the conference report.

Mr. NORRIS. Mr. President, I have no desire to take up the time of the Senate unnecessarily. I have an idea that most Senators understand what changes the conferees have made in the joint resolution as it passed the Senate.

I will state briefly that section 1 of the proposed amendment to the Constitution as it now appears in the conference report is identical with section 1 as the joint resolution originally passed the Senate, except as to a change in date. The conference report changes the date from the 2d of January to the 3d of January and changes the other date from the 15th day of January to the 20th day of January. With those exceptions, there is no change whatever in section 1.

Senators all realize that section 1 is really the crux of the entire amendment. It is the section that changes the date for the beginning and ending of the terms of President, Vice President, Members of the House, and Members of the Senate, and obviates and does away with what is now known as the short session of Congress. As we have agreed upon it, it provides for the meeting of Congress on the 3d day of January after the November election instead of the 2d day of January as the joint resolution passed the Senate.

Section 2 of the conference report is identical with section 2 of the joint resolution as it passed the Senate with the exception of changing the date from the 2d day of January to the 3d day of January. That is the date for the convening of Congress. As it passed the Senate it provided for the convening of Congress on the 2d day of January, but as agreed to in conference the date is changed to the 3d day of January.

Section 3 in substance is the same as it passed the Senate, though several changes have been made by the conferees in the language.

Section 4 of the joint resolution as it passed the Senate is now section 5 and is exactly the same as it passed the Senate except that it applies only now to sections 1 and 2 of the amendment. As it passed the Senate it read:

SEC. 4. The amendment shall take effect on the 15th day of October after its ratification.

As agreed to in conference it now reads:

SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

That leaves the balance of the section to go into effect as soon as it is ratified.

Mr. SMITH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. NORRIS. Certainly.

Mr. SMITH. May I ask the Senator what date is provided for the convening of Congress?

Mr. NORRIS. The 3d day of January.

Mr. SMITH. Does not the present law provide for the convening of Congress on the first Monday in December?

Mr. NORRIS. Yes; that is true.

Mr. SMITH. To obviate the question of convening on Sunday, might it not be well to provide a certain day instead of a certain date?

Mr. NORRIS. The conference committee and members of the Judiciary Committee in the consideration of other resolutions which we have passed on before relating to the subject, have given considerable attention to that question. The law provides that the terms of Senators shall be for six years and that the terms of Members of the House shall be for two years. There might possibly come a conflict if we undertake to make the term commence and end on a certain day of the week instead of a certain date. It might make the term a little more than two years, in the case of Members of the House, or a little less than two years. There might be as much as six days' difference.

When we come to think about it, it might happen and will happen occasionally that we will meet on Sunday, but that would be about the same as the arrangement we have now when we close a session on Sunday. If the 4th of March comes on Sunday, nobody thinks of having a session of Congress on Sunday up until noon on that day. That will not occur hereafter. It may happen that the beginning instead of the end of the session will fall on Sunday, but there will be no more Sunday work than there ever has been.

Mr. SMITH. The time of convening has been made contemporaneous with the beginning of one term?

Mr. NORRIS. Yes.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. Certainly.

Mr. BARKLEY. There is nothing that can be done about it now because the conference report is here, but what was the real objection to having the Congress assemble and the beginning of the terms occur on the first Monday in January?

Mr. NORRIS. I do not know whether the Senator was here a moment ago when I explained that. I have just stated that if we had it begin on the first Monday in January we would have at least a technical conflict with other provisions of the Constitution which provide that the term

of a Member of the Senate shall be six years and of a Member of the House two years. If we had those terms commence on Monday and end on Monday, it might be that they would be six days more than two years or six days less than two years, or at least there might be several days' difference. As I said, the 4th of March is liable to come on Sunday, but we do not think anything about that. That may be the last day of the session. In this case sometimes the first day of the session may be Sunday, so we will not be any more irreligious under the new plan than we were under the old plan.

Mr. BARKLEY. I was reared in an old-fashioned school of thought which took the position that it is better to work on Sunday when the ox is in the ditch than deliberately to put him in the ditch in order that we might work on Sunday.

Mr. NORRIS. The Senator thinks the ox is more liable to be in the ditch on the last day of the session than on the first day?

Mr. BARKLEY. Yes; that is probably so.

Mr. NORRIS. That may be true.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator from Nebraska if any change has been made in the period of time for ratification by the legislatures of the several States?

Mr. NORRIS. Yes; I am just coming to that.

Section 4 of the conference report was not in the joint resolution as it passed the Senate. The Senate conferees, however, have no objection to it, but think it is a good provision. It is not necessarily in the amendment changing the terms of office of President, Vice President, and Members of Congress, but it meets a contingency that is liable to occur and reads as follows:

SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

Section 6 was also inserted by the House, but was not in the joint resolution as it passed the Senate. As it passed the House section 6 provided that the amendment would be inoperative unless ratified within seven years after its submission and that it must appear that at least one of the branches of the legislatures passing upon it to ratify it had been elected after the submission of the amendment. The conferees compromised on that, left out the latter clause and put in the first clause, so that section 6 now reads:

SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.

In effect, it is the same provision that was in the prohibition amendment to the Constitution.

Mr. BINGHAM. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Connecticut?

Mr. NORRIS. Certainly.

Mr. BINGHAM. If this amendment is ratified by the States, it does away with the December session of Congress?

Mr. NORRIS. Yes.

Mr. BINGHAM. That probably gives us two more months in every alternate year of the session of Congress than we get at the present time.

Mr. NORRIS. Yes; I should think so.

Mr. BARKLEY. Mr. President, under the practice, if the conference report is adopted this morning, when will it be submitted to the several States?

Mr. NORRIS. Immediately, I presume, by the Secretary of State.

Mr. BARKLEY. The legislature in my State is now in session and will adjourn on the 17th of March. I should be very happy to see my State ratify it, because when I came to the House of Representatives in 1913 the first measure I introduced was similar to the one which we are now about to adopt. Personally I should be very much gratified if it could be submitted to the Kentucky Legislature in order that they might vote on it before they adjourn.

Mr. NORRIS. Mr. President, if no Senator wishes to discuss the matter, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON], who is necessarily absent. I understand, however, that if present he would vote as I intend to vote on this question. So I shall vote. I vote "yea."

Mr. McNARY (when his name was called). Announcing my pair with the junior Senator from Arkansas [Mrs. CARAWAY], I am advised that if present she would vote as I am about to vote. I will therefore vote. I vote "yea."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR]. I am informed that if present he would vote as I intend to vote. I therefore feel at liberty to vote and vote "yea."

The roll call was concluded.

Mr. HATFIELD (after having voted in the affirmative). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. I am informed that if present he would vote as I have voted. I therefore feel at liberty to vote and will let my vote stand.

Mr. BINGHAM (after having voted in the negative). In the absence of the junior Senator from Virginia [Mr. GLASS], who is my general pair, I am obliged to withdraw my vote.

Mr. HEBERT. Again announcing my pair with the Senator from Louisiana [Mr. LONG], I withhold my vote.

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. HULL].

I am not advised as to how any of those Senators would vote if present.

Mr. SHEPPARD. I wish to announce that the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. HARRIS], the Senator from Tennessee [Mr. MCKELLAR], the Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. HAWES], and the Senator from Tennessee [Mr. HULL] are necessarily absent from the Senate. If present, they would vote "yea" on the adoption of the conference report.

Mr. WAGNER. I transfer my general pair with the Senator from Missouri [Mr. PATTERSON] to the Senator from Texas [Mr. CONNALLY] and vote "yea."

The result was announced—yeas 74, nays 3, as follows:

YEAS—74

Ashurst	Cutting	Kendrick	Sheppard
Austin	Davis	Keyes	Shipstead
Bankhead	Dickinson	King	Smith
Barbour	Dill	La Follette	Smoot
Barkley	Fess	Lewis	Steiwer
Black	Fletcher	Logan	Thomas, Idaho
Blaine	Frazier	McGill	Thomas, Okla.
Borah	George	McNary	Townsend
Bratton	Glenn	Moses	Trammell
Brookhart	Goldsborough	Neely	Tydings
Broussard	Gore	Norbeck	Vandenberg
Bulkley	Hale	Norris	Wagner
Bulow	Harrison	Nye	Walsh, Mass.
Byrnes	Hatfield	Oddie	Walsh, Mont.
Capper	Hayden	Pittman	Watson
Carey	Howell	Reed	Wheeler
Copeland	Johnson	Robinson, Ark.	White
Costigan	Jones	Robinson, Ind.	
Couzens	Kean	Schall	

NAYS—3

Dale	Metcalf	Waterman

NOT VOTING—19

Bailey	Glass	Hull	Shortridge
Bingham	Harris	Long	Stephens
Caraway	Hastings	McKellar	Swanson
Connally	Hawes	Morrison	Walcott
Coolidge	Hebert	Patterson	

The PRESIDENT pro tempore. Two-thirds of all Senators present and voting having voted in the affirmative, the conference report is agreed to.

Mr. COOLIDGE subsequently said: Mr. President, I was necessarily absent from the Chamber when the vote was taken on the Senate Joint Resolution 14—conference report. If I had been present, I would have voted "yea."

NOMINATION OF CHARLES A. JONAS

Mr. SCHALL. Mr. President, as in executive session, I ask leave to have until some day next week to file minority views in the case of the nomination of Charles A. Jonas to be United States attorney, western district of North Carolina.

Mr. KING. May I ask the Senator from Minnesota the length of time he desires within which to file the views of the minority in the Jonas case? I did not hear his request.

Mr. SCHALL. Next week.

Mr. KING. Any day next week?

Mr. SCHALL. Any day next week will be all right.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

RECOMMITTAL OF BILL

Mr. WALSH of Massachusetts. I ask unanimous consent that Calendar No. 374, being the bill (S. 2292) for the relief of Col. Frank B. Parker, be recommitted to the Committee on Finance in order that the Senator from Texas [Mr. SHEPPARD] may have an opportunity to present some evidence to the committee.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hears none, and the bill is recommitted to the Committee on Finance.

ORDER OF BUSINESS

Mr. McNARY. I ask unanimous consent that the Senate proceed to the consideration of unobjected bills on the calendar until 2 o'clock, and that at that time House bill 7912, the agricultural appropriation bill, shall be taken up and proceeded with.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

COMMENTS ON THE WORLD COURT

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD some editorials appearing in American newspapers on the World Court and its decisions. These are comments from American newspapers largely in relation to the decision of the World Court regarding the Austro-German customs union.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Comments on the World Court

[From the Memphis (Tenn.) Commercial Appeal]

FRANCE WINS ANOTHER VICTORY

France's employment of economic pressure to gain political ends won again.

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It happens that France, which made its tacit threat some time ago, leads in the World Court decision. France leads, and with her in the decision are her satellites, the Balkan States, and naturally Italy and Spain. The decision against Austria's right to enter is clearly a gesture to justify France's position.

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The quality of the minority strengthens the position of Austria and Germany, while the quality of the majority ruling against the Austro-German customs union agreement has the effect only of leaving the impression that the World Court is not the unshakable judicial tower it was built to be.

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It begins to look as though France and her followers were definitely arrayed against the world. For every time France wins a victory other nations lose.

[From the Cincinnati Times-Star, September 9, 1931]

FRANCE GETS WHAT SHE WANTS

To call the abandonment of the Austro-German customs union a "voluntary renunciation" is merely a polite way of speaking. Its doom was sealed in fact by the opposition of France, expressed as soon as the proposal was announced. Whether or not the union violated the peace treaties—a point which has not yet been legally determined—it undoubtedly threatened the hegemony of France on the Continent. And France, who holds the money bags, is now able to get practically what she wants.

[From the Knickerbocker Press, Albany, N. Y.]

"The decision of the World Court in the Austro-German customs pact controversy has opened the gates for a flood of adverse criticism against the court and the principle for which it stands." The charge that the decision of the court, pronouncing the customs pact illegal, was animated by political motives is indeed unanswerable. The eight members of the court who voted against the pact represented nations which in every instance had political reasons for wishing to see the threat of an Austro-German alliance disrupted. The seven who voted otherwise came from nations which had no immediate interests to be served. "Clearly the decision was political rather than judicial."

[From the New Orleans Item]

THE WORLD COURT VOTE

When the World Court brought in its split verdict on the Austro-German customs union we remarked last week that the plainly political texture of its division would probably revive old doubts and suspicions of the court's judicial disinterestedness. That surmise is superabundantly confirmed by the course of discussion since then.

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The alignment of the court in this Austro-German case has evidently been a shock to the strongest advocates of it in our country. That is plainly discerniable in the comment of the New York Times, for instance, one of the most powerful advocates of American membership in the court.

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[From the Chicago Daily News, September 9, 1931]

THAT WORLD COURT ADVISORY OPINION

Many advocates of entry by this Nation into the International Court of Justice, one must think, are deeply disturbed by the inescapable implications growing out of the advisory opinion given by that tribunal in the Austro-German customs union case. It is painfully manifest that the majority in the 8-to-7 result reached its adverse conclusion by a process of reasoning that is decidedly more political than judicial.

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The United States Senate has yet to decide whether or not it will accept the World Court protocols approved by the National Executive. And most assuredly neither the Senate nor enlightened public opinion will entertain the idea of adhering to a quasi-judicial tribunal that sacrifices principles of law to political considerations or the fancied interests of a particular power or alliance of powers. Such a court * * * belies its solemn pretensions and betrays instead of upholding the cause of international law and justice.

By no means the least disturbing feature of the Austro-German case is the fact that the substance of the opinion found its way out of the court a week in advance of its formal announcement. Consequently diplomats and politicians of the old unregenerate school were afforded the opportunity of using the information for their own purposes, and virtually coercing Austria and Germany into renouncing the intrinsically excellent customs union plan. A court that can not or will not protect its own important transactions from pillage, involving commercial or other ignoble uses, can not command confidence in any quarter.

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[From the Chicago Journal of Commerce, September 9, 1931]

NOT YET INDEPENDENT

The chief victim of the World Court's decision in the Austro-German customs union case is the World Court. The World Court ought to exist, and the United States ought to adhere to it, in spite of its political coloring; even in spite of its bad decision in the customs union case, but the badness of the decision can hardly be denied.

Eight of the 15 judges decided that an Austro-German agreement for mutual leveling of tariff barriers would violate Austria's promise in 1922 not to compromise her freedom. The same reason would suffice for preventing Austria from entering any international agreement whatever. Seven members of this majority also declare that the customs union agreement violates the provision in the Austrian peace treaty that Austria's independence shall be maintained.

It is a bad, indefensible decision. It does not immediately hurt Austria and Germany, for their financial necessities had already forced them to mollify France by renouncing the agreement. The victim of the decision is the World Court itself. The decision is political; the judges voted with their countries, not according to their individual lights.

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[From the Washington (D. C.) Post]

COURT OF WORLD POLITICS

Even friends of the so-called World Court are discouraged by its decision on the legality of the proposed Austro-German customs union.

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This performance by the so-called World Court confirms the prevalent American opinion that the tribunal is not a true court of international justice, but a catspaw of the League of Nations, set up to give a semblance of legal sanction to the views and activities of that European group. This opinion of the court is not confined to the United States. Germany and Austria recognize the futility of the court when they declare that the current decision, which went against them, is a victory because of the "weight" of the dissenting opinion.

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It is evident, too, that the strength of a vote is calculated not on the ability of the jurist but on the strength of the country he represents.

The World Court has brought discredit upon itself. Its usefulness in the settlement of any vital controversy that may arise in the future is nil because the world knows that the court is not a tribunal of law, but an international institute of politics.

[From the South Bend (Ind.) Tribune, September 10, 1931]

A TEMPORARY BAN

The German press regards the World Court's decision on the Austro-German customs union as a moral victory. Others may entertain the same opinion. Though not legally effective, the minority decision of the American, British, German, Dutch, Japanese, Chinese, and Belgian judges is most impressive from the judicial viewpoint. It is not so obviously political as the majority decision. Germany may properly reason that the group of judges showing the most capacity for purely judicial effort where the customs union was concerned is most deserving of respect.

[From the Minneapolis Journal]

The line-up of judges, nevertheless, is assailed as political. It is significant in this particular that Judge Anzilotti, of Italy, is of the majority, holding the Anschluss incompatible with both treaty and protocol. If he had voted against the opinion as held by the judges from countries that are friendly to France, the customs union would have been upheld, for he would have stood with the judges from countries that seek a better solution of the problems of Germany and Austria.

[From the Chicago Tribune]

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The division of the court perfectly represents the political cleavage of Europe, the majority opinion dominated by the French policy of restraining the restoration of German influence, and the minority opinion by the governments disposed to assist it within reasonable bounds.

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This is a disclosure, while it causes no surprise in Europe, which should be helpful in the United States, where our adherence to the court has been urged on the ground that it is an independent and disinterested juridical body, which is to be depended upon to establish and develop a system of international law based upon and governed by juridical science and free from the influence of nationalist interests and policies.

No such illusion exists in Europe in responsible quarters. It is not, we are confident, even among American advocates of the court, the controlling consideration. Our leading advocates also favor our entrance into the League of Nations, a political agency, and the fact that the court is the creature of the league and will on all important issues express the political viewpoints and interests of the constituent nationalities in legal formulæ naturally does not offend Americans who favor our entrance. * * *

[From the Butte (Mont.) Standard]

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In some quarters, the advisory decision just rendered by the World Court is likely to be characterized as a political decision reached in the interests of countries which would suffer from the Austro-German customs union rather than upon the basis of exact justice and hair-line interpretation of the treaties involved. Such reaction is bound to come in the popular mind where the lineup of judges is to be found to coincide with the interest of the countries they represent.

Maybe it would be better if the statute creating the court provided that no country interested from a material standpoint in the result of a decision should be represented on the bench when such cases are heard.

[From the Fresno (Calif.) Bee]

A POLITICAL COURT

Even the New York Times, always a staunch supporter of the League of Nations and the World Court, admits editorially that the court's recent decision against the proposed Austro-German customs union was based on political rather than legal considerations.

The Times correspondent at Geneva wrote that "the judges lined up according to the political sympathies of their countries." And the Times admits:

"This almost equal division of the World Court, when asked to interpret a treaty, does not heighten its prestige.

"Apparently, political questions, although the World Court specifically renounces any right or intention to deal with them, got mixed up with the legal questions. * * * Then there was the significant grouping of the judges, on one side or the other, strongly suggesting a national interest behind the decision of at least a few of the judges."

Mild as this language is, it tells the story. And that story is exactly what opponents of American adherence to the court always have said it was.

The court is not an independent court at all. It is an appendage of the League of Nations. And the league is simply a machine for carrying out the policies of the European group able to dominate it—in this case France and her allies.

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Now, how would Americans like to have a dispute involving the United States brought up for settlement before such a court as this—a court in which we are represented by but one judge, a court dominated by France and her allies, none of whom like America or could be depended upon to respect our interests?

They wouldn't like it at all. And this bad decision of the World Court certainly is going to make American adherence a much more remote prospect than it was before. In what the Times correspondent calls "this first great test of its sincerity," it has shown itself to be quite as insincere as its worst enemy ever called it.

[From the Washington (D. C.) Daily News]

When the Senate fight over American adherence to the World Court is renewed in December, opponents will use the latest major decision of the court to discredit it.

They will say the court's opinion that the proposed Austro-German customs union would violate Austria's pledge under the Geneva protocol was a political, rather than a judicial, ruling.

They will say the 8-to-7 decision of the judges, with France and her military allies providing the judges which made possible the adverse majority, proved their charge.

They will make capital of the fact that Frank B. Kellogg was one of the dissenting judges.

As an advocate of American membership in the court under the Root protocols, this newspaper is inclined to admit that there probably is some truth in those charges. It looks to us as if political considerations may have influenced some of the judges.

[From the Des Moines (Iowa) Register]

The World Court has ruled adversely to Austria and Germany on the issue of the proposed Austro-German customs union that was referred to the court by the league council for an advisory opinion. It may be added that, in view of changed conditions, an adverse ruling was a "relief" to the very powers that originally sprung the agreement on a surprised world, since they had already been constrained to promise to abandon it. But that is something not related to the court.

The court's ruling brings to the front three questions:

1. What, precisely, was it that the court decided?

2. What will be the effect on the future of "anschluss," or the movement for Austro-German unity?

3. What will be the effect on the prestige of the court?

The court, it should be understood, did not pass on the question of the desirability or inevitability of Austro-German union, economic or political. Just as our own courts, including our Supreme Court, frequently do, it passed on a specific question as to the legality of the proposed customs union under the written international contracts called the treaty of St. Germain and the first Geneva protocol.

The treaty of St. Germain between Austria and the Allies bound Austria to "abstain from any act which might directly or indirectly or by any means whatever compromise her independence," unless she first got the consent of the league council. The first Geneva protocol bound Austria, at a time when several of the Allies came to her relief financially, "to abstain from any negotiations or from any economic or financial engagement calculated directly or indirectly to compromise this independence."

In 1931 Germany and Austria announced their plan for a virtually complete customs union. Austria did not seek the consent of the league council before concluding the agreement. The question of Austria's right to create the customs union in spite of the treaty pledges was referred to the World Court. And the court, after long and thorough hearings, with all the interested powers represented, decided by an 8-to-7 vote that the agreement contravened the obligations of the Geneva protocol of 1922. One of the eight judges—only one—concluded that the treaty of St. Germain was also violated. The seven dissenting judges, including Kellogg, of America, held that the economic clause of the 1922 protocol added nothing to the obligations of the treaty of St. Germain, that the proposed customs union would not be an alienation of Austria's independence, and that therefore Austria was within her rights.

It is obviously a matter on which judges of any court might readily disagree. There appears not the slightest reason to impugn the integrity of any judge.

As to the effect of the ruling on "anschluss," it is by no means certain that the whole episode may not increase rather than lessen the probability of its ultimate success. The economic urge for Austro-German union has not been diminished. The political urge is presumably in abeyance but for the present. A cause that

is bound to succeed eventually is often advanced, not retarded, by a clear focusing upon it, and the devotion to such a cause can often be fixed and increased by an open clash with the forces opposed to it.

The World Court's prestige can hardly be hurt by its first important advisory opinion, considering the episode as a whole, though doubtless we shall hear some criticisms from our senatorial Hiram Johnsons. The court's ruling will be accepted—there is no question of that. And that it sets an excellent precedent from that standpoint nobody can deny. The court's existence made possible a peaceful and legal settlement of a question that was very dangerous in its early stages. The divided bench—a division so close that one vote would have swung it—contains no suggestion of scandal and is certainly no discredit.

Whether Austria ever should have been compelled to sign the treaty of St. Germain and subsequently the protocol of 1922 is a wholly different matter. It is one with reference to which the World Court has no responsibility whatever.

[From the Minneapolis (Minn.) Tribune]

A VERY HUMAN COURT

The critics of the World Court are having considerable sport with that august body because its decision adjudging the proposed Austro-German customs union as contrary to international law smacked so openly of partisanship.

Thus it is pointed out that France and its two satellites, Poland and Rumania, were numbered among the eight countries whose court representative opposed the anschluss, while a German representative, on the contrary, was found among the minority of seven which upheld it.

Just what this proves about the worthlessness of the World Court it is a little difficult to see, although the Baltimore Evening Sun voices the opinion of the skeptics rather well when it brands the decision as "the product of partisan judges who voted like ordinary politicians for the boys back home."

In a sense, we suppose, such criticism is justified.

[From the Norfolk (Va.) Virginian-Pilot]

The lines of reasoning in the majority and minority opinions of the World Court in the Austro-German tariff union case are available for the present only in condensed summaries, but, taken from these, it is apparent that the majority opinion was colored by grounds which critics of the decision will not hesitate to call political.

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There is more than an implication here that the majority judges have concerned themselves with something besides the questions of legality—that they have assumed also the mission of estimating the proposed pact's speculative political consequences.

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The decision has armed America's anticourt bitter enders with a new and formidable weapon.

[From the New York Herald Tribune]

THE TROUBLE WITH THE WORLD COURT

The reaction in this country to the World Court's advisory opinion on the Austro-German customs union has inevitably been unfavorable. Some of the strongest friends of the court have expressed the greatest disappointment. It could hardly be otherwise. For the line-up of the court exhibited a depressingly strong political bias, and its decision by an 8-to-7 vote robbed its findings of all weight or pretense to finality. Faced by a major issue, affecting the fundamentals of European organization, the court failed to function either judicially or effectively.

As a staunch believer in the principle of the court we think these hasty criticisms do much less than justice to the actual status of the institution while missing the real point of the failure.

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The tragedy is threefold. The court has suffered a severe loss of prestige. Its members are just so much further from achieving the habit of a judicial approach to international problems. And as long as the advisory opinion remains in the court statute, the same demoralizing influence can recur again and again.

The moral seems to us clear. The advisory opinion can scarcely ever be of real help to the league as the current decision shows. It can and will plague the court as long as it endures. If it were eliminated, the adherence of this country would be a far simpler matter. Why do not the real friends of the court work for the elimination of the advisory opinion entire?

[From the Rockford (Ill.) Register-Republic]

Various influential newspapers of the United States which have been procourt and proleague these many seasons now condemn this first major decision of the court as one not dictated by law at all but by national, political, and racial prejudice.

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We have the picture clearly now. If we adhere to the court, as the Senate of the United States will be asked to bring about next winter, we shall violate the warning of Washington against entanglement in the political affairs of Europe.

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Americans will not easily be led into surrendering our own independence of action in return for an opportunity to participate in such judicial settlement of continental free-for-alls.

MORE LIGHT SHED ON WORLD COURT PERILS

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The court action in this customs union case should be warning of what goes on there; of how the court is not so much an impartial judicial body as an instrument for giving legal color to the programs and policies of the dominating powers of the Continent.

What chance would America have, with one voice against the combined vote of the European members, should she have to submit questions to the court—such questions, for example, as the Monroe doctrine?

* * * * * * *

If she be wise, she will avoid such a hazard as though it were the plague.

WORLD COURT'S DIVIDED OPINION

By the manner in which it divided on the advisory opinion on the German-Austrian customs union, the World Court showed that on questions affecting the policy and interests of their own States the judges are apt to be swayed by bias.

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Close division of the court along the political lines on which Europe is divided suggests that it is not qualified to give advice on political questions of great magnitude, and that the peace conference in drawing the league covenant erred by imposing this duty upon it.

The function of legal adviser to the league is that of an attorney general, though there would be great difficulty in finding an international lawyer of the highest ability who was free from even unconscious opinion contrary to his nation's interest.

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[From the Kansas City (Mo.) Star, September 13, 1931]

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One of the strongest reasons against American membership in the court is the danger to the United States in submitting itself to a tribunal packed against it in advance. European nations generally are jealous of the wealth and power of America. There is no question where the sympathies of a majority of the World Court judges would be in a question involving American interests.

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The United States always has been a leader in international arbitration. It has shown its position by the many special arbitration treaties it has negotiated. But it simply could not afford to agree to go before the court set up as an auxiliary to the League of Nations; a court dominated, as now has been demonstrated, by European politics.

[From the Charleston (S. C.) Evening Post]

The prospect of the United States adhering to the protocol for the World Court, never too brilliant, despite the earnest recommendation of President Hoover, who has followed in this each of his predecessors since the war, has been seriously dimmed by the recent close division on the proposed Austro-German customs union. The court divided on the ruling 8 to 7, so close a decision as to subtract all weight of finality from the decision. Moreover, it is the accepted opinion that the decision was made on political rather than on judicial considerations. The line-up was distinctly according to the grouping of the governments represented on the court in their attitude toward the question of a strengthening of the Central Powers of Europe. Those under the influence of France, for example, ruled against the union, while those which are disposed to regard as desirable a better balance of power in Europe found the union not in violation of the treaties. In the liberal group Judge Kellogg, the American member of the court, was included.

The effect of this political division of the court has been seized on by opponents of the institution in this country, already in great strength, and they are confident that they will be able to defeat any motion for adherence by this country at the coming session of Congress. * * * And now the court has materially detracted from its prestige by its own display of political bias, and those who have protested against the United States ever consenting to submit to such a tribunal issues involving the national interest of this country have something substantial as an exhibit to fortify their opposition.

The chances are that the World Court will once more fail of acceptance by the United States, and it must be admitted there is, in this latest exhibition of its working, something to give concern as to the usefulness of the institution. The alarm sounded by antagonists of the danger to the United States from the court, is of course, absurd. Its decisions are not absolutely binding and there is no machinery of enforcement. The findings are no more than advisory. But it is distinctly discouraging that they should be made in a political rather than a judicial spirit, as this one obviously was.

[From the Greensboro Daily News]

The court's decision was far from unanimous * * *. It is logical to presume that political considerations entered into their deliberations to a degree, that they necessarily reflected something of the viewpoint among the populace of the countries which they

represent. Jurists from the group of nations generally believed to be predominated by French influences voted against the pact * * *.

[From the Springfield (Mass.) Republican]

The Springfield (Mass.) Republican, while claiming that the value of the so-called court was "strikingly shown" by the developments of the case and the decision of the court itself, comments:

"It is disappointing that the decision was so close, and still more disappointing that it was obviously determined by political rather than legal considerations * * *.

"It would be difficult to feel very enthusiastic about the World Court or very hopeful for its future, if we had to look forward to a long line of 8-to-7 decisions in which law might be subordinated to expediency or politics."

[From the Baltimore Evening Sun]

The product of partisan judges who voted like ordinary politicians for the boys back home.

[From the Chicago Evening Post]

By a vote of 8 to 7, the pact was ruled illegal. Unfortunately for the prestige of the court, the cleavage was almost wholly on partisan lines, with France and her continental allies swinging the majority vote. Former Secretary of State Kellogg, the American member of the court, voted with the minority, which held that "It can not find reasons explaining how the régime would endanger her (Austria's) independence."

World Court skeptics can claim, with some show of justice, that wherever there is a shadow of doubt, politics rather than law dominates the court's postwar decisions * * *.

[From the Detroit Free Press]

WORLD COURT "JUSTICE"

Analysis of the World Court's 8-to-7 decision in the Austro-German customs union case, according to political alignment, will not provide any ammunition for advocates of the United States entering that tribunal without adequate safeguards.

The eight judges who held the proposed customs union to be illegal, with respect to the Geneva protocol of 1922, were those representing France, Spain and Italy, Cuba, Salvador and Colombia, and Poland and Rumania, two of France's allies. The six judges who joined the German judge in finding nothing illegal in the proposed union were those representing the United States, Great Britain, China, Japan, Belgium, and the Netherlands. Thus the line, with the exception of Belgium, was clearly drawn between France and her political and racial allies and the non-Latinic members of the court.

A decision so suspiciously political in the first case of major importance coming before the World Court is bound to make even the most ardent champions of that institution in this country stop, look, and listen before crossing the tracks into its exalted precincts.

[From the Los Angeles (Calif.) Daily News]

The announcement that Germany and Austria have abandoned their proposed economic pact seems to create an undue amount of enthusiasm and surprise in France, where the original plan for an economic "United States of Europe" emanated. The story of the Austro-German retreat is but another example of the operations of the ruling power that animates nations, as well as men—the power of money. It is now revealed that while France did not make her acquiescence in the Hoover moratorium proposal openly conditional with the dissolution of the anschluss, there was a distinct understanding that the big German loan, an essential part of the moratorium, would not be consummated until the pact was dissolved. As the World Court was just about to announce that the alliance was illegal the Berlin-Vienna announcement was only a diplomatic gesture to make the retreat graceful.

[From Chicago, Ill.]

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We Germans, as we have seen, can not rely on international courts of arbitration nor on the League of Nations. * * *

[From the Reno (Nev.) Evening Gazette]

Already the charge has been made that the smaller nations, who cast the deciding votes, joined with France in writing a political opinion, and seemingly that is what occurred. In other words, France, through her numerous alliances and by political trading, it is alleged, was able to gather in enough votes to win her case.

The incident has not strengthened the court in American eyes.

[From the Cincinnati (Ohio) Enquirer, September 10, 1931]

Unmistakably, there is evidence here of judges voting in terms of their own nations. If we rule out the judges whose own governments were closely interested in the controversy—that is, Germany, France, Poland, and Rumania—the decision would have been favorable to the customs union instead of unfavorable.

This can not fail to be something of a blow to the prestige of the World Court. * * *

[From the Fort Wayne (Ind.) News Sentinel]

If any further proof had been needed of the incompetence of the World Court as a tribunal of justice, it was furnished the other day, when that much-touted coterie of League of Nations darlings decided that the proposed Austro-German customs union was illegal—by a vote of 8 to 7 * * *.

The court's charter declares it to be comprised of a "body of independent judges, elected regardless of their nationality from among persons of high moral character," etc. Yet, please observe that the justices who voted against the customs union were from France, Poland, Rumania, Spain, Cuba, Colombia, Italy, and Salvador. This is the court of "impartial justice"—the "high court of the nations"—which the United States is asked to join.

[From the Cincinnati Enquirer]

Unmistakably, there is evidence here of judges voting in terms of the interests of their own nations. If we rule out the judges whose own governments were closely interested in the controversy, that is, Germany, France, Poland, and Rumania, the decision would have been favorable to the customs union, instead of unfavorable.

This can not fail to be something of a blow to the prestige of the World Court. But assuming that approximate justice is better than hard-fisted national force, and that an international court is desirable, the need is clearly for active American participation. This at least would lend a greater impartiality to the court and a greater weight to its decisions * * *.

[From the New York Times]

A fear that the behavior of the World Court in the matter of the German-Austrian customs alliance would be seized upon by American enemies of the court was justified last week. Washington dispatches related that Senators who have steadily opposed American adhesion to the court, with or without the Root formula, are prepared to fight the proposal again and believe that they at last have definite evidence to support their hitherto theoretical argument. This evidence the Senators hold to have been supplied by these circumstances of the World Court's opinion—its political cast; the advance intimation, so that the abandonment of the plan at Geneva by Germany and Austria before the decision was made public could be charged to foreknowledge, and inferences to be gathered from the division among the judges.

Realistic friends of the World Court are agreed that its prestige has been deeply injured. There can be little doubt that the chances of American adhesion have been badly damaged. In the Senate there has been no particular enthusiasm for the court. The protocols have been kicked about committee rooms. Presidents, while urging them upon the Senate in grave and lofty terms, have been inclined to let things go at that. No real administration effort to press the issue has been made.

Meanwhile the enemies of American adhesion have attacked the advisory-opinion function of the court from two angles. They have expressed resentment at the prospect that the United States should be given European advice on its sovereign rights, thrusting aside the answer that, by formula, this prospect is excluded. They have contended that in its decision the court is certain to decide from the political viewpoint when great nations are involved. The recent line-up of the court has given strength to the latter contention and color to the former. When the World Court divides 8 to 7 on an advisory opinion, sought by the league council, it is obvious that this opinion is of no value. And when the detail of the division shouts "politics" it is obvious that the charge must lie.

THE CALENDAR

The PRESIDENT pro tempore. The clerk will state the first bill on the calendar.

The bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, was announced as first in order.

Mr. LA FOLLETTE. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 268) to amend subdivision (c) of section 4 of the immigration act of 1924, as amended, was announced as next in order.

Mr. LA FOLLETTE. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1663) to prohibit the sending of unsolicited merchandise through the mails was announced as next in order.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 209) granting an increase of pension to Mary Willoughby Osterhaus was announced as next in order.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 111) for the relief of Rosa E. Plummer was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER (Mr. FESS in the chair). The bill will be passed over.

The bill (S. 2642) to establish a commission to be known as a commission on a national museum of engineering and industry was announced as next in order.

Mr. COPELAND. I ask that this bill may go over without prejudice.

The PRESIDING OFFICER. The bill will be passed over without prejudice.

The bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. I ask that that bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 76) authorizing the President to reorganize the executive agencies of the Government was announced as next in order.

Mr. LA FOLLETTE. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 2377) authorizing an appropriation to defray the expenses of participation by the United States Government in the Second Polar Year Program, August 1, 1932, to August 31, 1933, was announced as next in order.

Mr. COPELAND. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 212) for the relief of Messrs. Short, Ross, Shaw, and Mayhood was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 213) authorizing adjustment of the claim of Kenneth Carpenter was announced as next in order.

Mr. KING. Mr. President, there are several bills similar in character to the one just announced to the consideration of which objection was made a few days ago by the Senator from Connecticut [Mr. BINGHAM]. I notice he has just come into the Chamber. I ask that the bills may go over temporarily until the Senator may have an opportunity to examine the calendar.

The PRESIDING OFFICER. At the request of the Senator from Utah, Order of Business 183, being Senate bill 213, and Order of Business 184, being Senate bill 219, will be passed over.

The bill (S. 2335) for the relief of O. R. York was announced as next in order.

Mr. KING. Mr. President, I am making an inquiry as to the rule of the Post Office Department with respect to cases like that covered by this bill, and I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

JOSEPH E. BOURRIE CO.

The bill (S. 2570) authorizing the adjustment of the claim of Joseph Bourrie Co. was announced as next in order.

Mr. BINGHAM. Mr. President, as I recall, the Senator from New Hampshire [Mr. MOSES] asked that that bill go over when it was last reached on the calendar.

Mr. VANDENBERG. Mr. President, I do not think this is one of the bills to which the Senator from New Hampshire had reference. Will not the Senator withdraw his objection, with the understanding that, if it is one of the bills to which the Senator from New Hampshire objects, it may subsequently be reconsidered?

Mr. BINGHAM. If the Senator will have action on the bill reconsidered in the event the Senator from New Hampshire should so desire, I will not persist in the objection.

Mr. HOWELL. Mr. President, does the Senator from Connecticut ask that that bill go over?

Mr. VANDENBERG. I have asked the Senator from Connecticut to withdraw his objection, with the understanding that, if it subsequently proves to be one of the bills to which the Senator from New Hampshire is objecting, action on it will be reconsidered.

Mr. HOWELL. I am satisfied the Senator from New Hampshire is not objecting to this bill.

The PRESIDING OFFICER. Does the Senator from Connecticut withdraw his objection?

Mr. BINGHAM. I withdraw the objection.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of Joseph E. Bourrie Co. for refund of $1,055.70, included in the amount of a certified check submitted by it as a guarantee with bids on two items of construction work at Camp Grayling, Mich., the total amount of which was collected and paid into the Treasury, although $1,055.70 included in such check was for a guarantee on a bid which was rejected, and to allow not to exceed $1,055.70 in full and final settlement of any and all claims arising out of the transaction. There is hereby appropriated out of any moneys in the Treasury not otherwise appropriated the sum of $1,055.70, or as much thereof as may be necessary, for payment of said claim.

LOANS TO DRAINAGE DISTRICTS, ETC.

The bill (S. 1856) to provide for the relief of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, irrigation, and/or similar districts other than Federal reclamation projects, or to counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes, was announced as next in order.

Mr. BRATTON. Mr. President, there are certain amendments on the desk to this bill. I desire to offer them en bloc.

The PRESIDING OFFICER. Is there objection?

Mr. DICKINSON. I suggest that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S. J. Res. 36) to change the name of the island of "Porto Rico" to "Puerto Rico" was announced as next in order.

Mr. BRATTON. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 2062) for the relief of Adam Augustus Shafer was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

WILLIAM C. RIVES

The bill (S. 2058) for the relief of William C. Rives was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Navy William C. Rives, late of the United States Navy, shall be held and considered to have served honorably 90 days during the war with Spain: *Provided*, That no pension, pay, or bounty shall be held to have accrued by reason of this act prior to its passage.

BILLS PASSED OVER

The bill (S. 2059) for the relief of Albert Ross was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2060) for the relief of Otto Schluter was announced as next in order.

Mr. KING. The report on this bill by the Secretary of the Navy is adverse, and, in the absence of an explanation, I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2375) for the relief of Roscoe Meadows was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2914) to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named, under the terms of the act of June 7, 1924, and for other purposes, was announced as next in order.

Mr. BRATTON. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

WAIVER OF INDICTMENT IN CERTAIN CRIMINAL CASES

The bill (S. 2655) providing for waiver of prosecution by indictment in certain criminal proceedings was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

Mr. BRATTON. Mr. President, may I appeal to the Senator to withhold his objection in order that I may explain the purpose of the bill?

Mr. LA FOLLETTE. Yes, Mr. President; I withhold my objection.

Mr. BRATTON. Let me say to the Senator from Wisconsin in a preliminary way that his colleague [Mr. BLAINE] assured me that if the first committee amendment is adopted he has no desire to press the amendment which he had printed yesterday, and which is now lying on the table.

The proposed legislation will accomplish a substantial economy to the Government. It will be recalled that in his message received in the Senate day before yesterday the President urged legislation of this character as a means of expediting the administration of criminal law, and saving money in connection therewith. This measure will permit an accused person to waive his constitutional right to be prosecuted only on an indictment, but in doing so he must waive such right in writing and in open court, thus safeguarding the rights of any accused person against the employment of what we commonly call third-degree methods. I think the measure is a wholesome one, and will speed the administration of criminal law, and at the same time reduce the expenses in connection therewith.

The PRESIDING OFFICER. Does the Senator from Wisconsin withdraw his objection?

Mr. LA FOLLETTE. Mr. President, I have no objection, in view of the statement made by the Senator from New Mexico that my colleague [Mr. BLAINE] does not desire to press his amendment.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with amendments.

The amendments were, on page 1, line 6, after the word "shall," to insert "in open court and"; and, in line 10, after the word "him," to insert "except that no such waiver shall be allowed if the accused has had a preliminary examination before a United States commissioner or other examining magistrate, which examination has resulted in the discharge of the accused," so as to make the bill read:

Be it enacted, etc., That hereafter all prosecutions for capital or otherwise infamous crimes, in the courts of the United States and the courts of the District of Columbia, shall be by presentment or indictment of a grand jury unless the accused shall, in open court and in writing, and under such rules as the court may prescribe, expressly waive prosecution by presentment or indictment, and consent to the filing of an information against him, except that no such waiver shall be allowed if the accused has had a preliminary examination before a United States commissioner or other examining magistrate, which examination has resulted in the discharge of the accused. In the event of such waiver the prosecution shall, with the approval of the court, be by information, and any judgment rendered and sentence imposed in any such case shall have the same force and effect in all respects as if the same had been rendered and imposed pursuant to a prosecution by presentment or indictment.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1153) to provide for the incorporation of credit unions within the District of Columbia was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1003) for the relief of Capt. Jacob M. Pearce, United States Marine Corps, was announced as next in order.

Mr. KING and Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1009) for the relief of George Edwin Godwin was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2883) prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore, and for the purpose of promoting the safety of navigation, was announced as next in order.

Mr. MCNARY. Mr. President, in the absence of the senior Senator from Maryland [Mr. TYDINGS] I ask that that bill go over. I make this suggestion as it came to me from the senior Senator from California [Mr. JOHNSON], who is absent from the Chamber.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1469) to authorize certain officers of the United States Navy and Marine Corps to accept such decorations, orders, and medals as have been tendered them by foreign governments in appreciation of services rendered was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN A. PEARCE

The bill (S. 1030) for the relief of John A. Pierce was announced as next in order.

Mr. KING. Let that go over.

Mr. HOWELL. Mr. President, I will ask if the objection can not be withdrawn, because the Senator who introduced this bill is favorable to this form of dealing with the subject.

Mr. KING. I withdraw my objection.

The Senate proceeded to consider the bill, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of," to strike out "$15,000" and insert "$500, and $50 per month thereafter, not to exceed 40 months"; in line 7, after "John A.," to strike out "Pierce" and insert "Pearce"; and in the same line, after the words "in full," to strike out "payment" and insert "settlement of all claims against the Government," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500, and $50 per month thereafter, not to exceed 40 months, to John A. Pearce, in full settlement of all claims against the Government for injuries sustained by him on July 19, 1918, when he was shot by a sentry at the Aberdeen Proving Grounds in the State of Maryland.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of John A. Pearce."

JOHN STRATIS

The bill (S. 3447) for the relief of John Stratis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to John Stratis, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, representing the face value of two Liberty bonds in the amount of $500 each, deposited by him as security for a public charge and departure bond in the sum of $1,000, executed by him on account of Vasilios Kaplandis, an alien, conditioned upon the alien traveling in transit through the United States within 15 days and forfeited through breach of such condition, subsequent hearings by the Department of Labor having developed that the alien had a former residence in this country and was entitled to admission to the United States without regard to the quota law.

BILLS, ETC., PASSED OVER

The resolution (S. Res. 166) to print the pamphlets entitled "Draft of Mooney-Billings Report" and "Appendix Containing Official Documents" was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 2494) to amend section 4 of the legislative, executive, and judicial appropriation act, passed and approved March 4, 1925, relating to the compensation of Members of and Delegates to Congress, was announced as next in order.

The PRESIDING OFFICER. This bill is reported adversely.

Mr. LA FOLLETTE. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2495) to repeal section 17 of the act passed and approved July 28, 1866, relating to mileage of Members of Congress, was announced as next in order.

The PRESIDING OFFICER. This bill is reported adversely and will be passed over.

The bill (S. 95) to amend the second paragraph of section 6 of the civil service retirement act of May 29, 1930 (relating to persons retired for disability), was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3051) to reinstate Lawrence L. Myatt and Miller S. Burgin as midshipmen in the United States Naval Academy was announced as next in order.

Mr. KING. Let that go over.

Mr. WALSH of Massachusetts. I assume that the Senator from Pennsylvania [Mr. REED] will want that bill to go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 276) for the construction and equipment of a hospital on Crow Indian Reservation was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

CHARLES PARSHALL

The bill (S. 278) for the relief of Charles Parshall, Fort Peck Indian allottee, of the Fort Peck Reservation, Mont., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Charles Parshall, a Fort Peck Indian allottee, of Poplar, Mont., the sum of $710, out of any money in the Treasury not otherwise appropriated, as compensation for and in full satisfaction of any claim the aforesaid Charles Parshall may have against the Government by reason of the refusal, neglect, and failure of the Secretary of the Interior to admit Charles Parshall, an Indian of the Fort Peck Indian Reservation, to the Fort Peck Hospital, a Government hospital, thereby necessitating said Charles Parshall to spend and pay out of his own funds the said sum of $710.

BILLS PASSED OVER

The bill (S. 2987) providing for the construction and equipment of a hospital upon the Blackfeet Indian Reservation in the State of Montana was announced as next in order.

Mr. SMOOT. Let that go over.

Mr. KING. Mr. President, I objected a moment ago, and I object to this bill for the reason that the Interior Department appropriation bill will be before the Senate in a day or two, and the question of the necessity for hospitals on the various reservations will be under consideration, and the matter may then be considered.

The PRESIDING OFFICER. The bill will be passed over.

DISPOSITION OF VEHICLES, ETC., SEIZED ON INDIAN RESERVATIONS

The bill (S. 3654) to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violation of liquor laws was announced as next in order.

Mr. KING. Let that go over.

Mr. FRAZIER. Mr. President, do I understand that there is objection to this bill?

Mr. KING. I withdraw the objection pending an explanation. I did not know that the Senator is present. Let the Senator explain the bill.

Mr. FRAZIER. Mr. President, this bill simply provides that where automobiles are seized on an Indian reservation because of violation of the prohibition law, by order of the court they may be transferred to the Indian Bureau for use in the Government service.

Under the present law, in a great many instances a good deal of Indian money is being spent for the enforcement of the prohibition laws, but no benefit returns to the Indian tribes in a financial way. This will be some help to them, and a help to the department in enforcing the law by reason of having these automobiles.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. FRAZIER. Certainly.

Mr. KING. Who is to determine whether or not an automobile sequestered in the manner indicated is necessary? We know that the appropriation bills which are passed through the Senate give to the Indian Bureau far more than it should receive under the uneconomical manner in which the bureau is administered.

Mr. FRAZIER. This is to be done by order of the court.

Mr. KING. The Senator knows that provision is made in the appropriation bills for automobiles for the Indian Bureau, and with the appropriations made they will purchase the necessary automobiles. This bill would give to them additional ones, without any necessity therefor.

Mr. FRAZIER. This is to be done by order of the court; and, of course, the machine would be transferred by order of the judge.

Mr. KING. Yes; but there is no discretion in the court, and if the automobiles are not transferred to the Indian Bureau, there is no provision made for their transference to some bureau or agency of the Government which would require them. It seems to me that with the well-known lack of economy in the Indian Bureau, and the anxiety with which they reach out to get larger appropriations, to give to them, without any necessity, these automobiles that may be taken, is unwise.

Mr. TRAMMELL. Mr. President——

Mr. FRAZIER. I should like to call the attention of the Senator to the fact that on 80 reservations where they have tribal funds and the appropriations to conduct the affairs of the Indians on those reservations are taken out of their tribal funds, their money is used for the enforcement of the prohibition law. If an Indian is arrested and fined, the fine goes to the county where the arrest was made, but not back to the Indian fund. In this case they would get some benefit out of it by having transferred to them this automobile that was taken there while its operator was engaged in violation of the law.

Mr. KING. If the Senator will let the bill go over for the day, I am going to offer an amendment to provide that automobiles and all paraphernalia seized shall be disposed of after due notice, and that the proceeds derived from the sale thereof shall go into the tribal funds, so as to let the Indians get it instead of a lot of Government officials.

I ask that the bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, was announced as next in order.

Mr. McNARY. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

RAINY RIVER BRIDGE, BAUDETTE, MINN.

Mr. VANDENBERG. Mr. President, I dislike to interrupt the procedure, but I desire to call the attention of the

Senate to Order of Business 334, House bill 5064, which is a bridge bill, involving an international bridge in Minnesota. The Senators from Minnesota tell me that the project is ready to proceed to immediate construction the moment this authorization is granted. I am fearful that the bill may not be reached during the morning hour, and I therefore ask unanimous consent to take it up at the present time.

The PRESIDING OFFICER. The Senator from Michigan asks unanimous consent that the Senate proceed to the consideration of Order of Business 334, House bill 5064, the title of which will be stated by the clerk.

The CHIEF CLERK. A bill (H. R. 5064) authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment, on page 2, after line 20, to insert:

> The said Vernon W. O'Connor, his successors or assigns, shall within 90 days after the completion of the bridge constructed under the authority of this act file with the Secretary of War an itemized statement under oath showing the actual original cost of such bridge and its approaches and appurtenances, which statement shall include any expenditures actually made for engineering and legal services; and any fees, discounts, and other expenditures actually incurred in connection with the financing thereof. Such itemized statement of cost shall be investigated by the Secretary of War at any time within three years after the completion of such bridge, and for that purpose the said Vernon W. O'Connor, his successors or assigns, in such manner as may be deemed proper, shall make available and accessible all records connected with the construction and financing of such bridge, and the findings of the Secretary of War as to the actual cost of such bridge shall be made a part of the records of the War Department.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS ADVERSELY REPORTED

The bill (S. 828) granting compensation to David Samuel Goldstein was announced as next in order.

Mr. WALSH of Massachusetts. Mr. President, this is the first of a large number of bills reported adversely by the Finance Committee. The first bill happens to be one introduced by me, and is reported unfavorably by the Senator from Pennsylvania [Mr. REED]. I shall not make any objection to the report being accepted, but I think it is not inappropriate that the general policy of the committee should be stated at this time.

All these bills have been considered by a subcommittee of the Finance Committee on World War veterans' relief. As a member of that subcommittee I will state the policy of the committee.

Most of these bills seek, by special legislation, to extend the benefits of the World War veterans' acts and amendments to individual veterans. Unless some administrative error or legal technicality appears that has worked detriment to the person in whose favor special legislation is sought, it is the policy of the committee to report such special bills adversely. Nearly all of these bills, including the one now under consideration, seek to give to an individual some special exception outside the rights defined in the general law. In many cases the veteran's case has already been adjudicated unfavorably to the petitioner by the Veterans' Administration, and special bills have been presented to change the adverse ruling.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. BARKLEY. Of course "legal technicality" is a rather flexible term, not susceptible of exact definition; but, if I understand what the Senator has in mind, where a bureau has passed upon an application for compensation, and the application has either been denied or the applicant has not received the amount to which he thinks he is entitled, it is not the policy of the committee to undertake to review those cases.

Mr. WALSH of Massachusetts. That is exactly the position of the committee. In other words, we do not propose to extend to Congress the administrative features of this law, or to make it a court to decide the rights of individual veterans. If we enter that domain we will have millions of special bills before us, for once the precedent is established every veteran who thinks his case has not been adequately adjudicated may properly petition the Congress.

Mr. BARKLEY. That does not mean, of course, that if an individual case, isolated as it might be, should arise, in which a man might be entitled to all the benefits of the compensation law, but through some technical status which could not be foreseen by Congress in the enactment of the law he would be denied, there would not be relief.

Mr. WALSH of Massachusetts. There are some such cases, and they have been reported favorably. For illustration, where a veteran has had a dishonorable discharge through error, and should have had an honorable discharge, and has been deprived of the benefits of the compensation to which he was entitled had he had an honorable discharge in the first place, the committee would report favorably.

Mr. BARKLEY. That is, a case where, through the error of somebody in an administrative capacity, the man has been denied justice or has been put in a situation where the bureau itself can not act upon his case.

Mr. WALSH of Massachusetts. The Senator has correctly stated the situation.

Mr. BRATTON. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH of Massachusetts. I yield.

Mr. BRATTON. I want to state a case which has come to my personal knowledge, and ascertain whether the Senator thinks the veteran would be entitled to relief at the hands of Congress.

A veteran was indicted in a State court, charged with murder. He was convicted in the trial court. By reason of that charge and the conviction he was dishonorably discharged from the Army. After he was discharged, the Supreme Court reversed the case and remanded it to the trial court, where it was subsequently dismissed, thus clearing the veteran so far as the civil courts were concerned; but in the meantime, as I have said, he had been given a dishonorable discharge due solely to the charge of murder and the original conviction. The bureau is powerless in that case.

Mr. WALSH of Massachusetts. May I suggest to the Senator that of course the bureau is powerless while that veteran's record remains, and so would the Finance Committee be powerless while that dishonorable record remained. There is a remedy for that veteran, however, namely, to file a bill requesting that he be given the benefit of the World War veterans' act notwithstanding his dishonorable discharge. That bill would go to the Committee on Naval Affairs if he served in the Navy and to the Committee on Military Affairs if he served in the Army. Many such bills are before those committees, and favorable reports have been made where errors have occurred, such as in the case cited by the Senator.

Mr. BRATTON. I have introduced such a bill.

Mr. WALSH of Massachusetts. Where is the bill?

Mr. BRATTON. It is before the Committee on Military Affairs.

Mr. WALSH of Massachusetts. I happen to be familiar with the practice of the Committee on Naval Affairs. In a case of the kind described a bill would be reported favorably.

Mr. BRATTON. The attitude of the Finance Committee would not preclude such a veteran from relief at the hands of Congress?

Mr. WALSH of Massachusetts. We would not attempt to determine a particular award to the veteran, for that would require medical testimony. That must be done by an administrative bureau.

Mr. BRATTON. I understand.

Mr. WALSH of Massachusetts. Because of the record being a bar against consideration of his case by the Veterans' Administration, we would recommend legislation which

would remove the dishonorable discharge, so that he, like other veterans, would have an opportunity to prove his case.

Mr. BRATTON. The technical procedure would be to introduce a bill to correct his military record?

Mr. WALSH of Massachusetts. Exactly.

Mr. BRATTON. And the enactment of the bill would result in him becoming entitled to compensation from the bureau?

Mr. WALSH of Massachusetts. I recommend that course to the Senator.

Mr. BRATTON. I am pursuing that course, but I was concerned lest the attitude stated by the Senator might conflict with that procedure.

Mr. BINGHAM. Mr. President, may I say that a case very similar to that stated by the Senator from New Mexico came before our subcommittee, and was rereferred to the Committee on Military Affairs, or Naval Affairs, in order that correction of his record might be made. There will then be no question on the part of the Veterans' Administration, and provided the man's record were cleared, his claim would be paid.

Mr. WALSH of Massachusetts. I thought perhaps the explanation I have made on these reports from the Finance Committee should be put in the RECORD.

The PRESIDING OFFICER. The bills on the calendar beginning with Order of Business No. 299 and extending through Order of Business No. 307, having been reported adversely, will go over.

Mr. WALSH of Massachusetts. Mr. President, who has requested that those bills go over?

The PRESIDING OFFICER. The Chair ordered that they go over. They have all been adversely reported.

Mr. KING. I ask that the reports of the committee be accepted, and that the bills be indefinitely postponed.

The PRESIDING OFFICER. Without objection, that order will be entered.

Mr. WALSH of Massachusetts. Mr. President, I ask that the report of the committee accompanying Senate bill 828 be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[Sen. Rept. No. 281, 72d Cong., 1st sess.]

GRANTING COMPENSATION TO DAVID SAMUEL GOLDSTEIN

Mr. REED, from the Committee on Finance, submitted the following report (to accompany S. 828):

The Committee on Finance, to whom was referred the bill (S. 828) granting compensation to David Samuel Goldstein, having considered the same, report it back to the Senate and recommend that the bill do not pass.

This bill would give the claimant retroactive compensation from the date of his discharge in 1918 down to 1926, which latter date is one year before he first applied for compensation.

The report of the Veterans' Administration is as follows:

VETERANS' ADMINISTRATION,
Washington, January 13, 1932.

HON. REED SMOOT,
Chairman Committee on Finance,
United States Senate, Washington, D. C.

MY DEAR SENATOR SMOOT: Reference is made to your letter of December 29, 1931, transmitting a copy of S. 828, Seventy-second Congress, a bill granting compensation to David Samuel Goldstein, and requesting a report thereon.

The records in this case disclose that the veteran served in the Navy prior to the World War, during which time he received treatment for a mental disability. He entered service during the World War on April 24, 1917, and was discharged January 4, 1918, because of inaptitude. Claim for compensation was not executed until May 17, 1927, and although the rating now in effect would entitle the claimant to a compensable rating from date of discharge, as you are aware, no payments can be effected for more than one year prior to the date of application for benefits because of the provisions contained in section 210 of the World War veterans' act, as amended. The proposed bill provides for the payment of temporary total disability benefits from date of discharge until May 18, 1926, or until compensation became legally payable under the World War veterans' act, 1924, as amended.

An investigation conducted by the regional office in Boston, Mass., indicates that the claimant lost approximately four months from his work between the time of his discharge and the date he entered the Grafton State Hospital in June of 1927. He has been in receipt of a temporary total rating since May 19, 1927, and payments covering this award are now going forward.

Whether or not a special bill should be enacted excepting this claimant from the general provisions of the act in question is a matter for the Congress to decide. It is the policy of the Veterans' Administration to recommend special legislation only when a legal technicality or administrative error has worked detriment to the person in whose favor special legislation is sought. This claimant does not come within either of these exceptions.

This bill seems identical in substance with S. 2775, Seventy-first Congress, on which a report was made to your committee on February 12, 1930.

A copy of this letter is inclosed for your use.

Very truly yours,

FRANK T. HINES, *Administrator.*

Mr. SMOOT. Mr. President, in this connection I desire to say that the report on that bill is about the same as the reports on the other bills reported adversely.

Mr. GOLDSBOROUGH. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 2827, to amend the act known as the "Perishable agricultural commodities act, 1930," approved June 10, 1930, which is Order of Business No. 310, and follows the bills adversely reported.

Mr. LA FOLLETTE. We have not yet reached that order of business.

Mr. GOLDSBOROUGH. I understand that, but it follows the bills adversely reported.

Mr. MCNARY. Mr. President, the Senator from Maryland has a right to ask unanimous consent to take up a bill even out of order. That is his request.

The PRESIDING OFFICER. That order of business has not been reached.

Mr. KING. Mr. President, I intended the motion which I submitted a moment ago to indefinitely postpone Senate bill 828 and others to refer to those which are in the category referred to by the Senator from Massachusetts, from Order of Business 299 to Order of Business 307, inclusive.

Mr. WALSH of Massachusetts. The Senator moves that all bills reported adversely be indefinitely postponed?

Mr. KING. Those whose calendar numbers I have given.

Mr. MCNARY. Does the Senator make that applicable to all bills on the calendar with adverse reports?

Mr. KING. No; just those referred to by the Senator from Massachusetts a moment ago, and which come within the category to which he referred.

The PRESIDING OFFICER. The Chair will state to the Senator from Utah that there are three different places on the calendar where there are groups of bills with adverse reports, two of which groups we have not yet reached.

Mr. LA FOLLETTE. Mr. President, I have no objection to the action suggested by the Senator from Utah being taken, but there are a number of other bills on the calendar with adverse reports, and Senators may wish to have them taken up. Therefore I suggest that we postpone indefinitely only those where there is no objection to that course.

The PRESIDING OFFICER. Without objection, the bills adversely reported on page 7 of the calendar will be indefinitely postponed.

Mr. BINGHAM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BINGHAM. Have Calendar Nos. 299 to 307 been indefinitely postponed?

The PRESIDING OFFICER. They have been.

SALARIES OF MEMBERS AND EMPLOYEES OF THE FARM BOARD

The bill (S. 2493) to amend section 2 of an act known as the agricultural marketing act, passed and approved June 15, 1929, relating to salaries of members and employees, was announced as next in order.

Mr. WALSH of Massachusetts. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

ELECTRIC CURRENT IN HAWAII

The Senate proceeded to consider the bill (H. R. 307) to approve Act No. 256 of the session laws of 1931 of the Territory of Hawaii, entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North Kona and South Kona, on the island and county of Hawaii, Territory of Hawaii."

Mr. LA FOLLETTE. Mr. President, I would like to have an explanation of that bill.

Mr. BINGHAM. Mr. President, this is one of the bills in the usual form which has passed the Legislature of Hawaii under the organic act and has to be submitted to Congress for approval. It does not grant an exclusive franchise. The capital is raised wholly in the neighborhood. The company referred to is a very small one, the amount subscribed varying from $100 to $1,500.

Mr. LA FOLLETTE. Did I understand the Senator to say the franchise is not exclusive?

Mr. BINGHAM. The franchise is not exclusive.

The bill was ordered to a third reading, read the third time, and passed.

PERISHABLE AGRICULTURAL COMMODITIES

The Senate proceeded to consider the bill (S. 2827) to amend the act known as the "Perishable agricultural commodities act, 1930," approved June 10, 1930 ,which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 2, line 6, to strike out the words "No person buying such commodity in intrastate commerce for canning shall be considered as a 'dealer'" and to insert the words "No person buying any such commodity for canning and/or processing within the State where grown shall be considered a 'dealer,' whether or not the canned or processed product is to be shipped in interstate or foreign commerce," so as to make the bill read:

Be it enacted, etc., That subsection 6 of section 1 of the act known as the perishable agricultural commodities act, 1930, approved June 10, 1930, be hereby amended to read as follows:

"(6) The term 'dealer' means any person engaged in the business of buying or selling in carloads any perishable agricultural commodity in interstate or foreign commerce, except that (A) no producer shall be considered as a 'dealer' in respect of sales of any such commodity of his own raising; and (B) no person buying any such commodity solely for sale at retail shall be considered as a 'dealer' in respect of any such commodity in any calendar year until his purchases of such commodity in carloads in such year are in excess of 20. No person buying any such commodity for canning and/or processing within the State where grown shall be considered a 'dealer,' whether or not the canned or processed product is to be shipped in interstate or foreign commerce. Any person not considered as a 'dealer' under clauses (A) and (B) may elect to secure a license under the provisions of section 3, and in such case and while the license is in effect such person shall be considered as a 'dealer.' As used in this paragraph the term 'in carloads' includes corresponding wholesale or jobbing quantities as defined for any such commodity by the Secretary."

Mr. KING. Mr. President, will the Senator from Maryland give us an explanation of this measure?

Mr. GOLDSBOROUGH. Certainly. It is a bill to amend the act known as the perishable agricultural commodities act of 1930, which was introduced at the request of the canners of my State. The canning industry is one of the most important in the State.

In the administration of the perishable agricultural commodities act of 1930 by the Department of Agriculture the department does not interpret the act as applying to canned goods in interstate commerce. The canners of the State, depending practically entirely upon domestic production for their raw material, feel that an undue burden has been laid upon them by the interpretation of the act which necessitates their taking out a license.

However, the department feels, so I am told, that it would not be wise to altogether exclude canners from the provisions of the act, but is agreeable to not requiring a license to be taken out by those buying their raw material within the States for canning in interstate commerce.

The problem, therefore, was to so amend the law as to make it unnecessary for the canners to take out a license because of the intrastate character of their business from a purchasing standpoint. This has been done in the bill which I introduced through amending subsection 6 of section 1 of the act by inserting the sentence:

No person buying any such commodity for canning and/or processing within the State where grown shall be considered a "dealer," whether or not the canned or processed product is to be shipped in interstate or foreign commerce.

Prior to the submitting of the amendment I conferred with the officials of the Bureau of Agricultural Economics having administration of the act in charge, and also arranged conferences for the representatives of the canners of the State with these officials to discuss the matter. The amendment, as drawn, has the unofficial approval of the heads of the bureau above referred to. It is understood, of course, that it was impossible to secure an official approval until the proposed amendment should be submitted by the Committee on Agriculture.

Inasmuch as the time is rapidly approaching when the canners must begin contracting acreage for the 1932 canning crops, and under the regulations promulgated by the Secretary of Agriculture by authority of the perishable agricultural commodities act canners are requested to take out their license prior to contracting acreage, it seems extremely desirable that prompt action on the amendment be had by Congress.

Predicating their thought upon the unofficial approval given the amendment by the department, the canning associations of the State have suggested to the canners that they defer applying for the Federal license pending the enactment of the proposed amendment.

The suggested amendment does not in any way weaken the act, and as canners generally for several seasons past have been in more or less of an embarrassed condition because of the unsatisfactory situation surrounding their business, I feel that any assistance in lessening the burden of operation that can be contributed by the Government should be promptly extended.

I bespeak for Senate 2827 the favorable consideration of the Senate, and it would be very pleasing to me if it could be passed.

Mr. KING. It liberalizes the present law?

Mr. GOLDSBOROUGH. It does.

Mr. KING. Where do they find the constitutional right or authority to require the canners of the Senator's State to take out licenses to buy raw material in that State for canned goods shipped across the line into Washington?

Mr. GOLDSBOROUGH. I do not think they have it, but that has been the interpretation placed upon the act, and this is to clarify it, and for that purpose only.

Mr. KING. I think it is perfectly absurd that such authority should be exercised, and I wish the Senator had gone further and provided that no license whatever should be required, and that the Federal Government should have no jurisdiction over the transaction.

Mr. GOLDSBOROUGH. It goes a part of the distance.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROOSEVELT MEMORIAL

The Senate proceeded to consider the bill (S. 290) to establish a memorial to Theodore Roosevelt in the National Capital, which had been reported from the Committee on the Library with an amendment, on page 2, line 4, to strike out the words "That no structure, road, or other artificial treatment shall be built on said island without the approval of the said Roosevelt Memorial Association or such advisory board as the latter may designate to act for it" and to insert in lieu thereof the words "That no general plan for the development of the island be adopted without the approval of the Roosevelt Memorial Association; and that, so long as this association remains in existence, no development, inconsistent with this plan, be executed without the association's consent," so as to make the bill read:

Be it enacted, etc., That the Director of Public Buildings and Public Parks of the National Capital be, and he is hereby, authorized to accept and receive as a gift from the Roosevelt Memorial Association (Inc.), for and in behalf of the United States, the island in the Potomac River heretofore variously known as Barbadoes, Analostan, and Masons Island, together with accretions thereto; and that, upon acceptance of this gift of land, the said island shall hereafter be known as Roosevelt Island and shall be maintained and administered by the Director of Public Buildings and Public Parks of the National Capital as a natural park for the recreation and enjoyment of the public: *Provided*, That no general plan for the development of the island be adopted without the approval of the Roosevelt Memorial Association; and that, so long as this association remains in existence, no development, in-

consistent with this plan, be executed without the association's consent.

SEC. 2. That the director is hereby authorized to provide suitable means of access to and upon the said Roosevelt Island as appropriations are made available from time to time and subject to the approval of the National Capital Park and Planning Commission; and that the appropriations needed for such construction and annually for the care, maintenance, and improvement of the said lands and improvements, are hereby authorized to be made from any funds not otherwise appropriated from the Treasury of the United States.

SEC. 3. That the Director of Public Buildings and Public Parks be, and he is hereby, further authorized and directed to permit the Roosevelt Memorial Association (Inc.) to erect on said Roosevelt Island such monument or memorial and related structures as may be recommended by it and approved by the National Commission of Fine Arts and the National Capital Park and Planning Commission.

The amendment was agreed to.

Mr. BINGHAM. Mr. President, may I be permitted to say, in regard to section 3, that it gives the Director of Public Buildings and Public Parks of the National Capital the authorization to permit the Roosevelt Memorial Association to erect on Roosevelt Island such monument or memorial and related structures as may be recommended by it and approved by the National Commission of Fine Arts and the National Capital Park and Planning Commission.

My reason for not objecting to this is that I understand no memorial will be erected which will be in the nature of an obstacle to air navigation, to airplanes making a landing at the Washington Airport on the south side of the Potomac River. Had it been the intention of the association to erect a very high memorial, something in the nature of the Washington Monument, or a similar structure, it would have been in the nature of an obstacle to air navigation.

I am making this statement for the sake of the record in order that there may be no misunderstanding in the future as to the nature of the memorial. I believe it is not intended to erect anything that will be in the nature of an obstacle to air navigation.

Mr. KING. Let me inquire whether this measure has been approved by the District Commissioners?

Mr. FESS. Mr. President, the matter has not been submitted to the District Commissioners, but the Park and Planning Commission has had in mind for a long while the purchase of the island referred to, and they offered a handsome sum for it, but the company which owned it asked about three times what the commission thought it was worth. Then the Government proceeded with condemnation proceedings, in order to take the island over, so as to insure that it would be a part of the park system of the capital at some time.

When that step was taken, the company which owned the island opened up negotiations with the Roosevelt Memorial Association, and that association purchased the island for $364,000, and proceeded to give it to the Government as a part of the park plan.

The only point of difficulty was that they did not want to to leave the matter open so that the Government might do anything there in the nature of what the Senator from Connecticut has mentioned. I think there is no obstacle whatever, because it is a gift to the Government of this valuable island, and it is hoped that it can be kept in a wild state. Therefore I think we ought to accept it.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PENSION TO HELEN H. TAFT

Mr. BINGHAM. Mr. President, in order to do justice which has long been delayed, I ask unanimous consent, in view of the lateness of the hour, that the Senate proceed to the consideration of Order of Business 349, Senate bill 1230, granting a pension to Helen H. Taft, the widow of President Taft, who, due to an oversight, has not yet received the pension which has always been granted to the widows of deceased Presidents.

There being no objection, the Senate proceeded to consider the bill, which was read, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Helen H. Taft, widow of William Howard Taft, late President of the United States, and to pay her a pension at the rate of $5,000 per year from and after the passage of this act.

CHESAPEAKE AND OHIO CANAL MONUMENT

The bill (S. 3506) authorizing the selection of a site and the erection thereon of a suitable monument indicating the historical significance of the Chesapeake and Ohio Canal was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Director of Public Buildings and Public Parks of the National Capital is authorized and directed to select, with the approval of the National Capital Park and Planning Commission, a suitable site within the public grounds of the United States in the District of Columbia (other than the grounds of the Capitol, the Library of Congress, and the White House) for a monument to indicate the historical significance of the Chesapeake and Ohio Canal, and to grant permission to the General Society, Sons of the Revolution, to erect, through their duly authorized representatives, an appropriate monument on such site as a gift to the people of the United States. The design of such monument shall be approved by the National Commission of Fine Arts, and such monument shall be erected under the supervision of the Director of Public Buildings and Public Parks of the National Capital, but the United States shall be put to no expense in or by the erection thereof.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate, pursuant to its order, the agricultural appropriation bill.

The Senate proceeded to consider the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Schall
Austin	Cutting	Kendrick	Sheppard
Bailey	Dale	Keyes	Shipstead
Bankhead	Davis	King	Smith
Barbour	Dickinson	La Follette	Smoot
Barkley	Dill	Lewis	Stelwer
Bingham	Fess	Logan	Stephens
Black	Fletcher	McGill	Thomas, Idaho
Blaine	Frazier	McNary	Thomas, Okla.
Borah	George	Metcalf	Townsend
Bratton	Glass	Morrison	Trammell
Brookhart	Glenn	Moses	Tydings
Broussard	Goldsborough	Neely	Vandenberg
Bulkley	Gore	Norbeck	Wagner
Bulow	Hale	Norris	Walcott
Byrnes	Harrison	Nye	Walsh, Mass.
Capper	Hatfield	Oddie	Walsh, Mont.
Carey	Hayden	Patterson	Waterman
Connally	Hebert	Pittman	Watson
Coolidge	Howell	Reed	Wheeler
Copeland	Johnson	Robinson, Ark	White
Costigan	Jones	Robinson, Ind.	

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. McNARY. Mr. President, it is my purpose very briefly to outline the provisions carrying the appropriations for the Department of Agriculture activities for the year, particularly with reference to the amount of the current appropriations and the changes made by the Senate Committee on Appropriations.

The current appropriations are, in round numbers, $235,000,000 for the fiscal year ending June 30, 1932. The bill as it passed the House carried $175,000,000, in round numbers, a reduction of $60,000,000 over the current year. I might observe in passing that probably in no bill in the history of the Congress has there been such a real paring as in the Department of Agriculture appropriation bill for the fiscal year 1933. I might well speak in commendatory terms of the House in sending to us a bill with such a splendid reduction.

The estimate of the Bureau of the Budget was $186,000,000. The House bill is nearly $11,000,000 less than the estimate of the Bureau of the Budget. When the bill reached the Senate Appropriations Committee more than a week was given to an intensive study of the measure. I may say that there

was present at all times a quorum of the Senate Committee on appropriations and much interest was manifested in the various projects and items. The Senate committee added to the bill three items. One was for the regular departmental activities in the sum of $330,000. That is the amount that was added by the Senate committee to offset a reduction in excess of $10,000,000 as provided by the House of Representatives for the activities of the Department of Agriculture.

The bill also includes an item of $1,000,000 for the participation of the United States Government in the Chicago World's Fair of 1933. This was in accordance with the previous authorization of the Senate and House. The amount was reduced from $1,750,000 to $1,000,000. It has received the approval of the Bureau of the Budget and is properly in the bill.

The other item is for $1,450,000, which the Senate Appropriations Committee incorporated in the bill for anticipated grasshopper control. That item also received the approval of the Bureau of the Budget.

Consequently, the bill as reported to the Senate by its Committee on Appropriations carries for the fiscal year 1933 $57,000,000 less than the current appropriation. It is under the estimate of the Bureau of the Budget by a little more than $10,000,000. The Senate Committee on Appropriations has added $2,700,000, composed of the three items which I have just explained.

If the various other items in the bill call for any discussion, I should be glad to explain them as we reach them. At the present time I shall be content with the statement I have made and to ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. LEWIS. Mr. President, may I ask the Senator from Oregon if it is agreeable to him, in view of the fact that there are no objections to the amendment relating to the world-fair item added by the Senate, to take up that amendment at once?

Mr. McNARY. I shall be very happy to accommodate the Senator from Illinois. The item to which he refers has received the sanction of the Bureau of the Budget and has received the approval of the Committee on Appropriations and is entirely in order. I am willing to accommodate the Senator from Illinois by acceding to his request.

The VICE PRESIDENT. Is there objection? The Chair hears none. The clerk will report the amendment to which the Senator from Illinois has referred.

The CHIEF CLERK. On page 93, after line 16, the Committee on Appropriations proposes to insert a new paragraph, as follows:

SEC. 2. For the purpose of carrying into effect the provisions of the act entitled "An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration), to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes," approved February 8, 1932, and for each and every object thereof and within the limits of cost specified therein, to be immediately available and to remain available until June 30, 1934, $1,000,000.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LEWIS. Mr. President, I thank the Senator from Oregon for allowing me this space of time.

The VICE PRESIDENT. The clerk will proceed to read the bill and report the first amendment under the unanimous-consent request of the Senator from Oregon.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, on page 9, line 11, to employ the use of larger type in the heading "Library, Department of Agriculture."

The amendment was agreed to.

The next amendment was, under the heading "Office of Experiment Stations," on page 13, line 3, after the word "exceed," to strike out "$155,000" and insert "$153,000," so as to read:

Total, Office of Experiment Stations, $4,668,294, of which amount not to exceed $153,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Weather Bureau, salaries and general expenses," on page 19, line 4, before the word "For," to insert "General administrative expenses," so as to read:

General administrative expenses: For necessary expenses for general administrative purposes, including the salary of chief of bureau and other personal services in the District of Columbia, $136,180.

The amendment was agreed to.

The next amendment was, on page 19, line 16, before the word "of," to strike out "$2,483,218" and insert "$2,513,718," so as to read:

General weather service and research: For necessary expenses incident to collecting and disseminating meteorological, climatological, and marine information, and for investigations in meteorology, climatology, seismology, evaporation, and aerology in the District of Columbia and elsewhere, including $4,650 for investigations of the relationship of weather conditions to forest fires, under section 6 of the act approved May 22, 1928 (U. S. C., Supp. V, title 16, sec. 581e), $2,513,718, of which not to exceed $800 may be expended for the contribution of the United States to the cost of the office of the secretariat of the International Meteorological Committee, and not to exceed $10,000 may be expended for the maintenance of a printing office in the city of Washington for the printing of weather maps, bulletins, circulars, forms, and other publications.

The amendment was agreed to.

The next amendment was, on page 20, at the end of line 7, to strike out "$1,457,440" and insert "$1,465,440," so as to read:

Aerology: For the maintenance of stations, for observing, measuring, and investigating atmospheric phenomena, including salaries and other expenses, in the city of Washington and elsewhere, $1,465,440.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Animal Industry, salaries, and general expenses," on page 25, line 17, after the word "expenses," to strike out "$673,400" and insert "$674,600," so as to read:

Animal husbandry: For all necessary expenses for investigations and experiments in animal husbandry; for experiments in animal feeding and breeding, including cooperation with the State agricultural experiment stations and other agencies, including repairs and additions to and erection of buildings absolutely necessary to carry on the experiments, including the employment of labor in the city of Washington and elsewhere, rent outside of the District of Columbia, and all other necessary expenses, $674,600, together with $4,600 of the unexpended balance of the appropriation for this purpose for the fiscal year 1931, for the purchase of additional land for poultry investigations at Glendale, Ariz., and including $12,500 for livestock experiments and demonstrations at Big Springs, and/or elsewhere in Texas, to be available only when the State of Texas, or other cooperating agency in Texas shall have appropriated an equal amount or, in the opinion of the Secretary of Agriculture, shall have furnished its equivalent in value in cooperation for the same purpose during the fiscal year ending June 30, 1933.

The amendment was agreed to.

The next amendment was, on page 28, line 10, to change the total appropriation for salaries and expenses, Bureau of Animal Industry, from $9,677,562 to $9,678,762.

The amendment was agreed to.

The next amendment was, on page 30, line 4, to change the total appropriation for the Bureau of Animal Industry from $12,282,422 to $12,283,622.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Plant Industry," on page 33, line 22, after the word "production," to strike out "$550,785" and insert "$554,485," so as to read:

Cereal crops and diseases: For the investigation and improvement of cereals, including corn, and methods of cereal production and for the study and control of cereal diseases, and for the investigation of the cultivation and breeding of flax for seed pur-

poses, including a study of flax diseases, and for the investigation and improvement of broomcorn and methods of broomcorn production, $554,485.

The amendment was agreed to.

The next amendment was, on page 34, at the end of line 24, to strike out "$37,720" and insert "$57,720," so as to read:

Drug and related plants: For the investigation, testing, and improvement of plants yielding drugs, spices, poisons, oils, and related products and by-products, $57,720.

The amendment was agreed to.

The next amendment was, on page 35, line 3, after the word "conditions," to strike out "$242,260" and insert "$262,040," so as to read:

Dry-land agriculture: For the investigation and improvement of methods of crop production under subhumid, semiarid, or dry-land conditions, $262,040: *Provided*, That the limitations in this act as to the cost of farm buildings shall not apply to this paragraph: *Provided further*, That no part of this appropriation shall be used for the establishment of any new field station.

The amendment was agreed to.

The next amendment was, on page 37, line 9, after the word "National," to strike out "Aboretum" and insert "Arboretum," so as to read:

National Arboretum: For the maintenance of the National Arboretum established under the provisions of the act entitled "An act authorizing the Secretary of Agriculture to establish a National Arboretum, and for other purposes," approved March 4, 1927 (U. S. C., Supp. V, title 20, secs. 191–194), including the erection of buildings, salaries in the city of Washington and elsewhere, traveling expenses of employees and advisory council, and other necessary expenses, $5,000, of which such amounts as may be necessary may be expended by contract or otherwise for the services of consulting landscape architects without reference to the classification act of 1923, as amended, or civil-service rules.

The amendment was agreed to.

The next amendment was, on page 40, line 7, to change the total appropriation for the Bureau of Plant Industry from $5,333,138 to $5,381,618.

The amendment was agreed to.

The next amendment was, under the subhead "National forest administration," on page 43, line 13, after the name "South Dakota," to strike out "$1,622,610" and insert "$1,640,110," so as to read:

In national forest region 1, Montana, Washington, Idaho, and South Dakota, $1,640,110.

The amendment was agreed to.

The next amendment was, on page 43, line 21, after the name "Oklahoma," to strike out "$695,548" and insert "$702,610," so as to read:

In national forest region 2, Colorado, Wyoming, South Dakota, Nebraska, and Oklahoma, $702,610.

The amendment was agreed to.

The next amendment was, on page 44, line 2, to strike out "$679,717" and insert "$687,480," so as to read:

In national forest region 3, Arizona and New Mexico, $687,480.

The amendment was agreed to.

The next amendment was, on page 44, line 4, after the name "Colorado," to strike out "$887,490" and insert "$896,800," so as to read:

In national forest region 4, Utah, Idaho, Wyoming, Nevada, Arizona, and Colorado, $896,800.

The amendment was agreed to.

Mr. KING. Mr. President, may I inquire of the Senator from Oregon whether any of the provisions which have thus far been considered are embraced, either directly or indirectly, in the amendments offered by the Senator from Tennessee [Mr. McKELLAR], who is necessarily absent on account of a death in his family? I understood that he had obtained consent to offer some 30 or 40 amendments. If the amendments intended to be proposed by the Senator from Tennessee relate to some amendments which have been disposed of, I should be glad to ask to reconsider the vote by which they were agreed to, in order that the amendments offered by the Senator from Tennessee may be appropriately considered.

Mr. McNARY. On account of the multiplicity of the amendments I am not conversant with each one, but I think the amendments intended to be proposed by the Senator from Tennessee go to major projects, and probably will form the basis of oral arguments by the Senator when he returns to the Chamber. However, if any of the amendments which have been offered by the Senator from Tennessee are affected in any way by those already disposed of, I shall ask for a reconsideration of those items.

Mr. KING. Not being a member of the committee, I am not familiar with the amendments proposed by the Senator from Tennessee, but I know that they were offered here, and I did not want his rights to be jeopardized.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, on page 44, line 6, after the name "Nevada," to strike out "$1,195,193" and insert "$1,208,130," so as to read:

In national forest region 5, California and Nevada, $1,208,130.

The amendment was agreed to.

The next amendment was, on page 44, line 8, after the name "California," to strike out "$1,211,023" and insert "$1,224,350," so as to read:

In national forest region 6, Washington, Oregon, and California, $1,224,350.

The amendment was agreed to.

The next amendment was, on page 44, line 13, after the name "Vermont," to strike out "$542,190" and insert "547,690," so as to read:

In national forest region 7, Arkansas, Alabama, Florida, Georgia, South Carolina, North Carolina, Pennsylvania, Tennessee, Virginia, West Virginia, New Hampshire, Maine, Porto Rico, Kentucky, Louisiana, Mississippi, and Vermont, $547,690.

The amendment was agreed to.

The next amendment was, on page 44, line 14, after the name "Alaska," to strike out "$132,579" and insert "$133,990," so as to read:

In national forest region 8, Alaska, $133,990.

The amendment was agreed to.

The next amendment was, on page 44, line 17, after the name "Wisconsin," to strike out "$126,644" and insert "$128,334," so as to read:

In national forest region 9, Michigan, Minnesota, and Wisconsin, $128,334.

The amendment was agreed to.

The next amendment was, on page 44, line 20, after the words "national forests," to strike out "$7,092,994" and insert "$7,169,494," so as to read:

In all, for the use, maintenance, improvement, protection, and general administration of the national forests, $7,169,494.

The amendment was agreed to.

The next amendment was, on page 46, line 19, after the word "planting," to strike out "$154,200" and insert "$160,000," so as to read:

Planting on national forests: For the establishment and maintenance of forest-tree nurseries, the collection or purchase of tree seed, cones, and nursery stock, and seeding and tree planting within national forests; for additional protection, care, and improvement of plantations or young growth; and for experiments and investigations necessary for seeding and tree planting, $160,000.

The amendment was agreed to.

The next amendment was, on page 47, line 5, after the words "national forests," to strike out "$993,440" and insert "$1,045,840," so as to read:

Improvement of the national forests: For the construction and maintenance of roads, trails, bridges, fire lanes, telephone lines, cabins, fences, and other improvements necessary for the proper and economical administration, protection, and development of the national forests, $1,045,840, of which amount $100,000 is reserved for expenditure for the Angeles, Cleveland, Santa Barbara, and San Bernardino National Forests in southern California.

The amendment was agreed to.

The next amendment was, on page 48, line 1, after the name "Minnesota," to strike out the colon and the following additional proviso:

Provided further, That not less than $500,000 of this appropriation shall be available only for the construction and maintenance of roads and trails during the fire-hazard season.

The amendment was agreed to.

The next amendment was, under the subhead "Forest Research," on page 49, line 8, to change the appropriation for salaries and expenses in the Forest Service from $10,422,014 to $10,556,714.

The amendment was agreed to.

The next amendment was, under the subhead "Acquisition of additional forest lands," on page 51, line 9, before the word "as," to strike out "$200,000" and insert "$245,940," so as to read:

For the acquisition of additional lands under the provisions of the act of March 1, 1911 (U. S. C., title 16, secs. 513–519), as amended by the act of June 7, 1924 (U. S. C., title 16, secs. 564–570), $245,940, as authorized by the act of June 2, 1930 (46 Stat. 491), of which amount not to exceed $35,000 may be expended for departmental personal services and supplies and equipment in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 51, line 14, to change the total appropriation for the Forest Service from "$12,313,554" to "$12,494,194."

The amendment was agreed to.

The next amendment was, under the heading of "Bureau of Entomology," on page 57, line 12, before the word "Title," to strike out "IV" and insert "V," so as to read:

For household insects and insects affecting stored products, including $4,900 for insects affecting forest products under section 4 of the act approved May 22, 1928 (U. S. C., Supp. V, title 16, sec. 581c), $147,320.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Biological Survey, salaries and general expenses," on page 59, line 20, before the word "for," to strike out "$24,300" and insert "$20,000," so as to read:

For biological investigations, including the relations, habits, geographic distribution, and migration of animals and plants, and the preparation of maps of the life zones, and including $20,000 for investigations of the relations of wild animal life to forests, under section 5 of the act approved May 22, 1928 (U. S. C., Supp. V, title 16, sec. 581d), and for investigations, experiments, and demonstrations in the establishment, improvement, and increase of the reindeer industry and of musk oxen and mountain sheep in Alaska, including the erection of necessary buildings and other structures, $102,500.

The amendment was agreed to.

The next amendment was, under the subhead "Upper Mississippi River Refuge," on page 61, line 8, before the word "which," to strike out "$34,400" and insert "$34,033," and in line 13, after the word "Act," to strike out "$46,178" and insert "$45,445," so as to read:

For the acquisition of areas of land or land and water pursuant to the act entitled "An act to establish the Upper Mississippi River Wild Life and Fish Refuge," approved June 7, 1924 (U. S. C., title 16, secs. 721–731), as amended, and for all necessary expenses incident thereto, including the employment of persons and means in the city of Washington and elsewhere, $34,033, which shall be available until expended, being part of the sum of $1,500,000 authorized to be appropriated for such purpose by section 10 of said act; and for all necessary expenses of the Secretary of Agriculture authorized by section 9 of said act, $45,445; in all, $79,478.

The amendment was agreed to.

The next amendment was, under the subhead "Federal-aid highway system," on page 65, line 13, after the parenthesis, to strike out the colon and the following proviso:

Provided, That none of the money herein appropriated shall be paid to any State on account of any project on which convict labor shall be directly employed.

The amendment was agreed to.

Mr. BLAINE. Mr. President, I desire to offer an amendment to perfect the House text by inserting in line 16, after the word "employed," a comma and the words "except this provision shall not apply to convict labor performed by convicts on parole or probation."

The VICE PRESIDENT. The amendment proposed by the Senator from Wisconsin will be stated.

The CHIEF CLERK. On page 65, line 16, after the word "employed" and before the period, it is proposed to insert "except this provision shall not apply to convict labor performed by convicts on parole or probation."

The VICE PRESIDENT. Without objection, the vote by which the committee amendment was adopted will be reconsidered, and the question is on agreeing to the amendment proposed by the Senator from Wisconsin.

Mr. BRATTON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Schall
Austin	Cutting	Kendrick	Sheppard
Bailey	Dale	Keyes	Shipstead
Bankhead	Davis	King	Smith
Barbour	Dickinson	La Follette	Smoot
Barkley	Dill	Lewis	Steiwer
Bingham	Fess	Logan	Stephens
Black	Fletcher	McGill	Thomas, Idaho
Blaine	Frazier	McNary	Thomas, Okla.
Borah	George	Metcalf	Townsend
Bratton	Glass	Morrison	Trammell
Brookhart	Glenn	Moses	Tydings
Broussard	Goldsborough	Neely	Vandenberg
Bulkley	Gore	Norbeck	Wagner
Bulow	Hale	Norris	Walcott
Byrnes	Harrison	Nye	Walsh, Mass.
Capper	Hatfield	Oddie	Walsh, Mont.
Carey	Hayden	Patterson	Waterman
Connally	Hebert	Pittman	Watson
Coolidge	Howell	Reed	Wheeler
Copeland	Johnson	Robinson, Ark.	White
Costigan	Jones	Robinson, Ind.	

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present. The question is on the amendment offered by the Senator from Wisconsin.

Mr. FLETCHER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FLETCHER. The situation is that the committee reported in favor of striking out a portion of the House text beginning with the word "*Provided.*" Now, do I understand that the Senator from Wisconsin offers his amendment as a substitute for the committee amendment which strikes out certain language? The Senator's amendment retains the House language and adds to it. Is that a substitute for the committee amendment?

The VICE PRESIDENT. Under the rule, a Senator may propose an amendment to the portion to be stricken out by an amendment of the committee. That is what the Chair understands the situation to be. The Chair has not read the amendment as yet.

Mr. FLETCHER. I do not know whether the amendment of the Senator is to add to the committee amendment or to the House text.

Mr. McNARY. Mr. President, I think I can clarify the situation. The amendment of the committee seeks to strike out new language which was written in the bill on the floor of the House. When it reached the Appropriations Committee of the Senate, after very studious consideration and by a divided vote, the Senate committee decided to strike out the House language. The Senator from Wisconsin offers an amendment which is applicable in the event of a restoration of the House text.

Mr. FLETCHER. Yes; as a substitute for the committee amendment, as I understand.

Mr. McNARY. I understand that the Senate has adopted the committee amendment.

The VICE PRESIDENT. The Chair announced that by unanimous consent the action agreeing to the amendment would be reconsidered.

Mr. McNARY. Very well; I was going to ask that that be done, because I think it is the intention of some Members of the Senate to discuss the provisions originally inserted by the House. Then after the disposition of that question it may be ascertained whether the amendment of the Senator from Wisconsin is in order.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LA FOLLETTE. Is not an amendment to perfect the House text in order before a motion to strike out?

The VICE PRESIDENT. It is, and, upon that basis, the Chair held that the amendment was in order. The Chair was unable to secure a copy of the amendment, but he was advised by the clerk at the desk that the amendment of the Senator from Wisconsin is to perfect the House text, and, if so, the amendment is in order. If the amendment of the Senator from Wisconsin shall be agreed to, the question will then recur on striking out the proviso as amended.

Mr. BLACK. Mr. President, I ask that the amendment of the Senator from Wisconsin be reported.

The VICE PRESIDENT. The amendment will be again stated.

The CHIEF CLERK. On page 65, line 13, the committee proposes to strike out the colon and the following words:

Provided, That none of the money herein appropriated shall be paid to any State on account of any project on which public labor shall be directly employed.

At this point, after the word "employed" and before the period, the Senator from Wisconsin proposes to insert a comma and the following words:

Except this provision shall not apply to convict labor performed by convicts on parole or probation.

Mr. BRATTON. Mr. President, the amendment now in question relates to the use of money appropriated in this bill for Federal-aid highway construction. For the first time, so far as I know, language of this kind is written into an appropriation to preclude the use of any of the money in connection with the construction of any project on which convict labor is directly employed.

Much has been said, from time to time, regarding the use of convict labor. It is a principle not new, but one of considerable duration. The question has two aspects. Of course, in its consideration, no one would lose sight of the humanitarian phase of this matter from the standpoint of convicts; but I doubt whether this is the time to employ convict labor on highway construction financed by funds from the public Treasury when we have eight or ten million men out of employment. Therefore I am in sympathy with the House language, and disagree with the action of the Appropriations Committee of the Senate, of which I am a member.

Mr. President, I do not believe we can afford to finance public-road construction with public funds, where convicts are used, those who have transgressed the law, while 8,000,000 law-abiding citizens, men who have respected the laws of their country, many of whom have families depending upon them for support, are out of employment and are walking hither, yon, and elsewhere, vainly searching for means through which they can support themselves and those dependent upon them. Is it tenable, with that number of law-abiding citizens—and let me stress that expression—law-abiding citizens, who have supported the country both in time of peace and in time of war, that they shall search vainly for gainful employment while public funds are taken from the Treasury and road construction is financed through the use of convict labor?

Under other circumstances and during normal times, perhaps that consideration would not be so overwhelming; but it seems that this is an inopportune time to use public money for financing development in this country through the use of convict labor when we have not hundreds, not thousands, but millions of patriotic citizens who need the work, who are able to perform it, who are anxious to do so.

I know it will be said, and with much force, that this is a matter which should be remitted to the States, and that we should let each State determine it as a domestic policy. This proviso, however, is confined to the use of the money appropriated in the act; nor does it deal with a State as a single entity—that is to say, that the State shall receive its proportion or none at all. It is confined to particular projects. A State may have half a dozen projects, and if it wants to use convict labor upon three of them it can not use any of this money upon those three; but, on the other three, where convict labor is not employed, the State may receive its quota and use it.

So that it is not altogether and essentially a question to be remitted to each State for its determination as a domestic matter. It is not one that falls within the ordinary category of State rights. Here we are appropriating money of taxpayers who are interested in the unemployment problem, who can not dissociate themselves from it. By the limitation inserted in the bill it is simply provided that so far as Project A in a certain State is concerned, if the State wants to employ convict labor upon it, the State must forego the use of Federal funds. If the State desires Federal funds, it must forego the use of convict labor upon that particular project. It may use convict labor elsewhere and draw its full quota of Federal funds under this act and apply them to those projects.

Mr. President, under these circumstances, in these times, with these conditions confronting us, it seems that government and society can afford to finance the safekeeping of its prisoners with public funds, and use public funds to pay law-abiding, peaceful citizens, who have respected the laws of their country, who have supported it upon every call and in every circumstance. I, for one, am unwilling during these abnormal times, during these extraordinary conditions, to allow any part of this $100,000,000 to be used in paying for highway construction where forced labor—that is to say, convict labor, prison labor—is used, while citizens and breadwinners and home supporters are out of employment, and are helpless, and can not support themselves and those dependent upon them.

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Florida?

Mr. BRATTON. I yield to the Senator.

Mr. TRAMMELL. I care nothing particularly about this amendment. I do not think it will interfere at all in my State, so far as that is concerned; but I think there is a great ado about nothing in the amendment. I want to ask the Senator what he is going to do with these convicts. Is he going to put them in a factory and bring them into competition with skilled labor in factories? Is he going to put them into farming and bring them into competition with the farmers of the country? Or is he going to have them remain idle in some prison? What is the Senator going to do with them?

Mr. BRATTON. Mr. President, I would let each State determine that matter for itself. We are dealing here with Federal funds and the use of them. We are not transgressing upon any State, except to say that so far as the use of these particular funds is concerned, they can not be devoted to the payment of road work where convict labor is used. Let each State determine for itself what it will do with its prisoners.

A State may carry on a program of highway construction with convict labor, but it can not pay for it out of this money. It may segregate its program into two parts, and finance the part where convict labor is used otherwise than with this money, and at the same time use its part of this money for that part of its highway program where convict labor is not used.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Wisconsin?

Mr. BRATTON. I do.

Mr. BLAINE. I desire to inquire of the Senator if he is opposed to the employment of prisoners who are on parole or probation?

Mr. BRATTON. No; I am not, Mr. President. I would not place a single handicap upon a prisoner who has earned his parole or probation, and is in a sense free. I favor the amendment proposed by the Senator from Wisconsin. I think it is wholesome, and I hope it will be adopted.

Mr. BLAINE. If the Senator will permit a further interruption, there is the other angle as well—that a contractor may never know who among his employees are men who may be on probation or parole, without making unnecessary and extraordinary investigations.

Mr. BRATTON. Yes; that is a very important consideration, and is fully taken care of by the Senator's amendment.

Mr. DICKINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Iowa?

Mr. BRATTON. I do.

Mr. DICKINSON. I should like to inquire whether the Senator favors this as a continuing policy or merely as an emergency policy.

Mr. BRATTON. It is an emergency policy, and for the time being I am confining myself to that.

Mr. DICKINSON. If it is once included in the bill and becomes a requirement so far as Federal appropriations for roads are concerned, does the Senator think it will ever be removed?

Mr. BRATTON. Oh, yes. The Senator certainly does not think that the enactment of legislation in these circumstances would compel Congress to continue it in the future. We are passing emergency legislation almost every day that certainly no one would consider under ordinary circumstances.

Mr. DICKINSON. But the chances of removing legislation of this kind from an appropriation bill, in my experience, are very remote if it is once included in the bill. In view of the fact that we do not favor this as a permanent policy, I am wondering if the Senator does not think it would be better for the States themselves to meet these conditions now, rather than to have this put in, with the probability that it will be a permanent policy so far as Federal road appropriations are concerned.

Mr. BRATTON. Mr. President, my acquaintance and association with the Senator from Iowa convince me that he would prefer to do justice in existing circumstances, and let the future take care of itself. We are dealing now with a situation involving 10,000,000 unemployed men in this country. They have a right to live. They have a right to earn sufficient to support themselves and their families; and to me it is no justification for this amendment to say that once we adopt it we will never get rid of it. Let us do what the situation requires now, and then do the right thing when conditions change, when we have a different situation.

No, Mr. President; the suggestion of the Senator from Iowa does not appeal to me. I think Congress will have the ability and the courage and the foresight to change this legislation when changed conditions justify it. These emergent circumstances evoked this unusual provision in the bill. I have no doubt that the body at the opposite end of the Capitol was moved to insert this provision on account of existing conditions; and I have no doubt that this body, as well as that body, can rid itself of this provision whenever, in the judgment of Congress, it should be done.

But, Mr. President, I am not discussing that matter now. I am discussing conditions to-day, in the year 1932, the circumstances confronting 10,000,000 citizens of this country.

Mr. President, I deem it is unwise, unsound, and unjust to use public funds to pay for development carried forward by convict labor as long as we have 10,000,000 sovereign, free citizens of this country anxious to do the work, eager to perform the service, desirous to support themselves and their families in that way.

Mr. COUZENS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. BRATTON. I yield to the Senator.

Mr. COUZENS. In response to the suggestion of the Senator from Florida [Mr. TRAMMELL], does not the Senator from New Mexico believe it would be better even to keep these prisoners idle, locked up, than to have decent, free citizens walking the streets half fed and half clothed?

Mr. BRATTON. Indeed I do.

Mr. COUZENS. Would it not be better to have that happen, if necessary, so that these free citizens may get the work for which this money is appropriated?

Mr. BRATTON. If that is the only alternative, I should say keep the prisoners locked up for the time being, employ free men on highway construction, and pay them with this money, instead of paying it to contractors and others using convict labor.

Mr. President, that is all I have to say. The situation is one with which each Member of this body is familiar.

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Florida?

Mr. BRATTON. Yes; I yield to the Senator.

Mr. TRAMMELL. The amendment restricts this limitation to a given project.

Mr. BRATTON. It does.

Mr. TRAMMELL. If we drive convict labor from that particular project to another project in the State, we are bringing about a transfer of labor, but how do we give employment to any greater number of people? If the State sees fit to put the convicts on another project which receives no Federal aid, do they not go there and take the place of somebody who is laboring on the other project?

Mr. BRATTON. They do.

Mr. TRAMMELL. If they do that, how do we increase the facilities or opportunity to take care of unemployment?

Mr. BRATTON. They supplant free labor under those conditions, but that is an injustice which is done by the State and not by the Federal Government, and it is beyond the power of the Congress to deal with it. As far as Congress can go in this appropriation is to limit the use of this particular fund; and if the State sees fit to transfer convict labor from one project to another, and thereby supplant free labor on the latter project, that is a matter with which the Congress can not deal. It is an injustice which is beyond Congress. If, however, we are right in principle, namely, that convict labor should not be used when free men are idle, then as far as Congress can go is to say that no part of this money shall be used for projects on which convict labor is employed.

Mr. TRAMMELL and Mr. COUZENS addressed the Chair.

The VICE PRESIDENT. Does the Senator from New Mexico yield; and if so, to whom?

Mr. BRATTON. I yield further to the Senator from Florida.

Mr. TRAMMELL. My impression is that in reality what it is desired to accomplish and what is contemplated will not be accomplished. It may be a matter of theory; but, in reality, in the execution of road construction and the handling of convicts there would not be employment given to any more free people, but the result would be to drive them to take the places of free labor some place else, perhaps.

I say that the amendment amounts to nothing. It is a sentiment, and I believe in giving free labor employment every time that can be done in preference to convict labor. I am in favor of the objects of the amendment, but it will accomplish nothing. That is my position—that it will accomplish absolutely nothing toward taking care of unemployment or giving more free laboring people jobs.

Mr. BRATTON. Mr. President, the Senator says he is in favor of the principle involved. Then let us write the principle into the bill and hope for its operation on the widest scale possible.

The provision might have been made broad enough, perhaps it should have been made broad enough, to apply to a State as an entirety; that is to say, that none of the money should be paid to a State in which convict labor is employed in Federal-aid highway construction. But the language does not go that far. It is confined to a particular project, and provides that none of the money should be paid to a State on account of any project on which convict labor shall be directly employed. With that limitation I have no complaint.

In response to the suggestion just made by the Senator from Florida, in my opinion this provision will operate in this wise: A State will forego the use of convict labor in order to enjoy its allocation of this particular fund. It will make other use of its convicts or other disposition of them.

I think the provision is sound and should be adopted in view of existing circumstances. Accordingly, I hope very much that the amendment of the Committee on Appropriations will be disagreed to and the House text retained in the bill.

Mr. BINGHAM. Mr. President, the action of the House in putting this language into the bill, which the Committee on Appropriations moves to strike out, is another direct attempt on the part of Congress to dictate a policy to the States. As a matter of fact, it attempts to dictate a policy to only four States. The committee was informed that only four States in the Union now employ convict labor on the roads. My own State does not so employ its convicts. They are now employed within the confines of the penal and reformatory institutions. So it is not a matter which concerns us in Connecticut one way or the other. It will not affect the amount of Federal aid we will receive for roads one way or the other.

Mr. President, I do seriously object to Congress breaking down the rights of the States saying how their citizens shall behave and shall employ themselves, and how they shall take care of their own convicts. There are only four States of the Union which do not agree with the policy proposed by the Senator from New Mexico. We heard in the committee the very emphatic statement made by the junior Senator from Virginia [Mr. GLASS] who, unfortunately, is not able to be present this afternoon, when he said that it would cause the very greatest embarrassment to the State of Virginia if this provision suggested by the House were adopted. I had hoped that this measure might go over until such time as the Senator from Virginia might be here to present his views. But in his absence, while not wishing to speak for the State of Virginia at all, I do want to raise my voice against an effort on the part of the States of the Union in Congress assembled to inflict their judgment on four States which follow a different policy.

Mr. President, the Senator from New Mexico talks about 10,000,000 people being out of work. I do not know where he gets his figures. I have been endeavoring for some time to find out how many unemployed there are in this country.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. BINGHAM. I am glad to yield.

Mr. BRATTON. What is the Senator's judgment about it?

Mr. BINGHAM. I am about to state it.

Mr. BRATTON. I beg the Senator's pardon.

Mr. BINGHAM. I thought the Senator might tell us where he got his figures of 10,000,000.

Mr. BRATTON. It has been stated throughout the press and by every reputable authority I know anything about. The Senator from Connecticut is the only one, so far as I know, who disputes the figures.

Mr. BINGHAM. Very well, Mr. President. I thank the Senator.

Mr. COUZENS. Mr. President, will the Senator from Connecticut yield to me?

Mr. BINGHAM. I yield.

Mr. COUZENS. Mr. President, I would like to ask the Senator from Connecticut whether he remembers that Congress passed an act some years ago, which took effect four years after its passage, whereby interstate commerce in goods manufactured by convict labor was prohibited where a State itself did not desire it.

Mr. BINGHAM. I was about to refer to that. I am glad the Senator reminded me of it, but I had intended to speak about it.

So far as I have been able to find—and I have been making inquiry—the American Federation of Labor believes that there are about 8,000,000 people out of work, but when asked to furnish a statement as to the number in each State and as to how they arrived at those figures they said they were unable to do so.

The Department of Labor, so far as I know, has not given out any official figures, but I have seen in the papers an estimate which I thought came from the Department of Labor, that there were about 6,000,000 out of work.

The Census Bureau, in taking the census a year ago last April, discovered some two and a half million people able to work, out of work and unable to obtain work.

However, I do not care to enter into a discussion of that. There is no question about an enormous number of people being out of work. But the amendment offered by the Appropriations Committee is not going to benefit any of those people out of work except in the four States concerned, and, after all, it is generally agreed that taking care of citizens and their welfare is a matter for the States and communities, rather than for the Central Government, unless a State is entirely unable, due to some great catastrophe, to do that. It is not going to benefit a large number of people but a very small number of people. Furthermore, it is going to work hardship to a very considerable number of citizens who have, from one cause or another, come into misfortune.

The Senator from Michigan refers to a bill which we passed a few years ago in regard to making it impossible for a State to manufacture and to send to another State articles manufactured by prison labor when the other State had laws which prevented it from employing its own convicts in the making of goods to be sold. That bill protected the rights of the States and did not interfere with them. It protected the right of a State to deny its convicts the right to make goods for sale by providing that no State which granted such permission could bring articles into a State to be sold in competition with the articles made by free labor in the State.

At the time that bill was passed it was repeatedly stated in the debate that any State might employ its citizens on any project it chose to employ them on, either on roads or in the manufacture of automobile tags or in the manufacturing of clothing and shoes to be used by persons in the penal or other public-welfare institutions in the State. There was no one at that time who proposed that it was good public policy to require prisoners to sit with their arms folded, and I submit that unless we revert to the medieval torture of the treadmill, there is almost nothing a prisoner can do which does not compete with free labor in a State.

I submit furthermore, Mr. President, that it is the duty of the legislature and the government of each State to determine how its citizens shall be employed, whether indoors in the manufacture of the things which have just been referred to, or outdoors on the roads, and that for us to attempt to browbeat or bribe or dictate to the States as to how they shall treat the convicts in their own borders, who are not competing with free labor in other States, not affecting the laws of other States at all, is going directly contrary to the principles upon which this Government was founded, namely, permitting the States to carry on their own affairs in their own way, without dictation from the Federal Government.

Mr. COUZENS. Mr. President, I sincerely hope the committee amendment will not be agreed to. When Congress went on record disapproving convict labor as being in competition with free labor, in my opinion it clearly declared, as far as it was able under the Constitution to do so, that it did not approve of convict labor being in competition with free labor.

It is obvious that Congress can not go further than is proposed in this provision made by the House. Whether or not any actual benefit accrues, the question which has been raised by the Senator from Florida is not the point. The point is that if Congress agrees that the money which it appropriates shall not be used to employ convict labor while free labor walks the streets, that is a policy for Congress to declare without regard to what the States may think about it.

The Senator from Connecticut talks about the treadmill which the prisoners might have to contend with. The Senator must take into account that those men who are in prison are assumedly there on account of their own voluntary acts. We all regret the fact that they have to be idle

for long periods of time. But do we regret that more than we regret the fact that millions of our citizens have to walk treadmills from factory to factory, looking for employment, while we stand here and appropriate money to feed the unemployed, to facilitate road building, to give more work, while some of the States, whether it is four or a dozen is immaterial, take men out of the prisons to do work while free men walk the streets?

I can not conceive of Congress going on record as approving any philosophy such as that. We have made that sort of gestures in the way of legislation, which many of us have said were for psychological effect, such as the two financial acts which have recently been passed. It is common knowledge that they would have a psychological value.

Whether there are any concrete results to be gained from this amendment or not is not the issue. The issue is whether Congress intends for the public and the States to believe that it intends to appropriate money to aid the unemployed, to create more work, and, at the same time, allow it to be used to take prisoners out of prison to do the work of free labor.

Mr. FLETCHER. Mr. President, I favor the adoption of the committee amendment. I agree with the Senator from Connecticut on this subject, that it is a process of dictating to the States what they shall do with respect to their people, although that may not be the intention and the purpose.

I do not think it an unworthy feeling or sentiment or desire that we should show some interest in the prisons themselves. Why house them and confine them in close quarters and in unsanitary conditions because they are prisoners? If they can be healthier, if they can better themselves, if it will be better for society to have them in camps along the highways, where they will have the open air and the sunshine, why not give them that opportunity? Simply because they are prisoners they should not be treated without regard to humane conditions. So much for that.

I believe in the truth of the statement in the communication which I have, that the adoption of the amendment—that is, the House amendment—will not make possible the employment of one additional free laborer or provide a single additional person with bread and shelter. The argument for that is stated in the communication I have in my hand, and I will content myself with asking to have it read by the clerk at the desk. It seems to me that is all that need be said on the subject.

For the good of society, for the betterment of conditions with respect to State rights, I think this amendment offered by the committee ought to be agreed to, and I hope it will be agreed to. It is not right for the Federal Government to undertake to dictate conditions to the States.

Florida, for instance, would lose a very considerable portion of the Federal-aid fund if the provision remains in the bill, but I am not looking at it from that standpoint. It is not on selfish grounds at all, but it is because I believe that such a provision in an appropriation bill is unsound, unwise, and unjustified.

I ask to have the letter read as a basis for my reasons for the position which I take on this matter.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The legislative clerk read as follows:

NATIONAL SOCIETY OF PENAL INFORMATION (INC.),
New York, N. Y., February 2, 1932.

The Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR FLETCHER: Permit me to call to your attention a clause which was added to the agricultural appropriation bill and which provides that none of the money appropriated for construction of public roads should be used on any project on which convict labor is directly employed. The amendment will be found on page 66, line 18, of H. R. 7912, and reads as follows:

"*Provided*, That none of the money herein appropriated shall be paid to any State on account of any project on which convict labor shall be directly employed."

The foregoing language will have far-reaching effects on the penal program of a great many States. It will necessitate a complete change of policy for almost all of the Southern States and will greatly hamper the States of New Jersey, New York, Michigan, California, and I think your own State, in working out an intelligent and helpful solution to the baffling problem of convict labor. It spells disaster for the prison-camp program of a large portion of the States. It will mean that those States which have relieved the overcrowded, insanitary, and deplorable conditions in their prisons and jails through the establishment of road camps, will have to abandon them and return the inmates to the State institutions. The least that this policy can cause will be added expense, further congestion, and an increase in prison unemployment. Quite conceivably it may result in further prison riots, fire, and bloodshed.

The adoption of the amendment will not make possible the employment of one additional free laborer or provide a single additional person with bread or shelter. It is specious to argue that the utilization of convict labor throws a man who has not been convicted of crime out of employment. The use of convict labor on road construction simply changes the type of employment. Instead of spending the funds available for highway construction to laborers on the road, they are expended for raw materials which in the last analysis largely represent labor costs. In other words, by the use of the prison labor a greater amount of road construction will be done with the same funds.

The States and counties have a definitely limited amount of money available for carrying out their government functions. Since it is a paramount duty of the government to preserve law and order, they must provide first of all for their law-enforcement activities, including the housing, feeding, and guarding of the lawbreakers. Money expended for maintaining prisoners in idleness is not available for road construction or other public improvements. If a prisoner is maintained in idleness, the economic value of his labor is irretrievably lost and he becomes a charge upon the whole people.

There is ample evidence to support the assertion that unless some of the prisoners are employed on the roads they will remain in idleness. The most equitable method which has ever been suggested for the convict-labor problem is to diversify as far as possible the kinds of work on which he is employed and to apply his labor in producing articles and supplies for the use of the State. Road construction can not and should not be eliminated as this amendment seeks to do.

It is puerile economics to say that taking a man out of circulation and maintaining him in idleness at the expense of the whole people can or will bring prosperity.

The amendment was placed in the bill without notice to those interested and will, I venture to say, escape the attention of those most vitally affected until it is too late. Here again the Federal Government is legislating for all of the country. This simple amendment will have a controlling effect upon the prison-labor program of all of the States. It is doubtful wisdom for the Congress to attempt to control the penal policy of the several States in this manner. It is, in addition, decidedly unfair to place a "rider" of fundamental importance upon an appropriation bill. Those who are behind the amendment are not interested in unemployment; they are not interested in social welfare. They are concerned merely with profits. The general contractors are the sponsors of this amendment because they know that if convict labor is used on road construction the work will be supervised by the State and they will not be able to share in the tax funds.

I appeal to you to eliminate this amendment until you have had an opportunity to investigate the matter thoroughly. Let the proper committees of the Congress look into this matter and learn the facts. Our society, which is interested merely in improving conditions in the penal and correctional institutions of the country, will be glad to furnish you with available information on the subject.

Respectfully yours,

WM. B. COX, *Secretary.*

Mr. COUZENS. Mr. President, I received a copy of that letter. It is a rather specious letter, and I frankly responded to it in the same manner in which I have spoken here on the floor.

I do not desire to have the statement of the senior Senator from Florida [Mr. FLETCHER] stand as it appears in the RECORD that I do not care anything about the welfare of prison labor. I am conscientiously and actively interested in the proper treatment of prison labor; but when I am placed in the position of having to decide between the welfare of prison labor and the welfare of free labor, I do not think there can be any question about what my decision should be.

The question is whether we shall adopt a policy that while we are making appropriations for the aid of the unemployed we are to put the money into a plan to keep at work men who have committed crimes and who are imprisoned therefor. This is merely a temporary proposition. I would not approve of this provision in the bill during normal times. I think it is just a temporary situation such as the Senator from New Mexico [Mr. BRATTON] has explained. In view of that fact, it is not fair to compare the ordinary prison régime with existing conditions of unemployment.

Mr. NORBECK. Mr. President, I think there is a misunderstanding as to the effect this provision will have. It is assumed that some of the money that would go to pay free

labor on the roads is to be used to pay wages to convicts. The fact is overlooked that the convict does not get pay for his labor. The convict is maintained at the expense of the State anyway. If the convicts were all kept within the walls of the penitentiary it would not give any perceptible amount of money with which to employ free labor. It would mean simply taking the convicts off of the road and locking them up. This provision does not take any money from free labor.

Besides that, I have little sympathy for the convict. I think many of the young boys who have become convicts in late years have done so as a result of the moving pictures, and the kind of education they get from that source makes racketeers out of boys who otherwise would be following some honest vocation. It is really a problem of bringing them out of a trance, and I think it is better to do it in this way than any other way that has been suggested.

Mr. BINGHAM. Mr. President, may I remind the Senator from Michigan [Mr. COUZENS] that this really only affects certain States and works a very great hardship on the convicts in those States. For instance, in none of the New England States will any convict have the necessity of folding his hands and twirling his thumbs and sitting year after year without being employed at all and then being turned out a much worse man than when he went in, because those States have not within the memory of any of us used their convict labor on the roads. Therefore it will not hurt the convicts in the States who do not use the convict labor on the highways. Those convicts will be employed as usual. It does not benefit free labor in those States. It is applicable only in the States that have thought the best way of handling their convicts is to let them go out on the public roads and work.

The appropriations for Federal-aid roads generally go through the contractors in the States. The committee was informed that there is no case where a contractor employed prison labor in this work. The committee was informed, as stated by the Senator from South Dakota [Mr. NORBECK] a few minutes ago, that when prison labor is used the amount of it is very small and the State benefits from it. There is more work all around. There are more roads being built. If the legislation is passed as the Senator from Michigan desires, what will happen is that in four or five States that have been accustomed to use their prisoners on road work the prisoners will have to suffer inactivity and be confined, instead of being used in a normal, healthy manner. They will not simply be eliminated. It is the object of most States to handle their convicts in such a way that if possible they may be turned back to the community better citizens that when they went in. If they are forced into idleness, as would be the case under the measure now before us, they will come out worse citizens than when they went in. After all, it is for the States to decide how to use their convicts and how they want them employed. This kind of legislation will merely cause suffering and hardship and make worse citizens in a few States, who will be unable to change completely their methods of handling convicts during an emergency.

Mr. MCNARY. Mr. President, I think it is proper that I should state briefly the situation as it appeared to the committee. As I stated earlier in the afternoon, the amendment was not a product of the House Committee on Appropriations but was inserted as an offering from a Representative from the State of New York [Mr. LAGUARDIA]. When the matter came to the attention of the Senate committee in the consideration of the bill, Representatives from the State of Virginia appeared before the committee, as did also Representatives from Indiana, and objected to the insertion of the House provision.

It is true, as stated, that this is the first time in any appropriation bill affecting highways, particularly the Federal-contribution highways, that inhibitory language of this kind has been employed. The committee was closely divided in the consideration of the matter, as it raises two very important propositions of philosophy bearing upon social and economic problems. The Representatives from some of the Southern States argued that it would affect greatly the highway construction if the convicts are not permitted to be employed; that their employment did not displace free labor, but it was only a question of expanding the highway improvement work. If that theory be true, and if this is in answer to those who want free labor, it would simply mean that in States like Virginia, Florida, Indiana, and other States which employ convict labor there would be no more free labor employed, but under the House provision there would be less expansion in the construction and improvement of highways.

Furthermore, it was argued by Members of the Senate who appeared before the committee that this is a matter of prerogative for the States. The State should determine its own methods with respect to the employment of men on the highways. I may say that the Senator from Virginia [Mr. GLASS] very ably presented that phase of the case. The associated contractors, who have contracts for the construction of roads, also appeared in behalf of the proposition.

On the other hand, and probably this was the influencing motive that induced the committee to strike out the House language, is the question of what we shall do with the unfortunates confined in the prisons. That raises, of course, a social problem. It is true there is always some displacement, no more so in highway construction than if the convicts should manufacture automobile tags or furniture or cement in the prisons or operate in the vegetable fields and in the wheat fields, as is done in some States. There is always some displacement of labor. But it is inhuman to keep those prisoners without employment. Consequently it was thought by a majority of the committee—though I shall not disclose how the personnel of the committee voted—taking all matters into consideration, that the further expansion of the highway construction and the necessity for keeping these poor men employed, if we are to reform them in any way, that the House language should be stricken from the bill and that the States where the Federal highway money is employed in the expansion of the highway system should determine that factor for themselves.

It is true, and it is a very sound argument upon which the committee relied, that if it is left to the States they will have full control of the situation, and if there is unemployment in Michigan or Oregon or any other State, I am sure the State officials would not bring out convict labor in competition with free labor.

So when it comes to the proposition of striking this language from the bill, it was asserted that convicts will not displace free labor. It means it may be done if in the wisdom of the various States it is thought best to do so. That was the attitude assumed by the majority of the committee. The vote was a close one. The case, dealing as it does with a social problem and having its economic aspects, is a very difficult one.

The argument in favor of retaining the House text, Mr. President, has much to commend it in these particular times, the most distressing the country has ever experienced. It probably would not be harmful for the House language to remain in the bill; but, as the Senator from Iowa [Mr. DICKINSON] has so truthfully said, if restrictive language is used in the appropriation bill, it is, indeed, very difficult ever to extract it. So, taking the whole thing into consideration, after giving it very careful consideration, 12 members of the committee, as I recall, voted to strike out the House language. That, however, has nothing to do with the pending motion, which further restricts the House language.

I understand—and if I am mistaken, I desire the Vice President to correct me—that the Senator from Wisconsin [Mr. BLAINE] has offered an amendment to the House text which the committee recommended be stricken from the bill. As I view it, and as the amendment was read at the desk, it seems to restrict the House language so that only prisoners who are on parole or probation can be employed upon the roads and not convicts generally. Is that the understanding of the Chair as to the purport of the amendment?

The VICE PRESIDENT. The purport of the amendment, as the Chair understands it, is not to apply the provision to prisoners on parole.

Mr. McNARY. That it shall not apply to prisoners on parole?

The VICE PRESIDENT. That it shall not apply to prisoners on parole or probation.

Mr. McNARY. Or probation. I shall be content with simply stating as best I can and briefly the testimony that was before the Senate committee and the final vote in committee and the motives which actuated the committee.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Wisconsin?

Mr. McNARY. I yield.

Mr. BLAINE. I should like to ask the Senator from Oregon whether or not he has any objection to the amendment excepting prisoners on parole and on probation?

Mr. McNARY. I have none whatsoever. I have no objection to whatsoever view the Senate may take with respect to the amendment.

Mr. FLETCHER. Mr. President, may I inquire of the Senator before he takes his seat if the amendment offered by the Senator from Wisconsin shall be adopted, then the question will be on the amendment offered by the committee?

Mr. McNARY. That is true.

Mr. FLETCHER. Which would include the language of the amendment of the Senator from Wisconsin along with the House text?

The VICE PRESIDENT. It would.

Mr. McNARY. That is correct.

Mr. FESS. Mr. President, I should like to ask the Senator from Oregon a question. I think his argument is persuasive, and I have a great deal of sympathy with his contention, as he has illustrated it in his remarks. I can not quite see, however, the force of the contention that if the language of the House bill is not taken out, but remains in the bill, it will not insure in larger or appreciable numbers the employment of convicts, and will not thereby displace free labor. I can not quite see why by the employment of convict labor there is not excluded an equal amount of free labor. As I have said, I have sympathy with the Senator's position, but it seems to me there are other considerations to which we ought to give heed.

Mr. McNARY. Mr. President, I was not presenting and it was not my intention, personally, to present my particular view. I was merely trying to set forth, briefly, the matters as presented to the committee. If the contribution of the Federal Government is made and is allocated to the States, certain amounts will go to particular States in which convicts are employed; it would simply mean that there would be an expansion of the work over and above that on which convicts were given employment. That is one of the arguments that was presented. Convicts would not receive any compensation, but free labor would receive the compensation to the extent that the expanded program was carried out.

Mr. FESS. I think I get that view. If the additional appropriation is authorized so that convict labor may be employed, as convicts are not paid, there would not be any disparagement of free labor.

Mr. McNARY. That was the presentation of those familiar with the situation where convicts are employed on the highways of the States where it has become the custom.

Mr. BINGHAM. Mr. President, may I ask the Senator from Ohio a question?

Mr. FESS. I yield.

Mr. BINGHAM. In reply to what the Senator from Ohio asked the Senator from Oregon, I should like to call the attention of the Senator from Ohio to the fact that the Bureau of Public Roads, in testimony before the House and Senate, stated that out of every $1,000 spent only $141 is used to pay men employed directly on the construction job. In other words, less than 15 per cent out of every thousand dollars expended on such projects goes to the men actually at work on the job of constructing the roads.

If that amount be not paid to those men by reason of convict labor being employed, then it is available to be distributed among the large number of persons not directly employed on the roads, for the Department of Agriculture testifies that of the total amount between 85 and 90 per cent is eventually paid out as wages and salaries, a large part of which goes to men employed in the manufacture of cement and a large part to men employed by the transportation companies hauling materials and men driving trucks, and so forth. So the saving by using convict labor by any State which chooses to do so of $141 out of a thousand means that more free labor, engaged in cement manufacture, transportation, and other forms of labor, may be employed.

Mr. FESS. I see the position taken by both Senators. However, I am hardly convinced that preventing the employment of convict labor will not benefit to that degree free labor. Of course, if it would not apply anyway, it would not make any difference, but I think that convict labor is being employed to avoid the necessity of paying for building of the roads. It seems to me that that element is in it. For that reason I have been rather inclined to vote for the House provision, although I recognize the strength of the argument, which is very powerful, on behalf of the convicts. If I thought that the employment of convict labor would not be detrimental to the employment of free labor, there would not be a moment's hesitation on my part to vote with the committee.

Mr. DICKINSON. Mr. President, will the Senator from Ohio yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield.

Mr. DICKINSON. I should like to refer the Senator to the hearings before the Senate committee, at page 136, the testimony of Mr. Shirley, the State highway commissioner of Virginia. He says:

> On the question of interfering with free labor, I am sure neither this committee nor the gentlemen who put this provision in the bill have any conception or idea what an expense it will entail. In my State it costs about 65 cents a day to keep a convict in a penitentiary doing nothing. It costs 70 cents a day to keep him on the highways. Therefore, the interference with labor is 5 cents per day per convict. We have to pay for keeping these men in the penitentiary whether they work or whether they do not work.

His idea is simply that it would curtail public-highway construction in the State of Virginia by the amount of labor the convicts do plus 5 cents a day per convict.

Mr. KENDRICK. Mr. President, I desire to ask the Senator from Oregon a question. Does the Senator expect to conclude the consideration of the bill this afternoon?

Mr. McNARY. There is a very strong desire on the part of the chairman of the committee to conclude the consideration of the bill as rapidly as possible, though I do not want to deny anyone an opportunity to be heard.

Mr. KENDRICK. The Senator will recall that the Senator from Virginia [Mr. GLASS] expressed himself very strongly in favor of striking out the House provision, and, as I recall, either he made the statement or a witness speaking for the State of Virginia made the statement that this provision in the bill would impose a direct cost on the State of Virginia of $2,000,000. Because of the interest of that State in the measure, I wondered if the Senator would not postpone action on this amendment until, say, to-morrow?

Mr. McNARY. I realize the importance of the presence of the distinguished Senator from Virginia, and, of course, I know his interest in the amendment. When the bill was called up for consideration at 2 o'clock I sent for the Senator from Virginia, but found he was out of the city. I feel I should hesitate to grant the request of the Senator only for the reason that if we start in to-morrow we will have to go through this whole discussion again.

Mr. KENDRICK. The Senator realizes that in a matter of so much importance as this to the State of Virginia the Senator from that State ought to have the opportunity to be heard.

Mr. McNARY. Mr. President, I always want to be accommodating, and certainly I want every opportunity to be given to Members of the Senate to be present and to present their

views. Would it not be proper and conform to the views of the Senator from Wyoming if we should postpone temporarily the further consideration of this amendment and see how we get along with the bill during the remainder of the afternoon? I will promise the Senator if we can not conclude the bill this evening, after giving such time as may be necessary to the consideration of other amendments, I shall be glad to have the bill go over until to-morrow for final consideration.

Mr. KENDRICK. I thank the Senator.

Mr. BRATTON. Mr. President, I hope the chairman will do that. Although I do not agree with the Senator from Virginia, I am as anxious as anyone that he be present and be accorded a full opportunity to express his views.

Mr. McNARY. In view of these two very compelling pleas, I ask unanimous consent that the further consideration of the amendment be temporarily postponed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The Secretary will report the next amendment.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, under the heading "Bureau of Agricultural Economics," on page 71, line 9, after the word "work," to strike out "$356,790" and insert "$365,790," so as to read:

Foreign competition and demand: To enable the Secretary of Agriculture to carry into effect the provisions of the act entitled "An act to promote the agriculture of the United States by expanding in the foreign field the service now rendered by the United States Department of Agriculture in acquiring and diffusing useful information regarding agriculture, and for other purposes," approved June 5, 1930, and for collecting and disseminating to American producers, importers, exporters, and other interested persons information relative to the world supply of and need for American agricultural products, marketing methods, conditions, prices, and other factors, a knowledge of which is necessary to the advantageous disposition of such products in foreign countries, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, and persons engaged in the transportation, marketing, and distribution of farm and food products, including the purchase of such books and periodicals and not to exceed $1,000 for newspapers as may be necessary in connection with this work, $365,790.

The amendment was agreed to.

The next amendment was, on page 72, line 14, after the word "grain," to insert "cottonseed"; and in line 20, after the word "products," to strike out "$1,380,808 and insert "$1,406,220," so as to read:

Market news service: For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of livestock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, cottonseed, hay, feeds, tobacco, and seeds, and other agricultural products, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of farm and food products, $1,406,220.

The amendment was agreed to.

The next amendment was, on page 73, line 15, to change the total appropriation for salaries and expenses, Bureau of Agricultural Economics, from $5,128,291 to $5,162,703.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I should like to have the attention of the Senator from Oregon. We have adopted an amendment on page 51 increasing the appropriation for the acquisition of additional land from $200,000 to $245,940. The Senator, I suppose, is aware of the fact that under the act referred to under this particular appropriation researches have been made, units have been formed, and it is contemplated that in the State of Kentucky, and, I think, in the State of Minnesota—at least in those two States—projects have proceeded to a definite point where it is the policy of the department to organize forest reserves, and others are in process of being organized.

The purchase of some 580,000 acres of land in the Cumberland Mountains has been recommended by the National Forest Reservation Commission, composed of the Secretary of War, the Secretary of Agriculture, two Members of the Senate, and two Members of the House. My information is that the project for Kentucky has proceeded sufficiently far that the department now awaits only an appropriation to enable it to go ahead with the purchase of this land. Already options have been taken on land that I think probably aggregate 75,000 acres, and the same situation exists with reference to the reservation in Minnesota.

What is the attitude of the committee, if the Senator from Oregon is able to inform me, with reference to making available now a sufficient amount of money to enable the department or the National Forest Reservation Commission to go ahead and begin the purchase of this land, in order that these reservations may be established?

Mr. McNARY. The Senator is asking me what is the attitude of the Senate committee concerning the acquisition of additional forest lands?

Mr. BARKLEY. With respect to the particular projects to which I have called attention. In other words, it is perfectly apparent that without the $245,000 carried in this bill for the acquisition of new lands for forest reserves nothing whatever can be done toward the purchase of the land necessary to complete this reserve in Kentucky; and, of course, I am frank to say that that is the one in which I am particularly interested, although the one in Minnesota occupies the same status as that in Kentucky. The only thing now remaining is the appropriation of the money to buy the land; and I contemplated offering an amendment to this item which would at least give the department enough money to begin.

I realize, of course, the financial situation. I have no desire to embarrass the Government; but, at the same time, this project has been under way for a long time. Options have been taken, and are being taken, and will soon be consummated, that will involve the purchase of at least 75,000 of the 580,000 acres contemplated in this eastern Kentucky reserve. I want to find out, if I can, when we may expect action, and what the attitude of the department is at the present time on that matter.

Mr. McNARY. Mr. President, I think I comprehend the comprehensiveness of the Senator's question.

Mr. BARKLEY. I congratulate the Senator from Oregon if he is able to comprehend an incomprehensible situation like that.

Mr. McNARY. I shall speak of the matter historically.

The act was passed in 1911. The commission created was called the National Forest Reservation Commission, which has acquired in the East the Great Lakes region and in the Southeast about 4,000,000 acres of land at a cost of $20,000,000, which is about $5 per acre. This plan was carried out under what was known at one time as the Clark-McNary bill, which authorized an expenditure of $2,000,000 annually. That amount is carried in current law, which is effective until July 1 of this year.

When the Budget estimate was made it called for $245,000, which did not provide further funds to acquire these lands. The House committee, and the House in conforming to the committee's action, reduced the amount to $200,000. When it came to the Senate committee we increased the amount to $245,000, which brought it to the estimate of the Director of the Budget. That does not permit the acquirement of any additional lands. It does permit the carrying on of the organization.

Mr. BARKLEY. Yes; that is the very point. It permits the carrying on of the organization, which means the payment of the salaries of all those who are in the particular division which has to do with the acquisition of new lands and the establishment of new forest reserves without their actually doing anything except waiting for some convenient time when Congress may make the money available.

Mr. McNARY. Oh, no; that is not quite right. A great many of these employees are looking after the preservation and the prevention of fire on the lands already acquired, in excess of 4,000,000 acres, which survey work must be done. Abstracts of title must be examined; and they are all, according to the testimony, more or less employed. It was thought that the normal appropriation probably would be made in next year's bill, provided conditions return to normal, and that we would go ahead and carry out the an-

nounced policy of the Congress. As the Senator so well knows, the suspension is due to peculiar, distressful economic conditions. To do away with the organization, tear it down, dissipate it, and let these men go who are now occupied would destroy the structure that Congress has created during the years, and we would have no instrumentality available next year to carry on this splendid work of which the Senator speaks so highly.

Mr. BARKLEY. I appreciate that, and I am not suggesting that the organization ought to be dissipated or crippled in any way; and I did not mean to intimate that the men who are employed are not engaged in useful service. What I had in mind was that the set-up being there, ready, probably without any increase in personnel or increase in the appropriation, simply for service in the department itself, it seems to that extent a waste of time to delay unduly the acquisition of these new forests, so that the real purposes of Congress with reference to the whole country might be consummated at as early a date as possible.

I understand that it is estimated that it will require about a million dollars to purchase these lands in the Cumberland Mountain section of the State of Kentucky. How much it will require to purchase the land in Minnesota, which is a project on the same footing as that in east Kentucky, I am not advised. What would be the Senator's attitude toward an amendment, if I should offer it, increasing this amount from $245,000 to $1,245,000, so that they might go ahead with the purchase of these lands?

Mr. McNARY. Mr. President, I am in very deep sympathy with the Senator's position. I, probably as reluctantly as any one on the committee, stood by and saw this job performed; but, as a practical question, if the Senator should offer an amendment to increase the appropriation, which does not carry a Budget estimate, as chairman of the subcommittee I should have to invoke the rule.

Mr. BARKLEY. The Senator, then, would invoke the rule declaring that an amendment of that sort, not estimated or recommended by the Budget, would be out of order?

Mr. McNARY. Yes; not being recommended by the Budget or by a standing committee of the Senate.

Mr. BARKLEY. Of course, the Senator realizes that under the rules of the Senate we are not entirely hog-tied here with reference to appropriations.

Mr. McNARY. We are not so far as the functioning of the committee is concerned; but the Senator knows that if an appropriation is made, the bill is brought in here, and an attempt is made by a Member from the floor to increase that appropriation, unless he is fortified with a Budget estimate it is subject to the rule; and I necessarily should have to invoke the rule, as I stated.

Mr. BARKLEY. I do not wish unduly to embarrass the Senator from Oregon by compelling him to invoke the rule against an amendment that I might offer; but may I hope that in the near future the Senator will be so convinced of the wisdom of this appropriation, and the continuance of this research work, and the acquisition of these additional lands, that he will assist me in securing the necessary appropriation to go ahead with this work?

Mr. McNARY. That request is not necessary. I think the Senator from Oregon has been more faithful and has expended more time along this line than has the able Senator from Kentucky.

Mr. BARKLEY. I am perfectly willing to admit that.

Mr. McNARY. Indeed, the legislation that authorized an increased appropriation, about which the Senator now speaks, bears my name.

Mr. BARKLEY. Yes.

Mr. McNARY. And the Senator will find the Senator from Oregon supporting him or anyone else in a movement to increase these purchases whenever Congress feels that it can supply the money.

Mr. BARKLEY. That has particular reference to this Cumberland Mountain project in the State of Kentucky, as well as others?

Mr. McNARY. Mr. President, I know nothing about that end of this matter. I only know that I am interested in providing sufficient appropriations for the commission to carry on its work. I am not interested in whether it acquires land in the Senator's State or some other State. I want it to be done for the best interest of the country. I will say that we have no land for sale in Oregon, either.

Mr. BARKLEY. Nor have I any for sale in Kentucky; but where the commission has gone far enough to recommend the purchase of land, and where it has recommended through the necessary channels the inclusion of that item in the Budget, and the Budget Bureau omit it only because the funds are not available, as they say, does not the Senator think that that creates a situation which justifies action on the part of Congress as soon as possible?

Mr. McNARY. I should say yes.

Mr. BARKLEY. I thank the Senator.

The PRESIDING OFFICER (Mr. FESS in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. BINGHAM. Mr. President, may I have the attention of the Senator from Oregon for a moment?

I am in receipt to-day of a cablegram from the Chamber of Commerce of Guam, in which they imply that the appropriation for the agricultural experiment station in Guam has been left out of this bill.

By reference to page 12 of the bill, it would appear that there is no cause for their worrying about this, because I see on line 2 that provision is made for the agricultural experiment stations in Alaska, Hawaii, Porto Rico, and the Island of Guam. On the other hand, down at the bottom of the page, in line 24, it would look as though it was the intention of the Agricultural Department either to transfer or sell the experiment stations in Alaska, Guam, and the Virgin Islands.

Can the Senator inform me about that?

Mr. McNARY. Mr. President, the language was stricken out as suggested by the able Senator from Connecticut. The chairman of the committee was authorized to offer an amendment which permits the sale of the property so much sought by the Senator.

Mr. BINGHAM. I am not seeking the sale of the property.

Mr. McNARY. It simply authorizes the department, in the event it desires to do so, to dispose of the property in these Territories, or to carry them on.

Mr. BINGHAM. Can the Senator, then, tell us whether it is the intention of the department to close the station in Guam?

Mr. McNARY. No; but the department desires authority to do so if they deem it best to follow out that course. There is no suggestion that it is to be abandoned.

Mr. BINGHAM. I thank the Senator.

The PRESIDING OFFICER. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 77, line 7, to change the total appropriation for the Bureau of Agricultural Economics from $6,649,841 to $6,684,253.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Plant Quarantine," on page 80, line 4, to increase the appropriation for the control and prevention of the spread of the Japanese beetle from $375,000 to $400,000.

The amendment was agreed to.

The next amendment was, on page 81, line 1, to change the total appropriation for the Bureau of Plant Quarantine from $2,748,405 to $2,773,405.

The amendment was agreed to.

The next amendment was, under the heading "Food and Drug Administration," on page 82, line 16, after the word "therein," to strike out "$1,265,219" and insert "$1,275,819," so as to read:

Enforcement of the food and drugs act: For enabling the Secretary of Agriculture to carry into effect the provisions of the act of June 30, 1906 (U. S. C., title 21, secs. 1–15), entitled "An act for preventing the manufacture, sale, or transportation of adulterated, or misbranded, or poisonous, or deleterious foods, drugs, medi-

cines, and liquors, and for regulating traffic therein, and for other purposes"; to cooperate with associations and scientific societies in the revision of the United States Pharmacopœia and development of methods of analysis, and for investigating the character of the chemical and physical tests which are applied to American food products in foreign countries, and for inspecting the same before shipment when desired by the shippers or owners of these products intended for countries where chemical and physical tests are required before the said products are allowed to be sold therein, $1,275,819.

The amendment was agreed to.

The next amendment was, on page 84, line 5, to change the total appropriation for the Food and Drug Administration from $1,716,167 to $1,726,767.

The amendment was agreed to.

The next amendment was, on page 85, after line 13, to insert:

GRASSHOPPER CONTROL

For the application of such methods of control of grasshoppers as, in the judgment of the Secretary of Agriculture, may be necessary, in cooperation with such authorities of the States concerned, organizations, or individuals as the Secretary may deem necessary to accomplish such purposes, including the employment of persons and means in the District of Columbia and elsewhere, printing, rent outside of the District of Columbia, and for other expenses, to be immediately available, $1,450,000, of which not to exceed $8,000 may be expended for personal services in the District of Columbia: *Provided*, That, except for general administration and supervision, in the discretion of the Secretary of Agriculture, expenditures under this appropriation shall be limited to the purchase and transportation of poisoned bait, or materials for its manufacture, and that the cooperating States shall be responsible for the local distribution and utilization of such bait, including full labor costs: *Provided further*, That in the discretion of the Secretary of Agriculture no part of this appropriation shall be expended for grasshopper control in any State until such State has provided the necessary organization for the cooperation herein indicated: *Provided further*, That such aid be extended only to such counties or districts as in the discretion of the Secretary of Agriculture are not financially able to purchase poisoned-bran bait for such grasshopper control: *And provided further*, That no part of this appropriation shall be used to pay the cost or value of farm animals, farm crops, or other property injured or destroyed.

Mr. NYE. Mr. President, in connection with the committee amendment which the clerk has just read, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. The Senator from North Dakota proposes to amend the committee amendment by striking out, on page 86, in lines 11, 12, 13, 14, and 15, the following words:

Provided further, That such aid be extended only to such counties or districts as in the discretion of the Secretary of Agriculture are not financially able to purchase poisoned-bran bait for such grasshopper control.

Mr. NYE. Mr. President, the intent of the general committee amendment is that of affording cooperation on the part of the Federal Government with the States, and the lesser subdivisions, in the endeavor to meet the dangers confronting certain States by reason of the infestation of the grasshopper last year. This particular provision which I am attempting to have eliminated would, instead of affording cooperation with the States, almost compel a county which wanted this aid, and which needed it, to make a pauper's affidavit of inability to do that work itself. It is entirely out of step and out of keeping with the general intent of the amendment as a whole. I hope the amendment may prevail.

Mr. McNARY. Mr. President, there is some merit in the position taken by the Senator from North Dakota. In an examination of the administrator of this activity before the committee the general thought was expressed that it was to be cooperative between the Government and the counties in the States involved. The Federal Government's duty consists solely of acquiring the poison and delivering it. It is the duty of the counties and the States where there is an infestation to distribute the poison solely on a cooperative basis.

This language, I think, probably is a little awkward in view of the essential requirements that there should be cooperation between the States and the counties and the Federal Government, and I have no objection to its elimination.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. GORE. Mr. President, there seems to be a typographical error in the bill. I call the attention of the Senator in charge of the bill to the amendment containing the word "cottonseed" on page 72, line 14. That should have been inserted in line 20, page 71. Has that correction been made?

Mr. McNARY. It has not been corrected. My attention was not called to it until to-day.

The PRESIDING OFFICER. The Chair will call the attention of the Senator from Oklahoma to the fact that the committee amendments are to be acted on first.

Mr. GORE. This is a committee amendment, but it is a typographical error.

Mr. McNARY. The amendment is found in the wrong section.

Mr. GORE. I would like to have the amendment inserted in the proper place, after the word "cotton" in line 20, page 71.

Mr. McNARY. It should be inserted on page 71, line 20. After the word "cotton" the word "cottonseed" should be inserted, and should be stricken out on page 72, under the head of "Market news service."

Mr. GORE. I am very much obliged to the Senator. I have felt considerable interest in the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Oregon.

The amendment was agreed to.

Mr. BINGHAM. Mr. President, the amendment suggested by the committee on page 85 proposes an expenditure of nearly a million and a half dollars for poison for the eradication of grasshoppers. That is a good deal of money these days. We are running behind now at the rate of eight or nine or ten million dollars a day. There is no immediate prospect of any revenue to enable the Government fully to meet that deficit, and before voting on this amendment I should like to have the argument stated as to the great necessity that must have existed to persuade those who are in favor of this amendment to vote for it. It seems like a very large amount of money.

I understand that there was a grasshopper plague last summer, and it is quite likely that there might be other plagues next summer which might apply to some of the industrial States of the East which have hitherto escaped the plague of grasshoppers. But before voting for this amendment, I would like to know just why it is necessary for us at this time to add nearly a million and a half dollars to the Government's Budget for this particular item.

Mr. McNARY. Mr. President, this item was sanctioned and recommended by the Director of the Budget, and came before the Committee on Appropriations when hearings were had. Mr. Marlott, of the department, appeared in behalf of it. It anticipates the very severe infestation of grasshoppers in six or seven of the States near the Great Lakes and bordering to the west.

It provides for cooperation between the States and the Government. The matter received very careful consideration by the department, it was recommended as being a meritorious project, and was sanctioned by the Director of the Budget. These grasshoppers have bred and laid their eggs in great numbers on account of the dry season in the last two years. It is thought that if funds are not available for doing something, if the infestation shall occur, the scourge will be very great in the States affected.

I called the attention of Doctor Marlott to the situation recently concerning the probable infestation, and I have a note from him, which I will send to the desk, and ask to have read.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF ENTOMOLOGY,
Washington, D. C., February 26, 1932.

Memorandum for Senator MCNARY.
Re: Grasshopper situation in the northern section of the plains States west of the Mississippi.

The unusual situation has resulted from the breeding up during three favorable years, i. e., years of drought, of grasshoppers in increasing populations so that in the season of 1931 they reached such numbers as to cause almost complete destruction of small grains, corn, and other crops over considerable areas. Such destruction was not due to the old-time migratory locust but to the breeding up chiefly of two local species which are always present in greater or less numbers and which are essentially nonmigratory.

The basis of the anticipated grasshopper menace for the coming season is the enormous egg laying which has been determined by surveys particularly in Colorado, Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, and Wyoming, and the further fact that the conditions so far have been of such character as to indicate very little egg mortality, as determined by field examinations. There is every reason to anticipate, therefore, a very large percentage of hatching of young grasshoppers. Cold and wet weather at hatching time may, however, destroy a considerable percentage of the young. The funds will, therefore, be looked upon as an insurance and will be spent only in proportion to the actual need.

In the late summer and fall these grasshoppers deposit their eggs, choosing normally sunny and well-drained areas, roadsides, edges of fields, etc., where they congregate in numbers and in this way the egg laying is more or less concentrated rather than generally distributed, which greatly facilitates control.

There are two important methods of control. One is the plowing up of the eggs in the fall and winter—not usually widely possible. The more favorable means is by distribution of poison-bran bait, making these distributions over the period of hatching of the young grasshoppers. Such hatching takes place between April and June.

The poison bait can be distributed in any convenient manner, either by hand from buckets or from light wagons or carts, or even light auto trucks, and may be scattered very much the way the small grains were broadcast in the old days. The young grasshoppers will feed on this bran bait and are killed. There is no poisoning of growing vegetation and the killing is due to the eating of the bran, which the grasshoppers take to greedily. The object is to destroy them at the outset, before they have migrated by crawling to grain fields. It is usually impracticable to destroy them by poisons after they have become winged, although, in one or two instances, some success in this direction was obtained last year by spreading the bait with the use of an airplane, similar to the method of dusting cotton used to some extent in the South. It is not believed that this type of control by airplane will often be practicable.

As indicated in the appropriation item and in the discussion, it is the understanding that the department is to provide the bait and deliver it to strategic places in the counties and States where it is to be used, and that local county and State organizations will undertake the handling and more intimate distribution to the farmers and cooperation with the farmers in seeing that the poison is properly and effectively used. Necessarily also a certain amount of Government supervision is to be provided to give assurance of need for, and economical usage, of the bait.

The appropriation language does not limit the use of this poison to the States named but it is believed that these States will probably include most, if not all, of the essential needs of Federal aid. If, however, such aid is needed elsewhere in this general plains area and the funds permit of it, it can be rendered. Inasmuch as grasshoppers may, in limited areas, be more or less destructive almost anywhere in the United States, it is obvious that this appropriation can not be looked upon as a general grasshopper-control item for the whole country. In practically all such instances, outside of the plains area indicated, local control in the usual manner will be possible without Federal aid.

Sincerely yours,

C. L. MARLATT, *Chief of Bureau.*

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. NORBECK. Mr. President, it has been suggested that there should be a little explanation of this item. The fact is overlooked that the Budget, in its recommendation, suggested that the cost of the extermination of this pest which was proposed would be about $3,000,000, and that the Government should furnish $1,450,000. In other words, it puts 50 per cent of the burden on the localities, on the States, and the counties, and the farmers, which is entirely different from the method used for exterminating pests in other States, like the citrus bug in Florida, the corn borer, the Japanese beetle, and so forth.

My suggestion is that the amendment is too restricted and places an impossible burden upon the localities, even to the point of cleaning up grasshoppers on Government land, on the public domain, on public highways, on abandoned farms, and so forth.

I just rise to ask unanimous consent that I may offer an amendment to the amendment to add half a million dollars to the item.

The PRESIDING OFFICER. The Senator asks unanimous consent that the vote by which the amendment of the committee was agreed to be reconsidered. Is there objection?

Mr. MCNARY. What is the nature of the amendment to the amendment?

Mr. NORBECK. To increase the amount by half a million dollars.

Mr. MCNARY. That would make it $1,950,000.

Mr. NORBECK. Yes.

Mr. MCNARY. Has there been an estimate made for it?

Mr. NORBECK. No; that exceeds the estimate; but it would be in line with what the Government has done in meeting the pest situations in other places.

The PRESIDING OFFICER. Is there objection to reconsideration?

Mr. MCNARY. Mr. President, that is a very considerable item. It has not been estimated for. The whole matter was covered by the Budget. I would not feel free to waive the rule of the Senate unless there were an estimate. The amendment could be offered very well, though, to the deficiency bill, if the sum appropriated is found to be deficient. For that reason I would not want the vote by which the amendment was agreed to be reconsidered.

Mr. NORBECK. Then I withdraw my request for a reconsideration.

Mr. LA FOLLETTE. Mr. President, I was called from the floor while this matter was under general discussion. May I ask the Senator from Oregon whether or not there were any specific States designated that were intended to be the beneficiaries of this activity, or would it be possible for other States not mentioned in the Budget estimate to come in under the terms of the provision in case they can convince the administrative authorities that they are entitled to assistance in meeting this pest?

Mr. MCNARY. I think the able Senator from Wisconsin suggested that inquiry to me before we took up the consideration of the bill and I assured him that I would discuss the matter with the department. While in the report seven or eight States are mentioned where the infestation will probably occur, the department said the money would be available wherever there was any infestation, whether it was enumerated in the report or not.

Mr. LA FOLLETTE. I merely wanted the RECORD to show that, because there is one county in Wisconsin, Door County, that has been fighting this pest for some time. They feel that they should be considered in the allocation of funds for fighting the pest. I thank the Senator from Oregon.

The next amendment of the Committee on Appropriations was, on page 38, line 7, after the word "him," to strike out the colon and the following additional proviso:

Provided further, That no part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses and station wagons) at a cost, delivered and completely equipped for operation, in excess of $750, including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any motor-propelled passenger-carrying vehicle not used exclusively for official purposes, and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment. This limitation as to price shall not apply to any motor vehicle purchased for official use of the Secretary of Agriculture.

Mr. REED. Mr. President, will the Senator from Oregon give us some explanation of the reasons which persuaded the committee to strike out this provision?

Mr. MCNARY. This particular language was placed in the House bill limiting the value of automobiles at $750, plus their paid-in value and freight. The department objected to it because they found greater utility in a heavier car. They have found that by using a car in the so-called 3,000-pound class they could save about a cent per gallon on

gasoline, that it is more efficient and has a greater capacity for doing work. Particularly the Bureau of Roads took that position.

The committee believed it in the interest of economy and the efficiency of the department to strike out the language so we might be able to go into conference and work out something more satisfactory. The department did say if it was included, increasing the amount from $750 to $950, there would not be any objection.

Mr. REED. Would not that be a wiser amendment?

Mr. McNARY. We thought probably that would be what we would determine on in conference, and that we would have full latitude in this fashion by striking it out.

Mr. REED. I confess I have a good deal of sympathy with the intention of the House.

Mr. McNARY. There is no question about it; but if we consider $750 as the purchase price plus the trade-in value and the freight, it brings a very small car to the use of the department. It is necessary to have a larger car for their rough work, which they claim is found in the 3,000-pound class, and which can not be purchased for this amount of money. Consequently, the committee thought we would strike out the matter and go to conference and there work out something that would be advantageous from the standpoint of the principle involved, without impairing the efficiency of the department.

Mr. REED. I know in the Army there is constantly an effort to get the larger and more expensive cars, but we find that the small car almost always serves the purpose in every respect except that it does not gratify the vanity of the person who is to operate it.

Mr. McNARY. Probably that is true, but for the road work, which is rough, hard work in the hills and mountains, it is essential to have a sturdy well-built car. I am distinctly in sympathy with the Senator's position, but I am confident that in conference we can work out something satisfactory.

Mr. REED. I think the country looks to us to make economies in such matters.

Mr. TRAMMELL. Mr. President, does the Senator from Oregon know the particular reason why the House put this provision in the bill or the reasons that were given?

Mr. McNARY. It was placed in the bill in the House by an amendment offered on the floor. I did not read the RECORD. I assume that the House thought it was in the interest of economy and would not in any way disturb the efficiency of the department.

Mr. TRAMMELL. Mr. President, I was wondering if there were any developments before the House committee with reference to the waste of public funds in the buying of automobiles. I really do not know myself. I have known of cases where it would have been very advisable to have a restriction of this character in the law. Some bureau gets hold of public funds and goes mad with extravagance, goes out and buys very expensive automobiles instead of protecting the public interest and buying a reasonably priced car.

Without any definite information, of course, I am not going to oppose the action of the Senate committee in proposing to strike out the provision; but I rather think that the House provision is a wise one and would tend to prevent an increase in the maximum price of cars to be purchased. Too often the different bureaus or different agencies of the Government, as soon as they gain possession of public funds, start in with a reckless disregard of the public interest and waste moneys which are placed in their hands for expenditure. I do not know that that is true with regard to the Bureau of Roads. I hope it is not.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 91, after line 22, to strike out:

SEC. 2. No appropriation under the Department of Agriculture available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act (1) to increase the compensation of any position within the grade to which such position has been allocated under the classification act of 1923, as amended, (2) to increase the compensation of any position in the field service the pay of which is adjustable to correspond so far as may be practicable to the rates established by such act, as amended, for the departmental service in the District of Columbia, (3) to increase the compensation of any position under such act through reallocation, (4) to increase the compensation of any person in any grade under such act through advancement to another position in the same grade or to a position in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation, or (5) to increase the compensation of any other position of the Federal Government under such department. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes, but shall be impounded and returned to the Treasury, and a report of the amounts so impounded for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

And, on page 92, after line 23, to strike out:

SEC. 3. No appropriation under the Department of Agriculture available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply to absolutely essential positions the filling of which may be approved in writing by the President of the United States. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for ahy other purposes, but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

The amendment was agreed to.

The next amendment was, on page 94, line 3, to change the total appropriation for the Department of Agriculture from $175,408,814 to $178,192,646.

The amendment was agreed to.

The VICE PRESIDENT. That completes the formal committee amendments.

Mr. McNARY. I have one or two amendments to offer in behalf of the committee.

Mr. TRAMMELL. Mr. President, the clerk read so rapidly and the amendment was approved so rapidly that we were given no opportunity to offer an amendment to the House text.

The VICE PRESIDENT. Does the Senator desire to offer an amendment to the House text?

Mr. TRAMMELL. Yes; and for that purpose I shall be glad to have the action of the Senate in adopting the amendment reconsidered.

The VICE PRESIDENT. Without objection, the vote by which the amendment was agreed to will be reconsidered.

Mr. TRAMMELL. Mr. President, this is the salary restriction provision which the Senate proposes to strike from the House text. I am not in favor of any curtailment of salaries in the lower and medium ranges; but it having appeared in more or less instances that there has been a reckless disregard of economy, although advocated by the President and pretended by many Members of the Congress, I have thought that probably a provision of the character recommended by the House and inserted by it in the bill would accomplish some good in the administration of this and other appropriation acts. I do not, however, approve of it applying to the smaller salaries.

We know that some three or four years ago we passed the reclassification act, by which those in the higher brackets had their salaries very substantially increased while those in the lower brackets received practically no increase in compensation. That was not the intention of Congress at all. It resulted in a complete miscarriage of the purpose and intention of the Congress when we enacted the reclassification act. I think that those receiving the lower salaries—$1,200, $1,500, $1,800, and $2,000—have already been once mistreated and that they should not now be restricted, so that they can not possibly get any promotion during the period covered by the appropriation bill. I do not favor that feature as embraced in the House text, which the Senate committee now proposes to strike out.

I want to propose an amendment, however, in order that it may be inserted in the RECORD. I propose to amend the

House text for the purpose of perfecting the House text. On page 92, line 1, after the word "compensation," I move to insert the words "where the salary is $3,000 or more per annum"; in line 4, page 92, after the word "compensation," to insert the words "where the salary is $3,000 or more per annum"; and in line 9, page 92, after the word "compensation," to insert the words "where the salary is $3,000 or more per annum."

That would make the provision against any increases apply only to salaries of $3,000 or more per annum. In other words, under that provision Government employees would receive their automatic advances or promotions as they are entitled to them under the reclassification act, but those with salaries above that amount would not receive any increase during the period of the applicability of this appropriation. I move the adoption of the amendment.

Mr. McNARY. I have no objection to perfecting the House text.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Florida.

The amendment was agreed to.

Mr. SMITH. Mr. President, the amendment proposed by the Senator from Florida was to amend an amendment on the part of the Senate which is to strike out.

Mr. McNARY. The Senator from Florida offered his amendment to the House text. He had the right to do that. Then the question arises whether we will accept the Senate committee attitude and strike it all out, which is the question now pending.

The VICE PRESIDENT. The question is on agreeing to the committee amendment to strike out the House text as amended.

The amendment as amended was agreed to.

Mr. McNARY. Mr. President, from the committee I am authorized to propose the following amendment.

The VICE PRESIDENT. Let it be reported.

The CHIEF CLERK. On page 12, after the word "sold," in line 25, insert the following proviso:

Provided, That the Secretary of Agriculture is authorized to transfer to any Government department or establishment or to local authorities or institutions such property and/or equipment or to sell the same at public or private sale and to pay from this appropriation the salaries of the present employees of said stations appointed from the continental United States, including salaries during such leave as may be granted under the acts approved June 30, 1914, and July 24, 1919 (U. S. C., title 5, secs. 535 and 536), together with traveling expenses of themselves and families, including the transportation of such quantity and character of their personal effects as may be authorized by the Secretary of Agriculture, in returning to the usual port of debarkation in the United States, and the Secretary of Agriculture is authorized to sell such products as are obtained on the land belonging to the agricultural experiment stations in Hawaii and Porto Rico, and the amount obtained from the sale thereof shall be covered into the Treasury of the United States as miscellaneous receipts.

The amendment was agreed to.

Mr. McNARY. In behalf of the committee I offer the following amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 9, line 5, strike out "three-year" and insert in lieu thereof "two-year."

The amendment was agreed to.

Mr. BLACK. Mr. President, I desire to offer the following amendment.

The VICE PRESIDENT. Let it be read for the information of the Senate.

The CHIEF CLERK. On page 66, line 9, insert before the period a comma and the following:

And such sum shall be paid to the authorities of such State without the requirement that the State shall have expended or made available for expenditure a like sum from State funds; and such sum shall be reimbursed to the Federal Government over a period of five years, beginning with the fiscal year 1934, by making deductions from regular apportionments to the State of Alabama made from future authorizations for carrying out the provisions of the Federal highway act, as amended and supplemented.

Mr. BLACK. Mr. President, I desire to make a brief explanation of the amendment. At the outset, I will state that the Senate has three times voted in favor of a similar provision. This was done in 1930.

The necessity for the amendment arises from the following situation: In 1929 there was a very severe flood in the Southeastern States. It practically destroyed many of the Federal-aid roads. The Senate and House passed and the President signed a bill which authorized the extension of Federal-aid money to assist in rebuilding those highways. The provision to which I have referred, as it passed on previous occasions, provided that both past and future expenditures on those highways should be considered. The State of Alabama has insisted that probably it has met this requirement, and that it has really expended more than it is required to expend; but, by reason of the location of certain lines established by the highway department, that it has not been given credit for as much expenditure as it should. But, be that proposition as it may, there is a balance yet left of this money which is unexpended. The money has been appropriated for several years—since 1929. This amendment calls for not one dollar of additional appropriation. It simply calls for the use of an appropriation which was made in 1929. Anticipating that some might say, if the State should not be required completely to match the funds that it might be unfair to some other States, I have provided in the amendment, just as was provided in the other amendment which the Senate adopted, that hereafter the State of Alabama shall have deducted from its Federal-highway allotment, in installments of one-fifth each year, an amount equal to the unexpended balance in the flood-aid fund.

Therefore the sum total of the amendment is this: An appropriation has been made; it is lying in the Treasury unexpended. The State of Alabama can not match it at the present time. If this amendment shall be adopted, that unexpended money will be immediately put to work in the construction of highways and repairing highways in Alabama which were injured by the flood. Therefore, Mr. President, I feel sure there will be no objection to the adoption of the amendment.

I will state further that after complete argument the Senate adopted this amendment in 1930. Thereafter when its conferees came back for instructions the Senate, by a large vote, instructed them not to recede from the amendment. The Senate did the same thing, as I recall, the second time, but finally, when those in charge of the conference report for the House of Representatives would not yield, I did not feel justified in longer asking the Senate to insist upon an adherence to this particular amendment. Therefore I did not ask for another vote upon the question.

Mr. SMITH. Mr. President, I desire to ask the Senator from Alabama is there not a bill now pending providing for Government aid to highways without the matching principle being applied? If that bill should become a law, does he propose that this appropriation shall be in addition to the one carried in the bill to which I refer? Would his amendment be in addition to that?

Mr. BLACK. This amendment has no connection, I may say to the Senator from South Carolina, with any of the other highway bills.

Mr. SMITH. The point I am making is this: There is a proposition in a bill now pending to extend Federal aid without the immediate matching of the funds by the States.

Mr. GEORGE. That is a special fund.

Mr. SMITH. That would be a special fund to carry on the work to a certain extent in the States. Now the Senator from Alabama proposes that this unexpended balance shall also be used without matching.

Mr. BLACK. I propose that it shall be matched at a later date—simply to defer the time when it shall be matched.

Mr. SMITH. And when the State shall be able to match the fund there will be deducted later from that State's quota the amount that has been advanced under the Senator's amendment?

Mr. BLACK. The Senator from South Carolina is correct.

Mr. SMITH. I was merely wondering if that would interfere at all with the quota which the Senator's State might obtain under the measure now pending according to which

the Federal funds would not need to be matched by the States.

Mr. BLACK. My amendment would not be affected at all by the bill to which the Senator from South Carolina refers. The sum total of the amendment is to permit the present utilization of a fund which has been appropriated for three years with ample protection to the Federal Government by the provision that the amount shall later be deducted from the advances or allotments made to the State.

Mr. McNARY. Mr. President, as I understand the amendment of the Senator from Alabama provides for deductions to be made from Federal-aid funds which may hereafter be allocated to the State of Alabama?

Mr. BLACK. That is correct.

Mr. McNARY. Over a period of five years?

Mr. BLACK. That is correct.

Mr. McNARY. Commencing five years from this time?

Mr. BLACK. Commencing five years from 1934, as I recall the way I drew the amendment.

Mr. McNARY. Is the amendment in the precise form in which it passed the Senate on two former occasions?

Mr. BLACK. There is one difference, which I can explain to the Senator, not in effect but in wording.

Mr. McNARY. I should like to have the explanation.

Mr. BLACK. The amendment as previously adopted was in this language:

Provided further, That the balance of the appropriation of $1,660,000 now unpaid to the State of Alabama, appropriated for the relief of the State of Alabama as a reimbursement or contribution in aid induced by extraordinary floods, shall be paid to the authorities of that State without the requirement that the State match said expenditure except in the manner provided herein.

The amendment I have just read was offered as an amendment to the emergency highway bill, which provided for deductions from year to year. Since this particular bill is not in the language of the emergency appropriation bill to which I offered the original amendment it was necessary for me to make it conform to the proposal of the emergency highway bill, and the legislative reference bureau drafted it in that way.

Mr. McNARY. In what year did Congress take action on this matter?

Mr. BLACK. The amendment was acted on in 1930. I have before me the debate which then occurred.

Mr. McNARY. May I ask the able Senator, Was the original amendment offered to the bill which provided for the reconstruction of roads which were destroyed by floods in Alabama?

Mr. BLACK. That is correct.

Mr. McNARY. Will the amendment appertain to any other Southern State than Alabama?

Mr. SMITH. It should apply also to the States of Georgia and South Carolina.

Mr. GEORGE. But in a lesser amount.

Mr. McNARY. Is the amendment offered by the Senator limited to the State of Alabama or does it comprehend the same condition in the two other States mentioned?

Mr. BLACK. I may state to the Senator that I took it up with the other Senators who are interested, but I limited this particular amendment to Alabama because Alabama is treated separately in the pending bill. It is my understanding that amendments will be offered for the other States that are involved in the exact condition; but my amendment is limited to the State of Alabama.

Mr. McNARY. If that be true, why should there not be one amendment to include all the States involved in the original act which was passed in 1927, as I recall?

Mr. BLACK. May I say to the Senator that the reason I did not think it was wise to join the three States together was because, as the Senator will find if he will look on pages 65 and 66 of the bill, the States are treated separately as the bill is now written. For instance, on page 65 appears a relief provision for Georgia and South Carolina, while on page 66 appears a relief provision for Alabama. So I concluded it would be better for me simply to offer the amendment in so far as it applies to Alabama. I may state further to the Senator that when this matter was voted on previously, and when the Senate declined to accept the conference report, the provision also included similar relief for the State of Georgia and the State of South Carolina.

Mr. McNARY. The Senator from Alabama has referred to the provision of the bill on page 65. I am curious to know if the States of Georgia and South Carolina also want to be included in an amendment similar to that now proposed by the Senator from Alabama?

Mr. GEORGE. Mr. President, I propose, if the Senator will permit me, to offer a similar amendment with reference to the appropriation made for the State of Georgia, and, with the permission of the Senator from South Carolina, I will include that State.

Mr. SMITH. I think this being an appropriation of the same character brought about by the same storm—the storm of 1928, as I recall—that the amendment ought to be made to comprehend the three States, because the conditions are of the same nature and the unexpended balance is needed now.

Mr. BYRNES. Mr. President, if the Senator from Oregon has the floor I ask him if he will yield to me?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Oregon yield to the Senator from South Carolina?

Mr. McNARY. I yield.

Mr. BYRNES. I merely wish to make the statement that I am informed by the Bureau of Public Roads that, so far as South Carolina is concerned, all the sum has been expended with the exception of possibly $65,000, which is obligated. So the amendment would be of no value to that State.

Mr. McNARY. Then it is not the purpose to include South Carolina, which was provided for in the original act?

Mr. BYRNES. I can only say, Mr. President, it is not my purpose to do so, but I understand from the Senator from Georgia and the senior Senator from South Carolina that some amendment of that kind will be offered.

Mr. GEORGE. Mr. President, I will say to the Senator from Oregon that I propose to offer an amendment similar to that offered by the Senator from Alabama so far as the appropriation to the State of Georgia is concerned, but the appropriation which will be available to Georgia under the amendment—that is, which will be immediately available—will be a much less sum than the amount that Alabama may be able to utilize.

Mr. McNARY. Is the State of Georgia able to meet the situation without a deferment of the matching of the Federal-aid funds?

Mr. GEORGE. The State, as I am advised, is unable to meet this particular appropriation at this time. Of course, it would hope to do so within the period of the extension carried in this bill—that is, until June 30, 1933—but if it can be made immediately available on the terms and conditions stipulated in the amendment offered by the Senator from Alabama it will be desirable to have it take that course.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Alabama.

The amendment was agreed to.

Mr. SMITH. Mr. President, I wish to ask if South Carolina was included in the amendment?

Mr. GEORGE. I will be glad to include it in my amendment if the Senator wishes it done.

Mr. SMITH. I should like to have included the unexpended balance to which South Carolina may be entitled.

The PRESIDING OFFICER. The Chair will state that the vote was on the amendment offered by the Senator from Alabama, and the provisions of his amendment are limited to Alabama.

Mr. GEORGE. I rather think it will be necessary formally to offer the amendment, inasmuch as the two matters are carried in separate items in the bill. I therefore move to strike out the period at the end of line 2 on page 66, insert a comma and the words which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 66, after line 2, it is proposed to insert the following:

And such sums shall be paid to the authorities of such State without the requirement that the State shall have expended or made available for expenditure a like sum from State funds; and such sum shall be reimbursed to the Federal Government over a period of five years, beginning with the fiscal year 1934, by making deductions from regular apportionments to the States of Georgia and South Carolina made from future authorizations for carrying out the provisions of the Federal highway act, as amended and supplemented.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. TRAMMELL. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Florida offers the following amendment:

On page 94, after line 2, insert the following new section:

"SEC. 3. That a board is hereby created, to be known as the Mediterranean fruit fly board, to be composed of five persons to be appointed by the Secretary of Agriculture, two of whom shall be representatives of the Department of Agriculture (one to be chairman of the board), two citizens of the State of Florida, and one man at large. Any vacancy occurring in the board shall be filled in the same manner as the original appointment. Each member of the board, other than members holding office under the Federal Government, shall receive compensation at the rate of $10 per day while actually employed on the business of the board. The board shall cease to exist upon transmitting its report as herein provided.

"The board is authorized and directed to (1) conduct a complete investigation and survey of actual losses sustained by growers and farmers in the State of Florida resulting directly from the campaign to eradicate the Mediterranean fruit fly in such State; (2) receive claims for actual losses sustained by such persons in the State of Florida by reason of direct damage resulting from such campaign, supported by such proof as the board by regulation may prescribe; (3) report the facts and make findings upon such claims as to the amount of actual loss sustained; and (4) transmit to the Secretary of Agriculture not later than 90 days after the approval of this act a report of the survey and its findings in respect of claims for such losses: *Provided*, That such report and finding shall serve as information only for consideration and not be binding on the Secretary of Agriculture or Congress. The Secretary of Agriculture shall, within 30 days after receiving such report, or if Congress is not in session then at the beginning of the December (1932) session of Congress, transmit such report of survey to Congress, together with such recommendations as he may, in his judgment, deem advisable.

"The regular employees of the Department of Agriculture shall be used as far as possible, but the board may, with the approval of the Secretary of Agriculture, appoint in addition thereto and fix the compensation (without regard to the civil service laws and regulations or to the classification act of 1923, as amended) of such other employees as may be necessary, and may, with the approval of the Secretary of Agriculture, make such expenditures, including expenditures for travel and subsistence expenses, for personal services at the seat of Government and elsewhere, and for printing and binding, as are necessary for the efficient execution of its functions under this section. All expenses of the board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the board and the Secretary of Agriculture.

"That there is hereby appropriated the sum of $25,000, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this section."

Mr. McNARY. Mr. President, this amendment collides with Rule XVI of the Senate, of course. It is legislation on an appropriation bill and is not authorized by a standing committee of the Senate, nor has it been estimated by the Director of the Budget.

I understand that the Senator from Florida anticipated that this criticism would be made and gave notice of a motion to suspend the rules, which, of course, would require a two-thirds vote. Does the Senator desire to press his amendment to-night and ask for a vote, or would he rather wait until to-morrow?

Mr. TRAMMELL. I call attention to the notice given on page 4309 of the CONGRESSIONAL RECORD on February 19.

The PRESIDING OFFICER. The clerks have the notice on the desk.

Mr. TRAMMELL. And I desire to propose the amendment, so that that question may be pending.

Mr. McNARY. Yes; I think that is quite proper.

Mr. TRAMMELL. If the Senator will move to take a recess now——

Mr. McNARY. If it is agreeable to the Senator from Florida and others present, I shall ask the Senate to take a recess until to-morrow.

The PRESIDING OFFICER. Has the Senator from Oregon made the point of order?

Mr. McNARY. I make the point of order.

The PRESIDING OFFICER. The point of order is sustained.

Mr. McNARY. The Senator from Florida now has proposed his amendment. To-morrow we will vote upon the question of suspension of the rules.

Mr. TRAMMELL. Mr. President, a parliamentary inquiry. The status, as I understand, is that after the point of order is sustained I then propose the amendment with my notice as given on February 19 and found on page 4309 of the RECORD.

The PRESIDING OFFICER. What the Senator desires to do is to make his motion to suspend the rules?

Mr. TRAMMELL. I make that motion, so that the question will be pending.

The PRESIDING OFFICER. That will be the pending question.

Mr. BINGHAM. Mr. President, this afternoon we have adopted a number of amendments increasing by a very considerable amount the appropriation bill as it came over from the House. We have voted $1,000,000 for the World's Fair at Chicago. We have voted a million and a half dollars to feed poisoned bran to unborn grasshoppers, which it is expected will arrive some time next spring. We have increased other appropriations. In the meantime, the afternoon paper comes out with a dispatch from the Associated Press which it seems to me should act somewhat in the nature of the signs to which we so often pay no attention at railroad crossings, "Stop, look, and listen!"

This dispatch is a short one, and I ask unanimous consent to be permitted to read it:

The Government entered March with a $1,781,017,496 deficit.

Mr. President, that represents a monthly deficit of $222,000,000 during the eight months of this fiscal year, or a daily deficit of approximately $8,000,000.

The Associated Press dispatch goes on to say:

This was shown to-day in the Treasury report for February 29. For the eight months of the fiscal year the Treasury collected from all sources $1,334,563,076 and spent $3,115,580,572.

The deficit threatens to approach the $3,000,000,000 mark.

Actually, it is somewhere in the neighborhood of $2,700,000,000 if we go on at the rate that we are at present going, and without any additional expenditure for grasshoppers.

The deficit threatens to approach the $3,000,000,000 mark unless additional taxes levied by Congress change the complexion of the Government's ledger sheet.

As in the past two years, the chief cause of the deficit has been a severe drop in income-tax collections. For the eight months this source of revenue has returned $658,121,342, compared with $1,171,431,024 in the same period last year.

Or a drop of half a billion dollars; and everyone knows that when Uncle Sam takes his income-tax returns into his private chamber and looks at them on the 15th of March next the shrinkage for the past year is going to be far greater than it was for the year before that.

At the same time miscellaneous internal revenue has dropped $34,000,000 to $345,000,000 and customs duties declined from $258,000,000 in the previous year to $247,000,000 this year.

The gross public debt was increased nearly $2,000,000,000 last year, amounting to $18,125,633,155.

Mr. President, it seems to me the time has come for us to cut appropriations rather than to increase them, no matter how worthy the object may be.

In an adjoining column another dispatch from the Associated Press calls attention to the fact that—

The big new revenue bill, which is to raise more than a billion dollars a year for the Federal Government in addition to its present income, has been completely drawn at last and is to be ready for the House by Saturday.

This bill proposes to put a 2 per cent tax on manufactures—

To yield about $525,000,000; special excise levies on selected industries to produce $300,000,000, and increases in income, estate, and gift taxes to bring in an additional $200,000,000.

All that is guesswork. No one knows whether it will raise as much as that or not; but those things, added together, produce only $825,000,000. The committee hope that some provisions of their bill will save losses amounting to $100,000,000. They do not state how that is to be done, but that brings the total up to $900,000,000. Then, they say that they expect to save $125,000,000 in Government expenditures, and therefore get somewhere near a billion dollars, either by addition or by subtraction, during this fiscal year. The deficit that we are facing to-day, however, is a deficit which at the end of the fiscal year will approach $2,700,000,000.

Mr. President, it seems to me that we ought to pause a little bit before we gayly go ahead and spend a million dollars on beautiful buildings for a World's Fair, which would be a marvelous thing to do if we could afford to do it; and we ought to wait until the grasshoppers arrive before we appropriate a million and a half dollars to feed them poisoned bran.

Mr. NORBECK. Mr. President, I desire to offer an amendment to clear up an apparent error.

When the Subcommittee on Appropriations held hearings, it was agreed that the Ardmore Experiment Station in western South Dakota would be continued on the plan of previous years. This is an old station, which has been running a long time. It was voted or agreed to put in the appropriation necessary to carry it on; and that was done, as far as we knew at the time, and we relied on the Budget Officer to guide us. I find, however, that that appropriation comes under several heads, and that one of $7,065 to carry on the dairy herd was overlooked or omitted.

I ask unanimous consent that that error be corrected. It is pure folly to carry on a dry-farming experiment station, and make a lot of hay, and then send the cows away.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. On page 30, line 22, it is proposed to strike out "$648,068" and insert in lieu thereof "$655,133."

The amendment was agreed to.

Mr. TRAMMELL. Mr. President, I send to the desk an amendment to the pending bill to be printed and lie upon the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie upon the table.

THE WHOLESOMENESS AND FOOD VALUE OF MARGARINE

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD an article on the Wholesomeness and Food Value of Margarine, by J. S. Abbott, a former pure food commissioner of Texas and formerly chief of the Bureau of Chemistry, United States Department of Agriculture, January 10, 1932.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

It is conceded by all scientific authority that margarine is a pure and wholesome food. The products used in its manufacture are well-known articles of food. They have been eaten in one form or another every day from time immemorial. The Government publishes (internal-revenue bulletins, Annual Report of the Commissioner of Internal Revenue for the Fiscal Year Ending June 30, 1931) monthly a complete list of them. The principal ones are beef fat, pork fat, cottonseed oil, coconut oil, peanut oil, corn oil, salt, milk, and butter.

A large part of a good beefsteak is beef fat. A large part of a good pork roast is pork fat. Peanuts and peanut butter are rich in peanut oil. Salad oils contain cottonseed oil, or peanut oil, or corn oil compounded with olive oil. Mayonnaise, sandwich spreads, lard, lard compounds, and cooking fats made of cottonseed oil and other vegetable oils are all made of one or more of the same kind of food fats that are used in the manufacture of margarine. About 3,000,000,000 pounds of such fat products are consumed annually in the United States. (Bureau of the Census, Department of Commerce Reports.) Salt, milk, and butter are consumed in large quantities every day. The wholesomeness of all of these food products is beyond question.

The wholesomeness of margarine is recognized by scientific men, scientific societies, public-health agencies, and by governmental agencies everywhere in the world. To be specific, it is recognized by the United States Department of Agriculture, the United States Public Health Service, State and city boards of health, and leading nutrition workers everywhere. Doctors Wiley, Eddy (Good Housekeeping, April, 1929), Halliburton and Drummond (Journal of Physiology, September, 1917), Osborne and Mendel (Journal of Biological Chemistry, March, 1920), Alsberg (address before annual convention of Institute of Margarine Manufacturers), Sherman (Food Products), and hosts of other nutrition workers have declared that it is a wholesome food.

Congress (act of August 2, 1886 (24 Stat., 209)), State legislatures, and city councils have enacted laws and ordinances defining oleomargarine and regulating its composition, manufacture, branding, and sale for food. Thus the legislative branches of our Government recognize it as a wholesome food. Our courts (Schollenberger *v.* Pennsylvania (171 U. S. 1)) take judicial notice of the fact.

In its manufactured form, oleomargarine consists of about 82 per cent fat, 1½ per cent casein, 2 per cent salt, and 15 per cent of water. The casein, including small quantities of valuable mineral salts normal to milk, comes from the milk used in its manufacture. The water may come from the same source. The salt is the same common salt that is so generally used as food. The food value of milk and salt is so well known that there is no necessity for any comment on these constituents. The food value of the fats used in making oleomargarine is also well known.

The primary function of a fat in the diet is to make our food more attractive and palatable and to supply our bodies with heat and muscle energy. Energy value is measured and expressed in terms of digestibility and calories. According to McCollum (Dr. E. V. McCollum, The Day's Food in War and Peace, by the United States Department of Agriculture and the United States Food Administration), one kind of food fat is "digested with practically the same ease and completeness" as any other kind of food fat. This opinion is shared by Holmes (The Boston Medical and Surgical Journal, vol. 192, No. 25, June, 1925), Flurin, Mayer, Snyder, Luhrig, and numerous other investigators. The energy value of one kind of edible fat is the same as the energy value of any other kind. This fact is so universally accepted that references to scientific authority are unnecessary.

The mineral content of oleomargarine, butter, and other food fats is so small that it need not be taken into account in evaluating this group of food nutrients.

The taste, flavor, aroma, texture, body, color, and other physical properties of oleomargarine are well known. They add greatly to its physiological and commercial value as a food.

Until within recent years, it was believed that all of our food nutrients or food factors could be grouped into five well-known classes, viz., proteins, carbohydrates, fats, mineral salts, and water. We now know that there is another important class which should be added to the list, viz., vitamins.

Vitamins are of vegetable origin. Warm-blooded animals secure their supply of them directly or indirectly from the vegetable kingdom. The word "indirectly" is used because the carnivorous groups of animals and birds must obtain their supply from other animals which have stored up vitamins from the vegetable kingdom in the first instance. This fact is important and should be emphasized—that the great storehouse of the vitamins is primarily in green plants, vegetables, cereals, and fruits, and secondarily in animal products.

There are several different kinds of vitamins. They are designated by letters of the alphabet as vitamin A, vitamin B (F and G), vitamin C, vitamin D, and vitamin E.

Vitamin A is secured from the foods we eat. It is found in good quantity in spinach, cabbage, carrots, chard, kale, squash, celery, lettuce, tomatoes, eggs, most yellow oils, beef fat, fish liver, pig's liver, beef liver, kidney, glandular organs in general, sweetpotatoes, yellow corn, milk, cream, cheese, some grades of butter, some grades of oleomargarine, and in some 50 or more other common articles of food in greater or lesser quantities, depending upon certain well-known conditions.

Halliburton and Drummond (Journal of Physiology, September, 1917) found that "Margarine containing oleo oil is quite able to replace butter in satisfying the nutritive requirements of young animals." This was confirmed by Osborne and Mendel's experiments. (Proceedings of Physiological Society, Journal of Physiology, vol. 51, p. 8, 1917.) Their experiments were confirmed by Fetter and Carlson (the American Journal of Physiology, vol. 96, No. 2, February, 1931), who found that oleo-oil margarine churned in whole milk is equal to butter in vitamin A. Margarines made of vegetable oils contain smaller quantities of vitamin A derived from and depending upon the vitamin A content of the milk used in their manufacture. They also contain vitamin E, for the vegetable oils used in making them are listed as good sources of this vitamin. (Vitamine Chart, South Carolina Food Research Commission.) Golding (address before the World's Dairy Congress, 1923, by Capt. John Golding, D. S. O., F. I. C.) reports that butter made of the milk from cows on green pastures is 10 times as rich in vitamin A as butter made of the milk from cows on dry feed or winter feed. Steenbock (Journal Biological Chemistry, September, 1918) reported an experiment in which the butter from a cow fed exclusively on alfalfa hay did not contain any of this vitamin.

There are no vitamins B (F and G) or C or D in oleomargarine or butter in any appreciable quantity.

Because of the wide distribution of vitamin A in the many common articles of food we eat, and especially of efficient quantities of it in milk, eggs, and leafy vegetables, McCollum, (Dr. E. V. McCollum, department of hygiene and public health, Johns Hopkins University, p. 38, McCall's Magazine, November, 1924) has said that, although butter is one of the best sources of this vitamin, it is not essential to use butter to secure it, and that the housewife who is obliged to practice economy will do better to spend her money on milk and green vegetables than on butter, because milk and green vegetables are rich sources of this vitamin. Substantially the same statements have been made by Eddy (Dr. Walter H. Eddy, professor of physiological chemistry, Teachers College, Columbia University; Good Housekeeping, vol. 88, No. 4, pp. 97, 250, 251, 252, April, 1929) and many other nutrition workers.

The Medical Research Council of England (special report series No. 105, Medical Research Council, London, England), according to its special report, series No. 105, found margarine a most satisfactory food in an experimental diet of meat, margarine, vegetables, sugar, bread, and 1 pint of milk a day. This was the diet of a group of 41 boys during a period of several years. These boys gained an average of 6.93 pounds per boy and an average of 2.63 inches in height per boy per annum. The usual and normal average increase is often only from 3 to 5 pounds in weight and about 2 inches in height in a boy of the body weight of the boys in these experiments. The boys were in a fine state of health all through the years they were on this diet. "They were high spirited and irrepressible, being often in trouble on that account, and there was a complete absence of illness among them," says the report. The experiments upon these boys over a period of years were carried out "to help solve the problem of what diet in quantity and quality provides adequate nutrition for growing boys and girls." This diet of meat, vegetables, margarine, sugar, bread, and a pint of milk a day was all that could be desired in producing growth in weight and height, health, and "spirit" of the group of boys in the experiments. The oleomargarine used in these experiments was a grade known to contain the least amount of vitamin A of any grade on the market and selected for use because of this fact. It contained, according to the report on these experiments, only one-tenth as much of this vitamin as the best grade of butter.

In the light of all the scientific literature and experiments on the wholesomeness and food value of oleomargarine, is it not passing strange that there is so much antioleomargarine propaganda being circulated to prejudice the public and our representatives in legislative bodies against its use as a staple article of food?

CHANGE OF REFERENCE

Mr. NYE. Mr. President, House bill 489 has been referred to the Committee on Public Lands and Surveys. It appears more properly to deserve reference to the Committee on Indian Affairs, and I ask for that change of reference.

The PRESIDING OFFICER. The Senator from North Dakota asks that the Committee on Public Lands and Surveys be discharged from the further consideration of the bill referred to by him, and that it be referred to the Committee on Indian Affairs. Without objection, it is so ordered.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 4 o'clock and 42 minutes p. m.) the Senate took a recess until to-morrow, Thursday, March 3, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 2, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Still, still with Thee in the promise and the freshness of another day! Almighty God, Thou art altogether righteous and holy, and the passion of Thy heart is that Thy earthly children should be good. Thou dost summon us to bring our lives in unison with Thy will. Come, O Lord God of hosts, and may Thy fullest benediction be shed within these historic walls to-day. Grant that these servants of the Republic may be molded by the standards of Him who is the perfect model for all men. Do Thou walk with us, that we fail not nor turn aside. In our relations with the world of humanity, keep us away from the sustained hatred, which is the fertile soil of revenge and the spring of the insanity of war. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 935. An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 14) entitled "Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress."

The message also announced that the Vice President had appointed Mr. DALE and Mr. MCKELLAR members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Personnel Classification Board.

THE KIDNAPING OF THE LINDBERGH BABY

Mr. SEGER. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. VINSON of Georgia. Mr. Speaker, reserving the right to object, to-day is Calendar Wednesday and the committees which have the call to-day are very anxious to dispose of all the business possible. While I shall not object to this request, I will be compelled to object to any further requests to consume any time to address the House, except the request to be made by the gentleman from Texas [Mr. LANHAM].

The SPEAKER. Is there objection?

There was no objection.

Mr. SEGER. Mr. Speaker, the country and the world was deeply shocked to receive last night news reports of the kidnaping of the son of Colonel Lindbergh. Coming from New Jersey, and being a neighbor and friend of the late Senator Morrow, who was the grandfather of this boy, I have been aroused beyond words. I understand from the Associated Press that an order has gone out to the Department of Justice from the President of the United States to cooperate with State and local authorities in every possible way to apprehend the kidnapers and return the infant to his parents.

I can think of no crime which tugs at the heartstrings and causes more anguish to a father and a mother than the kidnaping of a child. No punishment is too severe for fiends who will perpetrate such a crime. I am glad that the committee at this time has under consideration several kidnaping bills. I hope they will be reported to us soon, and I appeal to you as a parent and as a grandfather that when these bills come before the House they will receive support from all the Members, not only from New Jersey but from all the States. [Applause.]

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. SEGER. I yield.

Mr. COCHRAN of Missouri. As the author of the bill to which the gentleman refers, I wish to say that I am very much pleased to hear that the President of the United States has asked the Department of Justice to get busy on this case; but if the bill which I have introduced were enacted into law, it would be unnecessary for the President of the United States to ask the Department of Justice to get busy on this case. The purpose of my bill is to give the Government jurisdiction. The hearings last week disclosed a situation that is alarming and showed that local authorities were able to handle cases where the victim was not removed from the State, but where the person kidnaped was taken

across the border the local police were helpless. I hope the Judiciary Committee will report the bill at the earliest date possible.

[Here the gavel fell.]

TEXAS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Speaker, to Texans this is a significant day, and because of its historic interest, it is one of importance to American citizens in general. A few remarks concerning it seem doubly appropriate by reason of the fact that on this Calendar Wednesday the Committee on Military Affairs has the call. They are specially fitting also because occupying the chair as Speaker of the House of Representatives of the United States is a Texan who is a worthy successor of those illustrious pioneers, concerning whose rugged character I desire to speak. [Applause.]

On March 2, 1836, a small band of men assembled in a rude unfinished building at Washington on the Brazos and declared their independence of Mexico. Texas had been attached governmentally to the State of Coahuila. It had suffered all the indignities that Santa Anna, self-styled Napoleon of the West, could thrust upon it. Those brave spirits who assembled in this rude building, with cotton cloth which only partially excluded the cold wind covering the openings which served as windows, hailed from practically every State in the American Union as the American Union then existed; not only from the South but from the Middle West, and from such States as Illinois and New York and Pennsylvania.

Shortly before this declaration the Alamo had fallen. Its story has not been properly told. There is to-day in the library of the capitol in Austin the original copy of the memorable letter sent by Travis from the Alamo in February, 1836. These were his words, and as you hear them, bear in mind that a little handful of brave Americans were trying to hold this fort against a horde of Mexican besiegers:

> Fellow citizens and compatriots, I am besieged by a thousand or more of the Mexicans under Santa Anna. I have sustained a continued bombardment for 24 hours and have not lost a man. The enemy has demanded a surrender at discretion. Otherwise the garrison is to be put to the sword if the fort is taken. I have answered the summons with a cannon shot [applause], and our flag still waves proudly from the walls. I shall never surrender nor retreat. Then I call upon you in the name of liberty, of patriotism and everything dear to the American character to come to our aid with all dispatch. The enemy is receiving reinforcements daily, which no doubt will increase to three or four thousand in four or five days. Though this call may be neglected, I am determined to sustain myself as long as possible and to die like a soldier who never forgets what is due to his own honor and that of his country—victory or death! [Applause].

[Here the gavel fell.]

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANHAM. When we contemplate those stirring words and the subsequent deeds which attested their sincerity—for there every one of these brave Americans fell heroically in battle—it is enough to make our blood tingle with pride as it courses through our veins that we, too, are American citizens and that the stock from which we come suffered martyrdom that the principles of liberty we enjoy might not perish from the earth.

In April, 1836, on the 21st day, Gen. Sam Houston and his followers succeeded in establishing the independence of Texas in the historic Battle of San Jacinto. A republic was formed. It existed for nine years, from 1836 until 1845, when Texas was admitted to the Union. We had our Presidents; we had our Congress; we had our flag; and four foreign countries sent their representatives to the Republic of Texas. The old French Embassy, most of the material for which was brought from France, is still standing in the city of Austin.

I want to call it to your attention that in the entrancing history of our State every American may take pride. Sam Houston was born in Virginia and went to Texas from Tennessee, as did the great David Crockett. The Austins came originally from Pennsylvania.

Travis, who was in command at the Alamo, hailed from North Carolina, and the last President of the Republic of Texas, Anson Jones, who, in my judgment, perhaps had more to do with the annexation of Texas to the Union than any other man, came from Massachusetts. So you see that we Texans are historically a cosmopolitan people from the standpoint of Americanism; not provincial in our views and having as our fathers men from every point of the American compass.

To-day we are proud that we may add to the list of such illustrious names as Washington and Israel Putnam and Anthony Wayne those of the Austins and Houston and Travis and Crockett and Bowie and Lamar and scores of others.

And on this memorable day I am proud to stand in this place and rejoice with you that we have as our presiding officer a Texan in every way worthy of that rugged heroism and courage and character which marked the lives of these illustrious patriots who have done so much for American history and American liberty. [Applause.]

PARLIAMENTARY QUESTIONS

Mr. PARSONS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PARSONS. Yesterday afternoon the distinguished Congresswoman from Florida occupied the chair and in addressing the Chair I addressed her as Madam Chairman. I notice in the RECORD this morning, that it is printed as Mr. Chairman. I wish to inquire which one of the titles is correct.

The SPEAKER. In the opinion of the present occupant of the chair, the gentleman from Illinois in addressing the chair as Madam Chairman used the correct form.

Mr. COCHRAN of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN of Missouri. On Saturday, during the consideration of the bill authorizing an appropriation for Federal-aid highway construction I offered an amendment which will be found on page 4889 of the RECORD, first column.

Far be it from me to attempt to qualify as a parliamentarian, but Members on both sides of the aisle have told me that in their opinion the decision of the Chair in declaring my amendment out of order is questionable. My amendment provided for an insertion to follow the committee amendment and was not offered as an amendment to the committee amendment. Just preceding the consideration of my amendment the gentleman from Texas [Mr. THOMASON] offered an amendment to the same section. A point of order was made and the Chairman overruled the point of order. The point of order against my amendment was made by the gentleman from Mississippi on the ground that it involved labor and was subject to a point of order. The amendment of the gentleman from Texas [Mr. THOMASON] also had to do with labor.

Now, my amendment was an important amendment and it seems to me the ruling of the Chair should be carefully considered, and I also want to call the attention of the Speaker to the fact that when I offered my amendment as a motion to recommit he sustained a point of order immediately, probably basing his ruling on the decision of the gentleman from Texas [Mr. BLANTON], who occupied the chair while we were in Committee of the Whole.

I do not seek a ruling from the Chair at this time but I simply want to request that the parliamentarian go into this matter very thoroughly, because if the ruling of the Chair stands, in my opinion, after a committee amendment is offered to a section, under the ruling of the Chair Satur-

day, no other amendment can be considered in order to the particular section under consideration, unless submitted as a substitute to the committee amendment when that amendment is presented. The Speaker will realize I only seek to have this ruling carefully considered. I would not have made this request had not Members on both sides suggested that I call it to the attention of the Speaker.

The SPEAKER. Without objection, the parliamentarian will take into consideration the gentleman's suggestion and prepare a ruling which will be inserted in the RECORD for future reference.

There was no objection.

REVISING REMARKS IN THE RECORD

Mr. PARKER of Georgia. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PARKER of Georgia. Mr. Speaker, on Thursday of last week, in the heat of debate and on the impulse of the moment, I made certain references to the great State of Massachusetts that I wish to expunge from the RECORD. [Applause.] I ask unanimous consent to strike from the remarks made by me on that date the last two paragraphs of my statement. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PARKER of Georgia. I thank you for your consideration.

I am impulsive and impetuous. I suspect I am resentful, but may God forbid that I should ever be intolerant.

My remarks of last Thursday are not characteristic of me. I do not entertain any such feelings as those expressed for the State of Massachusetts.

Massachusetts and Georgia were sister Colonies for more than 40 years. They have been sister States nearly four times that long. Our people have much in common. There is glory enough for both States in the achievements of either Massachusetts or Georgia. The accomplishments of the people of either State are incalculable. We have had our family disputes, but on the whole our people have been friendly for two centuries.

I acknowledge for my people with deep appreciation the friendship of Massachusetts and the many evidences of the generosity of her people. My people have some interest in the history of Massachusetts. It was Georgia who sent to Massachusetts the powder that was used at Bunker Hill.

You may be surprised when I tell you that in 1917 I was a captain of Infantry and in command of a company of soldiers who had been sent to Camp Gordon, Ga., from Camp Dix, N. J., and that more than 50 per cent of the men in my company were natives of Massachusetts.

Mr. Speaker, I wish at this time, on my own motion, to publicly apologize to the State of Massachusetts and her wonderful people for the unkind remarks just referred to, which have been stricken from the RECORD, and which were never intended for the Commonwealth itself but only for one of her citizens, who, like myself, sometimes speaks too freely in heated debate. [Applause.]

GEORGE WASHINGTON

The SPEAKER laid before the House the following communications:

ATHENS.

His Excellency the PRESIDENT OF THE CONGRESS OF THE CONFEDERATION OF THE UNITED STATES OF AMERICA,
Washington, D. C.:

On the occasion of the bicentennial of the birth of Washington, the great American liberator, I beg you to be the interpreter to the Congress and the people of the United States of the respectful admiration felt by the Hellenic Chamber for his noble memory. We can not forget that this illustrious champion of independence closed his career while desiring for his people concord and peace, toward which also our best wishes for all humanity, whose happiness is inseparable from the prosperity of the American people, are also directed at the present time.

SOFOULIS, *President of the Chamber.*

SANTO DOMINGO.

Mr. PRESIDENT OF THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA,
Washington, D. C.:

We have the honor to inform you that to-day, on the occasion of the bicentennial of George Washington, the Senate and the Chamber of Deputies of the Dominican Republic met as a national assembly, where were present the Honorable President of the Republic, Gen. Rafael Leonidas Trujillo Molina, the diplomatic corps, and high officials, to offer formal homage of admiration and gratitude to the memory of that illustrious leader of liberty. The president of the Senate and the envoy extraordinary and minister plenipotentiary of the United States, Mr. Schoenfeld, delivered eulogies. The national assembly, on the happy initiative of the Hon. President Trujillo, and faithfully interpreting the sentiments of the Dominican people, expressed the desire that the Republic should associate itself in the most eloquent language to the universal homage which to-day is paid to the founder of the United States of America. His glory is the object of reverence for all humanity.

MARIO FERMIN CABRAL,
President of the Senate,
MIGUEL A. ROCA,
President of the Chamber of Deputies.

SESSIONS OF THE JUDICIARY COMMITTEE—CRIMINAL CONDITIONS IN THE UNITED STATES

Mr. SUMNERS of Texas. Mr. Speaker, I would like to submit two unanimous-consent requests.

The first is that the Committee on the Judiciary be permitted to sit during this week as much as required during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, ladies and gentlemen, you, of course, have all seen in the morning papers the account of the great tragedy that has taken place in the family of an American citizen. It is no more important, of course, than if the humblest child from the humblest home in America had been taken. But it has served to center the interest of the Nation upon the conditions which obtain in America with reference to the terrorism of crime in this country.

There happens to be at this time pending before the Committee on the Judiciary a bill known as the kidnaping bill. I have asked the privilege of speaking for a few moments in order to do two things.

First, to give notice to this country that there is no legislation pending here that can deal adequately with this situation; that it is not a case or a crime with reference to which Uncle Sam can be depended upon to take care of the situation.

This transaction ought to make every man and woman in this country determine to clean up their own communities. [Applause.] Conditions are an absolute disgrace to this day and this generation, Members of the House; and every man and woman in their homes and on the street are made afraid, while a bunch of sentimentalists are weeping over these criminals.

Gentlemen, what we need is to have red blood in our veins and determine before God Almighty that we will make this country safe for decent people to live in. [Applause.] We have had too much consideration for the criminal in America. We have had enough of these sisters and sisterettes parading their sloppy sentimentality around while honest people live in dread of these human devils who superimpose their government, levying their tribute, murdering men and women and babies in this supposed to be land of the free and home of the brave.

We might as well know this, too, that as long as organized gangs of criminals are permitted to exist in this country, this sort of a crime is going to be committed, and Uncle Sam can not do the clean-up job. That is the word to be sent back to the people of the communities.

We have been jazzing along as a people and permitting to grow up in this country this supergovernment of criminals that levies a tribute on the people and threatens to burn out the eyes of their children if they do not come across. Think of it, while we strut around and celebrate the bicentennial of George Washington and our ancestors. [Applause.]

[Here the gavel fell.]

CORRECTION

Mr. HOWARD. Mr. Speaker, I desire to make a correction in the RECORD, in so far as I am able. Complaint has been made to me on two occasions that Monday, while I was presiding over the Committee of the Whole, I referred to the gentleman from Missouri [Mr. LOZIER] as the gentleman from Massachusetts. It so appears in the RECORD. I have no recollection of having committed such an offense, but I take the blame, because I know that always the reporter is right. If every Member of the House will view the gentleman from Missouri [Mr. LOZIER] alongside the gentleman from Massachusetts [Mr. TREADWAY], he might be excused if he got the reference a little mixed. [Laughter.]

GRANTING A RIGHT OF WAY TO THE GEORGIA HIGHWAY DEPARTMENT

The SPEAKER. This is Calendar Wednesday, and the Clerk will call the committees.

The Clerk called the committees; and when the Committee on Military Affairs was reached—

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 7788) authorizing the granting by the Secretary of War of a right of way to the Georgia Highway Department.

Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to grant to the highway department of the State of Georgia a right of way for a public hard-surfaced road through a part of the uninclosed portion of the Government property embraced in the national cemetery reservation at Andersonville, Ga.

Mr. BLANTON. Mr. Speaker, will the gentleman give us some explanation of the bill?

Mr. McSWAIN. Mr. Speaker, the bill merely gives the Highway Commission of the State of Georgia permission to build a concrete highway through the uninclosed portion of the Andersonville National Cemetery, which is not used for burial purposes, in that part of the cemetery.

Mr. TILSON. The Andersonville Cemetery is no longer being used as a burying ground for additional dead, is it?

Mr. McSWAIN. No. I yield to the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Speaker, I am the author of the bill. Andersonville is in my home county. It was the site of the prison during the War between the States. This is a Union cemetery. The cemetery proper is inclosed. The reservation also contains a part of the old territory which was the Confederate stockade, just back of the cemetery. The road now goes in front of the cemetery, about a fourth of a mile from the cemetery. Tourists passing do not have a free view to the cemetery. In addition to that, there are two or three very dangerous curving railroad crossings right at this place. The State highway department contemplates running the road to the rear of the cemetery, which does not enter the inclosed cemetery at all, but will make the cemetery accessible to through traffic and also bring it close to the old stockade and Providence Spring. The bill provides that the Secretary of War shall grant to the State of Georgia the right to construct this road through he uninclosed part of the property.

Mr. McSWAIN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER pro tempore (Mr. Cox). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. McSWAIN, a motion to reconsider the vote by which the bill was passed was laid on the table.

PENALTY FOR SENDING A THREATENING LETTER THROUGH THE MAILS

Mr. McSWAIN. Mr. Speaker, I yield one minute to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to speak for one minute out of order.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, I call the attention of the House to the fact that I introduced a companion bill to the kidnaping bill, which bill was referred to the Committee on the Post Office and Post Roads, making it a felony to send a threatening letter through the mails. Strange as it may seem to the membership, we have no such Federal statute at this time. I have just been called by the chairman of the committee and advised that the committee has favorably reported the bill this morning. Also, that they made two changes, one increasing the fine from $1,000 to $5,000, and the second increasing the penalty from 5 years to 20 years imprisonment.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT

Mr. POU, from the Committee on Rules, reported the following resolution for printing under the rule, which was referred to the House Calendar and ordered printed:

House Resolution 164

Resolved, That immediately upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 110, authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress.

That after general debate, which shall be confined to the resolution and shall continue not to exceed two hours—to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the resolution shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the resolution for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion except one motion to recommit.

MARKERS FOR CONFEDERATE SOLDIERS

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 132) to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law.

The SPEAKER pro tempore. The gentleman from South Carolina calls up the bill H. R. 132, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted etc., That the Secretary of War be, and he is hereby, authorized to erect one single marker at the grave in the La Fayette Cemetery at La Fayette, Ga., in which are buried 15 unknown Confederate soldiers killed in action in 1864, at a cost not exceeding the cost to be represented by 15 separate markers as now authorized by law.

Mr. McSWAIN. Mr. Speaker, I yield two minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, this bill involves no expense to the Government. Some three years ago Congress passed a law authorizing the marking of unmarked graves of Confederate soldiers, thereby evidencing the fact that the time had arrived, spoken of by the poet, when good feeling between the North and the South has reached that point when it can be truthfully said that "They have banished our anger forever when they laurel the graves of our dead." Fifteen Confederate soldiers, killed in action, are buried in

one plot in the La Fayette Cemetery at La Fayette, Ga. Under existing law one marker for each grave may be obtained. The markers cost approximately $6 each in that area. This bill simply proposes to allow the Quartermaster General to combine the cost of the 15 markers and erect one marker for the 15 graves, at a cost of approximately $90.

I apprehend there will be no objection.

Mr. TILSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TILSON. I have no intention of attempting to take any powers away from the gentleman from South Carolina; but this bill, being considered in the House as in Committee of the Whole, is it not true that any Member who claims the floor under the regular 5-minute-rule procedure can gain the floor without permission of the gentleman from South Carolina? I just wish to have this matter made clear.

The SPEAKER pro tempore. Any Member offering an amendment is recognized for five minutes.

Mr. BLANTON. Mr. Speaker, I move to strike out the last word.

Supplementing the statement made by the gentleman from Missouri [Mr. COCHRAN], and to show the necessity for such a bill as he proposes now pending before the committee, last fall a threatening letter was sent to one of my constituents, Mr. Mud Young, of Clyde, Tex., one of the prominent citizens of that community, notifying him that, unless he placed a certain amount of money at the corner of his field by a given time, his house would be burned and dire calamity would happen to his wife and children. He and a bunch of officers hid in that vicinity waiting for the thugs. They did not come. The next morning he got another letter through the mail telling him that they found out that he was watching for them with officers and they were getting tired fooling with him, and if he did not place the money at the designated place by that night, their threats would be carried out. He substituted a package of newspapers for money and placed it at the spot designated, and he and the officers stayed there until half past 3 o'clock that morning, when a big storm came up and they left and went home. The next morning the package was gone. He received another threatening letter telling him that they found out about his watching.

I sent those letters to the Department of Justice. They said they could not do anything with them because it was not a crime, unless the Post Office Department could handle it. I sent those letters to the Post Office Department and they informed me there was not any law to prevent the sending of that kind of threatening letter through the mail.

That is the state of facts as they exist at this time. I mention this to show you the necessity of such a bill as that proposed by the gentleman from Missouri [Mr. COCHRAN].

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. KELLY of Pennsylvania. I would like to inform the gentleman that the Post Office Committee held lengthy hearings last week on that bill, and I can promise the gentleman that in a short time we will have a bill before the House that will deal with this use of the United States mails by kidnapers.

Mr. BLANTON. Yes; and there should be a law making it a first-degree felony to send such a letter through the mails, carrying a penalty attached to it that would stop the writing of such letters.

Mr. MOREHEAD. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MOREHEAD. Being a member of the Committee on the Post Office and Post Roads, that committee just reported a bill and it will be here in a short time. It provides a penalty of $5,000 fine——

Mr. BLANTON. Oh, it ought to have a penalty of death. There is nothing short of death that will stop this kind of threatening letters. The penalty should be death, and nothing less, and it should not be confinement in the penitentiary or a fine.

Mr. MOREHEAD. That was my suggestion, and I so stated in the committee.

Mr. BLANTON. We should amend that bill when it is brought on the floor and provide a death penalty that will stop such threats being sent through the mails, intimidating citizens all over the land. It so happens that this man was not afraid. It so happens that he had the help of good officers, but to-day he never knows when the assassin's knife is going to strike him in the back. They may strike a member of his family. While he is a brave man, he walks the streets with that apprehension in his heart all the time. There should be a death penalty that would stop it.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered. The bill was ordered to be engrossed and read a third time, was read the third time and passed.

On motion by Mr. McSWAIN, a motion to reconsider the vote by which the bill was passed was laid on the table.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM, from the Committee on Appropriations, presented a privileged report on the bill (H. R. 10022, Report No. 659) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes, which was read the first and second time, referred to the Committee of the Whole House on the state of the Union, and ordered printed.

Mr. STAFFORD reserved all points of order.

REGULATING APPROPRIATIONS FOR MILITARY AND NONMILITARY ACTIVITIES OF THE WAR DEPARTMENT

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 8330) regulating the use of appropriations for the military and nonmilitary activities of the War Department.

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, the Senate has passed an identical bill, S. 3514. I ask unanimous consent that the Senate bill (S. 3514) be substituted in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I do it merely to ask the gentleman the question if the Senate bill is identical with the House bill?

Mr. McSWAIN. It is identical, word for word.

Mr. BLANTON. And just what does the bill propose to do?

Mr. McSWAIN. The bill proposes to regulate the provisions now carried in the appropriations bill, which restricts purchases by the War Department to American products, and it is in order to prevent a point of order lying against that appropriation.

Mr. BLANTON. There is no technical "Army" language in the bill that will grant promotions or increased pay or additional charges on the United States Treasury?

Mr. McSWAIN. I do not think so.

Mr. BLANTON. I mean technical language that provides for additional benefits that Members can not understand.

Mr. McSWAIN. Oh, no; not at all.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the Senate bill.

The Clerk read the title of the Senate bill.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That in the expenditure of appropriations for military and nonmilitary activities of the War Department, the Secretary of War shall, unless in his discretion the interest of the Government will not permit, purchase or contract for, within

the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

Mr. LAGUARDIA. Mr. Speaker, I move to strike out the last word. As the gentleman is aware, the Army practically runs the entire Canal Zone. They have a commissary department and a general store. But does the gentleman know that the Army stationed in the Canal Zone and Government employees there use hundreds of thousands of pounds of butter every year that is imported from Australia?

When the House added an amendment to the Army appropriation bill compelling the War Department to make all of its purchases within the continental United States, without any limitations, there was so much consternation in the department that they sent for the Governor of the Canal Zone. The House amendment was subsequently toned down and modified in conference. I talked with the governor about it. I talked with him again about it a year later and he confirmed the fact that every pound of butter that is consumed in the Canal Zone is purchased in Australia. I want to ask the gentleman if he believes this bill will give American dairy interests an opportunity to sell butter to the Canal Zone, because it is quite an item?

Mr. BARBOUR. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BARBOUR. Is not this practically the same provision that was included in the War Department appropriation bill for this fiscal year?

Mr. McSWAIN. It is. It was carried in the appropriation bill without authority of law and this is to make it permanent law so that a point of order will not lie against such a provision in any future bill.

Mr. BARBOUR. The situation which the gentleman from New York has just described does not exist at the present time because of the provision that was carried in the War Department appropriation bill for this fiscal year.

Mr. LAGUARDIA. This provision is not sufficiently broad to cover the matter. I can assure the gentleman that General Burgess told me on his last visit that they were still purchasing all of their butter from Australia. They like it because it costs less.

Mr. BARBOUR. Is that the reason he gave for it?

Mr. LAGUARDIA. Yes. There could not be any other reason, I am sure.

Mr. BARBOUR. That is purchased, I understand, by the Panama Railroad and not by the Army.

Mr. LAGUARDIA. I do not care by whom it is purchased. We own the Panama Railroad. Let us get this clear and let us not becloud the issue. The Panama Railroad is owned, every bit of it, by the United States Government and operated by the Government. It is as much a part of the United States Goverhment as the War Department itself, and it does not look very well for that company, in order to save a fraction of a cent on a pound of butter, to go to Australia and purchase its butter. The butter is not only purchased abroad but it is carried in foreign bottoms from Australia to the Canal Zone.

Mr. BACON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BACON. Can the gentleman tell me whether the Panama Railroad is operated by the War Department?

Mr. LAGUARDIA. No; it is operated by the Canal Zone government.

Mr. BACON. It ought to be included.

Mr. LAGUARDIA. Certainly it ought to be included.

Mr. BARBOUR. Let me say that I am just as much in favor of this as is the gentleman from New York, and I thought the matter was reached by the provision carried in the War Department appropriation bill for this year.

Mr. LAGUARDIA. But that did not reach it. I am wondering whether the gentleman from South Carolina will agree to an amendment to the bill. I want to give our dairy interests an opportunity to sell butter to the Canal Zone, and I want to appeal to my colleague [Mr. TABER] to help me in that, because he represents dairy interests.

Mr. TABER. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. TABER. I will tell the gentleman what the situation is. I have the misfortune of being a director of the Panama Railroad. The Panama Railroad, under this provision, has not the legal authority to buy this stuff. This does not hit the Panama Railroad, the language not being broad enough to meet the situation. Whether an amendment can be placed in this bill which will reach it I do not know, but the present language is not broad enough to meet the situation in regard to the Panama Railroad.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. The situation is this: The Panama Railroad is a private corporation, all of the stock of which is owned by the Government. It is operated by a board selected by the Secretary of War. In order to reach that situation you would have to have broader language than you have at the present time.

Mr. STAFFORD. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. STAFFORD. As I understand the operation of the Panama Railroad, the Government operates it under the fiction of a corporation, but all of the stock is owned by the Government.

Mr. TABER. That is correct.

Mr. STAFFORD. Here we have a Government agency, operated by the Government, but under the fiction of a corporation, whose stock is owned by the Government, purchasing supplies outside of the United States, whereas if the Panama Railroad Co. was operated directly by the Government of the United States the inhibitions of the proposed bill would be applicable.

I would like to inquire of the gentleman from New York [Mr. TABER], who has vast knowledge not only of the operations and affairs connected with the War Department but also the Navy Department, whether he knows of any other instrumentality which is similarly situated to the Panama Railroad Co., where the Government is operating an activity and the stock is owned by the Government?

Mr. TABER. The Merchant Fleet Corporation would be one and the Mississippi Barge Line Corporation would be another.

Mr. LAGUARDIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 1, line 4, after the word "Department," insert the following: "the Panama Railroad Co. or any other corporation whose stock is entirely owned by the United States Government."

Mr. McSWAIN. Mr. Speaker, I make the point of order that the amendment is not germane to the bill. This is not done out of hostility to the purpose of the amendment, which is good; but the Committee on Military Affairs does not have jurisdiction of legislation relating to the Panama Canal.

Mr. LAGUARDIA. If I limit it to the Panama Railroad Co. will the gentleman not urge his point of order?

Mr. McSWAIN. Does the gentleman from Connecticut [Mr. GOSS] think this amendment is all right and will not defeat the purposes of the bill?

Mr. GOSS. Yes; I think it is all right.

Mr. STAFFORD. Mr. Speaker, I would not be willing to subscribe to the general policy that the Fleet Corporation should be banned from purchasing any supplies not made in the United States. The appropriate committee of the Congress has not given any consideration to that phase of the question.

Mr. LAGUARDIA. Will the gentleman reserve his point of order?

Mr. McSWAIN. Yes; I reserve the point of order.

Mr. LAGUARDIA. Then I ask unanimous consent to modify my amendment by having it read, after the word "Department," "and the Panama Railroad Co."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARBOUR. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BARBOUR. The bill states "that in the expenditure of appropriations for the military and nonmilitary activities of the War Department." The Panama Canal is included in that language, because that is carried among the nonmilitary activities of the War Department.

Mr. LAGUARDIA. All right; but we have had that experience before. Let us now put in the Panama Railroad Co.

Mr. BARBOUR. All right; but it does not add anything.

Mr. LAGUARDIA. I have taken that chance for four years now and have been defeated.

I move to amend, Mr. Speaker, by inserting, after the words "War Department," the words "including the Panama Railroad Co."

The SPEAKER. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 1, line 4, after the words "War Department," insert the words "including the Panama Railroad Co."

Mr. BANKHEAD. Mr. Speaker, I move to strike out the last word for the purpose of making an inquiry.

I would like to inquire of some gentleman who knows whether or not the Panama Railroad Co. is operated out of appropriations made for the War Department?

Mr. TABER. It is not.

Mr. BANKHEAD. Then what is the necessity of putting in this amendment?

Mr. LAGUARDIA. I will say to the gentleman from Alabama we have been trying to reach this situation for the last four or five years. Every year I am given assurance that the amendment offered to the appropriation bill will carry out the purpose, only to find out, after July 1, that it is not being carried out.

Mr. BANKHEAD. The gentleman from New York must be impressed with the proposition that it looks like a futile thing to undertake to put a limitation upon an appropriation that is not used at all for the purpose of operating the railroad company.

Mr. LAGUARDIA. I do not see why the legislative provision is in the form of a limitation. It ought to be legislation that they shall not do this.

Mr. BANKHEAD. I have no interest in the world in the matter, but it seems to me it is rather irregular and unusual to seek to tack onto a bill something that is not at all germane to the limitations they are endeavoring to put on the appropriation. However, if it is acceptable to the members of the committee, it is all right with me.

Mr. TABER. Mr. Speaker, I ask recognition against the amendment.

If this amendment were drawn in such shape that it would meet the situation, I should not object to it, but the Panama Railroad is operated out of the funds that it receives for the transportation of property and out of the funds it receives from the sale of merchandise to the employees of the Canal Zone, and not out of appropriations.

The way they buy the butter is this: The Panama Railroad operates a number of stores for the convenience of the employees in the Canal Zone. It buys the butter to sell to the employees. None of the money used to buy the butter is received out of any money appropriated, or money that is carried in the War Department appropriation bill. Therefore, to add the words "Panama Railroad" would not affect the operations at all, and would not put the railroad in the position where it could do that.

Mr. LAGUARDIA. The gentleman is quite right in what he says. The bill is drawn as if it were an amendment to an appropriation bill. It is inartistically drawn. When the gentleman says that the money that buys the butter is not appropriated I will say that every cent is, because we pay the salaries of the employees.

Mr. TABER. But the salaries are paid out of the revenues of the canal and not out of appropriations.

Mr. TILSON. Will the gentleman yield?

Mr. TABER. I yield.

Mr. TILSON. Is not the only way to reach the desired result to amend the charter of the Panama Railroad Co.? The Panama Railroad is chartered under State law, and although now owned by the Government, it is operated under its charter just as any private enterprise is operated. The only difference is that the United States Government owns all the stock of the Panama Railroad Co.

Mr. FISH. Mr. Speaker, I move to strike out the last two words. There has been considerable complaint from all parts of this country that the War Department has been forced to buy matches from the Soviet Government. Under the provisions of this bill, will the War Department be able to buy American goods, even if the soviet trade agencies bid a lower price?

Mr. McSWAIN. That very fact called the attention of the House to this and prompted the amendment to the appropriation bill. The provision in the appropriation bill has served to prevent the purchase of matches from Soviet Russia or from any other country. I understand that the operation of this same law, which was in the appropriation bill last year, has had that effect. I am confirmed in that by the gentleman from California [Mr. BARBOUR], who is on the Subcommittee on Appropriations.

Mr. GOSS. I would like to ask the gentleman if he has taken up this matter with the Secretary of War. The language in the bill is that the Secretary of War——

Mr. FISH. I did some time ago, and the Secretary of War said that he could not do anything, because his hands were tied by Congress and that the War Department must buy goods from the lowest bidder and that he had no discretion. I hope the pending bill will pass and be enacted into law so that the War Department and other departments of the Government may give preference to American-made commodities.

Mrs. KAHN. Mr. Speaker, I move to strike out the last word. I introduced a bill covering all the departments and the independent offices as well, and if that bill could be reported out it would cover corporations owned by the United States, and also all the departments, instead of having an amendment to every appropriation bill subject to a point of order. It is a blanket bill covering expenditures in all departments.

Mr. BACON. Will the lady yield?

Mrs. KAHN. I yield.

Mr. BACON. I want to say that one of the most glaring examples is the Veterans' Bureau. I have been struggling for the last few weeks to get the Veterans' Bureau to purchase only American goods. To bring this about I am informed that legislation will be necessary. General Hines, I believe, would favor such legislation.

Mr. LAGUARDIA. What do they buy?

Mr. BACON. For all their hospitals they buy feathers for mattresses and pillows from China.

Mr. LAGUARDIA. That is an outrage.

Mr. BACON. I have been trying to get them to buy only American material for this purpose and adopt the same American standards and specifications that prevail in the Army and Navy.

Mrs. KAHN. I simply took the names from the Congressional Directory, under which they are listed. They are listed under the head of "Independent offices and establishments."

Mr. BACON. I hope the Veterans' Bureau will be included.

Mrs. KAHN. It is included.

Mr. GOSS. Mr. Speaker, will the lady from California yield?

Mrs. KAHN. Yes.

Mr. GOSS. I call the lady's attention to the fact that the Army appropriation bill has not yet been reported. The bill under consideration has passed the Senate. If the House adopts this bill to-day and it can be signed and made a law, a point of order can not be raised to the proposition on

the Army appropriation bill which is about to come up for consideration in the House. That is the idea in trying to get this bill through now.

Mrs. KAHN. I am not opposed to the bill; but I rose to say that if we could hurry up legislation on the bill I introduced it would do away with all these bills being necessary and would do away with all points of order raised against such provisions, because the bill is almost all-embracing.

Mr. LAGUARDIA. Mr. Speaker, it is clear to me that my amendment is futile the way the bill is drawn. I therefore ask unanimous consent to withdraw the amendment.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

House bill 8330 was laid on the table.

EXTENDING HOSPITAL AND HOME FACILITIES TO CONFEDERATE VETERANS

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 4577) to extend hospital and home facilities to veterans of the Confederate Army and Navy, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from South Carolina calls up the bill H. R. 4577, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, I think the bill should be considered in the Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from New York objects. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union, and the gentleman from Oregon, Mr. MARTIN, will kindly take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4577, with Mr. MARTIN of Oregon in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That officers, soldiers, sailors, or marines who served in the military or naval forces of the Confederate States shall hereafter be admitted to the National Home for Disabled Volunteer Soldiers and to hospitals under the jurisdiction of the Veterans' Administration on the same terms and conditions as honorably discharged officers, soldiers, sailors, or marines who served in the military or naval forces of the United States during the War between the States.

The CHAIRMAN. The gentleman from South Carolina in charge of the bill, Mr. McSWAIN, is entitled to one hour, and the gentleman from Connecticut, Mr. Goss, is entitled to one hour.

Mr. GOSS. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, I was hopeful that I might be relieved of the embarrassment which my opposition to this bill might bring. Since the bill came up under unanimous consent, when I objected to it, I have talked with quite a number of men who represent States in the South. I find, very much to my gratification, that there is a general sentiment among those gentlemen in opposition to this bill. Of course, they find themselves, as I do, in an embarrassing position, because the purpose of the bill undoubtedly appeals to the sentiments and emotions of anyone; but they feel again, as I do, that they are sacrificing a record which has never been approached in the history of the world—a record which has extended over a period of 60 years and more, a record which has the admiration, I believe, of every descendant of every Southern soldier and of every veteran of the Confederate Army, that the States of the South, without Federal assistance, without help from outside of their own borders, have, ever since the War between the States, cared for their veterans.

I do not believe the people of the Southern States want to sell this heritage for a mess of pottage, for at the most this is only a friendly gesture on the part of the Committee on Military Affairs. Mr. Frank T. Hines, Administrator of Veterans' Affairs, says:

> I can not help but be sympathetic toward these old soldiers in their declining years, but the policy involved in these proposed measures is one of such national policy that only the Congress can best decide its merits.

Then he says at best it could only be a gesture, because there are not beds enough at the present time in the bureau hospitals to take care of veterans of the World War and the Spanish War who are applying for hospitalization.

Unless some Member from the South wants to take the floor and help to preserve for all time this record of sacrifice of his people who will carry on just for a few years more that splendid service which they have rendered for so long a period of time, I am not going to be the goat. I am not going to appear as being opposed to my own people, because if they were living to-day I would have many relatives who would come under the provisions of this bill. It is my purpose, and only purpose, as I said before, which I emphasize now by repetition, to preserve this wonderfully proud record of devotion and courage for the Southland.

Mr. McSWAIN. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Chairman, this bill is the child of the Veterans of Foreign Wars, which, as we know, is an organization composed of veterans of the different wars in which our country has been engaged during the past 50 years or more. The membership of that organization is made up almost entirely of men from the North and from the West. Very few men from the South hold membership in the organization. The bill has the indorsement of Watson B. Miller, chairman of the rehabilitation committee of the American Legion. The Veterans' Administration, in reporting on the bill, has well said that the bill involves a policy which the Congress, and not some bureau, should determine, but that, so far as the administrative features of the bill are concerned, they can be satisfactorily carried out by the Veterans' Administration.

It is estimated by the Veterans' Administration that there are, perhaps, some 540 veterans who might seek admission to soldiers' homes or to hospitals. That estimate of 540 was made about a year ago. Since that time the ravages of death have depleted the number of veterans in this country some 20 per cent, and instead of 540 there would be to-day, approximately, 432.

Mr. SIMMONS. Will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. SIMMONS. The report does not state. Are any of these Confederate veterans now without hospital or domiciliary care?

Mr. HILL of Alabama. I was about to come to that. Let me say in reply to the gentleman that I am advised by the president general of the Daughters of the Confederacy that in the State of Connecticut there is an old veteran and a small chapter of the Daughters of the Confederacy in that State have been paying $18 a week for hospitalization for that veteran. Of course, the passage of the bill would make that veteran eligible for admission to a Government home or Government hospital.

I am also advised by the president general of the Daughters of the Confederacy that in California there is a small number of veterans in the Confederate Veterans' Home; that the number of these veterans to-day is so small that the maintenance and operation of this home constitute a very great burden for the small number cared for.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. WOOD of Indiana. Are there not some Confederate homes in the Southern States?

Mr. HILL of Alabama. Yes. In reply to the gentleman from Indiana, permit me to state that every Confederate State has had or has to-day a home for its veterans. It is not the thought of the authors of this bill that these veterans will be placed in Government homes or Government hospitals.

Mr. WOOD of Indiana. Suppose this bill is passed, of course, all the veterans now occupying Confederate homes in the South would be eligible to admission under this bill?

Mr. HILL of Alabama. That is correct.

Mr. WOOD of Indiana. Is it the purpose to follow this up and ask the Government to take over these Confederate homes in the Southern States?

Mr. HILL of Alabama. I would say absolutely not.

Mr. WOOD of Indiana. That would be almost the logical conclusion, would it not?

Mr. HILL of Alabama. No; I think not. I want to say in reply to the question by the gentleman from Indiana and in reply to what the gentleman from Massachusetts has said that the people of the South are very proud of the way in which they have taken care of their veterans. We have taken care of these veterans in many instances at great sacrifice to ourselves, and we would do nothing or ask nothing that we felt would in any way mar the record of the past.

Mr. SNELL. Will the gentleman yield?

Mr. HILL of Alabama. I yield.

Mr. SNELL. In reading the letter from Mr. Hines, Administrator of the Veterans' Bureau, I take it from the report on page 3, in the first section, that if this bill is pass it will be necessary to provide some additional beds to take care of these soldiers, because there is none available at the present time.

Mr. HILL of Alabama. I think not, for this reason: The evidence before our committee and the information we received convinced us that there would be very few of these veterans who would avail themselves of this privilege if it were granted. Permit me to say to the gentleman from New York that a soldier who at the age of 18 years entered the war during the last year, 1865, would to-day be 85 years of age. These veterans are practically all gone, and it is only a matter of taking care of a very few in States like Connecticut or California, or some of the Northern States, where there are no homes and no facilities.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield five additional minutes to the gentleman from Alabama.

Mr. HILL of Alabama. The thought might be projected that the veteran in Connecticut should go to Alabama. He would doubtless be welcomed to the home in Alabama, but he no doubt has family ties and other ties in Connecticut that would cause him to hesitate to go so far away from those ties.

Mr. SNELL. Are there any records to show how many there really are? Of course, there are no Government records. At the present time if we place a Union soldier in a hospital we look up the records. Where would we go to get any record to prove that any man who claimed the right to go was really entitled to it?

Mr. HILL of Alabama. There are a great many of those records in the office of The Adjutant General here in Washington. In addition thereto the States have their records.

Mr. SNELL. The gentleman says there is evidence that there are very few of them, but here is the record of the administrator, Mr. Hines, who says it will be necessary, if we pass this bill, to have additional beds to take care of them, because there is none available at the present time.

Mr. HILL of Alabama. If the gentleman will notice the language, General Hines says, "Who might require." I emphasize the use of the word "might" and the fact that he has estimated on the basis of all the veterans who might be available for this relief.

Mr. SNELL. Does the gentleman not imagine that a great many of them will take advantage of this if it is passed?

Mr. HILL of Alabama. I do not, because nearly all of those who need domiciliary care are in homes operated by the several States.

Mr. SNELL. What is going to be the feeling of the Union soldiers when we put these Confederate soldiers in the same homes with them?

Mr. HILL of Alabama. In reply to that I want to say to the gentleman from New York that I can not but believe that whatever feeling might have existed in the past and whatever bitterness might have existed—and, of course, those feelings and that bitterness were mutual—have disappeared. I think we all realize that we are now one great people and that the soldiers of the North appreciate that fact as much as we of the present generation.

Mr. SNELL. Information came to me a while ago that a short time ago they had a parade somewhere and the Union soldiers did not want to march with the Confederate soldiers who carried the Confederate flag. Is that so?

Mr. HILL of Alabama. Not to my knowledge.

Mr. SNELL. I would be willing to provide a hospital or Confederate home for them, if necessary, but I think it would be a mistake to put them together at this time, and I say that with all friendliness to the North and to the South.

Mr. HILL of Alabama. May I say to the gentleman that on Confederate Memorial Day Union soldiers often ride in parades and take part in memorial exercises side by side with Confederate soldiers.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BYRNS. Will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. BYRNS. I did not know this bill was pending until a moment ago and the gentleman may have already covered my query. Has the gentleman any information that the Confederate soldiers want this kind of legislation?

Mr. HILL of Alabama. My information comes from the president general of the Daughters of the Confederacy.

Mr. BYRNS. I am talking about the soldiers themselves. They have their organization and they meet regularly, as the gentleman knows, and I would like to know whether or not they want this legislation, because they are the ones to whom it applies.

Mr. HILL of Alabama. In reply to the gentleman I will say I am not aware that the Confederate veterans' organization has taken any action one way or the other, but I do know that the Daughters of the Confederacy, which, as the gentleman knows, is an auxiliary, in a way, of the Confederate veterans' organization, are very strong for the passage of the bill.

Mr. BYRNS. The gentleman does not need to be told that I am devoted to the Confederate soldier. A number of my family were engaged on the side of the Confederacy, and the man for whom I am named was killed in the war, but I was told by very prominent Confederate soldiers in Nashville when the subject of pension legislation was up they were bitterly opposed to it. They said they did not want any such legislation, and that is the reason I have asked these questions.

Mr. HILL of Alabama. I wonder if the gentleman was present in the Chamber when I stated it was the thought that this bill would take care of those Confederate soldiers who to-day are in Northern States, where there are no Confederate homes.

Mr. BYRNS. I will say that in my State we have a Confederate home. There are not many in it now, I am very sorry to say, because they are dying very rapidly. But we have a splendid Confederate home with 400 acres of fine grounds around it. It is near the city of Nashville, and in close proximity to the Hermitage, and there we take care of the Confederate soldiers, not only when they need medical relief but when they need support. We take care of them during their declining years, and the State of Tennessee does not ask the Federal Government to take care of its own heroes.

Mr. HILL of Alabama. I will say we have a Confederate home in Alabama, and Alabama does not ask the Federal Government to take care of its heroes.

Mr. BYRNS. Has the gentleman any expression from the commander in chief of the Confederate organization to the effect that he would like to have this bill passed?

Mr. HILL of Alabama. I have not, except the sentiments conveyed to me through the president general of the Daughters of the Confederacy.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. UNDERHILL. Will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. UNDERHILL. I will say to the gentleman from Tennessee that since I made my objection to the consideration of this bill and stated my reasons therefor I have received a large number of letters from Confederate veterans and from ladies connected with the woman's auxiliary. With one or two exceptions, every one of them supported the position I took on the floor of the House. Furthermore, may I say that in my own city up to two years ago we had a Confederate veteran and for 10 years previous to his passing away the people in my own city, including the Ladies' Auxiliary of the Grand Army of the Republic, treated him with the same consideration that any Union veteran received. In many of the States where there are more than one or two Confederate veterans and no Confederate home, I have learned they have treated them the same as they have treated Union soldiers. I find that the support of the South is almost universal in reference to the position I have taken in the matter.

Mr. SIMMONS. Will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. SIMMONS. The gentleman stated the purpose of this bill is to take care of the few Confederate veterans who may be in Northern States that do not have Confederate veterans' homes. Would the gentleman accept an amendment to the bill, providing that this shall not apply to residents of States that maintain homes for Confederate veterans?

Mr. HILL of Alabama. I do not know that I see any particular objection to that amendment, and yet if you are going to give it to one, why not give it to all. Besides the thought of the few veterans who might be taken care of, it was also the thought of the committee that this was a fine and a gracious gesture that would show to the country and to the world that any feeling left from the conflict of 1861–1865 is at an end; that we, the people of the United States, have reached that point in our history when we can look upon that conflict with the same feeling that the people of England look upon the War of the Roses.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Chairman, I yield two minutes more to the gentleman from Alabama.

Mr. HILL of Alabama. Let me say in reply to the gentleman from Nebraska, I can see that there might be a situation where some home may not have but one occupant left, with a very great overhead, and under those conditions it might be that the veteran himself, as well as those in charge of the home, might want to ask for the relief given in this bill. Of course, the amendment suggested by the gentleman from Nebraska would preclude this.

I can not overemphasize that, after all, the dominant thought behind this bill, and the dominant thought behind the committee in reporting the bill, is that it is a fine gesture; that we, as a people, are proud of the valor and the heroism and the sacrifices of the soldiers of 1861–1865, irrespective of which side they fought on, and that the daring deeds and wonderful self-abnegation of these soldiers is a common heritage.

Mr. SNELL. Will the gentleman yield for one more question?

Mr. HILL of Alabama. Yes.

Mr. SNELL. It seems to me if we are going to go as far as the gentleman asks in this bill, we ought to have at least consulted the commanders on both sides. If it is a proposition, as the gentleman says, only a gracious gesture and, as the gentleman says, he does not know what the commander of the Department of the South wants or what the commander of the Department of the North wants, it seems to me it would have been fair to have taken that question up, if it is simply a gracious gesture. If it is a matter of transferring all these men and putting them in another place, that is another proposition, because that would involve considerable expense to the country.

Mr. HILL of Alabama. Let me say to the gentleman that I have no direct word myself from the commander of the Confederate Veterans' organization as to this bill, but I have been advised by the president general of the Daughters of the Confederacy that not only does that organization, which is the auxiliary of the men's organization, want the bill but that the Confederates themselves want it.

Mr. SNELL. Then, it is more a matter of need and of fact than just a gesture.

Mr. HILL of Alabama. I would say it is both. I would say that it is a gesture and would, perhaps, meet some need.

Mr. JOHNSON of Washington. How many former Confederate soldiers are there at present in the Confederate hospitals in the Southern States?

Mr. HILL of Alabama. I have no compilation of those figures.

Mr. JOHNSON of Washington. Several thousand?

Mr. HILL of Alabama. Oh, no; nothing like that. I was at the Confederate home in the State of Alabama last summer, and there were about five or six at that time. There are very few. They are all gone.

Mr. Chairman, I yield three minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, to me this is a most embarrassing bill and creates a most embarrassing situation.

We down in my part of the country have always felt it was our duty to take care of the Confederate soldier [applause] and this we have always done [applause] and this we always will do, with love and kindness and tenderness, as long as there is a dependent one there. [Applause.]

We do not believe that the Confederate soldiers, the few of them that are yet living and who may need the help of the Government, would desire that the Congress of the United States invite them into any home except the ones that the legislatures in our States provide for them.

I hope and trust, therefore, that to keep down an embarrassing vote here—and, of course, I shall vote against this bill if it comes to a vote—that the bill will be withdrawn. I would like very much to see the committee in charge of the bill do this. I believe if they did, they would express the views and the feelings of 99 per cent of the living Confederate soldiers and 99 per cent of their descendants. I hope, therefore, they will withdraw this bill and not have it here for consideration. [Applause.]

We love the Union, we are glad we are in the Union, and our fathers, before they mingled with the dust, were glad also, 99 per cent of them, that the difficulties between the North and the South were settled and that we were again a united country, with one aim, and one purpose, and that to uphold the glory and the dignity and the perpetuity of this, the greatest Government upon the face of the earth.

We do not need, and a vast majority of us do not want at this hour, anything from the Federal Government that would make it appear that we are not willing to take care of the graves of our dead or the bodies of our living. [Applause.]

Mr. McSWAIN. Mr. Chairman, I yield two minutes to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Chairman, with reference to the statement by the gentleman from Texas that we do not wish any help from the Government for the care of the graves of our dead, I want to say that the Federal Government is already, by act of Congress, marking the graves of Confederate soldiers, and Members from the South who are opposing this bill have been most active in securing the markers.

If, however, there has been one thing that the people of the South and their Representatives have been united on, have been all of one accord on, it is the matter of the care and attention given to the Confederate soldiers; it is the love and affection which the people of the South have held for those soldiers. I have no disposition to divide the people of the South or their Representatives by a bill of this kind. Surely I would deplore anything that might do that.

Under the circumstances, since there is such a wide divergence of opinion among the Representatives from the South, among the Representatives of the people who would be affected by this bill, if there is no objection from other members of the committee, I am going to ask unanimous consent that the bill be withdrawn for the present. [Applause.]

Mr. McSWAIN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MARTIN of Oregon, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 4577 and had come to no resolution thereon.

Mr. McSWAIN. Mr. Speaker, in view of the sentiment so well expressed by the gentleman from Alabama in Committee of the Whole, I move that the bill be recommitted to the Committee on Military Affairs for further consideration.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GEORGE WASHINGTON

Mr. COLE of Maryland. Mr. Speaker, I ask unanimous consent to print in the RECORD an address delivered in my district on George Washington by my colleague, Mr. HAINES.

The SPEAKER. Without objection, it is so ordered.

Mr. COLE of Maryland. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address delivered in my district on George Washington by my colleague from Pennsylvania [Mr. HAINES]:

The people of the United States have decided that for the next nine months they will pay honor to the memory of the greatest man this, or perhaps any other, nation has produced. This will be a great year, 200 years since the birth of George Washington, and the year that will go down in history as one in which a great nation, with a great people, will gather in their respective communities to render to the greatest of this Nation's men a tribute such as no other figure in our American national life has or may ever receive. It is to be a new kind of a tribute—a tribute to a man who ushered in new ways to advance the cause of humanity.

The history of nations reveals great characters, reveals strong personalities who have made great contributions to their people—indeed, have made great nations—and these have had their honor. Unfortunately, too often the nations they founded were built on the wreckage of others and the honors they received were tinged with regret for those they had ruined. The tribute we are to bestow upon a great character this year we Americans will render with no regrets, because it is distinguished in history, by the fact it is to be one of reverence and affection of honor and gratitude, untainted by such regrets. The man we honor conquered nothing but oppression. He wrecked nothing but political wrongs. He did not injure any other people, but he built here the greatest democracy ever assembled. We can search his deeds as we will, we can explore his character as we will, or however we may, and we can find no flaw in either. Here is a man who had nothing but goodness to give and he gave it all. Out of all his wisdom and goodness that he so willingly bestowed upon this great Nation of ours has grown this America—this fair land, the home of the brave and the free, a pattern for all other lands to develop their democracies. I am speaking of George Washington, the first American, the father of the land we love—patriot, statesman, philanthropist, Christian gentleman. It was this man who by his own patriotism, sacrifice, and suffering made possible a nation that was first to open up freedom of opportunity to every human being.

That is the man we honor this year and in honoring him we honor ourselves, for we are of his stock, if you please, and his having lived and sacrificed has handed to you and to me a heritage unsoiled and which should be sacred and inspire within each one of us a holy ambition and desire to hand to our posterity an even greater nation—a nation that might always stand for those fine principles that characterized this great man. While George Washington lived he was honored as no other American has ever been honored, then or since. Virginia gave us this great man—and yet he was a part of all this section of the United States. Indeed, if one had the time to delve into the facts as history reveals concerning this man, one would learn that he had much to do with Maryland and Pennsylvania, particularly in western Pennsylvania, where he went as a boy 16 years of age and early in life revealed those characteristics that were to stamp him as the great man he really was.

Reared in the home of honest people, accustomed to hardship, appreciating the hardships of honest labor, bearing the inconveniences of his day with fortitude and great courage, acquainted with the vast extent of territory and very early in life appreciating its possibilities for development, he chose to learn much about this territory, and, as a result, he spent much of his time away from his own fireside. Time will not permit me to dwell upon the early life of this wonderful man, but I would recommend that each one of you learn all you can about the youth of George Washington and the contribution he made when but a mere boy.

Learn of the great part he played in keeping the English-speaking race in that great country west of the Alleghenies and the value of his services to the early settlers and to the Army of Great Britain in that great conflict for supremacy in western Pennsylvania and Maryland, much of which has had a distinct bearing upon the history and geography of the United States. That, too, is another subject, and I suggest that you learn all you can about George Washington as a young man and then learn to appreciate youth more perhaps than before. Born 200 years ago, honored and revered, I say, as no other American, and if there is any change in George Washington's place in the respect and affection of the American people, his position is higher than ever. That, my friends, is some indication of George Washington's undying influence, his immortal and merited fame. We have every reason of feeling proud for having given this great name to the world, a name that will live forever, and in the two hundredth anniversary it is hoped that we will inculcate in the minds of the youth of to-day those fine principles of morality, courage, and patriotism for which George Washington stood, indeed, for which he was willing to give his all, and if we do nothing more this year than to hand to the present generation a better understanding of this great soul, we have done something which money can never give. In our ambitions as a people, in our aspirations for the success of this great Nation of ours, I am fearful we have gotten away from the many fundamentals for which George Washington was willing to lay down his life, for, after all, my friends, did not he lead his band of patriots, footsore, hungry, and ragged, over the rivers, at Valley Forge, Brandywine, and elsewhere during the most terrible suffering and at tremendous cost, not that wealth might be granted to his people, but rather liberty, freedom, representative government, without which we as a Nation will lose the greatness that has been ours during all the years of the past since this man. Is it any wonder, then, that we have the instincts of a national pride that we have given the world this wonderful man and that we want to honor and remember him?

This, then, my friends, should lead us to a self-examination.

There never was a time in the history of our Nation when that self-examination was more necessary than now to see if we still observe his counsels, to see if our America is to be immortal, as Washington built it and wanted it to be. Our hearts must be stirred as we think of this, and I think that still another motive should stir our hearts. That motive should be a great national resolution that each one of us should want to turn back again to Washington, to refresh ourselves anew at the fount of his patriotism, to learn again from his counsels, to be guided again by his principles, to forget our selfishness and think once again, thinking more of our country, as he did, for to him his country meant everything.

I often hear of men wanting to die for their country, but I would much prefer to have men want to live for their country, so to live that by the example they set they not only contribute to a more stable and sound country but hand down to our posterity a name of which no one need be ashamed. Oh, how I wish, my friends, on this two hundredth anniversary of George Washington's birth that it might be an occasion of a great national determination that America shall be immortal, as he meant it to be. When Congress determined seven years ago that the two hundredth anniversary of this man was to be celebrated throughout the Nation and not in any one place, city, or community, but that the celebration should be taken to the people themselves, not only in the United States but throughout the world as well, in the creation of the Bicentennial Commission, the thought in mind was to lead the people in preparing this celebration so that future generations of Americans may live according to the example and the precepts of his exalted life and character, and thus perpetuate the American Republic; and God grant that this alone may be the purpose and object of every such celebration held throughout the Nation.

This celebration is held in his honor and for no other purpose; to have the hearts of a grateful people go back to his memory in a great spiritual pilgrimage in a new and more vivid sense of his having lived and thought and wrought. If we fail in this the celebration will not have served its purpose, so that I plead with every American whom I am privileged to address upon such occasions to have in mind only the honor we owe to the name of George Washington and in honoring him thus to permit nothing of a commercial nature for the benefit of selfish individuals, which unfortunately we have with us in this day. The commission has permitted nothing of this character to enter the celebration, and for the information of you dear friends let me say that the greatest care and investigation had to be exercised so as to prevent commercial interests making a great carnival or some such celebration of a lower plane. We do not want this in the two-hundredth

anniversary of George Washington. To you and to me it should be a more sacred celebration than any this Nation has ever observed. The commission has performed the most valuable service possible in giving us correct history of this great man. In the past we have taken him to be a cold marble figure. Let us, if possible, remove that marble figure from the pedestal upon which it has so long rested and breath in that marble figure the soul of one of the greatest men that ever lived. For more than a year the commission has had historians explore every fact of his life and facet of his character. As a result thousands of magazines and newspapers over the country, in brief and interesting articles, have printed historical facts of this great man unknown before. The radio has contributed much in having our generation acclaim him as one of the world's greatest. The most children have been taught about this man is that he was the first President of the United States and that he led the Continental Army and cut down a cherry tree and that he never told a lie. To our everlasting shame let it be said that in the past historians have had the lack of good common sense to omit much of the latter, because, my friends, George Washington was like most boys of his own day, but having the advantage of a good mother and good home training. With all the printed matter, we might call this year's reading the largest class of history ever taught by anyone, as well as the greatest history lesson.

We do want it to be said that George Washington is the best known of our great men. Through all of this we are learning that he was a real, typical American, warm-blooded, warm-hearted—sometimes, I am glad to say, hot-tempered—but withal, the lover of his friends and by them adored; a devoted husband, a firm believer in the church, a giver to every good and charitable cause, and so open and friendly in his hospitality that it was said of his house that it was "like a favored tavern." In other words, we have learned that he was just like the rest of other good Americans who are noble in character and interested in his fellows and that he, too, had the same experiences that many others of us have had or have sometime or other in life, so that to be more like him should be the ambition of every father and mother to have inculcated in the mind of a growing son. I say this, my friends, because I know the hope of the United States depends upon the kind of homes you and I establish and the manner of our living before our most priceless possessions, our children.

If we know George Washington better we can draw nearer to him and understand the characteristics that made him great which surely will be to our everlasting profit. We can not hope to be as great as he was, but we can be inspired by his greatness to build better lives in ourselves and thus set an example before those whom God has given to us that will mean a better and greater nation. It is said that monarchies fall because of poverty and that republics crumple because of wealth. George Washington was not a wealthy man, notwithstanding the fact that he was a holder of much real estate—indeed, before 21 years of age, one of the largest holders of land in the colonies. He was usually hard pressed for money, but his liberality knew no bounds to those whom he believed in.

This Republic, the greatest of all time, is very wealthy and in that great wealth may lie a great curse unless we are wise in the use of that wealth. Isn't it beyond comprehension that men and women are on the verge of hunger and in much want throughout our great land to-day while granaries are almost bursting and we have much of the real wealth of the world. There is something really wrong in this land of ours, and in such time as this I wish we had the counsels of a man like Washington. I am glad, however, that we have so many fine characters in every community who will not see their neighbors go hungry, and I am sure no community will permit this to exist if the facts are known. George Washington was born in a typical American farmhouse of the time. Since then we have traveled far and fast. Only about a century after the landing of the Pilgrim Fathers he came on the scenes of life and now 200 years later we experience so many changes that to begin to enumerate would mean little, as it is so well known. I might remark, though, that in the time between the landing of the Pilgrims and the birth of Washington there was little advancement made in the manner of living.

If Washington were to return now, I am certain he would be amazed to see the complexities of our modern life compared with the life he led, and I am equally confident that he would approve all the advancements we have made in every field of our endeavor to bring new comforts to life. I am sure our vast commercial development would delight him, for much of it he foresaw and much of it he planned and prepared. It was he who saw the great opportunities west of the Alleghenies, and it was he who became intensely interested in having good roads built across the mountains into the region, and this has had much to do with keeping the people of the white race and of the English-speaking language in supremacy. It is for us to question, however, whether he would approve the spirit and the heart that is in this fair land of ours at present. It is for us to turn back and compare ourselves with the man born 200 years ago, to give all that he had and all that he was to the making of this country we now enjoy. God grant that we may have more men like him and especially at this period of our national life. I believe that there are millions of Americans for whom such comparison would mean neither fear nor shame. I believe that the vast majority of my fellow Americans are sound at the core or else this Nation would not have endured these 200 years. It is not in dread that we need to bring up Washington's exalted memory, his lofty example, but rather we can turn to him only with love and gratitude and understanding as to one who was as modern as ourselves. How I wish that greed and selfishness might be banished; how I wish that the spirit that characterized this great patriot might burn in the breast of every American. The real and deep significance of this day, it seems to me, is that it permits us to turn back and feel kinship, a spiritual oneness, with the first and greatest of all Americans.

The Nation has at last restored George Washington's birthplace as a part of the celebration in his honor. In the course of time millions of Americans will journey to this place and smile to think of our greatest man born in a place so like thousands of simple cottages to-day. As they go to this old farm place they will think of George Washington as a boy, left comparatively poor by the premature death of his father, denied the schooling that the humblest boy of to-day enjoys, and facing the prospect of earning his own living and perhaps providing for his family. And again I say how like so many other Americans, and then again we feel a kinship to him.

These were handicaps that he overcame and triumphs that every other American can overcome more easily knowing this. The same opportunities, the same discouragements, the same triumphs were his as are yours and mine to-day, and it was only after George Washington triumphed over his handicaps that he grew in strength, which is as true to-day as it was then. No man will ever be as great as this man, but we can all try and imitate his courage, his fearless facing of danger and threatened defeat and, above all, his modesty in victory. George Washington might have been called the wealthiest man of his time, as we would count wealth to-day, and yet he was always hard pressed for cash. In this many of us are like him. He knew what it meant to ask a little more time from his creditors.

Though he was elected President of the United States, before he could enter office he had to borrow a considerable sum of money to meet his impending expenses. He knew, too, what it meant to be behind in the payment of his taxes. In fact, the same problems that face business men to-day faced him. He was one of the most progressive farmers of his day, and yet he knew what it was to suffer drought and the loss of his crops. He knew what it was to be defeated for public office, because he was not successful in his first attempt.

All his life he regretted that he had no better education and he reproached himself for what he called a deficiency in his education. On the field of battle he tasted defeat many times, indeed he had victory very seldom. No great commander of an army ever won so few battles. He knew what it was for his friends to desert him, for he lived in a time when a great many of his influential friends deserted him and tried to hinder the success of his army. During the Revolution rival generals tried to displace him, and in our own city of York was frustrated a plan to take the army away from him in one of the most dastardly of all betrayals. In fact, every one of us, no matter how bitterly life may have been to us, but that might have Washington shake hands with us and say, "Brother, I know you and your troubles." We have all been through the same experiences, and yet in our knowledge of Washington we have little appreciated or known these facts. He loved children as we love ours and was not surpassed in his love for his mother. He experienced the same boyish infatuation for girls that most boys of 17 experience. He was kind and magnanimous to his enemies, and so is many another American to-day.

He loved the theater, loved to dance, loved the outdoors and sports, fond of athletics, loved to fish and to hunt, very fond of horses and horse racing, and did not object to taking a game of chance. Just like the rest of the average Americans to-day, and yet in our thought of this wonderful man we have never thought of these things in his life. Men are great because of their simplicity and not because of any superiority. God has created us all alike; it is what we do with ourselves that counts. If you would be great, you must be humble. The Man of Galilee taught this 2,000 years ago, as centuries before Him the writer of Proverbs observed.

Washington loved the Scriptures and had implicit faith in God's word. How applicable this could be to many who would be great.

He was just as simple and homely in these traits as any other American to-day. We have had so many false impressions of this man that we have been unfamiliar with him, and only one thing will ever continue to keep us at a respectful distance from him, and that is his greatness. No one would call him a genius in any direction.

As a thinker Benjamin Franklin outshone him. Other men wrote the Constitution of the United States and not George Washington. As President of the United States he leaned for advice on men who did have claim to genius in one or the other direction. What, then, was the true secret of his greatness. Just the simple, homely traits of judgment and sense that is in us all, and he built them into greatness by the force of his own character and the nobility of his soul. It leaves him differing with us in degree but not in kind. He may be the greatest of all Americans, but he remains to us the most typical of Americans, a man far taller than we, yet like us all. Two centuries have only added to his stature and to our knowledge of the humaneness within him. This is the kind of a man whose birthday all America—yes; all the world—will celebrate this year. We find him a man whom we would not fear to draw unto, and that, after all, is what the celebration is for. We want to draw nearer this man, to know him better, to know the true greatness of his soul, so that we might dedicate ourselves anew to his teachings and to the example and precept of his exalted life, to perpetuate the American Republic.

The story of his life will be told by countless thousands, in church, school, in the shop, on the streets, on the printed page, but it will be told by a grateful people who realize they can never repay by any honor they may bestow two centuries after his birth, but whose loyalty will grow as the years multiply for the land of Washington. Some will judge or appraise him as a military leader, but to me he is the man who loved children, the man who literally begged clothing and food for a starving and naked army; the man whose heart was so big it embraced all of the America you and I now know and which he visualized. When we visit Mount Vernon, and move among the trees and garden he planted and loved, we can almost hear the footfalls of that George Washington. He seems so near that if we spoke we should expect to hear the sound of his voice in answer. The scholar may go to him for his statecraft, the military expert may study his battles. the historian may trace all the dates of his life, but let the rest of us thank heaven for the other, the real Washington, the human Washington to whom we can go in spirit and have him say to us in the secrecy of our own hearts:

Love your country; be faithful to her institutions; forget your petty and selfish aims; live for the good of all your people; let the spirit that led your forefathers lead you; help keep this Nation safe forever. Let us be true to this Nation, my fellow citizens.

Let us have respect for its laws; let us have faith in those who are in authority and be true to the flag. When I say flag, I do not mean the material or color of its make-up, but what it stands for; and it does stand for all that is great in the life of George Washington. There must be no divided allegiance in this country.

"Any man who says he is an American but something else also, isn't an American at all. We have room for but one flag, and this excludes the red flag which symbolizes all wars against liberty and civilization just as much as it excludes the foreign flag of a nation to which we are hostile. We have room for but one language here, and that is the English language, for we intend to see that the crucible turns our people out as Americans of American nationality, of the lineage of Washington, and not as dwellers in a polyglot boarding house." And we have room for one soul loyalty, and that is loyalty to the people of Washington—our American people. God give us the spirit of Washington, the father of the land we love.

APPOINTMENT AS ENSIGNS IN THE LINE OF THE NAVY OF ALL MIDSHIPMEN WHO GRADUATE FROM THE NAVAL ACADEMY IN 1932

The Clerk resumed the call of committees.

When the Committee on Naval Affairs was reached—

Mr. VINSON of Georgia. Mr. Speaker, I call up the bill H. R. 8083, providing for the appointment as ensigns in the line of the Navy of all midshipmen who graduate from the Naval Academy in 1932.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. MARTIN of Oregon in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint as ensigns in the line of the Navy all midshipmen who graduate from the Naval Academy in 1932: *Provided*, That the number of such officers so appointed shall, while in excess of the total authorized number of line officers, be considered in excess of the number of officers in the grade of ensign as determined by any computation.

Mr. BYRNS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BYRNS. I want to ask the chairman how much time for general debate there will be on this bill?

The CHAIRMAN. The rule provides for two hours, one hour for those in favor and one hour for those against.

Mr. BYRNS. I am not anxious to control the hour in opposition. I am opposed to the bill.

Mr. STAFFORD. If there is no member of the committee opposed, I ask to control the hour in opposition.

Mr. VINSON of Georgia. Mr. Chairman, there is no member of the committee opposed to the bill, so it is agreeable that the gentleman from Wisconsin may control the hour.

The CHAIRMAN. The Chair will recognize the gentleman from Wisconsin to control the hour in opposition to the bill. The Chair now recognizes the gentleman from Georgia [Mr. VINSON] for one hour.

Mr. VINSON of Georgia. Mr. Chairman and members of the committee, I trust that I may have your attention while I endeavor to explain the objects of this bill. The bill proposes to commission the graduating class at the Naval Academy at the end of this year. The reason it is necessary to have a bill of this kind is because of the law covering such matters. Under the law to-day we are entitled to have only 4 per cent of the authorized enlisted strength of the Navy as officers. There is an authorized enlistment in the Navy to-day of 137,485 men. The officer strength is based on the authorized enlistment and that is fixed at 4 per cent. Four per cent of the authorized enlistment is 5,499. We have that number of officers in the Navy to-day. Therefore it is necessary to pass a bill of this kind before commissions can be issued to the 261 midshipmen who will graduate in June. The 4 per cent of the authorized enlistment was enacted in 1916, and the military reason why it was fixed at 4 per cent is that the type of ships in the Navy at that time were battleships and battle cruisers, and that we did not need to have as many officers then as is necessary to-day, because on account of the London treaty and the Washington treaty we have practically scrapped all of our battleships. We have to-day only 15 battleships and no battle cruisers. When this law fixing 4 per cent was enacted we had 21 battleships that we scrapped in addition to 11 that were being built. The Navy to-day is composed of what is known as small auxiliary craft, such as submarines, destroyers, cruisers, and aviation. In 1916, when we passed this law providing 4 per cent, aviation was in its infancy, so it will be seen that the Navy has changed. No longer have we large battleships and battle cruisers, and it requires more officers to man smaller ships than larger ships. That is the military reason. These boys at the academy will finish their course in June. Some 261 will be entitled to receive commissions, and if we do not pass this legislation they go out of the service into civilian life, and under the law it is necessary to pay them $720 each. It will be seen that on this fiscal year there will be a saving of $162,000 by passing this legislation at this time.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. BLANTON. Is the gentleman entirely frank in saying that?

Mr. VINSON of Georgia. I had not finished. If the gentleman will give me time, I shall finish.

Mr. BLANTON. That is what we would have to pay them to let them go back to private life, but if we keep them on, as the gentleman proposes to do by this bill, we will have to pay them their salaries for all time, which will cost $480,000 for this year and much more each year thereafter.

Mr. VINSON of Georgia. I was coming to that. If we keep them, it will cost $480,000 a year, beginning with the next fiscal year, but as a matter of fact under this fiscal year ending in June, there will be a saving of $162,000, because otherwise you would have to pay $200,000 and some-odd on the 2d day of June, when you discharge them.

Mr. BLANTON. The gentleman correctly states that our authorized strength is 137,485 men. What is our actual strength, authorized and unauthorized, to-day?

Mr. VINSON of Georgia. There are about 79,000 men in the Navy to-day.

Mr. BLANTON. There are 79,000 men in the Navy, and when the law authorizes only 4 per cent officers, we should have only 3,160 officers for 79,000 men, but instead we have now, on January 1, 1932, not the 5,499 officers, or 4 per cent of the full authorized enlistment of 137,485 men, but on January 1 last we actually had 5,578 officers for only 79,000 men, when we should have only 3,160 officers, which is 4 per cent of 79,000 men. Thus we have now 2,418 more naval officers than the law allows, for it allows only 4 per cent of 79,000 men.

Mr. VINSON of Georgia. That is correct, as to 79,000 men.

Mr. BLANTON. Which is way beyond the authorized officer strength of the Navy.

Mr. VINSON of Georgia. Of course, the gentleman confuses himself. We have 79,000 men in the Navy. The officer strength is not based on 79,000 men. It is based on

137,485 men, and that is fixed by statute at only 4 per cent.

Mr. BLANTON. In other words, if we had 137,485 men in the Navy, we could have only 5,499 officers.

Mr. VINSON of Georgia. That is correct.

Mr. BLANTON. But instead of having 137,485 men we have only about 79,000 men, and yet have 5,578 officers, when we are entitled to only 3,160 officers on a 4 per cent basis.

Mr. VINSON of Georgia. Yes; we have in the Navy about 6 per cent or 6½ per cent of the actual enlistment in officers.

Mr. BLANTON. Which is 2½ per cent more than is authorized by law.

Mr. VINSON of Georgia. No; the gentleman is mistaken.

Mr. BLANTON. Is not 4 per cent authorized?

Mr. VINSON of Georgia. Yes.

Mr. BLANTON. Then it is 2½ per cent more?

Mr. VINSON of Georgia. No; the gentleman from Texas confuses. There is that actual enlistment.

Mr. BLANTON. I am not talking in technical naval language but I am talking in ordinary United States, which the ordinary person understands. The best speech that I ever heard the gentleman from Georgia make on this floor he made 12 years ago when he was condemning the land-lubber officers in the Navy—the officers on land who never saw water and who never saw the ships. That is the best speech the gentleman ever made on the floor, and I would like to have him permit me read a portion of that speech.

Mr. VINSON of Georgia. Did the gentleman agree with me then?

Mr. BLANTON. Yes; and I still agree with that position then taken.

Mr. VINSON of Georgia. If the gentleman will sit down and not take any more of my time, I think I can convince him as to the wisdom of supporting this bill.

Mr. BLANTON. The gentleman can not do that.

Mr. YON. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. YON. The present administration of the Navy with a great number of ships now being used, small line ships, demands more officers?

Mr. VINSON of Georgia. Yes. Of course, we require more officers to man a navy of smaller-type ships.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. JOHNSON of Texas. This bill is to permit the graduating class this year from the Naval Academy to receive commissions in the Navy?

Mr. VINSON of Georgia. That is correct.

Mr. JOHNSON of Texas. That has been the practice in all times past?

Mr. VINSON of Georgia. Yes.

Mr. JOHNSON of Texas. It would be manifestly unfair with conditions prevailing now, would it not, to discriminate against the class this year by denying the right that has been granted to all preceding classes?

Mr. VINSON of Georgia. The gentleman is correct.

Mr. JOHNSON of Texas. Let me make this observation. I am not in favor of a large Navy or a large appropriation, but would it not be fairer to reduce the number of those who attend the Naval Academy, rather than to deny those who had attended the right that the others have had in the past?

Mr. VINSON of Georgia. The gentleman has stated it correctly. Congress anticipated last year that we would be confronted with this same proposition and reduced the appointment from four to three, and if this condition continues we will be compelled to reduce it from three to two.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. WOOD of Indiana. What circumstance is in the way of retiring a number of the older officers and advancing others to permit this graduating class——

Mr. VINSON of Georgia. We thought last year we would bring in a bill that would accomplish that purpose, and we passed what is known as the Britten bill, hoping that by that there would be an attrition of three or four hundred officers, but the economic conditions are such that these officers who had the privilege to retire have refused to retire, and we have either got to force them out of the Navy with one year's pay very soon, or else we will be compelled in a short time to come here and ask that the Appropriations Committee only provide for two midshipmen. If the economic condition of the country had been such, about 400 or 500 officers who came into the service during the war, would automatically have gone out of the Navy, and it would not have been necessary to have this bill, because last year we passed the so-called Britten bill, to eliminate this congestion that now exists in the Navy that forced this kind of legislation.

Now, permit me to say to this committee it costs approximately $13,000 for the 4-year term to educate one of these boys at the Naval Academy. To educate this class it has cost in the neighborhood of $3,000,000.

There is a military need for them. We need them upon ships that we are building. To-day we are building 16 ships that will come into service in the next three or four years. It requires four years to educate an officer before he can go to the fleet. What will we do with those ships? Are we going to bring them into the fleet without officers? Of course not. The only place we can obtain officers is from the Naval Academy, so that it is absolutely necessary for this House to pass this kind of bill, and in all probability it will be necessary for the next Congress to do it; but from then on either the Committee on Appropriations will be required to reduce the midshipmen to two or else the Naval Affairs Committee will be compelled to bring in additional legislation to force attrition in the Navy that we thought would be accomplished by the Britten bill.

Mr. BLANTON. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. BLANTON. Is it not a fact that the President's Budget has recommended against this bill; that it is against the financial program of the President? Is that not the fact?

Mr. VINSON of Georgia. I am glad the gentleman from Texas called attention to that. If it were not for the gentleman from Texas, I would overlook many of these points that I want to call attention to and make some comments upon. Of course, the Budget is against it.

Mr. BLANTON. Why did the gentleman not put that in his report?

Mr. VINSON of Georgia. It is in the report.

Mr. BLANTON. Where?

Mr. VINSON of Georgia. This report was submitted to this House on the 1st day of February. On the 21st day of January we submitted the bill to the Navy Department for its comment. In the meantime the committee held its hearings, without having received any report from the Bureau of the Budget. The committee acted favorably, acted unanimously on it, and we reported it on the 1st day of February. On the 3d day of February the Bureau of the Budget sent its report in, and it is printed here and is available with the entire record in the matter.

Mr. BLANTON. Where? There is no report here from the Budget.

Mr. VINSON of Georgia. As I said to the gentleman, of course the Bureau of the Budget is against it. The Secretary of the Navy says he is against it. Why? Because it involves an expenditure of $448,956. The gentleman from Tennessee [Mr. BYRNS] is against it because it involves an expenditure; but let me say to this House the Constitution places upon the Congress the right to maintain a navy, and it is only with deference that we submit these matters to the Bureau of the Budget to ascertain its views. [Applause.] We are not compelled to submit to the views of the Director of the Budget. [Applause.] I am sorry the Director of the Budget did not promptly answer it so that the answer could accompany the report, but as long as I am chairman of the Naval Affairs Committee I shall submit questions to Congress, irrespective of the attitude of the Budget. [Applause.]

Congress gives us the right to maintain this Navy, and I am going to see that it is submitted to Congress. [Applause.]

Mr. BLANTON. Will the gentleman yield further?

Mr. VINSON of Georgia. Yes.

Mr. BLANTON. Is the gentleman in favor of balancing the Budget?

Mr. VINSON of Georgia. Yes. I am in favor of balancing the Budget, but I am not in favor of balancing the Budget by scrapping the Army and the Navy and destroying the national defense [applause] and relying upon the mercy of other nations for our preservation. [Applause.]

Mr. BLANTON. Will the gentleman yield further?

Mr. VINSON of Georgia. I yield.

Mr. BLANTON. Is the gentleman in favor of increasing the landlubber officers in the Navy—the ones who never see the sea?

Mr. VINSON of Georgia. Of course not.

Mr. BLANTON. To such an extent that we will have to put a sales tax on everything that the poor people of the country eat and wear to make up the additional expense?

Mr. VINSON of Georgia. Let me tell the gentleman something about all this talk——

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BRITTEN. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. BRITTEN. Will the gentleman be good enough to ask the gentleman from Texas if he is in favor of increasing the landlubber prohibition agents that have been on the pay roll for the last 10 years? [Laughter.]

Mr. VINSON of Georgia. Oh, let us forget about that.

Mr. BLANTON. The gentleman from Texas is in favor of upholding the Constitution of the United States, as he is under oath to preserve, uphold, and defend it. My vote to supply needed money to enforce the eighteenth amendment to the Constitution of the United States was merely carrying out my oath as a Representative of the people in Congress.

Mr. VINSON of Georgia. Let me call your attention to this: You oftentimes hear the cry over this country as to the great appropriations we are making for armament. Does the gentleman from Texas know that only 9 per cent of the total appropriations made by Congress last year went to care for the Navy, and that only 11 per cent went to care for the Army? So do not get alarmed that Congress is running wild and making large appropriations for the Army and the Navy.

Now, Mr. Chairman, I trust this committee will do the square and fair thing by these boys who are going to be graduated in June. Let me tell you where they come from, and I hope all of you will listen to this. How did they get there? You Members appointed them. Let us see where they come from, and you can get this information from the report that is available. Six of them come from Alabama; 6 of them from Arizona; 2 of them from Arkansas; 7 from California; 5 from Colorado; 5 from Connecticut; 1 from Delaware; 1 from Florida; 10 from Georgia; 3 from Idaho; 17 from Illinois; 8 from Indiana; 9 from Iowa; 5 from Kansas; 4 from Kentucky; 3 from Louisiana; 6 from Maine; 10 from Maryland; 11 from Massachusetts; 11 from Michigan; 7 from Minnesota; 5 from Mississippi; 6 from Missouri; 1 from Montana; 10 from Nebraska; 1 from Nevada; 4 from New Hampshire; 8 from New Jersey; 1 from New Mexico; 34 from New York; 7 from North Carolina; 5 from North Dakota; 15 from Ohio; 5 from Oklahoma; 6 from Oregon; 27 from Pennsylvania; 2 from Rhode Island; 8 from South Carolina; 2 from South Dakota; 9 from Tennessee; 9 from Texas; and 1 of them from the seventeenth district of Texas. Is that the gentleman's district?

Mr. BLANTON. That is one I appointed, but instead of thinking about him, to whom the Government has given a $13,760 education for four years, I am thinking of the other 399,000 taxpayers in my district. [Applause.]

Mr. VINSON of Georgia. Two from Utah, 2 from Vermont, 12 from Virginia, 6 from Washington, 10 from West Virginia, 8 from Wisconsin.

Mr. STAFFORD. Does the gentleman know how many from my district? I do not think the gentleman will find any; but if any or all are, I am opposed to it, as I am not in favor of imposing this expense on the people of the country.

Mr. VINSON of Georgia. What is the gentleman's district?

Mr. STAFFORD. The fighting fifth.

Mr. VINSON of Georgia. There are none from the fifth district of Wisconsin; 2 from Wyoming and 64 from the country at large and the Territories.

Now, gentlemen, that is the picture. These boys were appointed by the Members of Congress and by Members of the Senate. They will be graduated in June. If you do not to-day pass this bill, then they go out into civilian life. They go out after it has cost the Government $3,000,000 to educate them. They go out with $720 in their pockets. They go out to join the ranks of the great unemployed. They were educated for the purposes of the Navy. They were educated to defend the country upon the ships we are now building. It is necessary from a military standpoint that these men be carried as extra numbers in the Navy, and I trust that this House will act favorably on this bill.

Mr. BLANTON. Will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. BLANTON. Is it not a fact that after we pay $13,760 for four years' training of each of these 261 men many of them in June will resign and will not take their commissions?

Mr. VINSON. If that is so, the country is that much better off, because we do not have to commission them.

Mr. Chairman, I reserve the balance of my time.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman and gentlemen of the committee, I am for adequate national defense. I am for adequately providing the Navy of our country with officers [applause], but I am not for wasting the people's money. [Applause.] Is it not about time that we took stock of the facts in this case? Is it not about time that we thought about what we are doing?

We have a fleet. We have 306 ships operating. For those 306 ships, which are quite a way short of what is called the treaty navy, we have 5,600 officers. Great Britain has a fleet. She has a fleet built up fully to the treaty requirements, with much more cruiser tonnage than ours, but Great Britain, instead of having 5,600 officers, has 3,900 officers.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. TABER. Yes.

Mr. HANCOCK of New York. In the British fleet, however, they do not include, as I understand, their air officers in the total number.

Mr. TABER. No; and that gives them approximately 500. They have about 500 Royal Air Service men, who are assigned to naval service. With us, approximately, we have 784 officers in the Naval Air Service. That, perhaps, might increase the number we should have to 4,684, to put us on a comparable basis, but not anything like what we have.

I have two of these boys from my own district. They have not been treated badly if they go out into civil life. [Applause.] They have been given the very best education that money could buy.

Now, the question is, gentlemen, whether we need these additional officers in the Navy. A year ago this same proposition was up and it was represented to us that because these 500 to 600 emergency officers who went into the Navy during the war could not pass the promotion examinations they would in all probability retire. However, those men have passed the promotion examinations almost entirely, and only about 30 have retired. They will continue in the Navy, rendering service. They did not fail to go out because of business conditions but because they were able to qualify

and wanted to hang on to their jobs. Those men will serve for a great many years. With three appointments we will have plenty graduating to take care of all the requirements of the Navy as to officer personnel for years to come.

With reference to the officer personnel, at the present time there is a campaign going on to practically establish an additional graduate school in which we shall put 200 more officers, so that we will be able to keep occupied the officer personnel that we now have.

Now, is it not the wise thing to keep our officer personnel where it needs to be, in order to meet the situation of the Navy, and have it forceful and efficient and have it alert and on its toes, rather than to give them so many that they are falling all over themselves and are not good for anything to us or to the Navy?

It seems to me we should not pass this bill, but that we should represent the taxpayers of the country, whose interests we must serve, or when we get home we will hear from them. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Chairman, the argument that has just been made by the gentleman from New York [Mr. TABER] is the stock argument which he used last year against this same kind of a bill.

Mr. TABER. I was not on the floor at all then.

Mr. BRITTEN. Yes; the gentleman was, and so was the gentleman from Idaho [Mr. FRENCH].

Then the gentleman uses the stock argument appealing to the taxpayer. It is remarkable how the taxpayer is defended and cared for in one piece of legislation and then thrown down in the mud by some other piece of legislation. The same old arguments for home consumption. The comparison of the number of officers in the American Navy with the number of officers in the British Navy is some more of the same old stock stuff. Such a comparison is practically impossible because of the difference in character of the two services. The British have a separate air force, while we have thousands in our Air Service.

The gentleman from New York [Mr. TABER] says that the boy he appointed to the academy got a good education. Of course he got a good education, but for whom did we educate him, for himself or for his country—I would like to ask the gentleman?

We are educating these boys for the country's benefit, for the national defense. To suggest that because we do educate them and after they have put in four years of solid, intensive study we are going to turn them out into private life without a commission is unthinkable.

This bill, my friends, is not a serious piece of legislation as far as the Treasury is concerned. It is not so important. It provides that these boys, some 261 of them, whom we have educated for four years at Government expense, may become ensigns in the Navy, and only ensigns. They can not go any higher, because this legislation insures that the number in the ranks above the rank of ensign shall not be increased. They are only carried as temporaries in the ensign grade; and why? So that Uncle Sam can look them over during the next two or three or four years and then out of these 261 boys and any additional boys that are ensigns select the best of them to become lieutenants, commanders, and captains, and rear admirals, if they are fortunate enough to finally be selected up to those higher grades.

Why is not this a good business proposition? Would not the great mail-order houses do this same thing? Would not the great oil companies do this same thing? Would not the great steel companies do this same thing? Would they spend $13,000 on a boy's education and then fire him? That would be absurd.

We should give these boys a chance to show their mettle and if they have the mettle in them that will make them rear admirals some day, for God's sake let the country have the benefit of the education that the taxpayers have paid for.

Mr. GAVAGAN. Will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. GAVAGAN. Does not the gentleman really think that the taxpayers of America would rather pay taxes than tribute to some foreign empire?

Mr. BRITTEN. There is no question about that and the taxpayers of the country have not the slightest objection to this bill. If this could possibly be left to a vote of the taxpayers of the country, what do you suppose they would say about it? What do you suppose the taxpayers would decide if asked to show their preference between a bill for the national defense and a prohibition bill carrying a lot of snoopers, mattress friskers, and snipers on the pay roll?

The argument is silly, gentlemen. If you were going to provide in this legislation that these 261 boys should ultimately all become captains and commanders at high pay, it would be an entirely different matter; but to suggest they may only be held as temporaries in the ensign grade, the very lowest grade in the Navy, so that Uncle Sam himself may get a look at them and see whether they have the proper timber to make rear admirals, is quite a different thing, and if any of these boys has the proper timber to become a rear admiral, of course, we are all for giving him that chance.

They talk about pay. What difference does it amount to? Every one of these boys is a national asset. He is worth to the Nation five times what it has cost to educate him. Suppose we get dragged into that unholy affair in China, would you not be glad to have these 261 extra boys on your pay roll? Why, of course, you would. Every one of them has been intensively educated in aviation, in radio, in gunfire, in engineering, in navigation, and in every branch of the naval service. Why, my friends, in the event of an emergency arising next month or next year, every one of these boys is worth a thousand times what it has cost the country to educate him, and the country expects you and me to keep him on the pay roll, at least until such time as we can see whether he has the proper capacity and the proper ability and the proper character to handle men and ships and big questions.

This bill has so much merit that it should pass unanimously. [Applause.]

Mr. HOPKINS. If these boys resign, do they go into the reserve?

Mr. BRITTEN. No; they go right back into private life.

Mr. HOPKINS. And not into the reserve, subject to call?

Mr. BRITTEN. Not unless they themselves go into the reserve. The choice is voluntary.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I yield 10 minutes to the distinguished chairman of the Committee on Appropriations [Mr. BYRNS].

Mr. BYRNS. Mr. Chairman, the gentleman from New York asked the gentleman from Illinois if he did not think the taxpayers had rather put 261 members on the pay roll than in the future pay tribute to some foreign power. I want to say to my friend that the time will never come when America will pay tribute to any foreign power. [Applause.] I believe in an Army and Navy, but you can abolish your Navy, you can abolish your Army to-morrow, and if any foreign power was to undertake to assume jurisdiction over this country there is enough manhood and courage in the men and women of America to maintain their independence. [Applause.]

Mr. BRITTEN. Will the gentleman yield?

Mr. BYRNS. No; I can not yield. I have said that I believe in an adequate Navy and Army. You can take my record for over 20 years, and you will find that I have always voted for a reasonable Navy and a reasonable Army. I believe in it to-day, but I am not willing to tax the people of this country $500,000 for the first year, increasing in amount as the years go by, for officers who are not needed. [Applause.]

I would like to see these fine boys get commissions—yes, very much; but if you do not need them, why commission them?

Under the provisions of this bill the 261 midshipmen who are to be commissioned will be in excess of the authorized

number of 5,499 commissioned line officers of the Navy. That is what you are asked to do, and yet we are meeting in Geneva to-day talking about the reduction of armament.

In 1935 we are going to hold another great conference in the interest of reducing armament. Why do you want to increase the authorization of officers by 261, unless it be that the boys come from your own districts?

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. BYRNS. I have not the time.

Mr. VINSON of Georgia. I will give the gentleman more time.

Mr. BYRNS. Very well, for a question.

Mr. VINSON of Georgia. The reason why this is necessary is because we are building now—the committee is providing for building 16 new ships.

Mr. BYRNS. Yes; but these are not all the boys to be educated at the academy. We are going to educate more boys, who will be graduated at the academy next June, and the June after that, and the June after that. We are going to have plenty of officers for the ships.

Now, I assume that all these 261 boys will be single men, unmarried midshipmen, and with less than three years of service they receive $1,500 base pay, $219 for subsistence, or a total of $1,719 per annum. Those who are married will be entitled to $400 additional, or a total of $2,199 per annum. On the supposition that all of them will be unmarried men, in this legislation you impose an additional charge on the Federal Treasury of $448,659 for pay alone.

Now, do not forget that that is for the next year and for the year thereafter, and as long as they stay in the service this sum will increase.

And when they get to be 62 years old they will be retired on three-quarters pay. I want this House to know what it is doing when it undertakes to pass a bill of this sort at this time, when you and I are supposed to be doing all we can to conserve the public money. These boys have received an education which cost the Government $13,780 each.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Not unless the gentleman has some time to give me. I am sorry, I will say to my good friend. How many boys in your districts, gentlemen, would like to have this education without the commission? You have thousands of boys in your districts, every one of whom will have to go into business and into the banks and upon the farms and earn the money with which to pay the salaries of these boys you are about to put into positions for life. I am speaking here in the interest of the taxpayers, in the interest of those people who have to earn money to pay the expenses of Government, including these salaries. Of course, there will be other expenses. These men will have to be transported to their stations. It will be necessary to provide them with certain equipment. Some of them most likely will be given some form of postgraduate instruction, and that will cause additional administrative expense, perhaps small individually, but in the aggregate I think it is safe to say that they will cost all told an additional half million dollars during the ensuing fiscal year. When you pass this bill it becomes operative in June, and you will have to take care of their salaries in the deficiency appropriation bill for the month of June and add that to your deficit this year. Then, of course, you have to take care next year of their entire salaries.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. If the gentleman will yield me some more time.

Mr. VINSON of Georgia. Oh, the gentleman is going to get all of the time he wants. Everyone wants to hear the views of the Appropriations Committee of this House on this and other bills. The gentleman is in error when he says this would have to go into the deficiency appropriation bill this year.

Mr. BYRNS. Whether it does or not, the money will have to come out of the Treasury of the United States.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BRITTEN. The gentleman is, as the gentleman said, the distinguished chairman of the Committee on Appropriations. I would like to have him in my time tell the House how and when and why he reduced the appropriations for prohibition this year. If he did not, why did he not?

Mr. BYRNS. Oh, there are some gentlemen in this House who can not see anything in front of them except the question of prohibition. You will have your day on March 14.

Mr. BRITTEN. I will get the gentleman some time in which to answer the question.

Mr. BYRNS. The gentleman is not going to lead me off of this discussion by talking about prohibition. Naval officers tell us we need more officers. That remains to be seen. As I said, there is a disarmament conference meeting now at Geneva. We do not know what will be the outcome. There will be a naval disarmament conference in 1935.

I think it is safe to say out of these conferences there will be no naval expansion, and I think we have a right to look for a reduction in armament. In that event we will not need more officers, but we will be confronted with the task of getting rid of some of those we have now, and if we pass this bill we will be making our task just that much more difficult. After these lads have served a year or two we will not be able simply to separate them from the pay roll, but we will have to retire them and carry them as a charge on the American people the rest of their lives. Do you know how much we are paying by way of retirement pay to naval officers to-day? We are paying the sum of $5,500,000 every year to retired naval officers, and it is increasing two or three hundred thousand dollars every year. Yet you propose here to commission 261 men additional who, the gentleman from Georgia admits, are not needed now. Of course, he says they are going to build some more ships and then they will be needed. When that time comes they can be taken care of if necessary.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS. Mr. Chairman, I ask the gentleman from Georgia to give me a little more time.

Mr. VINSON of Georgia. I yield three minutes more to the gentleman.

Mr. BYRNS. They told us last year, and that was the view of naval officers, that there were 500 officers who had not passed through the Naval Academy who were going to be retired within three years, and that was one of the excuses offered for maintaining this large class at the Naval Academy. What has happened? It has recently been testified in the Committee on Appropriations that, to their surprise, all but 21 of those 500 men stood the examination, and, of course, are going to retain their commissions. In addition to that, they testified before the subcommittee on naval appropriations only the other day that next year they are going to have 250 more naval officers than they have this year for postgraduate courses, and they are applying for a postgraduate school in California to take care of them. That is where you are drifting and that is what you are about to do if you pass this bill. You are about to impose a burden for all the years to come, starting with $500,000 and increasing as the years go by, and I beg of you to pause and consider, in view of the fact that next week you are going to be called upon to vote a sales tax on everything your constituents and mine buy. I beg of you not to increase these appropriations. In the Appropriations Committee we are making every effort we can to cut appropriations.

I hope that this Congress will not impose upon the Appropriations Committee the absolute necessity of making an appropriation for $500,000 next year, which is not needed if the facts as I have them are true. My only reason for appearing here is in the interest of the Treasury and the taxpayers. Nine of these men come from my State, but where there are nine men who will get commissions, there are thousands of boys down there who have not more than an eighth-grade education, who would be delighted to have an education costing $13,780, without a commission. Those men get a splendid education, a fine technical education.

They go out into the world, as the gentleman from Georgia says, finely equipped, equipped to take care of themselves; and they are in better shape to compete with the boys with whom they come in contact in business and private life than they would have been if the Government had not been good to them and they had not won your favor and mine in getting these appointments to the Naval Academy.

I hope you will not pass this bill.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. JOHNSON of Washington. Is it not possible that this Congress, before it adjourns, will be required to pass a second tax bill in an effort to raise money to pay the deficit and expenses of this Government?

Mr. BYRNS. I say to my good friend from Washington that if we pass bills like this and continue to increase authorizations making appropriations necessary, the gentleman is quite right—two tax bills will not take care of it. [Applause.]

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I am one of those who has always in the past voted for adequate national defense, and I expect to continue to do so. I have listened to the debate to-day by the proponents of this legislation but have not heard from any one of them the direct need for such legislation. Although it may cause hardship to these individual midshipmen, and will be disappointing to them, if there is no essential need, if it is not an absolute necessity at the present time, then we are not called upon as Members of Congress to vote $500,000 of the taxpayers' money to provide positions for these midshipmen in the Navy. If there is any immediate need in the Navy for these few hundred midshipmen, I will be glad to vote for the bill, but apparently such is not the case.

I simply rise to make an observation. There is a disarmament conference going on at Geneva at the present time. The American Government has made certain suggestions. Among others we have suggested that submarines be eliminated. If that goes through, of course, it would mean we would not require as many officers as we have now in the Navy. We have also suggested—and, I think, in a very hypocritical way—that nations should not use poisonous gas, whereas there has been a treaty pending in the Senate for the last six years which we have not acted upon. But I want to suggest to those who are interested in economy in Government expenses one way to bring about economy and at the same time maintain exactly the same kind of adequate national defense that we have at the present moment.

In 1921 the Secretary of State, Mr. Hughes, proposed to reduce the number of battleships and battle cruisers over 10,000 tons to 18 on a 5–5–3 ratio with Great Britain and Japan. I am willing to go along and vote appropriations to maintain that ratio, but I do not understand why we can not reduce or halve the number of battleships we have at the present time and yet maintain identically the same kind of national defense if other countries do likewise. Instead of having 18 battleships, if we had 10 and England had 10 and Japan had 6, we would have the same proportional naval defense, and we would thereby be saving over $200,000,000 a year. If the Members who are talking economy mean economy and want to practice it, that is one way to save $200,000,000 and have the same kind of national defense.

Last year we spent $382,000,000 for the maintenance of the Navy, and in 1913 we spent $133,000,000. That is an increase of over 300 per cent.

I only rise to make the observation to those of you who are interested not only in national defense, but in economy at the same time, how it can be brought about. If you actually want to save the taxpayers a larger sum of money annually than you can do in any other way, have our delegates at the conference now sitting at Geneva request a further limitation of naval armament; let our delegation over there propose, just as Mr. Hughes did, to reduce the number of battleships from 18 to 10 on the 5–5–3 ratio, and we will have identically the same proportional national defense, as far as the Navy is concerned. I defy anyone to answer that.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. FISH. Yes; I yield.

Mr. BRITTEN. The gentleman can go even further than he has suggested to the House in the interest of economy by accepting the French suggestion at Geneva, which was that our Navy and all of the other navies of the world be turned over to the League of Nations. Would the gentleman favor that?

Mr. FISH. No; and the gentleman's question in no way answers my suggestion.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I yield one additional minute to the gentleman from New York.

Mr. BARTON. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BARTON. Does the gentleman realize the present proportion of the English and Japanese and United States Navies?

Mr. FISH. Well, I realize that Great Britain has far less officers in her navy than we have. I realize that our Navy to-day, even in spite of the fact that it is not built up to the 5–5–3 ratio, is better and stronger than the Japanese Navy.

Mr. BARTON. The present ratio is 17.1 for Great Britain, 13 for Japan, and 10 for the United States. [Applause.]

Mr. FISH. I do not agree with the gentleman at all. I do not believe that our Navy Department admits for a moment that our Navy is not stronger than the Japanese Navy at the present time.

Mr. BARTON. That was the evidence taken before the Naval Committee to-day.

Mr. FISH. Then the Naval Committee should get busy and see that we live up to the 5–5–3 ratio, and I will be glad to help.

Mr. BLANTON. Will the gentleman yield?

Mr. VINSON of Georgia. Will the gentleman yield?

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I yield eight minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the law provides that the ratio of strength between the officers and men in the Navy shall be 4 per cent officers and 96 per cent men. The law further fixes the maximum strength of the Navy at 137,000, in even numbers. According to that ratio there could be, according to law, only 5,499 officers.

That is according to the presumption that we have 137,000 men; but, as a matter of fact, we have only 79,000 men. Yet we have the full number of officers that would be authorized by law if we had 137,000 when in fact we have only 79,000 men. We have, however, already gone above the authorization of law as to officers even if we had 137,000 enlisted men, for, as a matter of fact, we had 5,578 officers in the Navy on January 1, this year, and this bill will make 261 more. Thus, our Navy is already top-heavy with officers.

Our friend from Georgia [Mr. VINSON], in his report—it is just a little 1-page report—did not tell us that the President's Budget is against this bill and had recommended against its passage. He should have gone at least far enough in his speech—and he did not do it until I called his attention to it—to tell you that there is an adverse report against this bill by the Secretary of the Navy, who is not an admiral, like our friend from Georgia [Mr. VINSON], and our friend from Illinois [Mr. BRITTEN]—they both have become admirals in their thoughts and programs since they have been associating with admirals. When I first began to serve here with FRED BRITTEN and CARL VINSON they were the strongest men on this floor for the people against the landlubbering officers in the Navy. I never heard such strong speeches in my life as the gentleman from Georgia then delivered on this floor against naval officers who spent their time lolling around hotels in Washington and the other big cities of the United States. He then contended that

they ought to be on ships and not living in the cities of the country. But I have found that after they have associated with these admirals a little while they soon became admirals themselves. There ought to be an admiral's flag on that desk by our friend, FRED BRITTEN, and an admiral's flag on this desk by CARL VINSON. [Applause.]

I want to say this to my friend from Illinois, who is for such a big Navy: Everyone of the men we have appointed to the academy and who will graduate in June—and I have one from my district, one of my appointees—everyone of them was charged with a knowledge of the law, that when they entered there we had too many officers already, and that under the law they could not be commissioned unless we passed another law authorizing it. Everyone of them knew that. Everyone of them was charged with a knowledge of the law, that they could not receive their commissions unless we passed a new law. Everyone of them for four years has received the finest technical training that money will produce. Everyone of them has received an allowance of $780 a year for the past four years. In addition to their schooling, in addition to their food and lodging, they have received $780 a year in cash from the Government, and I had one appointee once who, when he came out of there, had saved about $300 a year out of his allowance.

I appointed a splendid young fellow to that academy named Armand Morgan, who had the honor of being the first honor man of his class. He is being promoted and will go to the top some day. I have had others who resigned. As soon as some are ready to graduate and receive their commissions they resign. They take this four years' training, this $13,760 worth of training, and then resign.

We have done much for any young man when we give him four years of such training at Government expense, and he has no cause to complain. The very minute we commission all of these men in June—these 261 men—the very minute you issue commissions to them, I want to say to my friend from Illinois, that the only way the Government can get rid of them after that is to retire them on pay. Now, however, we can send them back to civil life by paying them about $700. That is what we ought to do, because we are now paying $5,500,000 a year to retired naval officers, who received splendid educations at the expense of the Government.

Did you know that some retired naval officers are drawing $50,000 a year from corporations? We have an admiral who is drawing an admiral's retired pay from the Government, who is now in the very prime of life, mentally and physically, who is also drawing $50,000 a year from a corporation. And the Government paid for their training that qualifies them to command such commercial salaries.

Mr. JOHNSON of Washington. Who pays for it?

Mr. BLANTON. The people pay for it. I have no fear that we are going to have a war, despite all of this jingo talk by our friend from Illinois [Mr. BRITTEN] and our friend from Georgia [Mr. VINSON]. We have given the President of the United States and his jingo Cabinet to understand that they must not precipitate us into war, for we are not going to stand for it. The jingo admirals and the jingo generals in our Navy and Army thoroughly understand that the American people, and their Representatives in this Congress, are not going to countenance any action on their part that might percipitate us into war, and that we are going to require them to keep out of the Far East fight that is not our scrap. And we are watching the jingoes in big business that would like to involve us in war. They are the ones who do not do any fighting, but who make their fortunes out of war. We are watching them.

Why, this country is not going to let these jingoes involve us in any war with Japan. Japan is finding out now that she is losing the respect of every decent, civilized nation on the earth, and the people of that nation will soon rise up in their might and demand that her jingoes come back home.

To speak of involving us in war is foolish and absurd, and I am going to vote against this bill. And after it is passed the President ought to veto it. [Applause.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD of Indiana. Mr. Chairman, the gentleman from Georgia [Mr. VINSON], in explaining this bill, called your attention to the fact that out of each dollar of taxes that is raised by the United States Government to-day but 9 cents goes to the support of the Navy and 11 cents to the support of the Army. The gentleman omitted to tell you, however, that out of every dollar of money that is raised by taxation to defray the expenses of this Government, 80 cents goes for preparation for war or for payment of wars we have been in. It is an astounding fact that out of every dollar that is raised by taxation, from all sources, 80 cents goes for payment for past wars or for preparation for new wars.

The gentleman also omitted to tell you that the expense of the Army to-day is three times what it was before we got into the World War. The gentleman also omitted to tell you that the cost of the Navy is practically three times what it was before we got into the war; and we are further away to-day from a war than we have been in 75 years, in my opinion, and if by reason of some mischance we should get into war, we are better prepared to-day than we ever were in the existence of this Union.

We have a standing army and a reserve army of more than 600,000, and we have a potential army, in addition to that, of more than 1,000,000 men who are prepared for war by reason of their experience in the last war. So, all this talk about the necessities of our Army and our Navy comes without any substantial justification.

Mr. JOHNSON of Washington. Will the gentleman yield for just a short question?

Mr. WOOD of Indiana. Yes.

Mr. JOHNSON of Washington. I want to suggest in the gentleman's time that we are further away from paying our tax bills than we have been since the Civil War.

Mr. WOOD of Indiana. Yes; and I want to say to you that when the people of this country realize that 80 cents out of every dollar they are having to pay in the way of taxes is going for the payment of wars we have been in or for preparing for additional wars, you are going to hear considerable complaint. Such complaint is coming now from all over this country, and, as has been stated here, we are going to have to resort to a sales tax for the purpose of balancing our Budget. And let me make this prediction: On the 15th of this month all those who pay income taxes to the United States Government, and there are but a very few million of them, when the count is had in the Treasury office, we will find that the bill that is to be reported by the committee this week will not come anywhere near raising the amount of money that will be necessary in order to balance the Budget; and, as has been suggested here, I dare say that not only this tax bill but a second bill, and perhaps a third tax bill, will have to be enacted before the Budget is balanced.

So it is worth while to have some little regard for the taxpayer. I have sympathy for these boys. I have one of them myself who will graduate in this class. He is not going to become a drone. If he has been worthy of the position that has been given him, after receiving the education he has had at the expense of the Government, he will be prepared for any exigency that may come within the period of his active life, and in addition he is well equipped for the battle in civil life. He can go into the reserve if he wants to or he can go out into civil life, as many of them desire to do, and as many of them do, and if you are not content with this plan, there is another way to meet it. You can catapult these old fellows in the Navy out and put in these boys and let them have their chance, and to my mind this would be the sensible thing to do.

Oh, gentlemen, I want to say to you that there is no excuse whatever for us to-day authorizing an appropriation of $500,000 for one year, which is going to be augmented with each passing year until these boys who are to graduate on next graduation day finally go on the retired list themselves.

Mr. Chairman, when the Appropriations Committee, after having strained every possible means and after having gone to the bottom of every proposed appropriation, has cut wherever it could until it hurts—hurts your section of the country and hurts mine, and then to have legislative committees bring into this House bills authorizing appropriations not in the amount of the few thousands of dollars we have saved, but going into the millions, it is a pretty discouraging thing to the men who have been appointed for the purpose of making these savings. I thank you. [Applause].

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. McCLINTIC.]

Mr. McCLINTIC of Oklahoma. Mr. Chairman, in assuming a position of responsibility, I always endeavor to put myself in the other fellow's shoes. I know that each one of these young men, when given an appointment which enabled him to qualify himself as a midshipman at Annapolis, believed that if he complied with all the rules and regulations and graduated, that afterwards he would be extended the opportunity of being commissioned, if he saw fit to remain in the service.

I have carefully considered the provisions of this legislation and I have made up my mind to vote for it.

However, I have suggested to the chairman of the committee that we ought to amend this bill so that we will not find ourselves in a similar predicament at the beginning of the next session of the Congress.

I know, and you know, if we increase any one rank or any one class of officers in the Navy to the extent of 261, this will provide a hump that will result in a carbuncle and there must be some additional legislation in the future to bring about the necessary equalization.

During the time I have served as a member of the committee we have had equalization bills one after another. Every time we equalize one class another class comes in and accuses us of dealing unjustly with them and asks for relief.

I say that this bill ought to be amended so that those who are to come afterwards, the young men appointed by Members, will know that the increased percentage in this bill is only good for four years. I would suggest an amendment of about three words so that the young men who come into the service as ensigns will know that something has got to be done in the way of legislation, or they will have to go out after a service of four years.

In addition, it will give notice to the young men appointed this year and the next year that we are not going to increase the percentage any further.

I have visited the Naval Academy and I have taken great pride in the institution.

The chairman of the Committee on Appropriations has made an excellent speech against this measure. I respectfully call his attention to the fact that there are certain situations existing at the Naval Academy that ought to be looked into. If I am correctly informed, we are now maintaining that institution at practically the same cost as when we appointed five midshipmen instead of three. I have been making a comparison of appropriation bills and find that there was set aside some $290,000 to pay for the service of professors at Annapolis. That is in comparison with $46,000 paid for professors at West Point. There is something wrong when a situation like that exists. There is too much difference when you take into consideration the fact that the Navy has only five or six hundred more students than are in the military school.

I find there was carried in the appropriation bill last year $276,139 to take care of the civilian employees at West Point and for Annapolis it carried $629,000, or nearly three times as much.

So I say that the chairman of the Appropriations Committee and the members of that splendid committee should look into these figures and find out why there is a discrepancy, amounting to hundreds of thousands of dollars, in taking care of the same kind of duties.

I am going to vote for this bill, but I will offer some amendments, when the proper time comes, to limit the purpose of this extra percentage to a period of four years and to cut down the extra cost.

Mr. BRITTEN. Mr. Chairman, I think the gentleman's amendment is a good one, and I hope it will be adopted by the House.

Mr. McCLINTIC of Oklahoma. I thank the gentleman, and I hope the chairman of the committee will accept the amendment.

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Chairman, ladies and gentlemen of the committee, I think we are all agreed that what we would like to have is the greatest possible degree of efficiency in every officer that we have in the Navy. It is also agreed that when the authorization bill for the Navy was written that the ratio of officers to enlisted men should stand as 1 to 25. That was no doubt carefully thought out as the number that should prevail in order to bring about the largest possible degree of efficiency in each and every naval officer in the Navy.

In lessening the number of enlistments and increasing the number of officers, we find ourselves in the situation of decreasing the amount of expert work that an officer has to do. For instance, if we have an expert who is engaged in technical work, and we bring about a system that would keep that man out of work two years out of every three, the net result would be to destroy his efficiency as well as lower the efficiency quota of all men engaged in that particular work. So every time we bring about an increase in the number of naval officers, we decrease the efficiency of every man in that establishment. I know branches of the other service where it has been said that a man is lucky if he spends one year in seven with troops. When you permit a situation like that, you are not contributing to national military defense, but you are bringing about situations that destroy that defense. When we increase the number of naval officers we at the same time lessen the amount of work that they have to do, lessen the number of years at sea, and thus destroy their efficiency. Instead of assuring the country a maximum degree of military preparedness, we are actually doing the things that destroy preparedness against military attacks. Let us not get it into our heads that the more people we add to our establishments the larger is our military efficiency, because that is not so, and in this particular instance, every man that you add to the officer personnel of the Navy, the less efficient becomes the entire body of officers. Instead of doing those things calculated to make our Navy prepared for an emergency, you are destroying the efficiency of the establishment itself.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. STAFFORD. I yield three minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman, day after to-morrow I shall begin my twentieth year of service in the House of Representatives. [Applause.] During all that time under the reigns of both the Republican Party and the Democratic Party I have seen how difficult it has been to trim, cut, or reduce expenditures. Retrenchment is the hardest work of any Congress. It simply is not done. Expenditures of the Federal Government increase and continue to increase. Balance the Budget, cry the leaders, and the Budget will not balance. Some years ago when the then young Representative from Texas [Mr. BLANTON] would take the floor and cry out against the expenditure of the people's money I thought he was just filling the air. I thought that prosperity might continue. I want to say now that BLANTON, of Texas, has arrived; his prophecies were correct, his judgment was good, and, Mr. Chairman, we have now reached a condition in the Federal Treasury where I doubt if Congress with any tax bill the great Committee on Ways and Means may bring out can raise the taxes necessary to anywhere nearly balance the Budget. Yet many of the people in the various districts in every mail are calling for more

appropriations that will cause still more taxes and still more deficit. Apparently we have taught the people to call on the Federal Government. Some people seem to think that there are two sets of taxpayers. They seem to think that we can raise taxes by Federal taxation, and that in the States we can raise it by State taxation; but every one of us knows there is but one set of taxpayers, and that one set of taxpayers is just about broke now. In the great State of Washington, a rich, prosperous, fine State, proud and wealthy, we will not have 3 men out of 10 who will pay income taxes as against those who paid a year ago.

Mr. KELLER. Why?

Mr. JOHNSON of Washington. Because their incomes have faded out.

Mr. KELLER. Again, why?

Mr. JOHNSON of Washington. I can not go into economic conditions in three minutes' time.

Mr. KELLER. That is what I would like to have the gentleman do.

Mr. JOHNSON of Washington. Write out the questions and I shall answer them after a while. States can not raise their necessary taxes. People who were prosperous are unable to pay the mortgages or the interest or the taxes on their property, and I for one will help the Democratic majority of this House from this time on to balance the Budget, come what will. [Applause.]

The trouble with this particular kind of a bill is that it reaches to the relief of one young man in nearly every congressional district. We in the House of Representatives get to be special pleaders. We think that this little appropriation bill amounts to nothing. Each one of us knows one boy in the Annapolis class of 1932 that we would like to help out at Federal expense. You get a land-office case, and you go down as a special pleader and try to put that one case over and forget it is only one of a large number of cases. What the majority of the people want you to do is to start in and economize with a great big capital "E." They want you to help balance the Budget. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. HORR].

Mr. HORR. Mr. Chairman and gentlemen, I don't know whether it is a coincidence that I should follow my colleague from my own State, but he and I are of different opinions in matters of this kind. I realize that we are here to save money. I have not been here for 20 years like my colleague, nor did I contribute to the deficit over this period of 20 years or can I be held responsible for it. This matter is just a little bit more than a mere matter of saving money. It is a matter of national defense. I heard the gentleman from Mississippi [Mr. COLLINS] call attention to the fact that we are reducing our efficiency when we increase the officer personnel. That is the same argument that he made some time ago when they asked him to enlarge the Army. He wanted to cut down the personnel of the Army then, and now he wants to cut down the personnel of the officers of the Navy. How can he do that and still be in favor of national defense? I heard the gentleman from Texas [Mr. BLANTON] and I agree with him that we should save money.

The other day when we talked about taking a fort off of the border line on the Rio Grande, the gentleman forgot all about the taxpayers. The gentleman stood up and said it was going to ruin that district down there. The gentleman said there was no thought of war at this time, but at the same time he wants to maintain that little fort in his State because it belongs to them. [Applause.] I say to you that I come from a State that is intensely interested in the Navy Department. If I lived in Indiana, Mr. WOOD'S home State, I would not fear any war on either coast. It will never get there. But I say to you I do not know whether it is a warlike measure or a breath of war, but it has been brought to my attention that the entire fleet has been ordered into the Pacific. This has accomplished something for the western Members that we have been attempting to accomplish for a great many years, and we thank you for sending it over there for a mere visitation.

Mr. BLANTON. Will the gentleman yield?

Mr. HORR. I yield.

Mr. BLANTON. That is just a little more jingoism.

Mr. HORR. Not jingoism. If I jingoed any more than the gentleman from Texas, I would yield the crown. [Applause.] I shall talk about something now that the gentleman from Texas will understand. The other day the gentleman was here advocating and fighting for what? To keep one appropriation where it was. Where were the poor people then when the gentleman was advocating something that would mean salaries for snoopers and men who enter your homes looking for liquor? Did the gentleman forget the poor people at that time? [Applause.]

Mr. BLANTON. I was thinking of the mothers and children.

Mr. HORR. Those are the people the gentleman should think about but he should be consistent all the way through. Surely, we will put an admiral's flag on that desk, and an admiral's flag on that desk, but we are going to put a cannon right there—Bishop Cannon.

Mr. BRITTEN. Will the gentleman yield?

Mr. HORR. I yield.

Mr. BRITTEN. Did the gentleman say Bishop Cannon?

Mr. HORR. I said Bishop Cannon.

Mr. BRITTEN. He has been sitting on his lap for 15 years. [Laughter.]

Mr. HORR. I can follow the distinguished chairman of the Committee on Appropriations as a statesman, but when it comes to matters of service in the Army forces I believe I know as much as even the chairman of the Committee on Appropriations about the Army service. The gentleman speaks of our raising a million men overnight. It was only a short decade ago when that cry went out. What happened? You had to conscript us and take some of us yowling and squawking up to the front lines. Talk to me about a million men overnight! I happen to have been in command of men who, their former officers told me, were sent over the top and who could not fire a rifle. There they were—gun fodder for superior militarism. Talk about immediate needs! Of course, we may not need those men immediately. We will not need any ships immediately. Why do you not junk our navy yard out at Bremerton, Wash.? There is no evidence of war. Why build all these boats? We could get together a million men overnight with our great man power. I suppose we could create a battleship overnight and then go out and give battle to trained men on real armament.

Mr. BYRNS. Will the gentleman yield?

Mr. HORR. I yield.

Mr. BYRNS. I trust the gentleman will not misrepresent my position in this House. I favor a liberal Navy and I favor a reasonable Army. I do not want the gentleman to put me in a false attitude before this House.

Mr. HORR. May I inquire when did the gentleman become a big-Navy man?

Mr. BYRNS. For 24 years I have been voting for Navy appropriations.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield the gentleman from Washington five additional minutes.

Mr. BYRNS. For 24 years I have been voting for liberal appropriations for the Navy and Army, but I am not willing to do so unnecessarily, as the gentleman just said he was. We do not need these officers, and I am not willing to vote $500,000 out of the Treasury and take it from the taxpayers each year to take care of officers who are not needed. [Applause.]

Mr. HORR. The gentleman will not misunderstand me about the need. There is a difference between immediate need and preparedness. [Applause.]

May I also call attention to the fact that we do not need cantonments now; we do not need any merchant marine today for defense; but the gentleman would wait until the last moment and then go out and by contract, at 10 per cent

plus, and God knows what else, erect cantonments and build ships. There is no excuse at all for it.

Mr. BYRNS. Does not the gentleman know that if these men are not commissioned in June they will be eligible for commissions as officers in the Naval Reserve?

Mr. VINSON of Georgia. No, no.

Mr. HORR. No. Just a moment. I will answer the gentleman. In the first place, that is not true. In the second place, I served in the Army, and I am ill adapted to-day for military service. Because of the time elapsing from the time I was in active service I would not be worth 15 cents as an officer in any group.

Mr. BYRNS. As to commissions in the reserve, I know whereof I speak. Does the gentleman believe that these boys are needed next year in this service?

Mr. HORR. Did we not stand——

Mr. BYRNS. I asked the gentleman a question.

Mr. HORR. And I will answer it in this way: I can only do it by referring to past history. Did not the gentleman himself hear a distinguished candidate for President, within three months of hostilities, say he was going to keep us out of war, and he was elected to the high office of President on the statement that he was going to keep us out of war?

Mr. BYRNS. No; I did not hear that.

Mr. KELLER. Had kept us out of war.

Mr. HORR. Had kept us out of war.

Mr. BYRNS. He had done it until that time.

Mr. HORR. He did it until after election.

Mr. BYRNS. No; he had done it up until that time.

Mr. BRITTEN. Then what did he do?

Mr. BYRNS. Of course, later on, when we found our ships were being destroyed and citizens of this country being sunk at sea we did what we ought to have done, we went in to protect the flag and our citizens.

Mr. HORR. I want to ask a question: Did you declare war when your first citizens were sunk in the sea?

Mr. BRITTEN. No.

Mr. HORR. Or did you wait until after election before you declared war?

Mr. BRITTEN. Yes.

Mr. HORR. I am new. I do not want to get into an argument. Our distinguished friend from New York comes to us with this idea of the Geneva conference. My Lord, I am going to quote a real and authentic Democrat, Will Rogers, who said, "We are the only country in the world that never lost a war or ever won a conference." [Applause.] You go and appropriate money and you say you are thinking about your dear people at home, the poor taxpayers. You are not kidding those people. They have heard that before. I heard it when I was a youngster, and we are still hearing it from the floor of this House, and it is a joke. It is that which makes the Congress a joke to a considerable number of our people. Then you turn right around and vote thousands of dollars to send some people to the Geneva conference to argue with France and other nations who have no regard for us as to whether or not we should put ourselves in a position of preparedness. It is a joke and you know it.

Mr. BLANTON. Will the gentleman yield?

Mr. HORR. Yes.

Mr. BLANTON. What makes Congress a joke is that down on the hustings Congressmen tell the taxpayers they are for them, but whenever a bill comes up here taking their money, Members will find some excuse to vote for it, even when there is a possible Treasury deficit of $2,200,000,000 for the coming two years.

Mr. HORR. I never could understand the people of the gentleman's constituency, and I can not now. They sent the gentleman to Congress. [Laughter and applause.]

Mr. BLANTON. I think they will rank with the gentleman's constituents.

Mr. STAFFORD. Mr. Chairman, I yield myself eight minutes. It may be that some Members of this House do not understand the real question that is involved in this bill. There is no attempt here to decrease the officer strength of the Navy. That is established by law at 4 per cent of the enlisted strength. The question before the committee is whether we shall increase the prescribed officer strength of the Navy by providing berths at the expense of the taxpayers for those whom we have nurtured by giving them a college education for four years.

I would be ashamed of any midshipman whom I might have appointed to the Naval Academy who, after having received four years of technical engineering education, would ask Congress to provide him with a berth in excess of the prescribed number of the officer personnel of the Navy.

This is the first time during this Congress, after three months' session, that there has been any measure presented which involves the essential principle of violating the fundamental principle of balancing the Budget. That is the essential principle. Are you to-day, in midseason, after three months' session, going to say to the American people that the Congress is going to add to the burden of the Government not only to the extent of $500,000 but on the proposal of the gentleman from Oklahoma $1,000,000 next year, $1,500,000 the next year, and $2,000,000 the following year? And for what purpose? To wet nurse these boys whom we have appointed to receive an education for four years. They can go out into the world and become efficient engineers. Tell me not that their four years of training in the Naval Academy will not be of value to them in case of war emergency, and, as all you gentlemen know, we can call upon them in time of any emergency.

Why should we now violate the fundamental postulate of this Congress not to increase expenditures beyond the amount called for by the Budget by providing a nice high salary for young midshipmen who have been favored at the Government's expense and who have received a fine engineering education?

The reason why we are not sending more cadets to receive an education to its maximum capacity is because Congress has not authorized it. If we did send down the maximum strength that the academy could take care of, there would be the agitation which is now before the Congress of giving them a life career, at the expense of whom? At the expense of the taxpayers. We would be asked to give them a life career so that they could go along wearing their epaulets in peace time and having the distinction of being naval officers. I would disown any cadet whom I had appointed if he should ask me to give him continued employment in view of the flattened conditions which now exist.

Let me say that the boys who go there do not always go with the expectation of making a career. They are the favored ones of the country, like those we send to West Point. They are the favored sons of the country, because at these institutions they receive an education which you can not take from them.

Tell me not that a graduate from the Military Academy or a graduate from the Naval Academy would not be qualified on a minute's notice to accept a commission and carry out the work which he was trained to perform at these institutions.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. McCLINTIC of Oklahoma. I want to prevent this same situation happening at the next session of Congress.

Mr. STAFFORD. We tried to accomplish it last year by providing that instead of authorizing four cadets for each district we limit the number to three. Yet we now have this organized propaganda for the purpose of continuing these boys from each of these districts in these nice berths.

What was the motive of the gentleman from Georgia in reading the numbers that would be affected from each State? Only to try to have Members with midshipmen coming from their districts vote for this measure at the expense of the taxpayer. It ill becomes any Democrat who is standing on a program of economy to launch this extravagant program on the people of the country, which will cost them at least $2,000,000 in a couple of years and which will haunt us and haunt us should this bill be passed, and many other bills that may come in hereafter. [Applause.]

Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Idaho [Mr. FRENCH].

Mr. FRENCH. Mr. Chairman, the preceding speaker has referred to the very clever ruse of the chairman of the committee in reading to the House the districts and States that are affected by this bill. It was a very appealing move for him, as chairman of the committee, to ask the Navy Department to insert in the hearings, district by district, the Members who would be affected.

Then another well-planned move was, when he mailed the hearings to all the Members of the House—I assume he did—because I received mine with my particular midshipman at the academy checked off in pencil so that I should be sure not to overlook the fact.

Now, gentlemen, we ought to think of this measure in terms of our country and not in terms of some dear, fine boy whom we love, who has been named to the academy. I do have a boy from my home county in this class. I do hold it as one of my ambitions to see this young man an officer in the Navy of the United States, but, gentlemen, that young man would be unworthy to wear the epaulets of an officer unless he told me to do my duty by my country and not at the expense of the Treasury extend a favor to him. And what I say of that boy, I say of his people. They want him to be an officer, but they prefer, above that thought, that this Congress do the right thing by the Naval Establishment of the United States. We have got to think of this question in terms of our Navy, of our national needs, of our country.

Now, what is the situation? Under the authorization of general law there may be 4 per cent as many officers of the line as there are authorized enlisted personnel. This would give the Navy 5,499 officers. To-day, instead of having 5,499 officers, we have 5,578 officers, exclusive of 61 additional numbers. How does this come about? It comes about because last year there was placed by the Senate upon the appropriation bill a provision that would take the entire class that graduated last year into the officer personnel of the Naval Establishment.

When the bill providing appropriations passed this House a year ago we carried money for the appointment of three midshipmen for the present year to the Naval Academy. We fought and beat a proposition to make the number four instead of three. The Senate placed the number of midshipmen at the academy upon the bill at four. That body also provided that the entire class of last year be given commissions. When we went into conference, and as a sort of compromise, the Senate receded upon the amendment providing four midshipmen annually and the House receded upon the question of graduating the last class of midshipmen. And what was the argument used a year ago? The argument, and you will find it in the hearings as well as in the debates, was to the effect that we had something like 600 emergency officers then in the Navy who had not graduated from Annapolis but had advanced from the warrant-officer groups who would not be able to pass the examinations and would go out of the officer personnel of the regular establishment of the Navy instead of receiving promotion. I said this number was too high. I said the estimate was wrong and the fact of the business is the testimony of officers from the Navy Department was wrong and the statement I made to this House was correct. In other words, only about 20 or 30 of these officers have been separated from the naval service as active officers, and this is why you have the large hump, to-day, of officers in the Navy over the officer personnel that you need.

Now, what will be the effect of passing this bill? You will add an entire graduating class to the existing hump of the officer personnel of the Navy. You will add several hundred officers whom you do not need, measured either by the officer personnel of the line of Great Britain with a comparable navy to ours, with about 1,377 less officers of the line than we have in our line; or, again, measured by the use that is to-day made of the officers of the line.

A preceding speaker has told this House that the officers of the Navy to the extent of something like 200 will be put into the graduate schools of the United States next year. He is correct. Why? Because the officers are not needed upon ships. Therefore the best thing naval administration can think of is to put them into a graduate school where they will continue to do graduate work though remaining officers of the Naval Establishment.

There is another factor. Another gentleman has made the appeal that since these midshipmen were appointed to the academy therefore upon graduation they should be commissioned. The very fact, the gentleman urges, that they were appointed should guarantee them a commission. But the gentleman seems to forget that until the World War the graduating classes of the academy contributed only a small percentage of their number to the officer personnel. Go back to the admiral list of the Navy to-day, to the fine admirals who have been before our committee, and they have told us during our present hearings, as they have told us heretofore, that many of their numbers were not commissioned and as low as 33 per cent or 20 per cent of the graduates in their day were commissioned as officers of the Navy. The others who graduated from the academy did not have useless and misspent lives to look forward to. On the other hand, they were the favored young men of our country. Why? Because we have at Annapolis a great institution that gives a basic foundation to young men graduating at ages of from 20 to 22 or 24 years, an age which enables them to go out and become engineers or architects or builders, or with a little postgraduate work successful men in any of scores of lines of endeavor.

Talk about its being a handicap to a young man to go to the Naval Academy—four years of as fine education as can be found in the United States for these young men! I remember well, after I had completed four years in my home college, I was elected to a fellowship in one of the big universities that afforded me $320 a year. Gentlemen, I thought that a piece of heaven had been opened up to me. Yet here you are giving to these young men not $320 but an education that is costing $3,000 a year for each midshipman and that can not be surpassed in any institution in the United States to-day. Yet gentlemen turn around and use this fact as an argument for incurring additional expense and commissioning these men in the Navy of the United States.

Gentlemen, consider the alternate courses that may be followed if these young men—some of them—go back into civil life, if they do not receive commissions; they may become members of the Naval Reserve of the Navy—indeed commissioned officers, I have no doubt—and the Governmen would receive the benefit of their training in the event of an emergency that might confront our country.

If they be commissioned, then you send them into the Navy as ensigns, and the expenditure that will be incurred will be well-nigh one-quarter of a million dollars more than it otherwise would during the next 16 months, and thereafter nearly a half million a year as a minimum, with probable increases from time to time.

But consider the problem from an entirely different point of view. Over and over again appeal has been made to this House to permit certain men to retire as officers in the Army or the Navy, because they were constituting a hump, and thereby preventing the promotion of other officers behind them. The proposed bill has been cleverly drawn to make an immediate appeal, in that it provides service for these officers of the line only in the rank of ensign.

Unless this bar be lifted by some future Congress, then the position of these prospective officers will be more adverse than it could possibly be though denied commissions upon graduation. Fresh from Annapolis, they will be able to enter into some other institution of higher learning, or take up a special course, or enter some professional career, by reason of the training that has been given them. If you permit them to go into the Navy as ensigns, and do not amend the law at some future date, they will constitute a hump in the Navy. Then these officers will be dissatisfied, and will bring down upon your heads maledictions for what you are proposing now. [Applause.]

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I will consume but three or four minutes.

Mr. BRITTEN. If the gentleman please, I would like two minutes more.

Mr. VINSON of Georgia. Mr. Chairman, the gentleman from Idaho [Mr. FRENCH] complains of the attitude of the committee in sending out a report and the full hearing in reference to this bill. The difference between the Naval Affairs Committee and the gentleman's subcommittee, of which he used to be the head, is that the Naval Affairs Committee have so much faith in whatever bills they bring to Congress that we like to have the light of day turned upon them and have everyone know all about them. We are willing that the House and every Member should know all the facts relating to every detail of this bill. I trust the gentleman in the future will be as fair to the House in sending out a full stenographic report of all hearings before his subcommittee, so that the House can be as well posted on that matter as it is on this.

Mr. FRENCH. Our hearings are always published in extenso.

Mr. VINSON of Georgia. We are aware of the fact that they are published, and also of the fact that oftentimes the reporter is asked to raise his pen when testimony is being given, and we have no information about that particular testimony except as we gather it through the grapevine method.

The distinguished chairman of the Committee on Appropriations, the gentleman from Tennessee [Mr. BYRNS], is very much excited about this bill and excited about this enormous expenditure of $480,000. It would have been far better for the gentleman from Tennessee and the other four horsemen from the Committee on Appropriations if they had grown excited about the enormous expenditure of four and a half billion dollars at the last session of Congress. These distinguished gentlemen during the last session of Congress appropriated money at the rate of $36,000 a minute, and they are now excited about an expenditure of $480,000. The gentleman from Tennessee further said that if these boys go out of the academy they go into the Naval Reserve. Of course they do not go into the Naval Reserve. They go out to join the ranks of the unemployed in this country after the Government has spent millions of dollars to educate them.

No single member of the Committee on Naval Affairs, and there are 21 of us, would have the temerity to bring this bill here merely for the sake of giving these boys commissions unless there was a military reason for doing so. The military reason for it is that this very committee, which has hurled every argument it can against the bill, is providing for construction year by year of 16 battleships, and we have to have officers to man these ships. That is the military reason that we are asking that these officers be commissioned.

Mr. BYRNS. When will the ships be completed?

Mr. VINSON of Georgia. I trust one of them will be completed next year and the year after next and the year after next.

Mr. BYRNS. Is it not a fact that ships are going out of commission as new ones are coming in?

Mr. VINSON of Georgia. Of course; but is it not a fact that it takes four years to make a naval officer? I ask this House to do the fair and square thing by these boys. They were appointed to the academy in 1927. They have gone there and they have qualified themselves. There is a military necessity why this Congress should pass this bill to give these boys their commissions.

Mr. Chairman, I ask that the bill be read for amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint as ensigns in the line of the Navy all midshipmen who graduate from the Naval Academy in 1932: *Provided*, That the number of such officers so appointed shall, while in excess of the total authorized number of line officers, be considered in excess of the number of officers in the grade of ensign as determined by any computation.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McCLINTIC of Oklahoma: After the word "that," in line 6, and before the word "the," in line 7, insert the words "until after 1936."

Mr. VINSON of Georgia. Mr. Chairman, the amendment is satisfactory to the committee.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I wish to say only a few words in respect to the amendment. When the present midshipmen were appointed they were naturally of the opinion that they would be graduated and commissioned as ensigns. In view of that fact, I think it is the duty of this House to serve the right kind of notice now so that the midshipmen who are to come afterwards will know that in 1936 the percentage that relates to officers will go back to 4 per cent, and having that thought in mind and wanting to be fair to those that come afterwards and those that are now in the academy, I have offered this amendment.

Mr. BYRNS. Mr. Chairman, I rise in opposition to the amendment. In view of the statement made by the gentleman from Washington [Mr. HORR] relative to me—and I heard only a part of it as I came down the aisle—I rise to say that I believe in a reasonable Navy and have always voted for a reasonable Navy. I expect to continue to do so. Also I believe in a reasonable Army. I believe in a reasonable state of preparedness. No one ever before accused me of holding any other attitude with reference to the Army and the Navy. I do not believe, however, in a moment of hysteria, that we should undertake to add to the burdens of the taxpayers whom we are sworn to represent and to stand for, by adding the great additional expense involved in this particular proposition. They say it is a military necessity. I call upon you, my friends, and upon the record to show where any gentleman has demonstrated that this is a military necessity. The gentleman from Georgia [Mr. VINSON] says that we are going to build some more ships. He has a bill now, which I presume is on the calendar, calling for an authorization of $616,000,000 for the building of ships. Congress has not yet acted upon it. But even if it is authorized, if we proceed with the building, it will be several years before they are put into commission, and we all know that as these ships come into commission, other ships, as the gentleman admitted, go out. What becomes of the officers upon those ships which go out of commission as the new ones come in?

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. BYRNS. I am sorry; I do not have time. I say if you are in favor of economy, if you are in favor of responding to the appeals that have been made by the President of the United States to hold down these appropriations, you will vote against this bill. It is not asked for. On the contrary, as I recall, and the gentleman from Georgia can correct me if I am wrong, it is not favored by the Secretary of the Navy.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. VINSON of Georgia. It is not favored by the Budget. For that reason it can not be approved by the Navy Department.

Mr. BYRNS. Oh, that is a reflection upon the Secretary of the Navy. I have observed in the past he has been quite free to express his opinions, even though they came in conflict with the President of the United States.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. BYRNS. I say to you that the Secretary of the Navy is not on record in favor of this bill. It is not approved by the Bureau of the Budget. Therefore it is not approved by the President of the United States. I hope that this House will maintain the reputation which it has established over the country, on both sides of this aisle, of standing for economy in this hour when your constituents and mine are being taxed to the limit in order to take care of the ordinary expenses of the Government. [Applause.]

[Here the gavel fell.]

Mr. BRITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when the distinguished chairman of the Committee on Appropriations speaks to the House as seriously as he just now has, of course, his words will carry weight. I wish to suggest to the younger Members of the House, who have not been here for 20 years, as the gentleman from Washington [Mr. JOHNSON] and others have, that many gentlemen who have spoken against this legislation to-day were, with the possible exception of the gentleman from Washington [Mr. JOHNSON], so-called small-navy men. But they said, "I am for an adequate navy or I am for an efficient navy." But they always voted against the best interests of the service. Most of them in 1913, when the question arose as to whether we would appropriate for one battleship or none, voted for none, but insisted that they were for an adequate navy. An adequate navy, my friends, should mean a navy second to none other. A second-class navy is a losing navy.

Another time when the question arose in this House whether we would have one battleship or two battleships this distinguished group of officials of the Government who are for an efficient navy and an adequate navy voted for the one ship rather than two, the no ship rather than one.

My friend the gentleman from Mississippi [Mr. COLLINS] would wreck the Navy to-morrow on the theory that we do not need a navy, and yet he would say he was for adequate national defense. The word "adequate" means nothing to those who think like the professional pacifist Libby. Even he (Libby) will say he is for an adequate national defense. The gentlemen who have talked against this legislation are opposed to a real first-class navy. They are not necessarily opposed to this bill from the taxpayer's standpoint.

Mr. TABER. Will the gentleman yield?

Mr. BRITTEN. No. I am sorry, but I do not have time. Practically every small-navy man in this House is also an ardent prohibitionist. They seem to go hand in hand. His votes would wreck the Navy, but not one dollar shall be cut from the prohibition-enforcement appropriations. Prohibition appears more sacred to them than even the national defense. Oh, no; not a dollar shall be saved on the silly enforcement of a costly legislative failure. The Volstead law is a thing too sacred to touch. All other appropriations may be slashed, but not the one affecting the now dejected noble experiment. If the 261 graduates of the Naval Academy affected by this bill were to be enrolled in the Coast Guard for rum running, every dry in the House would extol its merits. They will vote millions for snoopers and snipers but nothing for real fighting men.

Mr. MILLARD. Will the gentleman yield?

Mr. BRITTEN. No; not now.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I offer a preferential motion in order to get the floor. I move to strike out the enacting clause.

Mr. Chairman, when an able lawyer like our friend from Washington [Mr. HORR] can not establish his case by facts he attacks his opponent personally. The reason my friend the gentleman from Washington [Mr. HORR] can not understand my constituents is that they are a different kind of people from the people the gentleman represents. I do not have any Japanese in my district. The gentleman has 15,000 Japanese in his district. They operate the hotels in part of Seattle, these 15,000 Japanese.

Those 15,000 Japanese can not own property under the law, but they find a way of owning it through corporations in Seattle. I will frankly admit that I do not understand the gentleman's 15,000 Japanese in his district. But I am sure that he must understand them. Their ways are not the ways of my constituents. Their language is not the language of my constituents. Their predilections are not the predilections of my constituents. It is quite natural that representing 15,000 Japanese the gentleman can not understand my constituents.

The nearly 400,000 splendid people in my district are practically 100 per cent white people of America, not naturalized Americans, but most of them are natural-born Americans, most of them born in my district. That is the reason the gentleman can not understand them. I do not understand the Jap language, customs, and morals, but he evidently does. He also has Chinamen there, about 7,000 or 8,000 in his Seattle district. I have not any Chinamen in my district. That is the reason the gentleman can not understand my constituents.

So far as the service of my friend during the war is concerned, I commend him. I have not an unkind word to say about him personally. He can talk about me all he wants to, but he must not talk about my constituents. [Laughter.] They are the best people on God's earth. They are the whitest people on God's earth. They are some of the most intelligent people on God's earth. Many of them have been voting for me for 25 years and now have children who are my strongest supporters.

After the gentleman from Washington serves out his apprenticeship and after he gets over his second election—you know, this next election will be the crucial time for the gentleman—then, maybe, he may criticize constituents. Lots of fellows come here and stay only two years. They can get by one election, but it is hard for them to get by the second and the third. After the gentleman gets by his second election and then possibly the third, if he is so fortunate, then he can understand something about the constituents of other Members, but until then he will be ignorant about them.

Mr. HORR. Will the gentleman yield?

Mr. BLANTON. Yes; certainly.

Mr. HORR. As I am to have but one term, will not the gentleman let me have a good time while I am here? [Laughter.]

Mr. BLANTON. Yes; certainly. If to have a good time it is necessary for the gentleman to talk about the gentleman from Texas, I will turn him footloose; let him say all he wants to, but he must let my constituents alone. [Laughter.]

If the gentleman will come down to my district this summer, I will take him fishing and show him some of the finest fishing in the world. If he will come down there next November, before we meet in the December session, I will take him out and show him some of the finest hunting in the world, and incidentally I will show him the finest people in the world. They are hospitable, honest, intelligent, law-abiding, law-enforcing, God-fearing men and women—the salt of the earth.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCLINTIC of Oklahoma. The amendment has already been adopted. I hope the gentleman will not make that motion, because I have one more amendment which ought to be explained.

Mr. VINSON of Georgia. That does not preclude the gentleman from offering his amendment. I am moving that all debate on this section and all amendments thereto do now close.

Mr. McCLINTIC of Oklahoma. I would like to have an opportunity to explain the amendment.

Mr. VINSON of Georgia. Mr. Chairman, I will withhold the motion for the time being.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McCLINTIC of Oklahoma: At the end of the section add: "*And provided further*, That any midshipman commissioned by this act shall not be eligible for retirement pay if separated from the service within a period of five years."

Mr. VINSON of Georgia. Mr. Chairman, I make a point of order against the amendment.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I would like to be heard on the point of order. This is an amendment offered to the legislation for the purpose of taking care of the very same situation that has been brought to the attention of the committee by the chairman of the Appropriations Committee and those who are opposed to the legislation. Frequently in the past we have added limitations of this kind and I especially refer the Chair to that class of reports that comes from the various committees for the purpose of correcting military records. We have added provisions that the party benefited should not be eligible for certain considerations, and that being true I think an amendment of this kind should be added to the bill so that the midshipmen who are now eligible to receive this consideration may know that at the end of four or five years, if it becomes necessary to reduce the percentage of officers, as it will be under the terms of the amendment I have just offered, they can either resign or they can continue by accepting the commission that will be given to them.

Mr. VINSON of Georgia. Mr. Chairman, I make the point of order that the amendment is not germane for the simple reason it deals with the question of retirement pay. The question of retirement pay is not involved in the issuance of a commission. It is an entirely foreign subject matter to that of the bill, which is to grant a commission to a midshipman when he is graduated from the Naval Academy.

The CHAIRMAN (Mr. MARTIN of Oregon). The Chair is ready to rule on the point of order.

The Chair considers the amendment germane. The committee has already placed a limit on the service of these men of four years, and the amendment provides that during that limited period they shall not be subject to retirement.

The Chair overrules the point of order.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I want to speak briefly to the members of the committee. This bill in the form in which it was introduced would provide for increased expenditures, and it is my desire to prevent this as much as possible. As I view it, these midshipmen who are now to be graduated are to be given special consideration by the terms of this bill, in that they are allowed to be commissioned as ensigns for a period of four or five years. This being true, they know beforehand, if they accept the provisions of the legislation, that at the end of five years, should it be necessary to reduce the number of officers in the Navy, they will not be eligible for retirement pay.

Let me call your attention to a situation that has not been brought out on this floor. Instead of having 5,000 officers in the Navy we have over 9,000, and this number includes the staff officers and the warrant officers.

There is no dearth of officers at the present time; and the reason I am supporting this legislation is because these boys, when they were taken into the Naval Academy, were not put on notice they were not going to be commissioned after graduation. I take it that in view of the fact that they were not given this notice, they ought to be extended the opportunity of being commissioned as ensigns of the Navy; but at the end of four years, inasmuch as we have adopted an amendment which will take care of the increased percentage, there ought to be some provision in the legislation so that the taxpayers will not be penalized an additional amount equal to the retirement pay.

Mr. McGUGIN. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. McGUGIN. Does the gentleman have any doubt but what five years from now the same pressure will be put on that Congress that is being put on this Congress to retain them in the Navy whether they are needed or not?

Mr. McCLINTIC of Oklahoma. I will answer the gentleman in my own way. The statement was made that we ought not to turn these young men out when conditions are so bad, when there are millions of people out of employment, and that these men have gone ahead complying with the rules and regulations of the department in a proper way and are entitled to this consideration. I agree with this statement of facts, but there is nothing in this legislation that will require a graduate of this year's class to be commissioned as an ensign, and if he wishes to avail himself of that privilege, then he should know beforehand that at the end of four or five years he might have to be taken out of the service, and if such is the case, he would not be entitled to retirement pay.

Mr. WHITE. Is there any provision in the gentleman's amendment to care for those men who may be disabled in line of duty during the five years?

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I trust this amendment will be rejected. It is not the fair thing to do, because if these boys are given a commission they should have every right and every provision of law in their favor that applies to any other officer of the United States Navy. [Applause.]

The amendment of the gentleman from Oklahoma makes fish of one and fowl of another. The gentleman denies this class the right to have the benefit of retirement pay. Think of it. One of these boys is injured in line of duty; under the amendment proposed by the gentleman from Oklahoma he goes out of the Navy, but is not entitled to retirement pay. Why, the very face of it shows the unfairness of the amendment, and I trust the committee will promptly vote it down.

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma?

The amendment was rejected.

Mr. VINSON of Georgia. Mr. Chairman, I move that the committee rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 121 ayes and 4 noes.

So the motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MARTIN of Oregon, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 8033) providing for the appointment as ensigns in the line of the Navy of all midshipmen who graduate from the Naval Academy in 1932, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to, and that the bill as amended do pass.

Mr. VINSON of Georgia. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. STAFFORD. And on that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 183, nays 143, not voting 105, as follows:

[Roll No. 24]

YEAS—183

Abernethy	Beam	Brumm	Chavez
Adkins	Beedy	Brunner	Chindblom
Aldrich	Black	Bulwinkle	Christgau
Allen	Bland	Burdick	Clark, N. C.
Andrew, Mass.	Bloom	Butler	Cole, Iowa
Andrews, N. Y.	Boileau	Canfield	Cole, Md.
Bacharach	Boland	Carley	Condon
Bacon	Boylan	Carter, Calif.	Cooper, Ohio
Baldrige	Brand, Ga.	Carter, Wyo.	Cooper, Tenn.
Barton	Britten	Celler	Corning

Coyle	Hancock, N. Y.	McFadden	Sanders, Tex.
Crisp	Hawley	McKeown	Schafer
Crowe	Hill, Ala.	McLaughlin	Seger
Crowther	Hill, Wash.	McLeod	Sirovich
Culkin	Holmes	McReynolds	Smith, W. Va.
Cullen	Hooper	Maas	Snell
Curry	Hope	Magrady	Snow
Dallinger	Hornor	Major	Somers, N. Y.
Davenport	Horr	Maloney	Stokes
Delaney	Houston, Del.	Manlove	Sullivan, N. Y.
De Priest	Hull, William E.	Mansfield	Sutphin
DeRouen	Jeffers	Mapes	Swank
Dickinson	Johnson, Ill.	Martin, Mass.	Sweeney
Dickstein	Johnson, S. Dak.	Martin, Oreg.	Tarver
Dyer	Johnson, Tex.	May	Taylor, Tenn.
Englebright	Kahn	Mead	Temple
Erk	Keller	Michener	Tierney
Estep	Kelly, Pa.	Montet	Timberlake
Evans, Calif.	Kemp	Nelson, Me.	Tinkham
Fernandez	Kerr	Nelson, Mo.	Turpin
Finley	Kniffin	Niedringhaus	Underhill
Fitzpatrick	Lambertson	Norton, N. J.	Vinson, Ga.
Foss	Lanham	O'Connor	Vinson, Ky.
Free	Lankford, Ga.	Overton	Watson
Gambrill	Lankford, Va.	Owen	Weeks
Gasque	Lea	Palmisano	Welch, Calif.
Gavagan	Leavitt	Parker, Ga.	White
Gibson	Lehlbach	Partridge	Wilson
Gifford	Lichtenwalner	Pittenger	Wingo
Goss	Lindsay	Polk	Wolcott
Granata	Linthicum	Pratt, Ruth	Wolverton
Granfield	Lonergan	Ramspeck	Wood, Ga.
Griswold	Loofbourow	Reilly	Woodruff
Guyer	Lovette	Rogers, Mass.	Wright
Hadley	McClintic, Okla.	Rudd	Yon
Hall, N. Dak.	McCormack	Sanders, N. Y.	

NAYS—143

Allgood	Dowell	Jones	Rayburn
Almon	Doxey	Kading	Rich
Amlie	Driver	Karch	Robinson
Arentz	Eaton, Colo.	Ketcham	Sabath
Arnold	Eslick	Kinzer	Sandlin
Ayres	Fish	Kleberg	Schneider
Bankhead	Fishburne	Knutson	Seiberling
Barbour	Flannagan	Kopp	Selvig
Beers	Frear	Kurtz	Shallenberger
Blanton	French	LaGuardia	Shannon
Boehne	Fulbright	Lamneck	Shott
Bowman	Fuller	Larrabee	Simmons
Browning	Fulmer	Larsen	Sinclair
Buchanan	Garber	Lozier	Sparks
Burch	Gilchrist	Luce	Spence
Burtness	Glover	Ludlow	Stafford
Byrns	Goodwin	McClintock, Ohio	Stevenson
Campbell, Iowa	Green	McGugin	Strong, Kans.
Cannon	Gregory	McMillan	Swanson
Carden	Haines	Millard	Swick
Cartwright	Hall, Miss.	Miller	Taber
Cary	Hardy	Milligan	Thatcher
Chapman	Hare	Mitchell	Thomason
Christopherson	Harlan	Moore, Ky.	Thurston
Clague	Hart	Morehead	Tilson
Clarke, N. Y.	Hess	Mouser	Treadway
Cochran, Mo.	Hoch	Murphy	Wason
Collins	Hogg, Ind.	Nolan	Whittington
Colton	Hogg, W. Va.	Norton, Nebr.	Wigglesworth
Cox	Hopkins	Parsons	Williams, Mo.
Cross	Huddleston	Patman	Williams, Tex.
Crosser	Hull, Morton D.	Peavey	Williamson
Davis	Jacobsen	Pettengill	Withrow
Dies	Johnson, Mo.	Rainey	Wood, Ind.
Dominick	Johnson, Okla.	Ramseyer	Woodrum
Doughton	Johnson, Wash.	Rankin	

NOT VOTING—105

Andresen	Douglass, Mass.	Kendall	Schuetz
Auf der Heide	Doutrich	Kennedy	Shreve
Bachmann	Drane	Kvale	Smith, Idaho
Beck	Drewry	Lambeth	Smith, Va.
Bohn	Eaton, N. J.	Lewis	Stalker
Bolton	Evans, Mont.	McDuffie	Steagall
Brand, Ohio	Fiesinger	McSwain	Stewart
Briggs	Freeman	Montague	Strong, Pa.
Buckbee	Garrett	Moore, Ohio	Sullivan, Pa.
Busby	Gilbert	Nelson, Wis.	Summers, Wash.
Cable	Gillen	Oliver, Ala.	Sumners, Tex.
Campbell, Pa.	Golder	Oliver, N. Y.	Swing
Cavicchia	Goldsborough	Parker, N. Y.	Taylor, Colo.
Chase	Greenwood	Parks	Tucker
Chiperfield	Griffin	Patterson	Underwood
Clancy	Hall, Ill.	Perkins	Vestal
Cochran, Pa.	Hancock, N. C.	Person	Warren
Collier	Hartley	Pou	Weaver
Connery	Hastings	Prall	Welsh, Pa.
Connolly	Haugen	Pratt, Harcourt J.	West
Cooke	Holaday	Purnell	Whitley
Crail	Hollister	Ragon	Wolfenden
Crump	Howard	Ransley	Wyant
Darrow	Igoe	Reed, N. Y.	Yates
Dieterich	James	Reid, Ill.	
Disney	Jenkins	Rogers, N. H.	
Douglas, Ariz.	Kelly, Ill.	Romjue	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Wyant (for) with Mr. Tucker (against).
Mr. Igoe (for) with Mr. Ragon (against).

General pairs:

Mr. Oliver of Alabama with Mr. Cavicchia.
Mr. Griffin with Mr. Buckbee.
Mr. Pou with Mr. Purnell.
Mr. Disney with Mr. Beck.
Mr. Oliver of New York with Mr. Moore of Ohio.
Mr. McDuffie with Mr. Bohn.
Mr. Briggs with Mr. Darrow.
Mr. Collier with Mr. Hartley.
Mr. Weaver with Mr. Golder.
Mr. Lambeth with Mr. Vestal.
Mr. Prall with Mr. Welsh of Pennsylvania.
Mr. Steagall with Mr. Reid of Illinois.
Mr. Drewry with Mr. Cable.
Mr. Connery with Mr. Ransley.
Mr. Lewis with Mr. Bolton.
Mr. Auf der Heide with Mr. Kendall.
Mr. Gilbert with Mr. Chiperfield.
Mr. Douglass of Massachusetts with Mr. Crail.
Mr. Warren with Mr. Doutrich.
Mr. Howard with Mr. Holaday.
Mr. Stewart with Mr. Hollister.
Mr. Garrett with Mr. Jenkins.
Mr. Parks with Mr. Connolly.
Mr. Dieterich with Mr. Pratt.
Mr. Busby with Mr. Shreve.
Mr. McSwain with Mr. Summers of Washington.
Mr. Crump with Mr. James.
Mr. Montague with Mr. Clancy.
Mr. Schuetz with Mr. Bachmann.
Mr. Fiesinger with Mr. Perkins.
Mr. Gillen with Mr. Campbell of Pennsylvania.
Mr. Hastings with Mr. Parker of New York.
Mr. Kennedy with Mr. Smith of Idaho.
Mr. West with Mr. Reed of New York.
Mr. Smith of Virginia with Mr. Andresen.
Mr. Greenwood with Mr. Eaton of New Jersey.
Mr. Sumners of Texas with Mr. Wolfenden.
Mr. Drane with Mr. Strong of Pennsylvania.
Mr. Goldsborough with Mr. Person.
Mr. Taylor of Colorado with Mr. Cochran of Pennsylvania.
Mr. Romjue with Mr. Freeman.
Mr. Evans of Montana with Mr. Yates.
Mr. Rogers of New Hampshire with Mr. Swing.
Mr. Patterson with Mr. Cooke.
Mr. Kvale with Mr. Chase.
Mr. Douglas of Arizona with Mr. Brand of Ohio.
Mr. Hancock of North Carolina with Mr. Sullivan of Pennsylvania.
Mr. Kelly of Illinois with Mr. Stalker.
Mr. Whitley with Mr. Haugen.

The result of the vote was announced as above recorded.

On motion of Mr. VINSON of Georgia, a motion to reconsider the bill by which the bill was passed was laid on the table.

REAR ADMIRAL GEORGE H. ROCK

Mr. KETCHAM. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. KETCHAM. Mr. Speaker, we have just concluded a very interesting discussion concerning midshipmen of the present day. Reference to midshipmen of other days is therefore timely and interesting. I avail myself of the brief time given to pay tribute to Rear Admiral George H. Rock, who on November 21 of the current year will have completed 47½ years of splendid service in the Navy of the United States. [Applause.] Admiral Rock entered the Naval Academy in May of 1885 and was a classmate of that other distinguished graduate, Capt. Richmond Pearson Hobson, the two being the leaders of their class. Admiral Rock has had a singularly successful career in the Navy. In the Construction Corps he has proceeded from one position of responsibility to another and from one place of honor to another until within the last six years he has been at the head of this important Department of the Navy. He has represented the Navy Department in the International Conference on Safety of Life at Sea and is regarded as an outstanding authority in the field of naval construction. With exceptional efficiency he combines rare personal qualities which have made him greatly beloved by all with whom he has associated. He comes from my home town, Hastings, Mich., and, needless to say, is our foremost citizen. We delight to do him honor. It gives me the greatest pleasure to take this brief moment to pay tribute to this splendid man who for so many years has given his best to the service of our country. [Applause.]

LEAVE TO FILE REPORT

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent that I may have until midnight to-night to file a report upon the bill (H. R. 5315) to amend the Judicial Code, known as the anti-injunction bill.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. STEWART, for two days, on account of illness.

Mr. CHASE, for the remainder of the week, on account of illness.

Mr. DISNEY, on account of illness.

Mr. TUCKER, for one week, on account of illness.

Mr. KVALE (at the request of Mr. CHRISTGAU), for the day on account of death in family.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

S. J. Res. 14. Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress.

ADJOURNMENT

Mr. VINSON of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until to-morrow, Thursday, March 3, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Thursday, March 3, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

To give the Secretary of Labor discretionary power in regard to the return of certain aliens to the United States (H. R. 210 and H. R. 5871).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

Graduate school for the United States Naval Academy.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(10.00 a. m.)

Public works administration (H. R. 6665 and H. R. 6670).

COMMITTEE ON ELECTIONS NO. 3

(10.00 a. m.)

Stanley H. Kunz *v.* Peter C. Granata, eighth congressional district of Illinois.

EXECUTIVE COMMUNICATIONS, ETC.

464. Under clause 2 of Rule XXIV, a letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill amending title 33, chapter 4, section 252, paragraph (a) of the United States Code, reenacting paragraph (A) of rule 3, was taken from the Speaker's table and referred to the Committee on Merchant Marine, Radio, and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. POU: Committee on Rules. H. Res. 164. Resolution providing for the consideration of Senate Joint Resolution 110, a joint resolution authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress; without amendment (Rept. No. 658). Referred to the House Calendar.

Mr. WOODRUM: Committee on Appropriations. H. R. 10022. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1933, and for other purposes; without amendment (Rept. No. 659). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of Washington: Committee on Immigration and Naturalization. H. R. 9598. A bill to authorize increased expenditures for the enforcement of the contract-labor provisions of the immigration law; with amendment (Rept. No. 660). Referred to the Committee of the Whole House on the state of the Union.

Mrs. OWEN: Committee on Foreign Affairs. H. J. Res. 320. A joint resolution to authorize an appropriation for the American group of the Interparliamentary Union; without amendment (Rept. No. 663). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on Public Buildings and Grounds. H. R. 9146. A bill authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes; without amendment (Rept. No. 664). Referred to the House Calendar.

Mr. LAGUARDIA: Committee on the Judiciary. H. R. 5315. A bill to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes; with amendment (Rept. No. 669). Referred to the House Calendar.

Mr. PEAVEY: Committee on Indian Affairs. H. R. 472. A bill to authorize the leasing of unallotted tribal Indian land in the Red Lake Indian Reservation, Minn.; with amendment (Rept. No. 670). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. YON: Committee on the Public Lands. S. 476. A bill for the relief of certain purchasers of lots in Harding Townsite, Fla.; with amendment (Rept. No. 661). Referred to the Committee of the Whole House.

Mr. YON: Committee on the Public Lands. H. R. 9714. A bill for the relief of Marion F. Blackwell; with amendment (Rept. No. 662). Referred to the Committee of the Whole House.

Mr. SMITH of Virginia: Committee on Public Buildings and Grounds. H. R. 9348. A bill to amend the act entitled "An act for the relief of contractors and subcontractors for the post office and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by act of March 6, 1920; without amendment (Rept. No. 665). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4845. A bill for the relief of R. A. Hunsinger; without amendment (Rept. No. 666). Referred to the Committee of the Whole House.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 7357. A bill to amend an act entitled "An act to incorporate the Masonic Mutual Relief Association of the District of Columbia," approved March 3, 1869, as amended; with amendment (Rept. No. 667). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 9332. A bill to reimburse D. W. Tanner for expense of purchasing an artificial limb; without amendment (Rept. No. 668). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9987) for the relief of Paris H. Qualles; Committee on Pensions discharged, and referred to the Committee on Claims.

A bill (H. R. 1410) for the relief of the heirs of James Henry Birch; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 5913) for the relief of Samuel Irick; Committee on World War Veterans' Legislation discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'CONNOR: A bill (H. R. 10017) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. WILLIAM E. HULL: A bill (H. R. 10018) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. LaGUARDIA: A bill (H. R. 10019) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. LINTHICUM: A bill (H. R. 10020) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. BECK: A bill (H. R. 10021) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. WOODRUM: A bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. CROSSER: A bill (H. R. 10023) to provide retirement insurance for railway employees, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STOKES: A bill (H. R. 10024) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. BOILEAU: A bill (H. R. 10025) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. HESS: A bill (H. R. 10026) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. COYLE: A bill (H. R. 10027) providing import duties on coal and coke imported into the United States from foreign countries; to the Committee on Ways and Means.

By Mr. CONDON: A bill (H. R. 10028) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. SMITH of West Virginia: A bill (H. R. 10029) providing an import duty upon all bituminous coal imported into the United States from foreign countries; to the Committee on Ways and Means.

By Mr. CULKIN: A bill (H. R. 10030) to promote the public health of all who are engaged in the service or defense of the United States in the Army and Navy and all of the Government, and to encourage the dairy industry in the interest of the general welfare; to the Committee on Agriculture.

By Mr. BRITTEN: A bill (H. R. 10031) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. RUDD: A bill (H. R. 10032) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. SCHNEIDER: A bill (H. R. 10033) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. DE PRIEST: A bill (H. R. 10034) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. McMILLAN: A bill (H. R. 10035) to authorize the transfer of certain lands in Charleston County, S. C., to the Maybank Fertilizer Co., the Etiwan Fertilizer Co., and the Standard Oil Co. of New Jersey; to the Committee on Naval Affairs.

By Mr. JAMES: A bill (H. R. 10036) to authorize appropriations for construction at Fort Bliss, Tex., and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 10037) to authorize appropriations for construction at Fort Sam Houston, Tex., and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 10038) to authorize appropriations for construction at Fort Hamilton, N. Y., and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 10039) to authorize appropriations for construction at Fort Snelling, Minn., and for other purposes; to the Committee on Military Affairs.

By Mr. DISNEY: A bill (H. R. 10040) providing insurance of the deposits of member banks of the Federal reserve system, and for other purposes; to the Committee on Banking and Currency.

By Mr. CONNERY: A bill (H. R. 10041) to establish in the War Department and the Navy Department, respectively, a roll designated as the "Army and Navy Medal of Honor and distinguished Service Cross Roll," and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 10042) to recognize the high public service rendered by soldiers who volunteered and served in the trench-fever experiments in the American Expeditionary Forces; to the Committee on Military Affairs.

By Mr. BRAND of Georgia: A bill (H. R. 10043) to provide that no interest shall be charged upon loans made by the Administrator of Veterans' Affairs on adjusted-service certificates after February 27, 1931, and for other purposes; to the Committee on Ways and Means.

By Mr. JAMES: A bill (H. R. 10044) to amend the tariff act of 1930, entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes," to provide a tariff on copper; to the Committee on Ways and Means.

By Mr. BURDICK: A bill (H. R. 10045) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. BRUMM: A bill (H. R. 10046) providing import duties on coal and coke imported into the United States from foreign countries; to the Committee on Ways and Means.

By Mr. DISNEY: A bill (H. R. 10047) to carry out certain obligations to certain enrolled Indians under tribal agreement; to the Committee on Indian Affairs.

By Mr. SWING: A bill (H. R. 10048) granting to the Metropolitan Water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California; to the Committee on the Public Lands.

By Mr. HORR: A bill (H. R. 10049) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. WELCH of California: A bill (H. R. 10050) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. ALMON: A bill (H. R. 10051) to amend section 20, title 23, United States Code, relating to annual reports on roads and trails construction; to the Committee on Roads.

By Mr. SEIBERLING: A bill (H. R. 10052) to provide for cooperation with the several States and Territories in the physical restoration, education, vocational guidance, and vocational education of physically handicapped children and their placement and follow-up in employment, and for other purposes; to the Committee on Education.

By Mr. BOLAND: A bill (H. R. 10053) providing import duties on coal and coke imported into the United States from foreign countries; to the Committee on Ways and Means.

By Mr. THATCHER: A bill (H. R. 10054) to amend the Code of Law for the District of Columbia, with respect to the kidnaping or otherwise unlawful detention of individuals; to the Committee on the District of Columbia.

By Mr. JOHNSON of South Dakota: Joint resolution (H. J. Res. 321) relating to the continuance on the pay rolls of certain employees in cases of death of Representatives, Delegates, and Resident Commissioners; to the Committee on Accounts.

By Mr. CRISP: Concurrent resolution (H. Con. Res. 27) relative to the printing of "Revenue Revision, 1932;" to the Committee on Printing.

By Mr. POU: Resolution (H. Res. 164) for the consideration of Senate Joint Resolution 110, a joint resolution authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief and distress; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. McMILLAN: Memorial of the Legislature of the State of South Carolina, calling to the attention of the Congress of the United States of America, the urgent credit need of the farmers of this State, and memorializing the Congress for action in respect thereto; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of South Carolina, memorializing Congress not to place any tax on gasoline; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY: A bill (H. R. 10055) granting a pension to Matthew G. Lewis; to the Committee on Pensions.

By Mr. ANDREW of Massachusetts: A bill (H. R. 10056) granting an increase of pension to Mary Elizabeth Eaton; to the Committee on Invalid Pensions.

By Mr. BOILEAU: A bill (H. R. 10057) for the relief of Lawrence Nohr; to the Committee on War Claims.

By Mr. BRITTEN: A bill (H. R. 10058) granting a pension to Emma L. Elliott; to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 10059) granting a pension to Julia Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10060) granting a pension to Mariah E. Bowlen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10061) granting a pension to Laura I. Harer; to the Committee on Pensions.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 10062) granting a pension to Gwennie A. Philson; to the Committee on Pensions.

By Mrs. KAHN: A bill (H. R. 10063) for the relief of Iria T. Peck; to the Committee on Military Affairs.

By Mr. KETCHAM: A bill (H. R. 10064) for the relief of Charles Hose; to the Committee on Military Affairs.

By Mr. LAMNECK: A bill (H. R. 10065) granting a pension to Elizabeth Heintze; to the Committee on Pensions.

By Mr. LINTHICUM: A bill (H. R. 10066) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature; to the Committee on Foreign Affairs.

By Mr. LONERGAN: A bill (H. R. 10067) for the relief of Andrew M. Jeffrey; to the Committee on Military Affairs.

By Mr. LOZIER: A bill (H. R. 10068) granting a pension to Ellen Moore; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 10069) granting a pension to Maria Lee; to the Committee on Invalid Pensions.

By Mr. McKEOWN: A bill (H. R. 10070) for the relief of Beryl M. McHam; to the Committee on Military Affairs.

By Mr. MAY: A bill (H. R. 10071) granting a pension to Elijah Bolin; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 10072) granting an increase of pension to Ann M. Powers; to the Committee on Invalid Pensions.

By Mr. SHOTT: A bill (H. R. 10073) granting a pension to Araminta Webb; to the Committee on Invalid Pensions.

By Mr. SEIBERLING: A bill (H. R. 10074) granting a pension to Nancy C. Howenstine; to the Committee on Invalid Pensions.

By Mr. SMITH of Virginia: A bill (H. R. 10075) granting an increase of pension to William C. Hammond; to the Committee on Pensions.

By Mr. SWING: A bill (H. R. 10076) for the relief of Eleanore Le Vesque; to the Committee on War Claims.

By Mr. VINSON of Kentucky: A bill (H. R. 10077) granting a pension to Lavina Watts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10078) granting an increase of pension to Lydia Atkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10079) granting a pension to Earl F. Alexander; to the Committee on Pensions.

By Mr. WEST: A bill (H. R. 10080) granting a pension to Rose K. Cartmill; to the Committee on Invalid Pensions.

By Mr. WOODRUFF: A bill (H. R. 10081) granting an increase of pension to Adeline D. Rood; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3443. By Mr. ALDRICH: Resolution of Group 1770, Polish National Alliance, West Warwick, R. I., favoring House Joint Resolution 144 providing legislation making October 11 of each year a day of observance in honor of the memory of Gen. Casimir Pulaski; to the Committee on the Judiciary.

3444. Also, petition of Charles T. Cashman and 12 others, of Wakefield, Saunderstown, and Shannock, R. I., opposing passage of Senate bill 1202; to the Committee on the District of Columbia.

3445. By Mr. ANDREWS of New York: Resolution adopted by 25 women of the Woman's Christian Temperance Union of Olcott, N. Y., urging the support of the prohibition law; to the Committee on the Judiciary.

3446. Also, resolution adopted by 105 members of the Methodist Episcopal congregation of Olcott, N. Y., urging support of the prohibition law; to the Committee on the Judiciary.

3447. By Mr. BYRNS: Petition of citizens of Springfield, Tenn., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3448. By Mr. CHINDBLOM: Petition of Franklin P. Smith, of Lake Forest, Ill., and 17 other residents of Chicago and vicinity, advocating private architects for Government work; to the Committee on Public Buildings and Grounds.

3449. Also, petition of Franklin P. Smith, of Lake Forest, Ill., and 17 other residents of Chicago and vicinity, advocating economy in Federal expenditures; to the Committee on Appropriations.

3450. By Mr. CORNING: Resolution adopted by the Friday Study Club, Watervliet, N. Y., urging the passage of such laws as shall control the manufacture and distribution of narcotics; to the Committee on Foreign Affairs.

3451. By Mr. CROWTHER: Petition of residents of Schenectady County, N. Y., urging support of the prohibition law and opposing its modification; to the Committee on the Judiciary.

3452. Also, petition of Group No. 1459 of the Polish National Alliance of the United States, located at Schenectady, N. Y., urging enaction of House Joint Resolution 144; to the Committee on the Judiciary.

3453. By Mr. CULKIN: Resolution of Lenox Grange, No. 43, expressing sympathy with any legislation making possible proper investigation, control, and abolition of all propaganda leading to the overthrow of our Government by force or violence; to the Committee on the Judiciary.

3454. Also, petition of R. E. Davis & Son, of Oswego, and W. J. Youngs, of Minetto, N. Y., protesting against the proposed Federal tax on gasoline; to the Committee on Ways and Means.

3455. Also, petition of Leon A. Caster and sundry other citizens of Cleveland, N. Y., and vicinity, protesting against the enactment of Senate bill 1202, providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

3456. By Mr. GAMBRILL: Petition of the Woman's Christian Temperance Union of Prince Georges County, Md., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3457. By Mr. GIBSON: Petition of the Woman's Christian Temperance Union of Rochester, Vt., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3458. By Mr. GILCHRIST: Petition of the Union Sunday Evening Church of Jefferson, Iowa, representing 148 people, urging maintenance of existing prohibition enforcement laws and activities, and protesting any change; to the Committee on the Judiciary.

3459. By Mr. HANCOCK of New York: Resolution of Group No. 1260 of the Polish National Alliance of the United States, submitted by John Lenkiewicz, secretary, favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3460. Also, resolution of Group No. 2517 of the Polish National Alliance of the United States, submitted by Stanislaus F. Pilat, secretary, favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3461. Also, resolution of Group No. 973 of the Polish National Alliance of the United States, submitted by John Tomaszewski, secretary, favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3462. By Mr. HOUSTON of Delaware: Petition of Richardson Park Woman's Christian Temperance Union, representing 22 members and signed by Beulah C. Palmer, president; to the Committee on the Judiciary.

3463. Also, petition of 17 members of No. 2 Church, Dover, Del., opposing compulsory Sunday observance; to the Committee on the District of Columbia.

3464. By Mr. JAMES: Petition of Wladyslaw Kowalski, president, J. A. Madzeleuski, secretary, Wojeisch Skowronski, treasurer, of Group 775 of the Polish National Alliance of the United States of North America, Ironwood, Mich.; to the Committee on the Judiciary.

3465. Also, petition of Lisawicz Antoni, president, Jacob Bal, secretary, and Bry Macirj, treasurer, of Group 1444 of the Polish National Alliance of the United States of North America, Stambaugh, Mich.; to the Committee on the Judiciary.

3466. Also, petition of Magda Penna Bal, president; Rozalia Kadulska, secretary; and Inna Brostoweis, treasurer, of Group No. 2484 of the Polish National Alliance of the United States of North America, Gaastra, Mich.; to the Committee on the Judiciary.

3467. By Mr. JOHNSON of Texas: Petition of the postal employees of Cameron, Tex., opposing section 4 of the Post Office appropriation bill, preventing automatic promotions of those in the Postal Service; to the Committee on Appropriations.

3468. By Mr. KINZER: Petition of Woman's Christian Temperance Union of Terre Hill, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3469. Also, petition of Octoraro Woman's Christian Temperance Union, representing 75 people, of Kirkwood, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3470. Also, petition of the St. Paul's Methodist Episcopal Church, representing 1,000 people, of Lancaster, Pa., protesting against repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3471. Also, petition of Chester County Sabbath School Association, representing 5,000 adults, of West Chester, Pa., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3472. By Mr. LAMBERTSON: Petition of L. H. Parcels and 19 other persons of Hiawatha, Marysville, and Seneca, and V. A. Hawk and 24 other persons of Leavenworth, all of the State of Kansas, urging the passage of House bill 9891, for the establishment of a system of pensions for railroad employees; to the Committee on Interstate and Foreign Commerce.

3473. By Mr. LAMNECK: Petition of Clarence W. Willie, M. Langen, S. G. Seibert, and 25 other citizens of Columbus, Ohio, urging Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3474. Also, petition of J. A. Cua, James A. Moore, E. W. Shively, and 25 other citizens of Columbus, Ohio, urging Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3475. Also, petition of C. L. Buck, Hal M. Palmer, Raymond H. Brooks, and 25 other citizens of Columbus, Ohio, urging Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store systems; to the Committee on Interstate and Foreign Commerce.

3476. Also, petition of A. C. Moehrman, H. E. Semons, Bertha Semons, E. H. Stout, and 25 other citizens of Columbus, Ohio, urging Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3477. By Mr. LONERGAN: Petition of Group No. 684 of the Polish National Alliance of Southington, Conn., urging passage of House Joint Resolution 144; to the Committee on the Judiciary.

3478. Also, petition of the Polish National Alliance, Group No. 464, of Hartford, Conn., supporting House Joint Resolution 144; to the Committee on the Judiciary.

3479. By Mr. McLAUGHLIN: Petition of T. S. Hill and 25 other residents of Grand Traverse County, Mich., protesting against enactment of House bill 8092 and any other compulsory Sunday observance bills; to the Committee on the District of Columbia.

3480. By Mr. McSWAIN: Petition of the South Carolina Legislature, calling to the attention of the Congress of the United States of America the urgent credit need of the farmers of this State and memorializing the Congress for action in respect thereto; to the Committee on Agriculture.

3481. By Mr. MEAD: Petition of Polish National Alliance urging enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3482. By Mr. MURPHY: Petition of Joseph Miller, secretary Group No. 959 of the Polish National Alliance of Dillonvale, Ohio, asking Congress to designate October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3483. Also, petition of Frank Duliel, secretary Group No. 2589 of the Polish National Alliance, Lansing, Ohio, asking Congress to designate October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3484. Also, petition of Sophia Jedriejcwska, secretary Group No. 1073 of the Polish National Alliance of Amsterdam, Ohio, asking that Congress designate October 11 of

each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3485. Also, petition of Elva Bai, president of Group No. 1964 of the Polish National Alliance of Bergholz, Ohio, asking that Congress designate October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3486. Also, petition of John Mirczak, secretary of Group No. 697 of the Polish National Alliance of Bridgeport, Ohio, asking that Congress designate October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3487. Also, petition of Bertha Pietvzak, president of Group No. 2322 of the Polish National Alliance of Neffs, Ohio, asking that Congress designate October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3488. By Mr. NELSON of Missouri: Petition of Religious Liberty Association, Takoma Park, Washington, D. C., containing 78 signatures of citizens of the eighth congressional district of Missouri, protesting against House bill 8092; to the Committee on the District of Columbia.

3489. By Mr. PARKER of Georgia: Petition of Costal Highway Lodge, No. 766, International Association of Machinists, Savannah, Ga., urging the enactment of Senate bill 935 providing for the amendment of the Judicial Code and the limitation of the jurisdiction of courts sitting in equity; to the Committee on the Judiciary.

3490. By Mr. PATMAN: Petition of John Fullerton and 251 other citizens and veterans of Aspinwall, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3491. Also, petition of A. J. Woods and 2,000 other citizens and veterans of Vincennes, Ind., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3492. Also, petition of Ralph Adams and 424 other citizens and veterans of Bloomington, Ind., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3493. Also, petition of Thomas F. Miller and 279 other citizens and veterans of Bicknell, Ind., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3494. Also, petition of Ross C. Scott and 279 other citizens and veterans of Hazleton and Decker, Ind., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3495. Also, petition of F. J. Johnson and 2,784 other citizens and veterans of Atlanta, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3496. Also, petition of W. L. Miller and 167 other citizens and veterans of Brunswick, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3497. Also, petition of Homer McLain and 349 other citizens and veterans of Macon, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3498. Also, petition of P. H. Barnhart and 306 other citizens and veterans of Harlingen, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3499. Also, petition of O. C. Tolbert and 251 other citizens and veterans of Greenville, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3500. Also, petition of H. P. Compton and 1,175 other citizens and veterans of Waco, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3501. Also, petition of Ernest Love and 264 other citizens and veterans of Temple, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3502. Also, petition of Charles J. Sprague and 251 other citizens and veterans of Dallas, Tex., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3503. Also, petition of C. F. Heltman and 583 other citizens and veterans of San Antonio, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3504. Also, petition of Michael Quinn and 429 other citizens and veterans of Carbondale, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3505. By Mr. REID of Illinois: Resolution passed by Garnsey Camp, Sons of Veterans Auxiliary, No. 3, of Joliet, Ill., on February 18, 1932, urging the passage of House bill 1, which provides for the cash payment of adjusted-service certificates; to the Committee on Ways and Means.

3506. By Mr. RICH: Petition of citizens of Potter County, Pa., protesting against the passage of Senate bill 1202; to the Committee on the District of Columbia.

3507. By Mr. SEGER: Petition of John A. Kehrle and other citizens of Paterson, N. J., opposing House bill 7525, referred to as the maternity and infancy act; to the Committee on Interstate and Foreign Commerce.

3508. Also, petition of Group No. 2596 of the Polish National Alliance, favoring House Joint Resolution 144 directing the President each year to proclaim October 11 as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3509. By Mr. SELVIG: Petition of the district presidents of the Woman's Christian Temperance Union, urging rigid enforcement of the eighteenth amendment; to the Committee on the Judiciary.

3510. Also, petition of Henning Farmers' Creamery Association, Henning, Minn., urging Philippine independence, and placing a duty on their imports of fats which compete with products of American farms; to the Committee on Insular Affairs.

3511. Also, petition of Evansville (Minn.) American Legion Post, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3512. Also, petition of Lions Club, Grand Rapids, Minn., favoring Senate bill 2350, urging tariff on wood pulp to maintain price of wood products for newsprint; to the Committee on Ways and Means.

3513. By Mr. SMITH of Idaho: Petition signed by 32 ex-service men in the World War, favoring the enactment of House bill 1, providing for the payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

3514. By Mr. STALKER: Resolution from Presbyterian Missionary Society, Ladies' Aid Society of the Methodist Episcopal Church, Addison Grange, No. 854, Ladies' Aid Society of Baptist Church, and the Woman's Christian Temperance Union, all of Addison, N. Y., opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

3515. Also, resolution from residents of Newfield, N. Y., opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

3516. By Mr. SUTPHIN: Petition of the Polish National Alliance, memorializing Congress to enact House Joint Resolution 144, for the observance and commemoration of General Pulaski's Memorial Day; to the Committee on the Judiciary.

3517. By Mr. SWING: Petition signed by 70 members of the Methodist Church of Fullerton, Calif., protesting against the resubmission of the eighteenth amendment to the States; to the Committee on the Judiciary.

3518. By Mr. TREADWAY: Petition of Mrs. A. G. Howard and other members of the Methodist Missionary Society of North Adams, Mass., supporting the prohibition law and its enforcement; to the Committee on the Judiciary.

3519. By Mr. WHITE: Petition of residents of Ottawa County, protesting against the modification of the Volstead Act; to the Committee on the Judiciary.

3520. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to pass one of the bills introduced by Wisconsin Members to restore to the States control over the liquor traffic within their borders; to the Committee on the Judiciary.

3521. By Mr. WYANT: Petition of 219 members of the Evangelical Church of Ligonier, Westmoreland County, Pa., opposing any change in present prohibition laws or resubmission of eighteenth amendment; to the Committee on the Judiciary.

3522. Also, petition of the official board of the Methodist Episcopal Church of Manor, Westmoreland County, Pa., opposing any change in present prohibition laws; to the Committee on the Judiciary.

3523. Also, petition of Military Order of the Loyal Legion of the United States, Commandery of the State of Pennsylvania, indorsing legislation providing appropriations for adequate national defense; to the Committee on Appropriations.

SENATE

THURSDAY, MARCH 3, 1932

(Legislative day of Wednesday, March 2, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 3514) regulating the use of appropriations for the military and nonmilitary activities of the War Department.

The message also announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 132. An act to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law;

H. R. 7788. An act authorizing the granting by the Secretary of War of a right of way to the Georgia Highway Department; and

H. R. 8083. An act providing for the appointment as ensigns in the line of the Navy of all midshipmen who graduate from the Naval Academy in 1932.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 14) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress, and it was signed by the Vice President.

TWO HUNDREDTH ANNIVERSARY OF WASHINGTON'S BIRTH

The VICE PRESIDENT laid before the Senate a translation of a cablegram from the presidents of the Senate and Chamber of Deputies of the Dominican Republic, expressing felicitation on the bicentennial of the birth of George Washington, which was ordered to lie on the table and to be printed in the RECORD, as follows:

[Cablegram—Translation]

SANTO DOMINGO, *February 22, 1932.*

The PRESIDENT OF THE SENATE OF THE
UNITED STATES OF AMERICA,
Washington, D. C.:

We have the honor to inform you that to-day on the occasion of the bicentennial of George Washington, the Senate and the Chamber of Deputies of the Dominican Republic met as a National Assembly, where were present the honorable President of the Republic, Gen. Rafael Leonidas Trujillo Molina, the diplomatic corps, and high officials, to offer formal homage of admiration and gratitude to the memory of that illustrious leader of liberty. The president of the Senate and the envoy extraordinary and minister plenipotentiary of the United States, Mr. Schoenfeld, delivered eulogies. The National Assembly, on the happy initiative of the honorable President Trujillo, and faithfully interpreting the sentiments of the Dominican people, expressed the desire that the Republic should associate itself in the most eloquent language to the universal homage which to-day is paid to the founder of the United States of America. His glory is the object of reverence for all humanity.

Saluting with assurances of our highest and most distinguished consideration.

MARIO FERMIN CABRAL,
President of the Senate.
MIGUEL A. ROCA,
President of the Chamber of Deputies.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Smith
Barkley	Dill	La Follette	Smoot
Bingham	Fess	Lewis	Steiwer
Black	Fletcher	Logan	Stephens
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McNary	Thomas, Okla.
Bratton	Glass	Metcalf	Townsend
Brookhart	Glenn	Morrison	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Walcott
Byrnes	Harrison	Norris	Walsh, Mass.
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hatfield	Oddie	Waterman
Connally	Hayden	Patterson	Watson
Coolidge	Hebert	Pittman	Wheeler
Copeland	Howell	Reed	White
Costigan	Johnson	Robinson, Ark.	

Mr. JOHNSON. I announce that my colleague the junior Senator from California [Mr. SHORTRIDGE] is still detained from the Senate by reason of continued illness. I ask that the announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva, Switzerland.

Mr. SHEPPARD. I have been requested to announce that the senior Senator from Tennessee [Mr. MCKELLAR] is necessarily absent on public business and that the junior Senator from Tennessee [Mr. HULL] is detained by illness. I ask that this announcement with respect to both Senators may stand for the day.

I also desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily out of the city.

Mr. COPELAND. I desire to announce that my colleague [Mr. WAGNER] is absent on official business. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

THE UNION MORTGAGE CO., OF CLEVELAND, OHIO

Mr. BULKLEY. Mr. President, I have prepared for submission to the Senate a resolution asking for an investigation by the Committee on the Judiciary concerning conduct of the Department of Justice with respect to its failure to prosecute officers of the Union Mortgage Co., of Cleveland, on charges of using the mails to defraud.

On the 10th of January, 1928, the Union Mortgage Co. went into receivership, and the liquidation of its affairs resulted in the loss of several million dollars to more than 20,000 investors in its stocks and bonds. Many of these investors had, within a few months before the receivership, purchased stock in the company, or so-called collateral trust bonds with the company's guaranty, having been induced

to do so by the publication and transmission through the mails of financial statements which, it appears, the company's officers must have known to be false and misleading in many respects.

Securities had been sold by this company not only throughout northern Ohio but also in Indiana and Pennsylvania, and as far away as New York and Connecticut, and no doubt also in other States.

Some time after the receivership, and when the extent of the losses of Union Mortgage Co. investors was generally recognized, an investigation of the company's operations was undertaken by the Department of Justice. There is reason to believe that this investigation was carried on with considerable thoroughness and, according to newspaper reports, it cost some $20,000 over a period of two years. The final report of this investigation was submitted during the spring of 1930—only a few weeks before the expiration of the 3-year statute of limitation with respect to the violation of the postal laws which was incident to the mailing of the company's statement of condition as of June 30, 1927, approximately six months before the receivership.

Although several of the company's officers must necessarily have participated in the transactions involving the sales of the company's securities, there was only one indictment returned by the Federal grand jury, that of S. Chester Crobaugh, the president of the company.

Several months after this indictment and after the statute of limitations had run in favor of all other possible defendants, definite efforts were made by Crobaugh's friends to secure the dismissal of the case against him. It is reported that District Attorney Wilfred J. Mahon, of Cleveland, insisted upon proceeding against this defendant. Hon. James R. Garfield visited the Department of Justice in Crobaugh's behalf in the month of March, 1931, and, later in the same month, the case was dismissed upon the order of Assistant Attorney General Nugent Dodds, with the approval of Attorney General Mitchell, but apparently over the protest of District Attorney Mahon.

It was made clear through statements to the press that Mr. Garfield and others had submitted new evidence which convinced the Assistant Attorney General that the indictment of Crobaugh was a mistake on the part of the grand jury and that his trial would be utterly unwarranted and unjust. What the new evidence was the Department of Justice refused to disclose, and so did Mr. Garfield.

Almost immediately after the nolle had been entered in the Federal case an investigation of the allegations of fraud in connection with sales of Union Mortgage Co. securities was undertaken by the prosecuting attorney of Cuyahoga County, Ohio. This investigation was followed by the indictment of Crobaugh and two others by a Cuyahoga County grand jury, and their conviction followed on December 4, 1931.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. BULKLEY. I yield.

Mr. NORRIS. I was called from the Chamber and unable to return until after the Senator began speaking. At this point I want to inquire if the Crobaugh mentioned by the Senator is the same man or one of the same men indicted by the Federal grand jury and the prosecution of which case had been nolled?

Mr. BULKLEY. Crobaugh was the only man indicted by the Federal grand jury and the nolle of that case is the subject matter of my remarks.

Mr. NORRIS. I thank the Senator.

Mr. BULKLEY. It is the opinion of those who conducted the prosecution that the Federal Government had a more certain case than any that could be presented by the State of Ohio, in that most of the evidence upon which the conviction was secured in the State court would have been admissible in a Federal prosecution for using the mails to defraud, and in addition to that there was a mass of evidence of fraud extending into other States, which could not be used before the Cuyahoga County jury, though it would have been admissible in a Federal prosecution.

Within a few days after the verdict had been returned in Cleveland, I called upon the Attorney General and personally asked of him a further explanation concerning the dismissal of the Crobaugh case and particularly concerning the new evidence which was alleged to have been brought to the Department of Justice by Mr. Garfield and others but which was not presented in court by Crobaugh's attorneys at his trial. In the course of that interview I specifically requested the Attorney General to ascertain, if he did not know, what persons other than Mr. Garfield had used any influence or made any representations to the department in Crobaugh's behalf, and I requested him to ascertain the nature of that other influence, if there was any. I called his attention to an editorial in a Cleveland newspaper criticizing the action of the department and directly charging that the official statements made by the department last March concerning the new evidence said to have been presented had never been substantiated and that, in fact, no such new evidence ever existed. And I left a copy of that editorial with the Attorney General, requesting an explanation of that charge.

Under date of January 8, 1932, I received a letter from the Attorney General, which was remarkable for what it omitted rather than for what it contained. It explained that Mr. Dodds had concluded that it was improbable that the trial of Crobaugh alone would result in a conviction, as it would not be likely to impress the jury as being an impartial effort on the part of the Government to fix the responsibility for the alleged fraud.

The letter further stated that the Attorney General concurred in that view of his assistant, and went on to add that the case did not belong in the Federal courts in the first place, and that if the Attorney General had known the facts he would have taken that position before any Federal indictment was obtained. I will not pause to discuss the merit of the Attorney General's view that the fraud was primarily an offense against the laws of the State of Ohio and consequently the Department of Justice was relieved of all responsibility in the case, the use of the mails being a mere incident of the scheme, because I have already indicated the contrary view of the county prosecutor who secured the conviction, and because it is obvious that if such were really the policy of the Department of Justice there would have been no occasion for the expensive investigation which is alleged to have cost the department some $20,000.

I note particularly that the Attorney General's letter addressed to me on January 8 did not say that any new evidence was brought into the department to justify the nolle which was ordered last March. The letter does not explain the statement made by Assistant Attorney General Dodds last March that much documentary evidence, to which the department had not had access before, was submitted at that time, and that such evidence justified the dismissal of the case. The letter does not even refer to the charge that there never was any such new evidence, though I had specifically asked an explanation concerning that statement. The letter makes no answer to the question as to who else beside Mr. Garfield interceded with the department.

Attached to the Attorney General's letter, to which I have just referred, was another letter bearing the same date and suggesting that inasmuch as judgment had not yet been pronounced in the criminal case against Crobaugh in Cleveland, the letter of January 8 be regarded as entirely confidential until the case might be concluded. This suggestion I have observed; but since judgment has now been pronounced in the State case, there appears no impropriety in proposing the inquiry which I am suggesting.

The fact that the Department of Justice asked the indictment of only one officer out of several, and later dismissed the indictment against that one on the ground that it would be unfair to try him alone, suggests the necessity for an

investigation. The fact that a large sum of money was expended by the department upon the investigation of a violation of the postal laws is inconsistent with the Attorney General's justification of the dropping of the case on the ground that the primary offense was against the laws of the State of Ohio. The Attorney General's final explanation of the dismissal of this case is not in harmony with the official statements, which sought to justify the dismissal last March, the truthfulness of which is open to serious question. The influences which brought about the dismissal are unexplained, because the reasons finally given for the dismissal are reasons which appear to have been known to the department before the original indictment of Crobaugh was returned.

The action of the department in this case has caused much unfavorable comment in Cleveland and throughout northern Ohio. Confidence in the department has been diminished and will not be restored by the recent letter of the Attorney General to which I have alluded. Whether or not there may be a better explanation than any yet given, it seems abundantly clear that the public confidence which ought to be maintained in the Department of Justice can not be restored without a full and adequate investigation of the facts to which I have called attention.

I therefore submit a resolution asking for an inquiry by the Senate Committee on the Judiciary, or a subcommittee thereof, and I ask that the resolution be referred to that committee:

The resolution (S. Res. 176) was read and referred to the Committee on the Judiciary, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of the action or inaction of the Department of Justice in the case involving alleged use of the mails to defraud by the Union Mortgage Co., of Cleveland, Ohio, its officers and agents, and particularly with respect to the dismissal of the indictment against S. C. Crobaugh, president of said company, and the failure to obtain indictments against other officers and agents of said company. The committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places in the District of Columbia or elsewhere during the sessions and recesses of the Senate in the Seventy-second Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $1,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. NORRIS. Mr. President, I wish to make a suggestion to the Senator from Ohio on the subject he has been discussing. I think I realize from what the Senator has said the importance of the investigation he has suggested. However, it will be no small matter, perhaps, to make the investigation. I presume there would have to be some preliminary investigation made by the Committee on the Judiciary before reporting his resolution with a recommendation either for or against a full investigation; in other words, there would have to be a recommendation from the Judiciary Committee as to whether or not the resolution should be adopted. I should like to say further to the Senator that, realizing, as I think I do, the importance of the question he has been discussing and the severity of the charge, the Judiciary Committee, of course, will have to give it, and ought to give it, very careful consideration.

The only suggestion I want to make to the Senator is that the work of the Judiciary Committee is very great; the committee is very much overworked; and I hope if this task is to be undertaken by the Judiciary Committee the Senator will not get impatient if there shall be some delay, in view of all the other work we have on hand.

Mr. BULKLEY. Mr. President, I appreciate the necessity for a preliminary investigation. I have endeavored to make my statement on the floor very brief, but I am prepared to submit further data to the committee. I understand the committee will have to decide the relative importance of this matter as against other matters that are pending before it, but I hope that some early action may be taken on the resolution.

Mr. KING. Mr. President, I did not hear, in full, the statement made by the Senator from Ohio. I was wondering if the State statutes do not cover the alleged transgressions referred to in the resolution and in the Senator's remarks.

Mr. BULKLEY. I stated that the defendant Crobaugh has been convicted under a State statute, but the indictment in the State court was not had until after the case had been nolled in the Federal court, and I question the propriety of that nolle.

Mr. FESS. Mr. President, I have read the resolution, and I think it carries an authorization of a thousand dollars with which to make the investigation.

Mr. BULKLEY. That is correct.

Mr. FESS. The resolution ultimately will have to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BULKLEY. I understand that; but it should go first to the Committee on the Judiciary for such preliminary examination as the Senator from Nebraska has suggested. Then, if approved there, it would have to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The resolution has been referred to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Mr. HEBERT presented a memorial of sundry citizens of Pawtucket and vicinity, in the State of Rhode Island, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

Mr. FESS presented a petition of sundry citizens of the State of Ohio, praying that the specifications on which Federal institutions in Ohio buy coal may be so amended as to make possible the purchase of coal mined in Ohio, which was referred to the Committee on Military Affairs.

Mr. SHEPPARD presented memorials representing the signatures of 3,995 persons, being citizens of Amarillo, Tex., remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. BRATTON presented resolutions adopted by a regional conference of the Woman's Christian Temperance Union held in Albuquerque, N. Mex., remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Roswell and Albuquerque, in the State of New Mexico, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

Mr. BARBOUR presented a resolution adopted by the First Ward Republican Organization, of Atlantic City, N. J., favoring the passage of House bill 1, to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, which was referred to the Committee on Finance.

He also presented a memorial of the Asbury Park (N. J.) Branch of the Ladies' Auxiliary to the National Association of Letter Carriers, remonstrating against the passage of legislation reducing the salaries or wages of postal employees, which was referred to the Committee on Post Offices and Post Roads.

Mr. WALSH of Massachusetts presented petitions numerously signed by sundry citizens of the State of Massachusetts,

praying for the passage of Senate bill 3677, to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which were referred to the Committee on Interstate Commerce.

He also presented letters and telegrams in the nature of memorials from 75 citizens and organizations in the State of Massachusetts, remonstrating against the proposed imposition of a Federal tax on gasoline, which were referred to the Committee on Finance.

Mr. JONES presented a memorial of sundry citizens of Seattle, Wash., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

He also presented a resolution of the Council of the City of Tacoma, Wash., favoring the passage of legislation providing for the payment in full of adjusted-service certificates of ex-service men (bonus), which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Orting and Puyallup, both in the State of Washington, praying for the passage of legislation providing for the immediate payment of World War adjusted-compensation certificates (bonus), which were referred to the Committee on Finance.

Mr. CAPPER presented petitions numerously signed by sundry citizens of the State of Kansas, praying for the passage of the so-called Capper-Kelly fair trade bill, which were referred to the Committee on Interstate Commerce.

He also presented memorials of sundry citizens of Kansas City, Kans., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented petitions of sundry citizens of McCracken, Morland, Paola, and Stafford, and also members of the Woman's Christian Temperance Union of Lenora, all in the State of Kansas, praying for the maintenance of the prohibition law and its enforcement, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Reformed Presbyterian Sabbath School of Stafford, the Society of Friends of Tonganoxie, and the Woman's Christian Temperance Unions of Corning, Morland, and Paola, all in the State of Kansas, protesting against the proposed resubmission of the eighteenth amendment to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. NORBECK presented memorials of sundry citizens of Brandon, Valley Springs, Rapid City, Tolstoy, Onaka, Canton, Sioux Falls, Rockham, Miranda, Faulkton, Pringle, Leola, Isabel, Flandreau, Kaylor, Tripp, Scotland, and Yankton, all in the State of South Dakota, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented resolutions adopted by the Woman's Christian Temperance Unions of Brookings, Chamberlain, Deadwood, Huron, Kingsburg, Lemmon, Loyalton, Milbank, Miller, Mitchell, Olivet, Rapid City, Revillo, Sioux Falls, Spearfish, White, Valley Springs, and Yankton, all in the State of South Dakota, and also the Woman's Christian Temperance Union of Pierson, Iowa, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented a petition signed by 222 members of Rochester Typographical Union, No. 15, of Rochester, N. Y., praying for the passage of Senate bill 935, known as the anti-injunction bill, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of Buffalo, N. Y., remonstrating against the imposition of a Federal tax on gasoline, which was referred to the Committee on Finance.

He also presented resolutions adopted by groups of the Polish National Alliance of Buffalo, Brooklyn, Castile, and Syracuse, all in the State of New York, favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by several religious and temperance organizations in the State of New York, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Copenhagen, N. Y., praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by the United Irish Societies of Brooklyn, N. Y., protesting against the establishment of a Federal department of education, which were referred to the Committee on Education and Labor.

He also presented memorials numerously signed by sundry citizens of the State of New York, protesting against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of New York City, N. Y., praying for the passage of legislation to prohibit experiments upon living dogs in the District of Columbia, which was referred to the Committee on the District of Columbia.

INDIANS IN DISTRESS—DESTRUCTION OF NAVAJO LIVESTOCK

Mr. FRAZIER. Mr. President, yesterday the Committee on Indian Affairs of the House passed a resolution in regard to the condition of the Indians which I think sets out the present situation of the Indians and their condition in very plain and accurate language.

There have been a great many complaints from various reservations about the hardships of the Indians this winter. Out in the Southwest, especially, there have been great losses on account of the severe weather and the deep snow, affecting especially the flocks of the Navajos.

I ask unanimous consent to have this resolution read by the clerk and referred to the Committee on Indian Affairs.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolution will be read.

The Chief Clerk read as follows:

Resolution concerning Indians in distress and the destruction of the Navajo livestock. Proposed by Representative PEAVEY, of Wisconsin, and unanimously adopted by the House Committee on Indian Affairs on March 2, 1932

Whereas due to crop failures, unemployment, recent blizzards, and the exhaustion of Indian tribal funds there now exists a state of acute and growing distress, amounting in thousands of cases to gradual starvation, among Indians in at least 10 States, and not fewer than 125,000 in number; and

Whereas the facts are known to the Interior Department and Bureau of Indian Affairs through numerous letters and telegrams from the superintendents, in the files of the Indian Office; and

Whereas it has been the policy of the administrative branch to withhold distress relief from those Indians administratively classed as nonwards, although the majority of such Indians are in fact still living in tribal relations, are still interested in tribal property, funds, or claims, or still subsisting under treaty relations with the Government; these Indians, thus denied Federal aid, numbering not fewer than 50,000; and

Whereas the American Red Cross is extending aid to these so-called nonward Indians in four States only (Montana, North and South Dakota, and Nebraska), and in the total amount of only $50,000 between this date and July 1, while the so-called nonward Indians in all other States, including Oklahoma, Wisconsin, Nevada, and California are denied aid alike by the Red Cross and by the Federal Government; and

Whereas for all the so-called ward Indians of the country the Bureau of Indian Affairs now has only $95,000 for distress relief for the balance of the fiscal year 1932, and is requesting only $135,000 in addition, or a total of $230,000 for not fewer than 75,000 so-called ward Indians in distress; and

Whereas the Indian tribes of the Southwest have already lost through starvation, following a series of blizzards, 200,000 or more of their sheep, and will lose during the month of March a greatly increased number unless feeding of the sheep can be provided at once, and the self-support of these tribes is dependent on their sheep; and

Whereas the Department of Agriculture has under its control funds which could be made available for the feeding of sheep and livestock belonging to Indians and for the rehabilitation of Indian farmers, but is not in a position to take the initiative and must wait on initiative from the Secretary of the Interior: Therefore be it

Resolved, First, that this committee declares its judgment that the denial of relief to the so-called nonward Indians in distress by the Federal Government is contrary to the body of statute laws affecting Indians, and contrary to the declarations of the Supreme Court as to Federal responsibility toward the Indians, and in addition does not properly follow from any ruling by the Comptroller General of the United States, and this committee strongly holds to the opinion that the United States is bound by legal as well as moral obligations to help these so-called nonward Indians numbering not fewer than 50,000. Such distress relief for so-called nonward Indians is provided in the bill H. R. 8498, pending before this committee, which bill proposes to make use of the local agencies of Government in the distribution of distress relief in line with the policy of the Secretary of the Interior as embodied in the pending bills H. R. 227 and S. 3110 now pending before this committee.

Second, that it is the judgment of this committee that a total fund of $230,000 for all so-called ward Indians in distress in the whole country from this date to the end of the fiscal year is a totally inadequate sum, being less than $5 for each Indian in distress.

Third, that it is the judgment of this committee that steps should be taken immediatey to make available to the Navajo, Apache, and Zuni Indians, and to any other Indians similarly situated, the funds under the control of the Department of Agriculture available for stock feed, and that the Department of the Interior should take steps without further delay to enlist the fullest cooperation of the Department of Agriculture.

The VICE PRESIDENT. The resolution will be referred to the Committee on Indian Affairs.

THE REMONETIZATION OF SILVER

Mr. WHEELER. Mr. President, I present an article from the Times, of Fargo, Cass County, N. Dak., of Thursday, December 17, 1931, entitled "End of Depression Seen in Return of Silver," being an article by Hon. Jonathan Bourne, jr., former United States Senator and for 10 years president of the Republican Publicity Association, which I ask may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the matter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[From the Times, Fargo, Cass County, N. Dak., of December 17, 1931]

END OF DEPRESSION SEEN IN RETURN OF SILVER—VAST INCREASE IN PUBLIC BUYING WILL RESULT, SAYS BOURNE—ALL PEOPLE BENEFITED—PRESENT INDEBTEDNESS IS TWENTY-FIVE TIMES GREATER THAN ALL OUR GOLD

(By Jonathan Bourne, jr., former United States Senator and for 10 years president of the Republican Publicity Association)

Suppose that a bill remonetizing silver were introduced and passed in both houses the same day without any previous publicity for an effort to obtain such legislation; suppose the President should immediately thereafter sign the bill the day of its passage; what would be the result?

Within 24 hours the radio and cablegraphic distribution of this information throughout the world would contemporaneously the world over make an ounce of silver worth $1,2929, as compared with an ounce of fine gold now worth $20.67.

You may deny this assertion, but you can not intelligently disprove its correctness.

The purchasing power of over 50 per cent of the entire world's population now using silver as its sole yardstick of exchange and business transactions would contemporaneously be quadrupled, resulting in the creation of a market which would more than absorb all the surplus of our raw materials and manufactured products.

Within a year prices of wheat, cotton, corn, and other agricultural products would be trebled, all our present agricultural land values throughout the United States would be more than trebled, thereby transforming the present frozen assets of the country banks in agricultural communities into liquid assets.

The unemployed-labor problem would be solved.

Both labor and capital would be benefited.

Contentment, happiness, lucrative occupation would be substituted for discontentment, despair, with their inevitable resultant tragedies.

All classes of society would be benefited, even including the gold monometallists who for more than the past century have foolishly thought by forcing the nations of the world to a gold standard and by controlling through their ownership of the principal gold mines of the world they could dominate and control world prices. They fail to realize that, if successful, ultimately a revolution would spring from the people and take from them their greedy accumulations acquired, not through honest business methods, industry, acumen, and thrift but rather by manipulations, chicanery, and graft.

It is estimated that our present national, State, municipal, county, and individual indebtedness of the United States is over $125,000,000,000, most of same being payable in gold.

We are informed that we have in the United States less than $5,000,000,000 in gold.

Less than $5,000,000,000 of gold as the keystone of the arch on which an indebtedness of over one hundred and twenty-five billions must rest must certainly ultimately result in financial disaster unless this keystone be increased in relative size and stability. This can best be accomplished by the earliest possible remonetization of silver by the United States without waiting for the consent, assent, or cooperation of any other nation on earth.

How can this be best brought about?

By making the remonetization of silver an issue in every congressional district in our country. Let every agricultural, labor, and commercial organization in the United States bring up this subject for intelligent discussion and issue a mandate by resolution to their Senators and Members of Congress, instructing them to vote for or against such legislation. Request all candidates for the Presidency and Vice Presidency in both parties to declare their attitude on this question and pledge their honor if elected either to sign or veto such legislation if presented according to the mandates received from their constituency. Should they refuse to obey these mandates, then defeat them at the next opportunity for reelection.

Remember that in 1894 the Knights of Labor, the American Federation of Labor, National Farmers' Alliance and Industrial Union, the United Brotherhood of Carpenters and Joiners of America, the United Brotherhood of Locomotive Firemen, and the United Mine Workers of America all united in petitioning Congress for the free coinage of silver at the ratio of 16 to 1 and the restoration of the money of our Constitution.

These organizations represented at that time over 4,000,000 of our voters and indirectly represented over one-third of our entire population.

If the world's and our own present political, economic, and business chaotic uncertainty had existed in 1894, Congress would have enacted the legislation remonetizing silver on the basis of 16 to 1. Had the President vetoed the bill, it would probably have passed over his veto, or Bryan unquestionably would have been elected President in 1896.

REPORTS OF COMMITTEES

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 3508) to amend section 1 of the act entitled "An act to provide for determining the heirs of deceased Indians, for the disposition and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes," approved June 25, 1910, as amended, reported it with an amendment and submitted a report (No. 364) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 3085) relating to the tribal and individual affairs of the Osage Indians of Oklahoma, reported it with an amendment and submitted a report (No. 369) thereon.

He also, from the same committee, to which was referred the bill (S. 3655) to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Tribes, Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments, reported it with amendments and submitted a report (No. 370) thereon.

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (S. 2364) to authorize the Secretary of the Interior to extend or renew the contracts of employment of the attorneys employed to represent the Chippewa Indians of Minnesota in litigation arising in the Court of Claims under the act of May 14, 1926 (44 Stat. 555), reported it with an amendment and submitted a report (No. 371) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (S. 283) to provide for conveyance of a certain strip of land on Fenwick Island, Sussex County, State of Delaware, for roadway purposes, reported it

without amendment and submitted a report (No. 365) thereon.

Mr. ASHURST, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2428) to provide for the confirmation of a selection of certain lands by the State of Arizona for the benefit of the University of Arizona, reported it without amendment and submitted a report (No. 366) thereon.

Mr. KENDRICK, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2754) to authorize the issuance of an unrestricted patent to Joseph F. Sheaman, reported it without amendment and submitted a report (No. 367) thereon.

Mr. CAREY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3475) to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming, reported it with an amendment and submitted a report (No. 368) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 6485) to revise the boundary of the Mount McKinley National Park, in the Territory of Alaska, and for other purposes, reported it without amendment and submitted a report (No. 379) thereon.

Mr. BRATTON, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1590) granting certain public lands to the State of New Mexico for the use and benefit of the Eastern New Mexico Normal School, and for other purposes, reported it without amendment and submitted a report (No. 381) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 439) for the relief of A. C. Messler Co., reported it with an amendment and submitted a report (No. 372) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 3609) for the relief of Katherine R. Theberge, reported it with an amendment and submitted a report (No. 373) thereon.

Mr. COOLIDGE, from the Committee on Claims, to which was referred the bill (S. 3270) for the relief of Daniel S. Schaffer Co. (Inc.), reported it with an amendment and submitted a report (No. 374) thereon.

Mr. HOWELL, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 563. An act for the relief of George T. Johnson & Sons (Rept. No. 375); and

S. 3147. An act for the relief of Anna Pokorny (Rept. No. 376).

Mr. HOWELL also, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 154. An act for the relief of Amy Harding (Rept. No. 377); and

S. 2703. An act for the relief of the State of Indiana (Rept. No. 378).

Mr. BROOKHART, from the Committee on Claims, to which was referred the bill (S. 3438) authorizing adjustment of the claim of Lindley Nurseries (Inc.), reported it without amendment and submitted a report (No. 382) thereon.

Mr. NORRIS, from the Committee on the Judiciary, to which was referred the bill (S. 2682) to amend section 5 of the Criminal Code, reported it with an amendment and submitted a report (No. 380) thereon.

ENROLLED JOINT RESOLUTION PRESENTED TO THE SECRETARY OF STATE

Mr. WATERMAN, from the Committee on Enrolled Bills, reported that on to-day, March 3, 1932, that committee presented to the Secretary of State the enrolled joint resolution (S. J. Res. 14) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 3905) for the relief of A. Zappone, disbursing clerk, United States Department of Agriculture; to the Committee on Agriculture and Forestry.

By Mr. BARBOUR:

A bill (S. 3096) authorizing the appointment of Frederick W. Kenstler as a warrant officer, United States Army; to the Committee on Military Affairs.

By Mr. CUTTING:

A bill (S. 3907) to amend section 211 of the Criminal Code, as amended (relating to certain nonmailable matter); to the Committee on the Judiciary.

By Mr. JOHNSON:

A bill (S. 3908) to amend title 33, chapter 4, section 252, paragraph (a) of the navigation rules for the Great Lakes and their connecting and tributary waters; to the Committee on Commerce.

By Mr. JONES:

A bill (S. 3909) granting a pension to Ida R. Haynes; to the Committee on Pensions.

A bill (S. 3910) to amend the act of June 19, 1912, by providing for a 5-day week and 6-hour day on all Government works; to the Committee on Education and Labor.

By Mr. CAPPER:

A bill (S. 3911) to authorize the Commissioners of the District of Columbia to close Quintana Place, between Seventh Street and Seventh Place NW.; to the Committee on the District of Columbia.

By Mr. HASTINGS:

A bill (S. 3912) for the relief of May Weaver; to the Committee on Claims.

By Mr. ROBINSON of Arkansas:

A bill (S. 3913) for the relief of Bert Moore; and

A bill (S. 3914) for the relief of Emma Fein; to the Committee on Claims.

A bill (S. 3915) for the relief of Isaac Pierce; to the Committee on Military Affairs.

A bill (S. 3916) granting a pension to Roland Burkhart;

A bill (S. 3917) granting an increase of pension to Sidney H. Bailey;

A bill (S. 3918) granting an increase of pension to Elizabeth Dunn; and

A bill (S. 3919) granting an increase of pension to Roy E. George; to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 3920) providing for a review and consideration of the claims of farmers, fruit and vegetable growers of the State of Florida for losses and damages sustained growing out of the work of eradication of the Mediterranean fruit fly in Florida; to the Committee on Agriculture and Forestry.

By Mr. BLACK:

A bill (S. 3921) granting an increase of pension to James L. Huston (with accompanying papers); to the Committee on Pensions.

By Mr. DAVIS:

A bill (S. 3922) relating to the restoration of the brig *Niagara*; to the Committee on Naval Affairs.

By Mr. BRATTON:

A bill (S. 3923) for the relief of Charles L. Graves; to the Committee on Claims.

UTILIZATION OF WATER RESOURCES OF THE SACRAMENTO, SAN JOAQUIN, AND KERN RIVERS, CALIF.

Mr. JOHNSON submitted the following resolution (S. Res. 177), which was referred to the Committee on Irrigation and Reclamation:

Resolved, That the Committee on Irrigation and Reclamation, or a duly authorized subcommittee thereof, is authorized and directed to make a complete investigation with respect to proposed legislation providing for the ultimate utilization of the water resources of the Sacramento, San Joaquin, and Kern Rivers, in the State of California, including irrigation and reclamation, improvement of navigation, flood control, and power development, as outlined in House Document No. 791 of the Seventy-first Congress, third session. For the purposes of this resolution such committee or sub-

committee is authorized to hold hearings, to sit and act at such times and places within the United States, and to employ such clerical and stenographic assistance as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The committee or subcommittee is further authorized to send for persons and papers, to administer oaths, to take testimony, and the expense attendant upon the work of the committee or subcommittee shall be paid from the contingent fund of the Senate, but shall not exceed $20,000. Such committee or subcommittee shall make a report of the results of such investigation with recommendations to the Seventy-second Congress, second session.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 132. An act to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law; and

H. R. 7788. An act authorizing the granting by the Secretary of War of a right of way to the Georgia Highway Department; to the Committee on Military Affairs.

H. R. 8083. An act providing for the appointment as ensigns in the line of the Navy of all midshipmen who graduate from the Naval Academy in 1932; to the Committee on Naval Affairs.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States submitting several nominations were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on March 1, 1932, the President approved and signed the act (S. 315) for the relief of Lemuel Simpson.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Florida [Mr. TRAMMELL] to suspend the rule in order that he may offer an amendment.

Mr. DAVIS. Mr. President, these are extraordinary times. If conditions were normal, the appropriation for roads would not need to be earmarked in such a way as to insure that the construction work should be done exclusively by freemen.

I favor the language inserted in the agricultural appropriation bill by the House, and I have no objection whatever to the amendment offered by the junior Senator from Wisconsin [Mr. BLAINE].

Mr. President, it is difficult for me to believe that our people, regardless of their political affiliations, will be in sympathy with a Federal measure which permits convict labor to compete with freemen on employment opportunities which may be offered through the medium of Federal construction projects. What will be the popular reaction to a Federal law which permits convict competition with freemen in the quest for jobs vitally needed by our freemen in order that they may provide themselves and their families with the necessities of life? Based on my own experience, I feel confident that the reaction of our people in all walks of life will be almost unanimous for a ban on convict labor in the construction of Federal projects.

Many millions of our own people are idle. They urgently need work to keep themselves and their dependents from becoming public charges. Employment on road construction will probably help someone to avert a mortgage foreclosure on his modest home. The homes of our workingmen represent the savings of a lifetime of hard toil. Road construction work, too, will provide funds which will enable many of our workers to pay their taxes, in many instances delinquent taxes, and their usual share of it will go to feed, clothe, and house those incarcerated at the expense of the State. It will also direct their paths to employment instead of to charity headquarters.

Mr. President, think of the menace to our national welfare that will be engendered by the employment of convict labor on Federal construction projects, while thousands of freemen are clamoring for opportunities to work. Surely, the morale of many of our people will be seriously shaken under such conditions. It is not difficult for us to visualize the ill effect such a situation would have upon the minds of our people, who, by the employment of convict labor, would be deprived or urgently needed jobs. They surely would be resentful of such a paradoxical situation, under which they are asked to pay taxes for the maintenance of a penal system which would provide convict labor for the jobs that these freemen themselves need to enable them to earn money to pay these taxes.

Picture the mental anguish of freemen, urgently in need of gainful employment, who hopefully make application for jobs on a Federal construction project only to find that every job on the project has been filled by convict labor. What a terrific shock such a disappointment is to a man who is jobless and whose hungry wife and children wait hopefully at home for his return with the glad tidings that he has found a job, the wages of which might enable him to save his modest home from mortgage foreclosure proceedings, besides assuring the family enough to eat and the bare necessities of modern life.

Mr. President, during this session of Congress the walls of the Senate Chamber have resounded time and time again with demands for Federal relief for our unemployed people. Many of these demands were characterized as "doles," and were refused largely on the ground that our people wanted work and not charity. I believe that Congress should be consistent in times like these. If Federal funds are to be used in construction projects, let us be certain that we are providing employment opportunities for our freemen, who urgently need work to sustain themselves and families and to maintain their homes. Our convicts have no worry in this regard; they are housed, clothed, and fed.

Mr. President, I must add that the best safeguard against a national relief system in times of economic distress is a sound plan to provide employment opportunities for our jobless freemen.

This bill would provide work for many of our unemployed people, and we should be certain in these times that these jobs are filled by our freemen who are seeking work and not by convicts. Let us restore to the bill the House provision prohibiting convict labor on Federal projects.

Mr. FLETCHER. Mr. President, I simply desire to call attention to the situation with regard to the order of business.

Yesterday, when the Senate took a recess, there was pending a motion of my colleague [Mr. TRAMMELL] to suspend the rules in order that he might offer his amendment to this bill. Of course, I take it that that motion is debatable and it is in order to discuss it. After that there will come up the question which has been discussed by the Senator from Pennsylvania [Mr. DAVIS] about the use of convicts on public roads. That, however, is not now before the Senate. The question now is on the suspension of the rules; and, of course, as I said, that question is debatable.

The VICE PRESIDENT. The question will be stated by the Chair when the debate is concluded.

Mr. HARRISON. Mr. President, I understand that the pending question relates to the amendment of the Senator from Florida [Mr. TRAMMELL]; and, of course, I understand, as well as the Senate understands, that the reason why the Senator from Pennsylvania [Mr. DAVIS] just made his speech on convict labor is because yesterday a very distinguished gentleman in Pennsylvania announced his candidacy against him for election to the Senate. And while I apologize to the Senate for not speaking to the pending amendment, I assure you it relates to another important question.

Some days ago I took occasion to make a speech upon the floor of the Senate with reference to the present condition of the Public Treasury, the economic conditions of the country, the inability of the people to meet the taxes—State, county, and Federal—that were being imposed upon them, and I cried out with my weak voice, as best I could, against Government extravagance and increased governmental expenditures. I hoped that what was said might bring a

sympathetic word of cheer from those in high places in the administration of this Government, that they might cooperate with us in effecting some retrenchment in Government expenditures. In the course of those feeble remarks I spoke incidentally of some expenditures that were subject to criticism to such an extent that almost in themselves they create laughter; but it seems that I am charged by the distinguished Secretary of Agriculture with having been very unfair, with having spoken without facts and without figures. It is because of this interview carried in the Editor and Publisher—a periodical that goes throughout the country to the newspaper and periodical publishers—criticizing my speech that I rise now to say something with reference to the matter.

I am sorry that the Secretary of Agriculture criticizes as a whole my utterances when they were made so sincerely, in the interest of effecting some economies and retrenchments. What I said with reference to the issuance of farmers' bulletins, and the amount expended for that purpose, was incidental to the broad and bigger question that I was discussing; I was out hunting for bears, not minks. Of course, I console myself with the thought that every time the Secretary of Agriculture speaks it is in fighting opposition to some one who has taken a different position from him.

I recall that last year, when we were trying to give some relief to some unfortunate people in the country and a majority of the Senate were in favor of doing so, the Secretary of Agriculture injected himself into the matter and heaped caustic criticism and condemnation upon the efforts of the distinguished leader on this side of the aisle, the senior Senator from Arkansas [Mr. ROBINSON], and his distinguished colleague, the late Senator Caraway; but the Secretary's words fell on deaf ears, as his expressions generally do. No one ever knew what he was driving at. Throughout he was splitting hairs as to the effect and meaning of a dole.

Then a little while later the Secretary of Agriculture got into a controversy with the distinguished ex-Secretary of the Treasury, one of the most illustrious Members on this side of the aisle, the junior Senator from Virginia [Mr. GLASS]; and, of course, the Secretary's attempted answer to the exposé and analysis by the distinguished junior Senator from Virginia of the statements of the Secretary of Agriculture was simply pitiful. Why, I saw friends of the Secretary of Agriculture over on the other side of the aisle—of course, there were only one or two of them—bow their heads in humiliation over the spectacle he presented in his unfair criticisms and unwarranted assertions in regard to the action of the junior Senator from Virginia while he was Secretary of the Treasury.

The other night, when the Secretary made his radio address, when the President of the United States had been collaborating with both sides of the Senate and both sides of the House, as he has been doing now for more than two years and a half, constantly making appeals to them to offer him counsel and advice and cooperation in trying to lift this country from the mire of this depression in which it has become bogged, everybody connected with the administration who really wanted to see something done in the interest of the American people and business was withholding any partisan expressions; but the Secretary of Agriculture, broadcasting his speech over a nation-wide network, was holding the President up as the great superman of all time, as the man who had led this country and had put over these wonderful constructive measures, evidencing tremendous and unparalleled leadership. He turned a nonpartisan into a partisan discussion.

He threw the fry into the pan. That is his injudicious and imprudent way, and I can appreciate, as others appreciate, that even the President is unable to bridle and tame his unruly disposition. So in this exposé in Editor and Publisher he says this:

> Consequently he asked Editor and Publisher to place before newspaper editors of the country the facts concerning Government publications, about which much merriment has been made recently in the Senate.
>
> "If I object to most of the recent comment on bulletins, it is because it obviously is based on misinformation which many editors appear to have accepted as trustworthy. When a Senator echoes a propagandist in suggesting that the Government could save $20,000,000 if we stopped printing bulletins, it is claptrap."

Of course, when he thought about claptrap he remembered that bulletin he had issued, How to Make a Cat Trap. That is how the word "claptrap" came to him.

I am not going to refer to the Secretary of Agriculture as did his distinguished fellow citizen, Jim Reed, of Missouri. Of course, Senator Reed had known him for many years. They were neighbors, fellow Missourians. Mr. Reed referred to him as "the steam whistle of a fertilizer plant." [Laughter.] I do not go that far. I do not say that, because I have respect for the fertilizer plant. [Laughter.]

I read further:

> "But the gentlemen who originated and transmitted the outburst were in blissful ignorance of the facts," he added.
>
> The Secretary was speaking of a speech made in the Senate February 6 by Senator PAT HARRISON, widely quoted. Senator HARRISON ridiculed such publications as Lamb as You Like It and Love Life of a Bullfrog and others.

He stated further that the publications did not cost much, that they cost but 1¼ cents a copy.

I want to congratulate the committee in charge of this bill for having reduced the appropriation to some extent. It is made at least $75,000 less than Mr. Hyde requested in the economy program, in the retrenchment policy of the administration. That is one of the reasons why he is angry, because he is not getting all the money he desires for this particular work.

I have no objection to the Government issuing legitimate bulletins. I think some bulletins have been useful. It is my belief, however, that the Department of Agriculture, the Department of Labor, the Department of Commerce, and the other departments, have gone wild in the preparation and issuance of bulletins. I believe that it would be a very nice thing and a very wise thing at this particular time, when we are called upon to balance the Budget because of a deficit of $4,000,000,000, to forego for a little while the sending out of so many bulletins and the preparation of so many new bulletins as are being undertaken by these departments here in Washington.

Mr. REED. Mr. President, will the Senator permit an interruption?

Mr. HARRISON. Mr. President, not a word was said in the speech I delivered on February 6 that was of a partisan nature. I tried to put it on a different plane. I tried to call the attention of the country to the deplorable situation confronting us and confronting the people, in the hope that we might create sentiment to uphold our hands here in cutting down some of the expenditures and assisting us in the effort not to raise more than is necessary the taxes in the new tax bill.

The PRESIDING OFFICER (Mr. JONES in the chair). Does the Senator from Mississippi yield to the Senator from Pennsylvania?

Mr. HARRISON. I yield.

Mr. REED. I listened with great entertainment to the delightful speech made by the Senator on February the 6th.

Mr. HARRISON. I am glad the Senator was entertained.

Mr. REED. Like everyone else within sound of his voice, I was very much entertained by the Senator's humor. But I did get the impression—though perhaps the Senator did not mean to give such an impression—that this lyrical pamphlet called "The Love Life of the Bullfrog," or whatever it was, had recently been issued by the Department of Agriculture, and I was shocked to discover that it had been issued under President Wilson's administration. Has the Senator never protested against this before?

Mr. HARRISON. Mr. President, I would like to recall to the Senator one thing, if he heard my speech, which I doubt, though I accept his statement when he says he was entertained; it is so hard to entertain the Senator, because he is so serious, that I am glad that one time he was enter-

tained. I said in the course of that speech that I denounced the issuance of such bulletin upon the part of a Democratic administration the same as I would if it were issued by a Republican administration.

Mr. REED. I did not hear that.

Mr. HARRISON. I play no favorites in the matter. Some wonderful pamphlets have been issued, as I said, both by the Department of Agriculture and the Republican administration. Some have been issued which should never have been prepared and issued.

Mr. REED. I agree with the Senator in that.

Mr. HARRISON. I am glad the Senator and I agree on one thing. [Laughter.]

The Secretary, in the course of this interview, seeks to give the impression that there is no great cost involved in the issuance of Government bulletins and Government periodicals; that it costs only 1¼ cents apiece for these pamphlets; that only two hundred and some odd thousand dollars was expended for the bulletins.

Ah, Mr. President, that was not what I was hitting at. Dumb as is the Secretary of Agriculture, let me tell him that it is not merely the expense of printing at the Government Printing Office of a pamphlet that places a heavy burden upon the taxpayers of this country. These pamphlets number, according to one of the lists I have here, to 1,647 or more. There are three or four pages in this list of publications. It is not merely the expense of the printing of those pamphlets, of course; but how are they prepared? The department sends scientists not only all over this country but they send them througout the world, if it is necessary, in order sometimes to procure the particular information the scientist says is needed in the preparation of this great work, which is to live as a testimonial to that particular scientist. Then, when they get all the data together, it takes a corps of typewriters and perhaps stenographers and colaborers. Who is paying for that? It is not being paid out of the particular appropriation being made here. The Government, however, is paying the salaries of these particular individuals. Every piece of paper employed in writing them out is paid for by the Government of the United States, and it takes time to do that, and the preparation of them costs money. If they were not thus prepared, they would not be worth anything at all.

That is not all of the expense. I used to serve in the House of Representatives, and year by year—and I delighted to do it—I would send out 30,000 copies of a list of the publications, one to every voter in my district, and the ladies did not vote then, inclosing one of these lists of bulletins published by the departments. I would say, "Mark 10, 15, or 20." I make no excuse or apologies for what I did. That is the way the thing was done. The Government paid for them, and we sent them out. The Government pays the clerks. The pamphlets go to all the voters, and the voters write back to us. The letter that went to each voter was on Government stationery, ordinarily; it went under Government frank, and the Government paid for the postal deficit that was created in sending them out.

I have seen sacks and sacks of mail piled high, sent by automobile or truck or what not to the station, to be loaded into train cars, and to go to various destinations throughout the country. All of those things cost money, and the taxpayers are paying for it. Yet Mr. Hyde, in his ingenious statement, says, "These pamphlets cost but 1¼ cents each." I have here on my desk a bunch of them, and some of these cost more than a cent and a quarter. Of course, the more printed, the less per copy is the cost. Why print too many in order to get a smaller cost per copy?

That is not all, however. Our constituents write for these periodicals, and they go under Government frank, free of postage, and to-day there is in the Post Office Department a deficit of over $155,000,000. I say this figure, approaching $20,000,000, representing the cost of the preparation, the printing, and the distribution of Government periodicals and bulletins and pamphlets, is quite a conservative estimate.

I notice that in his report made this year for 1931 the Public Printer says:

> First rank as a publisher is an easy honor of the Department of Agriculture, whose publications are about treble the number issued by any other department or establishment of the Government. The Department of Agriculture also qualified as a member of the million-dollar group of Government Printing Office customers with printing orders totaling $1,080,021.83 * * *.
>
> During the year 1931 there were printed 29,866,506 copies of agricultural bulletins, including 12,246,218 farmers' bulletins.

That does not give the number printed for the Department of Commerce, which has shown a more amazing increase in Government extravagance and expenditures than that shown by any other department in the whole Government service. That does not include the amount expended by the Department of Labor, which includes the Children's Bureau. It is an amazing amount.

He says some of them are sold. They sold 756 copies of the Agricultural Yearbook last year at $1.50 each, according to the report, and there were printed more than 400,000 copies of those Agricultural Yearbooks. Of course, most of them were distributed free, 380,138 in number, and Senators know how heavy they are and how much cost is involved in sending them out. It is all right in normal times to send out this literature, but at this particular time, when the country is in stress, when people by the millions are being sold out of their possessions, people who find it impossible to go to the tax collector's office and pay the assessments against them, can we not afford to forego a little of this expense? Can we not cut down the amount a little bit? Can we not for a year or two years forego the sending out of these 20,000 or 30,000 bulletins and Agricultural Yearbooks and all these periodicals?

The farmer in my section of the country, who realizes that his State budget is not balanced, who can not make ends meet, who has sadness in his heart, and who is threatened with losing everything in the world he possesses, welcomes any approach to retrenchment at this particular time. I know it is a mere bagatelle. I know it is a small amount. I know when we come to affecting a saving of $100,000 here or $1,000,000 there and then come in and wipe out all such savings by appropriating $750,000,000 for some purpose it is inexcusable.

We are up against it, Mr. President. We must realize it. The Secretary of Agriculture and the President of the United States and his Cabinet, and every other man in high place, whether he be in the House of Representatives or the Senate, ought to cooperate at this time in the interest of effecting as many economies as are possible so that we can save as much as possible in the tax bill from being put upon the backs of the American people in the way of increased taxes. Already it has climbed up and up, until I believe we will now have to raise about $1,200,000,000 in increased taxes this year.

The authorities have gone even to a manufacturer's sales tax in order to do it. They have found the job a difficult one. But unless we, in a spirit of cooperation, here in the Senate and in the House, try to apply good common sense in effecting economies and retrenchments, we will not meet the issue squarely and do our part by the American people. It is idle talk and unwise and unfair for one of the spokesmen of the administration, high in the councils of his party, close to the chair of his chief in the White House, to try to criticize every effort made to effect economies and retrenchments in governmental expenditures.

As I have said, the report of the Public Printer shows many millions and millions of these periodicals and pamphlets are thrown out annually as waste paper because there is no need in the world for them. I am going to place in the RECORD a list of the pamphlets issued by the Department of Agriculture. I ask permission that the list may be placed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit A.)

Mr. HARRISON. The Secretary further said in his statement, to which I have referred, that I had stated that 60 per cent of these publications are wasted by his department. I did not say it. I invited the attention of the Senate in my remarks on February 6 to the pamphlets and showed

them to the Senate as they were issued by the Department of Labor, relating to such subjects as "How to Raise Children on a Canal Boat." My friend from Pennsylvania [Mr. DAVIS] was seated here and heard me. I talked about pamphlets issued by the Children's Bureau and other bureaus of the Government, not confining my remarks to the particular thing which my friend the Secretary purports to answer.

The Postmaster General showed in his report this year that the cost to the Post Office Department for the distribution of frankable matter in this country for the last year would have been $4,306,000 if the Post Office Department had issued no frank for that purpose. For the other branches of the Government it would have been $4,336,000. There is more than $8,600,000 that might have been saved to the Government. Then in another place in his report he gives the number of pamphlets that went out under the franking privilege. The Postmaster General's report shows that there were mailed under the penalty privilege by departments of the Government, exclusive of the Post Office Department, 43,000,000 pounds of mailable matter (353,000,000 pieces, the revenue upon which would have been $9,886,000. There were mailed under franking privileges by Members of the Congress 33,000,000 pieces, of a weight in pounds of 4,500,000, the cost of which if postage had been paid would have been $723,000. By others there was mailed frankable matter the postage upon which if paid would have been $128,000. Then a list of the publications mailed free in the county and State items is given. We lost through the privilege of franking by the Department of Agriculture and the other departments of the Government and by the Congress at least $11,000,000 in postal revenues last year, according to the statement of the Postmaster General. All of this overhead expense enters into the cost of operating the Government as a result of sending these matters out to the country free of charge.

Mr. President, in closing I merely express the hope that other members of the Cabinet will not misconstrue the purpose of my speeches. I am shooting for bigger game than merely the issuance of bulletins by the Secretary of Agriculture. Let them be not so quick to take offense, but try to cooperate a little bit and give us a little encouragement here instead of bushwhacking and backbiting in the matter.

EXHIBIT A

LIST NO. 1 OF AVAILABLE FARMERS' BULLETINS AND LEAFLETS OF THE UNITED STATES DEPARTMENT OF AGRICULTURE

157. Propagation of plants.
181. Pruning.
218. School garden.
232. Okra, its culture and uses.
304. Growing and curing hops.
354. Onion culture.
414. Corn cultivation.
428. Testing seeds.
433. Cabbage.
434. Onion seeds and sets.
446. Crops for alkali land.
447. Bees.
449. Rabies or hydrophobia.
450. Some facts about malaria.
471. Grape propagation.
493. English sparrow as a pest.
497. Game, aquatic, and rapacious birds.
501. Cotton improvement—Weevil conditions.
506. Food of well-known birds.
511. Farm bookkeeping.
515. Vetches.
523. Tobacco curing.
525. Raising guinea pigs.
553. Pop corn for the home.
567. Sugar beet under irrigation.
568. Sugar beets under humid conditions.
571. Tobacco culture.
572. System of farm cost accounting.
576. Breeds of sheep.
578. Making and feeding of silage.
579. Crimson clover: Utilization.
586. Collection and preservation of plant material.
587. Value of skunks.
596. Winter wheat in Eastern States.
602. Production of clean milk.
612. Breeds of beef cattle.
613. Goldenseal under cultivation.
619. Breeds of draft horses.
621. Attracting birds in Northeast.
622. Basket willow culture.
627. House centipede.
630. Birds useful to the farmer.
650. San Jose scale.
653. Honey, its uses in the home.
658. Cockroaches.
660. Weed control.
662. Apple-tree tent caterpillar.
663. Drug plants under cultivation.
666. Foot-and-mouth disease.
669. Fiber flax.
675. Roundheaded apple-tree borer.
676. Hard clover seed treatment in hulling.
684. Squab raising.
685. The native persimmon.
687. Eradication of ferns in pasture.
690. Field pea as forage crop.
693. Bur clover.
695. Outdoor wintering of bees.
697. Duck raising.
701. The bagworm on shade trees.
702. Rabbits in relation to trees and crops.
705. The catalpa sphinx.
707. Cantaloupes: Grading, packing, shipping.
708. The leopard moth.
712. School lunches.
713. Sheep scab.
717. Food for young children.
722. Blister mite of pear and apple.
723. Oyster shell and scurfy scales.
724. Feeding grain sorghums.
725. Wireworms on cereal and forage crops.
727. Fruit in the Great Plains area.
731. True army worm and its control.
734. Flytraps and their operation.
736. Ginseng diseases.
739. Cutworm control.
740. House ants.
744. Preservative treatment of timber.
747. Grasshopper control.
750. Roses for the home.
752. Fall army worm and its control.
754. The bedbug.
755. Birds of Southeastern States.
756. Culture of rye in the East.
760. Attracting birds in Northwest.
763. Bark beetles and pinhole borers.
767. Goose raising.
768. Dwarf broomcorn.
773. Corn growing under droughty conditions.
776. Cherries east of Rocky Mountains.
779. How to select a sound horse.
781. Tuberculosis of hogs.
782. Diary for farm accounts.
784. Anthrax of charbon.
786. Fall-sown grains in Maryland and Virginia.
789. Mushroom pests.
794. Citrus fruit improvement.
796. Edible and poisonous mushrooms.
798. Sheep-tick eradication.
799. Carbon disulphid as insecticide.
800. Grains for dry lands of Oregon.
801. Mites and lice on poultry.
803. Horse-breeding suggestions.
805. Drainage of irrigated farms.
810. Equipment for sheep raising.
813. Construction and use of weirs.
815. Organizations of drainage district.
825. Pit silos.
827. Shallu, Egyptian wheat.
828. Farm reservoirs.
829. Asparagus.
831. Red spider on cotton.
834. Hog cholera.
835. How to detect insect outbreaks.
840. Sheep raising for beginners.
844. Attracting birds, Middle Atlantic States.
846. Tobacco beetle.
849. Capons and caponizing.
855. Homemade silos.
857. Screw worms affecting animals.
864. Irrigation information.
869. Muskrat as fur bearer.
875. Roughheaded cornstalk beetles.
876. Making butter on the farm.
878. Grains for the Dakotas.
879. Home storage of vegetables.
880. Hydrocyanic-acid gas for greenhouses.
887. Raspberry culture.
891. Corn-root aphis control.
897. Fleas and their control.
900. Homemade fruit butters.
901. Everbearing strawberries.
902. The silverfish or "slicker."
908. Insecticides and spraying apparatus.
909. Cattle-lice eradication.
912. Attracting birds, East Central States.
917. Growing peaches.
918. Peach varieties.

920. Milk goats.
921. Liming soils.
924. How to increase crop yields.
926. Some common disinfectants.
927. Farm home conveniences.
933. Citrus-fruit insect control.
937. Farm garden in the North.
938. Apple bitter-rot.
940. Common white grubs.
944. Garden webworm in alfalfa.
945. Eradication of Bermuda grass.
948. Rag-doll seed tester.
950. Southern-corn root worm.
954. Disinfection of stables.
959. Spotted garden slug.
960. Neufchatel and cream cheese.
961. Transferring bees.
967. Purple vetch.
971. Control of clover-flower midge.
972. How to use sorghum grain.
975. European foul-brood control.
976. Cooling milk and cream.
980. The spinose ear tick.
982. Green clover worm in alfalfa.
984. Home drying of fruits and vegetables.
985. Hog farming in Southeastern States.
986. Practices that increase yield in Gulf States.
988. Larkspur or "poison weed.'
990. Timothy.
994. Commercial Bordeaux mixtures.
995. Wood rot in pecan trees.
998. Culture of logal blackberry.
999. Sweetpotato growing.
1001. Fruit growing for home use.
1003. How to control billbugs.
1005. Sweetclover in Corn Belt.
1006. The wheatjoint worm.
1012. Preparation of bees for outdoor wintering.
1014. Wintering bees in cellars.
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Mr. TRAMMELL. Mr. President, the pending question is my motion to suspend the rules for the purpose of offering the amendment which I have suggested, is it not?

The PRESIDING OFFICER. That is the pending question.

Mr. TRAMMELL. For some two years and a half past my colleague [Mr. FLETCHER] and I have been endeavoring to get some kind of relief for our people for the damage which was inflicted through the administration of the Mediterranean fruit-fly quarantine and the extermination campaign that was carried on during 1929 and 1930.

I have proposed an amendment to the pending Agricultural Department appropriation bill and asked for the privilege of having it placed on the bill because there has been such a great delay in the matter of getting some inquiry made into the matter, which is of such great importance to the State of Florida. I am going to give briefly a short history of our efforts to get some consideration through the Department of Agriculture first and then through the Congress.

Both my colleague and I some two years and a half ago introduced bills providing for an appropriation to pay for losses and damages suffered by our growers. The bills were referred to the Department of Agriculture. The Secretary of Agriculture after some time reported favorably, or without objection, upon the bill which was introduced by my colleague providing for an appropriation of $10,000,000 to cover damages that came within certain restrictions and provisions set forth in the bill. At that time we probably may have obtained a favorable report from the Committee on Agriculture and Forestry; but soon a fight arose largely between Secretary Hyde and Mr. WOOD, chairman of the Appropriations Committee in the House, in regard to funds with which the department was seeking to carry on the campaign in relation to its eradication work. The Department of Agriculture then appealed to us not to push the question of an appropriation with which to pay claims at that time, but to wait until the work was completed. That has been over two years ago. We thought it was advisable, therefore,

not at that time to urge the legislation, which had been approved by the Department of Agriculture, proposing to make direct appropriations for the purpose of settling the claim.

Then we had an adjournment of Congress. At the next session of the Congress, in 1930, both my colleague and I took up the matter in the form of a measure asking for a direct appropriation to pay claims for losses that had been inflicted upon the farmers and growers of my State. By this time the Secretary of Agriculture disapproved of the idea of a direct appropriation, to which he had formerly made no objection, and reported against our bills. Following this, it was intimated that he had no particular objection to a survey being made. I then introduced a bill providing for a survey to be made. A House bill provided that it should be made only by the Secretary of Agriculture. It was my opinion that it should be made by at least three persons, two of whom should be citizens of Florida, to be selected by the Secretary of Agriculture. So, abandoning the idea of getting a direct appropriation, as is usual when damage has been suffered in matters of this kind, I introduced a measure asking that we have three appointed by the Secretary of Agriculture, two of whom should be residents of the State of Florida, to constitute a board to investigate the situation in my State.

This measure, of course, in the regular order was referred to the Secretary of Agriculture. He replied, criticizing it and ridiculing it. Many of his comments were not warranted by the provisions of the measure and anyone reading them with an unbiased mind would say so, if he read the Secretary's criticisms and the measure. He stated in that connection, in 1930, that he would not object to the setting up of a board to make inquiry if the measure was amended in certain particulars. He wanted the membership of the board increased from three to five. He wanted them appointed, two from the Department of Agriculture, two to be citizens of Florida, and one at large. The measure was then amended identically according to his suggestion. Being advised that he would have no objection to it if so amended, the Committee on Agriculture and Forestry so amended it, and the bill was reported to the Senate and passed. It went to the House, but was not passed by the House at that session.

I have come back to the Senate at this session with identically the same bill to which the Secretary of Agriculture then said he did not object, a bill which was redrafted to conform to his wishes. That is the measure which I am endeavoring to get placed upon the pending appropriation bill in the form of an amendment in order that we may not have any further delay in the investigation. We have been delayed and delayed. I think it would be no imposition upon the Senate or the House or upon the Department of Agriculture to have the amendment adopted as a part of the Agricultural Department appropriation bill. So far as the question of policy is concerned, the provision provides merely for a survey. It does not attempt to set up any basis of damage whatever, but on the contrary provides that the inquiry shall be without prejudice to Congress and without prejudice to the Secretary of Agriculture, and that the information shall be gathered only for information and the consideration of the Secretary of Agriculture and the Congress.

We have all kinds of investigations here. It is very little trouble ordinarily for a Senator to introduce a resolution based merely upon rumors and to get an investigation that often costs the Government $25,000 or $50,000. That modus operandi is in process here almost weekly. We have a meritorious case. We have been begging and fighting for at least 2 years to get the case of the people of our State considered. That is all the amendment which I have submitted proposes to do. It provides for a board of 5 to be designated by the Secretary of Agriculture, 2 of whom shall be employees of his department, 2 of whom shall be citizens of Florida, and 1 a citizen at large, who shall perform their duties within 90 days and be paid only $10 a day salary for the time actually engaged. They are to go into the territory involved and gather the information.

This is a precaution and a preliminary step which has not heretofore been required, so far as I know, in regard to the losses suffered in any State. Take the legislation to compensate people for losses on account of foot-and-mouth disease; they were not held back 2 or 3 or 4 years and then even denied a survey to ascertain whether or not there had been damage. The Agricultural Department itself came in and recommended an appropriation to compensate them. The very bill which we are considering at the present time has a continuing appropriation of over $4,000,000 to reimburse people who have lost cattle on account of the Government's efforts to eradicate bovine tuberculosis. It also carries an appropriation to reimburse people who have suffered loss on account of the Government's efforts to stamp out the foot-and-mouth disease in cattle.

We are not asking for a direct reimbursement; we are not saying that we are entitled to a given amount of damages, and that we should be awarded such an amount; but we are merely asking that a governmental agency shall investigate the situation.

Of course, I could tell the Senate about a good many instances where it looks as though some of our fruit growers and truck farmers were terribly mistreated; they experienced injury and damages which were absolutely unnecessary in carrying on an intelligent and efficient eradication campaign; but we have not that question under consideration at the present time. The only question we now have up is the matter of a survey. I am going to read just an extract from a letter from Mr. Jesse R. Crandal, of Winter Park, Fla., dated January 16, 1932, which pictures not only his experience but the situation in regard to many. He says:

> The United States Government came into my grove and deliberately destroyed about 400 out of 453 of my trees, and now refuses to pay me anything for the damage they deliberately and needlessly did. My grove did not have an orange in it, there was no chance for a Mediterranean fly to be there, yet they went in and sprayed the tender trees with a big, powerful sprayer, pulled by a big tractor, and killed my trees and deprived me of my property and the income from it for five years while I am raising another grove, which I do not have the money to set out.

He says, in an effort to try to rehabilitate his grove—

> I have set the trees twice since they killed them, but they put so much poison spray on the trees that the water washed it down into the ground and killed the trees I set each time. Now, I have been unjustly turned out of my job and have no money to buy new trees with, to reset this year.

Of course this is a very severe case, but there are numerous others of similar character. We are not, by my amendment, saying that this man should be awarded a specific amount of damage, but we are merely asking that there be established some governmental agency to investigate the situation, gather the facts for consideration by the Secretary of Agriculture, and then later for the consideration of Congress.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Utah?

Mr. TRAMMELL. I yield.

Mr. KING. I was wondering if the Department of Agriculture is not in this instance, as in some other instances, trying to prevent an investigation of the transgressions, ignorance, and mistakes—unjustifiable mistakes, inexcusable mistakes—of its so-called scientists? I recall, if the Senator will pardon me, receiving a letter a number of years ago with respect to the destruction of cattle in one of the States—I shall not mention its name—wherein it was charged that the officials of the United States Government, without any excuse whatever—and they later confessed their mistake—ordered a large number of cattle killed and instituted a quarantine. In that instance the Federal Government was compelled to pay, or at least did pay, for the mistakes of those Federal officials.

I received a letter, may I say to the Senator, if he will pardon me, at the time it was alleged that the Mediterranean fly was about to destroy the trees and the vegetation of Florida, from a citizen of Florida inclosing a copy of an

advertisement which had been published, offering $1,000 if any person would bring to the one inserting the advertisement a single Mediterranean fly. No one ever applied for the $1,000 which was offered; and the writer of the letter insisted that the Government officials had acted without any reason whatever, and that some of the State officials, profiting by the new jobs that would be furnished to them, were cooperating with the Federal officials in putting over upon the people of the State a campaign wholly without merit. I do not mean to challenge attention to the latter facts for the purpose of arguing that those who have been injured ought not to be compensated by some one, but, obviously, if the statement made with respect to the nonexistence of the Mediterranean fly is true, a number of the Federal Government's officials ought to be discharged for inefficiency and failure properly to perform their duty.

Mr. TRAMMELL. Mr. President, a good many people entertain similar views to those expressed in the letter to which the Senator from Utah refers. It has seemed a little peculiar to me that the Secretary of Agriculture should first say, about two and a half years ago, that he had no objection to the appropriation of a given amount—I think it was $10,000,000—with which to pay these claims, and then a year later should recede from that position and say the thing that ought to be done was to provide for a survey; and now he opposes the survey to which he said in February, 1931, he had no objection. In the survey measure of February, 1931, I conformed, as I think the Senator from Utah will remember, to the wishes of the Secretary and provided for a board, which the Secretary said would be all right. Now, however, he has receded from that position. In other words, it seems as though he does not want any inquiry whatever to be made. The question is, Why? Of course, he may have his own reasons for that; I will not undertake to say what his excuse may be, but it seems he does not want any inquiry made now. So I am appealing to the Senate as a matter of justice to provide that a survey shall be made and that there may be no further delay.

The people of Florida when the Mediterranean fruit-fly scare first came upon them were not experts or scientists in diseases of trees and the eradication of pests. So at first they rather accepted, at least a great many did, the idea that the Mediterranean fly actually existed in Florida, and they showed a great spirit of cooperation to try to get rid of the pest. However, from time to time they began to get skeptical about it; they began to wonder if there actually were any Mediterranean fruit flies in Florida. I myself frankly say that I doubt whether there were any Mediterranean flies ever in Florida.

We are not asking for compensation for the general damage suffered by the people of Florida on account of the destruction of the market for their fruit for one or two seasons—and thousands of growers were pauperized on account of that alone—we are merely asking that a survey be made, an inquiry in regard to the specific and direct damage and to the specific property. It does seem to me that we are entitled to that consideration, even if it necessitates authority upon the part of the Senate for an amendment to be offered to this particular bill.

People all over the country are interested, because Florida has a cosmopolitan population. We are proud of the fact that we have citizens from every State of the Union. A great many people from other States own grove properties in Florida, and my correspondence has been from people out of the State who own grove property in Florida about as much as from people in the State.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Michigan?

Mr. TRAMMELL. I yield.

Mr. VANDENBERG. I am interested in the fundamental proposition involved in the Senator's amendment, and I should like to ask him a question. We are asked in this bill to make an appropriation in contemplation of a grasshopper plague in certain States. Would the Senator contend if the Government embarks upon that protective measure that it accepts in connection therewith a responsibility for the ultimate administration of the measure thus provided for the protection of the people in the areas involved and which is extended at their risk? In other words, are we put upon warning when we undertake to fight the grasshopper plague that we must do it at our own Federal risk and must respond in ultimate damages in case the result is unsatisfactory? Is that the Senator's position?

Mr. TRAMMELL. My position is that if, on account of inefficiency, recklessness, and ruthlessness, the agents of the Government do damage to a person's property, in equity and justice that person ought to be compensated, just as when a mail messenger driving a mail wagon by recklessness and disregard for human life strikes somebody down on the street the Government pays the damages. The Government is constantly paying claims of that kind because of the torts of its agents.

The Senator from Michigan intimates that in the case of the appropriation on account of the grasshopper plague the people involved invite the interposition of the Government. I do not know anything about that, but the people of Florida did not invite the activities of the Government against the Mediterranean fly. We had those activities imposed upon us; we were helpless, we were quarantined, we could not remove our fruit from Florida, and the income of thousands of people was destroyed. We had to yield, and our people yielded in a law-abiding manner.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to his colleague?

Mr. TRAMMELL. I yield.

Mr. FLETCHER. With reference to the inquiry made by the Senator from Michigan [Mr. VANDENBERG], while we are not dealing now with grasshoppers or anything that may rest in the future, I want to call attention to the fact—and my colleague will agree with the statement—that the Department of Agriculture has never denied that in connection with the work of eradicating the fruit fly there were legitimate and proper losses for which the people in interest had a right to submit claims. The department has never denied that, but has admitted it. It has admitted all along that there were legitimate and proper losses which ought to be compensated for, and it has never denied Federal responsibility. It has sometimes said that the States ought to contribute 50 per cent of that loss, but it never has openly denied the responsibility of the Government. I can show a letter upon the subject admitting such responsibility.

Mr. TRAMMELL. My colleague and I have never contended that any reimbursement we received should be otherwise than upon the same basis as in the case of other States.

Mr. FLETCHER. That is correct.

Mr. TRAMMELL. In other words, if 50 per cent is required, we answer that we are not trying to get 100 per cent.

Mr. FLETCHER. That remains for the future. The question involved here is an investigation as to what losses were suffered.

Mr. TRAMMELL. That is all.

Mr. McNARY. Mr. President, I have had some correspondence and several conferences with regard to the pest which was found in Florida some years ago. I do not think the department ever admitted any Federal liability. If so, it was limited to the fruit that was not infested and was destroyed.

Mr. FLETCHER. I can read from the testimony of Mr. Marlatt and letters of Secretary Hyde and reports on the resolutions and bills that have been submitted which, I think, will satisfy the Senator on that point. They reported favorably on the first resolution which I introduced admitting the principle of liability. As to what the Government would be liable for as an element of damage is still an open question; but they did admit that for the actual losses the Government was responsible. I can show the record as to that if the Senator desires to see it. This measure, however, does not propose to deal with the elements of damage, or what proportion the State should bear, or

what proportion the Federal Government should bear. It simply provides for making a survey to ascertain what the losses were. Afterwards, when it comes to a question of appropriation, we can deal with the whole matter, and determine what part of it, if any, the Federal Government is liable for.

There is no doubt that there was destruction of property. The department officials know that. Everybody knows it. It is a question that is not open to doubt at all. There was serious destruction of property.

I do not want to interrupt my colleague now; but a little later on, if I may be permitted, I will show what the department's position is with reference to that matter. All we are asking now is to have a beginning. They objected to any appropriation being made until the work was completed. That held up the first joint resolution I introduced on the subject. Now, when the work is finally completed, they say, "We can not tell what the damage is until we make an investigation and see what elements of damage there are and what losses the people have suffered, and then we will consider the question of taking care of them."

Mr. TRAMMELL. Mr. President, I remember quite well the history of the legislation referred to by my colleague. I first introduced a bill on the subject. A little later he introduced one. At the time of the introduction of his bill, representatives of the growers of Florida came here. They and my colleague conferred with the department, and the Secretary of Agriculture approved the form of the bill. In fact I think it was drafted very largely according to the suggestions of his officers in charge of this particular work. The Secretary has receded from that position. We are not trying to fix the liability, but we are trying to get an investigation. We do not want to have to wait a year or two longer, when this matter has been pending now for more than two years. My amendment does not involve any great expenditure. I propose to suggest in my amendment, when it is formally offered, a modification with regard to appropriations to provide that the funds for this purpose shall be used out of the Mediterranean fruit-fly fund which was previously appropriated for the fiscal year 1931. It involves no new appropriation whatever.

I desire to appeal to my fellow Members of the Senate to allow us to have this amendment placed on the bill so that this question can be disposed of and we can start the inquiry.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TRAMMELL. I yield.

Mr. VANDENBERG. Has the Senator made any unofficial or preliminary survey to indicate to what extent he thinks this damage would be measured in dollars and cents?

Mr. TRAMMELL. I have not any idea. A committee of probably a dozen growers, headed by the citrus-fruit organizations and by the Florida clearing-house association and W. J. Howard, a very extensive orange grower in Florida—who, by the way, happened to be the Republican candidate for governor at the last election, and was very substantially supported—made an inquiry and gathered together an enormous amount of claims; I forget what amount. This committee was under the impression that with those claims they could go to the Secretary of Agriculture and could get a recommendation from him for legislation for an appropriation, but, of course, they were not successful in that. Knowing the adverse attitude of the Secretary, I doubted very much that they would succeed.

Mr. VANDENBERG. What did those claims amount to? Does the Senator remember?

Mr. TRAMMELL. I think they amounted to something like two or three million dollars, according to the basis upon which the claimants stated their damage. Of course, they would all have to be checked over and made to conform to the basis or elements of damage fixed by Congress.

Mr. VANDENBERG. All of those claimants would appear before the Senator's proposed commission and press those same types of claims?

Mr. TRAMMELL. They would present them; yes. I do not know that all of them would. I doubt that. The commission, no doubt, would make an inquiry, and these people, or a number of them, would present the character of the claims. Then the commission would report to the Secretary of Agriculture, and the Secretary of Agriculture would report to Congress.

In this situation we are under the necessity of pursuing a circuitous route that I do not know of any other State or any other people similarly situated being required to pursue; but we are accepting the situation, with the hope that we can succeed in at least getting a survey, so as to have the main question considered at a later session of Congress.

I very much hope the Senate will allow us to place this amendment on the bill. My good friend the chairman of the committee is ordinarily very generous, and I hope he will not make any special objection to this amendment. He fully appreciates and knows the situation. I have seen him display his generosity here in a number of instances, and I hope he will display it on this occasion and agree to our having this amendment placed on the bill.

Mr. FLETCHER. Mr. President, there are very few Senators present. I am perfectly willing to proceed, but I do not know that I am going to enlighten vacant seats very greatly on this subject.

The question is, Will the Senate, by a two-thirds vote, suspend the rule and let this amendment be offered? That is the question. About two-thirds of the Senators are absent. Less than one-third are here; and I do not know how I am to convince the two-thirds who are away. I should be glad to do it, and I am willing to proceed and take up what little time I plan to occupy. Perhaps those who are here can speak for the absent Members. If they can, very well.

Mr. McNARY. Mr. President, if the Senator desires to address himself to this subject, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Florida yield for that purpose?

Mr. FLETCHER. I do, though I do not like to lose the time.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Smith
Barkley	Dill	La Follette	Smoot
Bingham	Fess	Lewis	Steiwer
Black	Fletcher	Logan	Stephens
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McNary	Thomas, Okla.
Bratton	Glass	Metcalf	Townsend
Brookhart	Glenn	Morrison	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Walcott
Byrnes	Harrison	Norris	Walsh, Mass.
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hatfield	Oddie	Waterman
Connally	Hayden	Patterson	Watson
Coolidge	Hebert	Pittman	Wheeler
Copeland	Howell	Reed	White
Costigan	Johnson	Robinson, Ark.	

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. FLETCHER. Mr. President, I was just proceeding to say that what is sought here is to set up the machinery and proceed with the accomplishment of whatever we are entitled to have accomplished, without waiting a year or two more. I will not take the time of the Senate to discuss the question as to what element of damage ought to be considered by the Department of Agriculture and by the board provided for in this measure. Nor will I take up the time of the Senate in telling the whole story of the Mediterranean fruit fly. I have before me the report of the hearings on the Agricultural Department appropriation bill for 1931, and Doctor Marlatt appeared before the committee and gave a full account of the discovery and the efforts made to combat this fruit fly, as will appear on page 655, and so forth, of those hearings.

Doctor Marlatt called it the most dangerous pest the citrus industry has ever known. His testimony will show that it was dealt with, not merely for the benefit of Florida, not merely on account of the citrus industry in Florida, but as a means of protecting the whole country against the spread of this fly, because it does spread. Therefore, the Department of Agriculture, taking this broad view of it as a necessary thing in order to protect the fruit industry of the United States, undertook to eradicate this pest, believing it to exist.

There are a great many people, as my colleague has said, who believe that the real Mediterranean fruit fly never existed in Florida at all. There are a great many people who think that this whole eradication work, the damage that was done and the loss that was suffered, was really unnecessary. I think the Department of Agriculture, with all their experts and the information they have on this subject, knowing the insect's history from the Mediterranean country throughout the world, are better prepared to pass on that question than the ordinary layman. I accepted their position about it, and endeavored to cooperate with them from the beginning to the end of the whole matter.

The fly was discovered on April 6, 1929, in an orange grove at Orlando. The fruit was sent here, was examined, the larva and the pupæ and the fly itself were examined, and the experts pronounced it the Mediterranean fruit fly.

I should say in justice to the department, too, that when some question was raised about that and it was suggested that it might be some ordinary fly which exists in connection with every kind of fruit everywhere, which did not spread to amount to anything or do a great deal of damage, the department reinforced its own views and the views of its experts and appointed a special committee to go into the subject. As Doctor Marlatt said:

> The magnitude of the problem as thus developed, together with its nation-wide concern, led the Secretary of Agriculture to seek the advice, both as to the work as above outlined and as to the possibility of eradication, of leading specialists selected from various parts of the country.
>
> The committee thus appointed consisted of Vernon Kellogg, permanent secretary National Research Council, Washington, D. C.; H. A. Morgan, president University of Tennessee; T. P. Cooper, dean College of Agriculture, director of extension work, Lexington, Ky.; Victor R. Gardener, director State experiment station and professor of horticulture, State College, East Lansing, Mich.; T. P. Headlee, professor of entomology, Rutgers College, New Brunswick, State entomologist of New Jersey and entomologist of State experiment station; G. A. Dean, head, department of entomology, State Agricultural College, and entomologist, State experiment station, Manhattan, Kans.; and H. J. Quayle, professor of entomology, University of California, and entomologist of citrus experiment station, Riverside.

He said in his testimony:

> These specialists submitted a report, emphasizing their belief that eradication was not only practicable but an economic necessity.

A necessity for the whole country, not merely for Florida.

> They further recommended the very considerable enlargement of the work now under way and the modification of regulations which, in their belief, would permit, under a system of sterilization and without risk of spreading the pest, the interstate movement of citrus fruits from areas which previously had been considered infested.
>
> At the time of the visit of this committee to Florida the research unit of the Bureau of Entomology of the department, cooperating with the Plant Quarantine and Control Administration, had just completed work which indicated the practicability of such control.

So they proceeded with that work, and they proceeded with it in a way which resulted in the complete eradication of the pest. That did not occur until November, 1930, as I remember now. About 18 months they were engaged in fighting that pest and exterminating it. They followed shipments from Florida to all parts of the country, watching the development everywhere. There were one or two places, in one instance in North Carolina, as I recall, where they found a fly which had been carried. It was necessary to do that eradication work in order to protect the country, not merely Florida.

I will not detail what they did, but undoubtedly they had to engage some new people in that work, people who had never had any connection with such work before. They had persons to make inspections, and persons to do this and to do the other, to carry out general orders, people who were inexperienced, who were new at it, and who did things which were unwarranted, which were ruthless and reckless, and which caused destruction and loss where, if conditions had been different, and they could have employed only experienced men who understood the problem, these losses would not have occurred.

That was a thing to expect in a situation of that kind. We could not hope to escape loss and damage. But it was occasioned to some extent by inexperienced and new people who did not understand what they were doing, and there were mistakes made by the department itself, because they went on to divide the State into zones, and destroyed fruit miles away from any infestation whatever, went into a man's grove and found no flies there, found no infestation, but said, "The fly is in a grove a mile away, and it will come here, and you must destroy all the fruit." They took it off the tree and burned it. Spread lime on it, 3 or 4 feet deep, and destroyed the fruit absolutely.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. LOGAN. I was wondering why those who have been damaged, if they have been, have not taken the same step which it appears everybody else has, and had bills introduced asking Congress to allow them to come and have their claims considered by the Committee on Claims. It appears that everything else is before the Committee on Claims and that is the way things are handled. Why can not the Senator do that in this instance?

Mr. FLETCHER. I will say to the Senator that that is what we are trying to get to. In the first place, for instance, I introduced a resolution calling for an appropriation of $10,000,000, or so much thereof as might be necessary, to take care of these claims. The department really made a favorable report on that resolution. They agreed to it in principle. They specified that 50 per cent of the loss should be borne by the States, which we should consider, of course. But they said, "Let us wait until we get the job finished, and then we will deal with these claims." So I waited. My colleague introduced a bill at the last session calling for this survey, because they said, "We can not adjust these claims until we make an examination and see what kind of claims they are, and where they exist, and make a study of the whole problem."

Mr. LOGAN. They could not do it then, could they, without some action on the part of Congress?

Mr. FLETCHER. We will have to follow that up, of course. The only reason for proposing this measure now is to lay the foundation, to get the information, and when we get the information Congress can decide how much it will allow and how much the State should allow. The whole question will come up.

Mr. LOGAN. This is to set up an instrumentality in the way of a commission, or something like that, to go out and find the facts?

Mr. FLETCHER. Yes; it does not call for the appropriation of another dollar. There are already funds under the appropriations for 1931, when we appropriated money to carry on this fight on the Mediterranean fruit fly, several hundred thousand dollars still left from the appropriation for that year. This proposal is to make a survey, examine and check up the claims, ascertain their nature, amount, and all the facts, and report thereon for such further action as Congress may take.

Mr. DILL. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. DILL. Do I understand we are making appropriations now to fight this fly, but that this amendment is to provide for an investigation to determine what damages the Government should pay because of the fight already made?

Mr. FLETCHER. No; the fight is finished, the job is done, the fly is gone. Now, the question is, What was the amount of damages caused in this work of eradication, for which somebody should make compensation?

Mr. DILL. Then it is a malfeasance action based on something done by governmental officials about which the Senator is talking, rather than necessary damages which resulted from the destruction of the fly?

Mr. FLETCHER. Yes; damages growing out of the eradication work.

Mr. DILL. I want to get clear this point: Certain damages were necessary in eradicating the fly?

Mr. FLETCHER. Absolutely; we do not deny that. If the officials found infestation in a grove, they destroyed the grove, and nobody has asked for compensation for that. But suppose they found infestation in the Senator's grove, and 10 miles away I owned a grove, and the inspectors went in there and destroyed my grove. Should I not have some compensation for my loss, if there was no infestation?

Mr. DILL. I wanted to get that clear. I know that out in Iowa a great deal of destruction was caused in the treatment of cattle, and the farmers claimed that cattle which were not affected with disease were killed, and the meat was sold; and it almost caused a local war out there between those farmers and the Federal inspectors. What I am trying to get at is just how much trust we can put in these officials of the Department of Agriculture if, when we give them authority to do something, they go out and destroy where it is not necessary.

Mr. FLETCHER. I do not claim that they wantonly destroyed property, but this was a new proposition down there, as I was saying awhile ago, and they had to get a lot of green people as inspectors and workers in the performance of that activity, and they did a lot of unnecessary damage.

Among other things, the department instituted quarantine regulations. They stopped the movement of fruit and vegetables out of Florida for months. The people had practically no markets anywhere. The National Guard of the State was put out on the highways and undertook to stop trucks and wagons and automobiles in order to prevent the shipment of certain fruits and vegetables out of the State during that time. So that the people had no market for their products that were considered hosts for this fly. The quarantine was modified from time to time, but not completely raised for 18 months—until November, 1930.

Outside of that, they declared certain vegetables as possible hosts, as they called them, for this fly—for instance, green peppers. Florida is a great vegetable-growing State, especially for winter vegetables, and people went to work and planted their vegetables, but when they got ready to ship the department said, "No; you can not ship those vegetables. They are hosts of the fly, and there is possible infection in them." But they never discovered during the whole history of the procedure a single fly in these vegetables about which they talked and the shipment of which they prohibited.

Not only that, but a man would go and spend his money for labor to clear his ground and fertilize his crop, he produced the crop and got it ready for market, and then the Department of Agriculture said, "You can not move that crop. You must destroy it," although there was not a single fly found in the vegetables at all, not one. They do not claim that there was. They admit they did not find any, but they said, "This is a possible host and we will not take any chances." The question as to what amount of damage shall be allowed is another question. That will come up later when we have the information as to what the losses were and how they arose.

For instance, in the report on my resolution the department indicated that they would admit their liability for the actual cost of producing the vegetables, but they would not allow anything for the prospective profit to be made. I do not find any objection to that suggestion. I am willing to accept that as a basis. In other words, let us reimburse the grower just what he is out of pocket for producing the vegetables which were ordered destroyed. They were ordered destroyed because the department suspected the vegetables were hosts, not because they were infested or ever had been infested. That is an element of damage that ought to be considered. There are unquestionably losses which the department itself will agree with the growers and producers ought to be compensated for. Then will come the question of how much the Federal Government and how much the State and local governments shall contribute to the payment of those losses. That is a question with which we will deal later. All we are asking now is that we make some headway toward starting the inquiry in order to ascertain what the losses are, how they arose, and whether the Federal Government is responsible for them or not.

I may mention in passing that a similar bill providing for a board to make the survey was introduced in the House by Representative OWEN. It received a favorable report from the department. They made a favorable report on the bill, which provided for a survey. There was a different set-up as to the board, but the same principle was involved. The department recommended an amendment, instead of making the appropriation just as my colleague proposes here now, suggesting that out of the appropriation for 1931 they should take a certain sum, to wit, $50,000, to make the survey. That bill was favorably reported in the last Congress. My colleague introduced a similar bill in the last Congress, and on February 17, 1931, the Senate passed the bill on which the Department of Agriculture had reported more or less favorably. That is practically the same bill we have here now. We are asking that this be done now and that we be not compelled to wait until there is another bill introduced and hearings had before the Committee on Agriculture and Forestry and a report on that bill, and then wait until that bill can be taken up on a call of the calendar and considered and finally passed, as the Senate would no doubt pass it again, I am quite sure, but probably too late for the House to act.

A similar bill has passed the Senate heretofore. All we ask now is that the amendment be placed on the pending appropriation bill so we can go on with the investigation and not be tied up here year after year waiting for some machinery to be set up to comply with the requirements of the Department of Agriculture.

I asked the Secretary of Agriculture about this in December, 1930, and on December 19 he wrote me as follows:

> From the information available I am convinced there has been gross exaggeration as to the losses.

That may be, but we want to determine whether there has been exaggeration.

> Compensation should be limited to the destruction in the early days of the campaign of certain fruits and vegetables which were doubtful hosts of the fruit fly.

In other words, they admit liability, they admit there is some responsibility for the losses; but the Secretary said that—

> Compensation should be limited to the destruction in the early days of the campaign.

All right; but let us know what that means. Let us find out what the destruction was and where it was and under what circumstances. Perhaps we can agree upon a basis for settling the claims. But we do not get anywhere by merely saying there are certain losses that will not be paid and certain that will be paid. We must consider the claims and survey the situation and get the facts before Congress.

The Secretary admits in this letter to me that there were losses, that there was destruction of fruits and vegetables, and says that he is not informed as to what they may amount to, continuing:

> I think it should be limited to cases of actual destruction.

All right, let us so limit it; but let us find out what the facts are. What was the destruction?

> Accurate estimate of the actual losses sustained is not available and can not be obtained by any means short of a careful review by an impartial board of claims which may be submitted.

That is what we are asking for now, a review by an impartial board of the claims that may be submitted.

As has been mentioned in answer to some inquiry submitted to my colleague, there was a voluntary committee

created in Florida. The chairman of that committee owns some 15,000 or 20,000 acres of citrus groves. Of course, he is vitally interested in the matter. He was the chairman of this voluntary committee composed of public-spirited men who served without any pay and who made a pretty careful study of the whole situation over the State. They submitted their report to the Secretary of Agriculture. There were 16 members of that committee, very intelligent, capable, conscientious people. But the Secretary said in his letter to me:

> Accurate estimate of the actual losses sustained is not available and can not be obtained by any means short of a careful review by an impartial board of claims which may be submitted.

We can say here are the claims already submitted to this committee. Others may be presented. Opportunity should be given all parties concerned. Review them by an impartial board if you insist upon it. Here is the board provided to be set up in the amendment which my colleague has offered. That meets with the requirements of the Department of Agriculture.

We are trying to conform to the views of the department. They suggested that we wait about the appropriation until we finish the job. We waited. They raised the quarantine on November 16, 1930. They said they had eradicated the fly, and I am glad they did. That was a great piece of work. I think they did marvelously well in many instances, and I commend them for it. But that work is finished. Out of this operation and the eradication of the fly there have followed certain losses. Some people lost everything they had. If a grove was infested there is no claim for the loss suffered by that grower. He does not pretend to present any claim. His fruit had to be destroyed and his trees sprayed. If fruit was destroyed miles and miles away from any infestation, that is another question. If vegetables were destroyed that never were infested at any time during the history of this performance, if they refused to allow people to ship their fruit and vegetables and required them to destroy them, that is another question.

This was done not merely for the protection of Florida but for the protection of the whole country. Quarantine regulations were set up and the markets were limited. Finally the department allowed fruit and vegetables to move north of Potomac Yards and thus kept them out of the South. Later on they kept removing the restrictions and after a while allowed vegetables to move, although then the crop was practically gone. They were doing the best they could, I admit, but they unnecessarily caused great losses because the whole experience demonstrated to every one of them that there were never any flies in peppers and vegetables of that kind. They went out into the wilds and selected what they called "possible hosts" there in such things as cherries. They eliminated certain fruits from the market just on suspicion. They even went further than that and actually cut down trees, which was not necessary at all. They ought to pay for that loss to our people.

A few years ago we had in Florida what was called the citrus canker. That was a dread disease. The Department of Agriculture cooperated with our plant board and whole groves were destroyed; not only the fruit was destroyed but the trees were burned. Nobody got any compensation there in that case. But in this case the Department of Agriculture very properly assumed direction and control. It was a joint operation, if you please, in connection with the State plant board. The State plant board conformed to their requirements throughout, and the Department of Agriculture was the head in front of the whole matter. What we want now is to set up the machinery which they require, namely, a board to review the claims that may be submitted, to make a survey, and to report back to the Secretary of Agriculture, who in turn will report to Congress, and upon that report we can deal with the question of compensation.

I submit that the Senate ought to permit us to save this time. Action on the pending amendment will mean a great saving of time. If we do not adopt it now, we will have to go on with a bill, hold hearings, obtain a report, and it will take a great deal more time to consider the bill and have it passed, just as was the case a year ago. The action now proposed is simply, in effect, that which was taken a year ago. The measure then adopted could not get through the House at that time and died without action. We ask the Senate now to let us save this time, to let us set up this board which the department asks for, without any additional expense or appropriation, using a part of the fund the department already has up to the amount provided by the amendment, so that a report may be made. That is the foundation upon which the department insists, and we simply ask that its wishes be complied with now.

Mr. McNARY. Mr. President, one of the objections to the item proposed by the two Senators from Florida is that such record as there is in connection with it is an unfavorable one. The item is not submitted by the Department of Agriculture to the Bureau of the Budget; it was not brought to the attention of the Appropriations Committee of the House or the Appropriations Committee of the Senate. The matter comes here on the floor of the Senate as an entirely new proposition, without an opportunity ever having been given to the committee to hold hearings or to consider it.

As stated by the Senator from Florida, a bill similar in character to the amendment did pass the Senate last year, and a bill parallel in terms to the pending proposal is now before the Senate Committee on Agriculture and Forestry. It occurs to me that the question should come up through the medium of an authorization bill, after hearings are had in the usual way. If then it should be passed by this body, an item could be attached to some deficiency bill before the end of the present session of Congress.

I suggested that course to the Senator from Florida a few days ago, and I think now he should take that course. If he will do so, believing it a wise course from his standpoint, and believing it would be fair to the department and fair to Congress to have hearings held before the amendment is attempted to be placed on an appropriation bill, I will promise at a very early date to have the committee consider the subject, and if a majority should determine that the bill should come to the attention of the Senate I shall be very glad to make a favorable report.

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Florida?

Mr. McNARY. I yield.

Mr. TRAMMELL. That would only mean further delay. This is not an intricate proposition; it is a matter which we thoroughly understand; it has once been before the committee, and has once been passed upon by the Senate. There has been no change in the facts or the conditions or the situation, except that the Secretary of Agriculture has reversed his position. I am not in favor of allowing him to hold up legislation. If he is going to hold up legislation, then I will have to try to hold up some legislation that he wishes. It is nothing but a matter of prejudice on his part in not wanting the situation investigated.

Mr. McNARY. The Senator has made his position clear, and I refuse further to yield.

The VICE PRESIDENT. The Senator from Oregon declines to yield further.

Mr. TRAMMELL. If the Senator will pardon me, in regard to his statement that the matter is now before the committee, let me say it has been there now for a couple of months. The Senator has not indulged in any dilatory tactics, but he has been very busy. I have talked to him three or four times about having the bill considered by the committee, but he said that the committee had particular legislation for the following day and that probably on the ensuing Tuesday I might be able to get a hearing. At that time, however, the committee was engaged in a hearing on the Muscle Shoals question. The Senator is always very courteous; I appreciate that; but I do not see any reason why this matter should again be delayed, when it is fairly plain and involves a subject which is well understood, and when we are dealing with the agricultural appropriation

bill. So I hope the Senator will not insist on further delay and having this matter carried over to another session of Congress.

Mr. McNARY. It is not a question of delay; there is a very large principle involved. The Senator did speak to me about the bill pending before the committee. I told him that my time was occupied with other matters, but I would give him a hearing as soon as I had a report from the Department of Agriculture. It is only within recent days the department has reported—and the report is adverse—so I am in a position now to call the committee together to consider the proposition.

Let me state not my own view but the department's view of this matter. I have not had an opportunity to form an individual and independent view, because the matter was presented here only yesterday, but there have been about $7,000,000 expended by the National Government in an effort to eradicate and control the Mediterranean fruit fly which was infesting groves and doing injury to citrus fruits and vegetables in Florida. It does not matter, it is quite beside the question, how many were discovered or the extent of the infestation; the State of Florida was glad and the growers were happy, indeed, to have the Government come there and undertake to destroy the infested fruit and vegetables. In that work the Government expended about $7,000,000.

Mr. FLETCHER. It was something less than that.

Mr. McNARY. I said "about $7,000,000."

Mr. FLETCHER. The Senator is substantially correct. It is stated in a document before me—

> Federal funds expended in the Federal program exceed $6,000,000.

Mr. McNARY. I have the statement fresh from the Department of Agriculture that the actual amount expended by the Government was $6,710,411. I said "about $7,000,000." I think that I am not extravagant in that statement.

Mr. KING. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. KING. Merely for information, let me inquire was that amount expended in Florida?

Mr. McNARY. That amount was expended in Florida.

Mr. KING. In connection with the eradication of the Mediterranean fruit fly?

Mr. McNARY. In connection with the attempt to eradicate and control the Mediterranean fruit fly.

Mr. President, much of this expenditure for the eradication of the fruit fly was devoted to the purpose of preventing infestation and a spread of the pest to other States; and by reason of the expenditure of that money great quantities of citrus fruit and vegetables continued to be shipped out of Florida into markets which would have been foreclosed if the strong arm of the Government had not reached into Florida. That is one item of benefit that the State of Florida received from the expenditure of public funds.

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Florida?

Mr. McNARY. I yield.

Mr. TRAMMELL. Is that not equally true when a quarantine is placed upon cattle infected with the foot-and-mouth disease, and in that situation does not the Government reimburse the owners? Does not this bill carry an appropriation for cases of that character? I suggest to the Senator that he consider that proposition.

Mr. McNARY. Quite a different proposition is involved in that case, as must be obvious to the Senator. Mr. President, in the case cited by the able Senator from Florida, and in the case involving appropriations in connection with the eradication of bovine tuberculosis, the individual, the State, and the Government all absorb the losses. There is no proposal here for Florida or the growers to absorb and share any of its responsibility or loss.

Mr. FLETCHER. Mr. President, if the Senator will allow me, the pending proposition does not propose any adjustment of losses.

Mr. McNARY. I appreciate that, but in all the statements made by the two very able and distinguished Senators from Florida not a word has been said about local responsibility—the owners' responsibility or the State's responsibility.

Mr. FLETCHER. If the Senator will allow me, I said in my remarks that the department has claimed all along that the State or local contributions should amount to 50 per cent of the loss.

Mr. McNARY. That is true.

Mr. FLETCHER. That claim is made, and I do not deny it.

Mr. McNARY. That is true.

Mr. FLETCHER. But I let that go for what it is worth; that is a matter we are not dealing with here. We are asking for a survey to ascertain what losses were incurred. When they shall have been ascertained, we will determine what elements shall enter into the matter, what factors shall be considered in fixing the loss, and then as to how the loss shall be reimbursed.

Mr. McNARY. I appreciate that, but the Senator himself in a very able speech referred to the merits of the controversy as to the liability of the Federal Government. I am simply taking up the threads of his argument and attempting to demonstrate that the State of Florida and also the growers have some responsibility in this connection, and also to show that some benefit accrued to the State and to the growers, which are items which can not wholly be forgotten in the discussion of the problem.

Mr. FLETCHER. I concede that.

Mr. McNARY. The attitude of the Department of Agriculture in opposition to this proposal is simply that its adoption might leave an implication of Federal responsibility in connection with this damage. I think it is fair for me to make that statement, because that is the basis of the Government's opposition, as expressed by the Department of Agriculture. Without a hearing upon this subject, it being presented for the first time on the floor of the Senate, I repeat that, in my opinion, the method now proposed is not the best way to legislate in this body. If the Senators from Florida will pursue the course which they pursued heretofore, and bring the matter to the attention of the Committee on Agriculture and Forestry, I can assure them very prompt consideration.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Florida?

Mr. McNARY. I yield.

Mr. FLETCHER. May I inquire of the Senator whether he means to say that the department denies all responsibility or all liability on the part of the Government? Is that its attitude now? I never understood it to be so.

Mr. McNARY. The department is making no such proposition nor am I attempting to quote the department in that fashion. I am saying that the department believes that the language of this proposal does leave the implication of Federal responsibility, which it is not willing to admit. But, in any event, that is not for the department to determine; that is a legislative matter which falls within the purview of the Senate and the House of Representatives.

Mr. FLETCHER. I think that is so.

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the junior Senator from Florida?

Mr. McNARY. I yield.

Mr. TRAMMELL. I wish to state to the Senator from Oregon, the distinguished chairman of the committee, that the amendment offered by me specifically provides on page 2, in line 19:

> That such report and finding shall serve as information only for consideration and not be binding on the Secretary of Agriculture or Congress.

That puts everybody on notice that it is merely an inquiry, merely a survey.

Mr. McNARY. I am familiar with that language, and, as I think the Senator will understand, I am not making an assertion of language that is not in the proposal. I am trying to make clear the attitude of the department, which

believes that the amendment, read from first to last, leaves the implication of Federal responsibility.

Mr. TRAMMELL. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from Oregon yield further to the Senator from Florida?

Mr. McNARY. I yield.

Mr. TRAMMELL. Has the Senator any explanation from the Secretary of Agriculture why a year and a half ago he approved the proposition and then said that it would not be objectionable, and now he has changed his attitude? I should like to know what the explanation is for the change of his attitude, if any can be given.

Mr. McNARY. I do not believe myself capable of speaking or that I possess sufficient information to speak for the Secretary of Agriculture; I am not familiar with what he said a year and a half ago; but I know what he says now; of that I am quite certain.

Aside from the merits of this controversy, I suggest that it would not be good practice to adopt proposed legislation of this kind at this time in the consideration of a supply bill. The two Senators well know the item is subject to a point of order, and a confession of that situation was made when they gave notice of a motion to suspend the rule. That brings the matter here largely on its merits, without any standing or select committee of the Senate being given an opportunity to make a thorough study of the principles involved. That is my particular objection. I am not here to argue—and I do not want the Senator to understand that I claim—that there is no Federal liability. I have no judgment on that subject; I am not sufficiently familiar with the facts to have one. It may be the Federal Government should in some way compensate the growers; but I know if that is to be done it must be done after an exhaustive study of the situation. I know, as an offset to any losses the growers suffered in Florida, great benefits inured to them by reason of the Government permitting, after inspection and investigation, the shipment of fruit which otherwise would have been held within the State of Florida.

Mr. President, I regret the necessity of opposing as heartily as I do this proposition because of the lack of record, or the unfavorable record, I may say, the item has as it comes to us here; secondly, I do not like the procedure, because it collides with the rules of the Senate; and thirdly, a matter so important as this should receive the careful study of some committee. So I ask the Senators from Florida to reconsider their proposal, and let it be considered and studied in the usual fashion before the Senate Committee on Agriculture and Forestry.

Mr. President, as a part of my remarks, I ask to have inserted in the RECORD a letter from the Secretary of Agriculture regarding this matter. It might be well to have it read at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the letter will be read.

The Chief Clerk read as follows:

DEPARTMENT OF AGRICULTURE,
Washington, January 12, 1932.

Hon. CHARLES L. MCNARY,
United States Senate.

DEAR SENATOR MCNARY: I have for acknowledgment your letter of December 14 transmitting for my consideration and advice a copy of Senate bill 266, introduced by Senator TRAMMELL, to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly. After careful consideration I must advise you that I disapprove the bill.

In setting up a Federal board to conduct a complete investigation and survey of all losses sustained by growers and farmers in the State of Florida resulting from the campaign to eradicate the Mediterranean fruit fly in that State, Senate bill 266, in a measure at least, acknowledges Federal responsibility for all losses that may have occurred in the fruit-fly work in Florida. This responsibility can not be accepted, as the State of Florida is at least equally liable with the Federal Government for any products destroyed, since nothing was destroyed except under State authority.

Further, the bill apparently does not exclude recognition of any kind of loss, either tangible or intangible, sustained by any farmer or fruit grower during the period when Mediterranean fruit fly work was in progress, whether directly attributable to this work or not.

The presumption must be, further, that if a Federal board makes an investigation and survey of all losses sustained by growers and farmers in the State of Florida resulting from the campaign to eradicate the Mediterranean fruit fly in that State, any losses determined upon as having resulted from such campaign will be compensated for by the Federal Treasury.

Without acknowledging any Federal obligation to reimburse Florida farmers and fruit growers for losses sustained in the Mediterranean fruit fly eradication campaign, it is my belief that compensation should not extend in any case beyond losses which may have resulted from the destruction of uninfested fruits and vegetables or products not exposed to infestation.

Having in mind the natural assumption which would follow the passage of this bill, that in creating a Federal board to survey all losses the Federal Government recognizes the obligation to reimburse those who incurred such losses, it seems desirable to point out that the Federal Government has in no instance departed from the principle that the State and the people concerned should contribute equally with the Federal Government in compensating for losses sustained. In no case has the Federal Government paid more than 50 per cent of the losses sustained, and then only when the State has actually paid a like amount.

It should be remembered in this connection that in the Mediterranean fruit fly eradication campaign in Florida the United States Government spent $6,710,411, while the State of Florida expended $378,768.68. A large amount of this Federal expenditure was devoted to keeping the markets of the country open for Florida products through inspection, supervisions of treatment where necessary, and that type of certification which guaranteed acceptance of the products at destination. This Florida could not have done without the aid of the Federal Government. The economic benefits of this work to Florida citrus growers were much greater than the damage done.

Finally, no board could undertake to make the survey contemplated by Senate bill 266 in the time indicated in the bill. At least six months would be required to make the survey contemplated and report to the Secretary of Agriculture, and the Secretary of Agriculture should not be required to report to Congress before next session.

Sincerely yours,

ARTHUR M. HYDE, *Secretary.*

Mr. TRAMMELL. Mr. President, if this were an entirely new proposition, if it were an intricate problem, if it involved the question of the element of damages that would be considered by Congress later on, if it had not already once been before the committee and received the approval of the committee without the objection of the Secretary of Agriculture and passed the Senate, then we might think it was a matter of such a nature and such seriousness that it would have to have the serious deliberation of a committee upon it.

However, the proposal has passed a committee. It has passed the Senate. It was redrafted to suit the Secretary of Agriculture so as not to incur his objection when it was before the committee in February, 1931, and there is no change in the situation except a flopping over on the proposition on the part of the Secretary of Agriculture. We expect, of course, that we will naturally have his opposition to an investigation.

As I have already stated, a resolution can be introduced in this body with some preambles asserting some rumors in regard to a situation and in 10 minutes we will pass a resolution here providing for an investigation that will cost twenty-five or fifty thousand dollars. We have a situation in Florida where a great many of our American citizens, growers and farmers, feel that they have suffered an unjust damage. All we are asking is that the Secretary of Agriculture appoint 5 people, 2 of whom shall be of his department, 2 citizens of Florida, and 1 citizen at large, the independent members of the board getting only $10 a day, to investigate the situation and see whether these people were damaged or not damaged, collect claims, and submit them to the Secretary of Agriculture, who is then to make a report to Congress.

That is all this amendment means; and we propose to ask that $25,000 of the fund that is now available for the Mediterranean fruit fly situation shall be used for the purpose of carrying on the inquiry. That is all this is; and it is not a new proposition.

I have seen matters come up here on questions of suspension of the rules heretofore that were much more complicated and difficult of comprehension on just a few moments' notice or two or three days' notice. I think every Senator thoroughly understands this matter; and action on it has been so long delayed that my colleague and I would

appreciate it very much if the Senate would allow us to place this amendment on the bill and at least have it considered by the conference committee.

I am not going into the question of the merits of the damage or the merits of our situation compared with others throughout the country.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the junior Senator from Florida yield to his colleague?

Mr. TRAMMELL. I do.

Mr. FLETCHER. I desire to say, because I do not know that I made it plain previously, that under the act of 1931 a certain amount was appropriated to carry on this fruit-fly work. There is a balance left over in that fund, already appropriated under the act of 1931, which will lapse into the Treasury on June 30 of this year. My colleague proposes that out of that fund, unappropriated and unused—not a new appropriation at all—there shall be set aside and used $25,000 for this investigation. If that is not done the money will simply go back into the Treasury.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the junior Senator from Florida yield to the Senator from Utah?

Mr. TRAMMELL. I yield.

Mr. KING. I desire to ask a question of both Senators, and I do not care which one answers it. The question is whether or not this amendment which is tendered under the proposed suspension of the rules implies liability upon the part of the Government to make payment. Does it concede that the Government was derelict in such a way as that liability attaches for which compensation should be paid; or does it merely provide for an inquiry to determine all the facts, from which it might be determined whether there is liability upon the part of the Government, and—if that should be decided affirmatively—the amount of damage which has been sustained by individuals?

Mr. TRAMMELL. The amendment carries with it no legal obligation on the part of the Government, and I do not think it even carries with it a moral obligation, because the amendment specifically provides, and therefore puts all claimants on notice—

that such report and finding shall serve as information only for consideration and not be binding on the Secretary of Agriculture or Congress.

If that does not put the claimants on notice that the element of reimbursement, the legislative question that would apply to that matter, is to come up later, and that this does not bind the Secretary or Congress, I do not know how much plainer it can be made. The amendment specifically says that it is not to be binding.

I am not going into the question of the treatment that has been extended on the matter of policy of reimbursement in other instances and in other States further than to say that the bill that is now pending carries appropriations of millions of dollars for the reimbursement of other people who have been similarly damaged on account of some unpreventable disease or pest affecting their property. That, however, is a matter to be discussed when the legislative question comes up later before Congress, if it does come up before Congress.

Senators may talk about the benefits to the State. They may say, "We will not compensate anybody out in the West when a herd of cattle is stricken with the foot-and-mouth disease; we will not reimburse them at all, because that is a benefit to the people engaged in the cattle industry in the rest of the country." It is; yet that character of argument, incidentally, seems to be applied by my friend with regard to Florida. "Because they were benefited, we do not know whether they ought to be paid anything or not."

We reimburse people for the destruction of tubercular cattle. We might say, "Oh, that poor, unfortunate man should not be reimbursed in any way. The Federal Government should not pay him 50 per cent of the value," as it does under this bill, "because that was for the good of the industry, the good of the cattle people of the country. Let him bear his entire loss."

That is not the policy that has been pursued in the rest of the country in dealing with agricultural interests or with the cattle interests in different sections of America. All we ask is that when we come to the question of considering the merits of the proposition, Florida shall be treated fairly and justly, just as the people of all other parts of our country have been treated.

This amendment is merely asking for a survey. It will expedite the matter somewhat; it will hurt nobody and will do a little piece of justice, as I think, to the people of Florida.

I hope the Senate will see fit to allow us to place this amendment on the bill and not have the matter tied up and delayed. We have been delayed more than two years since we began seeking relief. Do not defeat this amendment and probably delay us to a point where we will have to wait for another session of Congress to seek the same identical relief. We would appreciate the generosity of the Senate in allowing us to attach the amendment to this bill. It is an agricultural subject. It is germane, according to many other provisions of the bill. The other features of the bill deal with rather similar propositions; and we should greatly appreciate it if we could have the amendment attached to this bill, at least for consideration by the conference committee.

The VICE PRESIDENT. The question is on the motion of the Senator from Florida [Mr. TRAMMELL] to suspend the rules. Let the motion be read, as the yeas and nays will be required.

The Chief Clerk read as follows:

Pursuant to the provisions of Rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraphs 1 and 4 of Rule XVI for the purpose of proposing to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, the following amendment, viz: On page 94, after line 2, insert a new section, as follows:

SEC. 3. That a board is hereby created, to be known as the Mediterranean Fruit-Fly Board, to be composed of five persons, to be appointed by the Secretary of Agriculture, two of whom shall be representatives of the Department of Agriculture (one to be chairman of the board), two citizens of the State of Florida, and one man at large. Any vacancy occurring in the board shall be filled in the same manner as the original appointment. Each member of the board, other than members holding office under the Federal Government, shall receive compensation at the rate of $10 per day while actually employed on the business of the board. The board shall cease to exist upon transmitting its report as herein provided.

The board is authorized and directed to (1) conduct a complete investigation and survey of actual losses sustained by growers and farmers in the State of Florida resulting directly from the campaign to eradicate the Mediterranean fruit fly in such State; (2) receive claims for actual losses sustained by such persons in the State of Florida by reason of direct damage resulting from such campaign, supported by such proof as the board by regulation may prescribe; (3) report the facts and make findings upon such claims as to the amount of actual loss sustained; and (4) transmit to the Secretary of Agriculture not later than 90 days after the approval of this act a report of the survey and its findings in respect of claims for such losses: *Provided*, That such report and finding shall serve as information only for consideration and not be binding on the Secretary of Agriculture or Congress. The Secretary of Agriculture shall, within 30 days after receiving such report, or if Congress is not in session, then at the beginning of the December, 1932, session of Congress, transmit such report of survey to Congress, together with such recommendations as he may, in his judgment, deem advisable.

The regular employees of the Department of Agriculture shall be used as far as possible, but the board may, with the approval of the Secretary of Agriculture, appoint in addition thereto and fix the compensation (without regard to the civil service laws and regulations or to the classification act of 1923, as amended) of such other employees as may be necessary, and may, with the approval of the Secretary of Agriculture, make such expenditures, including expenditures for travel and subsistence expenses for personal services at the seat of government and elsewhere, and for printing and binding as are necessary for the efficient execution of its functions under this section. All expenses of the board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the board and the Secretary of Agriculture.

That there is hereby appropriated the sum of $25,000, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this section.

Mr. TRAMMELL. Mr. President, at an appropriate time I will offer an amendment so as to modify the provision relative to the fund for carrying out the purpose of this

section, to strike out the part making a direct appropriation, and provide for making available $25,000 of the Mediterranean fly fund heretofore appropriated, so that it will not carry a new appropriation. I note that the policy under the agricultural appropriation bill we are considering is to transfer some money out of that fund to some other fund. So I shall propose a little later, when I have opportunity, to have $25,000 made available from an existing appropriation.

The resolution specifically provides that this information shall not bind the Congress or the Secretary of Agriculture.

Mr. FLETCHER. Mr. President, I ask to have inserted in the RECORD a letter from the Secretary of Agriculture dated December 19, 1930.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., December 19, 1930.

Hon. DUNCAN U. FLETCHER,
United States Senate.

DEAR SENATOR: Your letter of November 26, in which you present the matter of compensating fruit and vegetable growers in Florida for losses which may have been occasioned by the work carried on to eradicate the Mediterranean fruit fly, has been received. I note your desire to discuss this matter with me. I shall be glad to discuss this matter with you at any time it may be convenient to both of us.

Very careful consideration has been given to the question of compensating fruit and vegetable growers for losses which they may have sustained in connection with the eradication work on the Mediterranean fruit fly, and representatives of the department have gathered certain information as to such losses. From the information available, I am convinced that there has been gross exaggeration as to losses. Compensation should be limited to the destruction, in the early days of the campaign, of certain fruits and vegetables which were doubtful hosts of the fruit fly.

You, of course, appreciate that any work in the eradication of the Mediterranean fruit fly which led to the destruction of property was done under State authority. In the eradication of this pest the State of Florida received the greatest benefit and should, therefore, bear the greatest portion of any compensation which may be paid. If compensation is, as I think it should be, limited to cases of actual destruction, the amount of compensation would be small. In no event should the principle of 50 per cent contribution by the State or State agencies be waived; indeed, since Federal funds expended in the program exceeded $6,000,000 and State funds fell short of $400,000, serious consideration should be given to the question whether, as a matter of equity, compensation to growers should not be borne entirely by the State of Florida. Accurate estimate of the actual losses sustained is not available and can not be obtained by any means short of a careful review, by an impartial board, of claims which may be submitted.

Sincerely,

ARTHUR W. HYDE, *Secretary.*

The VICE PRESIDENT. The question is on the motion of the junior Senator from Florida [Mr. TRAMMELL] to suspend the rule.

Mr. McNARY. Mr. President, a number of Senators are over in the Senate Office Building, and I promised to suggest the absence of a quorum, which I do now.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Connally	Howell	Robinson, Ind.
Austin	Coolidge	Johnson	Schall
Bailey	Couzens	Jones	Sheppard
Bankhead	Cutting	Kean	Smith
Barbour	Davis	Kendrick	Steiwer
Barkley	Dickinson	Keyes	Stephens
Bingham	Dill	King	Thomas, Idaho
Black	Fess	La Follette	Thomas, Okla.
Blaine	Fletcher	Lewis	Townsend
Borah	Frazier	Logan	Trammell
Bratton	George	McGill	Tydings
Brookhart	Glass	McNary	Vandenberg
Broussard	Goldsborough	Metcalf	Walcott
Bulkley	Gore	Moses	Walsh, Mass.
Bulow	Hale	Neely	Walsh, Mont.
Byrnes	Harrison	Norbeck	Watson
Capper	Hastings	Nye	Wheeler
Carey	Hebert	Oddie	White

The VICE PRESIDENT. Seventy-two Senators having answered to their names, a quorum is present. The question is on the motion of the junior Senator from Florida [Mr. TRAMMELL] to suspend the rule. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON], who is necessarily absent. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mrs. CARAWAY]. I transfer that pair to the senior Senator from Vermont [Mr. DALE] and vote "nay."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR]. In his absence, not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. REED. I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], who is necessarily absent on public business. I am not sure how that Senator would vote on this motion, and I am unable to obtain a transfer. Therefore I must withhold my vote. If permitted to vote, I would vote "nay."

Mr. THOMAS of Oklahoma. Has the senior Senator from Illinois [Mr. GLENN] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. THOMAS of Oklahoma. I have a general pair with the senior Senator from Illinois. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. McNARY. I wish to announce that the senior Senator from California [Mr. JOHNSON] is detained from the Senate on official business.

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER];

The Senator from West Virginia [Mr. HATFIELD] with the Senator from North Carolina [Mr. MORRISON]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Missouri [Mr. HAWES].

Mr. SHEPPARD. I desire to announce that the Senator from Arkansas [Mr. ROBINSON], the Senator from North Carolina [Mr. MORRISON], the Senator from Missouri [Mr. HAWES], the Senator from Nevada [Mr. PITTMAN], the Senator from New York [Mr. COPELAND], and the Senator from Arizona [Mr. HAYDEN] are detained from the Chamber on official business.

Mr. HASTINGS. I have a general pair with the junior Senator from Tennessee [Mr. HULL]. Not knowing how he would vote, in his absence I withhold my vote. If permitted to vote, I would vote "nay."

Mr. HEBERT (after having voted in the negative). On this question I have a pair with the junior Senator from Louisiana [Mr. LONG]. Therefore I withdraw my vote.

The roll call resulted—yeas 33, nays 34, as follows:

YEAS—33

Ashurst	Bulkley	Gore	Nye
Bailey	Bulow	Harrison	Sheppard
Bankhead	Byrnes	Kendrick	Smith
Barkley	Connally	King	Stephens
Black	Coolidge	Lewis	Trammell
Blaine	Dill	Logan	Wheeler
Bratton	Fletcher	McGill	
Brookhart	George	Neely	
Broussard	Glass	Norbeck	

NAYS—34

Austin	Dickinson	La Follette	Tydings
Barbour	Fess	McNary	Vandenberg
Bingham	Frazier	Metcalf	Walcott
Borah	Goldsborough	Moses	Walsh, Mass.
Capper	Hale	Oddie	Walsh, Mont.
Carey	Howell	Robinson, Ind.	Watson
Couzens	Jones	Schall	White
Cutting	Kean	Steiwer	
Davis	Keyes	Thomas, Idaho	

NOT VOTING—29

Caraway	Hawes	Norris	Swanson
Copeland	Hayden	Patterson	Thomas, Okla.
Costigan	Hebert	Pittman	Townsend
Dale	Hull	Reed	Wagner
Glenn	Johnson	Robinson, Ark.	Waterman
Harris	Long	Shipstead	
Hastings	McKellar	Shortridge	
Hatfield	Morrison	Smoot	

The VICE PRESIDENT. On this question the yeas are 33 and the nays are 34. Two-thirds of the Senators present not having voted for a suspension of the rule, the motion is lost.

Mr. BARKLEY. Mr. President, I offer the following amendment.

Mr. MOSES. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MOSES. Are we now in the stage of individual amendments?

The VICE PRESIDENT. The Chair understands that that is the situation.

Mr. McNARY. Mr. President, I do not so understand it. We passed over a committee amendment yesterday to be taken up to-day. I am going to ask that we dispose of that under the unanimous-consent agreement which was granted at the inception of the consideration of the bill.

The VICE PRESIDENT. Does the Senator object to taking up individual amendments at this time?

Mr. McNARY. I do.

Mr. BARKLEY. Mr. President, may I say to the Senator from Oregon that I have to attend a meeting of the Committee on Banking and Currency and probably before that meeting is concluded the bill will be disposed of. I spoke to the Senator yesterday about the amendment and he said it would be satisfactory to him for me to offer it to-day. Otherwise I should have offered it yesterday. Under these circumstances I do not want to be cut off from the right to offer my amendment. The meeting of the Banking and Currency Committee is proceeding now and it is quite necessary that I should attend it. I have been waiting all afternoon until the matter of the Senator from Florida [Mr. TRAMMELL] was disposed of in order that I might offer the amendment. I do not think it will take any time.

The VICE PRESIDENT. Does the Senator from Oregon object?

Mr. McNARY. I shall try to accommodate the Senator if it does not require any debate.

The VICE PRESIDENT. The Senator from Kentucky offers the following amendment, which will be stated.

The CHIEF CLERK. On page 55, line 16, insert the following proviso:

Provided, That hereafter in the administration of the Federal highway act and acts amendatory thereof or supplementary thereto, the first paragraph of section 9 of the act of November 9, 1921, shall not apply to publicly owned toll bridges or approaches thereto, constructed and operated by the highway department of any State.

Mr. BARKLEY. Mr. President, under section 9 of the act of 1921 and under section 1 of the first Federal highway act, all roads in the construction and operation of which Federal aid is involved must be free of toll. The object of the provision was to make sure that the Government of the United States did not contribute money to the building of roads or bridges operated by private concerns or individuals for which a toll was charged.

Some of the States are now building their own bridges under laws enacted by the legislatures authorizing the collection of tolls and providing that as soon as a bridge has been paid for out of the tolls it shall become free. Under regulations of the Bureau of Public Roads, Department of Agriculture, operating under that section it will not contribute anything toward the construction of a highway within 6 miles of a private toll bridge or any other sort of toll bridge. That means that the State highway commission of my State, for instance, which is now engaged in the building of public bridges out of public money, for which they are to charge tolls until the bridge is paid for out of the tolls, can not receive any contribution in the form of Federal aid.

Under this law the Bureau of Public Roads will not contribute any money to build even the approaches within 6 miles of these publicly owned toll bridges. I have a letter from Mr. MacDonald, Chief of the Bureau of Public Roads, in which he advocates the lifting of that inhibition so far as publicly owned toll bridges are concerned. I have conferred with him in the preparation of the amendment and it meets with the approval of the Bureau of Public Roads here in Washington. I hope it will be adopted. It simply means that the publicly owned bridges shall be left out of this inhibition, which was never intended to cover them.

Mr. McNARY. Mr. President, this proposal would very substantially modify existing law with respect to Federal-aid roads. A proposal of this kind should be submitted to the committee having jurisdiction over such legislative matters, which is the Committee on Post Offices and Post Roads of the Senate. This being purely a Department of Agriculture appropriation bill and the proposed amendment being legislation that vitally affects and changes existing law, I believe it is my duty, as the Senator in charge of the bill, to invoke the rule.

Mr. BARKLEY. Mr. President, I have a letter from Mr. MacDonald which I should like to have read as bearing upon the matter.

Mr. McNARY. I have great admiration for Mr. MacDonald, but his views would probably not modify my own.

Mr. BARKLEY. That might be.

Mr. McNARY. Of course, I have no objection to the Senator having a proper committee at an appropriate time consider the legislation, but Mr. MacDonald is not in charge of the pending appropriation bill.

Mr. BARKLEY. I understand that, and I am not intimating that anyone is in charge of it except the able and distinguished Senator from Oregon. If anyone should make the charge that anybody else is in charge of it, I would deny it most vehemently. There is no effort to take away from the Senator from Oregon any jurisdiction in the matter whatever. But the Senator knows that the chances are that unless the amendment is added to the pending appropriation bill it may not be possible to secure the legislation at this session. The State highway commission in my State is now engaged in the project of constructing, in cooperation with the Bureau of Public Roads here, a highway which involves and includes two publicly owned toll bridges.

Under regulations which have been adopted by the Bureau of Public Roads in the Department of Agriculture, they can not do otherwise than insist upon their enforcement unless there is such an amendment permitting the Federal Government to participate with the State Highway Commission of Kentucky in the building of these Federal highway projects, which cross the Cumberland River and the Tennessee River, over which the State highway commission has just completed two bridges at a combined expense of nearly $1,000,000, in which we had no Federal aid. But we do think the Federal Government ought to be able and willing to help build the road up to the bridges so the State highway commission may go ahead with its work, because otherwise the chances are the work will have to be stopped. It is for that reason that I am urging the matter at this time. Otherwise it would be entirely satisfactory to take the course suggested by the Senator from Oregon.

If there is any further step necessary and if the Senator from Oregon desires to make any further representations to the conferees, as he will be a member of the conferees on the part of the Senate when the bill goes to conference, I shall be glad to cooperate with him in any way to safeguard the interests of the Federal Government in the matter.

Mr. McNARY. Mr. President, I experience this difficulty. Congress has always legislated against the encouragement and increase of toll bridges.

Mr. BARKLEY. Private toll bridges.

Mr. McNARY. Please let me conclude my statement. Congress has expressed itself many, many times in opposition to the increase of private toll bridges. Here the Senator from Kentucky comes with a proposal to take out of this inhibition bridges which are owned by adjoining counties or municipalities or by the State—publicly owned bridges, in other words.

Mr. BARKLEY. I have no reference to any county bridges or city bridge or bridges built jointly by counties. In applies only to bridges being constructed by the State highway department out of State funds.

Mr. McNARY. Very well; we will call them public bridges. They certainly have that attribute.

Mr. BARKLEY. Yes.

Mr. McNARY. A matter of this kind is important. It is important that we should determine whether we shall adopt such a modified policy or not. Congress has never had an opportunity to express itself in a legislative way. We should not rely upon the opinion of one individual in a matter so important as this, high in authority though he may be, but it ought to be brought to the attention of some standing committee of the Senate which has jurisdiction to legislate. The matter should be gone into carefully by a committee, and not proposed in the form of an amendment to an appropriation bill when it has never received the attention of the Budget committee or of the House or of the Senate. Consequently, and in view of that situation and my presently known attitude, I must invoke the rule.

The PRESIDENT pro tempore. The point of order is sustained. Under the unanimous-consent agreement, the Senate automatically resumes consideration of the so-called convict labor amendment, which will be stated.

The CHIEF CLERK. On page 65, lines 13, 14, 15, and 16, the committee proposes to strike out the following language:

Provided, That none of the money herein appropriated shall be paid to any State on account of any project on which convict labor shall be directly employed.

The Senator from Wisconsin [Mr. BLAINE] offers the following amendment to the House text proposed to be stricken out by the committee:

On page 65, line 16, after the word "employed" and before the period, insert a comma and the following words:

Except that provision shall not apply to convict labor performed by convicts on parole or probation.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. BLAINE] to the House text.

Mr. NEELY obtained the floor.

Mr. McNARY. Mr. President, will the Senator from West Virginia yield to me?

The PRESIDENT pro tempore. Does the Senator from West Virginia yield to the Senator from Oregon?

Mr. NEELY. I yield.

Mr. McNARY. I am satisfied from conference with the Senator that he is about to discuss some amendments which would have been offered. Is the Senator going to discuss the pending amendment to the committee amendment?

Mr. NEELY. No; I do not propose to discuss the pending amendment to the committee amendment. I was about to read a speech prepared by the senior Senator from Tennessee [Mr. McKELLAR].

Mr. McNARY. Will not the Senator, as a matter of accommodation—it will be very helpful—permit us to dispose of the amendment now pending and the committee amendment? Then the Senator can read the speech of the Senator from Tennessee.

Mr. NEELY. Certainly I will do that. It is immaterial to me when I shall read the speech.

Mr. McNARY. I shall be very much delighted if the Senator will grant my request.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Wisconsin [Mr. BLAINE] to the House text, which the committee report to strike out.

Mr. GLASS. Mr. President, I note from the RECORD that the vote on this particular committee amendment was deferred on account of my necessary absence from the Chamber yesterday. I do not think that I can more lucidly or impressively state the case than has already been done by the distinguished chairman of the committee and by other Senators; but inasmuch as my own State is especially concerned, I desire to say very briefly that no State in the Union has more stringent statutory regulations than has Virginia against the employment of convict labor in competition with free labor.

As a matter of fact, the convicts of the State of Virginia within the penitentiary are permitted to work on nothing of a competitive nature except the manufacture of automobile license tags. Aside from that the convicts are employed on the State experimental farm and on the State roads. I may say also incidentally that no State in the Union, in my opinion, has a more alert or enterprising or more reasonable labor department than has Virginia. It is, indeed, significant that I have not received a letter from a labor organization in that State or from a single individual protesting against the elimination of this incidental House provision from the bill as reported to the Senate. That is because it has been ascertained that there is practically no discrimination against free labor involved in the proposal to eliminate this provision of the bill. It has been computed that at the very most it would involve the expenditure of only 5 cents per day per convict. If the House provision shall prevail, it is my view that it will be distinctively a discrimination against free labor.

Aside from the humanitarian view, from that view which experts insist necessitates some employment for prisoners who are incarcerated, the laboring people of Virginia, as of all other States, are taxed to maintain these State institutions, and the likelihood is that the increased exaction upon the substance of free labor in Virginia will be greater if the House provision should prevail than the deprivation or the alleged discrimination against free labor involved in the report of the Senate committee.

I feel very confident of my position, because the labor organizations of my State, and particularly the bureau of labor, presided over by a laboring man of exceptional intelligence and activity in behalf of his class, I am sure would have protested if they could conceive that there is any discrimination here against free labor. Only $141 out of every $1,000 are expended for common labor under appropriations of this kind, the other expenditures being for a higher class of labor.

Moreover, Mr. President, I may briefly remark that I think there is a great delusion as well as an infinite injustice in most of the proposals for so-called Federal aid to the States. Whence does the United States Treasury derive its revenue? Most uninformed people think that all the Government has to do is to start its printing presses and hand out money for public purposes. As a matter of fact, not a dollar in the Federal Treasury is derived from any other source than from the pockets of the taxpayers of the country, and frequently so-called Federal aid simply means taking funds in excessive amounts from the taxpayers of the various States, impounding them in the Federal Treasury, and eking them out, doling them back to the States under restrictions that Congress may, whimsically or otherwise, be pleased to employ.

If the House provision shall prevail it will involve a large expenditure upon my State. The superintendent of the State prison and the highway commissioner estimate that it will be necessary to double the capacity of the State penitentiary and keep the prisoners unoccupied at the expense of free labor, which must be taxed to maintain the penal institutions and to maintain the prisoners in idleness. It is inhumane; it is something that has been opposed by those experts, those benevolent people whose business it is to study all phases of this question.

To show in a moment the injustice of this so-called Federal aid to States, I desire to say that my State contributed last year in direct taxes to the Federal Treasury $114,000,000, or nearly 5 per cent of the total internal-revenue collections of the National Government. It received back in these doles to be distributed by Federal means an inconsequential sum of money. I recall several States—I will not be invidious—whose contributions to the Federal Treasury range from 0.07 to 0.09 per cent of the total revenue that are now receiving for road purposes alone a million dollars more than is received by Virginia. I have evidence here of States each contributing less than half a million dollars to the Federal Treasury that are getting more money for road purposes than Virginia despite the $114,000,000 which she supplied to the Federal Treasury.

Federal aid is a misnomer; it is a miserable delusion. If the Government would leave one tithe of the $114,000,000

that Virginia pays into the Federal Treasury in her own treasury or give her general assembly the opportunity to assess taxation against her own citizens and keep the money there, Virginia would not want any Federal aid to good roads or good anything else; she could maintain herself.

Virginia can employ her unemployed without any Federal aid as well as take care of her indigents. Whenever my State gets in the position that it can not take care and will not take care of its indigents, I should like for it to get somebody else to represent the State here in the United States Senate, I would be so infinitely ashamed of her.

On this matter States that confessedly have no interest whatsoever, because they do not so employ their prisoners, are undertaking to make regulations that no part of this Federal aid may be used in my State, with its 5 per cent of the total internal-revenue contributions. They are undertaking to regulate the matter. If it needs any regulation, the General Assembly of Virginia is now in session. If there is anyone who thinks the regulations of Virginia are not strict enough, let him appear before the Virginia General Assembly and correct the difficulty. That applies not only to this matter but to other matters that we have considered and that we shall hereafter be called upon to consider—this thing of Federal regulation of funds doled back to the States after first having been there collected.

Mr. President, as I said in the beginning, the chairman of the committee and other Senators in my absence have so cogently and, to me, convincingly presented the matter that I shall not further detain the Senate.

Mr. WHEELER. Mr. President, I hope the House provision will be adopted. I see a great distinction between what the State of Virginia or any other State wants to do with its own money and the money that is appropriated out of the Federal Treasury.

After all, it seems to me Congress should have a right to say, and should say, how the money that is appropriated out of the Federal Treasury should be used in any State in this Union where it is spent. I for one am opposed to having Federal money used, particularly in a time of emergency like this, for the purpose of giving work to convicts.

It is all right to sympathize with the convict; but, after all, that man has violated some law of the State or the United States, or he would not be there. On the other hand, there are thousands, yes, millions, of men in this country to-day who are anxious and willing to work, who are unable to obtain employment.

The reason why the Congress of the United States is appropriating money out of the Treasury of the United States to-day to build roads is to give employment not only to laboring men who can not find work but likewise to give employment to farmers in various States of the Union who, by reason of economic conditions for which they were not responsible, are unable to make a living for themselves and their families. For this money that is being appropriated by the Congress to help the unemployed in the country to be used on convicts, whether in the State of Virginia or in the State of Montana or any other State, seems to me an unwise policy on the part of Congress and a bad precedent to set.

There is another appropriation bill, an emergency appropriation bill, that is pending before the Congress of the United States that contains exactly the same provision as this. The Senator from Virginia has pointed out how much money the State of Virginia pays in taxes, and that is true. She does pay 5 per cent; but it should be borne in mind that a large portion of that money undoubtedly comes from cigarettes. The cigarettes are smoked by the people all over the United States; and while it is true that the tax is paid by the manufacturer in Virginia, while that is the place where it is collected by the Federal Government, nevertheless the people all over the United States who smoke cigarettes pay that tax that is collected by the manufacturer and paid into the United States Treasury.

I frequently hear remarks upon the floor of the Senate about some State in the West not paying its just proportion of the taxes, and taking money out of the Federal Treasury to build roads. I should like to call attention, however, to the fact that those States pay their just proportion of the taxes that are collected in some of the Eastern States. Most of them pay their just proportion of the taxes upon cigarettes. They pay their just proportion of the taxes upon tobacco. They pay their just proportion of the taxes upon everything else.

I resent the idea that the Western States are getting a larger proportion of appropriations out of the Federal Treasury than are some of the Eastern States that happen to pay more taxes into the Federal Treasury. If the facts were analyzed carefully, I think it would be found that that is not the case at all.

Of course, if the Congress of the United States wants to appropriate money out of the Treasury and wants to say, "You can use this money for the purpose of giving work to convicts," when there are millions of people throughout the United States who want work, it has a perfect right to do so; but neither the State of Montana nor the State of Virginia nor any other State of this Union has a right to say to Congress, "You should not limit in any way you choose the appropriations that are made from the Treasury of the United States."

Under ordinary circumstances and conditions, I should not particularly object to the omission of this provision; but we are trying to meet an emergency situation in the country. It seems to me that it is the only reason why we should appropriate some of the funds that we are appropriating for emergency purposes. While this particular provision is not an emergency provision, but is one that is ordinarily carried in the bill for post roads, yet the same rule ought to apply in this emergency that applies to emergency appropriations.

In my own State, for instance, some few years ago there was an agitation as to whether or not convicts should work upon the roads. Their employment was opposed by practically all of the labor organizations there, excepting that it was said that they had no objection to the employment of convicts where they did not come in conflict with free labor. Consequently, the convicts were given work, but they were given work upon roads that the State otherwise would not have built. If the State of Virginia or any other State wants to work its convicts upon the roads under those conditions, of course the Congress of the United States has not any right to interfere with that course.

Mr. CONNALLY. Mr. President, will the Senator yield there?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Texas?

Mr. WHEELER. In just a moment. Congress has a right to say, however, that no part of the money which it is appropriating shall be used for this purpose.

I yield now to the Senator from Texas.

Mr. CONNALLY. The Senator says that the Federal Government has not right to say to Virginia that she shall not use her convicts on the roads. Is that correct?

Mr. WHEELER. Yes.

Mr. CONNALLY. Does not the Senator realize, though, that when the Federal Government says that none of this Federal money shall be used for employing convict labor, we are not only denying the right to use that money but also the right to use the State money, because the State has to contribute to each one of these Federal highways a proportion of its funds?

Mr. WHEELER. Oh, no. Neither the State of Virginia nor any other State needs to use this particular money unless it wants to. We are only saying, "If you do take this money, you must not employ convicts upon the roads."

Mr. CONNALLY. And we are thereby saying that the State shall not use its own money or its own labor in so far as that contribution goes to Federal highways.

Mr. WHEELER. We are saying, "If you want this Federal money, you can not use any part of the money that is appropriated out of the Treasury of the United States for the purpose of employing convicts. You must give it, in time of emergency, to the people who are unemployed throughout the country, to farmers or other free citizens."

I think it is not only the right but the duty of the Congress to say so. If any of these States are so tender of their convicts, if they want to take care of their convicts, they have a perfect right to go out and work them on other roads where the Federal-aid money is not being used.

Mr. BINGHAM. Mr. President, I have a great deal of sympathy with what the Senator from Montana [Mr. WHEELER] has said; but I should like to remind him that this matter is not nearly so serious as regards the actual payment to free labor as he and others imagine.

The kind of labor that is used upon the roads in four States to which this provisions applies that was put in by the House and is moved to be stricken out by the Senate committee is the very cheapest kind of labor. It is the ordinary labor on the road. The testimony of the Chief of the Bureau of Roads of the Department of Agriculture is that less than 15 per cent of the money spent goes into that form of labor. Out of every $1,000 spent, $141 goes in most of the States, with the exception of the four, for the employment of free labor on the road itself.

That $141 out of $1,000 is not going to be spent to pay prisoners for working on the roads. A very small part of it will go for that purpose. The normal wage of free labor on the roads in those States, I am informed, is between two and three dollars a day. The normal wage which they pay the convicts for that kind of work on those roads is 5 cents a day, in addition to their keep, which the State must pay in any event. The difference does not go into the pockets of the convicts or the pockets of the contractors or the State treasury. It goes to employing more free labor.

I am anxious that the Senator from Montana should understand this argument, because I think the facts have not been sufficiently brought out, and are not fully understood.

The PRESIDENT pro tempore. The attention of the Senator from Montana is requested by the Senator from Connecticut.

Mr. BINGHAM. That $141 of every $1,000 that the Senator has been talking about, that 14.1 per cent of this money which he denies the four States the privilege of getting, is really more money to be used for the employment of labor, but not the kind of labor that the convict labor replaces. In other words, more roads are built in the States that use convict labor, is spread over a large group of workingmen the $141, with the exception of the 5 cents per day for the convict labor, is spread over a large group of workingmen who are engaged in the manufacture of cement, in the transportation of cement and other road materials, and in the various operations which go into the building of highways.

The testimony of the Chief of the Bureau of Public Roads before the Senate committee was that between 85 and 90 per cent of this money that we appropriate for Federal aid to roads eventually goes into wages and labor, but of that only a very small percentage is actually used on the roads. Of the $1,000, as I have stated, it is only 14.1 per cent.

This House proviso does not affect the State of Connecticut or the other States of New England or the 44 States that do not use this form of labor. They have provided some other means of keeping their convicts employed, and their securing this Federal aid will not be affected if this proviso is retained, but the four States that do employ that means of using their convicts must shut those men up. They can not possibly find anything for them to do within the next year or two, for which this emergency fund is to be used. It will work a great hardship on those particular convicts, and furthermore it will not enable any great amount of additional employment to go to free labor.

I do not know whether I have succeeded in making the somewhat difficult mathematical problem clear to my friend from Montana or not, but the point I am trying to make, if he will pardon my repeating it, is this: That the $141 out of every $1,000 that is saved by the States using convict labor is, nearly all of it, used to pay free labor in the other branches of labor employed in making the roads, namely, in quarries, in the transportation system, in the manufacture of cement, in the machinery, and so forth, that go into road building. Consequently, the argument which the Senator is making is for a provision which keeps a few thousand convicts in four States in a state of unemployment, and forces them into a condition which those who are interested in prison reform believe to be a very bad one. At the same time it does not give any great amount of additional money to free labor, because the money saved by the use of convict labor is actually employed by those States in the employment of free labor.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. WHEELER. I appreciate what the Senator says, and I understood that before the Senator took the floor to explain it at such length. What I want to call the Senator's attention to, for instance, is this particular situation: In my own State there is a drought-stricken area. I appealed to the bureau here in Washington, and also appealed to the State highway commission, to give the farmers out there the work upon the roads, to let them do it, and let the work out in small contracts. That is what I think should be done, as a matter of fact, with this money which we are spending upon these roads. There are thousands of farmers not only in my State but in every State in the Union, I do not care whether it is in Virginia or in Montana, who to-day are suffering because of the depression.

In my own State they happen to be suffering in one end of the State also by reason of the drought. But I have no doubt in the world that there are thousands upon thousands of farmers in this country who would like to take their teams and go out and do some work on these roads, and, according to the figures, I have, it will cost but a trifle more to build them in that way. Those farmers should get the benefit of that work, or the laboring people who are able to work and want work should get the benefit of it. I do not like to have the precedent of the Government of the United States appropriating money out of the Treasury of the United States and letting it be used by convicts.

The Senator says these convicts would have to be shut up. I say that is not so, for the simple reason that I have no doubt that there are roads in places in Connecticut where the State could use the tremendously large convict population they have up there instead of keeping those convicts in jail. We have not any large convict population in Montana and we will not have to double the size of our penitentiaries. But I say that the farmer who is suffering by reason of the economic depression, and that the laboring man who wants to work and to earn a few dollars for his wife and babies, should be given preference over the man who has violated the social laws or committed some crime and has been sent to the penitentiary by reason thereof. We should be more sympathetic in these times, it seems to me, and do more for the man who wants work to make a living for his wife and family than we should do for the man who has committed some crime and is in the penitentiary.

Mr. BINGHAM. Mr. President, although the Senator claims to have understood what I was going to say before I said it, he did not even understand what I did say. [Laughter.]

Mr. WHEELER. I knew what the Senator would say before he started out.

Mr. BINGHAM. The Senator had made up his mind as to what I was going to say before I said it, and therefore he did not listen to what I actually did say.

The point I am trying to make is that the farmers who have teams will be given more employment, because there will be more money to pay them in the States where they use convict labor.

The Senator referred to the State of Connecticut. It has not been the practice for many, many years to employ convicts in the State of Connecticut on roads of any kind. Our convicts are employed in the prisons, in the manner directed by the legislature.

The point I have been trying to make is that it is impossible for the States which do use convicts on their roads to change their method of employment to suit the emergency. In the four States referred to you take away from the convicts their privilege of doing something. It is not a

question of using all this money to pay the convicts. In view of the fact that the convicts are paid 5 cents a day, it means that the State is enabled to use nearly 40 times as much of that labeled money, that $141 out of every thousand, in the employment of farmers with teams, in the employment of persons who are bringing dirt, crushed stone, and gravel from quarries, and in the employment of other forms of free labor.

The Senator is arguing as though that $141 out of every $1,000 was to be paid to the convicts, but that is not so. I am not arguing in favor of that. I am arguing in favor of the State's right to determine how their convicts shall be employed. When they decree that they shall labor on the roads, it means that they have more money with which to employ free labor of many men—those who work on the roads with teams, as a farmer might do; those who work on transportation work; those in the manufacture of materials.

For the sake of a pitifully small amount so made available for the common labor on the road you would deprive a State of its right to carry out its own laws or be penalized.

Mr. REED. Mr. President, I feel obliged to detain the Senate for about three minutes while I explain my vote on this amendment.

I share in the view expressed by the Senator from Virginia [Mr. GLASS] as to the sale of State rights in return for Federal appropriations. I feel that way largely as a result of the fact that the States which do not provide the larger part of the Federal revenue have by far the largest voice in the Senate. A system has grown and will continue to grow, without our ability to stop it, by which those States will continue to drain from the Federal Treasury large sums of money under every conceivable pretext, and in order to do that they have sold their independence, they have sold the State rights for which a large part of the United States once went to war. We can not stop that. We may deplore it, but we can not ever change it, as far as I am able to see.

I do not like this business of dictating to the States as to how they shall use their convicts. I do not like the types of legislation we have seen here in the maternity law, by which we tell the States how they shall have babies. I do not like a lot of this Federal interference with local sovereignty, and I think in the long run it heads us for disaster. It is going to make our States the equivalents of departments under the French Government, with a centralized government here in Washington run by bureaucrats, doing for the localities what they ought to do for themselves. I think I am in full sympathy with the Senator from Connecticut and the Senator from Virginia.

The second question is the question of the penologist. Of course, it is wise to keep convicts employed. A man deteriorates in idleness, and a man in a cell with no occupation given him goes to pieces morally and physically very fast.

Then there is a third question, and that is the unemployment of the man outside of the penitentiary. Last summer I had the privilege of going through the State penitentiary at Marquette, Mich., an institution with a population of about a thousand men, 40 per cent of whom were there because they had committed murder. The laws of Michigan do not permit capital punishment. Those men were admirably cared for. The cell blocks were comfortable. They were given every privilege consistent with the fact that they were imprisoned convicts, and, in fact, some 10 per cent of them were allowed to live and eat and sleep outside of the wall of the prison. They were trusties and could be trusted to do that.

The government of Michigan provided for them ample food of good quality. Their beds were good, they had tobacco, they had books, they had their clothing, and only a few of the worst of them were in stripes.

Outside of the walls of that penitentiary where those criminals were living in comfort were hundreds and hundreds of men who had been employed in the iron mines of the Marquette Range, who were unable to get a single day's work and were in desperate straits to provide for themselves and their families, and if they could have gotten anything like the clothing and the housing and the food those criminals were getting they would have considered themselves very lucky.

Whatever I may think about State rights, and whatever I may think about the advantages of keeping incarcerated criminals at work, I can not get over that contrast. If a convict goes to pieces when he has to sit idle all day long, so does a free man. Nothing can be more demoralizing than to keep honest men in idleness, who have not done anything to deserve their ill fortune, when they are anxious to work.

Mr. President, be it only 14 per cent of this sum, or 4 per cent, whatever it is, I can not vote to keep convicts at work when the same money might go to honest free men outside of the penitentiary who are desperately anxious for jobs just like that.

Mr. BLAINE. Mr. President, the amendment immediately before the Senate has to do with the perfection of the House text and simply provides that the prohibition contained in the House text shall not apply to convicts who are on parole or probation.

Briefly stated, there are two reasons why that prohibition should not apply to convicts who are on parole or probation. A convict who has been put on parole or probation, either by a parole board or by a court, is usually put on probation or parole on condition that he obtain employment and support his family and dependents. He is a free man, usually, with that one condition imposed upon him. Therefore, he should not be deprived of the opportunity to labor. He is not in prison, he is outside of prison, he is undertaking to make good, and he ought to be given the opportunity to make good.

The other reason is that most of the road building is by contract. The construction company may employ men within the State from any part of the State. The company which is doing the construction does not know whether its employees are men who have been sentenced but are on parole or probation, and yet if those men were employed, under the provisions of the House text, the State would be deprived of the Federal aid if that situation were discovered. I assume there is no serious objection to the amendment which I propose to perfect the House text.

Mr. TYDINGS. Mr. President, I think the view expressed by the Senator from Pennsylvania is absolutely full of logic, but it should be made by a citizen to his legislature and not by a Senator to the legislature of a State which employs convict labor. It might be said by a citizen of Virginia, for example, that he feels that none of this money should be used to employ convicts upon the roads, but it should be employed to give free men work.

I believe that here in the Senate we have gone far enough in infringing upon the rights of the respective States. Virginia and the other States, for one reason or another, have seen fit to set up this particular system in reference to their convicts. I do not believe it is our field of activity to go into such a State and indirectly change its legal system or its penal system. I think we may argue against the logic of it in our respective States if it exists there, but certainly the Senate of the United States is not the place to discuss the penal system of any State. I believe when we take these appropriations and place these restrictions around them it is really a form of legalized bribery. It forces the law of the majority of the Senate upon States which for one reason or another prefer a different course of procedure.

So far as the matching provisions go in all these matters they are very unfair. First of all, restrictions are thrown around the appropriations quite often which are obnoxious to the States receiving them. For example, let me refer to the infancy bill. We appropriate a sum of money which is apportioned among the various States, provided those States will match the sum appropriated by the Federal Government and apportioned to them. Then the whole thing is administered under regulations propounded here in Washington, rather than by the representatives of the people in their respective States. Yet the State has no alternative. It must either abide by the Federal regulations or it will not get its share of its own money.

That system has been going on and on and on in many fields. If the State of Virginia desires to work its convicts on its roads, to take a case in point, how can we come here and say to that State, in effect, "You must not work your convicts on your roads, even though your legislature and your representatives desire that they be so worked"? That would be the effect of the pending amendment. If we were dealing with the interstate commerce, we would be in a field well within our rights. We would be in our proper function in regulating convict goods in interstate commerce. But I believe that we are not within our rights and are transgressing upon the sacred rights of the people in their respective States when we try to set at naught a system which they have worked out or to force them to give it up through indirect bribery in the form of funds and appropriations accompanied by such restrictions as I have outlined.

Mr. BINGHAM. Mr. President, may I say, in reply to the suggestion of the Senator from Pennsylvania, that 14 per cent of this money or 4 per cent of this money might be used for the purpose of paying convict labor, that it amounts actually to three-tenths of 1 per cent of the money which would be allotted to the State of Virginia in case they change their laws if the amendment offered by the committee is agreed to. The State of Virginia is not obliged to change its laws. Of all the money which is allotted to that State under this bill for Federal aid, something over $2,000,000, the sum of $6,000 would be spent on the convicts and some $1,994,000 on free labor.

The VICE PRESIDENT. The question is on the amendment of the Senator from Wisconsin [Mr. BLAINE] to the text of the bill.

Mr. DILL. Mr. President, I would like to have the amendment read.

The VICE PRESIDENT. Let the amendment be read for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Wisconsin [Mr. BLAINE] proposes, on page 65, line 16, after the word "employed" and before the period, to insert a comma and the following words:

Except this provision shall not apply to convict labor performed by convicts on parole or probation.

The VICE PRESIDENT. The question is on the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The question now is on the amendment of the committee.

Mr. TRAMMELL. Mr. President, in view of the fact that reference has been made to my State as one which works its convicts on the roads, I wish to make a brief statement, because I do not desire that any misapprehension should now prevail in regard to the situation in Florida.

It is my information that the success or the failure of the amendment is very immaterial so far as my State is concerned. Some 20 years ago the convicts in Florida were let out under lease. It happened about that time that I made a campaign for the office of governor of the State and advocated the abolition of the convict-lease system. I was successful in the campaign and had the honor of being governor of the State for four years. During that time recommendations made by myself for discontinuing the lease system, even setting forth the character of legislation in detail that should be enacted, were approved by the legislature and we abolished the convict-lease system completely. I counted this as one of the worth-while achievements of my administration. No convict may be leased for private hire in the State of Florida at the present time, and this has been true for 15 years.

In abolishing the lease system the question arose as to what employment we could give them. Were we to place them in prison and have them idle? Were we to place them in prison or upon a farm and have them engage in the manufacture of articles and thereby come in competition with skilled free labor? Or should we centralize them all on one State farm engaged in the production of farm products and thereby use them as competitors of the farmers of the State? It was my idea, and I think that of a great majority of the people of the State, that we should take care of the sick and the feeble male prisoners and all female prisoners on a State farm and that we should utilize the labor of the able-bodied men in the construction of highways.

This was the origin of the working of convicts on roads in the State of Florida. At that time it gave a great stimulus to road construction and development. Instead of being a deterrent to the employment of free labor, it was a stimulation to the expansion of the great enterprise of road construction and thereby was one of the factors that made jobs for hundreds and thousands of free labor who previously could not obtain employment on road work because of the limited amount of road building.

I wanted to remove any apprehension that might exist that at the present time convict labor is preventing any free labor from obtaining work on Federal highway projects in Florida. It is my understanding that on the Federal projects free labor is used almost entirely at the present time. If any convict labor at all is used, it is so inconsequential that it amounts to nothing.

As a permanent policy I doubt the wisdom of this amendment, but in this emergency I have no objection to the adoption of an amendment of the kind now pending. While I think it is in reality an unwarranted interference with the rights of the States and that it is applying what might be called a "strong-arm" method, taking advantage of a situation and trying to dictate to the local authorities how they shall carry on their local improvements, I think it is merely much ado about nothing. In my State, if I am correctly informed, no one will get employment on account of it. I wish they might. In the other three States I dare say there will not be 200 unemployed free labor who will obtain jobs on account of it. It might work out just the other way. It might have a tendency to curtail road construction, because there would be a necessity for the local county government to apply its funds for the purpose of housing and taking care of idle prisoners and thereby be deprived of the funds for the employment of free labor in the construction of roads.

I do not believe the amendment will accomplish any good, but I do not believe in this emergency it will do any harm. It is merely one of these theoretical and sentimental ideas that we must not have convict labor working when some one else wants a job. So far as the effect of it and its practicability is concerned, I do not think it will be of any benefit whatever to free labor. I shall no doubt vote for the amendment, but I do not think it will accomplish anything at all in behalf of free labor. I hope, however, it may.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. McNARY. Let us have the yeas and nays.

The yeas and nays were ordered.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Copeland	Hastings	Reed
Bailey	Costigan	Hatfield	Robinson, Ind.
Bankhead	Couzens	Howell	Schall
Barbour	Cutting	Johnson	Sheppard
Barkley	Dale	Jones	Shipstead
Bingham	Davis	Kean	Smoot
Black	Dickinson	Kendrick	Steiwer
Blaine	Dill	Keyes	Stephens
Borah	Fess	La Follette	Thomas, Idaho
Bratton	Fletcher	Logan	Thomas, Okla.
Brookhart	Frazier	McGill	Townsend
Broussard	George	McNary	Trammell
Bulkley	Glass	Moses	Tydings
Bulow	Glenn	Neely	Vandenberg
Byrnes	Goldsborough	Norbeck	Walsh, Mont.
Capper	Gore	Norris	Watson
Connally	Hale	Nye	Wheeler
Coolidge	Harrison	Oddie	White

The VICE PRESIDENT. Seventy-two Senators have answered to their names. A quorum is present.

Mr. BROOKHART. Mr. President, I desire to inquire what is the parliamentary situation?

The VICE PRESIDENT. The question is on agreeing to the committee amendment proposing to strike out the House

text, which, if agreed to, will carry with it the amendment of the Senator from Wisconsin [Mr. BLAINE].

Mr. BRATTON. Mr. President, I desire to make a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BRATTON. A vote in the affirmative will be in favor of striking out the House provision, as amended, and thereby permitting the use of convict labor, while a vote in the negative will be to retain the House language and forbid the use of convict labor?

The VICE PRESIDENT. That is a correct statement. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JONES (when his name was called). I understand the senior Senator from Virginia [Mr. SWANSON], with whom I have a pair, if present, would vote as I shall vote. Therefore I feel at liberty to vote and vote "yea."

Mr. McNARY (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mrs. CARAWAY]. I am unable to obtain a transfer, and not knowing how she would vote I withhold my vote. If permitted to vote, I should vote "yea."

Mr. REED (when his name was called). I have a general pair with the Senator from Arkansas [Mr. ROBINSON], but he and I have agreed that the pair shall not apply to this vote. Therefore I am free to vote and vote "nay."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. COOLIDGE. I desire to say that the senior Senator from Massachusetts [Mr. WALSH], if present, would be recorded as voting "nay."

Mr. BULKLEY (after having voted in the negative). I inquire if the junior Senator from Wyoming [Mr. CAREY] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. BULKLEY. I feel constrained to withdraw my vote, as I have a general pair with that Senator.

Mr. HATFIELD (after having voted in the negative). I inquire if the senior Senator from North Carolina [Mr. MORRISON] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. HATFIELD. I have a general pair with that Senator and will therefore withdraw my vote.

Mr. HASTINGS. I have a general pair with the junior Senator from Tennessee [Mr. HULL]. I transfer that pair to the Senator from Connecticut [Mr. WALCOTT] and will vote. I vote "yea."

Mr. COPELAND. My colleague [Mr. WAGNER] is unavoidably absent. If he were present and permitted to vote, he would vote "nay."

Mr. SHEPPARD. I desire to announce that the following Senators are absent on official business: The Senator from Arkansas [Mr. ROBINSON], the Senator from Illinois [Mr. LEWIS], the Senator from Massachusetts [Mr. WALSH], the senior Senator from Arizona [Mr. ASHURST], the junior Senator from Arizona [Mr. HAYDEN], the Senator from Nevada [Mr. PITTMAN], the Senator from North Carolina [Mr. MORRISON], and the Senator from Utah [Mr. KING].

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Rhode Island [Mr. HEBERT] with the Senator from Louisiana [Mr. LONG];

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER]; and

The Senator from Colorado [Mr. WATERMAN] with the Senator from Nevada [Mr. PITTMAN].

I am not advised how any of the Senators named would vote on this question.

The result was announced—yeas 24, nays 46, as follows:

YEAS—24

Bailey	Byrnes	Glass	Keyes
Bankhead	Connally	Gore	Metcalf
Bingham	Cutting	Hastings	Moses
Black	Dickinson	Johnson	Norbeck
Broussard	Fess	Jones	Stephens
Bulow	Fletcher	Kendrick	Tydings

NAYS—46

Austin	Dale	Logan	Smoot
Barbour	Davis	McGill	Steiwer
Barkley	Dill	Neely	Thomas, Idaho
Blaine	Frazier	Norris	Thomas, Okla.
Borah	George	Nye	Trammell
Bratton	Glenn	Oddie	Vandenberg
Brookhart	Goldsborough	Reed	Walsh, Mont.
Capper	Hale	Robinson, Ind.	Watson
Coolidge	Harrison	Schall	Wheeler
Copeland	Howell	Sheppard	White
Costigan	Kean	Shipstead	
Couzens	La Follette	Smith	

NOT VOTING—26

Ashurst	Hayden	McNary	Townsend
Bulkley	Hebert	Morrison	Wagner
Caraway	Hull	Patterson	Walcott
Carey	King	Pittman	Walsh, Mass.
Harris	Lewis	Robinson, Ark.	Waterman
Hatfield	Long	Shortridge	
Hawes	McKellar	Swanson	

So the committee amendment was rejected.

Mr. MOSES. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, it is proposed to strike out line 8 to line 11, inclusive, and to insert in lieu thereof the following:

That section 290, chapter 8, title 44, of the United States Code, be, and is hereby, amended to read as follows:

Mr. MOSES. Mr. President, the purpose of this amendment is merely to make the language of the bill conform to the law as it now exists. It is a mere formal amendment, and I hope the Senator in charge of the bill may be able to accept it.

Mr. McNARY. I think it is a quite proper amendment, Mr. President.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from New Hampshire.

The amendment was agreed to.

Mr. BARKLEY. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. On page 65, line 16, it is proposed to insert the following:

Provided, That in the expenditure of the funds hereby appropriated the first paragraph of section 9 of the act of November 9, 1921, shall not apply to publicly owned toll bridges, or approaches thereto, constructed and operated by the highway department of any State.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Kentucky.

Mr. BARKLEY. Mr. President, this amendment is the substance of the amendment which I offered earlier in the day, but inasmuch as it is a limitation on the appropriation carried in the bill, it is not subject to a point of order. The object of the amendment is to remove the restriction in the present law and in the regulations of the Bureau of Public Roads from the expenditure of Federal aid funds in the building of approaches to public-owned bridges.

Very properly in the beginning of measures for Federal aid, in order not to allow private owners of bridges to charge tolls and use Federal funds in the building of the approaches to their bridges, the original act and the amendments thereto have provided that all roads in the construction of which the Federal Government participates shall be free of any toll. In recent years some of the States have inaugurated a plan of building their own bridges in order to get away from the private toll bridge and in order to guarantee that the bridges might be turned over free to the public as soon as possible, the State legislatures have authorized the issuance of bonds or the expenditure of public money raised by taxation to

build bridges, and have provided for reasonable tolls to be charged by the State, with the understanding and the provision of law that as soon as the bridge shall have been paid for out of the tolls it shall immediately become free. Yet the restriction now in the law applies to publicly owned bridges just as it applies to privately owned bridges.

The State highway commission of my State in the last year or two has authorized the expenditure of some $12,000,000 for the building of public bridges over streams in Kentucky. They are being constructed and operated by the State highway commission, and a reasonable toll is being charged the public by the State highway commission in order that a fund may be created with which to pay for the bridge without in any way taking money out of the ordinary road fund raised by taxation.

The amendment I have offered simply permits the Bureau of Public Roads to participate in the construction of highways up to the bridge. It does not require the expenditure of any money out of the Federal Treasury in the building of any bridge; but under the present regulations the State of Kentucky may build a bridge across the Tennessee River, the Cumberland River, the Kentucky River, the Ohio River, or any other river in the State or on its borders, and because of this restriction placed in the law in the beginning the Federal Government will not participate in the construction of the road within 6 miles of that bridge, simply because it did not want originally to encourage the building of private toll bridges. Certainly that restriction has no reason for its existence any longer.

Earlier in the day I sought to secure the adoption of an amendment that would change the law so that permanently that restriction would not apply to bridges built and operated by the State. A point of order was sustained to it; but I have tried it again, as applying to this fund particularly, and hope it will be adopted.

Mr. McNARY. Mr. President, earlier in the day the very distinguished Senator from Kentucky proposed an amendment having the same general purpose as the one he now proposes. What he has done is to attempt to come within the rule by simply making a limitation, without changing the principle involved.

It is my opinion that this amendment attempts to modify existing law, which is a violation of the rule if done on an appropriation bill. While in one sense it is a limitation, yet the principle involved and the substance of the amendment is not a limitation but a change in an existing statute. For that reason I invoke the rule and make the point of order.

The VICE PRESIDENT. The Chair sustains the point of order.

Mr. BORAH. Mr. President, I ask the Senator in charge of the bill to turn to page 72. I ask unanimous consent that we may reconsider the vote by which the amendment was adopted in line 20, page 72, as I desire to offer an amendment.

The VICE PRESIDENT. Is there objection?

Mr. GORE. Mr. President, will the Senator state the purpose of his request? I do not quite understand it.

Mr. BORAH. It is my purpose to offer an amendment increasing the amount $27,136, in order to cover the leased wire for carrying market news to and from the capital of the State of Idaho.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote whereby the amendment on page 72 was agreed to is reconsidered.

The Senator from Idaho offers an amendment to the amendment, which will be stated.

Mr. BORAH. I move that the amount of $1,406,220 be increased to $1,433,356, making an increase of $27,136.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Idaho to the amendment of the committee.

Mr. McNARY. Mr. President, this probably would have been done by the committee had its attention been called to the matter. The Market News Service item was reduced, which brought about the necessary discontinuance of the service in five separate cities in the Southern States. The attention of the committee was called to that situation and it restored the item.

This amendment relates to the necessary abandonment of the service between Boise, Idaho, and Spokane. I think probably the service should be continued. It has been carried on for several years, and I have no personal objection, or as chairman of the subcommittee, to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Idaho to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. WALSH of Montana. Mr. President, I am constrained to ask the attention of the Senator in charge of the bill to the item at the bottom of page 68, being farm management and practice, the bill calling for an appropriation of $395,467. Under the appropriation coming under this head there has been carried on in my State some work of the very highest importance, which has an added significance and importance by reason of the unfortunate continuance of the drought in that State.

The appropriation was reduced by the Budget in the amount of $25,293 below the figures for last year and was reduced in the House by an additional $25,000. A very vigorous protest has been made by the authorities having charge of the conduct of the work in the State of Montana. I have here a telegram on the subject from the president of our agricultural college.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. McNARY. I did not distinctly understand to which item the Senator refers.

Mr. WALSH of Montana. I refer to the item at the bottom of page 68, $395,467 for farm management and practice.

I have here a letter from the head of the bureau, Mr. Englund, who tells us that a reduction of $25,293 was made in this item by the Budget. The House reduced the item $25,000 more. I am offering an amendment to restore the figures to those recommended by the Budget, an increase of $25,000.

I should like to read a telegram from Doctor Atkinson, the president of our agricultural college. He says as follows:

BOZEMAN, MONT., *February 23, 1932.*

T. J. WALSH,
Senate Office Building, Washington, D. C.:

We are informed that the House has cut $25,000 out of appropriation for farm management, research, and practice, Bureau of Agricultural Economics, Department of Agriculture. The Bureau of Agricultural Economics put five thousand of this fund into Wilson's research on cooperative basis on problems in cause and economics of range sheep and cattle industry, feeding wheat Montana livestock, drought rehabilitation, low cost dry-land wheat and corn production, also land utilization; bureau supplies about half of working fund. We regard this work of great importance in present situation. It is also highly regarded by both cattle and sheep associations and wheat farmers. We anticipate our State funds will be curtailed because of delinquent taxes. If Bureau of Agricultural Economics cooperative funds are withdrawn, Wilson's work must come to standstill. We understand Senate will consider agricultural bill Tuesday, and item might be reintroduced in Senate. We hope you might see fit to take such action. Olsen, Chief of Bureau of Agricultural Economics, can give detail of cooperation.

ALFRED ATKINSON.

A telegram from President Wilson, who has actual charge of this work, is as follows:

BOZEMAN, MONT., *February 23, 1932.*

T. J. WALSH,
Senate Office Building, Washington, D. C.:

Re telegram President Atkinson, we feel that the continuation of our research work in cooperation with Bureau of Agricultural Economics, division of farm management, vital and of great value in programs of rehabilitation Montana agriculture. If bureau funds are withdrawn, work will be discontinued.

M. L. WILSON.

I know something about this work and know of the very great value and importance of it. Many of the Senators from the West are particularly well acquainted with President Wilson, who on numerous occasions has appeared before committees of the Congress. The letter from Mr. Englund contains a detailed account of this work, and its importance under the existing conditions can not possibly be

magnified. I trust the Senator from Oregon will have no objection to this amendment.

I ask that there be incorporated in the RECORD, in connection with my remarks, the letter to which I have referred.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF AGRICULTURAL ECONOMICS,
Washington, D. C., February 25, 1932.

Hon. THOMAS J. WALSH,
United States Senate.

DEAR SENATOR WALSH: In response to your secretary's telephone request yesterday I am outlining below the situation with regard to the reductions which have been made in the appropriation of this bureau for farm management and practice. The facts given below with reference to these appropriation items are substantially as presented in my testimony before the Senate subcommittee on agricultural appropriations.

The appropriation for the current year 1932 for farm management and practice (including cost of production) is $480,760. This was reduced in the Budget submitted to Congress to $455,467, a reduction of $25,293. The House Committee on Appropriations decreased this appropriation by an additional amount of $25,000; and on the floor of the House the item of $35,000, covering economic studies in farm management and farm organization, with special reference to the corn-borer problems, was eliminated. The work under this item is closely related to our other farm-management work. You will note, therefore, that the bill now before the Senate carries a total reduction of $85,293 in this item below the amount of the appropriation for the current year.

Of the total appropriation of $480,760 for farm management and practice, $213,910 is used for other important projects of the bureau, including land economics and agricultural finance, leaving a balance of $266,850 for the division of farm management and costs. The projects of farm management and costs of production are carried on in one division of this bureau under the supervision of one division leader. Considering the amount cut from this allotment in the reduction of $25,293 carried in the Budget as submitted to Congress, and assuming that the additional reduction of $25,000 made by the House committee is distributed proportionately among the various projects, the reduction to the division of farm management and costs will be $31,031. Adding to this reduction the $35,000 eliminated in the item for farm-management studies in relation to the corn-borer situation, the total cut on the division would be $66,031, or nearly 25 per cent below the amount appropriated for the current year.

There is no clear-cut line of demarcation between the farm-management studies and the work carried on under cost of production as these are merely different aspects of the whole problem of effective farm organization. While some studies are devoted exclusively to ascertaining cost of producing major crops, the greater share of all our work in farm management deals partly or mainly with costs of production.

As pointed out in my testimony before the Senate Subcommittee on Appropriations for this department, the reduction shown above can not be met without discontinuing important research work and letting out employees. We have not yet determined specifically where the curtailments of work will be made to meet the reduced appropriations if the appropriation bill should go through with all the cuts just mentioned. With the cut of $25,000 made by the House committee below the Budget estimate, it would be necessary to curtail cooperative arrangements with States, as a considerable part of our work under this appropriation is in this class. This would mean dismissal of cooperative employees on projects that would have to be discontinued. We now have cooperative farm-management projects in 15 States, involving 21 cooperative employees, of whom 3 are in Montana. I mention this since your secretary's inquiry relates particularly to our work in your State. In order to describe more adequately the work we are doing in Montana, I inclose herewith a statement describing briefly our Montana cooperative projects and indicating some of the results obtained thus far.

Farmers now are facing the urgent necessity of making important adjustments in farm operations in order to meet, as far as possible, the necessity imposed upon them by low prices and severe competition as among different producing areas. To leave these adjustments to the costly process of trial and error by individual farmers would be wasteful. We believe it to be a function of public research agencies, State and Federal, to conduct investigations that will aid in the solution of these problems of adjustment. Research in farm management and farm organization is conducted in the belief that these studies will show the way to advantageous adjustments in farming, thus aiding the individual farmer and serving the public interest generally.

Very truly yours,

ERIC ENGLUND,
Assistant Chief of Bureau.

THE RESEARCH WORK OF THE DIVISION OF FARM MANAGEMENT AND COSTS IN THE STATE OF MONTANA

In the current fiscal year the Division of Farm Management and Costs of the Bureau of Agricultural Economics is participating in two projects in Montana. The first is a study of the organization and operation of mechanically equipped wheat farms; the second is a study of the production of sheep under range conditions with incidental attention to range cattle production. For the current fiscal year we are expending $6,090 in Montana; corresponding expenditure for the fiscal year 1931 was $5,912; for the fiscal year 1930 the division expended $1,741 for research work in Montana.

THE ORGANIZATION AND OPERATION OF MECHANICALLY EQUIPPED WHEAT FARMS

In the years following the World War wheat production in Montana under dry-farming conditions was carried on mainly by horse power and on a relatively small scale. A farm having 600 tilled acres was probably larger than the average as late as 1925. Agricultural population had been decreasing prior to that date as a result of declining profits in wheat growing. Then came the general adoption of the tractor, accompanied by the use of the combine-harvester. By 1929 the typical wheat farm had risen in size to about 1,500 acres.

In the transition to large-scale methods costly mistakes were made in amount and kind of equipment purchased. Investments per acre in equipment varied from three to twelve dollars. Local conditions further complicated the problem. Over a 12-year period wheat sown by May 5 yielded 7½ bushels more per acre than that shown two weeks later. For best results cultivation and seeding needed to be done in a period of 18 to 20 days' time. Summer fallow had to be done by June 1 for best results. Thus a twofold problem of the minimum overhead in equipment investment compatible with that necessary to conform to the optimum operation in field practice became too difficult for the solution of the average wheat producer.

To solve these problems on which the success of large-scale farming under Montana conditions depended, the Fairway Farms Corporation, under the guidance of Prof. M. L. Wilson and his well-trained farm management associates, was organized. Nine farms were chosen in various sections of Montana, selected so as to be representative of large farming areas of the State.

The work of this corporation was from the beginning closely tied up with the Montana Agricultural Experiment Station. The corporation furnished the land and other means of production, while the Montana station furnished the personnel for general management and for the guidance of the experiments in organization and practice which were to be undertaken. In the spring of 1929 this division joined in the experimental and investigational work being done in connection with the farms of this corporation. A part of the salary of the specialist who directs the experiments and the study has, since that date, been carried by this division. The unique character of this work, the obviously practical nature of its findings, and the relatively wide applicability of such findings throughout practically all of the dry farming area of the country amply justified our including a cooperative project which would tie this important experimental work into our farm management research program.

The most important part of the study is in connection with the largest farm of the corporation, which is situated near Brockton, Mont., and is called the "Lone Warrior" farm. In reality it is a farm-management "proving grounds." Here under actual farm conditions large numbers of farm machines have been and are still being subjected to the most exacting scientific tests. Costs per hour of operation have been computed, ingenious hitches have been developed for more completely utilizing the power available, and the country has been scouted for machines in use in other areas which might prove effective for Montana conditions.

Tests are being carried on with different-sized units of those machines which proved most effective and the most efficient combinations of large-scale equipment ascertained for different sizes of farms. Results obtained at the "proving grounds" are being further tested on other farms belonging to the Fairway group, and then such worth-while information as that supplied in the following table is taken to the Montana farmers:

Size of tractor	Cash operating cost, fuel, labor, seed, depreciation, per acre	Man labor per acre of crop harvested	Cost of equipment combination per acre	Economic size of land unit
				Acres
3-plow	$7.77	3 hours 10 minutes	$5.50	800
4-plow	6.62	2 hours 32 minutes	5.00	1,200
6-plow	4.65	1 hour 48 minutes	4.50	1,800
12-plow	3.82	54 minutes	3.50	3,000

The tractor is probably the most costly piece of large-scale farming equipment. When the tractor is either too small or too large for the area of land being farmed much of the profit in large-scale technic is sacrificed. This table, based on careful experiments under Montana conditions, furnishes a guide as to the proper size of tractor for various sizes of farms.

The practice of summer fallowing in wheat production is comparatively new in Montana and the results of experiments by the Fairway Farms disclose wide variations in cost of the different methods which may be utilized.

The comparative cost per acre of different summer-fallow systems

PLOWED FALLOW

	Per acre
Plowing	$1.75
First duckfooting	.35
Second duckfooting	.35
Third duckfooting	.35
	2.80

FIFTY-FIFTY—HALF PLOWED, HALF PLOWLESS

First plowing	.88
First duckfooting	.23
Do	.35
Do	.35
	2.16

ONE-WAY DISK FALLOW

One-way disk	.65
Do	.50
Duckfooting	.35
Do	.35
	1.85

PLOWLESS DUCKFOOT FALLOW

Duckfooting	.45
Do	.35
Do	.35
Do	.35
	1.50

On a farm having 900 acres in summer fallow the difference in cost between plowed and plowless duckfoot fallow is $1,170. The present goal is to reduce the cost of summer fallowing still lower to $1 per acre.

So successful have been the efforts on the "Lone Warrior" farm in continually hammering down the cost of producing wheat under large-scale farming methods that many hundreds of scientific men and farmers visit this farm at Brockton each year.

With the present extremely low levels in wheat prices much emphasis is being placed on the study of cash and noncash costs, and ways and means are being considered whereby some measure of profit may still accrue to the large-scale wheat producer.

The unique idea of experimental farms operated to prove the validity of farm-management principles before they are recommended for general adoption by the farming public has borne gratifying results in Montana. The initial plan of crop and livestock production, as laid out for each of the nine original Fairway Farms, has in nearly every instance been altered in some important feature to meet conditions not apparent at the time the farms were set up. As a consequence, the advice emanating from the Agricultural Economics Department of this experiment station for farmer consumption has been well received, because it was tempered by practical experience and first-hand knowledge of the major agricultural portions of the State of Montana.

With the rapidly changing economic conditions, coupled with the unfortunate conditions rising out of drought and grasshopper infestation, it is obvious that such work as has been carried on under this project is more timely and indispensable now than ever before. Further sweeping readjustments have been made necessary and work such as has been done under this project, which is of such immediate and practical value to farmers, would seem to be of greatest possible value as a measure of relief.

Since the agricultural appropriation bill, in its present form, provides for a cut of nearly 25 per cent in the budget of this division (including the corn-borer research item), it is going to be necessary to discontinue our connection with this project, as with practically all others of this sort throughout the country. We shall, of course, use some members of our regular staff, so far as possible, to finish going projects and salvage, so far as possible, the unfinished work. However, it will be impossible for us to continue the sort of support we are giving to this Montana project.

As indicated above, the results of this study are of general application in dry-farming areas. They supplement in an excellent way the results of studies of a cooperative nature aimed at similar problems which we are carrying on in North Dakota, South Dakota, and Kansas.

THE RANGE-SHEEP STUDY

The division of farm management and costs is connected with this livestock study in Montana in a way in general similar to the connection already described with reference to the study on the organization and operation of wheat farms. The objectives are as follows:

1. To determine the most economical and effective form of organization and methods of operation of ranches in the production of sheep, both as a specialized enterprise and in combination with other livestock.

2. To determine, so far as possible, the specific forces and conditions which have been shaping the course of the range sheep enterprise since the World War, particularly with a view of projecting probable developments into the immediate future.

3. To determine the nature and extent of competition between sheep and cattle for the use of range land in Montana.

4. To determine the most economical and profitable methods of management of sheep production under range and feeding conditions, including the handling of range and the feeding of sheep.

This study, while incomplete, has already yielded valuable information. With very low wheat prices, the proposal to use wheat in the fattening of livestock was made. This problem was attacked in connection with this project by the securing of detailed and accurate information from ranchers and others actually using wheat and other feeds in their rations. The following tabulation was derived from this phase of the study:

Comparison of beet-pulp and non-beet-pulp feeding rations for sheep in Montana, 1930–31

	Days of pasturage	Days to reach full grain feed	Days length of feeding period	Total gain per head, pounds	Initial weight of lambs, pounds	Total pounds grain fed	Total pounds hay fed	Total pounds pulp fed	Total feed cost per head	Per cent death loss	Net profit per head
Pulp, grain, hay	30	21	88	27	67	75	100	600	1.75	3	1.35
Grain and hay	25	26	100	28	63	95	225	------	2.25	2	.60

The results indicate that it is practical to use wheat as the main concentrate in the fattening of lambs. It shows, however, that larger gains may apparently be made by the inclusion of some more succulent feed, such as beet pulp, and that the exclusive ration of hay and wheat is unsatisfactory. These and other current findings are being made available as rapidly as possible through current reports and extension work.

This study also is incomplete and should be further prosecuted. It strikes at some very real problems of the range livestock producer. These problems are not peculiar to Montana. Range livestock producers throughout the range country are in great need of the sort of information such projects furnish. We are participating in such work in Wyoming, Colorado, and Texas. The same conditions which are necessitating our withdrawal from the large-farm study, will compel us to drop the livestock work.

The PRESIDENT pro tempore. The amendment offered by the Senator from Montana will be stated for the information of the Senate.

The CHIEF CLERK. The Senator from Montana offers the following amendment: On page 68, line 23, strike out "$395,467" and insert in lieu thereof "$420,467."

Mr. WALSH of Montana. That makes it exactly in accordance with the recommendation of the Budget.

Mr. McNARY. Mr. President, if I correctly understand the position of the Senator and that which he seeks, he desires to restore the estimate of the Bureau of the Budget?

Mr. WALSH of Montana. Yes, sir.

Mr. McNARY. The Budget estimate was reduced by the House committee and sustained by House action in the sum of $60,000. In order to carry on this work, which the Senator states is very important, the Senator then proposes to restore the Budget estimate?

Mr. WALSH of Montana. The estimate of the Director of the Budget; yes.

Mr. SMOOT. That means $25,000?

Mr. McNARY. That is what I was asking. Is it the proposition of the Senator from Montana to restore the whole estimate of the Budget, or $25,000 of the estimate?

Mr. WALSH of Montana. Twenty-five thousand dollars.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. DILL. Mr. President, I should like to have the attention of the Senator from Oregon. A moment ago the Senator from Idaho [Mr. BORAH] secured an increase of the appropriation for the Market News Service. I desire to know whether that covers the Spokane office.

Mr. McNARY. That covers the service between Boise, Idaho, and Spokane, Wash., as estimated for, which offices have been continuously in existence.

Mr. DILL. I simply wanted to know whether or not the Spokane office was covered.

Mr. KING. Mr. President, I desire to enter a motion to reconsider the vote by which the amendment found on page 85, commencing in line 14, was agreed to.

The PRESIDENT pro tempore. That notice will be entered.

Mr. STEPHENS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 37, line 2, after the sum "$1,431,560," it is proposed to insert:

Provided, That any unexpended balance in the allotment of $15,000, under the appropriation for this purpose for the fiscal year 1932, for the establishment of a pecan station in the middle eastern Mississippi region is hereby continued available during the fiscal year 1933 under the same conditions and for the same purposes specified in such allotment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

Mr. STEPHENS. Mr. President, I shall say just a word. I think it is agreeable to the Senator in charge of the bill for this amendment to be adopted. It simply continues the availability of a few thousand dollars during the fiscal year 1933. Some complications arose with reference to the acquirement of land. Those have all been adjusted now; but the work can not be completed within this fiscal year.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

The amendment was agreed to.

Mr. STEPHENS. Mr. President, I desire to offer another amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. The Senator from Mississippi offers the following amendment:

On page 57, line 8, strike out "$145,000" and insert in lieu thereof "$155,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

Mr. McNARY. Mr. President, what is the item to which this amendment refers?

The PRESIDENT pro tempore. Insects affecting man and animals.

Mr. McNARY. That is the item the department spoke about in connection with the buffalo gnat?

Mr. STEPHENS. Yes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Mississippi.

The amendment was agreed to.

Mr. STEPHENS. Mr. President, I ask to have inserted in the RECORD a copy of a letter from Hon. WILL M. WHITTINGTON, Representative from the third district of Mississippi, relating to this matter.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 25, 1932.

Senator HUBERT D. STEPHENS,
Washington, D. C.

DEAR SENATOR STEPHENS: I have conferred with Dr. C. L. Marlatt, of the Bureau of Entomology, with respect to the amendment to provide $10,000 for combating buffalo gnats in the lower Mississippi Valley, including the Yazoo Mississippi Delta, and he informs me that it is only necessary in the agricultural appropriation bill, page 57, in line 8, to change the amount of $145,000 to $155,000, with an explanation that the additional $10,000 is "for study of methods of controlling and combating buffalo gnats in the lower Mississippi Valley, including the Yazoo Mississippi Delta." The amendment follows the language in the bill, "For insects affecting man and animals."

I am accordingly handing you herewith a memorandum in duplicate, which is sufficient, according to the instructions of Doctor Marlatt.

I want to congratulate you upon getting the agreement, and I will try my best to hold it in the House. I am sure you will see that the matter is inserted on the floor of the Senate.

Very sincerely,

WILL M. WHITTINGTON.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. The Senator from Wisconsin offers the following amendment:

On page 49, line 3, strike out "$613,640" and insert in lieu thereof "$615,840."

Mr. LA FOLLETTE. Mr. President, the Bureau of the Budget reduced the estimate for forest products and for the Forest Products Laboratory by $25,000. The House further reduced the Budget estimate by $2,200.

The Forest Products Laboratory is about to move into a new building. Since these estimates were passed upon by the Bureau of the Budget and by the House it has been found that the item for electricity, steam, water, gas, and maintenance will exceed similar items in the present laboratory quarters by $12,700 per year. All I am seeking to do by this amendment is to restore the $2,200 by which the House reduced the item below the Budget estimate. While it seems a small item, it is of vital importance, in view of the drastic reduction made in the estimate by the Bureau of the Budget. I trust that in view of the fact that there is an estimate for it, the Senator from Oregon will feel justified, in so far as he can, in accepting the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the senior Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was agreed to.

Mr. CONNALLY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 40, line 4, the Senator from Texas moves to strike out "$147,950" and to insert in lieu thereof "$158,170."

Mr. CONNALLY. Mr. President, I would like to have the attention of the Senator in charge of the bill.

The amendment I have offered is designed to restore an item of $10,220 heretofore carried for the maintenance of an experimental farm at San Antonio, Tex.

Doctor Taylor, in his testimony before the House committee, said the following, as appears on page 246 of the hearings:

Doctor TAYLOR. That is a field station which has been maintained on land owned by the city, which I think originally was a feature of their sewage-disposal plant, but which the city has grown out around and, as we understand it, is not particularly interested in the maintenance of at the present time.

It has been experimentation with crops under irrigation—cotton to some extent, fruits to some extent, forage crops to some extent, crop rotation studies.

The Budget eliminated that item on the assumption that the local interests were not particularly caring about its continuance. Doctor Taylor states it has been of great local benefit.

I desire to have incorporated in the RECORD a resolution passed by a conference of farmers of that vicinity.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution passed by the conference of farmers, 4-H club leaders, teachers, and citizens, attending the 1-day corn grading and marketing school in the auditorium of the Express Publishing Co., San Antonio, Tex., January 20, 1932

Be it resolved, That we, the farmers, 4-H club leaders, and citizens, assembled in the 1-day corn grading and marketing school at San Antonio, express our appreciation and indorsement of the splendid work put over on behalf of south Texas agriculture at the United States experiment farm on the South Flores Road in Bexar County, Tex.

The crop rotation demonstrations for a period of years with all of the leading farm crops of Bexar County and south Texas have been especially instructive and valuable for this district; be it further

Resolved, That a copy of this resolution be sent to the Secretary of Agriculture for his information; that the said Secretary of Agriculture be petitioned and urged to continue and maintain the operation of the United States experiment farm in Bexar County; be it further

Resolved, That the county agent, as chairman of the corn grading and marketing school, be requested and authorized to sign and submit this resolution on behalf of the farmers of Bexar County, Tex.

FRED W. MALLY,
Chairman Corn Grading and Marketing School.
SAN ANTONIO, TEX., *January 20, 1932.*

Mr. CONNALLY. Mr. President, I hope the Senator from Oregon will allow the amendment to be incorporated in the bill, and it can be threshed out in conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the junior Senator from Texas [Mr. CONNALLY].

The amendment was agreed to.

Mr. NEELY. Mr. President, there are 27 printed amendments lying on the clerk's desk which I submitted at the request of the senior Senator from Tennessee [Mr. MCKELLAR], in his absence.

I also have lying on my desk a 36-page speech prepared by the senior Senator from Tennessee [Mr. MCKELLAR], which I promised that I would read to the Senate provided he did not return in time to read it himself. I hope it will not be necessary for me to speak to the amendments, or to read the speech, not because I am not interested in the speech, but I know the Senator from Tennessee would submit it more eloquently than it would be possible for me to do. Unless the Senator from Oregon insists upon a final vote to-night, I shall await the return of the Senator from Tennessee. If a vote is to be insisted upon to-night, I wish to proceed with the 36-page address, with which I hope to entertain the Senate for at least an hour and a half.

Mr. MCNARY. Mr. President, it seems to me impossible for the Senate to conclude the consideration of the agricultural appropriation bill to-night. The junior Senator from Utah [Mr. KING] has given notice that to-morrow he will ask for a reconsideration of the so-called grasshopper item.

This long speech is to be delivered sometime either to-day by the distinguished Senator from West Virginia [Mr. NEELY], or by the author, the senior Senator from Tennessee [Mr. MCKELLAR]. It is a matter of indifference to me who delivers the speech, but inasmuch as it is now 10 minutes of 5, and there are some other amendments to be considered, and the Senator from Tennessee will return to-morrow, I shall not ask that we go forward any longer with the bill this evening.

Mr. BARKLEY. Mr. President, I desire to file a notice of motion to suspend the rules.

The PRESIDENT pro tempore. The notice will be read.

The CHIEF CLERK. The Senator from Kentucky presents the following notice:

Pursuant to the provisions of Rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of Rule XVI, for the purpose of proposing to the bill (H. R. 7912), making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, the following amendment, viz, on page 65, line 16, after the word "employed" insert the following: "*Provided*, That hereafter in the administration of the Federal Highway act and acts amendatory thereof or supplementary thereto, the first paragraph of section 9 of the act of November 9, 1921, shall not apply to publicly-owned toll bridges or approaches thereto, constructed and operated by the highway department of any State."

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. Mr. President, I give notice that after the passage of the pending appropriation bill I shall endeavor to call up the House bill 8397, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933.

SHORT SELLING ON STOCK EXCHANGES

Mr. NORBECK. Mr. President, I report favorably from the Committee on Banking and Currency with amendments the resolution (S. Res. 84) to investigate the practice of "short selling" of listed securities upon stock exchanges and its effect on actual values (submitted by Mr. HASTINGS on December 14, 1931), and ask that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The PRESIDENT pro tempore. Without objection the report will be received and, under the rule, the resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ACCOMPLISHMENTS OF PRESIDENT HOOVER—ADDRESS OF SENATOR SIMEON D. FESS

Mr. DICKINSON. Mr. President, I ask to have printed in the RECORD a radio address delivered by the senior Senator from Ohio [Mr. FESS], on the evening of March 1, 1932, over a coast-to-coast hook-up.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In prior periods of depression and unemployment through which our country has had to pass, the administration then in control has confined its efforts to prevent the adoption of unsound remedies to which the Government might easily resort. In the long-range view such remedies prove worse than the disease. Wise statesmanship has in the past, as it will in the future, guarded the public against such unwise steps.

In the present world-wide breakdown the President has steadily guided the Nation in the safe course by standing adamantly against such proposals as the dole, so ardently advocated in many quarters by many good people.

Because of this stand he has been cruelly attacked as one without human sympathy for the unemployed. Were he a man without record on relief work, these attacks might have some weight. But in the face of the generally admitted fact that Mr. Hoover would have been the one man first to be thought of in connection with relief work in this crisis by whoever might have been the President, whether he be Republican or Democrat, these puerile attacks are revealed in their true light.

What the President desires and what he is working to insure are wages for the employable, not a dole for the unemployable. He is striving to avoid what the famous British economist, Mr. Keynes, has warned against.

"Since 1921," he says, "we have paid out to the unemployed in cash a sum of about $2,500,000,000—and have got literally nothing for it." He continues, "This sum would have built 1,000,000 houses. * * * It far exceeds the total value of all the mines of every description we possess." In speaking of the waste of the dole system, he said: "The waste through unemployment since 1921 has mounted up to approximately $10,000,000,000, a sum which would be nearly sufficient to build all the railways in the country twice over."

It is the first step of such a policy that the President is contending against. He well knows that the step once taken will not be retraced, but will be repeated; hence his determination to avoid it and his concern for resumption of business activity to insure employment.

In the onset he sought in conference with leaders of labor and capital to mobilize the agencies of industry to secure the maximum of employment and insure against labor troubles. He then drafted the best leadership in business to organize the helpful forces of the entire Nation to care for the unemployed awaiting a chance to work. In this way there has been called into action the finest quality of a great people who have poured out their means to lessen the hurt of the unemployed.

In the meantime there was inaugurated the most stupendous public-building program ever undertaken by any country at any time. This program involved the expenditure of three quarters of a billion dollars, or three times the amount of the next largest expenditure for any preceding year—an amount almost double the total cost of the construction of the Panama Canal.

As Government construction at most can employ but a fraction of the unemployed, private productive industry is and must ever remain the chief source of employment. The farm, the factory, the mine, transportation, etc., are the chief agencies to which labor must look for wages. To make this possible the country's banking system must readily respond to the needs of investment in industry and commerce in the employment of labor. The banks are the circulatory system of business.

Our country is happily possessed of an abundance of natural resources; in fact, it has all the basic elements of a sound prosperity, but for the time being seriously interrupted. Our farms are as fertile as ever, and their productive ability is unimpaired, but the farmer is without a demand for his product at a profit. Our manufacturing plants are all intact, capable as ever to produce the world's needs, only awaiting a demand for goods. Our transportation system is the best, capable of serving our people with the cheapest, safest, most expeditious, and efficient service known to man. Our managerial ability in the organization of industry, where a better article is being produced at cheaper cost to the purchaser, is well known to the business world both in Europe and America. Our efficiency in labor, insuring the largest output per man, at a good wage and yet at a lower price to the public, is the outstanding fact of labor in all the world. While our banking resources lead all the world, having within our borders more than half of all the known gold on the globe, and two-thirds of the sound securities of the world, the strain on our credit system has put it to an extreme test. All of the foregoing elements of business prosperity are present, but generally deranged, the result of a world upheaval which suspended for the time all fundamental principles of sound finance by substituting

Government decree for the common dicta of business principles, induced if not compelled by the exigencies of war which involved almost all the peoples on the earth.

Never before had the world so vividly experienced the real meaning of war. The end was not reached when the firing ceased. The evils persist long after the armies disband.

The death of 10,000,000 of the flower of youth, the permanent disability of 15,000,000 more young men of like quality, the actual destruction of $50,000,000,000 of property, and the mortgaging of the future of $60,000,000,000 involving staggering debts to hang over the heads of nations with the inevitable breakdown of the morale of the people, such were the conditions which created an economic debacle that can not be easily relieved and with which we are now dealing. In reality the problem of the aftermath of war in the language of President Hoover is a battle line on many fronts.

The penalty of the violation of economic law, even in war, is just as inevitable as in the case of the violation of the law of physics. When production is carried on for war's destructive purposes price will have no relation to value. It will involve great borrowing in an orgy of wild buying. Money will be abundant, borrowing will be easy, and banks will loan on an increasingly high estimate of collateral. Such an overstimulated inflation of values must inevitably be followed by a period of disastrous deflation with consequent default of payment and ultimate embarrassment.

Bank loans made on advancing price level are difficult to pay on a declining commodity level. The borrower unable to pay, the bank refusing to renew on the same security, and unwilling to foreclose, the assets become frozen and confidence in the bank is lost, depositors begin to withdraw, liquid assets become depleted, runs are started, and, in many cases, banks are closed. In almost all cases banks have thus been compelled to withhold funds from productive industry to meet a possible run. This situation accounts for the refusal of banks to make loans to industry, no matter how sound the borrower or how safe the collateral. Industry unable to borrow was starved for want of capital, and compelled to slow down, and in many cases to shut down, with the result of throwing labor out of employment. The banks were not at fault. Thousands of them throughout the country, most of them sound, with adequate securities, but not convertible into cash, were caught in a depositors' panic of withdrawal and compelled to close their doors. In some cities not a single bank remained open. Those which were open were compelled to refuse loans, not because they did not have the funds nor for want of adequate security of the borrower but to retain the necessary cash in order to meet a possible run, which might be started at any time. The citizen who wishes to build a house is denied the chance of employing so much labor because of this fear of a run on the bank compelling denial of the loan. In this situation we find abundance of capital, but instead of its being at work it is in hiding, afraid to invest. The arteries of business are clogged; the lifeblood of enterprise is not freely circulating. This credit situation ever since the market collapse has been and still is the problem before the country, in which the brilliant leadership of President Hoover challenges the admiration of all citizens without regard to party affiliation.

To open the arteries of business is the point of attack and has been for months the major concern of the President.

The first step taken last June was the moratorium to give Germany time in which to adjust her obligations coming due, which she declared herself unable to pay. A default and financial collapse, which would render worthless $3,000,000,000 worth of German securities held by American citizens, would produce a situation here in the United States difficult to fathom; hence this important step by which the Allies agreed to give Germany one year in which to adjust her obligations. The United States agreed to postpone for one year the 1931 payment of the foreign loans, giving the debtor countries 10 years in which to make up the postponed payment. The situation was further endangered by the abandonment by Great Britain of the gold standard, an act which shocked the business world and called for speedy action by the administration. The economic breakdown throughout the world was the occasion to overturn governments, which in many parts of the world tumbled like a house of cards.

The next step was the National Credit Corporation, which created a pool of $500,000,000, to which a solvent bank endangered by a run might apply for funds and thus remove the danger. The value of this plan was the removal of the fear of depositors by putting at the disposal of the bank adequate funds to meet a likely run. This resource was an assurance against the necessity of voluntary closing of a bank with sound but not liquid assets.

This corporation is designed to assist endangered banks. It does not directly serve other elements, such as the farmer, who had looked to the farm-loan bank for relief. The impairment of the country's credit system had seriously depleted the funds of this Government agency. The next step to be taken was, therefore, an increase in the loanable funds of the farm-loan system to the amount of $125,000,000 for relief of the farmer who could meet the requirements of the act.

The next step looked to necessary financing of industries. The drastic deflation of commodity values and its effect upon credit facilities made refinancing of industries, such as railroading, most difficult. The Reconstruction Finance Corporation was created to meet this situation It provides $2,000,000,000 credit facilities to be loaned to banks, insurance companies, and other financial institutions, and also to railroads, in order to supply funds for necessary improvements and to meet the needs of productive industry. These loans, which will be adequately secured and repaid, will substantially insure increased employment by making available from eight to ten billion dollars of commercial credit and should go far to revive industry, reduce unemployment, and lead out of the depression.

While the act permits loans only to financial and business institutions, it will benefit all the people to a degree by resuming employment and increasing the purchasing power of the public. Every unit of business engaged in supplying the railroads will benefit in additional employment of labor.

A fourth step was the law signed by the President last Saturday to liberalize the Federal reserve system by broadening the base for the issuance of Federal reserve notes and enlarging the rediscount field. It is asserted on expert authority that this law will increase the money in circulation by at least $1,000,000,000. It will have a wholesome effect in increasing the commodity price level, which in turn will stimulate all business, thereby further reducing unemployment.

Much may be expected from this item of emergency legislation.

Before the meeting of the Seventy-second Congress the President announced a 12-point program of relief, which was repeated in a special message to Congress on January 7. The program, completed up to date, includes six of his proposals.

Three other proposals to strengthen the credit ability are also before Congress, but have not as yet received final action.

One of these is a plan looking to the reopening of closed banks. A second seeks to establish greater protection for the depositor. The third is the home-loan central mortgage bank system, patterned after the Federal reserve system to do for the long-term note, secured by real-estate mortgage, what the Federal reserve system does for the short-term commercial paper. When a system is devised to make it possible to apply one's savings to the ownership of a home, to liquefy assets tied up in real estate, it will be one of the most important acts of all legislation to come out of this period of stress and strain.

I have taken no notice of the usual items which claim the attention of a President, such as balancing the Budget and conducting public affairs in the usual way. I have confined myself to emergency measures to care for situations never before faced in our country in times of peace.

Whatever may be the judgment of the present day upon this constructive program of relief, in which the Democrats, I am glad to say, cooperated, the historian of the future will point out the quiet but brilliant efforts of the President, whose leadership in this crisis will ever command the admiration of all America without regard to party affiliation.

The extremes to which partisan interests in a presidential year extend are illustrated by the allegation of a type of politicians and a certain element of the press that the world breakdown is attributable to President Hoover. Such charges are on a par with those that the President is responsible for droughts, storms at sea, and earthquakes. Such utterances are a reflection upon the intelligence of the American people.

Our people in due time will come to realize their good fortune in having at the head of the Nation during the period when economic chaos enveloped the earth like a huge eclipse a man with the clear vision, the intellectual grasp, the human sympathy, the organizing ability, the dominating personality, and the courageous leadership of Herbert Hoover.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. JOHNSON, from the Committee on Commerce, reported favorably the nomination of Ensign (Temporary) Preston B. Mavor to be an ensign in the Coast Guard of the United States.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The PRESIDENT pro tempore. The nominations will be placed on the Executive Calendar.

RECESS

Mr. McNARY. Mr. President, as in legislative session, I move that the Senate take a recess until to-morrow at 12 o'clock.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p. m.) took a recess until to-morrow, Friday, March 4, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 3 (legislative day of March 2), 1932

ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE PHILIPPINE ISLANDS

The following-named persons to be associate justices of the Supreme Court of the Philippine Islands to fill original vacancies:

Jose Abad Santos, of the Philippine Islands.

John A. Hull, of Iowa.

James C. Vickers, of Maryland, to be associate justice of the Supreme Court of the Philippine Islands, vice Charles A. Johns, deceased.

ASSOCIATE JUSTICE OF THE SUPREME COURT OF PORTO RICO

Felix Cordova Davila, of Porto Rico, to be associate justice of the Supreme Court of Porto Rico, vice Jacinto Texidor, deceased.

MEMBER OF THE CALIFORNIA DÉBRIS COMMISSION

Capt. John G. Drinkwater, Corps of Engineers, United States Army, for appointment as a member of the California Débris Commission.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Francis Egan, Infantry (detailed in Quartermaster Corps), with rank from July 1, 1920.

TO FIELD ARTILLERY

First Lieut. William Campbell Lucas, Infantry, with rank from July 1, 1928, effective June 10, 1932.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lieut. Col. Wallace McNamara, Infantry, from March 1, 1932.

Lieut. Col. Alden Max Graham, Quartermaster Corps, from March 1, 1932.

Lieut. Col. Robert LeRoy Collins, Adjutant General's Department, from March 1, 1932.

Lieut. Col. Clifton Ranney Norton, Field Artillery, from March 1, 1932.

Lieut. Col. Eugene Julius Ely, Finance Department, from March 1, 1932.

Lieut. Col. Charles Russell Mayo, Cavalry, from March 1, 1932.

To be lieutenant colonels

Maj. Edward Nicoll Woodbury, Coast Artillery Corps, from March 1, 1932.

Maj. Carl Cogswell Oakes, Finance Department, from March 1, 1932.

Maj. John Thomas Kennedy, Field Artillery, from March 1, 1932.

Maj. Ray Longfellow Avery, Chemical Warfare Service, from March 1, 1932.

Maj. Horace Meek Hickam, Air Corps, from March 1, 1932.

Maj. Owen Riggs Meredith, Infantry, from March 1, 1932.

Maj. Edward Alexander Stockton, jr., Coast Artillery Corps, from March 1, 1932.

To be majors

Capt. John Derby Hood, Cavalry, from February 26, 1932.

Capt. Claude Greene Hammond, Infantry, from March 1, 1932.

Capt. Robert Osborne Poage, Infantry, from March 1, 1932.

Capt. James Patrick Moore, Infantry, from March 1, 1932.

Capt. Albert Eugene Andrews, Infantry, from March 1, 1932.

Capt. Keith Bolling Wise, Infantry, from March 1, 1932.

Capt. Dorris Aby Hanes, Quartermaster Corps, from March 1, 1932.

Capt. John Wesley Rodman, Infantry, from March 1, 1932.

To be captains

First Lieut. Malcolm Stoney Lawton, Air Corps, from February 25, 1932.

First Lieut. Jasper Kemper McDuffie, Air Corps, from February 26, 1932.

First Lieut. Mark Rhey Woodward, Air Corps, from March 1, 1932.

First Lieut. Howard Knox Ramey, Air Corps, from March 1, 1932.

First Lieut. Lionel H. Dunlap, Air Corps, from March 1, 1932.

First Lieut. Harold Rentsch Rivers, Air Corps, from March 1, 1932.

First Lieut. Harold Daniel Smith, Air Corps, from March 1, 1932.

First Lieut. Michael Al Quinn, Quartermaster Corps, from March 1, 1932.

First Lieut. Albert Brill, Field Artillery, from March 1, 1932.

First Lieut. Charles Walter Hensey, Finance Department, from March 1, 1932.

First Lieut. Marion Larimore Elliott, Air Corps, from March 1, 1932.

First Lieut. Earle J. Carpenter, Air Corps, from March 1, 1932.

First Lieut. Albert Jamison Fox, Quartermaster Corps, from March 1, 1932.

First Lieut. James Pratt Hodges, Air Corps, from March 1, 1932.

To be first lieutenants

Second Lieut. Merson Leon Skinner, Infantry, from February 25, 1932.

Second Lieut. Charles Draper William Canham, Infantry, from February 26, 1932.

Second Lieut. Edward Harold McDaniel, Infantry, from March 1, 1932.

Second Lieut. Thomas Benton Gailbreath, Infantry, from March 1, 1932.

Second Lieut. Willett John Baird, Infantry, from March 1, 1932.

Second Lieut. Paul John Black, Infantry, from March 1, 1932.

Second Lieut. Clifton Coleman Carter, Coast Artillery Corps, from March 1, 1932.

Second Lieut. Paul Leroy Carroll, Infantry, from March 1, 1932.

Second Lieut. Edward Lyman Munson, jr., Infantry, from March 1, 1932.

Second Lieut. James Bell Burwell, Air Corps, from March 1, 1932.

Second Lieut. Frederick Prall Munson, Field Artillery, from March 1, 1932.

Second Lieut. Thomas Howard James, Infantry, from March 1, 1932.

Second Lieut. James Arthur Willis, jr., Air Corps, from March 1, 1932.

Second Lieut. Wilson Turner Douglas, Infantry, from March 1, 1932.

MEDICAL CORPS

To be major

Capt. Benjamin Tillman Sharpton, Medical Corps, from March 1, 1932.

To be captain

First Lieut. Alexander Otis Haff, Medical Corps, from March 1, 1932.

CHAPLAINS

To be chaplains with the rank of major

Chaplain Thomas Albert Harkins (captain), United States Army, from February 28, 1932.

Chaplain Frank Pearson MacKenzie (captain), United States Army, from February 28, 1932.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 3, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the God of love and compassion, hear us in this moment of our speechless pain. Do Thou harken unto the voiceless appeals of our country in behalf of the breaking hearts of our notable son and daughter. Look Thou upon their upturned faces, marred with an anguish that only a mother knows. Infinite God, give divine comfort to Rachel as she weeps for her lost child and restore her baby boy to the folds of heavenly love and devotion. Sustain them with succor, courage, and help and give immediate guidance and direction to those who are seeking the fiends of this ruthless crime. Deliver us from the criminal heathens of our land. They go browsing about as demons, clawing like beasts, gnawing like worms, and killing like the imps of midnight. Great God, let a gale of wrath come from Thy throne, intervene in their hellish plans, and spare our country from the perils of the racketeer and the kidnaper. Hear us, O Thou Ancient of Days, and grant that softness may be taken out of the law. Let quick justice be administered, and let it swell like a mountain bulging from the level of a plain. O God, rescue our homes from godless indifference and arouse them with a revival of genuine religion. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 307. An act to approve Act No. 256 of the session laws of 1931 of the Territory of Hawaii, entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North Kona and South Kona, on the island and county of Hawaii, Territory of Hawaii."

The message also announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5064. An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 278. An act for the relief of Charles Parshall, Fort Peck Indian allottee, of the Fort Peck Reservation, Mont.;

S. 290. An act to establish a memorial to Theodore Roosevelt in the National Capital;

S. 1030. An act for the relief of John A. Pearce;

S. 1230. An act granting a pension to Helen H. Taft;

S. 2058. An act for the relief of William C. Rives;

S. 2570. An act authorizing adjustment of the claim of Joseph E. Bourrie Co.;

S. 2655. An act providing for waiver of prosecution by indictment in certain criminal proceedings;

S. 2827. An act to amend the act known as the "Perishable agricultural commodities act, 1930," approved June 10, 1930;

S. 3447. An act for the relief of John Stratis; and

S. 3506. An act authorizing the selection of a site and the erection thereon of a suitable monument indicating the historical significance of the Chesapeake and Ohio Canal.

BALANCING THE BUDGET

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BRAND of Georgia. Mr. Speaker, on Tuesday evening, March 1, there was delivered at Washington an address over radio entitled "Balancing the Budget." This speech is a lucid analysis of the tax and Budget situation, and a courageous and masterful presentation of it from a patriotic point of view. It was delivered by my friend and colleague, Judge C. R. CRISP, the acting chairman of the House Ways and Means Committee, an outstanding Member of Congress and one of its real leaders.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including this speech.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The matter referred to is as follows:

When the national honor and security of our country are involved the patriotism of our citizens reaches an exalted plane, and they are willing even to die for their country. Is not our country as dear to us in peace time as in war?

We are now facing a grave national emergency. To meet the situation heavy additional taxes must be levied. With great gratification I say that in the preparation of the new tax bill by the Ways and Means Committee there has been no political partisanship, but Democrats and Republicans are working side by side in perfect harmony, all actuated by patriotic love of country. The bill we report will be neither a Democratic nor a Republican tax bill but a Government bill, an American bill. It will be our bill and your bill, and it will be our responsibility and your responsibility to rally to our country's needs. Let us remember that pocketbook patriotism is a very real kind of patriotism. The welfare of us all demands that the situation be courageously met by our citizenry.

The Treasury of the United States at the end of the fiscal year, June 30, 1932, will have a deficit of over $2,150,000,000, provided no new appropriations are authorized by this Congress. If new ones are made, the deficit will be correspondingly increased. Without going into details as to the reasons for this deficit or as to who is responsible for it, a condition and not a theory confronts the Nation, and it must be courageously met. In my judgment, if the chosen representatives of the people in Congress measure up to their responsibility, they will forget self and party, courageously perform the duty facing them, and levy sufficient taxes to balance the Budget. Without balancing the Budget the Reconstruction Finance Corporation, the Glass-Steagall bill, the rural credit bill, and every other temporary relief measure will prove a futile and disappointing palliative. The corner stone on which economic recovery depends, the sanest and wisest governmental policy for relieving the unemployment situation and giving employment to millions of our splendid people now idle, is a balanced Budget. By balancing the Budget is meant keeping as much money in the Treasury as is spent out of it.

At the end of the fiscal year, July 1, 1931, there was a deficit in the Treasury of $903,000,000. That has now been eliminated as a Treasury deficit, but the amount has been added to our bonded indebtedness, which draws interest to be paid by our taxpayers. On June 30, 1932, another Treasury deficit of over $2,150,000,000 will be added to our national debt, on which interest also must be paid. Thus, in two years our public debt has been increased over $3,000,000,000. This means that during the last two years the United States has spent $3,000,000,000 more than it collected in revenue. No individual, no corporation, no nation can maintain its credit by pursuing such an unwise policy. Unbalanced budgets largely contributed to the economic chaos in Europe.

To-day, with the United States spending billions of dollars more than it takes in as revenue, some United States Government bonds, the premier security of the world, are selling at 89 cents on the dollar. If we continue to issue Government bonds, they will further depreciate, all private and industrial bonds, stocks, lands, and property of every kind will depreciate, and economic chaos will be inevitable. Foreign nationals who have money on deposit in the United States banks are becoming alarmed as to the stability of the American dollar and are withdrawing funds from the United States and withdrawing gold from our vaults.

The unbalanced Budget has caused the great banking institutions to call loans when they become due, to refuse to make new loans to industry, and to sacrifice bonds, stocks, and other securities, in order to become liquid. They know not when the United States will offer to the public another bond issue of Government securities and they are holding their funds to be ready to purchase these securities instead of loaning funds to industry or private individuals. Whether from patriotism or merely from the business belief that the Government bond offers the best chance of recovery from present low levels and consequent profit, this is the policy they are pursuing. If the Budget is balanced these bankers will know that it will not be necessary for the Government to sell more bonds and that they must therefore find a use for their money, and thus they will again perform the proper function of bankers by extending leniency to solvent debtors and making loans to industries, thus enabling them to again operate and furnish employment.

A balanced Budget will restore confidence, allay fear, and tend to prevent hoarding; and if these obstacles are overcome we may

have ground for hope that economic recovery will be speedy. The deficits of 1931 and 1932 are past history and must be added to our national debt. We are now seeking to balance the Budget by the end of the fiscal year, June 30, 1933, and to do so Congress must levy additional taxes to raise one and a quarter billion dollars, a Herculean task.

But some may say, "Why levy additional taxes; why not sell more bonds to meet the financial needs of the Government"? Such a policy will inevitably result in depreciation in value of United States bonds, of all other securities, and of all property, real and personal; and to effectuate the sale of further United States bonds, of necessity, higher rates of interest would have to be paid, entailing additional tax burdens upon our people.

A pseudotheory is advanced by some that the emergency may be met by issuing greenbacks. During the War between the States the Federal Government issued greenbacks to the amount of $449,338,902, secured by 40 per cent gold reserve, only approximately one-third of our present revenue need, which later sold as low as 46 cents on the dollar. Such a policy would destroy the value of all saving accounts of men, women, and children in the United States and fill the country with fiat money of uncertain and fluctuating value. No government can run a printing press, print money in unlimited quantity, and maintain its value. Germany, France, and Italy tried it with disastrous effect. A few years ago for 25 cents of our money we could purchase a million dollars' worth of German marks.

The Government is not made of money. The Government has no money except what it gets out of the people. The only way to meet the present situation is by additional taxes. The question is what taxes will be most productive of revenue, least harmful to business, and fairest to all concerned.

Some advocate as a revenue measure the repeal of the Volstead Act and the eighteenth amendment and the levy of a tax on spirits and beer. Unless the eighteenth amendment is repealed, which would require submitting it not only to Congress but to the legislatures of the 48 States, a tax on spirits would be unconstitutional; and a tax on beer would necessitate the repeal of the Volstead Act, which this Congress will not do. Therefore these suggestions are impossible of consideration by the committee in connection with this tax bill.

The overwhelming sentiment of Congress is that the fairest taxes are income taxes, for under them those best able to bear the burden are the ones taxed; but with business stagnated and billions of losses sustained by the large taxpayers, no matter how high the rate levied on incomes of individuals and corporations the requisite amount of money can not be produced, for income taxes are paid only if a profit is made, and recent profits have been relatively small. Income taxes have constituted the principal source of revenue for the United States Government. From them have been collected, with low rates, as much as $2,200,000,000 in a year. The Treasury estimates that under the present law revenue from income and corporate taxes for this fiscal year have dropped to $657,000,000. The tax bill which the Ways and Means Committee will report will include large increases in the income-tax rates and in the estate taxes, and will have a mother gift tax to protect the estate taxes; but even with these large increases we can not hope to raise more than two hundred and fifty million additional revenue from these sources, which leaves $1,000,000,000 to be raised from some kind of excise taxes or reduction in Government expenses. The committee is giving earnest and thoughtful consideration to the best way to raise this colossal sum so as to least injure business and to place the burden on those best able to bear it.

It is freely admitted that governmental expenses are too large and that they must and shall be reduced, and the House of Representatives is endeavoring to reduce Federal expenditures so as to require the levying of as few taxes as possible. The Budget for the next fiscal year totals $4,100,000,000—much too great a sum and recklessly extravagant. It should be reduced by hundreds of millions of dollars. But certain items can not be reduced. Over a billion one hundred million to pay interest on and to provide amortization for retirement of our public debt; one billion for compensation, insurance, pensions, and hospitalization of veterans; five hundred millions for projects authorized by law, such as road funds, public-building construction, waterway improvements, etc.; and six hundred and forty millions yearly for maintenance of the Army and Navy for national defense. You will observe, therefore, that Congress must make its reduction from a remaining Budget of about $900,000,000. It is my hope that Congress will cut appropriations as close to the bone as is consistent with efficient and economical administration of government.

While tax burdens are overwhelming, the burden that crushes the average citizen is that of county, State, and municipal taxes, over which Congress has no control, and not Federal taxes. Out of 120,000,000 people, only 2,000,000 pay income tax to the Federal Government, and these taxes are paid only on net incomes. Of course, the average citizen pays indirect taxes, but the amount of Federal tax paid by him is negligible compared to the State, city, and county taxes he is forced to carry.

I appeal to patriotic American citizens to ponder and consider well this situation, to gird themselves with fortitude and strength, and to be willing in this emergency for a year or two to bear additional tax burdens in order to balance our Budget, upon the accomplishment of which rest the peace, happiness, and stability of our Government and the welfare of all of us. As a member of the Ways and Means Committee, I shall urge that the additional taxes be collected only during the emergency, and that the law itself shall specify that they shall cease on a specified date. With a balanced Budget, I sincerely believe economic recovery will follow, and that these increased taxes will not long be needed; and may I assure you, my unseen hearers, that as soon as the fiscal condition of the Treasury warrants it, Congress will promptly reduce taxation?

FEDERAL TRADE PRACTICE CONFERENCES

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of Federal trade practice conferences.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMNECK. Mr. Speaker, should this honorable body adopt any measure which will cripple, hamper, or prevent the holding of trade-practice conferences by the Federal Trade Commission it would wipe out the most constructive work which this Government has ever attempted in its relationship to business. If it should do this, it will, I am sure, do so in ignorance of what a trade-practice conference is, what it was intended to accomplish, and what it has actually accomplished for business.

This is particularly true with reference to the smaller and medium-sized concerns engaged in both manufacture and distribution.

When I mention small and medium-sized concerns I do not reflect in any measure on the larger establishments. Nor do I intend to infer that the use of unfair methods of competition is confined to any particular class. I simply lay emphasis on the small so-called independent units because the larger concerns are strong enough to weather any unfair competitive storm, while the smaller concerns, particularly under present business conditions, would soon find themselves at the mercy of the waves.

Whether, in the competitive struggle, one yields to the temptation to violate the Federal Trade Commission, the Clayton or the Sherman Acts depends entirely on the individual, be he an executive of a large corporation or the proprietor of the smallest establishment.

Unfortunately it is within the power of one unconscionable concern to establish practices which, although violative of every rule of fair play, compel honest competitors to follow its lead or suffer the loss of considerable volumes of business.

True it is that an application for complaint may be filed with the Federal Trade Commission against such an unconscionable concern and if it is deemed to have violated the law the commission, after investigation and after trial and judgment and after appeal to the United States circuit court and after certiorari to the United States Supreme Court, may successfully order it to "cease and desist"; but while the wheels of justice are thus slowly grinding over the course of from two to five years there is no way to stop the accused from reaping an illegal harvest, to the detriment of honest men and to the irreparable injury to the industry he disgraces.

All of this harmful influence and loss of time, money, and business is prevented through the holding of a trade-practice conference.

On this subject I feel qualified to speak. I have not only examined the trade-practice conferences held by many industries but have participated in this procedure held for the industry of which I am a member. In my own industry we were confronted with illegal, wasteful, and harmful practices, for which, perhaps, no one in particular was responsible, but from which all suffered. Money which should have been going into profits was being wasted in meeting illegal and harmful practices; time which should have been spent in devising better ways to serve the public was absorbed in devising ways to meet secret rebates and other illegal and unfair competition; and under advice of competent counsel we applied to the Federal Trade Commission for a trade-practice conference.

To meet the requirements of such an application it was necessary to convince the commission of our good faith, to admit the existence of illegal practices used generally throughout the industry, to furnish a list of every concern engaged in the industry, those within as well as without our association, so that each should receive an invitation from the Federal Trade Commission to attend the conference,

thus providing that whatever was to be done would be exposed to the view of all and subject to objection of any who cared to object.

The conference was assembled under the auspices of the commission, and all that transpired was stenographically recorded and officially reported to it. We were impressively told that the rules of a trade-practice conference could not change the law; that the conference rules could not be used as a cloak for price fixing, division of territory, allocation of customers, or any other illegal practices. Rules describing and denouncing the illegal and wasteful practices which burdened our industry were proposed, separately discussed, and separately voted on. These rules, as submitted to the commission, covered the following practices:

Inducing breach of existing contracts; commercial bribery; secret rebates and unearned discounts; selling of goods below cost; the defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or other false representations; false and untrue advertising; misrepresentation in the sale of goods; the imitation of trade-marks, trade names, slogans, or other marks of identification of competitors, having the tendency and capacity to mislead or deceive purchasers; price discrimination; marked-up or fictitious prices; false invoicing. The acceptance of orders at special-quantity prices other than for a definite quantity of goods placed in one order and at the option of the seller to be forwarded in one shipment was condemned by the industry. The rules also provided for the publication of prices and terms, and provided definitions of a jobber and a dealer, and condemned the sale of any product of the industry under any form of guaranty against both advance and protection against decline in the price of products.

I am not a lawyer, but on opinion from competent counsel I challenge anyone to successfully show that these rules in any way violate the law or lend themselves to any scheme of price fixing or similar illicit scheme.

Further, the prices of the commodities of this industry were not raised to the public after the trade-practice conference. If anything, they have decreased. Competition is as keen as ever, but far more decent and less expensive. Above all, however, I earnestly direct your attention to the fact that this conference lasted only a single day, with practically no expense to the Government. It accomplished through voluntary cooperation what it would have taken years of time and thousands of dollars to accomplish by the compulsory process of complaint, trial, and order.

Therefore any attempt to put a rider on an appropriation bill prohibiting the commission from using funds to carry out this great constructive work simply means that Congress is thereby encouraging the crook to continue violating the law until stopped by the slow and uncertain process of prosecution.

I have examined other conference rules, particularly the rules for the cottonseed industry, and I think I see the origin of all the fuss raised on this floor by Mr. PATMAN. One of the cottonseed rules requires the crushers to publish the price paid for cottonseed. Another limits to $3 per ton the commission paid by the crushers for the purchase of such seed. This informs the farmer that if the crusher is paying, say $30, he can obtain $27 a ton for his seed.

I can find no rule which limits the $6 profit per ton, which I understand is at times exacted from the farmer by some dealers who buy seed from the farmer and sell them to the crushers. However, if as a result of these rules the farmer is informed that he can get $27 a ton he will refuse to sell to a dealer or middleman at $24 a ton. Therefore the rules save to the farmer many thousands of dollars annually, which in the absence of the rules would go into the pockets of a certain class of dealers.

A recent report by the Federal Trade Commission shows that the products of cottonseed are in competition with lard and other commodities and this competition sets the price; thus, if the price of lard is high the products of cottonseed take its place. If the price of hogs is low, the public will buy lard. Unless cottonseed products are sold at a correspondingly low price there is no demand for them. This report by the commission also shows that the margin between the sales price of the products of cottonseed and the purchase price paid by the crushers for cottonseed is not unreasonable but is fair.

I am further informed that neither the price of cottonseed products nor the margin between the price of the products and the price of the seed has increased since the holding of the trade-practice conference.

This cottonseed conference was presided over by Commissioner McCulloch, a distinguished and highly respected lawyer, who for 20 years presided as justice of the Supreme Court of the State of Arkansas and who himself is a raiser and seller of cottonseed.

The rules of the petroleum industry have also attracted much attention. Sufficient to say that in a case brought by the Attorney General in the California circuit the petroleum rules were squarely before and considered by the United States district court, a consent decree resulted, and while the respondents were enjoined by that decree from doing certain things, they were not enjoined from carrying out their agreement to abide by the rules.

I venture the opinion that the suit brought by the attorney general of Texas involving these same rules will result in like manner, as did the cases in Massachusetts, in Alabama, and in Louisiana, all of which petered out.

I am informed that over 16,000 concerns doing business in all sections of the United States have signed acceptances and agreements to abide by these petroleum rules.

In an official statement recently made by Chairman Humphrey, of the Federal Trade Commission, a number of illustrations of what has been accomplished through trade-pactice conferences are given thus:

It is well within the facts to say that through fraudulent advertising in the newspapers and magazines alone the people of this country are defrauded of not less than $750,000,000 annually. The Post Office Department, the Department of Justice, the Agriculture Department, and the Federal Trade Commission continually waged war against these frauds, but the result was disappointing. Fraudulent advertising seemed to be increasing rather than diminishing. Through the efforts of some of the publishers working with the Federal Trade Commission, a trade-practice conference was called, and at this conference the representatives of over 6,000 magazines—and many of the leading newspapers of the country—were represented. After a full and fair discussion of the evils of this false advertising to the honest competitor and to the public, the representatives of these publications unanimously adopted a rule to the effect that they would employ the most effective agency that they could secure to examine the advertisements offered for publication and to advise them as to their fairness.

This pledge made to each other they have faithfully carried out with the assistance, when necessary, of the Federal Trade Commission. The result of this conference has been that fraudulent advertising since its holding has been decreased in the country over 50 per cent. Many of the worst classes of advertisements, such as patent-medicine remedies, hair restorers, antifat remedies, puzzle contests, etc., have been decreased from 75 to 90 per cent. As a direct result of the holding of this conference the people of this country have been saved from being robbed of at least $250,000,000 annually, and this vast sum came largely from the poor, the ignorant, and the afflicted and unfortunate. I do not hesitate to say that as a result of this one trade-practice conference alone more fraudulent advertising has been suppressed and more honest competitors protected and the public more greatly benefited than by all other plans put together which the Government has ever tried.

* * * The trade-practice conference is part of the policy of cooperation, and a big part of it, that the Federal Trade Commission has had in effect for the last several years, and it is a conservative estimate, fully sustained by our records, that under this policy of cooperation during the last year more has been done to protect the public and the honest competitor, and that more crooks and scoundrels have been driven out of business and more unfair and fraudulent practices ended, than was done in the 11 years combined under the old system of litigation.

The same statement announces that due to the trade-practice conference in the furniture industry, fraud in interstate commerce in that industry has been practically eliminated. Nine hundred and fifty manufacturers accepted and agreed to abide by these rules.

It is also said that the trade-practice conference in the fur industry saves the women and girls of this country—mostly of the poorer class—from being defrauded of $75,000,000 annually.

A discriminatory practice resulting from using New York as a basing point for the shipping of shirting fabrics was completely abandoned after a conference was held for that industry. Prior to this conference shirting fabric shipped from New England or from the South was delivered in New York without charge for either freight or drayage. Shirting fabric shipped to any other city in the United States was subject to a freight charge and drayage charge. This practice was regarded as discriminatory, because charges were made for freight that exceeded the amount of freight actually paid. To correct this evil the rule adopted by the industry provided for the shipment of all shirting fabric f. o. b. point of origin. This rule follows the doctrine in the Pittsburg Plus case—Docket 760—and others involving the same principle.

There has been much misinformation concerning the attitude of the Department of Justice toward the trade-practice conference, and in that connection I quote from the address of Hon. John Lord O'Brian, assistant to the Attorney General of the United States, made at the Mayflower Hotel on May 2, 1930:

The Federal Trade Commission * * * has jurisdiction to investigate unlawful practices and to enforce provisions of the Clayton Act. In the exercise of its jurisdiction to deal with unfair practices the commission has not confined its activities to investigations and prosecutions, but in the desire to aid business has developed the practice of holding conferences. Out of this has come the Federal trade-practice conference which, started as an experiment, has now become recognized as a valuable institution. The Department of Justice has no hostility to the Federal trade-practice conferences. On the contrary, it approves these conferences and believes that within their legitimate field they afford valuable opportunity for education and for constructive progress in industry. It also recognizes that these conferences belong to the province of the Federal Trade Commission, with whose activities the department has not interfered and with whose aims it is in harmony.

Likewise Attorney General Mitchell in an address before the Law School Association of the University of Minnesota at Minneapolis on April 15, 1931, said:

You have often seen statements made that the Department of Justice has been attacking in the courts some trade association's code of rules, that have been approved either by the Federal Trade Commission or by the department itself in years gone by. There has been no case where such an assertion was justified. If we have assailed any trade association operating under rules approved by the Federal Trade Commission it has been because the association has been distorting its rules or going beyond them and doing acts which the Trade Commission never approved or considered, and when you next read a statement that the department is assailing in the courts some practice previously approved in the Department of Justice accept the statement with a grain of salt. * * * As I understand it, the action of the department and the commission is directed at putting a stop to trade association practices claimed to be in accordance with rules approved by a public authority but which, in fact, go beyond anything which any governmental agency has accepted as lawful.

I ask that anyone interested in this work examine the practices described and condemned by more than 140 industries, and if any man who examines these can say that the elimination of such practices does not improve industry and benefit the public through the stricter observance of law, then he must realize that he is not in sympathy with law enforcement, is not interested in the public welfare, and does not desire business prosperity.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, yesterday I introduced a bill, H. R. 10017, entitled "A bill to raise additional revenue," which was referred to the Committee on Ways and Means.

The bill provides for the legalization of beer containing alcohol not over 2.75 per cent by weight, and would raise at least $500,000,000 in taxes, as contrasted with the proposed sales tax, which would raise a similar amount.

If the Committee on Ways and Means, after considering the matter, does not report the bill favorably within 30 days, which will expire about April 7, a petition to discharge that committee from further consideration of the bill will be filed at the desk. When 145 signatures have been attached to that petition the matter will be brought up, and it is anticipated that the vote will be had on April 25. [Applause.]

EXTENSION OF REMARKS

Mr. BEEDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech delivered by Hon. Thomas B. Reed in 1886, then celebrating the birth of the town of Portland, Me. This being its tercentenary, I should like permission to insert this speech in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

Mr. UNDERHILL. Mr. Speaker, I am obliged to object.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT

Mr. POU. Mr. Speaker, I call up a privileged resolution (H. Res. 164) and ask for its immediate consideration.

The SPEAKER. The gentleman from North Carolina calls up a resolution, which the Clerk will report.

The Clerk read the resolution, as follows:

House Resolution 164

Resolved, That immediately upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 110, authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress.

That after general debate, which shall be confined to the resolution and shall continue not to exceed two hours—to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture—the resolution shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the resolution for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. POU. Mr. Speaker, I would like to inquire of the gentleman from Michigan [Mr. MICHENER] about the time for general debate?

Mr. MICHENER. There is no disposition on this side to oppose the rule. However, there are numerous requests for time, and I would suggest the usual 30 minutes.

Mr. POU. Very well. I will yield to the gentleman from Michigan 30 minutes of the one hour, to be in turn yielded by him as he sees fit.

Mr. Speaker, before proceeding I ask unanimous consent that the substitute amendment recommended by the Committee on Agriculture may be considered as an original bill for the purpose of amendment, during the consideration of Senate Joint Resolution 110 in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. POU. Mr. Speaker, I yield myself five minutes.

The special rule provides for the consideration of a resolution which allocates 40,000,000 bushels of wheat to the Red Cross to be used by the Red Cross in alleviating distress wherever it may find it proper to use the wheat.

Under ordinary conditions I could not support such a measure; but we are confronted, as everyone knows, by an unparalleled condition throughout the country. We have an abundance of food and yet there is widespread hunger. We have a great surplus of all the necessaries of life and yet no man living was ever confronted by such a condition. God grant that these times may pass; but we must deal with them as they are.

This situation was described centuries ago by a Roman writer or orator, if I remember, as "inops inter optima"—we are poor amid great riches.

This resolution needs no apology. The Government must exert itself to relieve the distress whenever it can. There is no alternative. With all our human shortcomings, we have the best Government the world has ever seen. [Applause.] Perhaps there will be other measures that the Congress will be called upon to consider to appease hunger and relieve

distress. We must all pursue a course in this dark hour which will stimulate the love of the American people for the flag. We must see to it, as far as we can, that there is no starving deserving American anywhere in the Nation; above all, women and children must not be permitted to go hungry. We are told by the chairman of the Committee on Agriculture that in the course of time this 155,000,000 bushels of wheat will exhaust itself. It is costing 18 cents per bushel per annum to cover the carrying charges—insurance and storage.

So in the course of two or three years the entire value of the wheat will be absorbed by the carrying charges. Therefore when we allocate these 40,000,000 bushels of wheat we are relieving the Government of a costly burden.

While under ordinary circumstances I could not support such a measure, I will vote for this resolution with the very greatest pleasure, without apology to anyone, and I believe an overwhelming majority of the House will ratify the action of the Committee on Agriculture and the action of the Senate. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. MICHENER. Mr. Speaker, I yield three minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker and Members of the House, within less than 10 hours after the Lindbergh child was kidnaped the same organization of criminals and murderers existing throughout the length and breadth of our land kidnaped a bright young boy 11 years old as he was on his way to school, in the city of Niles, Ohio, which is in my congressional district. Like Colonel and Mrs. Lindbergh there is to-day another father and mother, with loving hearts and tearful eyes, wondering what will become of their boy.

My purpose at this time is to urge that Congress take prompt and drastic action in passing a bill now before it providing the extreme penalty for crimes of this character. The damnable crimes of kidnaping within the last 48 hours emphasize the need of legislation which will make punishable by death such atrocious felonies.

To-day the Federal Government exercises its power to regulate interstate commerce in industry and business, and it is the duty of Congress to see to it that the criminal and the murderer, engaged in the blackest of crimes, be made to suffer the extreme penalty.

I am wondering how much longer our Federal and State Governments are going to permit the criminal and racketeer to defy the authorities and the law of our land. To-day we see them in their high-powered automobiles, equipped with smoke screens, armed with machine guns, driving down our main thoroughfares at a speed exceeding 60 miles an hour and shooting down and killing innocent people who are walking the streets. How much longer are we, a great civilized Nation, going to permit such conditions to exist? According to newspaper reports of a short time ago it has almost gotten to the point where they can not hold a funeral in Chicago unless Mr. Capone and his gang approve of it.

So I appeal to this House and say that this is the time when we should take some drastic action to stop the criminal activities of the kidnapers in our country. [Applause.]

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, no one deplores the crime of kidnaping any more than I do. I deplore it just as much as the gentleman from Ohio [Mr. COOPER], but I also deplore the statement he has made about the city of Chicago. I fully realize that kidnaping, especially that which has just taken place a few days ago, is a heinous crime and that there is no punishment severe enough for it; but, Mr. Speaker, ladies, and gentlemen, libel and slander are also crimes and should be punished severely, because they cause much more damage and harm than is generally supposed. Though no Member can be punished for uttering any slanderous statements on the floor of the House, I feel, nevertheless, that it is manifestly unfair and unjust to attack and slander the city of Chicago as was done by the gentleman from Ohio [Mr. COOPER] and by other Members at various times, especially in view of the fact that ever since the spring of 1931 when a new, yes, a Democratic administration had taken hold of the affairs of the city, every effort has been made to eliminate crime and bring about law and order.

Due to the undue publicity given to Chicago in years gone by and to statements made on the floor of this House, people, not only in our country but the world over, have been led to believe that it is the most lawless city in America, though the truth is that there are 32 cities in the United States which have a higher percentage of crime in proportion to population than this much-maligned city of Chicago. There are at least three cities in the gentleman's State—Ohio—whose crime rating is higher than ours.

Consequently, I can not help growing disgusted listening to the unjustifiable attacks on Chicago, which, I believe, is the greatest city in the entire world. Mr. Speaker, ladies, and gentlemen, I wish to assure you that everything humanly possible is being done to improve conditions, but so long as the crime-breeding prohibition law remains on our statute books, that long will it be impossible to eliminate crime and restore the law and order that prevailed in our city and in our county before the adoption of prohibition.

Mr. Speaker, ladies, and gentlemen, if only one-half of the money that we appropriate and that is wasted by the Prohibition Bureau were utilized for the elimination of crime great progress would be made against the criminal element of our Nation. It is unfortunate, but nevertheless true, that the prohibition law brought about a disrespect not only for the prohibition law itself but for all of our laws, and therefore I repeat that we can not expect much improvement in the prevailing conditions until this law is repealed. [Applause.]

In conclusion permit me to say that the Department of Justice should immediately give instructions, if it has not already done so—and I doubt very much that it has—to every field officer, agent, and inspector to devote all of his or her energy and effort to aid other officers apprehend those guilty of these outrageous abductions; and that hereafter the prohibition officers should be requested, as agents of our Government, to devote their time and energy in eliminating crime and not in centering their efforts on finding out whether or not some citizen may have partaken of a glass of beer or, perchance, a glass of wine. I am fully in accord with the statement of the gentleman from Ohio [Mr. COOPER] that we should eliminate crime from our midst. But, I repeat, this can not be done until the cause for the crime is eliminated. Therefore I shall look forward in the near future to seeing some favorable action taken on the bill legalizing beer that has been agreed upon by the wets of this House.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. COOPER of Ohio. The gentleman from Ohio was not attacking the people of Chicago. He was only mentioning on the floor of the House what he read in the headlines of our newspapers a few weeks ago to the effect that these criminals stopped funeral processions in the city of Chicago.

Mr. SABATH. Oh, we read many things in the newspapers which we can not always take for granted. The newspapermen like to print things which will attract attention. In that I do not blame them; but I do hope that from now on they will print, and you will state, the facts as they exist and thus help us reestablish the good name of Chicago by giving it just credit for its great accomplishments.

Mr. KARCH. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. KARCH. Is it not a fact that the Attorney General, who favors the expenditure of these millions for the enforcement of the prohibition law, has made a specific recommendation against the enactment of a law giving the Government of the United States jurisdiction in the apprehension of that kind of violator?

Mr. SABATH. So I understand; it is to be regretted that more attention is being paid by the Department of Justice

to minor offenses, which are in reality no offenses whatever, and that no attention is being paid to the eradication of the actual crime in the Nation. Now, as to the resolution before us. I am in favor of this resolution. I believe that the hungry people of the land should be fed, and I shall vote for the resolution; but once more I call the attention of the country to the fact that the hungry people in the large communities and in the large cities are entitled to some relief. I am willing to help the farmer and relieve the starving people in the rural sections, but, my God, is it not time that something should be done for the hundreds of thousands of starving people in the large cities of the United States? [Applause.]

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Speaker, this resolution in the form it came from the Senate was originally prepared by Representative CHRISTOPHERSON, of South Dakota, and introduced on January 28, 1931, as House Joint Resolution 266, and in the form in which it was recently presented to the committee was a bill which was introduced as a joint resolution in the Senate and House by both Senators from South Dakota and all three Members of the House.

The reasons for its introduction and for insistence on its passage I expect to state in two or three minutes.

Divine Providence has grievously afflicted the people of a large part of South Dakota. In the entire State, with the exception of a few counties, there was practically no rainfall in the crop year of 1931, and what little crop did develop was taken away by a horde or a plague of grasshoppers until in 30 counties of that State no more crop was raised than could be raised on the top of this table at my right. When a little corn was cut and a few weeds had grown up, the farmers of that territory cut the weeds and the corn and tried to carry their cattle over with it, but found it had no food value. At that the cattle might have survived, but a sleet storm came along which froze on the grass that had grown up after the grasshoppers had left. On top of that there came 2 feet of snow, until the cattle now are actually starving, and are being killed in some counties of the State. Within the last four days, in addition to this, this 2 feet of snow has melted rapidly, and they are now facing a flood.

These five catastrophes would not happen all in one crop season once in a generation. If this bill is not enacted and the wheat is not made available, there will be any number of head of livestock that will perish, and this western country will be compelled to begin over again without the livestock that is necessary on a farm.

Undoubtedly, much of this wheat can be used in the cities where there is distress, and I approve of the amendments that have been made to the original resolution by the Committee on Agriculture. It is regrettable that the State of South Dakota has not so changed its constitution that it could meet an emergency of this kind, as was so well called to the attention of the committee by the gentleman from New York [Mr. CLARKE]; and I believe that the States of the United States must change their constitutions so they can meet this sort of an emergency. [Applause.] It can not be met to-day in the State of South Dakota because of a constitutional provision written a great many years ago, and therefore this legislation is the only method of relief that we can have.

The governor of the State asked an opinion from the supreme court of the State, as he was entitled to do under our statutes, and they construed in advance the constitution.

I urge, for the protection of these people who have suffered so much, due to no fault of their own, that this resolution be passed, that the people of the State be enabled to save a few head of livestock, the few head of horses and cattle that they have, so they can again pick up in 1932 the threads of existence which have been so disorganized by acts of nature.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I yield to the gentleman from Iowa.

Mr. COLE of Iowa. How soon can this wheat be made available in these cases?

Mr. JOHNSON of South Dakota. It can be made available at once because there is approximately 1,500,000 bushels of this wheat in five elevators contiguous to or in the area where it is needed.

Mr. COLE of Iowa. The quicker the better.

Mr. JOHNSON of South Dakota. It could be done day after to-morrow if the bill were signed by the President to-day, because of the availability of the wheat, some of which is stored in the area affected, and the rest of the wheat needed could be brought in from Sioux City and Omaha and Minneapolis, where it is stored, very shortly.

I may say that the railroads of the State have offered to carry this wheat from the elevators in the State to the places where it is needed, and they deserve every credit for the action they have taken in this regard.

[Here the gavel fell.]

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Speaker, I know of nothing more desirable than a fine and delicate sense of humor, such as we will say is possessed by our President. The press a few days ago reported a conversation which he had had with a caller in which he told what he said was a good joke on Governor Pinchot of Pennsylvania. Pinchot had been agitating around here, he said, in favor of Federal aid for the starving; and the joke was that, of the funds that he required to provide the aid through taxation, Pennsylvania would contribute 13 per cent of the total, whereas in the distribution of the aid Pennsylvania, by reason of its population, would receive only 9 per cent, so that the governor was advocating taking 13 per cent from his people and giving back only 9 per cent. It was said that the President chuckled over his joke.

Now, the President would have had Pinchot on the hip if the 13 per cent was to be taken away from the same people that the 9 per cent was given back to, but it just so happened that that was not the fact. The 13 per cent was to be taken away from the rich income-tax payers, which did not include the hundreds of thousands of starving Pennsylvanians. The tax was to be taken from the Mellons and others of their class, but the aid was to be given to such as the thousands of starving miners in Washington County, Pa.

It would still have been a good joke, apart from this fact, if the money had been taken away from a particular class that Pinchot represented and had been distributed to a class that Pinchot did not represent. It would have been an excellent joke on the President had he been Governor of Pennsylvania, if, in his anxiety over the interests of rich men and propertied classes, he is able to forget the sorrow and despair of those who are starving. But it was not much of a joke on Pinchot.

It is usual to find public men advocating the interests of those who have supported them. It is usual to find them with a convenient set of principles which respond to the interests and desire of the classes that the public man represents. Where you find a public man representing wealth and power, you usually find him with a set of principles which forbid the doing of anything which will militate against the interest of that class. [Applause.]

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker and Members of the House, you have listened to several speeches to-day denouncing the recent kidnaping of Lindbergh's baby boy. I do not propose to use any time to defend any kind of crime, and particularly the most horrible and fiendish of all, kidnaping. But, I can say to you that as long as the American people are hungry and starving you are going to have all kinds of crime. [Applause.] It must be self-evident to you that those who are starving and have children at home who are undernourished will do a great many things that they would not do in violation of law in normal times.

The bill we are considering for the undernourished and starving will do a great deal to relieve the crime wave. I congratulate the Committee on Agriculture and the Committee on Rules for reporting out this bill to afford relief to millions of Americans who are unemployed and in need through no fault of their own.

Mr. CLARKE of New York. Will the gentleman yield? Does the gentleman understand the real purport of this bill is not to relieve human beings but starving cattle?

Mr. FISH. That may be the gentleman's view of it but it is not the view of the Members of the House. This is to relieve human misery, and if we have anything left we can give it to the starving cattle. This is the first bill reported out of the Committee on Agriculture or any other committee of the House controlled by the Democratic Party to relieve human suffering in the United States. I want to congratulate those Democrats, like Representative LUDLOW, of Indiana, Representative LONERGAN, of Connecticut, and those Republicans, such as Representatives CAMPBELL, of Iowa, CLANCY, of Michigan, and LAGUARDIA, of New York, who have been advocating and fighting for similar legislation for the last two or three months. The bill should have been reported out on the first week of January, when a practically identical bill came over from the Senate by a unanimous vote authorizing the distribution of 40,000,000 bushels of wheat through the Red Cross after it had been processed into flour.

The only trouble with this bill is that it should have been reported and acted on two months ago, when Senator CAPPER'S bill came over to the House and was referred to the Committee on Agriculture. The economic conditions in the country were the same then as now, and there were then millions of American people unemployed and in need and on the verge of starvation. Why the delay? If it is a good measure now, it was equally so two months ago. I have been much amused by the antics of some of the members of the Committee on Agriculture, Democrats and Republicans alike, who have been obliged to eat crow and are now rushing to board the band wagon.

When I raised the issue just a week ago on the floor of the House and had a controversy with the chairman of the Committee on Agriculture I was denounced as a demagogue.

I suppose the gentleman of Texas's interpretation of demagogue is a Republican who asks the Democrats in the House to assume responsibility for legislation and report out measures such as this, aimed to relieve human misery. If that is a correct interpretation, then I admit and assume the charge.

This bill will do a great deal to immediately provide bread for millions upon millions of undernourished American men, women, and children. It will take care of 10,000,000 people, as far as bread is concerned, for the next 10 months. It is a disgrace and an outrage that this country of ours, with an overabundance of foodstuffs, should permit millions of our own people to continue to be undernourished and hungry. In the big cities of the country, and particularly in the colored districts, there has been virtual starvation. Fifty per cent of the colored people in New York, Detroit, Philadelphia, and Chicago have been unemployed and have been virtually starving. I received a letter to-day from a banker in Harlem, who stated that " some relief has come to Harlem this winter as a result of the general drive for the unemployed, but 50 per cent of negro families are wholly or partly unemployed and relief has been possible for only about 10 per cent. Whole families that are starving, sick, and in despair; hundreds of men who need courage to 'hold on'; children who need protection as they have never needed it." The same situation applies to white people in great industrial cities. This bill alone will afford relief to millions of American citizens at no cost to the Government of the United States. The passage of this measure will not cost the taxpayers a penny but will save them $6,000,000 instead. As a matter of fact, it saves the storage on 40,000,000 bushels of wheat, for which we have been paying 15 cents per bushel per year. We have also been paying Canada $2,500,000 for storage of our surplus wheat in Canadian granaries. If there are those who want to vote against this bill, let them vote against it, but let them know the facts, and let them not say that they voted for this bill on compulsion and are ashamed of it. This is not a dole, this is not unemployment insurance, this bill carries out a fundamental principle of all government and the reason for government and is above and beyond the Constitution, and that is the duty to feed our people and not let them starve in serious depressions and in great emergencies. Any other course would be a national disgrace, particularly when our Government is engaged in hoarding an enormous surplus of wheat. The following letter from a gentleman in Minneapolis is an indication of the viewpoint of the Middle West on the bill before the House. I do not believe that the record vote in the House will show that the Members are any longer hopelessly divided.

MINNEAPOLIS, MINN., *March 1, 1932.*

Hon. HAMILTON FISH,
House of Representatives, Washington, D. C.

MY DEAR MR. FISH: It is with the greatest pleasure that I learn from press reports that you are insisting on the consideration by the House of a resolution for the appropriation of 40,000,000 bushels of Farm Board wheat for distribution through relief agencies to our millions of hungry unemployed, regardless of the unfavorable action by the Committee on Agriculture recently.

While sentiment is hopelessly divided as to the wisdom and propriety of Congress appropriating money for this purpose, there is almost unanimous approval for the movement being pushed by you, and I want to say if Congress really wants to do something for the needy, it should rally and put over this appropriation.

It will not only be a god-send for so large a number of our people, but will give employment to the elevators and mills in loading and grinding of this wheat, and will produce considerable revenue for our harassed railroads and be the means of reducing our burdensome surplus, and I sincerely wish you every success, as I feel it is no time to be quibbling about the dole and precedent when confined to wheat with no market, and with prices about one-half the cost of production.

Sincerely yours,

W. H. BOWKER.

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from South Dakota [Mr. CHRISTOPHERSON].

Mr. CHRISTOPHERSON. Mr. Speaker, I never thought it would be my duty to ask for aid for the people of my State, as we are asking for in this measure. South Dakota, generally known as the Sunshine State, is a highly productive agricultural area of our country, producing, as a general rule, crops in abundance. I have lived in the State for over 40 years, and during that time I have never seen a situation such as prevails there at this time. It seems that nature played against us. There were a number of years preceding with insufficient moisture, and these were climaxed by a year of extreme drought in 1931. The meager crops which we did raise last year were consumed by the grasshoppers, leaving the State almost wholly without a supply of food for livestock. Then to add to the burden, late in November we had a light snowfall, followed by warm weather which melted the snow.

Then came cold weather which formed a coating of ice over what grass remained on the plains. That was followed by deep snow, in some places as much as 3 feet, and extreme cold weather. The result was livestock perishing because of lack of food. The American Red Cross came in and has been rendering wonderful help. Their first purpose, of course, was to aid the people who needed food, but observing the situation, and realizing the distress among the farmers and their inability to take care of their livestock, they made an exception, enlarged upon their activities, and have been supplying feed for the farmers so far as their resources permitted. They have rendered wonderful aid to the distressed farmers in this unusually severe winter.

The people of South Dakota have not laid down on the job and looked entirely to outside help. They have contributed liberally in the towns and in the cities to the relief fund, and have done all that they could in aiding the Red Cross in supplying food and feed; but the situation is one beyond their ability to take care of, and without some help of this kind thousands of head of stock will perish before the grass is available in the spring.

It does not seem to me that the allocating of this wheat to the Red Cross to aid in this relief program will cost the Government anything. This wheat is being absorbed by

storage and insurance charges at the rate of 18 cents per bushel per year, and it is my belief that the quicker this surplus wheat can be disposed of and cleared out of the elevators, the better off we will all be, especially so the wheat-producing farmer. The question may come to some of you—the one touched upon by my colleague, Mr. JOHNSON—why the State can not issue bonds to take care of this situation? The State has sought to do that, but because of provisions in our State constitution can not do so. When our constitution was written 40 years ago there was strong sentiment for constitutional restrictions, and there was written into it many specific limitations which are still there. The Supreme Court advised our governor, in an advisory opinion, that the legislature would have no authority, in view of the restrictions in our constitution to authorize the issue of any bonds for the purpose of purchasing feed for stock. But for these provisions of our constitution the governor would have called the legislature of our State into session to take care of the matter on the State's credit, which is good. I am expressing the hope that not only the rule now under consideration but also the Senate resolution may be adopted, so that the quantity of wheat stated, or so much as need be, may be turned over to the American Red Cross to aid that organization in the splendid service they are carrying on in our State, which will be most helpful in this trying time. It will aid us in an unusual situation brought about by adverse climatic conditions which we could not anticipate and enable our farmers to keep their livestock until spring and feed is available in the pastures.

Mr. MICHENER. Mr. Speaker, I yield three minutes to the gentleman from Ohio [Mr. WHITE].

Mr. WHITE. Mr. Speaker, it is with some degree of embarrassment that I rise at this time to look you gentlemen in the face and ask for grain to feed livestock, because in our cities we have had throughout this winter many millions of destitute people. Several weeks ago I introduced a bill similar to this requesting that this wheat be given to the relief of the destitute in the cities, through the Red Cross, with provision that such measures be taken to prevent it coming into competition with the wheat on the market.

I think such a provision could be made, and I think it is justifiable to pass this bill, even if it is in the interest of the livestock, in order that these people may be helped. There are many millions in the cities who have no work and who have no means of obtaining a livelihood at this time except through charity. The Senate demonstrated a few days ago that there was no disposition to use public funds to help these people, despite the fact that the cities were willing to pledge their resources to see that the funds were returned to the Government. If we can help them in this way, let us help them. I am willing that some of this wheat go to the livestock, but let us have some of it for the destitute people in this country who are in desperate need. I appeal to you now in their behalf. [Applause.]

Mr. MICHENER. Mr. Speaker, I yield three minutes to the gentleman from Montana [Mr. LEAVITT].

Mr. LEAVITT. Mr. Speaker, this bill has been very considerably enlarged in its scope since it passed the Senate. It is now a particularly valuable bill toward meeting the crisis which exists.

As the measure was originally introduced it had to do particularly with the situation in the Northwest. I have just learned, in talking with one of the Members, that it is perhaps not generally known that the Red Cross, in a recent statement, included the following words in referring to the drought situation in some of the Northwestern States:

> In the extent of territory and number of persons affected it has been exceeded in the last 10 years only by the Mississippi flood and drought relief operations of 1930–31 in the Southwest.

There have been some sections of the Northwest stricken by three successive years of drought. In other sections, two successive years of drought; so that there has been complete loss of crops. Our drought did not end in a year, as in the Southwest. It became a necessity for the Red Cross, in the praise of which we are sincere, to go into the field and take care of a situation which was, I repeat, in the mind of the Red Cross itself, more severe than all but two similar situations existing in the last 10 years. It involved by no means all of my State, but constituted a tragedy in several counties. My State has responded liberally on its own part, but with the general depression added to by this drought, the burden has been beyond even such sturdy and self-reliant people.

Mr. Speaker, I ask unanimous consent to include the statement of the Red Cross in connection with this situation, in order that my support of this legislation may be fully understood and justified to even the most conservative mind.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The statement referred to is as follows:

RED CROSS DROUGHT RELIEF IN THE NORTHWEST

By William M. Baxter, jr., manager midwestern area, American Red Cross

Measured in terms of economic loss, the resulting human distress, and the extent and nature of necessary relief operations, the drought in the Northwest represents one of the major disasters of recent years. In the extent of territory and the number of persons affected it has been exceeded in the last 10 years only by the Mississippi flood and drought relief operations of 1930–31 in the Southwest.

The Red Cross began relief operations in Montana and North Dakota during the fall of 1930, following an unprecedented drought of the preceding summer. The situation in the South Dakota-Nebraska area developed in the fall of 1931 as a result of a serious drought during the spring and summer months. A plague of grasshoppers completed the destruction begun by lack of rainfall in this area.

Beginning with the extension of relief to victims of the drought in August, 1930, by a few chapters in Montana and North Dakota, the area of acute distress has steadily expanded as the drought continued, until it includes at the present time 81 counties in the four affected States.

Following conferences with State leadership in Montana and North Dakota last September, a joint campaign presenting the annual roll call and an appeal for drought-relief funds in those States was conducted. Quotas were established by State committees in conference with representatives of this office, and the result of the appeal has been extremely gratifying. Incomplete reports as of January 31 show contributions in North Dakota and Montana of $412,529. The Red Cross has made no special appeal in South Dakota and Nebraska.

As of January 31, 16,875 families, or 79,836 persons, in the four States were receiving Red Cross assistance in food, clothing, fuel, medical supplies, and other necessities, representing an expenditure of $1,203,475.

Anticipating severe weather conditions, the Red Cross furnished thousands of homes in remote sections of Montana and North Dakota with a winter's supply of their primary food needs, such as potatoes, beans, and flour. Replenishing the cellars and pantries of beneficiaries with these necessities strengthened their morale to a remarkable degree.

Through the generosity of farmers, merchants, and manufacturers in North Dakota, Montana, Minnesota, and Wisconsin it has been possible for the Red Cross, through its chapters, to distribute to drought sufferers of the two affected States 356 solid carloads and 209 partially filled cars of donated supplies since this program was launched last October 1. These supplies represent a contribution of approximately $265,539, including the estimated value of free transportation. Of all items contributed, potatoes top the list, 208,104 bushels of them having been moved into the affected area. Two hundred and twenty-five freight cars were required for the potato shipments alone. Other items constituting the bulk of the contributed supplies include apples, 10 cars; beans, 5 cars; flour, 6 cars; sheep, 2 cars; wheat, 1 car; mixed foodstuffs, 113 solid cars and 41 partially filled cars; clothing, 1 solid car and 154 partially filled cars.

Because of the length and severity of the winters in the Montana-North Dakota area, the need for warm clothing, particularly among the children, has been exceptionally large. The first major step toward meeting this need was taken early last fall when a used-clothing campaign was conducted by chapters in these two States. The chapters were assigned quotas which totaled 10,350 children's outfits, divided equally between boys and girls. Before the year ended most of the chapters had reached their goals, but by that time the fury of winter was bearing down. Hundreds of families which until then had withstood the drought's effects were forced to seek Red Cross assistance. When it became apparent that the demand for warm garments would exceed the supply collected, an appeal for knitted garments was sent to chapters in most of the States of the mid-western area. As a result of this action, volunteers in 52 chapters in 13 States produced a total of 23,024 knitted garments for needy children in the Montana-North Dakota area. The entire output included 624 pairs of mittens, 580 pairs of stockings, 684 sweaters, and 412 helmets. Cooperating with the chapters, the national organization furnished 3,196 pounds of yarn for the knitters. Aside from the knitted garments, many chapters outside the drought area, as well as in Montana and North Dakota, have assembled and sent hundreds of layettes and other garments into that area.

Upon the recommendation of Gov. George F. Shafer's State drought relief committee in North Dakota, a new state-wide appeal for used clothing was conducted between January 25 and 30. The donated garments were handled through the relief headquarters in Helena, Mont. In spite of the generous response from these various used-clothing appeals, the donated clothing supplement the garments purchased locally for Red Cross beneficiaries. In December alone, for example, the national organization appropriated $35,850 to meet the clothing needs during that month.

For the purpose of receiving and reconsigning donated supplies, which came in such quantities and assortments as to make it impracticable to route them directly into the drought counties, warehouses were opened last September at Minot, N. Dak., and at Billings, Mont. These warehouses, manned by local personnel, remained open until December 15 and December 21, respectively. In order to handle final shipments of potatoes which were received after all counties in the drought area had been given a supply, a third warehouse was opened at Berthold, N. Dak. Operation of the warehouses made it possible to distribute all donated clothing and foodstuffs in a more efficient manner.

Such a program as the donated-supplies distribution would not have been possible without the cooperation of the railroads. The estimated value of freight service donated by various railroads, hauling the supplies without charge, amounts to more than $100,000. This contribution has been made largely by the Great Northern, Northern Pacific, Soo Line, and Milwaukee Railroads. In addition to handling the supplies without freight charges the railroads have made further contributions toward relief of distress by reduced freight rates on feed for livestock in the stricken counties.

The donated-supplies campaign is only supplementary to the organization's general drought program. In accordance with its usual disaster methods the Red Cross purchases the greater part of needed supplies locally, thereby stimulating business among the merchants of every county in which distress exists.

In the summer of 1931 the United States Indian Bureau was confronted with a major problem resulting from the distress of Indians on or adjacent to reservations in the drought area. The appropriations by the bureau for relief were exhausted and no further funds were available until appropriations had been made by the Congress. The Red Cross agreed to assist the Indian Bureau in dealing with this phase of the drought problem, and accordingly has appropriated $130,600, which is being expended by the Indian Bureau for the relief of Indian families.

These figures, including direct expenditures by the Red Cross for family relief, and the appropriation to the Indian Bureau for the relief of Indians in the drought areas, show a total expenditure by the Red Cross as of January 31 of $1,334,075, and the distribution of donated supplies valued at $265,539.

The following statement shows the case load in the four States as of January 31, exclusive of Indians being aided through the Indian Bureau:

	Families receiving assistance	Persons receiving assistance	Number of persons aided to date
Montana	5,929	28,162	41,219
North Dakota	7,070	33,583	47,440
South Dakota	2,631	11,817	14,399
Nebraska	1,245	6,274	6,603
Total	16,875	79,836	109,661

Following approval by the Department of Agriculture in August, 1931, of the extension of Government loans for the purchase of feed for livestock to farmers within the recognized drought counties, such assistance was extended to 18,584 farmers in the four States, amounting to $3,669,640.

During the latter part of January, 1932, the severe winter weather with heavy snows throughout the Nebraska-South Dakota area seriously increased the problems of farmers attempting to carry livestock through the winter with inadequate feed supplies, and extensive loss of livestock dying from starvation was reported. Following receipt of reports of these conditions, the Department of Agriculture approved Government loans from the unexpended balance of the 1931 $20,000,000 agricultural rehabilitation fund for the purchase of feed for livestock. In both Nebraska and South Dakota State and local campaigns are under way for the purpose of securing volunteer contributions for the purchase of stock feed, to be distributed through Red Cross chapters in the drought counties. These campaigns are not being conducted by the Red Cross, but the chapters are cooperating with the different agencies sponsoring the effort. In addition to the above, the Governor of Nebraska has been sponsoring, in cooperation with the American Legion, a State campaign for the collection of foodstuffs and stock feed which are being distributed in the drought counties through the governor's own committee.

Following the peak of relief activity in February, it is expected that the relief load will be materially decreased in the spring months. By early summer the Government crop-production loans from the $50,000,000 fund available for that purpose will have been made, gardens will have matured, and crops to be harvested in the fall of 1932 will be in the ground.

The service being given on all sides by Red Cross volunteers, State officials, organizations, and others interested in the welfare of those affected is outsanding. In January 1,650 Montanans and North Dakotans and 1,073 citizens of South Dakota and Nebraska were serving the Red Cross as volunteer workers in the interest of their stricken neighbors. These figures include only those regularly engaged in the relief operation. It must be remembered that additional hundreds in each State have given some time to the program in past months.

Mr. LEAVITT. I refer to this briefly because it shows a solid foundation for the sincere interest in this bill of those of us who represent the Northwestern States. But in addition to any special interest, our support is much broader in its sympathy than any local application. We realized fully what a condition of unemployment exists throughout the United States as a whole. We favor the increased relief to the distressed of the entire country that is carried in this bill as it comes from the House committee. We will unanimously vote in favor of the enactment of the legislation as it is now drawn.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I have been more or less familiar with this legislation since it was first introduced in the Senate several weeks ago. As far as I know, there is no opposition on either side of the aisle to the enactment of it. The only regret I have is that it was not brought into the House three or four weeks ago in order that we might have given worthy, needy people the benefit of this free wheat at an earlier date.

As a usual proposition I should not be in favor of giving away wheat which belongs to the Government; but under the extraordinary situation which exists throughout the country at the present time, from the actual poverty that exists in the centers of population, and also, to a more or less extent, in the country districts, I do not believe it is possible for us to do anything better than to pass this law and give the Red Cross an opportunity to distribute this wheat. As I understand it, the Red Cross is perfectly willing to assume this obligation.

As far as the cattle in the northwestern part of the United States are concerned, I feel that probably that is just as important as anything else, because it has a very direct bearing on the prosperity of the people themselves. If we do not take care of the cattle at this time we may have to take care of the people themselves at a later season of the year.

Furthermore, we will save some money, because we can not sell this wheat without breaking the market, and, as I understand, it costs 1½ cents per month per bushel to carry it. The sooner we distribute it and give the people the benefit of it the better it will be.

A question has been raised by one or two Members relative to a limit of time when this wheat should be available. As suggested in the bill, it is "from time to time." It seems to me we ought not to leave this an indefinite period, and it would be better, in the consideration of the bill, if we should provide some limitation. For instance, at any time prior to May 1, 1933. It does not seem that it would be necessary to go further than this winter and perhaps next winter. I hope the Committee on Agriculture, when we come to consider this bill, will consider such an amendment.

Mr. GLOVER. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. GLOVER. I understand an amendment of that kind will be offered by the chairman of the Committee on Agriculture.

Mr. SNELL. I am very glad to hear that. I think the best thing we can do is to enact this into law and give the people the benefit of it at the earliest possible moment.

[Here the gavel fell.]

Mr. POU. Mr. Speaker, I move the previous question.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Do I understand the gentleman from North Carolina offered an amendment to the rule as originally introduced?

The SPEAKER. The gentleman from North Carolina asked unanimous consent to consider the committee amendment as an original proposition.

Mr. STAFFORD. Was that reported by the Clerk?

The SPEAKER. That was agreed to before debate on this rule began.

Mr. STAFFORD. I believe the proposed amendment was not reported.

The SPEAKER. The gentleman from North Carolina asked unanimous consent that an amendment proposed by the Committee on Agriculture be considered as an original proposition for the purpose of offering amendments in Committee of the Whole House on the state of the Union, and the House gave that consent.

The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 110, authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 110, with Mr. BLAND in the chair.

The Clerk read the title of the resolution.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the first reading of the resolution be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman and gentlemen of the committee, we are living in rather strange times. We have a surplus of practically every commodity of any consequence, both industrial and agricultural, and yet we have a great deal of distress in America. I am an optimist in so far as our country is concerned, but it is certainly true that we have had a few kinks in our system of distribution.

At the present time the Stabilization Corporation of the Federal Farm Board has 155,000,000 bushels of wheat. It is costing, including interest, storage, and insurance, 18 cents per bushel to carry this wheat. At the present price of wheat it will eat itself up, even if the weevils let it alone, in about two and a half years. The Farm Board has announced a policy of not selling more than 5,000,000 bushels per month. The taking of this wheat will leave 115,000,000 bushels in the hands of the Stabilization Corporation. It will take two years to dispose of that at the present rate of disposal. If we await that period before beginning to dispose of the 40,000,000 bushels every cent of its value will be absorbed in the carrying charges. This takes it out of the realm of the dole and makes it more like the situation of a man having an old suit of clothes or an old coat that he has no use for and that some one else needs very much.

As a general proposition, of course, no one would favor a measure of this kind, but there are crises in every nation's life as in every individual's life.

A nation is made up of people. If you want to know what makes this Nation great you will not find it out by examining the machinery of government, the Capitol, the Congress, or the courts, but go up into the hills of New England and out on the prairies of the West and into the cotton fields of the South, where there are folks, just plain honest homespun folks, who act squarely, deal fairly, and who serve their country in peace and in war. [Applause.] These make a nation. Destroy the American machinery of government and the American people will built it up in three days, but destroy the morale and stamina of our people and the Capitol and machinery will be but empty symbols. [Applause.]

There is a human side to this question. The greatest, the richest, and most powerful nation in the world can not afford to have citizens who are willing to work, who are loyal, and who have fought its battles walking its streets hungry. [Applause.] I had hoped the discussion to-day would be free from partisanship.

I am willing to give the gentleman from New York such credit as may be his due, but I notice his effort to unload the blame for the seeming delay on this proposition on the Democratic Party. I want to say that the Agricultural Committee of the House is composed of many members who are anxious to do their duty, who will listen to testimony, who will act reasonably, and have almost always acted without partisanship, or, at least, with little partisanship. In my judgment, it is a great committee. I am proud of the record it is making. But waving aside the question of which party is responsible for getting us into the state in which we find ourselves and which makes this sort of legislation necessary, I want to state that while the gentleman from New York [Mr. FISH] conducts himself well and makes a good presentation as long as he sticks to his facts, when the gentleman leaves this field and indulges his political imagination it is an entirely different story. On political questions the gentleman from New York thinks he is right, as he always does, but, as a matter of fact, he is wrong, as he usually is. [Applause.]

The fight against bringing this legislation out at an earlier date was made by a Member of his own party, and even though that party, in so far as governmental policies have affected the situation, is responsible for present conditions, if that party in the committee not only had not assumed any responsibility but had refrained from voting, the Democrats would have voted it out a month ago. [Applause.] The record will show that. That much in answer to the gentleman from New York. I am not bringing up party matters, but I am making the statement to the committee that the Democrats would have voted it out more than 2 to 1 a month ago. Those are the facts.

Gentlemen, that is merely beside the issue. I had hoped no one would undertake to bring politics into this matter. This is a matter, I am sure, in which every Member of this House is vitally interested.

We have this wheat. It is deteriorating. I do not see any reason on earth why the American Government can not show that warmth of spirit which will at least enable it to discard an old and worthless garment in order to see that its citizens do not suffer from hunger and are not kept in misery and want. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. KETCHAM. Mr. Chairman, I yield myself two minutes. Mr. Chairman and gentlemen of the committee, I think it is but fair to say to the committee as a whole that while a few weeks ago some evidence was presented as to the general necessity for legislation of this sort that the critical situation in the Northwest which brings the action of the committee before you to-day was not presented until within the last two or three days. Upon that evidence, which was compelling, the committee acted very promptly and the matter is here now for your consideration.

In order that I may set the situation out in the fewest possible words may I read a few words from a telegram received by Representative CHRISTOPHERSON from Mr. Ralph W. Tackaberry, general secretary, chamber of commerce, Sioux City, Iowa:

Spent Wednesday with Evans at Mitchell.

Evans is the efficient representative of the Red Cross in that area.

Feed needs in drought area of Iowa, South Dakota, Nebraska next 90 days tremendous. Voluntary contributors can not carry the load much longer. Ten to fifteen thousand farmers needing feed for foundation stock, from 50 to 100 bushels. This disregards farmers with large herds.

The bill before us is, therefore, a double proposition; it provides food for human beings in any part of the country where necessity develops and, in addition thereto, provides feed for so-called foundation livestock in the crop-failure areas of 1931. The able Representatives from South Dakota, accompanied by their junior Senator and supported by other Members of Congress in that area, presented a graphic pic-

ture of the distress. A combination of crop failure in 1931, accompanied by destructive grasshopper invasion, practically ruined crops of all kinds. On top of this an exceptionally hard winter is just coming to a close. The combination has taxed the resources of this whole section as well as making substantial levies upon near-by communities to supply both food and feed.

A careful survey indicated immediate need for 3,500 cars of corn, 900 cars of small grains, and 12,500 cars of hay. No provision is made in this measure for the purchase of hay, but wheat could be substituted for corn, which would make the requirements in South Dakota alone 4,400 carloads.

John Barton Payne, chairman of the American National Red Cross, appeared before the committee and emphasized the special needs of this area and stated that the Red Cross would be glad to assume the responsibility of administering whatever relief might be provided. When questioned as to whether or not he would prefer to have the cash rather than the actual wheat he replied, "The Red Cross would not accept a cash donation." He further stated that the Red Cross "would accept any commodity which Congress thought should be given out for relief purposes, because the commodity passes and that is at an end, and that establishes, as I see it, no dangerous precedent." This distinction evidently indicates Mr. Payne's differentiation between the relief provided in this bill and what is commonly known as a dole. Various phases of the bill will be presented in discussions by other members of the committee. In my opinion immediate action is required if the situation in South Dakota is to be met. Every community has done its best to meet the entire situation without outside help, but their resources are insufficient. I, therefore, earnestly hope that a practically unanimous vote may be given the bill, without material change, in order that the wheat may begin to move into this particular section at the earlist possible moment.

Mr. Chairman, I yield five minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Chairman, the gentleman from Texas [Mr. JONES] has so well expressed the situation that exists generally throughout the country that there is not very much need of further elaboration at the present time.

I think this is the first time in the history of the Northwest, at any rate within my recollection, that we have felt obliged to come to the Congress and ask relief of the character provided for in the pending resolution.

Last year in South Dakota was a season of subnormal rainfall. We had only about 30 to 43 per cent of normal rainfall during the growing season in my district. Upon the east side of the river we had a rainfall of between 43 and 70 per cent of normal. You people know that this amount of moisture can not produce a crop where the normal rainfall is from 17 to 25 inches per annum.

On top of all this we had the worst scourge of grasshoppers that any State in the Union has ever experienced. The devastation over 10 or 12 counties was so complete in many places that there was not feed enough left on some farms to feed a cow or a horse or a sheep. Other counties suffered severely but had some feed. Many farms were left as barren of vegetation as the floor of this Chamber. No one who did not see the area could have any conception of what that country looked like. There were many farms in that territory where there was not a tree left with a leaf upon it. In some places shrubs and trees were just as barren as they are in midwinter. No forage of any kind was produced and no grain of any description went into the bins. Many of the farmers in the grasshopper-infected area moved their stock out of the country as early as September into territory where there was some feed.

To make matters still worse, we had an early snowfall in November, followed by a thaw which left the ground caked with ice. Further snows came in the following weeks and they have remained on the ground during the entire winter. As a result livestock could not feed upon the prairies, thereby rapidly depleting the meager supply the farmers had. About all the feed the farmers did have was what was left over from 1930, or such straw or Russian thistles as they were able to get. Many farmers cut the Russian thistle along the roadside, along the edge of the fields, and everywhere a particle of forage could be found, in the hope of pulling their livestock through the winter. If we had had a normal open winter, our stock would have come through without danger of a great deal of loss, but for more than three months now we have had to feed. Feed has become completely exhausted in many areas. The Red Cross has shipped in large amounts of hay and grain, local people have subscribed considerable amounts of money and have purchased feed and sent it out to the farmers, and many carloads donated by the people of surrounding States have been shipped in; but with all this aid it has become perfectly apparent that unless some further aid can be secured we are going to lose thousands of head of stock in South Dakota, eastern Wyoming and Montana, and in certain parts of Minnesota, and even in several counties of Iowa.

I am glad that the Committee on Agriculture amended this bill so as to make the wheat available for human food. This should have been done a long time ago. However, under this measure help should come in time to save the livestock in this territory, if the bill goes through conference shortly and the wheat can be immediately sent into the area where the need is the most pressing.

We have assurances from the Red Cross that they have the organization ready and can move this grain into the affected area within a few hours after the passage and approval of this bill.

I have every confidence that this will result in saving a very large number of cattle throughout the entire Northwest and will be of inestimable value to the needy people throughout the country.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield five minutes to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Chairman, I am going to support this resolution solely on the ground that grinding and distributing 40,000,000 bushels of wheat will tend to relieve the serious suffering that we have to-day among the unemployed and distressed people of the country.

Judge Payne and others coming before the Committee on Agriculture on this resolution stated that especially in the cities they had just as much distress and need of garments and clothing as food to be distributed to these people.

For your information, I may state I have pending before the Committee on Agriculture a bill proposing to use not to exceed one-half million bales of cotton on the same basis and under the same organization that will handle this wheat proposition. Judge Payne stated, and so did the members of the Farm Board, that cotton could be handled just as easily and as quickly as the wheat.

In voting for this resolution, I want to state to you, my friends, we are not doing anything that will really help the farmer, because we are only taking out of the wheat we now have stored 40,000,000 bushels, without giving any authority to the board to go into the open market and buy back this 40,000,000 bushels of wheat, which in that instance would help the price of the wheat now in the hands of the farmer.

This Congress has been appropriating millions to help railroads, bankers, and corporations, but up to this time, my friends, this Congress has passed very little legislation that will really help farmers or cure the serious economic condition that now exists.

I want to say that until the Congress does something to put the millions of unemployed to work at a fair wage rate, and gives farmers a fair price for that which they are producing, you are going to continue to have to vote millions for the Finance Corporation, and millions of bushels of wheat for the distressed people of this country. [Applause.]

These people who are in such a distressed condition to-day are not in that condition because of anything they have failed to do. These people are anxious to go to work, they are begging for work; there are millions of farmers anxious to pay their taxes and pay their obligations, and it is no fault of theirs that they are not doing it, because they are

unable to sell their products at a price which will enable them to meet their obligations.

Someone may ask, how are you going to do this? It is a strange thing to me as a layman, that this Congress is able to pass legislation whereby you relieve the railroads and the public utilities so that they may receive a fair profit. Certainly, there ought to be some scheme where we could legislate to bring about a fair price for agricultural interests.

I am hoping that the bill will pass, because, as I stated a few minutes ago, it will tend to relieve this distressed situation that we have at this time. It is my belief that until we do something for the agricultural interests which will tend to help every interest you will have to continue to do this, and perhaps pass other unsound, temporary relief measures. [Applause.]

Mr. JONES. Mr. Chairman, I yield five minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Chairman, we have before us at this time a bill of very great importance, which turns over to the Red Cross wheat now in storage, for the relief of people in want and hunger. It is estimated that we have more than 8,000,000 people now in the United States out of employment, and, of course, that means that many of them are in destitute circumstances and want.

We have recently had hearings before the Agricultural Committee, of which I am a member, on the bill now up for consideration, that aroused the sympathy of every man who was a member of that committee. In the Dakotas and the adjacent States that are now suffering so badly the picture brought before us was one of absolute pity, which deserves immediate relief.

We had there before us the pictures of many cattle, horses, and other animals starving to death. I thought a little more than a year ago, in the State of Arkansas, where I have the privilege of living, that we had as deplorable a situation as could possibly exist, but when we see the conditions of these States where snow is piled up all over the entire surface of the earth to such an extent that there is no way of travel and absolutely nothing for stock to feed on it presents a more deplorable condition than my own State has recently gone through with.

Fortunately for Arkansas, we had a warm winter that saved the lives of much of our stock, but in this other region they must be fed as well as the people or almost all of the stock will starve.

The people of the adjacent States to this territory have come to their rescue as best they could, but yet the picture is dark. The Representatives from those States appeared before us pleading for the relief from the distressed condition there, as described to you.

The United States Government now has multiplied millions of bushels of wheat piled up in the bins of the United States, and the cost of carrying it is a heavy charge; and, besides that, if kept in the storage too long it will soon be a total loss to the Government. It would seem a pitiable shame to allow this wheat to remain in the bins while people and stock suffer in the midst of it.

Some have charged that aid of this character would be equal to a dole. I do not agree with that thought at all. I am as much opposed to a dole as any man in this Congress, and I do not want to see the United States Government ever go into that system. But there is a difference between feeding a hungry man and a dole. There is no person that has a spark of feeling for humanity that would dare say that the Government, with all of this wheat in its hands and food that could be delivered to persons in distress, should stand by and let them suffer and hoards away this wheat.

The truth of the whole matter is that if the hungry were properly fed and those needing clothes were properly clothed there would be no great surplus of wheat, corn, cotton, rice, or any other of our great staple crops but they would be consumed and the price for them would be far greater than it is now. [Applause.]

We had before us this week that great humanitarian, John Barton Payne, who stated that his organization, the Red Cross, would administer this wheat to the use of those in distress. It goes without saying when it is administered through the Red Cross that it reaches only those that are in absolute need, because of the large experience that this organization has had in relieving humanity. [Applause.]

The railroads have been very kind indeed as stated by Mr. Payne, in that in practically all of the distress they have carried the feed and food free of charge where it was administered by the Red Cross, and he had every reason to believe that they would do so in this case.

The by-products produced from the milling of wheat into flour will pay every expense connected with it. Besides that the great millers of the country have been very generous and kind to the suffering humanity and have contributed to them by processing wheat into flour free of charge.

The only argument that seems to be offered against the using of the wheat now in hand by the Government, is that other wheat-growing countries think that the Government should go out and buy again, on the market, and thus stimulate the trade in wheat.

This seems to be not well founded because the Government has the wheat on hand and it would be nonsensical to buy more wheat when they have plenty already paid for that can be used for this purpose.

If we can help the distressed people out of this dilemma with the same efficiency as the drought relief was handled in the Southland recently, we know it will be only a short time until this distress of these people is removed.

I remember very well when we began the agitation for relief for drought sufferers before in Congress, that it was quite a while before Congress realized as a whole the distress that was then prevailing. A hungry man is a dangerous piece of machinery, and no American citizen that lives and serves under the Stars and Stripes should ever be allowed to suffer from hunger by conditions over which he could have no possible control.

Possibly when the distress of these people is removed by this bill as it will be, they will follow the course of many of those in our Southland. You will remember there was a slight demonstration for food at one point in Arkansas that happened to be in my district. The Red Cross immediately went to that locality and very materially assisted in relieving their distress. A very beautiful illustration of their appreciation was made this year when they had a bountiful crop and coal miners were suffering for food at Henryetta, Okla., these same people loaded up their trucks, 15 in number, with food and carried it over there and delivered it to them, and helped relieve their distress. This is the Spirit of the Master and the spirit of humanity.

The question is frequently asked, when matters of this kind come up, why it is the States do not issue bonds and come to the rescue of their own people. That question was answered by the Senator and Members of Congress who appeared before our committee. They state that the constitution of their States prohibit the issuance of bonds which is indeed a very wise provision for any State, because the most of those who have had the privilege of issuing bonds have issued so many bonds that their State is burdened to death by paying interest on bonded indebtedness instead of having money to run their State and county governments and to maintain schools as they should.

Besides this, it would be very difficult at this time of depression to sell paper of that character even if it could be issued.

If this Congress had in the beginning of this session pursued a different policy, in my opinion, much of the distress that now prevails in our United States could have been relieved before this time. [Applause.]

The first bill that has passed this House that tended to carry relief to the unemployed was only passed a few days ago, and now we find the heads of some of the administrations fighting that measure. This brings about a pitiable situation. Everything that could be done by every depart-

ment should be done to bring about a different condition so that people wanting to work could have employment.

If the Senate passes the bill, it will give employment to nearly a million working men and will relieve about one-eighth of the distress on account of the unemployment. If we could find seven other measures of like kind to give them employment, it would do far more good than the passing of such legislation as has been passed by this Congress and recommended by this administration.

The Ways and Means Committee is soon to report out a measure as is indicated by the press reports, seeking to raise between one and two billion dollars within the next year to balance the deficit in the Treasury.

To my mind, at this time of distress, when no one is making any money except the few that enjoy special privileges, it is nonsense to tax the people to try to raise enough money to balance this within two years. What we should do is use what funds are available and pass this deficiency on to the general debt of the Government without trying to go out and raise it by taxes against the people in this time of distress.

If you attempt to further increase taxes, you will continue to drive capital out of business and into hiding, and the Lord knows we have enough of that now.

My idea of balancing this Treasury deficit is to pass such legislation as is indicated in a bill that I introduced here last week taxing American capital invested in foreign countries. This would from the very beginning bring $50,000,000 or more in revenue taxes each year. That is the character of legislation that appeals to me rather than a direct tax on the individual who is now already taxed until he can not bear the burden. It has been well and truly said "the power to tax is the power to destroy." It seems that we have reached the point in taxation in our State and National Government where we have totally destroyed the business in this country.

When business is prosperous then a revenue tax is collected from income, but when business is stagnated, as it is now, then there is no source of revenue available except through a tariff tax which has been the burden that has held the American people down for these many years.

The trouble with America to-day is that the wealth of the Nation is cornered into the hands of a few individuals.

We know very well when we pass this bill and turn over this relief work to Mr. John Barton Payne that the job will be done well and that everyone suffering will be relieved so far as this relief will go, and it should relieve every needy person in the United States. It is general in its effect and applies to any place in the United States where there is suffering.

I hope and trust this bill will pass the House by a large majority, and I see no reason why it should not. [Applause.]

Mr. KETCHAM. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. CLARKE].

Mr. CLARKE of New York. Mr. Chairman, I know of no better example of Christian helpfulness in the United States than the acts first of Uncle Sam and the Red Cross in their contribution to the distressed people in Representative GLOVER'S district in Arkansas just about a year ago, and I know of no better answer of gratefulness that could be made than the record of that same people in Arkansas, who, having been helped, in turn sent hundreds of loads of food into Oklahoma to help another distressed portion of our United States. [Applause.] That was an outstanding act of "casting bread upon the water" and its being returned all buttered.

Mr. GLOVER. And the very people that participated in the hunger strike in Arkansas carried the food over there—15 cars at one time.

Mr. CLARKE of New York. What are the facts regarding this resolution? There was no politics, unless it was introduced into this proposition on its original consideration, and if politics was then introduced, it came from two men with indistinguishable, phantom ideas regarding the needs of the people, who were playing politics with it, and one was a Republican and the other a Democrat. When we asked them in the Agriculture Committee what they knew about it, they confessed that they did not know much except glittering generalities.

We in the Agricultural Committee have not had any real, exact facts before us until last Tuesday regarding the actual needs of the drought-stricken grasshopper-infested section of this country of ours, and it came before us when those outstanding sons of South Dakota—ROYAL JOHNSON, Representatives WILLIAMSON and CHRISTOPHERSON, and one Senator from there—came over to our committee with the story of the effect of the drought and the grasshopper plague. Starvation going on among the people and their cattle stuck in the snow, dying by thousands, and so forth. When that picture was squarely placed before our committee we instantly dissolved politics and said that the Agricultural Committee stands for helpfulness, and that is where we stand to-day in this resolution.

Mr. KETCHAM. And is it not true that in the other hearings whatever admissions we secured from those who appeared we had to drag out of them?

Mr. CLARKE of New York. Quite right. My only objection to the people of South Dakota coming down here the way they did is exactly the same objection I have had to other Representatives pleading before our committee time after time, claiming that their constitution prevents them from helping themselves. For God's sake, go home and change your constitution so that you can do something for your own people instead of coming here asking Uncle Sam to help you. We also have another class of people coming around here hollering for help, appearing before our Agricultural Committee, saying that their legislature is a biennial or quadrennial aggregation, and that they can not do anything because they only meet every two or four years, and could not at this time help their own people. There ought to be some method of serving notice upon these legislatures and these people that we are willing to go along in this great national and international emergency, but that they should have faith to get their own State constitutions ready for such emergencies and their State laws in shape so that they can help themselves. They will get no help from Uncle Sam.

Self-help breeds self-respect. [Applause.]

Mr. JONES. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I am glad, at last, that the Members of this body have an opportunity to vote on this bill. I advocated before Congress convened the principles embodied in this bill. Since Congress has been in session I have done all I could to bring the bill out of the committee.

When we first held hearings on the bill back around the 1st of January, I voted for the bill to be reported out. The necessity existed then, in my opinion, as much as it exists to-day. A majority of the committee voted against me. Since then, I presume, they have heard from home, because they all seem to be riding on the band wagon to-day.

Is there a necessity? Let us see.

I will only review the testimony of Judge Payne. He stated that the Red Cross was feeding men, women, and children in 1,850 counties, which is about one-half of the counties in the United States, and that these counties were scattered over every State in the Union.

The need, of course, is more acute in some States than others. For instance, he states that the Red Cross is feeding 42,219 in Montana, 47,440 in North Dakota, 14,399 in South Dakota, and 6,603 in Nebraska, and that it has shipped 400 carloads of feed for cattle into South Dakota and 1,000 carloads into Nebraska.

These are just the high spots in his testimony, and they clearly show that a real necessity exists.

The testimony before the committee, to my mind, clearly shows that many of the States and local communities are unable to cope with the present situation, and that in many places if relief is given it will have to come from the Federal Government.

Knowing that the necessity exists, is it not our duty to come to the relief? Shall we be more considerate of the

needs of others than we are of our own people? Why, in time of need we went to the relief of Russia, Germany, and other nations, not with wheat, but with American dollars. Every time the cry has come from Macedonia we have responded. Now the cry comes from America—comes from our own people—and I, for one, intend to heed that cry and vote for this bill.

They are not asking for American dollars, but for some of the wheat owned by the Government. The Farm Board owns 157,000,000 bushels of wheat which cost us 81 cents per bushel, and which, in a few years, if not disposed of, will greatly deteriorate or be eaten up in interest and carrying charges. It costs 18 cents per bushel per year to carry a bushel of wheat.

Why, if we can trade this wheat off to Argentina for 9 cents per bushel, can not we afford to give a little to the hungry? The Farm Board exchanged 25,000,000 bushels of wheat to Argentina for 138,000,000 pounds of coffee, and we will average, I understand, at best, about 9 cents per bushel for the wheat.

Oh, the scarecrow in this bill seems to be the fear of some that it will be considered a dole. Their statesmanship will not permit them to vote for anything that smacks of a dole.

Well, I do not care what you call it; I am not interested in names, I am interested in feeding the hungry. [Applause.]

Why, a piece of bread, made from this wheat, will taste as good to a hungry man whether it is doled out to him or whether he purchases it at the Mayflower and has it served on a silver platter by a liveried waiter, and it will do him just as much good.

We appropriate money to protect our citizens from all known diseases, except the worst of all diseases, undernourishment. We appropriate money to protect the homes and firesides of our people. And yet some seem to think that it is all wrong to appropriate wheat to feed the hungry in our land because someone will probably say it is a dole.

It is a sad spectacle to see men who have never felt the pangs of hunger, who do not know what it means to go without three good meals a day, who are living on the fat of the land, who have never experienced the despair unemployment brings, who are unacquainted with the misery and distress suffered by those who, through no fault of their own, are unable to provide for those God has committed to their keeping, and who must realize the immediate necessity for action, in the name of statesmanship, stand here and quibble over a name—over whether this is a dole or a relief measure—and let that be the criterion by which they will decide whether or not the hungry shall be fed. [Applause.]

Statesmanship! What a crime will be committed in Thy exalted name if this bill is killed because statesmen can not vote for it; if, perchance, they should decide after interminable debate that it is a dole and not a relief measure.

Statesmanship! Why if that is statesmanship all I have to say is—and I am a Presbyterian elder and believe my church will voice my sentiment—damn such statesmanship. [Applause.]

I am not looking to statesmanship to direct me in my vote on this bill. Rather I am looking to my conscience, which has been quickened by the teachings of the One who fed the hungry, for guidance and direction. And I want to bear witness that I have never gone wrong when I followed the inner voice. [Applause.]

Mr. KETCHAM. Mr. Chairman, I yield three minutes to the gentleman from North Dakota [Mr. HALL].

Mr. HALL of North Dakota. Mr. Chairman, as a general principle I would be opposed to this sort of legislation, but in a time of necessity, such as we have faced in North Dakota and in the United States generally during the last two years, I am heartily in favor of it, and I want to say that I believe the people over the grain-raising section of our country are to be greatly benefited by it. I do not believe it will have a depressing effect on the market price of the coming crops. I believe we might as well get it out of the visible supply, out of the show window, at this time, so that we may be able to have some chance of a little better market price for next year's crop.

The people of North Dakota are doing everything possible to help themselves. I know they are doing it in South Dakota. They have greatly benefited through the work of the Red Cross. Our State organizations, all the civic clubs, all the churches are working hand in hand, and we are getting along fairly well, except that we must have something to help out in the feeding of our livestock, the family cow and the chickens, which mean so much to the people living out on the broad prairies and on farms generally in the crop-failure areas. [Applause.]

Mr. JONES. Mr. Chairman, I yield two minutes to the gentleman from Louisiana [Mr. SANDLIN].

Mr. SANDLIN. Mr. Chairman, I do not care to take up much time of this committee. I think what is necessary is the expeditious passage of this measure. I think the Congress has waited too long already. The best thing to do is to pass the bill quickly. Everybody admits that conditions are such in this country that legislation of this kind should be passed. This legislation is unusual. Conditions and times are unusual. We have already passed legislation which is unusual, and before this session adjourns, in my humble opinion, we will pass other legislation which is unusual and which usually does not have the consideration of Congress.

I have been interested in this measure since its introduction. I had the pleasure of appearing before the committee urging that the bill be reported. I hope it will be enacted into law and that much good will come from it. [Applause.]

Mr. KETCHAM. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I deplore the fact that there has been any question of politics injected into the discussion of this question. I am sorry also that the hearings before the committee have not been printed, because I am satisfied that if the Members of this House would read the hearings which were held several weeks ago they would have agreed with at least a majority of the committee at that time that no case had been made out for the donation of this wheat. Since that time the committee has had further hearings, and the three Members of this House from South Dakota and other Members of Congress were there, and in the judgment of a majority of the committee they made a strong showing that some of this wheat was needed for livestock feed in the Northwestern States.

I think that is all there is to the question as to why this bill was not reported out earlier than it was. There was an honest difference of opinion between the members of the committee as to whether or not a case had been made out.

There is one thing that has not been discussed as yet, and that is the important matter of what effect this measure is going to have on the wheat farmer. Representing, as I do, a district which last year produced 14 per cent of all the wheat grown in the United States, I feel that that is a subject which should be given some serious consideration.

I do not believe there is any doubt at all but that if there is a free distribution of 40,000,000 bushels of wheat it is going to have an adverse effect on the wheat market and that those farmers who still have wheat in their bins, holding it for a higher price, are going to suffer. In my district alone I am informed there are to-day something like 35,000,000 bushels of wheat in the hands of farmers. I do not think there is any doubt but that if some of this wheat could go into new channels of distribution it would not affect the farmers adversely, and probably most of the wheat that goes into the Northwest for the feeding of livestock will be wheat that would not be consumed otherwise. This amount, however, will be comparatively small. But as far as the wheat which is going to be used for feeding people in the cities is concerned, I think we will all have to admit that there will be no more of it consumed than would have been consumed if it had been bought in the open market through these relief organizations. The statistics of the

milling industry show that we have been milling just as much wheat during these past few months, approximately, as we did in 1930 or in 1929 or in any normal year. So apparently consumption has been just about the same as it usually is. Therefore I do not think we are justified in saying that the passage of this bill is going to increase the consumption of wheat for food in any way, and if it does not it means we are going to have some of the wheat which ordinarily would be purchased from the farmers of this country given away, thus depriving the farmers of that much of a market.

I wish it were possible to offer an amendment to this bill to provide that this wheat should be bought in the open market from the farmers of this country, so that they would not be called upon to suffer when this distribution is made. Under the form of this bill such an amendment would not be germane, but I sincerely wish the bill was subject to such an amendment, because I do not believe the added burden of this distribution should be borne by the wheat farmers of this country, particularly in view of the fact that every bushel of wheat they produced this year was sold far below the cost of production.

Here is one other matter which I think ought to have some consideration, and that is for every bushel of wheat the Farm Board releases it is going to have to pay 32 cents a bushel. That is the amount of the loans held by the intermediate credit bank and must be paid before the wheat can be given away. That means that the funds which the Farm Board has available for loans to cooperative organizations are going to be curtailed that much, because the board is going to have to pay 32 cents a bushel for every bushel that is released. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield one minute to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman and gentlemen, speaking for the farmers and as one of them, I would advise the membership of the House that the farmers have no desire to profit at the expense of those who are hungry. The farmers have no desire to prolong their hunger. Congress now knows the facts in so far as the condition of this country is concerned. I do not intend to utilize much time, because I do not believe we should prolong the time in which it will be possible to satisfy the pangs of hunger of the suffering people of this country. I see no reason on earth why there should be any continued debate on this very meritorious bill. This is an act of constructive charity under both the inherent and constitutional powers of this Government. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield two minutes to the gentleman from Ohio [Mr. POLK].

Mr. POLK. Mr. Chairman and gentlemen of the committee, it is indeed gratifying to see how our friends on the other side of the aisle are scrambling now to get on the band wagon and be for this bill providing for the distribution of Government-owned wheat for the needy.

Just 21 days ago, on February 12, I called the attention of the House to the reasons why the House Agricultural Committee had not reported out Senate Joint Resolution 60, providing for the distribution of Government-owned wheat for the needy. My remarks on that subject are recorded on page 3821 of the CONGRESSIONAL RECORD.

I have been much amused by the claim made here to-day by some of those gentlemen who had formerly opposed this legislation that they were not aware that there is any actual need for such relief. Be that as it may, I am glad to know that they are now ready to support this proposed legislation.

It certainly speaks well for the leadership of this House that a special rule has been brought in providing for the prompt consideration of this meritorious legislation at this time.

As a farmer, and one vitally interested in the practical effect of this bill on the farmers of America, I disagree with the distinguished gentleman from Kansas [Mr. HOPE] in his statement that this bill will be injurious to the wheat farmers of America. On the other hand, I think it will tend to benefit them. We all know that one of the causes of the extremely low wheat prices during this past year has been this immense amount of wheat hoarded by the Farm Board, which has been hanging over the heads of the American farmers, without the buyers knowing when it might be put on the market, and thus it has depressed the price of wheat far below what that price might have been had not this vast supply of wheat been in existence. The wheat farmers of America will be benefited when all of the 160,000,000 bushels of wheat hoarded by the Grain Stabilization Corporation is disposed of. They will be benefited to the extent that this 40,000,000 bushels of wheat, which this bill proposes to distribute to the needy people of America, will decrease the total amount held by the Stabilization Corporation. And that brings me to a thought I wish to throw in with reference to section 3 of this bill, which provides for reimbursing the Grain Stabilization Corporation with an amount equal to the current market value of the wheat which is given to the needy. In my humble opinion, it is a mistake to even reimburse the Grain Stabilization Corporation for this Government-owned wheat. I think it is merely sending good money after bad. It was brought out over in the Senate, when this subject was under discussion, that the Grain Stabilization Corporation has sold 25,000,000 bushels of wheat to China, and in payment for this wheat they have taken Chinese bonds and other Chinese securities, which are considered by many to be absolutely worthless. Furthermore it has been shown that when the Grain Stabilization Corporation traded American wheat for Brazilian coffee that the amount received by the Grain Stabilization Corporation for such wheat so traded was only 9 cents per bushel. Therefore when we specify in this bill that the Grain Stabilization Corporation shall be credited with an amount equal to the current market value of wheat, we are allowing them far more for this wheat for the needy than they have ever gotten for a single bushel of wheat that they have sold to foreign governments. I am sorry that the committee did not see fit to strike out that part of section 3 which provides for the reimbursement of the Grain Stabilization Corporation. Nevertheless, because of the great need for the prompt enactment of this bill, I intend to vote for it even though it will entail some unnecessary burdens on the Treasury, which would have been eliminated by cutting out this reimbursement clause.

[Here the gavel fell.]

Mr. KETCHAM. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. ADKINS].

Mr. ADKINS. Mr. Chairman, I do not think there needs to be any particular fuss made about who is responsible for the delay in this matter, whether it is a Democrat or a Republican. I am one of the fellows who is responsible for whatever delay I could bring about in passing such legislation as this, and I am not apologizing for it.

Ever since I have been in Congress there has been before our committee a proposition to help out some unfortunate State in the matter of buying seed, feed, or something of that sort. In my first session of Congress I went back and looked up a veto message of Grover Cleveland when they had come in here and asked that the Government extend aid by buying seed, feed, and so forth for the drought-stricken area in Texas, where a whole neighborhood had been devastated, and the reasons he gave were pretty good, even though he was a Democrat. [Laughter and applause.] He set out the fact that if we ever started such a program we would never get rid of it, and that is the situation now.

This is a big country, and during every session of Congress we have some unfortunate situation arise in the country, and they come here; and since you got the precedent started they have continued to do so and will always do so so long as the Federal Government will give such aid.

Now, what is the situation? There is not a neighborhood in the whole Nation but what has people in distress just at this time. There is not a neighborhood in the whole Nation but what faces the obligation to see that its citizens do not suffer. Our State recognized this fact and went out and did what? My own community and every other community—and I live in a city of 60,000 people—went out and

made local arrangements to take care of their unfortunate people. Then our legislature, in special session, arranged it so that we could make a special tax levy by townships, which we are paying now. Then our legislature, in special session, provided that the counties might make a bond issue to take care of such situations as these, and then, just recently, we passed a $20,000,000 bond issue that the State could use to relieve such a situation, if necessary.

Now, do not think that we have not other bond issues in my State. We issued over $50,000,000 of bonds to give to our soldiers as bonuses. We issued $160,000,000 for roads, and we issued $20,000,000 for waterways. We have these large obligations, and we have the people's property being sold for taxes, but yet we are going to take care of our citizens.

One would suppose to hear some people talk that everybody is starving. I had some experience as an overseer of the poor in my younger days. Who is it that suffers in times like these? The only person in any city that is worthy of the name of a city or in any community that is worthy of the name is the proud person who is out of work and will not ask for alms until some neighbor finds it out and reports it. The other fellow gets all he wants. He comes and gets assistance every week, and we are not going to let anybody suffer if we can help it in our State where their necessities are known.

In all the years I have been in Congress I have always asked every single representative appearing on behalf of any State, Has the State done what it ought to do? And the reply is, "Well, our constitution does not permit us to issue bonds to do this." They never will as long as the Federal Government gives them such relief.

Why, our State does. We provide for such emergencies. We do not come down here with a tincup asking the Federal Government to hand out something.

I remember a few years ago when the Federal authorities said in Madison County, Ill., that they would not let anybody ship any wheat out of there unless certain things were done because it would menace the whole country. Did we come here and ask Congress to take care of the matter? No; we came along with an emergency fund and bought nearly all the formaldehyde that they had in St. Louis and disinfected the farmers' wheat so they could ship it out. We did this not for their own benefit but for the benefit of the whole country.

They talk about this wheat, but it does not make any difference about the wheat. You are not going to help the wheat farmer by doing this. It is all in the show window anyhow, and they say the storage charges are eating it up. For 50 years we have carried as much wheat as we are doing now if the crop was as large, and we have always carried some over until July and had some left, and usually the man that carried it had carrying charges. I do not know how the Farm Board is running its business, but if it is running it the way some of you say the board is, it had better be closed out, because they are poor grain merchants. [Applause.]

Charitable agencies now purchase this bread through the regular markets for these people. Under this bill they will take it from the Farm Board supply and be out of the market for at least 40,000,000 bushels of wheat, certainly not helping the wheat market. Illinois can carry their extra tax burden to take care of their people, then help other States that do not bond themselves for such purposes.

Every State should look after its people. When their last resource is exhausted, then the Federal Government, of course, should step in.

Mr. JONES. Mr. Chairman, I yield four minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, in our efforts to help humanity we Members of Congress are constantly doing all sorts of visionary and impractical things. That is because of the weakness of human judgment and the limitation of finite vision. We grope in the labyrinths of uncertainty for something of tangible benefit to mankind. We see through a glass darkly and often we are deceived by what at first appear to be strong and dependable timbers for a structure of real humanitarian service, but which on a test prove to be pillars of sand. And then, again, when we are most discouraged by failures we come across a proposal that holds true, a proposal that does not fail when it is put to the test, a proposal that furnishes a foundation for real helpfulness as solid as the Rock of Ages.

Such a proposal is the one now before the House. In this country 8,000,000 men are out of work and the sustaining incomes of 25,000,000 people have been cut off. Millions are hungry and millions more are undernourished. In transferring 40,000,000 bushels of wheat from the storage bins to feed the hungry poor, the Congress of the United States is acting with clear vision and sound purpose as becomes a great nation that wants to take care of its own. It is no fault of these men and women and children that they are hungry. God knows they would infinitely prefer work to charity. They tramp the streets looking for employment until life seems too bitter to endure, but do not find it. We spent millions to relieve the hungry of Belgium and Russia and other countries around the world, and that is all right. God bless the Belgian children and the Russian children. I love them, but I do not believe we should hold them any closer in our affectionate embraces than we hold the little Indiana children who say their prayers and go to bed hungry.

I can see the happiness that will radiate from many faces in Indiana when this relief comes. I can visualize some of the joy it will bring to the populous centers, and then my mind travels to the coal-mining section of the State where all winter 5,000 little children have been living on the thin crust of charity, and I think what a blessing it will be to them when the Army trucks roll up and fill the bare cupboards of their homes with the flour into which this wheat is to be processed at one of our large mills in Indianapolis. When we give to these children the means of sustaining life we are not only doing a good work and a kind work but we are making a capital investment for our country, because nothing will ever erase from the minds of these boys the thought that a government that is good enough to feed them when they are starving is good enough to fight for and to die for. [Applause.]

On December 8 last, at the opening of Congress, I introduced one of the first of the so-called wheat bills, known as House Joint Resolution No. 106, and I have watched with solicitude the ups and downs of this and similar measures in the House Committee on Agriculture. I was the first witness to be heard by the committee in favor of this relief, and I can not tell how glad I am that the committee finally decided to report out legislation and that the legislation it has reported will to-day pass this House of Representatives.

I believe the initiative in the direction of this legislation was taken by the Salvation Army of Indiana. At any rate, the first knowledge I had of it was when Maj. James Murphy, division commander of the Salvation Army for the State of Indiana, sought my aid last year to secure three carloads of wheat from the surplus, to be processed into flour at one of the large Indianapolis mills, which agreed to donate its services, and from there to be distributed by United States Army trucks from Fort Benjamin Harrison to the Salvation Army distributing stations in Indiana. I took the matter up then with Chairman Stone of the Federal Farm Board, who referred it to Mr. G. S. Milnor, president of the Grain Stabilization Corporation. Both Chairman Stone and Mr. Milnor were entirely sympathetic with the proposal, but were forced to reject the application for the reason that the agricultural marketing act was not a relief measure and there was no authority in law to grant the request. However, both were agreeable at that time to the proposal of an amendment to the law which would authorize the distribution of wheat for the purpose indicated.

Mr. Milnor wrote to me on September 30 last as follows:

> The steps that you and your associates are taking in connection with the Salvation Army to relieve distress in your territory are most commendable and seem to me to be along thoroughly practicable lines. Permit me to express the hope that other communities may take inspiration from such a program as you indicate and immediately undertake measures of a similar nature.

Aside from the humanitarian benefits that will flow from the distribution of this wheat, the Government is making a good bargain in getting rid of it. In storage charges, interest, and insurance it is costing the Government 18 cents a bushel, or $7,200,000 per annum, to carry these 40,000,000 bushels. Donating the wheat to the poor will rid the Government of this annual charge, which happens to be exactly the amount the Government paid for the Territory of Alaska. The farmers of America will benefit, because this gigantic wheat surplus hangs over them like a sword of Damocles, to the utter demoralization of their wheat market.

Prof. Robert E. Brown, of Oberlin, has demonstrated that palatable meals, mostly of wheat foods, can be served for 3 cents or less a portion. Think how many blessings for hungry children are wrapped up in this donation of 40,000,000 bushels of wheat!

In Indiana a perfect set-up has been arranged by which this wheat will be processed into flour at a large Indianapolis mill free of charge and will be distributed by Army trucks from Fort Benjamin Harrison to the 42 points of Salvation Army contact in the State. Thus the relief will be made 100 per cent effective.

In closing my remarks I can not forego paying a humble tribute to the Salvation Army which I long ago learned to admire through close observation of its activities in Indiana and other States. It is difficult for me to refrain from the use of superlatives when I speak of the Salvation Army and its work. In the common parlance of the day, I am completely "sold on the Salvation Army." Speaking as one who has seen a great deal of the world, its flotsam and jetsam, as well as its pleasures and its palaces, the social agency which I believe accomplishes the most good is the one that reaches out into all of the walks of life and touches the poorest of the poor. That agency is the Salvation Army. In a thousand practical ways it meets the everyday needs of humanity and lifts it up and strengthens it. I know of no other agency on earth which it seems to me so completely exemplifies the spirit of the Master and demonstrates what He meant when He said nearly 2,000 years ago:

For I was an hungered, and ye gave me meat; I was thirsty, and ye gave me drink; I was a stranger, and ye took me in.

Naked, and ye clothed me; I was sick, and ye visited me; I was in prison, and ye came unto me.

Verily, I say unto you, inasmuch as ye have done it unto one of the least of these, my brethren, ye have done it unto me.

[Applause.]

Mr. KETCHAM. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. CAMPBELL].

Mr. CAMPBELL of Iowa. Mr. Chairman, I first wish to say that I propose to address the most of my remarks to conditions up in the Northwest, but I want every Member here to know that I put the lives of the individual citizens of my country—the children, the women, and the men—above that of the livestock.

I want to say that this matter had been called to my attention at the beginning of Congress, and at that time I offered in every way—even to signing a petition to bring it out of the committee and support the 40,000,000-bushel wheat bill.

The other day when I went before the Agricultural Committee on the 5,000,000-bushel bill I felt at that time—and I told the members of the committee—that it was not enough. It certainly was a great satisfaction to me to learn 15 or 20 minutes afterwards that that committee had voted to report a bill for 40,000,000 bushels.

I suppose of the 40,000,000 bushels probably five or six million bushels will be used for feeding the cattle and the livestock. To support some of the evidence that was produced before the committee and the speeches that have been made here by the gentleman from South Dakota and the gentleman from Nebraska, I wish to say that the part of this devastated territory laps over into my district, although we expect to get very little help from the bill. In our country the towns have been giving thousands of dollars and shipping carloads of feed into the territory that is so distressed, and I have letter after letter in which they state that they have gone as far as they can.

My friends, I wish I had an opportunity to show you these pictures that were referred to by the gentleman from Arkansas in relation to the conditions that exist up in Dakota, Nebraska, and a small part of Iowa. They show here dead cattle as they are strewed about in the fields and the conditions of the work horses that will be put out to do the work in the spring.

I know that last year we supported these measures for the distressed districts in the South, and we are just as bad off, if not worse, out there in our territory to-day than they were at that time.

Mr. HARE. Will the gentleman yield?

Mr. CAMPBELL of Iowa. I yield.

Mr. HARE. The gentleman has told us about the hungry and the starving. Are they also naked?

Mr. CAMPBELL of Iowa. No. I will say, as far as I know, they are not naked.

Mr. HARE. Does not the gentleman think that we might supply them with cotton to help keep them warm?

Mr. CAMPBELL of Iowa. I am willing to do that; I am willing to do all I can to supply them with cotton.

Mr. KETCHAM. Mr. Chairman, I yield three minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker, the bill before the House proposes to deliver to the Red Cross 40,000,000 bushels of wheat now held in storage by the Government in an effort to stabilize grain prices, the grain to be used in any form desired for feeding many thousands of people now cared for by the Red Cross. The only condition or restriction is that no cost of manufacture into flour or other forms of food shall be a charge against the Government.

Brief reference to the condition which confronts Congress is proper in any discussion of the subject because it discloses that a recognized responsibility for helping to relieve suffering hungry people is coupled with a disposal of storage grain that to-day is a liability because of heavy storage-carrying charges.

THE STABILIZATION EXPERIMENT

In an effort to stabilize grain prices and aid agriculture, then and now suffering from insufficient production returns, Congress appropriated two years ago $500,000,000 to purchase grain, and by so doing has kept from the market 150,000,000 bushels of wheat now held in storage. The best farm experts urged that course on Congress when it so acted, but the Government now finds itself carrying a vast quantity of grain at an annual storage expense of over $7,000,000, with no opportunity to release it for sale without breaking present low market prices. When grain is high all other products, including livestock, are benefited from the farm viewpoint, but artificial stimulation in this case has not solved the problem. This bill, as stated, proposes to use 40,000,000 bushels of that stored grain for distribution by the Red Cross to feed hungry American people.

Recent bills authorizing approximately $200,000,000 for farm loans through farm-loan agencies and aiding banks to secure credits whereby to make local farm loans are temporary, emergency expedients.

Measures to provide seed-grain loans for farms and aid to drought sections with other needed help have also been passed by Congress during the present session.

Every measure in fact before the Agricultural Committee, including the 40,000,000 grain bushels, donated to relieve hungry people and reduce storage charges on that Government grain, has been passed, in an effort to relieve the situation and, directly or indirectly, to serve the great farming industry.

With purpose to give brief but exact agricultural-aid data, I am submitting a letter from the able and distinguished chairman of the Agricultural Committee of the House, Chairman JONES:

HOUSE OF REPRESENTATIVES, UNITED STATES,
COMMITTEE ON AGRICULTURE,
Washington, D. C., March 8, 1932.

Hon. JAMES A. FREAR,
House of Representatives.

DEAR FRIEND: Referring to your request for a brief statement of the important measures affecting agriculture that have been passed by the Congress during the last session and the present session to

date, will say that during the last session Congress, among other measures, passed Senate Joint Resolution 117, providing $7,000,000 for the relief of farmers in the storm, flood, and drought stricken areas of a number of States, and Senate Joint Resolution 11, providing $45,000,000 for a similar purpose, and Congress also passed Public Law 867, amending the oleomargarine law, to provide a 10-cent tax on butter substitutes when colored in any shade of yellow. It also passed Public Law No. 772, amending the United States warehouse act in such way as to make it more workable. It passed Public Law No. 69, further extending the work of the agricultural extension department and making further provision for the land-grant colleges.

There were also some other minor measures.

Since the present Congress convened it has passed House Joint Resolution 292, carrying $10,000,000 for the purpose of aiding in establishing agricultural-credit corporations and livestock-loan companies, so as to enable them to utilize the intermediate credit banking system. This will furnish a longer time credit, more suited to the needs of agriculture and the livestock business. It has passed an act making funds available to the Federal land banks for the purpose of enabling them in worthy cases to extend the time of payment of delinquent installments on loans which those banks have made to farmers.

The Congress set aside $50,000,000 in the Reconstruction Finance Corporation measure for the purpose of making loans to individual farmers for production purposes. This amendment also stipulated that they should receive a pro rata part of the expansion of this corporation, which may add not to exceed $150,000,000 additional to this fund. In fact, I understand this expansion has already acted upon $25,000,000 in addition to the $50,000,000 for this purpose. These loans will be made on the crop as security.

Then within the last few days the House has passed a measure for distributing not to exceed 40,000,000 bushels of wheat now held by the Stabilization Corporation, a portion of which is to be used for feed for livestock in the 1931 crop-failure areas.

Some incidental phases of other legislation have also been in the interest of agriculture, but the above measures were primarily for this purpose.

In this connection may I express to you my appreciation for your cooperation in these matters.

Sincerely yours,

MARVIN JONES.

Under the Constitution Congress can not distribute public funds raised by taxation beyond limited aid to relieve hungry, jobless millions. That it has sought to do in the present business depression, and with all measures to aid agriculture the committees have had before them farm-organization representatives who have equally at heart the interests of agriculture, and in many cases are practical farmers.

A long and severe depression has existed in every industry that tries men and causes scores of relief measures and experiments to be proposed, only a few of which can be passed by Congress. It is sometimes asked what has been done for agriculture during recent years. As one who has consistently supported many bills to that end, I have offered the brief statement from Chairman JONES affecting agricultural legislation. The district I represent is largely agricultural, and it is a truism that agriculture must be successful if the country prospers. Beyond that fact I am familiar with the meaning of "farm losses," and speak from personal knowledge of present farm conditions.

A MACHINERY AGE

Agricultural experts and other authorities seek to explain these conditions by pointing out that this is an age of machinery, where one with machinery to-day can do as much work as 10 men did a half century ago when lands were being first settled. Machinery has caused overproduction in practically every labor industry, and is in part held responsible for the present depression. Other authorities claim our monetary system needs overhauling, but our people are not affected as seriously as many other people to whom inflation of currency has not brought the promised relief. Russian competition in the world's grain market is another argument to explain reduced exports of our surplus wheat; but 42 cents tariff protection on wheat, almost its full value, with like high protection against other agricultural imports, has left our home market practically confined to home producers.

We are advised by the Tariff Commission that practically no farm products are now imported, but that result may have deprived us of a portion of our foreign consumers who formerly bought our goods when possible to exchange in trade. In like manner oil, copper, cotton, and other commodities have been badly depressed by over production and world business conditions.

Congress has never been unmindful of its greatest industry, but economic conditions are not to be cured by legislation alone.

The Fordney tariff bill had for its agricultural subcommittee Representatives HAWLEY, Houghton, later ambassador to Great Britain, and myself. With the aid of the Tariff Commission we sought to make effective in every particular when that bill was passed all items in the agricultural schedule and no changes to my recollection were made by the general committee from our subcommittee report and recommendations. In that bill was passed the flexible tariff provision which permits the President during an interim between sessions to increase tariff schedules 50 per cent if need be. That provision was later acted under by the President in fixing increased agricultural protection, occasioned by changed conditions abroad.

Pursuant to President Hoover's recommendation to again readjust agricultural schedules, the Hawley tariff bill last session gave to farm products added protective duties. Tariff duties have preserved to agriculture first of all our domestic market, the most valuable in the world for our own agricultural producers, but competition in the outside field was never more keen that it is to-day.

DAIRY INTERESTS PROTECTED

Duties on dairy products have been repeatedly raised to meet cheap production abroad. When in Denmark several years ago I studied cooperative butter and bacon factories and methods. That country controls the neighboring English market, but its surplus dairy products are no longer dumped on our own market, due to tariff protection given by the measures I have referred to. The large Danish Government creamery a few miles distant from Copenhagen is a model in its appointments known everywhere to the industry, yet among hundreds of factories in my own district there are two that rival any in the world, both in size and completeness, and one is a replica of the Danish Government factory.

While we preserve our own market for the great output of milk and cream that has been produced and is consumed per capita in constantly growing quantities, America's manufactured dairy products are known and sold the world over. In Athens, Greece, ice cream served on the legation table, we were told, was from "Carnation Milk." Over at Kazan, in farthest Soviet Russia, Senator LADD called attention to cans on the shelf of a small shop which disclosed that "Elkhorn Condensed Milk," from my own State, was sold by the shopkeeper, who bought his supplies when the American Relief Association closed its relief work.

Green County, on the southern border of my State, with its 150 cheese factories, was originally settled by the hardy Swiss people, who found a climate akin to that of Switzerland when they landed in Wisconsin. Green County now manufactures more Swiss cheese than all Switzerland combined, and the atmosphere of the Alps transplanted to the Badger State, with the skill and experience of their mother country, has now made the Swiss product of Wisconsin equal if not superior to the imported article.

I have digressed briefly in referring to Wisconsin's great dairy industry to call attention to an apprehended danger which has affected practically every other American industry, from oil to wheat and corn and cotton to copper—the problem of overproduction. Competition now produces the highest-grade dairy products ever known, but a struggle for existence has crowded the field so that threats of overproduction have also reached that industry.

From the secretary of the National Dairy Union I quote a letter that briefly sets forth benefits received through recent congressional legislation to the great dairy interests of the country, among which Wisconsin is a leading State and in part a beneficiary. He writes:

THE NATIONAL DAIRY UNION,
Washington, D. C., March 5, 1932.

Hon. JAMES A. FREAR,
House Office Building, Washington, D. C.

MY DEAR MR. FREAR: As I promised you yesterday, I am stating below very briefly some of the activities in recent congressional sessions which have been of real benefit to the dairy industry.

You may not care to use what I may say about the tariff situation, but, in my judgment, the tariff on dairy products has been of great importance. I am referring to the duties which were placed on milk, cream, casein, butter, cheese, evaporated and condensed milk and cream, and dried milk and cream. In particular in the recent period of declining foreign-exchange rates, tariffs on butter and cheese have been of great protective value. We are now concerned over the low price of butter, but it is a matter of record that if we had not had the 14-cent duty on butter and practically equivalent duties on the other dairy products our prices would have been forced down many months ago by the new conditions created by depreciation of foreign currencies. In my judgment, present prices would be considerably lower than they are now were it not for the existing tariffs on dairy products. A comparatively higher level of dairy-product prices can be maintained in the United States than would exist in foreign countries if ordinary care is exercised by units in the dairy industry not to unwisely expand the production of milk on farms.

Congress has also greatly benefited agriculture by the enactment of the Haugen-Norbeck oleomargarine amendment in 1930 and the Brigham-Townsend amendment in 1931. The production of cheap vegetable-oil cooking fat compounds made in imitation and semblance of butter was completely stopped by the first-named measure, probably adding from twenty-five to fifty million pounds new market for butter. The result of the second bill, which settled all questions about yellow oleomargarine being exempt from the 10-cent tax, has been to practically eliminate yellow oleomargarine from the market, making a considerable increase in the market for butter and also operating to greatly reduce the total amount of all oleomargarine made and sold during the past year.

The decline in oleomargarine production and sale has increased the market for butter by approximately 75,000,000 pounds.

These acts of Congress for the benefit of the dairy industry have resulted also in increasing very greatly the market for all of the wheat by-products, coarse grain, and forage produced by other farmers, particularly in increasing the market for cottonseed meal, a by-product of the cotton industry, so that at the present time the prosperity of the dairy industry has made it a consumer of cotton products to the extent of at least one and three-quarter million tons of cottonseed meal, valued at between thirty-five and forty million dollars, a product which only 30 years ago was practically a waste product to the southern farmer.

Yours sincerely,

A. M. LOOMIS, *Secretary.*

Every industry, including agriculture, is in need of revival. The consuming power has been reduced far below normal, but when this situation, which is world-wide, is studied, financial and economic experts point out other business depressions in past years that were genuine panics, which left stings far worse than the present one.

RESPONSIBILITY FOR CONDITIONS

It is a common belief that those in particular industries alone have suffered, whereas none in any line of business have escaped losses. The fact that banks have failed throughout the country, with idle mills and factories swelling the vast army of unemployed, is mute testimony that all have suffered. The old adage that a penny saved is a penny earned was forgotten during our days of extravagance when everyone lived for the day alone and had many luxuries that have now become necessities. Every individual must face the problem of living within one's means. Congress has acted upon every suggestion of the administration without partisanship. Republicans and Democrats on economic measures have joined hands in efforts to bring back good times and put business back on a sound basis, lost to sight when the crash came.

It is useless to speculate as to any exact responsibility for conditions. A great war debt and constant, permanent expenditures of three-fourths of our entire revenues for interest on war bonds held by the people and a sinking fund for payment of bonds, pensions, and hospitalization of those in the war are all part of the war burden easily understood. In these days of peace approximately $800,000,000 annually for the Army and Navy, or nearly 20 per cent of the Government's total expenditures, is another reminder of war and the war spirit. Pressure on Congress for all these activities and obligations and others of like character was never more heavy than during these days when the Federal Treasury is seeking to collect taxes and revenues with which to run the Government.

WHAT CONGRESS AND THE COUNTRY FACES

It is an astounding situation when we are informed by the Treasury Department that with annual Government expenditures of $4,000,000,000 the total Treasury receipts in 1931 dropped to $3,317,000,000, or over 20 per cent, and that 1932 receipts are estimated at only $2,242,000,000, or a drop of over 40 per cent below running expenses of the Government. We are confronted in this Congress with bills which call for $30,000,000,000, covering every conceivable subject, with powerful lobbies in Washington demanding passage of the particular bills which they are employed to urge, while a drastic tax bill is soon to be reported that will be the heaviest ever called for in peace times.

This tax is only to balance the $4,000,000,000 annual Budget expenses. We should keep in mind that if 10 per cent of the $30,000,000,000 proposals before Congress are adopted, tax bills paid by the American public will be far heavier than any now in the making.

Normal times are desired, but never in all history have so many vast expenditures been proposed, most of which may be meritorious but must wait wherever possible until the present business depression is over. Governments like individuals must live within their incomes, otherwise the same fate that comes to one goes to the other.

As before stated, Congress can not, constitutionally, give away Federal revenues received from taxes and other income to any special industry or to all industries. It can and does loan money through responsible agencies on approved security, with a purpose of benefiting all the people—not a limited few as is sometimes believed.

LOANS THAT BENEFIT ALL INTERESTS

A bank that has abundant securities in normal times can not convert all its securities into cash to meet withdrawals of deposits and also maintain a banking business. Its business is to loan out the money of depositors. Many solvent banks of the country when suddenly faced by withdrawals of anxious depositors have been unable to convert "frozen securities" into cash.

The closing of a bank in any community affects hundreds of depositors, and sometimes many thousands, depending on the size of its banking business. A closed bank affects every other bank and indirectly every industry in the community through fear of other disasters and often results in closed mills, additional unemployment, and reduced consumption. That is a national complaint to-day which Congress has sought to relieve by credit relief.

Partisanship has been absent in this effort to bring back hoarded money into circulation and thus to relieve banks, agriculture, other industries, and unemployment, by advancing funds on approved securities. This governmental effort to meet an unprecedented emergency, a depression now world-wide in its scope, does not permit the Government acting through Congress to loan public funds without adequate security, nor is it a public policy to establish a permanent dole system like that which burdens tax-ridden England.

There is, however, wide distinction between a dole and emergency aid necessary to feed hungry men, women, and children by the Government and to aid the jobless. That is certainly a proper function of the Government.

Practically unanimous action on all recent legislation by Congress affords no political assets or liabilities in this general purpose to aid those in immediate need.

Nor is there any particular distinction between supplying coffee or milk with bread or other needed food and granting relief by bread alone. Yet there are those who will willingly give this 40,000,000 bushels of grain to relieve hunger who would protest violently against appropriating its value in money for food purchases, through a professed fear of establishing a permanent dole.

Mr. Speaker, I do not know that anyone in my State will get any benefit from this 40,000,000-bushel wheat bill

if it passes. I do not know that the Red Cross is feeding any of our people. I do know, however, the committee report states that the Red Cross is regularly feeding a million people in the United States and has been doing so for several months. I know also that if any Member will walk up and down Pennsylvania Avenue at night he will see several hundred men, less than four blocks from the Capitol, standing in front of the "Mission" waiting to be fed—not down-and-outers, but many of them hungry men without jobs. I believe in this bill for that reason. It is a proper measure for us to pass to give needed relief to hungry people. It takes only about one-quarter of the grain that the Government has in storage, and it ought to be used for this purpose. In fact, we should use more grain for that purpose rather than have it mold away in storage elevators at an annual cost of 18 cents per bushel.

I rose particularly to say on this right to give that when Russia was in dire need in 1921 we gave $20,000,000 to her starving people. Two years later I went down the Volga River some 600 miles through the famine region, where 3,000,000 people had died from starvation, and saw the effect of our gift and learned the gratitude of those people. They were grateful and very happy because, though late to the rescue, America had saved other millions from famine. They lost 3,000,000 lives before we could give the needed aid. If we can feed Russia and other countries in great emergencies, as we have in the past, and ought to have done in the name of humanity, there is not the slightest danger in the world from a dole when we are now seeking to take care of our own. That is why I am in favor of the bill. [Applause.]

Mr. KETCHAM. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. ANDRESEN. Mr. Chairman, I ask unanimous consent to extend my remarks by inserting a report from the Red Cross.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ANDRESEN. Mr. Chairman, there appears to be no particular opposition to this legislation. When the question first came up before the Committee on Agriculture it was presented by several Members of Congress who were not able to make any particular showing as to the necessity for the passage of the legislation at that time. The chairman of the Red Cross, Judge Payne, also appeared before our committee and indicated that the Red Cross had no expression to make as to the necessity or nonnecessity for the passage of the legislation, but that they were willing to take on the work and distribute the wheat and flour throughout the United States. The committee was criticized for its action and failure to report the bill about two weeks ago. This criticism was not justified, because the members of the committee felt that before they took action it would be necessary to have some definite information as to the necessity for distributing 10,000,000 barrels of flour.

Judge Payne, of the Red Cross, indicated that they were able to take care of the needy people throughout the United States in all communities under 25,000 population. He stated that the President's organization and other organizations were taking care of the destitute in communities of over 25,000 in population, and that he felt that the Red Cross was doing a good job. He said that if Congress wanted to impose upon the Red Cross the responsibility of the distribution of this wheat, he would take the job and do the best his organization could. He appeared before our committee a few days ago in behalf of this new legislation and gave us a complete report on conditions as his organization found them throughout the country. He stated that the Red Cross was now taking care of people in approximately 2,000 counties of the United States, that they were receiving contributions in commodities, clothing, and money to take care of the needs of these people. He brought out the question of relief where that was being done by their organization in the States of North Dakota, South Dakota, Montana, Washington, and Nebraska in taking care of the livestock where the owners of the livestock were unable to secure adequate feed.

This bill has a twofold purpose. In the first place, it provides food for human beings, and, in the second place, it provides for feed for livestock. Both go hand in hand with the obligation that we have here to take care of both human beings and animals. I believe Congress should pass the legislation without a dissenting vote.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. Yes.

Mr. KETCHAM. In his discussion of the way in which the Red Cross distributes relief of this sort do you recall the statement made by Mr. Payne as to the interpretation of livestock? It does not mean indiscriminate livestock but simply foundation livestock, that which is primarily necessary for the maintenance of human life.

Mr. ANDRESEN. That is correct. Up to the present time the Red Cross has been taking care of the family cow. The passage of this legislation will give them further authority to go ahead and supply the necessary feed in communities throughout the entire United States, feeding the livestock where the owners are unable to get feed.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. Yes.

Mr. SIMMONS. In cases where the family cow supplies milk for the family and chickens supply eggs for the family, both of them being essential for the proper nutrition of children, indirectly you will feed the children, especially on the farms, by supplying the farmer with something with which he can keep up his supply of food.

Mr. ANDRESEN. That is correct.

Mr. LANKFORD of Georgia. Is the Stabilization Corporation which owns this wheat at the present time in sympathy with this movement? They have made no statement.

Mr. ANDRESEN. The Red Cross report is as follows:

RED CROSS CARES FOR 1,000,000 PERSONS; AID GIVEN IN DROUGHT, UNEMPLOYMENT, FLOODS

WASHINGTON, D. C., February 21.—Red Cross aid in drought, floods, unemployment, and other distress has reached approximately 1,000,000 people during the past few months, John Barton Payne, chairman, said to-day.

More than 150,000 persons, in two disaster areas alone, are on the relief rolls to-day, Chairman Payne said. These are in the flooded sections in Mississippi and Louisiana, and in drought-stricken regions in five northwestern States.

In summarizing the relief work carried on by the national organization and its chapters during the fall and winter months up to February 15 the following facts were made public by the Red Cross:

The National Red Cross administered relief to 153,236 people in two major disasters and four minor catastrophes. Red Cross chapters aided 872,662 persons. The Red Cross gave relief in almost every State and in approximately two-thirds of the 3,000 counties in the Nation.

Under a policy of relief established by Chairman Payne last September, 1,863 Red Cross chapters are participating in unemployment relief. Of these, 324 chapters are the family-welfare agency in their community. Other chapters have enlarged their services to veterans. Types of relief given for the unemployed by still other chapters are the collection and production of clothing, providing hot lunches in schools, conducting central clearing house of relief cases, making family investigations for other agencies, furnishing milk for preschool children, and aiding transients.

The drought-relief work in five Northwestern States—Montana, North and South Dakota, Nebraska, and Washington—would rate as a major catastrophe in normal times. Red Cross workers have 110,471 persons on their relief rolls in 95 counties in the five States. Food, clothing, and other aid have been given in these States since last October, and to date $1,148,468 has been expended by the Red Cross in the five States. In addition, 356 carloads and 209 other shipments of foodstuffs, clothing, etc., with an approximate value of $265,539, were donated by neighbors in near-by States and in unaffected counties within their own borders for Red Cross distribution.

The grasshopper plague added to prolonged drought caused great distress in these Northwestern States, and last August the Red Cross, recognizing the situation, prepared to meet the human needs, Judge Payne said. Snowbound conditions characterize the winter months, so relief committees were set up in central points, with volunteers making investigations and reporting needs.

Families are given grocery orders on merchants whom they designate as their regular tradesmen, and supplies have usually been furnished for a month or longer period. Grocery orders cover a choice of up to 30 items and a balanced diet is provided, including such items as canned tomatoes, dried fruits, canned

salmon, special diet for invalids, milk for children, fresh meats, coffee, etc. Large stores of apples and potatoes were available, as the Red Cross was given, in several instances, an orchard of apples and acres of white potatoes, and chapters did the harvesting. The peak of the drought relief in these States has not yet been reached.

A second disaster of large proportions was the flooding of tributaries of the Mississippi River in northern Louisiana and northern Mississippi. In 20 counties involved the National Red Cross and chapters are to-day feeding or otherwise caring for 35,100 people. The water is receding, but it will be some time before the Red Cross is relieved of the care of these people.

In minor tornadoes which struck communities in Alabama, Mississippi, and Arkansas 470 people were helped; in Idaho forest-fires relief was given, and flooded streams in eastern Kentucky called for national relief by the Red Cross.

Indian families numbering 5,900 persons, who are not Government wards, also are being fed by the Red Cross. These, together with Indians previously cared for this winter, called for total appropriations by the National Red Cross of $191,000. Snowbound farmers in two counties in New Mexico faced with famine are being aided by the National Red Cross.

In addition to the specific activities mentioned Chairman Payne stated that the Red Cross, in carrying on its campaign against pellagra, supplied yeast to several thousand persons and also had begun the distribution of garden seeds in the flooded sections in the South.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. GLOVER. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. NELSON].

Mr. NELSON of Missouri. Mr. Chairman, as a general proposition I am opposed to legislation of this kind. I have always objected to making a Santa Claus of Uncle Sam. But after listening to the testimony of my colleagues, Mr. CHRISTOPHERSON, of South Dakota, Mr. HALL, of North Dakota, Mr. JOHNSON, of South Dakota, Mr. WILLIAMSON, of South Dakota, Mr. CAMPBELL, of Iowa, Senator BULOW, of South Dakota, and others, I was convinced that in this great emergency, when men, women, and children are suffering for food and when livestock is dying of starvation, all of us may consistently support such legislation.

The able chairman of this committee [Mr. JONES] has so eloquently said that each home in America is a service station. This bill seeks to make of each home also a filling station, a place where the hungry may be fed.

When I think of the farmers of the Dakotas who are the victims of grasshoppers, drought and snow, and the Farm Board, my sympathy goes out to them. Their problem consists largely in keeping livestock alive, which, because of ruinous prices, would not pay the cost of marketing. Why, after paying the cost of shipping a cowhide there would not be left the price of a pair of leather shoestrings.

Since this Congress met much has been done for the big corporations of the country. We have gone far in looking after Europe. I agree with the gentleman from Wisconsin [Mr. FREAR] in the thought that he expressed a few moments ago. It is time for us to look after the home folks first. We gave to Europe—but not by my vote—a debt holiday of a year on $250,000,000. There is to be taken out of the Federal Treasury—but not by my vote—$500,000,000, perhaps $2,000,000,000, principally for the great corporations of the country.

So under the circumstances I shall support this bill. It is better than when originally drafted, better than if it contained some of the features which have been proposed. The Grain Stabilization Corporation is to be credited not with what the wheat cost but only with what it is worth at the date of delivery—a big difference.

A provision in this bill makes it possible to use a considerable part of the grain for feed for livestock. On my own farm back in Missouri and on many farms are small mills for grinding grain. So if more wheat can be turned into feed for livestock, more of the stored wheat, which is being held in storage at a cost of 18 cents or more a year, may, let us hope, be removed. In this respect it is also a kind of Farm Board relief bill. It may help take out of the picture a part of that one-third of a billion bushels of wheat that the Farm Board or its subsidiaries bought, almost half of which it still holds and is anxious to get rid of, wheat which is depressing the price of every bushel the farmer has to sell.

My sympathy goes out to the overtaxed farmers, and especially so when they are selling eggs at 10 to 12 cents per dozen and choice hogs at 3¼ cents per pound. May I digress here just to say that the overtaxed farmer, if the press correctly reports as to what the Ways and Means Committee is doing, is to be more heavily taxed in the future? It is unthinkable to me that we should at this time be asked to write into the tax laws of our country a sales tax, the most iniquitous, the most unfair tax that was ever proposed. The farmer in the stricken regions of South Dakota and elsewhere will be called upon to pay his part of that tax when he buys a pair of overalls, when he buys farm machinery, or whatever he buys. So will every man, even the unemployed, feel the burden. This sales tax, if written into the bill and approved by the Congress, will be based not on a man's ability to pay but on his necessity to buy. Its acceptance would represent the abandonment of a memorable reform which the Democratic Party made possible not so many years ago under the administration of Woodrow Wilson. Its adoption will mean that the camel's nose is in the tent and that soon the whole ungainly beast will be there, and there to stay.

I hope that the Ways and Means Committee, which is understood to have rejected so many objectionable administration proposals, including a tax on automobiles, trucks, and accessories, and a stamp tax of 2 cents on each check and draft, may yet see fit to omit from the revenue bill any general manufacturers' sales-tax provision. [Applause.]

[Here the gavel fell.]

Mr. GLOVER. Mr. Chairman, I yield two minutes to the gentleman from Oklahoma [Mr. MCCLINTIC].

Mr. McCLINTIC of Oklahoma. Mr. Chairman, this legislation seeks to turn over 40,000,000 bushels of wheat to the American Red Cross for the purpose of aiding those who are in destitute circumstances and preventing livestock in certain sections of the United States from starving. I have witnessed a photograph which shows dead stock that have actually starved to death this winter. In the past I have seen devastated areas brought about by insects, droughts, floods, and storms. It matters not in what part of the country this kind of desolation exists, I am always going to support legislation that has for its purpose aiding any class of people that can not help themselves.

I want to congratulate the chairman and the members of the committee for the fine motives which prompted them to bring in this legislation. I know that since I have been a Member of Congress our Government has extended aid to European countries. At one time $100,000,000 was appropriated to take care of the destitute in Europe. At another time $20,000,000 was furnished to Russia to prevent its citizens from starving. We have given an immense amount of food, and always extended a friendly ear to every cry of distress regardless of where it came from. Therefore I take the position that the same kind of consideration should be given to the unfortunates in this country as has been extended to those abroad. In the past some of the worthy citizens I have the honor to represent have found themselves unable to provide the bare necessities of life, and when this condition was presented to me I made subscriptions to the Red Cross and, in addition, sent several hundred dollars to various American Legion posts to be used in any way that their officials saw fit in aiding the needy.

When I heard that the California Fruit Growers' Exchange was going to destroy a lot of its surplus fruit I sent urgent telegrams asking that they not do so but instead furnish this to our poor, hungry people, having in mind that there were many who were undernourished and that this fruit would be exceptionally beneficial to the children and those who were sick. Because of my request five carloads of fruit were distributed through the Red Cross, and the people of the seventh district of Oklahoma received their proportionate share. Many residing in Oklahoma may have to receive aid this year, and if the Red Cross can be furnished with free wheat it will render great service in taking care of emergency conditions.

Mr. GLOVER. Mr. Chairman, I yield three minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, I want to suggest a practical aspect of this humanitarian measure. It is not accurate to say that the wheat involved is owned by the Federal Farm Board or the Federal Government. There are primary loans in favor of the intermediate credit banks and other financial institutions amounting to at least 32 cents a bushel on all of the wheat now in the hands of the Grain Stabilization Corporation. We might as well understand that the passage of this measure involves, or may involve, the expenditure of approximately $14,000,000 from the Federal Treasury. Now that statement has no terrors for me when it comes to the relief of human suffering, but I am vitally concerned in not impairing the integrity of the revolving fund to the credit of the Federal Farm Board. I suggest that it is no answer to say that the value of this wheat will be absorbed in the next three years, for that contemplates a continuance for the next three years of the present depression and the present low price of wheat. So I suggest, Mr. Chairman, an amendment to section 3 of the bill that will provide for an authorization to reimburse the revolving fund of the Federal Farm Board, for otherwise the unobligated part of that fund, now less than $50,000,000, will be impaired to the detriment of the farmers of every State in the Union. This is a practical matter and practical matters must be considered with humanitarian questions.

I repeat for emphasis that when we vote this measure we are voting for a Federal donation. You may not call it a dole, but it is nothing more nor less than a donation from the Federal Treasury, and if permitted to remain in its present shape, this bill will constitute a serious impairment of the revolving fund to the credit of the Federal Farm Board. Congress has already appropriated the sum of $500,000,000, the full amount authorized by the agricultural marketing act, as a revolving fund for the Farm Board. When the board pays the outstanding primary loan, to make the wheat available, the payment can only be made from the revolving fund, which will be diminished, without the reimbursement proposed in the amendment which I shall offer. I want to help the needy, but I do not want to hurt the farmer. Both the authorization and the reimbursement are necessary to maintain the revolving fund to promote agriculture.

Mr. GLOVER. Mr. Chairman, I yield three minutes to the gentleman from Montana [Mr. EVANS].

Mr. EVANS of Montana. Mr. Chairman, I am grateful to the committee which brought out this bill. In the early part of the session I introduced a bill providing for transferring from this corporation 50,000,000 bushels of wheat. I have no pride of authorship in the matter, and I will as cheerfully vote for this bill as if it were my own bill, but I want to make some suggestions.

The gentleman from New York [Mr. CLARKE] suggested in his comment upon this matter that some of the States in distress should be more active themselves in taking care of their own, and, if necessary, they should change their constitutions to meet such emergency. Pride naturally deters a man from displaying to this House so unfortunate a condition as exists in our several sections. I have hesitated to say in public what I have many times said in private in the last two or three months about conditions in my own State. My home pride, the pride of my people, and my State have deterred me.

I am now going to recite some facts to you. I took the trouble to make a compilation by calling upon the county treasurers of my State. I submitted a questionnaire. Among other questions I asked them: "How many taxpayers were on your roll for 1931? How many of these taxpayers defaulted?"

I am going to recite some of those things to show you that the condition is so deplorable that we could not help ourselves. About 50 of these questionnaires were returned, and I submit herewith the result. It will be observed that in one county—and thank God, it was the worst—out of 4,700 taxpayers 3,673 defaulted, almost 80 per cent. In my own county of Missoula and which, by the way, is considered as stable a county as there is in the State, 1,538 taxpayers out of a total of 6,900 defaulted. In other words, 1,538 people who after years of struggle had acquired enough property to appear on the tax rolls were sold out and put in the bread line. The table follows:

Taxpayers on roll and defaulting, 1931

County	Number of taxpayers on rolls, 1931	Number of taxpayers defaulting, 1931
Beaverhead	3,555	735
Broadwater	2,011	587
Carbon		[1] 14
Carter	3,150	1,050
Cascade	15,193	3,555
Chouteau	7,748	2,250
Custer	5,900	1,293
Dawson	4,480	1,640
Deer Lodge	4,581	860
Fallon	2,778	1,215
Fergus	16,725	9,000
Flathead	8,000	1,478
Gallatin	8,005	1,584
Garfield	4,840	2,280
Granite	1,600	250
Hill	10,000	3,500
Jefferson	2,780	530
Judith Basin	1,500	350
Lake	4,175	1,303
Lewis and Clark	8,696	1,653
Liberty	3,500	1,163
Lincoln	3,680	988
Madison	3,860	750
McCone	4,220	1,524
Meagher	1,603	202
Mineral	925	245
Missoula	6,900	1,538
Musselshell	4,800	1,300
Park	4,584	904
Petroleum	3,850	1,951
Ponders	5,400	1,500
Powder River	2,250	475
Powell	2,737	709
Prairie	2,616	656
Ravalli	5,000	1,200
Richland	5,200	[1] 10
Roosevelt	6,200	2,600
Rosebud	4,700	3,673
Sanders	3,115	655
Sheridan	6,512	3,206
Silver Bow	22,951	2,500
Stillwater	3,685	1,004
Sweet Grass	2,200	425
Teton	5,800	1,490
Treasure	1,201	327
Valley	8,516	4,785
Wheatland	3,158	900
Wibaux	1,900	518
Yellowstone	12,078	3,000
Total	258,858	75,941
Per cent defaulting		29

[1] Per cent.

Perhaps it will be suggested that this deplorable condition is the result of our own act of wastefulness and improvidence; to some extent that is true. I do not shirk any responsibility for my people. We have been wasteful, extravagant, and improvident, but we only followed the precept and example set us by men in high places in the Government, who should have had and did have infinitely more information on the situation in the country than the average citizen.

Under the stimulation and excitement of official and political prophecy the prices of stocks on the exchanges soared and expanded. Statements from the White House and other sources that business was sound induced innocent and guileless investors to believe that the drunken revel of speculation was but the sober progress of sound business. Almost every class of our citizens invested their savings in stocks. And then like a punctured balloon this inflated boom—inflated with boastful political vaporings—came crashing to earth. Ruin was scattered through the land. Fragments of the wreck were found in every city in the land. The investor paid in cash. His dividends were paid in poverty and despair.

We were told the country was fundamentally sound; that the poorhouse was about to be banished; that we would have a chicken in every pot and two automobiles in every garage, and so spent our substance as you spent yours.

In parts of that northwest country we have suffered from drought for three years; and now, coupled with the depres-

sion, we find ourselves all but crushed. We might have withstood the drought or the depression, but we are crushed under the combination. Our cities, municipalities, and counties are on the verge of bankruptcy, and it is doubtful if any financial house would buy our bonds if we should offer them in the market. Our people are not beggars or mendicants; they are a hardy, courageous, self-reliant people, clinging to their homes like ants to a destroyed ant hill without a cry for help. So it does not lie in the mouth of anyone to say we are beggars and should help ourselves.

The committee's report shows the Red Cross was feeding more than 42,000 people in eastern Montana, and my information now is they are feeding more than 50,000, or about 10 per cent of the whole population and 25 to 30 per cent of a large area. North Dakota, and to lesser extent South Dakota and Nebraska, are in the same condition. There are no more hard-working, industrious, patriotic citizens in the United States than these, and they are entitled to the sympathy and consideration of this Congress and the Government. I hope there will not be a vote against this bill. [Applause.]

[Here the gavel fell.]

Mr. GLOVER. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. BEAM].

Mr. BEAM. Mr. Chairman and members of the committee, I am indeed happy to support a measure of this kind. I feel on due reflection that it is time the Congress of the United States became cognizant of the situation and thoroughly awakened to the situation as it now exists throughout America.

As I read the joint resolution which is before us to-day I recall at the onset of this congressional assembly that when the gentleman from Alabama [Mr. HUDDLESTON] made his speech in the House there was some derision at his remarks, but after a careful survey and after a close analysis of conditions as they now prevail throughout the country I am glad the Congress of the United States is deeply aroused and thoroughly cognizant of the fact that absolute and dire necessity exists and that aid, to be effectual, must be forthcoming very rapidly. [Applause.]

Gentlemen of the Congress, you probably do not know the situation in detail. I wish you could have listened to some of the testimony which was given before the Committee on Agriculture. If you had been able to do so you would be alarmed as to the conditions prevailing in some of our Western States. It was only when this testimony was presented to us in a definite way that we became thoroughly impressed with the idea that these are unusual times, times in which every Member of Congress must realize that aid must be forthcoming.

My friends, the history of nations is built merely upon the stability of their people. If you go back into the pages of history you will find that the earliest fundamental law of every nation was to feed its hungry.

I am from a great metropolitan area—the city of Chicago. I hold no brief for the wheat farmers of Kansas and the Western States. But I am in sympathy with them. I believe that agriculture should prosper, because I realize that if agriculture is not successful big business can not function, and consequently men can not be employed. [Applause.]

However, I ask you to picture conditions in the great metropolitan areas of our country. I am sure the condition which prevails in the city of Chicago prevails in every city of our land. You would realize the seriousness of the situation if you could but see men dispossessed of their homes. The courts of the city of Chicago are clogged with forcible entry and detainer suits. The circuit courts are clogged with foreclosures on homes and buildings. I wish you could see the soup lines and the lines of hungry men in our city and in every city. If you could see these actualities you would become aware of conditions as they exist in our country to-day.

My friends, the history of America has been that it has always fed the foreign poor. If you please, a few years ago we sent over $20,000,000 to feed the hungry in Russia. We appropriated many millions of dollars to feed the hungry German children. We fed the Chinese on the occasion when the great typhoon visited that country. We fed the Belgians; we have passed measure after measure to take care of big business in America; we declared a moratorium for Germany; we have passed legislation for the stabilization and rehabilitation of the banking interests of America, but up to this time we have allowed the rank and file of our people to starve; with apparent indifference from our Federal Government.

My friends, this is a land of plenty, and this is an opportunity for us to become thoroughly aroused and perform an outstanding duty, namely, that of supporting this measure unanimously and in its entirety. [Applause.]

Mr. KETCHAM. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA.]

Mr. LAGUARDIA. Mr. Chairman, I have consistently urged that the highest function of government is the preservation of life. Although coming from a city district, I am glad to say that I have always cooperated with the great Committee on Agriculture and in one or two instances have been the only city Member voting with it.

While this bill in and of itself, of course, will not and can not bring about real relief in the cities—and I think it is well to point that out ahead of time, so that there will not be much hope based upon it—it at least establishes a principle that many of us have been fighting for and that is that in periods of distress, when a large number of our population is in need, it is the duty of the Federal Government to step in and bring relief.

In reply to what has been said to-day as to the State constitutions of some of the States that do not permit relief or the failure of State legislatures to meet in order to provide legal relief, I want to say that as far as my State is concerned we have the resources; we have always generously appropriated for our home requirements, but I am sure that I voice the sentiment of the people of my State when I say we are not going to permit any part of our population to remain in want regardless of what the constitution of that State may be. [Applause.] We do not believe in starving a sister State into submission, but we believe in setting a good example, and eventually all States will take proper action. In the meantime no American should be allowed to starve or to suffer bodily hunger.

I want to say to the gentleman from Mississippi [Mr. WHITTINGTON], who properly called to the attention of the House the cost of this wheat, that it will be made up entirely on what the Government will save on storage.

I wonder how many gentlemen on the floor recognize that this wheat is costing us 18 cents a bushel per year for storage? This is a cent and a half storage per bushel per month. The 40,000,000 bushels here provided will mean a saving of $600,000 a month, or $7,200,000 a year. Why, it is prudent business to get rid of it and save the storage, providing, of course, we can do so in an orderly manner without disturbing the farmers' coming crop.

I want to say, gentlemen, that as far as the cities are concerned, we must make a slight amendment. We are so situated in the large cities that we can not possibly use flour. We have not the facilities for baking bread in the tenement houses. The cost of the gas or fuel would be too high. I have an amendment here which will authorize the baking of this flour into bread or other processing into food for distribution. I also provide in the amendment that the cost of the baking shall not be paid with flour, because if you do that, my friends from the farming districts, you will to that extent curtail your sale of the current crop of wheat and of flour. So if you will provide for the giving of the flour to organizations in my city, such as the A. I. C. A., the C. O. S., the Catholic charities, the Hebrew charities, and the Salvation Army, they will find the funds to bake it or process it into food and will care for the proper distribution where it is needed.

Mr. SPARKS. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. SPARKS. Does the gentleman know what the shrinkage loss is on wheat per year?

Mr. LAGUARDIA. No; I do not. I am told the percentage is high. I find, so far as converting wheat into bread is concerned, that 1 bushel of clean wheat will make 42.6 pounds of flour, and from that we can make 62 one-pound loaves of bread. Of course, the shrinkage is another item which must be taken into consideration in figuring the actual cost of this wheat.

Now, gentlemen, please do not get the idea that we are doing very much to relieve distress. The one thing we are doing, I repeat, is to establish the duty of the Federal Government to provide for our people in emergencies and in times of distress. The unemployment situation, with its resultant destitution, is no fault of the people. Our unemployed are willing and able and anxious to work. I also want to point out that providing bread is by no means feeding people. It is only supplemental aid given by the Federal Government. Let no one get the idea that the American people or any part of them can be fed with bread and cereals alone. If conditions continue, if there is not a big improvement in the unemployment situation, soon a much greater appropriation will have to be made for direct relief. And I repeat what I have said so many times on the floor of this House, that Congress can not escape the duty of providing a national system of unemployment insurance to assure economic security to the workers of this country.

Mr. KETCHAM. Mr. Chairman, I yield three minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, I represent a district which is within 100 miles of South Dakota. For six or eight weeks past our folks have been shipping corn and other grain free of charge over there to them, and this has been distributed there by private people and not by the Red Cross. We are ready to go on with this same program. I may say that nature has not visited my district with any great holocaust, nor afflicted it with scourge or drought or prevented it from raising at least a fair crop, nor have the grasshoppers visited it to any great extent. We suffer from economic forces and are unable to get fair prices for our products as measured by high-priced dollars. I have in my hand a letter from one of my constituents which discusses the facts surrounding the present bill and shows the conditions which prevail. I read as follows:

> We are constantly receiving letters and calls for help from our friends in South Dakota. They and their stock are starving to death gradually. We had another snow last night. We thought of wiring you, but have not done so. Many have suggested going to Fort Dodge and help load out or, if necessary, take by force the wheat stored in the Quaker Oats elevator (my friend here refers to wheat owned by the Stabilization Corporation which was stored in the Quaker Oats elevators at Fort Dodge). This wheat is gradually being eaten up by storage bills, so the Farm Board has little equity anyway. Mr. ——— was here yesterday and suggested this, for the good Lord knows what little corn we have left will not pay taxes. Millions and billions have been appropriated for the large banks, railroads, and insurance companies, and yet we receive appeals for help from private citizens and men and women who are in want. It is very hard to understand this situation. I read that the ——— railroad got their $18,000,000 loan approved hardly before the bill had passed. I know that you are doing every possible thing you can, but we feel that we would give our last cent and lose our homes rather than have those poor devils in Dakota starve. I, for one, hate to be so embarrassed. It seems to me that if the American Legion is any good at all they will take what wheat they have in Dakota and return it to those it was taken from. Cars of grains have been shipped out from here and from surrounding territory and still we sit without doing anything. I will admit that I am out here in the country and think pretty individually, but just what good is it to pass these billions to business men while our people are starving. Those who appeal to us for help are known to us and are good people.

Mr. Chairman, as soon as I received this letter about two weeks ago I called the facts to the attention of influential men in this Congress and am now well pleased to see such unanimity in support of the present bill. I readily approve of the remarks of the gentleman from Chicago and of the gentleman from New York City who preceded me. I will join with them in each and every feasible plan that will restore jobs to workingmen and prevent their wives from being hungry and their children from crying for bread. After all, the voice which cries for bread is the most plaintive voice known among mankind. Let us still that voice and answer that cry. Gentlemen have stated in this debate that ordinarily they would not be for such a bill as this because it seems to be paternalistic. But after what I have seen and heard in this Congress I do not want anyone to tell me that the Government is not in business. My constituent, whose letter I have quoted, is quite right in saying that the Government has come to the aid of banks, railroads, insurance companies, and mortgage-loan associations. The bills that we have so far passed prove his statements. The Government has already entered many fields of business. The Government has been regulating railroads since 1887. No one now disputes its right to do so nor the wisdom which impels it. The Government is pouring hundreds of millions of dollars into rivers, harbors, and canals so that business may flow unrestrained down the waterways. It is running barges along these waterways and giving indemnities therefor. The Government went into the shipping business, and we make huge expenditures for the merchant marine. Business men want this. The Government provides costly airway service and subsidizes the air mail. Business men are for this system. Canal building and highway building are common enterprises which business demands shall be conducted by the States and the Federal Government. The tariff itself is a direct restraint upon the natural course of exchange between the countries of the world. The Federal Farm Board is an example of this very thing, and it has developed cooperation as distinguished from individualism among farmers. Since we have come here this session we have passed many bills whereby the Government is supporting this or that or the other business. So, Mr. Chairman, I have come to the conclusion that almost everybody wants to have the protection and the help and aid of the Government in his own business, although he does not want the Government to aid the other fellow's business. I do not want anyone hereafter to tell this Congress that the Government should not be in the business of ameliorating the suffering of mankind. We have not yet given any direct aid to the man who is out of a job. Such aid as he will get from our legislation is indirect aid. We hope, and the theory is, that benefits will be allowed to fall down from above upon him. The same thing is true as to farm relief. We have not given the farmer any direct benefit except as benefits may be extended to him and allowed to fall down upon him from above. This bill will aid mankind. It should be passed unanimously. [Applause.]

Mr. KETCHAM. Mr. Chairman, I yield five minutes to the gentleman from North Dakota [Mr. BURTNESS].

Mr. BURTNESS. Mr. Chairman and members of the committee, when a few weeks ago it was reported that the Committee on Agriculture had voted adversely to legislation similar to this I was disappointed, and I did take the opportunity of making my views known to some of the members of the committee, for I thought there was much merit in the legislation and that they might not have been fully advised. I am therefore very much pleased with the favorable action taken by the Agricultural Committee this week.

There are many things that might be appropriately said to-day as to its various aspects. I am somewhat like the distinguished gentleman from Montana [Mr. EVANS] in that I do not like to parade before the public the difficulties that exist in some portions of the Northwest—the result of poor farm prices and of unprecedented crop failures. I do, however, feel that we have some things to be proud of out there in the Northwest.

Incidentally, I might mention that in all probability none of the relief provided in this bill will come to that portion of the State which I happen to represent, but some of it, I hope, will go into other sections of the State, into Montana and into portions of South Dakota, Nebraska, and elsewhere, as well as provide for food that will go into the great industrial cities of this country, where there is need for it—for the unfortunate armies of unemployed.

I have been asked at times what we ourselves have done out there in the Northwest and, as I say, I am proud of the fact that we have done our best. During the fall we organized our communities, townships, villages, and cities as well as we were organized back in the war days. We went out

and we passed the hat among our own people and in my State, which last year had a fair crop only in two or three counties of the State, the people raised $200,000 in cash and turned those funds over to the Red Cross for relief work in our State. [Applause.]

In other words, the neighbors of those unfortunate enough to lose their crops gave willingly of what they had, and they did so at a great sacrifice. We in North Dakota did not originate any demands for outright assistance from the Government. We are trying earnestly to take care of our own people, and while many have had to live on a lower standard than that to which they are used, I believe very few, if any, have been forced to go cold or hungry. Every community, even those in the drought-stricken areas, did its fair share.

From the eastern part of the State we sent to the western portion of North Dakota and to Montana about 400 carloads of potatoes and mixed vegetables, as well as many carloads of clothing and supplies of various sorts. I am rather proud of the unselfish accomplishments of the people of my State, and also of the contributions made by the people of the neighboring States out there in the Northwest. They will stand as an inspiration to what is best in mankind for many years to come.

Now, with reference to this bill, some Members have spoken as to what it may do to the wheat market, and what it will cost the Government. I want to emphasize the fair statement made by the gentleman from New York [Mr. LAGUARDIA], as to the saving of $7,200,000 a year in storage on the wheat held by the Stabilization Corporation. Yes, I want to say to him that he can, in fact, fairly multiply that figure about two and a half times. The important thing from the wheat growers' viewpoint, as well as the viewpoint of industry, is to restore the buying power of agriculture through an increase in price. An important thing, therefore, is to get all of this grain out of the show case, so that there may be a better price situation, which in turn will soon result in signs of general prosperity returning.

Why did I say that this bill will save two and a half times the amount stated by the gentleman from New York, or more than $21,000,000? Remember the policy of the Farm Board is to sell only 5,000,000 bushels of wheat a month, and it would take three years to get rid of all of its present holdings of about 150,000,000 bushels at that rate.

Mr. HOPE. Will the gentleman yield?

Mr. BURTNESS. I yield.

Mr. HOPE. The gentleman's figures are based on the assumption that the present price of wheat will continue.

Mr. BURTNESS. Not altogether so, but partly so. I regret to have to say that as far as the present prospects are concerned, there seems to be very little likelihood that the price of wheat will increase greatly for a long time to come. It is just as sensible to assume that there will not be any great improvement as to assume that there will be. In any event, we have the wheat on hand. It costs money to carry it. Storage for three years will amount to as much as its present value. People and half-starved livestock need it. Its retention in the hands of the agency of the Farm Board will depress market prices for months, if not years, to come. The practical thing to do is to turn it over to the Red Cross for these humanitarian purposes. Consumption will be increased to some extent at least, thus tending to improve market conditions when the next crop comes on. The public burden will be lightened in every community to which it goes.

In spite of the few objections raised, let us approve it almost unanimously. [Applause.]

[Here the gavel fell.]

Mr. KETCHAM. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. GARBER].

Mr. GARBER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to include therein statements and such tables as may be material.

The CHAIRMAN. Without objection, it is so ordered.

Mr. GARBER. Mr. Chairman and members of the committee, while there is a diversity of views in reference to the extension of assistance by the Government, yet when you come to analyze this diversity of opinion, you will readily find that the membership of this House is almost unanimous in its desire to extend assistance, when the need is shown to warrant such action by the Government.

We have the conservative element taking the view that under no conditions should the Government extend assistance in cases of this kind. On the other hand, we have a radical element that would go to the other extreme and ruthlessly appropriate the tax moneys of the people for all purposes regardless of merit or need.

I take the middle ground, and I believe that it should become the Federal policy of the Government that when the actual need is shown to exist, the Government should step in and assist the citizens in the protection of life and property.

Mr. SHANNON. Will the gentleman yield?

Mr. GARBER. Yes; for a question only.

Mr. SHANNON. I would like to ask the gentleman under what head or group this would come? The President in his message said, "I am opposed to any direct or indirect dole." Is he conservative or radical?

Mr. GARBER. In my judgment, he is neither. He is a well-poised, balanced Executive whose administration under these trying conditions has saved the taxpayers untold millions of dollars which would have been appropriated for the extension of Federal assistance in all directions, regardless of need, if it had not been for the sound policy he adopted.

But the gentleman can secure his own time and present his own interpretation of that portion of the message which he has read.

The President's position, as I understand it, is to extend Federal assistance when need is shown to exist, after the local subdivisions of government and organizations have exhausted their resources. Time has vindicated the wisdom of such a policy as contradistinguished from the dole policy which, if unopposed, would have been adopted long ago by those who favor appropriations regardless of the capacity of the Government to pay and the necessity of economic expenditure of the tax moneys of the people.

The resolution under consideration does not provide a dole. It supplies a temporary need under a great emergency. The adoption of the dole is proceeding along the lines of least resistance, and when once adopted as a part of our economic policy it will be impossible to eliminate it. It destroys the integrity and independence of the individual, increases the load of the Government, and results in a discriminating distribution of public revenue. It is easy enough for political purposes to tear down the moral fabric of restraint and independence which it requires generations to develop. The President's policy, and the one which I approve, has demonstrated its wisdom, and is the one which properly represents the integrity of American citizenship and the course which this Government should pursue.

The resolution under consideration directs the Farm Board to make available, from time to time, as need may be shown to the American National Red Cross, wheat of the Grain Stabilization Corporation for use in providing food for the needy and distressed, and for feed for livestock. Such wheat in quantity to be delivered only upon the approval of the President, to such organizations not exceeding in total an amount of 40,000,000 bushels, no part of the expenses incident to the delivery, receipt, and distribution to be borne by the United States or the Federal Farm Board.

Under the terms of the resolution the wheat may be milled or exchanged for flour or feed without profit to any mill, organization, or other person. The Farm Board is authorized to credit the account of the Grain Stabilization Corporation with an amount equal to the current market value thereof at the time of delivery. This resolution passed the Senate February 24, 1932, and is favorably reported by the House Agricultural Committee, which, in hearings recently

held, determined that actual need was sufficiently shown to warrant its favorable report of the resolution.

The House Agricultural Committee is to be commended for refusing its approval until the evidence showed an actual need for the appropriation. Such course was an approval of the policy that local subdivisions of government should supply local needs for relief of the distressed, but when such local needs fail and an actual need is shown for Federal assistance, then it should be extended, and that is the policy adopted by the House Agricultural Committee in its consideration of this resolution.

The need shown in this case was caused by extreme drought and ravages by insects in the Northwestern States, unusual visitations which neither the foresigh nor industry of the farmers of those States could prevent.

The selection of the Red Cross as the distributing agency insures economic distribution without expense. The Red Cross is a noble institution deserving of the grateful appreciation of the American people for its unselfish work and sacrifice in carrying out the relief program during this period of depression.

It is to be regretted that this meritorious measure can not be amended so that the farmers could receive the benefit of the purchase of an equal amount of wheat by the Farm Board. If provision providing for such purchase would be germane to the resolution, I would offer it as an amendment, as such purchase would stimulate the market and benefit the wheat growers without extra cost to the Government or the Farm Board. The hearings show that it is now costing the Farm Board 18 cents per bushel per year to hold the wheat. This 18 cents per bushel would amount to $7,200,000 a year or to $600,000 a month. With wheat selling for 48 cents per bushel, it is readily seen that the storage charge will soon equal the market value of the wheat. In support of this proposal are three telegrams just received from three of the largest wheat agencies in the Southwest, namely, the Oklahoma Wheat Growers Association, the Union Equity Cooperative Exchange, and the Farmers Cooperative Grain Dealers Association.

While the consideration of this resolution evidences the existence of tragic conditions, yet it is with some satisfaction that we can give it our support with the knowledge that it will extend relief direct to the deserving in need.

ENID, OKLA., *March 3, 1932.*

Hon. M. C. GARBER,
House of Representatives:

Oklahoma Wheat Growers Association supports the resolution now before the House as to the Farm Board giving to the needy of our country 40,000,000 bushels of stabilization wheat, and we do urge that stabilization buy from the market 40,000,000 bushels of wheat to replace the amount donated by the Farm Board to the needy.

OKLAHOMA WHEAT GROWERS ASSOCIATION,
A. W. GLASGOW, *General Manager.*

ENID, OKLA., *March 3, 1932.*

Representative M. C. GARBER:

We heartily approve your action toward releasing 40,000,000 bushels Farm Board wheat to American Red Cross for relief purposes. To relieve the congested situation in cash wheat in the Southwest think it very important handle above in a way to have Farm Board replace the 40,000,000 by buying like amount cash wheat in the worst congested area. Very little demand cash wheat or flour at present. Replacing of like amount would stimulate both demand for cash wheat and flour, as well as confidence in the market, aiding the American wheat farmers as well as the unemployed.

UNION EQUITY COOPERATIVE EXCHANGE,
E. N. PUCKETT.
FARMERS COOPERATIVE GRAIN DEALERS
ASSOCIATION OF OKLAHOMA,
ROY BENDER, *Secretary.*

Mr. KETCHAM. Mr. Chairman, I yield two minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the disposal of 40,000,000 bushels of wheat as provided in this bill is in no sense a dole. It is a fact, and we know it, that people are hungry, that they are short of food, and that the country is filled with food supplies. I want to speak a word here, not with the idea of making a speech, or even extending my remarks. I live within 40 miles of the city of Buffalo, N. Y. In the city of Buffalo you will see lined up along the break-wall of that city harbor a great fleet of ships, some of them over 500 feet long, in which is stored Federal Farm Board wheat amounting to hundreds of thousands of bushels. I happen to know that it is necessary for the Government, in order to prevent that wheat from spoiling, to have these great vessels towed over to the elevators and then go to the enormous expense of putting a cold blast through all these hundreds of thousands of bushels of wheat to keep it from spoiling. Far from being a dole, we will find ourselves, unless we take some action of this kind, in the position of letting hundreds of thousands of bushels of wheat rot, rapidly deteriorate in the holds of ships, with people begging for food. I want you, gentlemen, to take that into consideration when we vote on this bill. [Applause.]

Mr. JONES. Mr. Chairman, I yield now to the gentleman from Nebraska [Mr. NORTON].

Mr. NORTON. Mr. Chairman, in supporting this resolution at this time I am in a position which is consistent with the position which I have taken in the Committee on Agriculture. When a similar resolution was recently under consideration I voted to report it favorably, and when the pending resolution was reported by the committee I voted in the affirmative.

The purpose of this resolution, as is explained therein, is to authorize and direct the Federal Farm Board to take such action as may be necessary to make available to the American Red Cross such amounts of wheat now held by the Stabilization Corporation, not to exceed 40,000,000 bushels, as may be needed for relief. That is a laudable purpose, and there should be no serious objection to it. The resolution does not alone provide that the wheat be used for human relief, but for the relief of livestock in drought areas where livestock is now dying for lack of necessary feed. There are those who will say that the passage of this resolution would be a new departure for the Federal Government, a setting of a dangerous precedent, because to do so would be unusual. But these are unusual times when unusual measures are necessary to meet an unusual emergency.

That there is hunger and need of food in many parts of the country must be conceded. How could it be otherwise with more than eight millions of people unemployed, and an even greater number employed only part time with insufficient incomes to meet living requirements? Upon those who are unemployed, or who are employed only a part of the time, depend many other millions. What is even more serious, is the fact that in addition to those already enumerated are millions of other men, women, and children who have no one to whom they can look for support, except the public, and who because of age or physical condition could not work, even though given an opportunity to do so. I repeat, that these are unusual times which require unusual measures.

In the consideration of this measure we find the existence of a deplorable situation. On the one hand, we find that the farmers are receiving prices for their products which are not equal to the cost of production, not equal to one-half of that cost; while, on the other hand, are millions who can not buy these food products for lack of the necessary means. In other words, hundreds of thousands of American farmers are losing their farms and their homes because of inadequate prices, due to their surpluses, to enable them to meet operating expenses, living costs, interest, and taxes, while others are starving for lack of food. It is a deplorable fact, I repeat, that in the greatest agricultural Nation in the world the tillers of the soil are being driven from what once were their happy homes, because of the low prices of foodstuff, to the cities, where millions for lack of food are suffering from hunger and want.

Some of those who have expressed opposition to the passage of this resolution have expressed the view that its enactment would be detrimental to the farmers. I am wondering whether some of these defenders of the farmers' welfare really would like to do something for the farmers. If so, are they ready to support the program outlined by organized agriculture, to pass legislation which would give to the farmers prices for their products which would be equal

to the cost of production? Are they willing to urge the passage of a farm measure which would contain the "equalization fee," the "export debenture," and the "allotment plan," with a proviso that the Farm Board be required to use one of these provisions so as to effect better prices to the farmers?

It has been stated by some critics of this proposed legislation that the necessary wheat for food purposes in administering relief should be bought upon the open market; that to use the so-called Farm Board wheat would depress the market and consequently the price of wheat for the farmers. With that view I can not agree; but, even if it were true, what farmers would, as a result, be forced to sell their wheat at the reduced price? It certainly would not be the farmers who were seriously in need of better prices last fall when they were forced to sell their crops immediately after harvesting in order to meet, as far as that was possible, expenses and debts which they had incurred.

Would it not be the speculators, in the main, who would stand to lose, because they now hold much of the wheat, and some others who would be in a position to hold the wheat until the depressing influences, which could be only temporary, had passed? I restate, however, that I do not consider that the passage of this resolution would depress prices, for a greater amount of wheat would be consumed, and the effect of that should be to increase rather than to reduce prices.

The passage of this resolution would have another beneficial effect, which gives me an additional reason for favoring it. I maintain that one of two definite steps should be taken in the near future in the interest of agriculture: Either the Farm Board should dispose of the wheat now held by the Stabilization Corporation, before the time of marketing the next crop, so that the huge quantity of wheat now in storage might not remain as a threat over the market, and later probably be sold in competition with the 1932 crop; or the Farm Board should impound the entire amount, less whatever amount might be used for relief, for at least one year, and preferably for two years, so as to remove the present depressing effect of this stored wheat. To do that would not be to establish a new departure, for the Farm Board has already, through an agreement made in the exchange of wheat for coffee, agreed to hold the 1,000,000 bags of coffee to be received off the market for one year from the time the exchange was agreed upon last September.

Many of those who oppose the extension of relief by the Federal Government maintain that it is the duty of the local community, or of the State, to provide the necessary relief. But to extend the relief here suggested would not be a new departure. If our Nation was justified and I think that it was—in extending relief to Belgium, to China, and to Russia in times of hunger and distress; to Tokyo and San Francisco at the time of their earthquakes; to the Mississippi Valley at the time of the Mississippi River flood; to Arkansas and other places in times of drought, would it not be justified in extending relief now to the needy of this country when there is evidence of hunger and want?

The American citizen owes his allegiance and loyalty to the Federal Government as much as to the State or the local community, and is ready to give his all in an emergency, if need be, in its defense. Has he not then the right to expect that that Government should interest itself to the extent of aiding in furnishing shelter, fuel, clothing, and food when he can not secure work, however much he may desire it, so as to earn those necessities for himself? That should be especially true when the conditions which have caused this distressed situation are more the fault of the Federal Government than of the States and of the local communities, due to the stupid policies which the Federal Government has pursued.

To pass this resolution, it has been claimed, would be to provide for the extension of a dole. What constitutes a dole, may I ask? Is it the extension of a dole to furnish food to the hungry and not a dole to extend aid to financial institutions and other organizations of great wealth? Is it a dole to attend to the welfare of the individual American citizen and not a dole to respond to the cry for help from some corporation or other organization in a position of influence and advantage? I can not see how that could be true.

To repeat what has been often stated, there are two schools of thought with reference to government, wherein some of the people believe that government exists primarily for benefits to the privileged classes, while others cling to the view that government exists for service to the masses. With the latter view I agree. I believe that every American citizen, however poor or humble he may be, is entitled to the same protection of the law and the same consideration at the hands of his Government as the person who may sit in the highest position of wealth, of prestige, and of power. It is the solemn duty of the Government to guard the interests of all of the people and not alone the selfish desires of just some of the people. To maintain that position of American justice I trust that this resolution may receive favorable consideration to the end that America's good name may be safeguarded and this Congress may have performed its obligation to a nation's people in a time of great distress.

Mr. JONES. Mr. Chairman, I yield two minutes to the gentleman from Connecticut [Mr. LONERGAN].

Mr. LONERGAN. Mr. Chairman, this is an emergency measure. I favor it and commend the committee for reporting it. If I had my way, all the wheat owned by the Grain Stabilization Corporation would be given for the same purpose, as well as the coffee owned by the Grain Stabilization Corporation. We have in this country 354,000,000 bushels of wheat, 154,000,000 bushels of which are owned by the Grain Stabilization Corporation, and 200,000,000 bushels of which are owned by private interests. It is costing this Government $2,000,000 per month to own this wheat. There are in the country 8,000,000 people who are out of employment. We find cities, particularly in the eastern section of the country, appealing to Congress for unemployment relief. We have an oversupply of the various necessities of life, and yet we find millions of people pleading for those necessities. We have underconsumption and not overproduction. I congratulate the Congress on its proposed action in voting for this measure. Forty million bushels of wheat, when milled, will supply the bread needs of 10,000,000 people for one year. This measure has the approval of Secretary Hyde and of the Farm Loan Board. It should pass without a dissenting vote. [Applause.]

Mr. JONES. Mr. Chairman, I yield two minutes to the gentleman from Indiana [Mr. CROWE].

Mr. CROWE. Mr. Chairman, I rise in support of Senate Joint Resolution 110, authorizing the distribution of 40,000,000 bushels of wheat to the American National Red Cross and other organizations for relief of distress.

I am glad to support this measure. I am glad it is for 40,000,000 bushels. I would support a measure that when this amount has been consumed, to place an additional 40,000,000 bushels at the disposal of the same organizations.

This bill is humanitarian; it reaches those who are deserving; reaches those who, through no fault of their own, are hungry.

This is a crisis of the first magnitude. Various estimates are given of the number of employed, variously estimated from 7,000,000 to 10,000,000 people.

Can this, the richest nation on earth, turn a deaf ear to the hungry and starving?

Can this country, with too much foodstuff, turn away from the hungry mothers and helpless children of this land, and especially when the Federal Farm Board has its millions of bushels of wheat on hand with no apparent market or use for same?

The hearings disclose that it is costing the Federal Government 18 cents a bushel per year for interest, storage, insurance, and so forth, to handle this wheat.

Two to three years would cost the entire value of this wheat in overhead.

When Russia was in distress some years ago we contributed $20,000,000 to aid their hungry. When Belgium was in need we spent millions of dollars to feed their starving. We aid in many ways the nations of the earth, but we seem to get stage fright and fear when we talk of feeding

our hungry and unemployed, fearing it will be called a dole. I oppose a dole; our workingmen, that great class of men, the great bulwark of the Nation, oppose a dole; but when their suffering families are hungry for bread, a just Nation with millions of bushels of wheat to spare, must feed its hungry.

Forty million bushels of wheat will probably feed 2,000,000 families with bread for six months. Eighty million bushels likewise would feed 4,000,000 families six months. I favor and I implore Congress and the Red Cross to put on full speed ahead and get the quickest possible action on the distribution of this wheat.

CHARITABLE INSTITUTIONS, COMMUNITY CHESTS, ETC.

We hear considerable talk of the local communities taking care of their needy, which is splendid, and there are hundreds of such organizations doing a great, noble work. However, the funds for these institutions are coming out of the pockets of merchants, business and professional men, bankers, and so forth, men many of whom are unable to contribute more, many of them going into bankruptcy. It is time to give some relief to those agencies by removing some of the load from them.

MEASURE WILL TEND TO STABILIZE PRICE OF WHEAT AND INCREASE THE MARKET PRICE

There is no room for fear in this measure to the miller or elevator man. Our overproduction is to a great extent underconsumption. The unemployed in millions of families are not eating but a very small per cent of what they would eat if they had it. By this method we will use up a great volume of the surplus and that will tend ultimately to increase price on amount then left in the country.

RECHECK TOTAL BUSHELS THEN REMAINING WITH FEDERAL FARM BOARD

I would recommend that after this has been withdrawn to carefully check amount actually on hand after this 40,000,000 bushels has been withdrawn, and after all shrinkage has been accounted for, which is common to grain in storage, the figures will show definitely the amount on hand with the Federal Farm Board.

When our hungry have been fed and the reflection of these figures are shown that a large part of our surplus has been depleted the market price will automatically rise.

HELP THE FARMERS

This will be a tremendous boon to the farming industry. It is one way to give a small measure of relief to them. It is imperative that something must be done for this big part of our population. Until the farmers are given relief and some constructive measures of aid are given them, there can be no hope for any lasting prosperity to our country. I am sincerely for any sound, honest legislation which will give aid to any of the distressed groups of our country. We have helped industry, we have helped the railroads, we have helped the banking interests. It is now apparent that we must give aid and immediate direct help to those of our country who are in dire distress. [Applause.]

Mr. JONES. Mr. Chairman, I now yield to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman and fellow members of the committee, this bill proposing to turn over to the Red Cross for distribution to the destitute people of America 40,000,000 bushels of wheat now being held in storage by the Federal Farm Board is one that should not, in my opinion, have opposition from any Member on either side of this aisle. The fact is this bill should have been passed the first week of the present session and the destitute and hungry people of the land could have been fed by this surplus wheat all winter rather than wait until spring.

I was amazed at the statement of the distinguished gentleman from Illinois [Mr. ADKINS] in defending the unusual delay of action by the committee. If I understood him correctly, he took upon his broad shoulders a large share of responsibility for the delay and said he had no apologies to make for such long procrastination. If I misunderstood or misconstrued what he said, I trust the gentleman will correct me. However, I listened intently to the gentleman who has heretofore so ardently championed the cause of the farmer for an explanation for this long delay in action and was disappointed that he did not choose to give any.

Let me say that in the early part of this session I advocated the passage of this legislation and personally discussed it with the able and distinguished chairman as well as several members of the Agriculture Committee and urged that not only this but that all surplus wheat held by the Farm Board be distributed, if necessary, to feed the unemployed and destitute of the country. The opposition to this legislation has raised the old worn-out cry of a "dole," and we have been reminded that the President in a message to Congress has voiced his opposition to legislation of this kind. I do not propose to quibble over what this measure may be called. I have stated on the floor of this House more than once that I would much prefer to support legislation to provide work for the unemployed and destitute citizens in order that they might be able to feed and clothe themselves, and I still feel that way about it; but this Congress is faced with a terrible and frightful condition of starving and hungry people and not a mere fanciful theory.

There are some eight or ten millions of American citizens without work, and the army of unemployed, instead of diminishing, has grown every week and month for the past two years and more. I am in favor of feeding the hungry and starving, whether they happen to reside on the drought-stricken and grasshopper-infested plains of Minnesota, in the towns and cities of the country, or in the agricultural districts of Arkansas or Oklahoma. A hungry person will not long remain a patriotic citizen. If leaders of Congress will spend less time denouncing the so-called reds and hunger marchers and pass legislation like this to feed their hungry stomachs, that vast army of hungry and discontented will diminish rather than grow with every passing day. [Applause.]

A few moments ago some one raised the question that if this surplus wheat that is stored in warehouses over the country is distributed to the hungry it will actually cost the Government money, inasmuch as the Farm Board has invested about 30 or 32 cents per bushel in it. In answer may I call your attention to the fact that the Farm Board is paying about 18 cents per bushel per year for the storage of this wheat, and therefore the withdrawal of 40,000,000 bushels of the board's wheat, as contemplated in this measure, would make a saving to the Federal Farm Board of more than $7,000,000 per year. Personally I would not hesitate to vote to turn over all the surplus wheat held by the board for distribution to the hungry. I give notice now that I shall offer an amendment at the proper time to strike out 40,000,000 and insert 50,000,000 bushels instead.

I must confess I do not understand why Members of Congress will quibble over this proposal to distribute this surplus grain to the starving and needy of our own people, especially after you have been so magnanimous to foreign countries. You did not raise any objections when Congress made a direct appropriation to feed the starving in China a few years ago, nor did we hear the cry of "dole" when this Government spent some $20,000,000 to feed the hungry and starving of Russia. Some of you whose statesmanship will not permit you to support this legislation raised no objection when Congress doled out an appropriation to feed the hungry people of Germany not many years ago.

There was no objection from some of the same Members to the appropriations, and there was no cry about "the dole" whenever Congress decided to feed the destitute of other lands. It has only been a few years since the gentleman who occupies the White House and who now warns Congress against making any direct appropriation for relief for the starving people of America did ask Congress for a dole of $100,000,000, as I recall, to the starving children of Belgium, and the appropriation was made without opposition or question on either side of this aisle, just as Congress should have done. But I submit in all fairness, Mr. Chairman, that the starving women and children and the destitute people of our own beloved America are entitled to as much consideration as are those of Belgium, Russia, China, or other ungrateful nations beyond the seas.

Inasmuch as that word "dole" seems to be about the only obstacle in the way of some to support this bill, I can not resist the temptation to remind Members of this House once more that this Congress gave a dole of over $250,000,000 in interest when it passed the President's pet measure, the moratorium on certain foreign war debts. Again let me ask, what else but a dole to big business was another pet bill of the White House, with a high-sounding name—the Reconstruction Finance Corporation? With the Federal Treasury in the "red" some $2,000,000,000, Congress has thus far dished out doles to foreign governments, big railroad lines, and international bankers; but let us be candid about the matter—just what has this Congress done thus far to relieve the distressed farmer or the unemployed and destitute of the land? If it is statesmanship to give big business a dole, I insist that it is no crime to feed the hungry, dole or no dole. [Applause.]

Mr. KETCHAM. Mr. Chairman, I yield three minutes to the gentleman from Illinois [Mr. DE PRIEST].

Mr. DE PRIEST. Mr. Chairman, the great State of Illinois passed a bill quite recently, appropriating $18,000,000 for the benefit of the unemployed. Prior to that time the citizens of Chicago, for the purpose of feeding the poor, raised $10,000,000. All of that has been insufficient to feed the hungry people there. I think I am perfectly safe in saying that 10,000 people are walking the streets hungry in my district. This is the first time during this session of Congress we have had an opportunity to help those who can not help themselves. We have appropriated money for several other propositions, such as the Reconstruction Finance Corporation, the inflated currency, and so on, and that is what we should have done, but we have never yet provided any money during this session to directly help feed the poor people. I would not care even if it were a dole system, and I am against all doles, but I think that during these perilous times when people are hungry that we ought to cut out all red tape and feed the people of America that will have to defend America when we have occasion to call on them.

There are over 250,000 people in my city out of work. I congratulate the committee which brought in this resolution. I had hoped it would be in sooner. Let us feed the poor people. I know of no better way than to help support the people of America who support America. Some people talk about taxes. Certainly we will pay taxes, and we will pay more taxes, but if the people of America ever get to the point where they are hungry to the extent that they will get violent, it will cost us a great deal more than it will to feed them now.

I am in favor of this bill. [Applause.]

[Here the gavel fell.]

Mr. KETCHAM. Mr. Chairman, I yield the balance of my time to the gentleman from Minnesota [Mr. CLAGUE].

Mr. CLAGUE. Mr. Chairman and members of the committee, I am greatly pleased that the Committee on Agriculture has recommended this wheat resolution for passage. When I appeared before the Committee on Agriculture a few days ago the resolution only provided for the turning over of 5,000,000 bushels of the Farm Board wheat to the American Red Cross. I advocated before the committee that a much larger amount should be provided for in the resolution, and the committee is entitled to praise in raising the amount to 40,000,000 bushels.

At this time I want to say a few words in behalf of the Red Cross. Prior to a year ago I heard a number of Members of Congress and many people throughout the country say, "I do not want to give to the Red Cross as I am satisfied that much given to them will be wasted." At the last session of Congress a large amount of money was provided to assist the drought-stricken people, particularly in the Southern States. During the month of March, 1931, I made a personal trip through several of the Southern States to get first-hand information regarding the work done by the Red Cross. I made a personal inspection of the work done in Arkansas. My visit took me through some of the sections of that State that were particularly hard hit by the drought, and I had the privilege of seeing much of the work that was done by the Red Cross units. Mr. Evans, who was in charge of the American Red Cross work in Arkansas and Oklahoma, was very kind to me and extended every courtesy in showing us what had been done by their great organization, and turned over to us for our use in visiting some of the drought-stricken sections one of his men and a car. We made a personal visit through some of the worst sections of the State. We were in England, the district represented in Congress by Mr. GLOVER. We talked with many people, both white and black, the rich, and the poor.

I dare say that we talked with more than a thousand different people regarding the work of the Red Cross, and with only two exceptions everybody spoke in the highest terms of the work done by the Red Cross organization. I met business men who told me that they were opposed to the Red Cross workers when they first visited their section, but now they had only good words for what had been done. The colored people with whom we talked stated that they had not in any way been discriminated against and were given exactly the same aid as the white people. The sentiment everywhere throughout the districts we visited was only words of praise for the good work done by the American Red Cross. [Applause.]

Congressman KVALE and I spent a day going through that section of the country with Mr. Wahl, a nephew of Senator ROBINSON. We visited a number of schools. We ate the Red Cross meals furnished to the children. We saw the wonderful work done by this organization in many different sections.

At this time I wish to say to you Members of Congress that Mr. Payne, who has so ably handled the Red Cross work in the United States, is entitled to great praise for the work that he has done and the able manner in which he has handled relief situations. This organization is entitled to your respect and the respect of all the people of this country. I am especially glad at this time that the Members of this House are practically unanimous for this resolution to turn 40,000,000 bushels of wheat over to the Red Cross to be used for relief purposes. [Applause.]

A small portion of the district which I represent, adjoining the State of South Dakota, was severely affected by drought during the past season, and some relief has been given and more is needed. The State of South Dakota was particularly hard hit by drought and grasshoppers last summer. Many of the people are in need of food. Much feed is needed for livestock.

The people in my district have been very liberal in giving aid. One county in my district has contributed more than 20 carloads of food products to South Dakota, valued at about $9,000. The railroads have hauled these cars free of charge to the sections where needed.

The Farm Board has over 150,000,000 bushels of grain in storage, and I am in favor of turning over every bushel that is necessary to take care of the people who are in want, and also to feed livestock that is now starving. I hope this resolution will pass without a dissenting vote. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

All time has expired. The Clerk will read the bill.

The Clerk read as follows:

Resolved, etc., That the Federal Farm Board is authorized and directed to take such action as may be necessary to make available, from time to time, to the American National Red Cross, or any other organization designated by the American National Red Cross, wheat of the Grain Stabilization Corporation, for use in providing food for the needy and distressed people of the United States and Territories, and for feed for livestock. Such wheat shall be delivered upon any such application only upon the approval of the President of the United States, and in such amounts to each organization as the President may approve, except that the total amount of wheat delivered as hereinbefore authorized shall not be in excess of 40,000,000 bushels.

Mr. JONES. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Texas offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. JONES: On page 2, line 21, after the word "stock," insert "in the 1931 crop-failure areas."

Mr. JONES. Mr. Chairman, I wish to state in this connection that it was the thought of the committee that the main portion of this wheat should be used in feeding the hungry people. There were some drought areas in certain localities of America where there was an utter crop failure last year and some of the stock died; some of it was being shot because they could not care for it. It was estimated that not to exceed 5,000,000 bushels would take care of the situation. Perhaps it would not require that much. The committee thought it wise not to put it in a straitjacket, but to leave that to the discretion of the American National Red Cross. It is expected that probably 35,000,000 bushels of this wheat, if necessary, shall go to the feeding of the hungry and distressed people of the United States, both in the cities and anywhere in the country where distress may be found.

Mr. KETCHAM. Will the gentleman yield?

Mr. JONES. I yield.

Mr. KETCHAM. The full import of the amendment would be to limit the application of the wheat to the livestock only in a few isolated communities?

Mr. JONES. There are only a few States and only small portions of those States. In other words, the application, in so far as that is concerned, would be limited to those small areas; but, so far as feeding the hungry people is concerned, the language of the bill is as broad as the United States.

Mr. KETCHAM. It takes in the cities as well as the open country?

Mr. JONES. The gentleman is right.

Mr. CONNERY. Will the gentleman yield?

Mr. JONES. Yes.

Mr. CONNERY. This only refers to the feeding of livestock in certain territory in that particular area, and does not refer to the rest of the paragraph.

Mr. JONES. The gentleman is correct. Those who reported to us from that part of the country say that it will probably not take in excess of 5,000,000 bushels, and possibly not that much.

Mr. STAFFORD. Will the gentleman yield?

Mr. JONES. Yes.

Mr. STAFFORD. Does the gentleman propose to place any limitation of time on the other features of this bill; that is, as to when it shall be operative? The gentleman from New York [Mr. SNELL], in his address to-day, directed attention to the advisability of having the time limited as to when this act should be operative. Under the present wording of the act it would continue for all time.

Mr. JONES. I can see no objection to a reasonable time limit on it.

Mr. STAFFORD. I thought the gentleman had some amendment prepared.

Mr. JONES. No; I have not.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. JONES. Yes.

Mr. HUDDLESTON. May I call the gentleman's attention to the fact that his amendment to this clause will not be clear. It is not at all certain that the amendment qualifies "livestock" only.

Mr. JONES. We gave some attention to that.

Mr. HUDDLESTON. May I suggest to the gentleman that we have here the clause "the United States and Territories." Now, properly speaking, a further geographical limitation should follow that clause, "and in these areas," so on, "for livestock."

Mr. JONES. It seems to me that is properly set off by punctuation; that this wheat is available "for use in providing food for the needy and distressed people of the United States and Territories, and for feed for livestock in the 1931 crop-failure areas." The livestock feeding would be limited to the 1931 crop-failure areas, but feeding people would not be so limited. If there is any doubt about it, I would not object to having it perfected.

Mr. HUDDLESTON. It ought to be made absolutely clear.

Mr. JONES. I think it is, but if anyone disagrees with me——

Mr. HUDDLESTON. I disagree. The punctuation is not properly a part of the legislation. We ought not to leave the meaning of this clause to a comma. We ought to put the meaning into the words.

Mr. JONES. Mr. Chairman, I will ask unanimous consent to withdraw the amendment and insert the following language: In line 20, after the word "and" insert "in the 1931 crop-failure areas."

The CHAIRMAN. The gentleman from Texas asks unanimous consent to withdraw his amendment and offer an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 2, line 20, after the word "and," insert "in the 1931 crop failure areas."

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BURTNESS. Mr. Chairman, reserving the right to object, and I shall not object, it occurs to me that the gentleman's first amendment is in very much better language; it reads better, and there can not be any question as to the construction of it in view of the comma after the word "Territories."

Mr. STAFFORD. I think the grammarians of the House agree that the first proposal is better than the last one.

Mr. JONES. That was the view of the committee, but I thought if it would make it better I would put it the other way.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. STAFFORD. Mr. Chairman, I object to the transposition of the amendment.

Mr. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment. I dislike very much to oppose an amendment offered by the chairman of my committee, but I feel there should be no restriction placed on the distribution of this wheat either amongst human beings or amongst livestock.

You will find sections in the United States where there were no crop failures last year; but where the people, on account of the fact that they have no funds and can not borrow money, are not able to buy food for their family cow or for such other livestock as they may have on the farm, and such people are entitled to receive the same consideration as those in other sections of the country.

Mr. JONES. Will the gentleman yield?

Mr. ANDRESEN. I will.

Mr. JONES. I will state that this amendment, as the gentleman knows, was suggested by the organization that is designated here, their attitude being if this were left wide open there might be a great many efforts to have general distribution for feeding livestock. This is out of the range of the usual operations of the Red Cross. They have only been handling it in certain areas because of the great emergency. They usually take care of the family cow under the designation of taking care of people. But the main purpose of this measure, in so far as the country generally is concerned, is to see that this excess wheat is used to feed hungry people.

Mr. ANDRESEN. But we have the family cow, the family horse, the family hog, and family chickens all over the United States, and all these as well as the people should be taken care of and a general distribution should be made.

Mr. SNELL. Will the gentleman from Texas yield for a question?

Mr. JONES. Yes.

Mr. SNELL. Would the gentleman be willing, in line 15, to strike out "from time to time" and insert "at any time prior to May 1, 1933," which would be more than one year?

Mr. JONES. If that amendment is agreeable to the gentlemen over there, I think it would be all right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Oklahoma: On page 3, line 2, after the word "of," strike out "forty" and insert "fifty."

Mr. JOHNSON of Oklahoma. Mr. Chairman, the purpose of my amendment is not difficult to understand. I simply propose to try to dispose of an extra 10,000,000 bushels of wheat now held by the Federal Farm Board that for months has been hanging like a black cloud over the market and also to make sure that the Red Cross will have sufficient wheat to care for the destitute of the country.

I have listened all the afternoon to speeches of gentlemen who have told us of distressed conditions in their States. I have seen the many photographs showing the dead and starving horses, cattle, hogs, and sheep in several Northwestern States. Frankly, I have been amazed to know the dire distress in this country. If conditions are as deplorable as we are told, which I do not doubt, I am fearful that the 40,000,000 bushels of wheat as provided in this bill to be turned over to the Red Cross for distribution will not be sufficient.

Let me add that I attended some of the hearings of the committee and listened to witnesses who appeared. It is no secret that there was and is a wide range of difference of opinion as to the number of bushels of wheat that actually will be necessary to carry out the purposes of this legislation. I do not hesitate to say that if I had my way about it I would make it 80,000,000 bushels or more instead of 50,000,000 as proposed in the pending amendment. I have every reason to believe that the Red Cross could use 80,000,000 or 100,000,000 bushels of wheat for the destitute of this country to a very good advantage.

Now let me call the attention of the committee to the wording of the bill. If you will turn to page 3, line 2, you will see that it reads "of wheat delivered as hereinbefore authorized shall not be in excess of 40,000,000 bushels."

All of you are familiar with the manner in which that great organization, the Red Cross, functions. All of you know that not one bushel will be distributed by the Red Cross in excess of what is actually needed. I am simply proposing in my amendment to say to the Red Cross that Congress is willing to pledge an extra 10,000,000 bushels of wheat, making 50,000,000 in all, if that great organization that has done so much to relieve suffering in every State and Nation needs it. All of us know that not one extra bushel will be used unless it is actually needed.

Of course, it is only a guess as to what is or will be needed. Some who have given the subject much thoughtful consideration insist that 50,000,000 bushels of wheat will not begin to relieve the situation; others insist that the Red Cross will not use the 40,000,000 bushels as is provided in this bill. So I submit that Congress would not only do the proper thing but the safe and practical thing by adopting my amendment to insert the word "fifty" instead of "forty," in order to relieve the distressed situation among the unfortunate people of this land, and incidentally, of course, to feed the starving livestock in drought-stricken areas.

Mr. SPARKS. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield with pleasure to the gentleman.

Mr. SPARKS. Does not the gentleman think it would be a good thing to give all the wheat the Federal Farm Board has to the destitute and unemployed in this country?

Mr. JOHNSON of Oklahoma. I will say to the gentleman that I would gladly use it all. I so stated on this floor this afternoon. I would go farther than take all the surplus wheat and feed it to the hungry. If necessary to dispose of the 157,000,000 bushels of wheat, or whatever the amount may be, now held by the Federal Farm Board, and that hangs like a pall over the wheat market, I would dump it in the ocean. I would rather see it sent to the bottom of the sea than held in warehouses, where, as I stated a few moments ago, it is costing some 18 cents per bushel and seriously hurting the wheat market. But that is not necessary. We have evidence of want and starvation in many quarters; destitute people begging for bread now; and here we have 150,000,000 to 200,000,000 bushels of wheat—no one seems to know how much; Congress does not know, and no one speaking for the Farm Board appears to know—but, whatever the board has, it threatens to sell, and rumors are afloat here frequently that the Farm Board is going to turn loose 50,000,000 to 100,000,000 bushels of wheat, and down goes the price. Let us get rid of as much of this surplus wheat as possible. It will help rather than hurt the market and bring relief to the destitute throughout the entire country. [Applause.]

Mr. KETCHAM. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Oklahoma.

In the first place, I am sure the committee will be very glad to learn something of the opinion of the man who, I believe, has a closer view of this situation than any other man in the country. I refer to John Barton Payne, the distinguished head of the Red Cross. Our committee questioned him very closely as to the amount of wheat he thought might possibly be used in connection with this proposal, and at no time did he indicate that anywhere near the total amount already provided in the resolution would be required.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. KETCHAM. I will be pleased to yield to the gentleman.

Mr. HUDDLESTON. May I call the gentleman's attention to the fact that the "40,000,000 bushels" is merely a high limit or the maximum, and so would be the 50,000,000. It does not necessarily imply that all of it must be distributed, and, manifestly, no more will be used than they find necessary. We are merely giving an authorization for 50,000,000 and not requiring that that amount shall be distributed.

Mr. KETCHAM. Furthermore, may I say, Mr. Chairman, that just a moment ago my understanding is the committee agreed to an amendment limiting the operation of the bill to May 1, 1933. While the amendment has not been offered, my understanding is it is agreeable, and if such an amendment is adopted, of course, the operation will not extend beyond that period, and by no possible means would they be able to come anywhere near using the amount already provided as the limit in the bill.

An additional reason why it seems to me we ought not to accept the amendment is this. In this whole matter time is the very essence of the thing. Every Representative from South Dakota said that everything should be done to expedite this matter, and it is believed that with the bill in the shape it is at the present time, there will be no difficulty about reaching an agreement with the Senate and making it operative so that the actual distribution of wheat may begin from Omaha within the next week. Therefore on behalf of the people who made the appeal that I think was the moving factor in securing favorable action in the matter, I sincerely hope nothing will be done to retard the giving of relief at the earliest possible moment or getting the wheat out where it is needed in the shortest possible time, and I hope the amendment will not be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. JOHNSON of Oklahoma) there were 26 ayes and 73 noes.

So the amendment was rejected.

Mr. SNELL. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, lines 15 and 16, strike out the words "from time to time" and insert in lieu thereof the words "at any time prior to May 1, 1933."

Mr. BURTNESS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment to the amendment: In the last line of the amendment strike out the date "May 1, 1933" and insert in lieu thereof "July 1, 1932."

Mr. BURTNESS. Mr. Chairman, this amendment has come up so suddenly that I have not thought it out thor-

oughly. The amendment offered by the gentleman from New York does require some little thought and should among other matters be considered as to what effect it may have upon the market situation.

All of the similar bills that have been offered here proposing to turn Farm Board wheat over to the Red Cross or other agencies for charitable purposes have been based on the assumption, if I understand it correctly, that the wheat should be turned over promptly and used particularly during this winter season when the need is the greatest, or at least not later than during the spring. Now is the time when the people are in need, when help is most urgent.

I do not want to see an amendment adopted which will give the Red Cross or anyone else an opportunity to argue, "Well, Congress proposes the use of 40,000,000 bushels of wheat during the next 15 months," and encourage them to go out in March, April, and May of this year and distribute only approximately one-fifteenth of the total amount authorized in the bill. I feel that danger lurks in the small amendment where the specific date of May 1, 1933, is set.

Therefore, it seems to me that if we are going to write any congressional time limit into the law, if we are not willing to leave it entirely to the discretion of the Red Cross and the President of the United States, if we insist on putting in a time limit, we ought to provide a limit which is not likely to misconstrue our intention, but one which shows that it is the intention of Congress that they shall proceed to use the wheat at once to take care of the present deplorable situation.

I, for one, in spite of my desire to help out the needy all over the country, must also consider the bill's effect upon the wheat producer and consider whether under its terms there might be a distribution of wheat that would interfere with their interests in the next marketing season.

We are in a desperate situation in the wheat sections of this country. The market price of wheat is less than one-half of the cost of production. A most delicate time affecting the market price is a month or so before the crop matures as well as during the time most of the new crop is marketed. I think there is a serious question whether the wheat that is to be distributed under this law ought not to be distributed prior to July 1. It is hoped that the conditions will not be so serious by that time. At least the livestock during the summer will not normally be in great need. Employment will probably be available to a much greater degree than now. Would it not be better to distribute the authorized amount as quickly as possible now when great need exists and then take care of future situations later? I fear that if we adopt the limitation proposed it will imply that distribution can take place throughout all the next marketing season. In that event I think the bad effects on the wheat markets of this country might offset the good otherwise accomplished by this measure. When I say that I refer not only to the welfare of the individual wheat farmer who will have wheat to sell but also to the welfare of the industrial worker in the city, who wants a job, and who, in order to get a job, must have the rehabilitation of the purchasing power of the agriculture of this country, of which the wheat producer is an important part.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. BURTNESS. Yes.

Mr. CLARKE of New York. In this bill there is a proviso that all of this shall be handled in an orderly manner, with the approval of the President of the United States. Does the gentleman believe that under any condition or stretch of imagination if the President did not believe it was helpful to the situation he would handle it in any other way?

Mr. BURTNESS. Personally, I have not asked for any limitation. I am willing to leave it entirely to the discretion of the President, because you have the limitation as to amount, which is the important limitation, but if a date is to be inserted, I think the one suggested is dangerous, in that it may be construed as a congressional mandate to spread the relief over 15 months, rather than to take care of the present needs immediately.

In any event, distribution should not be made in such a way as to adversely affect the price in the market when the new 1932 crop is ready for harvest or sale.

Mr. GLOVER. Mr. Chairman, I am surprised at the amendment offered by the gentleman from North Dakota [Mr. BURTNESS]. He comes from a northern country where they can not produce food necessary to take care of their people at this time. We have pictures in the committee showing snow on the ground. The gentleman proposes to limit this to July 1, 1932, when his section of the country could not possibly produce enough crops to relieve this condition in that time. The amendment of the gentleman from New York [Mr. SNELL] is a proper amendment, and I shall support it. I think the amendment to the amendment of the gentleman from North Dakota should be defeated.

Mr. McGUGIN. What is the occasion for either of these amendments?

Mr. GLOVER. The gentleman may determine that for himself.

Mr. FISH. Mr. Chairman, I agree with the gentleman from Kansas. I do not know that either one of these amendments is necessary. I do not believe the amendment of the gentleman from North Dakota is at all necessary. No one can guarantee when this depression is going to end, whether in six months or two years from now. I think it would be better to vote both the amendments down. As far as the amendment of the gentleman from North Dakota is concerned, this bill provides for sufficient wheat to feed 10,000,000 people for six months——

Mr. LAGUARDIA. Feed them on what?

Mr. FISH. On bread.

Mr. LAGUARDIA. You can not feed the American people on bread alone. They are not Chinese coolies.

Mr. FISH. That is all this bill provides for. I think the amendment of the gentleman from North Dakota should be voted down.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from North Dakota.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. SNELL].

The amendment was agreed to.

Mr. LUDLOW. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LUDLOW: Page 2, line 16, after the word "Cross," insert "the Salvation Army," and in the beginning of line 17, strike out the word "other."

Mr. JONES. Mr. Chairman, I make the point of order that the amendment is not germane. The resolution designates one organization, and it is not in order to designate an additional organization.

The CHAIRMAN. Does the gentleman from Indiana desire to be heard on the point of order?

Mr. LUDLOW. I do not care to be heard on the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. PARSONS. Mr. Chairman, I move to strike out line 2 on page 3.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate upon this paragraph and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PARSONS. I am glad indeed to know that the great humanitarian spirit has returned to the Chief Magistrate in the White House. I am also glad to note that that great nation-wide organization, the American Red Cross, has seen fit to take into its folds the relief of the distressed of this country, which it rejected one year ago. I came into this House as a new Member in December, 1930. Bills of a similar nature had been introduced and were in the committee at that time, but no hearings were held upon them. Every time the matter was mentioned, even in the debate upon the loans that were to be made to the agricultural sec-

tions because of the drought, we heard the great cry on the Republican side and in some sections on the Democratic side of a dole. I remember when one of the gentlemen from Arkansas stood here in this spot and told of the drought conditions that prevailed then in the State of Arkansas, where hundreds and thousands of children were starving, barefooted, and without shelter. They refused to vote relief under those conditions or to consider the matter on the same basis that we are considering this to-day. It is not fair for this to pass to the country unnoticed. While there is more unemployment in the Nation, there is not the widespread misery, destitution, and want on as large a scale to-day as there were in 1930, when similar measures were before the Congress.

At that time the President said we were playing politics with human misery. When did he and others change their position? It can not be denied that many who are supporting this measure of relief to-day, including the President, have reversed their positions on the principle involved since last year. If it was playing politics with human misery then, what say ye now about playing politics in the election year of 1932? I leave it to the sane judgment of the House and the country as to who is playing politics now with human misery. I want to observe again that the humanitarian spirit has returned not only to the Chief Magistrate of the Nation, not only to the American Red Cross but to many of the gentlemen on that side of the aisle who fought it last year. I am glad they have repented and become converted to the principles of justice in feeding starving Americans as well as those across the sea.

The pro forma amendment was withdrawn.

Mr. CONNERY. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: On page 2, line 17, after the word "designated," strike out the words "by the American National Red," and in line 18, strike out the word "Cross" and insert in lieu thereof the words "by the President of the United States."

Mr. CONNERY. Mr. Chairman, I have nothing against the Red Cross at all, but I prefer to leave my case to the President of the United States. In the large cities where this relief must be distributed, if friction comes up in reference to who will distribute this relief, I prefer to bring my case to President Hoover than to be told by the Red Cross, "It is none of your business; we have full authority and we are not going to give it to the Jewish organizations or to the Salvation Army, or to the Catholic charities, or anybody else. We will do as we please."

In these community chests which we have in Washington, and which we have in all the large cities of the country, there is perfect unity among all these organizations which I have mentioned and which have been mentioned by the gentleman from New York [Mr. LAGUARDIA]. I feel sure that if this amendment is adopted, they will understand that it is the sense of the House that we can go to the President and tell him how we want it distributed in our large cities.

That is my sole reason for offering the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The amendment was rejected.

Mr. DEROUEN. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DEROUEN: Page 2, line 18, after the word "corporation," insert "and not to exceed 2,000,000 bushels of rice grown in the United States, upon which the Federal Farm Board has effected loans."

Mr. JONES. Mr. Chairman, I make the point of order that the amendment is not in order, not being germane.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard?

Mr. DEROUEN. No, sir.

The CHAIRMAN (Mr. BLAND.) The point of order is sustained.

Mr. HOCH. Mr. Chairman, I move to strike out the last two words simply to call the attention of the chairman of the committee to what appears to me to be an imperfection of the language.

I call attention to the language in lines 21 and 22, page 2:

Such wheat shall be delivered upon any such application only upon the approval of the President of the United States.

The preceding language does not say anything at all about any application. If it is the intention that this shall be upon the application of the Red Cross or some other organization, I suggest an amendment in line 16 to strike out the word "to" and insert the words "on application by." You will then have an antecedent for the word "application" in line 22. Otherwise the words "such application" do not seem to refer to anything at all.

Mr. JONES. I think it would be inferred, but I believe the language which the gentleman suggests clarifies the matter.

Mr. HOCH. Mr. Chairman, then I offer an amendment to that effect.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HOCH: On page 2, line 16, strike out the word "to" and insert the words "on application by."

Mr. LEAVITT. Mr. Chairman, I rise in opposition to the amendment. I think the gentleman has overlooked the fact that if that change is made this wheat will be subject to application not only by the American National Red Cross but also by any other organization designated by them. I do not think that is what the gentleman intends, but rather that it may be delivered to any organization designated by the Red Cross. He wants the application itself to be by the Red Cross, does he not?

Mr. HOCH. Well, what does the committee intend? The bill reads "such application."

Mr. JONES. That is what the intention was, I will say to the gentleman.

Mr. LEAVITT. As I understand the intention of the committee, it was that it should be given to the Red Cross or anyone that they designated.

Mr. JONES. That is what it will do in this instance. They would have to designate some organization before they could apply for it.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kansas [Mr. HOCH].

The amendment was agreed to.

Mr. SHANNON. Mr. Chairman, I move to strike out the last word.

This is a splendid measure, but it does not go far enough. Our people want to feed the hungry, but we also want to dispose of the Federal Farm Board. We would like to see something done that would drop the Federal Farm Board and all connected with it into some great body of water and leave it there. The grain industry is calling for that. The livestock industry is calling for that, and 90 per cent of the agriculturists in Missouri are calling for it. We want real relief from the Farm Board as well as relief for the hungry people in the districts that are affected.

One gentleman from New York said that this was a measure intended to protect the Government, to keep the wheat in the warehouses from rotting. Then another gentleman said this was a great humanitarian measure to help those who were hungry. Then I heard another Member praise the Red Cross.

The Red Cross has taken two positions on this dole question. John Barton Payne announced during a former Congress that he would not accept American dollars for distribution when authorized by Congress. This was after a con-

sultation with the Executive. Now he comes along and says that the Red Cross will distribute this commodity. There is apparently a vast difference in his mind between the thing that stands for the dollar—namely, a commodity—and the dollar itself. Or perhaps he has seen the Executive again, and it may be that the Executive has changed his mind. But be that as it may, I think that the wild haste that was shown by this administration in serving the bankers, the railroads, and Europe was in direct contrast with the effort to serve suffering man. We have been in session for almost 90 days, and some have the hardihood to stand up and say that the administration was not cognizant of individual distress until a few days ago. To me this is a gross maligning of the administration; or, if it is true, the administration is grossly ignorant of conditions in this country. The first beneficiary under the Reconstruction Finance Corporation act was a gentleman named "Mr. Wabash"; I do not know his first name, but he went away with $7,000,000. I am going to learn his name by and by, when they give us the secret list of those they have helped, if they ever do.

Then I want to say to you I am not sure the President is with you in this. I want to read into the RECORD at this time from the message of the President read to the House on December 8:

> I am opposed to any direct or indirect Government dole. The breakdown and increased unemployment in Europe is due in part to such practices. Our people are providing against distress from unemployment in true American fashion by a magnificent response to public appeal and by action of the local governments.

I say to you who follow this man that if he meant what he said in his message, then he has either changed his mind concerning aid to human beings, or you are driving him into a barbed-wire entanglement by voting this dole. Well might it be asked when is a dole not a dole?

Mr. McGUGIN. Will the gentleman yield?

Mr. SHANNON. Yes.

Mr. McGUGIN. Being a good disciple of Thomas Jefferson, does not the gentleman prefer local self-government rather than centralized government?

Mr. SHANNON. Yes; when local self-government really exists and is not centralized, as it is now; and where the wealth of the country is properly distributed and not, as it is now, centralized in a few sections; but there is no wealth in the part of the country that needs this assistance at this time.

Mr. STRONG of Kansas. That is the reason they need it.

Mr. CONNERY. Mr. Chairman, I rise in opposition to the amendment. I rise at this time in order to question the chairman of the committee. I would like to have my mind cleared up on a couple of things. Last year, when the Red Cross was distributing relief throughout the country and it was suggested they feed the children of starving miners in Pennsylvania, they said that was not an emergency. The head of the Red Cross said they did not intend to feed those children. When they came before the committee on these hearings did the committee see fit to take care of a matter of that sort in this legislation? I notice this bill provides that it shall be subject to the approval of the President, and it gives the Red Cross absolute carte blanche authority as to whom they shall give this food. So I ask the gentleman whether the Red Cross is going to neglect to feed the children of starving miners, whether they are in Pennsylvania or in Harlan County, Ky. If the chairman thinks there might be such a thing as that, I would vote against such a bill.

Mr. JONES. I will say that wise men sometimes change their minds. I have no doubt the American National Red Cross will take care of emergency cases wherever they may find them or arrange with other organizations in the larger cities to do so.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. LAGUARDIA. Will the chairman of the committee say that it is the intention of Congress in providing this wheat that it shall be distributed wherever it is needed, including the mining districts in Kentucky and Pennsylvania and other parts of the country?

Mr. JONES. I certainly shall, and I think that was the purpose of the committee. I think I voice the sentiment of the committee in making that statement; that is, that there shall be no discrimination. Of course, the organization may not be able to care for all worthy cases, but I am sure they will do the best they can with a big job.

Mr. CONNERY. I want the House to know it is my desire that the Red Cross should be informed by this debate on the floor of the House that is the intention of Congress. I do not intend that any child or anyone suffering in the United States should be discriminated against in giving the aid we are providing to-day. [Applause.]

Mr. ALLGOOD. Will the gentleman yield?

Mr. CONNERY. I will yield.

Mr. ALLGOOD. I want to ask the chairman of the committee whether he would be willing to agree to an amendment that I have prepared. I have prepared an amendment to the effect that at least 10,000,000 bushels of wheat shall be distributed in the rural sections.

Mr. JONES. Mr. Chairman, it involves a good deal of difficulty to administer a proposition of this kind throughout a country as large as this. I do not like to have the organization hamstrung by rules and restrictions. I do not know of any organization you can come nearer trusting on a proposition of this kind than the American National Red Cross, and I would rather leave them free to administer to the hungry wherever they find them anywhere under the flag. [Applause.]

Mr. ALLGOOD. Then it is understood that it is to be used in the country districts where it is needed?

Mr. JONES. Yes.

Mr. PARKS. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. PARKS. I just want to say this, in view of what has been said about the Red Cross: I can not understand why anybody should have any doubt about the Red Cross administering this aid equitably and justly in view of what was done last year throughout the United States, where millions of people were fed by the Red Cross without one single just complaint that I have ever heard. [Applause.]

Mr. CONNERY. But the gentleman evidently did not hear me when I said they refused to feed starving babies in the mining districts of Pennsylvania.

The pro forma amendment was withdrawn.

The Clerk read as follows:

> SEC. 2. No part of the expenses incident to the delivery, receipt, and distribution of such wheat shall be borne by the United States or the Federal Farm Board. Such wheat may be milled or exchanged for flour or feed, but if processed it shall be without profit to any mill, organization, or other person.

Mr. HUDDLESTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HUDDLESTON: On page 3, line 3, after "Sec. 2." strike out "No part of," and after the words "United States" on page 3, line 5, strike out the words "or the Federal Farm Board."

Mr. JONES. Mr. Chairman, I make a point of order against the amendment on the ground it would involve an appropriation. This committee has not authority to report an appropriation and therefore the amendment is out of order.

Mr. HUDDLESTON. Mr. Chairman, I would like to be heard, if the Chair has any doubt about it.

The CHAIRMAN. The Chair will hear the gentleman from Alabama.

Mr. HUDDLESTON. The test of an appropriation is whether, under it, an officer of the Treasury may make an outlay of public funds or whether further congressional action is required before that action can be taken. This is the test. Under this test it is very clear that this amendment does not involve an appropriation. It merely authorizes an appropriation.

A distinction must be made between creating an obligation of the Government and appropriating the funds in the Treasury for the payment of an obligation. Measures which merely create a governmental obligation are not appropriations and are not subject to the rule. This amendment merely creates an obligation. It does not authorize an expenditure of public funds and, very clearly, is not a violation of the rules.

The CHAIRMAN. Does the gentleman from Texas desire to be heard?

Mr. JONES. Mr. Chairman, it seems to me that the words "expenses incident to the delivery, receipt, and distribution of such wheat shall be borne by the United States" makes a very clear obligation to pay out money. It is a simple statement involving an appropriation and the expenditure of money which is not involved in this bill anywhere and, besides, this committee has not authority to make an appropriation.

Mr. BANKHEAD. Will the Chair hear me a moment?

The CHAIRMAN. The Chair will hear the gentleman from Alabama.

Mr. BANKHEAD. Mr. Chairman, I do not know that I shall support the amendment proposed by my colleague from Alabama, but on the question of parliamentary construction it appears to me that the amendment is in order. It merely seeks to strike out——

Mr. JONES. Mr. Chairman, I withdraw the point of order in order to save time.

The CHAIRMAN. The point of order is withdrawn; and the Chair recognizes the gentleman from Alabama.

Mr. HUDDLESTON. Mr. Chairman, the purpose of this amendment is to have this wheat distributed at the expense of the Government of the United States. As the bill now stands, this expense is imposed upon the charitable organizations throughout the country that may be in contact with those who are in need. As the bill now stands, it requires the community chests, the relief organizations, the Red Cross, and whatever other charitable organizations there may be throughout the country to take some of the money which they have collected from the people for the relief of distress and use it for paying the freight and other expenses of distributing this wheat.

In logic, if we are going to give the starving thousands some food, we should give it to them without tying a string to it. [Applause.] Why say to them, "You must pay the expense of getting this wheat to you"?

Is this a real relief measure? Is it for the relief of those who are in distress or is it for the relief of the Farm Board? Is this for farm relief or is this a destitution measure? Is this a means whereby food will be gotten to those who are starving or is it merely a means whereby some wheat may be gotten off the hands of the Farm Board so as to relieve the wheat-price situation?

Candor, good faith, straight dealing require that if we pretend to give the suffering people something we should give it to them without any string to it. If, on the other hand, our real purpose is simply to relieve the wheat market, then let us do like one of the gentlemen has said—take this wheat out and dump it in the ocean. Congress as the representative of the Government should be honest with the people when it says that our purpose is to relieve them. Congress should not, under the subterfuge of relieving the starving, undertake to relieve the wheat market and lay a charge for the expense of distribution upon the charitable organizations throughout the country. [Applause.]

Mr. JONES. Mr. Chairman, I think the gentleman is unduly exercised. As a matter of fact, the testimony before the committee shows that practically all this work of processing is done without charge by the local organizations. Of course the Red Cross will probably not be able to handle such a large undertaking without expense, but they can probably do so at less cost than would be incurred in most any other way.

The American National Red Cross is a great organization and it has been able to even get the transportation, in most instances, without charge, or with little cost. Under the general terms of this bill the by-products will no doubt be sufficient to cover transportation and other items. It has been able to get the processing without charge, and it has been able to get most of the work done without any expense, and I think there is no particular necessity for adopting any such amendment.

Mr. KETCHAM. Will my colleague yield?

Mr. JONES. Yes.

Mr. KETCHAM. Has not the gentleman overlooked the fact that if the motion of the gentleman prevails an appropriation would be required and that, of course, takes away one of the most important elements, namely, the necessity for speed.

Mr. JONES. That would delay the proposition, and so far as dumping it in the ocean, as the gentleman suggests, I do not think any man who has any charitable instinct in his heart wants to dump this wheat into the ocean when there are so many hungry people in the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HUDDLESTON].

The question was taken; and on a division (demanded by Mr. HUDDLESTON) there were 22 ayes and 89 noes.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 3, line 8, add the following: "In cities of over 25,000 population the American National Red Cross, or any organization designated by it, may have said flour obtained in accordance with section 2 baked into bread or processed into food for distribution: *Provided*, That no part of the expense incident to such baking or processing shall be paid out of said wheat or flour, and no part of said expense shall be borne by the United States or the Federal Farm Board."

Mr. LAGUARDIA. Mr. Chairman, I have offered this amendment to make clear that the distribution in cities shall not be limited to flour, because flour would be useless in the large cities; the baking at home would cost as much as the bread, because the fuel is so expensive.

The reason I do not provide for paying for the baking or the processing of the wheat and flour is because I do not want in any way to disturb the normal consumption of flour in the cities.

Mr. JONES. Mr. Chairman, the committee has considered the amendment offered by the gentleman from New York and has no objection to it.

Mr. DYER. Will the gentleman from New York tell us how this expense is to be borne?

Mr. LAGUARDIA. Take New York City, for example. We have charity organizations who will take care of it.

Mr. O'CONNOR. I notice in the report that the Red Cross is not a completed organization in New York City. Has the gentleman any idea what organizations in the city would handle this?

Mr. LAGUARDIA. Yes; I believe the Red Cross will operate in New York City; then there are other charitable organizations; the Hebrew organizations and the Catholic organizations, and I think the Salvation Army is in it, and I think they would handle it.

Mr. O'CONNOR. I hope they will, and I wish the Red Cross would become a complete national organization.

Mr. STAFFORD. Mr. Chairman, if the gentleman will yield, I am surprised at the picture the gentleman paints of the conditions in New York City. I was under the impression that the people maintained homes and baked their own bread.

Mr. LAGUARDIA. Oh, the gentleman knows better; there is no use spoofing about New York City. The gentleman knows our people live in tenements and apartment houses, and that they have to consume gas for fuel, and the gas under the Power Trust is so expensive that the people can not bake their bread at home.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in four minutes.

Mr. HASTINGS. Will the gentleman make it six minutes? I want two minutes.

Mr. JONES. I will amend my request and make it six minutes.

The CHAIRMAN. The gentleman amends his request and asks unanimous consent that all debate on the section and amendments thereto close in six minutes. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Chairman, I ask recognition for two minutes to call attention to the fact that the city of Milwaukee in meeting destitute conditions among the artisan class, we are providing food generally to the needy, and a principal part of the allowance is flour. Our people in Milwaukee keep homes, and they have not forgotten the way to make bread. I am rather surprised that the gentleman from New York [Mr. LAGUARDIA] takes exception to my inquiry, but apparently he is living in a city where they have lost the art of properly maintaining a home.

Mr. SIMMONS. Mr. Chairman, during this debate there has been an underlying sentiment in favor of doing something to help the wheat farmer. I venture to suggest to you a matter that came to me from a valued constituent the other day. That is the statement that if 50 per cent of the American people would eat one slice of bread more at each meal it would mean an increased consumption of wheat of 90,000,000 bushels a year, an increased consumption representing 22,500,000 barrels of flour, 45,000,000 cotton sacks—and I think that means something to our southern friends—22,500,000 pounds of malt extract, 67,500,000 pounds of sugar, 45,000,000 pounds of shortening materials, 67,000,000 pounds of milk solids, and 33,750,000 pounds of yeast made from farm products.

I have taken this time during the debate to-day to call to the attention of the House and to our newspaper friends in the gallery to the aid that can be rendered to a great American industry, wheat farming, by an eat-more-wheat campaign. All the ingredients used in bread making except salt come from the farm. The farmer must have a demand for his products before any of our industries will prosper. The farmer can and will buy the products of the cities if he can get the money. Eating more of the health-giving products of wheat will give the farmer who raises wheat that money, and will give an impetus to railroad tonnage and business all down the line.

Two years ago the Nation put on an "eat-more-butter campaign." It aided materially the butter and dairy industry. Let us now aid the wheat farmer and in turn all growers of grain by encouraging an increased consumption of wheat products. It is eminently worth trying. If it succeeds, it will do much to restore the buying power of the farmer and aid every line of industry. [Applause.]

Mr. HASTINGS. Mr. Chairman, this resolution as it passed the Senate provides for the distribution of 5,000,000 bushels of wheat. As reported by the committee and sustained by the House, it provides for the distribution of 40,000,000 bushels of wheat. I am glad that the Committee on Agriculture has used the Red Cross as the agency for distribution. It has the confidence not only of the people of the United States but of the entire world. However, I can not let this occasion pass without emphasizing the fact that during the last session of Congress, when distress was prevailing in Arkansas and other sections stricken with the drought, the chairman of the Red Cross appeared before a joint committee composed of members of the subcommittee of the Committee on Appropriations on the Interior Department and of the subcommittee having in charge the deficiency appropriation bill and flatly refused to administer the distribution of money if it were appropriated by the Government of the United States and placed in their hands for relief of the drought sufferers in those sections.

I am advised that a similar statement was made before the Committee on Agriculture. I can not see any distinction between using the American Red Cross as an agency to distribute money and in using it as an agency to distribute wheat or other food products. If you appropriate money, wheat and other necessaries for relief are purchased.

This is a bill in behalf of suffering humanity. We have been considering much other legislation during the present session of Congress recommended for the relief of the depression. This bill for the relief of humanity rather balances our legislative diet.

I supported the legislation during the last session of Congress for the relief of sufferers mostly throughout the South. I am not so local or so provincial as to decline to support this bill which for the most part is for the relief of the people of the North and Northwest.

The report of the committee indicates that the most urgent needs are in the States of Montana, North and South Dakota, and Nebraska. The newspaper accounts confirm the facts set forth in the report of the committee. I did not oppose the amendment to have wheat distributed at the expense of the Government of the United States. I am glad to see Members from all sections lay aside local prejudices and support this legislation. Everyone knows that there is distress throughout the entire country and there may be some need for relief in many more localities than were brought to the attention of the committee.

This legislation is for the purpose of relieving distress by feeding the hungry. I believe in local self-government, but when a large number of our people are in distress and when the burden gets too great for any State or locality to bear, the Federal Government should come to the relief of its citizens. I am glad, therefore, to give this bill my support. Surely we must not permit women and children to go hungry when we have a large supply of wheat held by the Grain Stabilization Corporation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. The Federal Farm Board shall keep account of all wheat delivered as authorized in section 1, and shall credit the account of the Grain Stabilization Corporation with an amount equal to the current market value thereof at the time of delivery.

Mr. WHITTINGTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 3, line 13, after the period following the word "delivery," insert the following: "There is hereby authorized to be appropriated to reimburse the revolving fund of the Federal Farm Board an amount equal to the current market value of all wheat delivered as authorized in section 1 at the time of delivery."

Mr. JONES. Mr. Chairman, I make the point of order that that is not germane to the paragraph nor to the bill.

Mr. WHITTINGTON. Mr. Chairman, section 3 provides that the Federal Farm Board shall keep an account of all wheat delivered as authorized by section 1, and shall credit the account of the Grain Stabilization Corporation with an amount equal to the current market value thereof at the time of delivery. Therefore the bill in this section is dealing with the only funds that are available to the Federal Farm Board, to wit, the revolving fund, which has been appropriated by Congress for the operations of this board. The agricultural marketing act authorizes an appropriation of $500,000,000 as a revolving fund. Congress has appropriated that entire amount. Inasmuch as the undisputed hearings disclose that the Federal Farm Board owns indirectly the wheat involved in this legislation, subject to outstanding primary loans of approximately 32 cents a bushel, it must follow that before the Federal Farm Board can make the wheat available, out of the revolving fund there must be paid approximately, at to-day's market price or at the market price at the time the legislation was reported—a few days ago—approximately 32 cents a bushel. The purpose of my amendment is to maintain the integrity of that fund from which these payments are to be made in order that this legislation may be administered. There will be no authority and there is no authority for a subsequent appropriation by Congress to reimburse the Federal Farm Board for the amounts that they are required to pay in order to settle these outstanding primary loans without this amendment.

I submit it is not only germane to the bill but germane to section 3 of the bill, because both the bill and section 3 thereof deal with the funds of the Federal Government and with the revolving fund of the Federal Farm Board. My amendment is to provide for protecting the revolving fund by authorizing the reimbursement of the amounts expended by the board to make the wheat available. I submit it is germane to both the bill and the section.

Mr. JONES. I submit it to the judgment of the Chair.

The CHAIRMAN. The Chair is of opinion that the amendment is not germane. The amendment refers to an appropriation. There is nothing in the section dealing with an appropriation. The Chair sustains the point of order.

The question is on agreeing to the committee amendment, as amended, as a substitute for the bill.

The motion was agreed to.

The CHAIRMAN. Under the rule, the committee automatically rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration Senate Joint Resolution 110, and, pursuant to House Resolution 164, reported the Senate joint resolution back to the House with an amendment adopted by the committee.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the Senate joint resolution.

Mr. JONES. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 345, nays 2, not voting 84, as follows:

[Roll No. 25]

YEAS—345

Abernethy	Cartwright	Driver	Hastings
Allen	Cary	Dyer	Hess
Allgood	Celler	Eaton, Colo.	Hill, Ala.
Almon	Chapman	Englebright	Hill, Wash.
Amlie	Chavez	Erk	Hoch
Andresen	Chiperfield	Eslick	Hogg, Ind.
Andrew, Mass.	Christgau	Estep	Hogg, W. Va.
Andrews, N. Y.	Christopherson	Evans, Calif.	Holaday
Arentz	Clague	Evans, Mont.	Holmes
Arnold	Clark, N. C.	Fernandez	Hooper
Auf der Heide	Clarke, N. Y.	Finley	Hopkins
Ayres	Cochran, Mo.	Fish	Hornor
Bachmann	Cochran, Pa.	Fishburne	Houston, Del.
Bacon	Cole, Iowa	Fitzpatrick	Howard
Baldrige	Cole, Md.	Flannagan	Huddleston
Bankhead	Condon	Foss	Hull, Morton D.
Barbour	Connery	Frear	Hull, William E.
Barton	Cooke	French	Jacobsen
Beam	Cooper, Ohio	Fulbright	Jeffers
Beedy	Cooper, Tenn.	Fuller	Johnson, Ill.
Beers	Corning	Fulmer	Johnson, Mo.
Black	Cox	Gambrill	Johnson, Okla.
Bland	Coyle	Garber	Johnson, S. Dak.
Blanton	Crisp	Garrett	Johnson, Tex.
Bloom	Cross	Gasque	Jones
Boehne	Crosser	Gavagan	Kading
Boileau	Crowe	Gibson	Kahn
Boland	Crowther	Gifford	Karch
Bowman	Crump	Gilchrist	Keller
Boylan	Culkin	Glover	Kelly, Ill.
Brand, Ga.	Cullen	Goodwin	Kelly, Pa.
Britten	Curry	Goss	Kemp
Browning	Dallinger	Granata	Kerr
Brumm	Davenport	Granfield	Ketcham
Brunner	Davis	Green	Kinzer
Buchanan	Delaney	Greenwood	Kleberg
Burch	De Priest	Gregory	Kniffin
Burtness	DeRouen	Griswold	Knutson
Butler	Dickinson	Guyer	Kopp
Byrns	Dickstein	Hall, Miss.	Kurtz
Campbell, Iowa	Dies	Hall, N. Dak.	Kvale
Canfield	Dominick	Hancock, N. Y	LaGuardia
Cannon	Douglas, Ariz.	Hardy	Lambertson
Carden	Douglass, Mass.	Hare	Lambeth
Carley	Doutrich	Harlan	Lamneck
Carter, Calif.	Dowell	Hart	Lanham
Carter, Wyo.	Doxey	Hartley	Lankford, Ga.
Lankford, Va.	Moore, Ky.	Sabath	Taylor, Colo.
Larrabee	Morehead	Sanders, N. Y.	Taylor, Tenn.
Larsen	Mouser	Sanders, Tex.	Temple
Lea	Murphy	Sandlin	Thatcher
Leavitt	Nelson, Me.	Schafer	Thomason
Lehlbach	Nelson, Mo.	Schneider	Thurston
Lewis	Nelson, Wis.	Schuetz	Tierney
Lichtenwalner	Niedringhaus	Seger	Tilson
Lindsay	Nolan	Selberling	Timberlake
Lonergan	Norton, Nebr.	Selvig	Tinkham
Loofbourow	Norton, N. J.	Shallenberger	Treadway
Lovette	O'Connor	Shannon	Underwood
Lozier	Oliver, Ala.	Shott	Vinson, Ga.
Luce	Oliver, N. Y.	Simmons	Vinson, Ky.
Ludlow	Overton	Sinclair	Wason
McClintock, Ohio	Owen	Sirovich	Watson
McCormack	Palmisano	Smith, Idaho	Weaver
McDuffie	Parker, Ga.	Smith, Va.	Weeks
McFadden	Parks	Snell	Welch, Calif.
McGugin	Parsons	Snow	West
McKeown	Partridge	Somers, N. Y.	White
McLeod	Patman	Sparks	Whitley
McMillan	Peavey	Spence	Whittington
McReynolds	Pettengill	Stafford	Wigglesworth
Maas	Pittenger	Stalker	Williams, Mo.
Magrady	Polk	Steagall	Williams, Tex.
Major	Prall	Stevenson	Williamson
Manlove	Pratt, Ruth	Strong, Kans.	Wilson
Mansfield	Rainey	Strong, Pa.	Wingo
Mapes	Ramseyer	Sullivan, N. Y.	Withrow
Martin, Mass.	Ramspeck	Summers, Wash.	Wolverton
Martin, Oreg.	Rankin	Sumners, Tex.	Wood, Ga.
May	Ransley	Sutphin	Woodruff
Mead	Rayburn	Swank	Woodrum
Michener	Reed, N. Y.	Swanson	Wright
Millard	Reilly	Sweeney	Wyant
Miller	Rich	Swick	Yon
Milligan	Robinson	Swing	
Mitchell	Rogers, Mass.	Taber	
Montet	Rudd	Tarver	

NAYS—2

Adkins	Hope

NOT VOTING—84

Aldrich	Crail	Hawley	Pratt, Harcourt J.
Bacharach	Darrow	Hollister	Purnell
Beck	Dieterich	Horr	Ragon
Bohn	Disney	Igoe	Reid, Ill.
Bolton	Doughton	James	Rogers, N. H.
Brand, Ohio	Drane	Jenkins	Romjue
Briggs	Drewry	Johnson, Wash.	Shreve
Buckbee	Eaton, N. J.	Kendall	Smith, W. Va.
Bulwinkle	Fiesinger	Kennedy	Stewart
Burdick	Free	Linthicum	Stokes
Busby	Freeman	McClintic, Okla.	Sullivan, Pa.
Cable	Gilbert	McLaughlin	Tucker
Campbell, Pa.	Gillen	McSwain	Turpin
Cavicchia	Golder	Maloney	Underhill
Chase	Goldsborough	Montague	Vestal
Chindblom	Griffin	Moore, Ohio	Warren
Clancy	Hadley	Parker, N. Y.	Welsh, Pa.
Collier	Haines	Patterson	Wolcott
Collins	Hall, Ill.	Perkins	Wolfenden
Colton	Hancock, N. C.	Person	Wood, Ind.
Connolly	Haugen	Pou	Yates

So the Senate joint resolution was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Pou with Mr. James.
Mr. Gillen with Mr. Hollister.
Mr. Bulwinkle with Mr. Wolcott.
Mr. Griffin with Mr. Reid of Illinois.
Mr. Igoe with Mr. Bohn.
Mr. Stewart with Mr. Person.
Mr. Rogers with Mr. Clancy.
Mr. Tucker with Mr. Bacharach.
Mr. Doughton with Mr. Aldrich.
Mr. Linthicum with Mr. Darrow.
Mr. Drewry with Mr. Hadley.
Mr. Busby with Mr. Wood of Indiana.
Mr. Warren with Mr. Chindblom.
Mr. Maloney with Mr. Shreve.
Mr. Romjue with Mr. Purnell.
Mr. Collins with Mr. Jenkins.
Mr. Smith of West Virginia with Mr. Kendall.
Mr. Ragon with Mr. Moore of Ohio.
Mr. Collier with Mr. Hawley.
Mr. Briggs with Mr. Parker of New York.
Mr. Dieterich with Mr. Cable.
Mr. Haines with Mr. Cavicchia.
Mr. McSwain with Mr. Connolly.
Mr. Disney with Mr. Vestal.
Mr. Kennedy with Mr. Free.
Mr. Patterson with Mr. Golder.
Mr. Drane with Mr. Turpin.
Mr. Gilbert with Mr. Underhill.
Mr. Douglass of Massachusetts with Mr. Pratt.
Mr. Fiesinger with Mr. Welsh of Pennsylvania.
Mr. Goldsborough with Mr. Wolfenden.
Mr. Hancock of North Carolina with Mr. Perkins.
Mr. Montague with Mr. Eaton of New Jersey.
Mr. McClintic of Oklahoma with Mr. McLaughlin.
Mr. Horr with Mr. Crail.

Mr. Stokes with Mr. Haugen.
Mr. Hall of Illinois with Mr. Freeman.
Mr. Colton with Mr. Campbell of Pennsylvania.
Mr. Brand of Ohio with Mr. Johnson of Washington.
Mr. Bolton with Mr. Beck.
Mr. Chase with Mr. Yates.

Mr. CRISP. Mr. Speaker, the gentleman from New Jersey, Mr. BACHARACH, was unable to be here, and requested me to announce that if he were present he would vote "aye."

Mr. CROSSER. Mr. Speaker, my colleague the gentleman from Ohio, Mr. UNDERWOOD, is unable to be present, and he asked me to say that if he were present he would vote "aye."

The result of the vote was announced as above recorded.

On motion of Mr. JONES, a motion to reconsider the vote by which the Senate joint resolution was passed was laid on the table.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to—

Mr. DINSEY (at the request of Mr. HASTINGS), on account of illness;

Mr. KENNEDY, for the balance of the week, on account of illness.

CONSOLIDATED HEARINGS BEFORE WAYS AND MEANS COMMITTEE

Mr. STEVENSON. Mr. Speaker, from the Committee on Printing, I report back favorably, without amendment, a privileged concurrent resolution (H. Con. Res. 27) relative to the printing of revenue revision, 1932, and ask for its immediate consideration.

The SPEAKER. The gentleman from South Carolina calls up a resolution, which the Clerk will report.

The Clerk read the concurrent resolution, as follows:

House Concurrent Resolution 27

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the printing act approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, empowered to have printed 2,500 additional copies of the consolidated hearings held before the committee during the current session relative to revenue revision, 1932.

The concurrent resolution was agreed to.

SENATE JOINT RESOLUTION 110

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members have five legislative days within which to extend their remarks on the Government-owned wheat bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, I am supporting this resolution to donate 40,000,000 bushels of wheat for the starving people of our Nation, and yet I realize it may injure the wheat growers of the Nation. I can not see how it can possibly help the farmers of my section, and yet those of us from the South are supporting it as an emergency measure in behalf of those that are starving. Our Nation furnished millions of dollars worth of wheat and other foodstuffs for starving Russians and peoples of the other war-torn countries of Europe and no one can justify a refusal to do as much for the people of our own Nation.

This is another makeshift measure, which at best is only an emergency move and which many of us must support because we can not get the chance to support a better bill. Why vote wheat and nothing else for the starving peoples of our country? Some of the wheat will be used for feeding livestock, but none of it will be used as food for the poor people of the Nation until some one mills it and some one cooks it. Many of the starving of the large cities have no way to do the cooking, which means that it must be reduced to bread by some bakery before it is handed to the starving bread lines. I know the bill provides that no profit shall be made by anyone milling this wheat or making it into bread. Well, maybe so, but it will be contrary to the policy of the big millers and baking concerns if this is done. I will call attention to another feature of the bill which may cause trouble.

Congress is proposing to deal with this wheat as though it was the property of the Government. It is owned by the stabilization corporations set up under the Farm Board for the purpose of making profits out of the products of the farmers of the country. I objected to these organizations as being detrimental to the farmers rather than being in their interest. But, be that as it may, these corporations brought into existence by Congress now own this wheat subject to such liens as the Farm Board and others may hold against it, and Congress can not by this act divest that corporation of its rights. Congress has simply done the foolish thing of creating this gigantic machine which has rendered no real service to the farmers of the country, which is helpless and hopeless as an agency for good at all times and which has as its chief aim the making of profits out of the farmers in times of distress and in times of prosperity, and which has heretofore and is still making—or at least collecting—for its officials salaries seven and eight times as large as the salaries of Members of Congress. Will we never quit inflicting on our country this kind of bureaucratic government?

This bill may suit the stabilization corporations, if so, all well and good; if not, they can ignore this act of Congress and tell Congress that it is superior to the agency that brought it into existence and that this wheat can be obtained when Congress does as the stabilization corporation chooses, and not before.

The Government created the Federal Farm Board and through that board brought these stabilization corporations into existence over the protest of many of us, and furnished the money to buy this wheat, but now must deal with this organization of high-salaried profit-seeking officials before this wheat can be obtained for the starving millions. This bill can not take this wheat and deal with it as the property of the United States, for it is not.

But enough along this line. Why does not Congress proceed to help the starving peoples of our country by making available the millions of food owned by the farmers of the Nation by buying that food and letting it go to the starving peoples direct from the farms so that no profit will be made by anyone except the producers of the country? Why pass a bill with all kinds of entanglements, with big millers, Baking Trust, and stabilization corporations? The starving peoples can not eat bread alone and feel good about it.

It certainly occurs to me that more real service could be rendered to the starving by the purchase of foodstuffs of the farm and delivery to these people direct without the intervention of the ever-present middleman than can possibly be done under this bill.

But I did not intend to discuss this bill at length. I must again call attention to the fact that Congress has not yet taken up any bill except those providing temporary palliatives. Millions have been voted the corporations as loans, while insignificant amounts are to be grudgingly loaned to the farmers, after every possible unnecessary and unreasonable delay with miles and miles of restrictions and regulations that are a disgrace to the department that promulgated them; but nothing has been done to even start the return of prosperity. Nothing has been done to help the farmer get a better price for his products, to help the laborer get employment and fair pay for his services, or to help the small independent business man get on his feet in a financial way. Nothing has been done to cause the small country bank to reopen where it is now closed or to cause those that are open to do a safe and profitable business as heretofore.

I am wondering what many leading Republicans and Democrats who are sponsoring this do-nothing program will promise the people this summer. They will have to run on promises, if it all, for they certainly can not run on achievements, unless they accomplish more in the future than they have in the past.

Mr. TIERNEY. Mr. Speaker, this measure will afford relief to thousands of the people in need of food in the United States by turning 40,000,000 bushels of Government wheat, all stored, over to the people for food.

I like especially the feature of Congressman LAGUARDIA's amendment which provides that the wheat may not only be turned over to the Red Cross, but that they may be authorized to have the wheat converted into bread, as there is very little home baking these days, especially in the cities and towns, where more people are in need than in the farming districts. People in the farm districts do not need this aid as much as the people in towns.

A very good feature of this situation is that this measure is costing the Government no new tax or appropriation and is a saving of and release of existing tax.

The Government appropriated two years ago $500,000,000 to purchase, and did purchase, 150,000,000 bushels of wheat with the view of stabilizing the wheat and food market. This was a false economic move on the part of the Farm Board and the administration which worked out disastrously for the Government.

We have this wheat at a high figure. If we sell it at the present lowered market price we will ruin the wheat market and injure the farmers. If we hold it we are paying $7,200,000 yearly storage, at 18 cents a bushel; and, strange to say, $2,000,000 of this annually is paid to Canada for storage.

The Government has, as the farmer would say, a "bull by the tail" and can not let go. If it holds the wheat, it costs money and is a continuous menace to trade prices and the market on account of the uncertainty of the Government's attitude. If, on the other hand, it sells, ruin follows.

Some one foolishly suggested a solution will be to take our loss of several hundred millions and dump the wheat in the Atlantic Ocean. I do not know whether this measure will be a greater relief for the poor than it will be for the Farm Board and the present administration in their dilemma.

This is one way of relieving the situation and aiding the poor and needy, through the channels of the Red Cross and no doubt other charitable associations, without costing the Government an appropriation. Every other measure of direct or indirect relief calls for Government expenditures and increase of tax; this calls for no Government taxation, the expense of distribution and the means of distribution to be worked out by and through the Red Cross and no doubt allied charitable and philanthropic organizations.

We have contributed millions of bushels of wheat and millions of dollars to aid the Chinese suffering through the flood. We have also aided likewise the Russians and Belgians, the stricken people throughout the world; everywhere where there is a calamity or earthquake or a like call for help we step in and aid.

At this time it seems we can do no less than to aid our own. Surely the 8,000,000 people out of work in the United States could use bread in sufficient quantity to use up all the wheat we have foolishly stored up and do not know what to do with.

This is a substantial move in the right way toward keeping taxation down and balancing our Budget, as well as relief to the unemployed.

The wheat is here available; let us use it to feed the hungry.

Mr. GRISWOLD. Mr. Speaker, this bill is one that I can vote for with more or less pleasure. I believe it is the first time this Congress has gone on record during this session with a real humanitarian measure.

We have millions of bushels of wheat, purchased with the taxpayers' money. We went into the grain business, and the man on the farm did not profit by our activities. Not only did the farmer fail to profit by the purchases—most of which were made by the Farm Board after the wheat left the farmers' hands and at a price greater than was paid to the farmer—but this enormous surplus of wheat has constituted a continuing menace to him and his economic future.

We are told in Holy Writ that certain ancient kings stored up surpluses of grain. They did it in the fat years to prepare for the lean years. We have taken only half of the lesson to heart. We have stored up the grain in years of abundance, but we have not as yet distributed it in this lean year. And I doubt if in those lean years of ancient times poverty and distress stalked through a land with a grimmer footstep and a more baleful glance than they do in our land to-day.

We are giving but 40,000,000 bushels of this wheat. The pity is that we are giving only such a small per cent of our total store when we have eight and one-half million of unemployed. Thirty millions of people affected, who can not look to a gainful occupation to provide them with food.

The gentleman from North Carolina [Mr. POU], who is noted for his correctness in his statements of facts, has informed us that the Government has on hand 155,000,000 bushels of wheat, which is costing us annually 18 cents per bushel for insurance and storage. In other words, the Government is paying each year for each bushel of wheat nearly one-half as much as the farmers in my district received for their wheat at the elevator; or, on the basis of 155,000,000 bushels at 18 cents per bushel, it is costing the taxpayer $27,900,000 a year to own this wheat. In the interest of economy at a time when all are preaching economy it would seem to me to be the best business in the world to get rid of all of this wheat. The insurance companies and storage men would lose $27,000,000 per year, but I have yet to reach the place where I am willing to believe that this Government is entirely instituted for the purpose of maintaining big business.

We have given two billions to the big industries of the country. We are told by eminent statesmen and financers that was not a dole, but a loan. Now let us grant a loan to the starving. The loans under the Reconstruction Finance Corporation act were costly. This act took as an initial payment five hundred millions from the Public Treasury. This distribution of wheat will save the Public Treasury $7,200,000 a year in carrying charges.

Chairman Stone, of the Federal Farm Board, opposes the measure. He also opposes a measure to reduce salaries of officials of his organization—an organization wherein a salary of $75,000 per year is paid an official for representing a class of farmers who, by this official's own testimony, have an annual yearly income of only $300 each.

I am not so sure about the method of distribution. I would like to see some provision in the bill regarding that feature. I would like to see it made certain that there will be no discrimination by the agency that will distribute this wheat. It is an organization with a noble ideal. But not so long ago the head of that organization made statements that, in my opinion, are so far from the universally conceived ideals of the American Red Cross as to have shattered the faith of many people in its leadership. At that time the question was whether starving children of Pennsylvania miners should be fed, and the leader of this great organization of mercy hesitated, stayed the hand of mercy, and held that they should not be. He propounded a new principle, which was that when children starve that their cry for food, their need, should not be the first consideration, but that this great organization that typifies itself on posters as an angel of mercy should first determine that their parents were not engaged in a labor dispute. I should not like to see any such hesitation in the matter of the distribution of this food while children starve.

It is a law of ancient times that "to him who hath shall be given and from him that hath not shall be taken away even that which he hath."

Then came a newer law, the law of human rights, "Whatsoever you would that others should do unto you, do you even also to them," and a divine petition uttered in the hills of Judea, "Give us this day our daily bread."

Let us give the starving their daily bread.

SENATE BILL NO. 1 VERSUS HOUSE BILL NO. 1

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. SCHAFER. Reserving the right to object, on what subject?

Mr. PATMAN. On Senate bill 1 and House bill 1.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, Senate bill No. 1, introduced at the beginning of this session of Congress, has already passed both Houses of Congress, has been signed by the President of the United States, and has become a law. It was a bill to pledge the credit of the United States to the extent of $2,000,000,000 for the purpose of raising money to loan big business. Much of it will be used to pay dividends on watered stocks and bonds. A large part of this money has been paid and will be paid to the house of Morgan, the Mellons, Kuhn, Loeb & Co., and other international bankers. When this bill was before Congress very little was said about the Budget not being balanced or about the deficit in the Treasury. This bill was given the right of way. Big business, so the proponents say, must be taken care of, with the hope that a few crumbs will fall from the rich man's table which can be picked up by the plain people. This money is not intended to pay a debt.

House bill No. 1, introduced at the beginning of this session of Congress, provides that the Government shall pay in cash now a debt that has been acknowledged and confessed to the veterans of the World War for services rendered. It has not been considered by the committee. It will require slightly more, but very little more, than $2,000,000,000 to pay it. If it is paid, the money will go to 3,600,000 veterans of the World War, who reside in every nook and corner of America. It will place purchasing power in the hands of consumers. This bill does not have the backing of the Morgans, Mellons, or the Kuhn-Loebs. It has their opposition. The Government owes this debt; it must be paid some time; if it is paid now, everybody will be helped, the general welfare will be promoted. It can be paid without a bond issue, without additional taxes, and without increasing interest charges.

WHEN WILL H. R. 1 BE CONSIDERED?

The bill has been referred to the Committee on Ways and Means; the committee has made it the next order of business after the present revenue bill is disposed of. It is my information that the revenue bill will probably be disposed of before the end of next week, or March 12.

EXTENSION OF REMARKS

Mr. HOGG of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the postal substitute bill and to include therein a short petition from the Indianapolis Substitute, together with a short editorial from their official paper.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. BANKHEAD. Mr. Speaker, I object.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 307. An act to approve Act No. 256 of the Session Laws of 1931 of the Territory of Hawaii entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North Kona and South Kona, on the island and county of Hawaii, Territory of Hawaii."

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3514. An act regulating the use of appropriations for the military and nonmilitary activies of the War Department.

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p. m.) the House adjourned until to-morrow, Friday, March 4, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Friday, March 4, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON INSULAR AFFAIRS

(9.30 a. m.)

Filipino independence.

COMMITTEE ON THE DISTRICT OF COLUMBIA—SUBCOMMITTEE ON THE JUDICIARY

(10.30 a. m.)

Bill to amend section 600 of the act of March 3, 1904, concerning the income-producing property allowed to be held by benevolent societies, etc. (H. R. 8929).

COMMITTEE ON THE JUDICIARY

(10 a. m.)

Bills relating to short sales of securities (H. R. 4, H. R. 4604, H. R. 4638, and H. R. 4639).

COMMITTEE ON ELECTIONS NO. 3

(10 a. m.)

Stanley H. Kunz *v.* Peter C. Granata, eighth congressional district of Illinois.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

465. A letter from the Secretary of War, transmitting a report dated March 1, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of, and review of report on, New London Harbor, Conn.; to the Committee on Rivers and Harbors.

466. A letter from the Secretary of War, transmitting a report dated February 29, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Tarrytown Harbor, N. Y. (H. Doc. No. 262); to the Committee on Rivers and Harbors, and ordered to be printed, with illustrations.

467. A letter from the Secretary of War, transmitting a report dated February 29, 1932, from the Chief of Engineers, United States Army, on preliminary examination of York Harbor, Me.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 9441. A bill to confer jurisdiction on the Court of Claims to hear and determine certain claims of the Eastern or Emmigrant and the Western or Old Settler Cherokee Indians against the United States, and for other purposes; with amendment (Rept. No. 671). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEVENSON: Committee on Printing. H. Con. Res. 27. Concurrent resolution relative to the printing of "Revenue Revision, 1932" (Rept. No. 678). Ordered to be printed.

Mr. DALLINGER: Committee on Public Buildings and Grounds. S. 2498. An act to authorize the transfer of jurisdiction over public land in the District of Columbia; without amendment (Rept. No. 679). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOREHEAD: Committee on the Post Office and Post Roads. H. R. 8817. A bill to provide for fees for entry of a publication as second-class matter, and for other purposes; with amendment (Rept. No. 680). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOREHEAD: Committee on the Post Office and Post Roads. H. R. 8818. A bill to amend the second paragraph of section 5 of the act entitled "An act to amend title 2 of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes"; with amendment (Rept. No. 681). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. THOMASON: Committee on Military Affairs. H. R. 1927. A bill for the relief of Leonard L. Dilger; without amendment (Rept. No. 672). Referred to the Committee of the Whole House.

Mr. FITZPATRICK: Committee on Military Affairs. H. R. 6333. A bill for the relief of Thomas G. Carlin; without amendment (Rept. No. 673). Referred to the Committee of the Whole House.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 8779. A bill granting certain lands to the board of commissioners of the Orleans levee district in the city of New Orleans, State of Louisiana, for levee and street purposes; without amendment (Rept. No. 674). Referred to the Committee of the Whole House.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 8980. A bill to provide for the sale of a portion of the site of the post office and customhouse building in Newark, N. J., to the city of Newark for use as a public street; without amendment (Rept. No. 675). Referred to the Committee of the Whole House.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 8981. A bill to provide for the sale of an easement for a railway right of way over the post office and customhouse site at Newark, N. J.; without amendment (Rept. No. 676). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Foreign Affairs. H. R. 8479. A bill for the relief of Nellie T. Francis; without amendment (Rept. No. 677). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 650. A bill for the relief of Joe Andrews Co.; without amendment (Rept. No. 682). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 6797. A bill for the relief of Samuel Weinstein; with amendment (Rept. No. 683). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TURPIN: A bill (H. R. 10082) providing import duties on coal and coke imported into the United States from foreign countries; to the Committee on Ways and Means.

By Mr. MILLIGAN: A bill (H. R. 10083) to amend sections 7 and 10 of the World War veterans' act, as amended, to recentralize regional offices and suboffice activities; to the Committee on World War Veterans' Legislation.

By Mr. BALDRIGE: A bill (H. R. 10084) authorizing the city of Omaha, Nebr., to construct, maintain, and operate a toll bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr., and to acquire, maintain, and operate the existing toll bridge across the Missouri River between the cities of Omaha, Nebr., and Council Bluffs, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES: A bill (H. R. 10085) to amend section 8 of the act of Congress of June 30, 1906 (34 Stat. L. 768; U. S. C., title 21), as amended; to the Committee on Agriculture.

By Mr. HOWARD: A bill (H. R. 10086) to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians; to the Committee on Indian Affairs.

By Mr. JAMES: A bill (H. R. 10087) to authorize appropriations for construction at military posts and at airports and landing fields of technical buildings, and for other purposes; to the Committee on Military Affairs.

By Mr. PARKER of Georgia: A bill (H. R. 10088) authorizing the South Carolina and Georgia State Highway Departments to construct, maintain, and operate a toll bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. THATCHER: A bill (H. R. 10089) to amend section 812 of the Code of Law for the District of Columbia; to the Committee on the District of Columbia.

By Mr. WITHROW: A bill (H. R. 10090) to provide for additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. SINCLAIR: A bill (H. R. 10091) restoring to tribal status and allotment certain lands on Standing Rock Indian Reservation, in the States of South Dakota and North Dakota; to the Committee on Indian Affairs.

By Mr. SMITH of Virginia: A bill (H. R. 10092) to extend the time for completing a bridge across the Potomac River at or near Great Falls; to the Committee on Interstate and Foreign Commerce.

By Mr. STAFFORD: A bill (H. R. 10093) to provide additional revenue and to authorize the manufacture of beer with an alcoholic content of not more than 2.75 per cent of alcohol by weight, and for other purposes; to the Committee on Ways and Means.

By Mr. CARTER of Wyoming: A bill (H. R. 10094) to amend section 771 (act of July 17, 1916, ch. 245, par. 12, 39 Stat. 370; act of March 4, 1923, ch. 252, Title III, par. 307, 42 Stat. 1476), United States Code, title 12, banks and banking; to the Committee on Banking and Currency.

By Mr. BRUNNER: A bill (H. R. 10095) to incorporate the Big Brother and Big Sister Federation, and for other purposes; to the Committee on the District of Columbia.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 10096) to provide for the immediate payment of World War adjusted-service certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDREWS of New York: A bill (H. R. 10097) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. DE PRIEST: A bill (H. R. 10098) providing for pensions for ex-slave citizens of the United States of America or its Territorial or insular possessions; to the Committee on Invalid Pensions.

By Mr. WICKERSHAM: A bill (H. R. 10099) providing import duties on coal and coke imported into the United States, including Alaska, from foreign countries; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK: A bill (H. R. 10100) for the relief of Don C. Fees; to the Committee on Claims.

Also, a bill (H. R. 10101) for the relief of Don C. Fees; to the Committee on Claims.

Also, a bill (H. R. 10102) for the relief of Lieut. LeRoy Moyer; to the Committee on Claims.

Also, a bill (H. R. 10103) for the relief of Messrs. Short, Ross, Shaw, and Mayhood; to the Committee on Claims.

Also, a bill (H. R. 10104) for the relief of the heirs of Burton S. Adams, deceased; to the Committee on Claims.

Also, a bill (H. R. 10105) for the relief of George W. Steele, jr., captain, United States Navy; to the Committee on Claims.

Also, a bill (H. R. 10106) for the relief of Lieut. M. A. Sprengel; to the Committee on Claims.

Also, a bill (H. R. 10107) for the relief of Weymouth Kirkland and Robert N. Golding; to the Committee on Claims.

Also, a bill (H. R. 10108) for the relief of Capt. Chester G. Mayo; to the Committee on Claims.

Also, a bill (H. R. 10109) for the relief of the Playa de Flor Land & Improvement Co.; to the Committee on Claims.

Also, a bill (H. R. 10110) authorizing the adjustment of the claim of Lewis O. Wick; to the Committee on Claims.

Also, a bill (H. R. 10111) for the relief of Lieut. Jack C. Richardson, United States Navy; to the Committee on Claims.

Also, a bill (H. R. 10112) for the relief of John L. Summers, disbursing clerk Treasury Department, and for other purposes; to the Committee on Claims.

Also, a bill (H. R. 10113) authorizing adjustment of the claim of Joseph E. Bourrie Co.; to the Committee on Claims.

Also, a bill (H. R. 10114) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed during a hurricane in Samoa on January 15, 1931; to the Committee on Claims.

Also, a bill (H. R. 10115) authorizing adjustment of the claim of the Pennsylvania Railroad Co.; to the Committee on Claims.

Also, a bill (H. R. 10116) to provide for the reimbursement of certain enlisted men and former enlisted men of the Marine Corps for the value of personal effects lost, damaged, or destroyed by fire at the marine barracks, Quantico, Va.; to the Committee on Claims.

By Mr. CARY: A bill (H. R. 10117) granting an increase of pension to Burley L. Van Fleet; to the Committee on Invalid Pensions.

By Mr. DOUGHTON: A bill (H. R. 10118) for the relief of Fred Austin; to the Committee on Military Affairs.

By Mr. DOUGLASS of Massachusetts: A bill (H. R. 10119) granting a pension to Julia Agnes Silva; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10120) granting a pension to Wilbur F. Wakefield; to the Committee on Pensions.

By Mr. FINLEY: A bill (H. R. 10121) granting a pension to Henry Combs; to the Committee on Pensions.

By Mr. GREENWOOD: A bill (H. R. 10122) granting a pension to Ruth Kern; to the Committee on Pensions.

By Mr. HOPE: A bill (H. R. 10123) granting an increase of pension to Ella M. Tansey; to the Committee on Invalid Pensions.

By Mr. JONES: A bill (H. R. 10124) for the relief of A. Zappone, disbursing clerk, United States Department of Agriculture; to the Committee on Agriculture.

By Mrs. KAHN: A bill (H. R. 10125) for the relief of Edward Tumelty; to the Committee on Naval Affairs.

By Mr. KLEBERG: A bill (H. R. 10126) to remove a cloud on the title of certain land in the city of Corpus Christi, Tex.; to the Committee on the Public Lands.

By Mr. KELLER: A bill (H. R. 10127) granting a pension to Isaac Waggener; to the Committee on Pensions.

Also, a bill (H. R. 10128) granting a pension to Walter Puckett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10129) for the relief of Frank Lemme; to the Committee on Military Affairs.

Also, a bill (H. R. 10130) for the relief of Jess T. Zappa; to the Committee on Military Affairs.

Also, a bill (H. R. 10131) for the relief of Mark Duke; to the Committee on Military Affairs.

Also, a bill (H. R. 10132) for the relief of Arthur Smith; to the Committee on Military Affairs.

Also, a bill (H. R. 10133) for the relief of Joe R. Hudgens; to the Committee on Military Affairs.

Also, a bill (H. R. 10134) granting an increase of pension to Martha S. Noel; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 10135) granting an increase of pension to Mary M. Bannon; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 10136) granting an increase of pension to Roselle T. Willie; to the Committee on Invalid Pensions.

By Mr. LICHTENWALNER: A bill (H. R. 10137) granting an increase of pension to Ellen Sicker; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 10138) to exempt from taxation certain property of the National Society of the Sons of the American Revolution in Washington, D. C.; to the Committee on the District of Columbia.

By Mr. MEAD: A bill (H. R. 10139) renewing patent to John J. Boyne; to the Committee on Patents.

By Mr. SCHNEIDER: A bill (H. R. 10140) granting an increase of pension to Emily X. Huntley; to the Committee on Invalid Pensions.

By Mr. SPARKS: A bill (H. R. 10141) granting an increase of pension to Clara Fowler; to the Committee on Invalid Pensions.

By Mr. SUTPHIN: A bill (H. R. 10142) for the relief of Clarence A. Wimley; to the Committee on Claims.

Also, a bill (H. R. 10143) granting a pension to Virginia Hagins; to the Committee on Pensions.

By Mr. TILSON: A bill (H. R. 10144) for the relief of Leslie E. Babcock; to the Committee on Military Affairs.

By Mr. VESTAL: A bill (H. R. 10145) granting a pension to Ada Barngrover; to the Committee on Invalid Pensions.

By Mr. WICKERSHAM: A bill (H. R. 10146) granting an increase of pension to James C. Virdin; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3524. By Mr. ADKINS: Petition of citizens of Trowbridge, Ill., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3525. By Mr. ALDRICH: Petition of Roger Williams Council, No. 29, Sons and Daughters of Liberty of Allenton, R. I., opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3526. By Mr. AYRES: Petition of Christian and Methodist Sunday schools of Benton, Kans., favoring the prohibition law and opposing its repeal or modification; to the Committee on the Judiciary.

3527. By Mr. BUCKBEE: Petition of the Marseilles chapter of the Woman's Christian Temperance Union, stating that they are opposed to the resubmission of the eighteenth amendment, and favoring adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3528. By Mr. BURDICK: Petition of L. Belle M. Kay and 35 other residents of East Providence and Edgewood, R. I., opposing the repeal, resubmission, or any modification of the eighteenth amendment; to the Committee on the Judiciary.

3529. By Mr. CLAGUE: Resolution of Emil King Post, No. 318, American Legion, Fulda, Minn., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3530. Also, petition of R. R. Dittberner, of Eagle Lake, Minn., and others, opposing the passage of House bill 8092, compelling barbers to observe Sunday in the District of Columbia; to the Committee on the District of Columbia.

3531. Also, resolution of Jackson Liberty Post, No. 130, American Legion, Jackson, Minn., urging immediate payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

3532. By Mr. CLARKE of New York: Petition of 25 residents of Binghamton, N. Y., opposing the passage of the compulsory Sunday observance bill, S. 1202, entitled "A bill providing for the closing of barber shops on Sunday in the District of Columbia," or any other compulsory religious measures that have been or shall be introduced; to the Committee on the District of Columbia.

3533. Also, petition of 200 people of Stamford Methodist Church, Stamford, N. Y., opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

3534. By Mr. CONDON: Resolution of Cumberland Grange, No. 2, Cumberland, R. I., opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

3535. By Mr. CULLEN: Petition of Group No. 52 of the Polish National Alliance of the United States, with local headquarters at No. 724 Fifth Avenue, Brooklyn, N. Y., memorializing the United States Congress to enact legislation whereby the President of the United States would be

authorized to issue a proclamation calling upon officials of the Government to display the flag of the United States on all government buildings on October 11 of each year, and inviting the people of the United States to observe the day in schools and churches with appropriate ceremonies in commemoration of the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

3536. By Mr. CURRY: Petition of various citizens of California, protesting against a Sunday closing law; to the Committee on the District of Columbia.

3537. Also, petition of Sacramento Branch of the Railway Mail Association, opposing the suspension of automatic promotion of postal employees; to the Committee on the Post Office and Post Roads.

3538. Also, petition of California Canning Peach Growers and California Cling Peach Agency, opposing a sales tax on canned goods; to the Committee on Ways and Means.

3539. Also, petition of Alaska Packers Association, opposing a sales tax on canned foods; to the Committee on Ways and Means.

3540. Also, petition of Stockton (Calif.) Musicians' Association, opposing Senate bills 7, 935, and 3045; to the Committee on Labor.

3541. By Mr. DICKINSON: Petition of 28 citizens of Lockwood and Nevada, Mo., opposing passage of House bill 8092 or any other compulsory Sunday observance bill; to the Committee on the District of Columbia.

3542. By Mr. ESLICK: Petition of Roy Stacy and others, of Dickson County, Tenn., opposing passage of compulsory Sunday observance law; to the Committee on the District of Columbia.

3543. By Mr. GOSS: Petition of Group No. 724 of the Polish National Alliance of Derby, Conn., asking that on the 11th day of October of each year a proclamation be issued by the President for the observation of the day as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3544. By Mr. HART: Petition of residents of Montcalm County, Mich., protesting against compulsory Sunday observance and Senate bill 1202; to the Committee on the District of Columbia.

3545. By Mr. HOUSTON of Delaware: Petition of the Stella Clayton Woman's Christian Temperance Union, representing 110 people, and signed by Mrs. T. W. Davis, secretary, Washington, D. C.; to the Committee on the Judiciary.

3546. By Mr. JOHNSON of Texas: Petition of Ross M. Arthur, A. E. McReynolds, Earl H. Stansel, and A. B. Cherry, of Hearne, Tex., opposing section 4 of the post office appropriation bill, preventing automatic promotions of those in the Postal Service; to the Committee on Appropriations.

3547. By Mr. KARCH: Petition of Group No. 1492 of the Polish National Alliance, urging support of House Joint Resolution 144; to the Committee on the Judiciary.

3548. By Mr. KELLER: Petition of Group No. 2305 of the Polish National Alliance of the United States, Zeigler, Ill., urging that October 11 of each year be proclaimed as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3549. Also, petition of Group No. 1753 of the Polish National Alliance of the United States of North America, Benton, Ill., urging that October 11 of each year be proclaimed as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3550. Also, resolution of the Earl Cowan Post, No. 389, American Legion, West Frankfort, Ill., favoring the adoption of House bill 1 for payment in full of balance due on adjusted-service certificates; to the Committee on Ways and Means.

3551. Also, petition of Group No. 2499 of the Polish National Alliance of the United States, West Frankfort, Ill., urging that October 11 of each year be proclaimed as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3552. By Mr. KELLY of Pennsylvania: Petition of citizens of McKeesport, Pa., protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

3553. Also, petition of citizens of Braddock, Pa., asking that October 11 be made General Pulaski's Memorial Day; to the Committee on the Judiciary.

3554. By Mr. KVALE: Petition of Minnesota League of Building Loan & Savings Associations, protesting against favorable consideration of the so-called home loan bank bill; to the Committee on Banking and Currency.

3555. Also, petition of Minnesota Registered Nurses' Association, asking favorable consideration of House bill 7525; to the Committee on Interstate and Foreign Commerce.

3556. Also, petition of Minnesota Chapter of the American Society of Heating and Ventilating Engineers, indorsing Senate bill 2956 and House bill 6187; to the Committee on Public Buildings and Grounds.

3557. Also, petition of Farmers' Educational and Cooperative Union of America, town of Burton, Yellow Medicine County, Minn., urging favorable action on Senate bills 1197 and 2487 and House bill 7797; to the Committee on Banking and Currency.

3558. Also, petition of Brookfield Local, No. 251, of the Farmers' Educational and Cooperative Union of America, Minnesota division, urging support of legislation to benefit the farmers; to the Committee on Banking and Currency.

3559. Also, petition of West Douglas County Post, No. 188, Evansville, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

3560. Also, petition of Farmers' Union, Local No. 270, Nelson, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

3561. Also, petition of Farmers' Union, Local No. 270, Nelson, Minn., urging enactment of Senate bill 2487 and House bill 7797; to the Committee on Agriculture.

3562. Also, petition of Minnesota Congregational Women's Missionary Society, urging military cuts; to the Committee on Appropriations.

3563. Also, petition of Farmers' Cooperative Oil Association, Elbow Lake, Minn., protesting against the proposed Federal tax of 1 cent on gasoline; to the Committee on Ways and Means.

3564. Also, petition of P. O. Brundvold and 41 other residents of Pope County, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

3565. Also, petition of Manfred Local, No. 118, Gary, S. Dak., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

3566. Also, petition of Manfred Local, No. 118, Gary, S. Dak., urging enactment of Senate bill 2487 and House bill 7797; to the Committee on Agriculture.

3567. Also, petition of Russell Johnson Post, No. 72, of the American Legion Auxiliary, Appleton, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

3568. By Mr. LAMBERTSON: Petition of A. P. Gladden and 36 other persons of Leavenworth, Kans., opposing the passage of Senate bill 1202, and opposing any other compulsory religious measure; to the Committee on the District of Columbia.

3569. By Mr. LAMNECK: Petition of James M. Wilson, Max M. Meyers, Otto M. Myers, and 20 additional citizens of the city of Columbus, Ohio, urging Congress to enact such legislation as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3570. Also, petition of F. B. Power, P. A. Evans, Blanche Maxwell, and 25 other citizens of the city of Columbus, Ohio, urging Congress to take such action at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3571. Also, petition of Bryant Slack, Lester Wildermuth, and other citizens of Columbus, Ohio, urging action by Congress at this time to curb the activities of the growing monopolistic organizations throughout the country com-

monly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3572. Also, petition of George Compton, Mrs. John D. Thorn, James M. Jewell, and 25 other citizens of Columbus, Ohio, urging Congress to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3573. By Mr. LINDSAY: Petition of American Rattan & Reed Manufacturing Co., Brooklyn, N. Y., favoring the passage of House bill 6744 to provide for the Government purchase of American goods; to the Committee on Expenditures in the Executive Departments.

3574. Also, petition of International Association of Machinists, National Lodge, No. 556, Government employees, with reference to discharge of 500 men in the Brooklyn Navy Yard; to the Committee on Naval Affairs.

3575. By Mr. MEAD: Petition of the Polish National Alliance, Group No. 255, urging enactment of House Joint Resolution 144; to the Committee on the Judiciary.

3576. By Mr. PARKER of Georgia: Petition of 100 retail food dealers and 40 retail dry-goods and clothing merchants of Savannah, Ga., urging the enactment of legislation providing for the regulation by the Interstate Commerce Commission of busses and trucks carrying passengers and freight; to the Committee on Interstate and Foreign Commerce.

3577. Also, petition of the Savannah (Ga.) Chamber of Commerce, protesting the passage of legislation providing for a Federal tax on gasoline; to the Committee on Ways and Means.

3578. By Mr. PRATT: Petition of Mary R. Munson, Florence V. Hitchcock, C. N. Campbell, and 23 other residents of Ashland, Greene County, N. Y., praying for maintenance of the prohibition law and opposing its repeal or resubmission to the States; to the Committee on the Judiciary.

3579. Also, petition of Isobel T. Hallock, C. Kenneth Taber, and 23 other residents of Milton, Ulster County, N. Y., praying for maintenance of the prohibition law and opposing its repeal or resubmission to the States; to the Committee on the Judiciary.

3580. Also, petition of 42 members of the Woman's Christian Temperance Union of New Paltz, N. Y., praying for maintenance of the prohibition law and opposing its repeal or resubmission to the States; to the Committee on the Judiciary.

3581. By Mr. RAMSPECK: Petition of 32 citizens of Brookhaven, Ga., protesting against the enactment of Sunday-observance legislation; to the Committee on the District of Columbia.

3582. Also, petition of 81 citizens of Atlanta, Ga., protesting against the enactment of Sunday-observance legislation; to the Committee on the District of Columbia.

3583. By Mr. ROBINSON: Resolution signed by C. A. Smith, 620 Grant Avenue, and 61 other citizens of Waterloo, Iowa, urging the defeat of any legislation reducing the salaries of postal employees and other Government employees; to the Committee on the Post Office and Post Roads.

3584. By Mr. RUDD: Petition of the Preserved and Salt Fish Dealers Association of New York, requesting salt and preserved fish be included in the items of food that are exempt in the proposed sales tax; to the Committee on Ways and Means.

3585. Also, petition of American Manufacturing Co., Brooklyn, N. Y., referring to the proposed manufacturers sales tax; to the Committee on Ways and Means.

3586. By Mr. SANDERS of New York: Resolution of Group No. 2238 of the Polish National Alliance of the United States, Castile, N. Y., favoring the passage of House Joint Resolution 144, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3587. By Mr. SELVIG: Petition of Minnehaha Lodge, No. 827, International Association of Machinists, Minneapolis, Minn., urging enactment of anti-injunction legislation; to the Committee on the Judiciary.

3588. Also, petition of Central Cooperative Association, St. Paul, Minn., urging long-time loans to farmers through the Federal land banks to cover mortgage indebtedness at same interest rate as on money loaned foreign countries during World War; to the Committee on Banking and Currency.

3589. Also, petition of Jackson Post of American Legion, Jackson, Minn., urging immediate payment of adjusted-service certificates; to the Committee on Appropriations.

3590. Also, petition of Swift County (Minn.) United Veterans, urging enactment of immediate cash payment of compensation certificates and of the widows and orphans' bill; to the Committee on Appropriations.

3591. Also, petition of Central Cooperative Association, urging that tariff be placed on all competitive farm commodities imported, especially from the Philippine Islands, to protect interest of American farmers; to the Committee on Ways and Means.

3592. By Mr. SWANSON: Petition of Woman's Christian Temperance Union, Cumberland, Iowa, opposing resubmission of eighteenth amendment; to the Committee on the Judiciary.

3593. Also, petition of citizens of Adair County, Iowa, favoring cash payment of the balance of the adjusted-compensation certificates; to the Committee on Ways and Means.

3594. By Mr. TARVER: Petition of Mrs. S. M. Williams and 26 others, principally citizens of Rock Springs, Ga., opposing Senate bill 1202; to the Committee on the District of Columbia.

3595. Also, petition of Porter Hoyt Griffith and a number of other ex-service men, asking the immediate payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

3596. By Mr. TEMPLE: Petition of Mary Sammons Parry, of Waynesburg, Pa., recommending economies in the appropriation for military affairs; to the Committee on Appropriations.

3597. Also, memorials of Groups Nos. 1746 and 2595 of the Polish National Alliance of the United States, Canonsburg; Group No. 1743 of the Polish National Alliance of the United States, Manifold; and Group No. 2573 of the Polish National Alliance of the United States, Nemacolin, all of the State of Pennsylvania, supporting House Joint Resolution 144, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3598. By Mr. WATSON: Petition with 73 signatures of residents of Philadelphia, Pa., opposing the tax on automobile industries; to the Committee on Ways and Means.

3599. By Mr. YATES: Petition of Albert W. Bruce, 243 Washington Boulevard, Oak Park; Otto H. Moses, 2172 Stave Street, Chicago; Clifton C. Bailey, 1112 Grove Street, Evanston; and other residents of Illinois, opposing legislation reducing the Reserve Officers' Training Corps, the citizens' military training camps, the Regular Army, and Navy; to the Committee on Appropriations.

3600. Also, petition of rural letter carriers of the sixteenth congressional district, opposing the placing of the Rural Delivery Service on a contract basis; to the Committee on the Post Office and Post Roads.

SENATE

FRIDAY, MARCH 4, 1932

(Legislative day of Wednesday, March 2, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R.

5064) authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.

The message also announced that the House had passed the joint resolution (S. J. Res. 110) authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress, with an amendment in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 27) relative to the printing of "Revenue Revision, 1932," in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 3514. An act regulating the use of appropriations for the military and nonmilitary activities of the War Department; and

H. R. 307. An act to approve Act No. 256 of the session laws of 1931 of the Territory of Hawaii, entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North Kona and South Kona, on the island and county of Hawaii, Territory of Hawaii."

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Smith
Barkley	Dill	La Follette	Smoot
Bingham	Fess	Logan	Steiwer
Black	Fletcher	McGill	Stephens
Blaine	Frazier	McKellar	Thomas, Idaho
Borah	George	McNary	Thomas, Okla.
Bratton	Glass	Metcalf	Townsend
Brookhart	Glenn	Morrison	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Walcott
Byrnes	Harrison	Norris	Walsh, Mass.
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hatfield	Oddie	Waterman
Connally	Hayden	Patterson	Watson
Coolidge	Hebert	Pittman	Wheeler
Copeland	Howell	Reed	White
Costigan	Johnson	Robinson, Ark.	

Mr. JOHNSON. I announce that my colleague the junior Senator from California [Mr. SHORTRIDGE] is still detained from the Senate by reason of continued illness. I ask that the announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva, Switzerland.

Mr. SHEPPARD. I have been requested to announce that the junior Senator from Tennessee [Mr. HULL] is detained by illness.

I also desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily out of the city.

I wish also to announce that the junior Senator from Illinois [Mr. LEWIS] is detained from the Senate by illness.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

GOV. FRANKLIN D. ROOSEVELT ON PUBLIC UTILITIES

Mr. DILL. Mr. President, owing to the fact that this is the 4th of March and that a year from to-day I expect to see the present Governor of the State of New York inaugurated as President of the United States, I think it is very appropriate to insert in the RECORD a part of a message which he delivered to the State Legislature of New York on March 2 concerning public utilities. The New York World-Telegram quotes from this message to the legislature concerning the public service commission of that State and concerning the necessity of bringing about a reduction of rates by public utilities. The fact of the matter is that the cost of public utilities has become one of the costs of the necessities of life in this age of civilization. In this message Governor Roosevelt said:

> It is a startling fact that in spite of the current change in the purchasing power of the dollar there seems to be no voluntary state-wide or nation-wide effort by utility companies to cut their rates proportionately. * * * The public of the State has come to realize that the degree of control and supervision which was hoped for in 1907 has become impossible because of a long line of decisions and judge-made laws which to a great extent have nullified the original purpose of the statute.

He asserted that the commission on revision of public service commission laws had spent a large amount of money, but has produced no legislative action to benefit the people.

It seems to me that there is no subject to-day which is of more vital concern to the American people than the cost of the service rendered by public utilities, especially when those public utilities have issued such large blocks of watered stock, placed them upon the stock market, and the people who have bought the stocks have found them so reduced in value that they are now practically worthless. It is highly important that those who are in charge of the Government, whether it be in State or Nation, and those who are to be in charge of it after next March shall recognize that the public utilities of the country furnish a public necessity of modern civilization and that the regulative bodies which are to regulate those rates shall keep in mind the fact that they are providing a public necessity, and keep in mind also that the rates should be based upon the actual service rendered and the value of the property, regardless of the watered stock that may have been issued.

I have quoted this brief excerpt from the message of Governor Roosevelt as renewed proof of the fact that he is on the side of the people and that he is thinking in terms of the needs of the people in these times when the people are finding it so difficult to meet the costs of the necessities of everyday life.

INVESTIGATION OF COAL-MINING CONDITIONS IN KENTUCKY

Mr. COSTIGAN. Mr. President, by way of preface to the introduction of a resolution for an investigation by the Committee on the Judiciary may I say that grave charges of violations of law and of serious interferences with the rights and privileges of citizens of the United States in certain coal-mining regions of Kentucky for some weeks have been receiving general and repeated currency in the press and magazines of the country. Indeed, personal appearances and testimony from well-known and responsible Americans, supplementing petitions for the redress of reported grievances, for some time have come to the attention of various Members of this legislative body.

Without expressing any final decision on the accuracy of these representations, it is just to conclude that probable cause has been shown for public inquiry. In that conviction a resolution on the subject has been prepared by the Senator from New Mexico [Mr. CUTTING] and myself. I join in offering it with a definite sense of official responsibility, also with confidence that it tends to serve the public interest, because the coal fields of my own State of Colorado were subjected to a similar and searching inquiry under like circumstances in 1914 by a committee of the National House of Representatives. The Colorado investigation, in which I participated, is credited with ultimate far-reaching and beneficial results, in better industrial and human relations, both State and National. A fair investigation, moreover, may be of special value at this time, since Congress now has before it certain legislative measures designed to regulate and open the way to the efficient and prosperous manage-

ment of our tragically disorganized, too often antisocial, basic coal-mining industry.

Trusting that the investigation will be authorized and pressed, and requesting a prompt report from the Committee to Audit and Control the Contingent Expenses of the Senate, I send the resolution to the desk and ask to have it read.

The resolution (S. Res. 178) was read and referred to the Committee on the Judiciary, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to investigate the conditions existing in the coal fields in Harlan and Bell Counties in the Commonwealth of Kentucky with a view to determining particularly (1) whether any system of peonage has been or is being maintained in such coal fields; (2) whether the Postal Service and facilities have been or are being obstructed or interfered with therein, and if so, by whom; (3) whether citizens of the United States have been arrested, tried, or convicted in violation of the Constitution or laws of the United States; (4) whether firearms, ammunitions, or explosives have been shipped into such coal fields from States other than Kentucky, and if so, by whom shipped and by whom paid for; (5) whether any unlawful conditions exist or have existed in such coal fields which interfere or have interfered with the production for interstate shipment, or otherwise with the interstate shipment, of coal from such coal fields; and (6) the causes leading up to the conditions reported to exist in such coal fields. The committee shall report to the Senate as soon as practicable the results of its investigations, together with its recommendations, if any, for necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-second Congress until the final report is submitted; to employ such clerical and other assistants; to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

COMMENTS ON THIRD ANNIVERSARY OF INAUGURATION OF PRESIDENT HOOVER

Mr. HARRISON. Mr. President, this is a very memorable day, the day the newspapers of the morning record as being the third anniversary of the inauguration of President Hoover; and I am going to pause before I proceed, because I am hoping that some Senator on the other side will undertake the task of paying tribute to and giving an accounting of the administration during the last three years. It is natural that it should be done; it is most appropriate that it should be done in this body to-day.

I see sitting before me one of the satellites of the administration, the distinguished Senator from Ohio [Mr. FESS]; I see another distinguished leader over on the Republican side, the Senator from Pennsylvania [Mr. REED], and I suppose, within hearing distance certainly, the distinguished Republican leader, the Senator from New Hampshire [Mr. MOSES], can be found. I see also now my fine and good-looking friend, who always rises to the defense of the administration, the distinguished senior Senator from Connecticut [Mr. BINGHAM], who has just come into the Chamber. Nor am I going to omit to mention my friend the senior Senator from Utah [Mr. SMOOT], who never allows the anniversary of the birthday of Abraham Lincoln to pass without paying tribute to him. If any of these distinguished gentlemen or any other Senator on the Republican side of the Chamber—and there is now a pretty full attendance—desires to rise and exploit the administration and give an accounting of its services I shall yield the floor.

Mr. FESS. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. Indeed, I will, and I take my seat. It is most proper that the Senator should be heard.

Mr. FESS. Mr. President, yesterday the Senate was edified by a very brilliant speech on the part of the Senator from Mississippi demanding economy and specifying many ways whereby economy could be brought about. Immediately following the consideration of the agricultural appropriation bill was resumed; but before the echo of the sound of the voice of the Senator from Mississippi had died away there were amendments offered greatly adding to the total sum appropriated by the agricultural appropriation bill as it has been reported, although that total approximated $175,000,000. Notwithstanding the Agricultural Department is one of the youngest executive departments of the Government and has not been in existence very long, yet it is growing by leaps and bounds through the increase of its activities. On yesterday, when a roll call was demanded on an amendment proposing an increase of $25,000 in the agricultural appropriation bill, I noticed that almost every Member upon the side of the Chamber for which the Senator from Mississippi speaks, including the Senator from Mississippi himself, voted for the increase. If the utterances of the Senator from Mississippi to-day are to be on a par with his remarks of yesterday, I think no other Senator should interfere with what he may have to say.

Mr. HARRISON. Mr. President, that is all the Senator from Ohio has to say in defense of the administration. [Laughter.] That is his tribute; that is his analysis; that is his accounting. Instead of going on the air in a sealed room with their hot air, reading their eulogies of the President, or doing so in the cloistered rooms of the Republican National Committee, where a humble Democrat like myself can not gain admittance, why does not the Senator from Ohio and why do not other Senators on the Republican side of the Chamber rise on the floor of the Senate to sing their pæans of praise for the administration and try to "sell Hoover" to the country?

The Senator from Ohio heretofore on the anniversary of the inauguration of the President has not thought that it was in the interest of expediency to keep silent. I recall that the first year after the President was inaugurated the Senator from Ohio spoke in praise of the administration for about two hours. It was a very feeble attempt, not characteristic of the distinguished Senator, because he is eloquent in all his addresses and generally enthusiastic in what he has to say; but that day he had a hard job. He realized it. He did it just as well as he could under the circumstances, and he spoke for a long time, giving an accounting of the administration. He gave as his excuse for speaking that day the first anniversary of the Hoover administration.

Then came the second anniversary of the Hoover administration, which seems a long time ago. When I read this morning that this was the third anniversary of the inauguration of President Hoover I just could not realize it. It seems to me it has been an age since Hoover became President of the United States [laughter], and no doubt that is the way it has impressed the country. However, on the second anniversary of the inauguration of the President the Senator from Ohio did not speak upon the floor of the Senate about the achievements of the administration. The praise of the administration was designed to be left to a man named Doubleday, who, as it will be recalled, was the publisher of World's Work, and who had sent out broadcast to all of the beneficiaries of the Smoot-Hawley tariff bill a written letter to be signed by them, and also an appeal to them to make contributions to the cause then represented by Mr. Doubleday, so that sufficient money might be raised to carry in the press all over the country paid advertisements in the form of a letter to be addressed to Mr. Hoover telling him of the fine work he had performed and his high standing among the people of the country. That was the inspiration which caused my friend the Senator from Ohio later to endeavor to "sell Hoover." He took the suggestion from Mr. Doubleday, and so when the Republican National Committee met last year he again tried to "sell Mr. Hoover" to the committee, and neglected to make his usual laudatory speech in this Chamber on the anniversary of Hoover's inauguration.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. HARRISON. I yield.

Mr. BARKLEY. Is the Senator sure the name is Doubleday or Doublecross?

Mr. HARRISON. Probably the latter is the more fitting. When we exploited Mr. Doubleday's efforts here upon the floor of the Senate he backslided and refrained from further participation in the scheme; but that was what furnished the Senator from Ohio the inspiration to try again to "sell Mr. Hoover" to the country.

Now, is it not fair when on this anniversary day we can enter into a real discussion upon this floor of the alleged achievements of the administration that there should be remarks made here rather than that Senators should go into the sealed room of some broadcasting station and send out stuff over the air which ought not to be contaminated by such utterances? For that reason I asked Senators on the other side if they would not take advantage of the opportunity to discuss the achievements of the administration, and I offered to yield to my friend from Ohio, who is still chairman of the Republican National Committee. I think he is still chairman of the committee; there has been so much talk about him retiring from the committee that I do not know whether he is still chairman or not; but, any way, he is, as I believe, the titular chairman of the Republican National Committee. I do not know whether Mr. Burke or some one else is running it; but I thought I was very courteous in offering time to the Senator this morning.

Now, if no Republican Senator will dare to do it, I am going to call the attention of the country to what has been done during the past three years. I want to be fair about it, and if I make any misstatements I want Senators on the other side to rise and correct me, and when I shall have finished I want them to have courage enough to rise here upon the floor and discuss the greatness and the achievements of the present administration. Do not wait to broadcast when no one can answer you.

It will be remembered that the last campaign was known as a whispering campaign; it has now been transformed into a whimpering campaign, and before November next it is going to be a weeping campaign.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HARRISON. I always yield to my friend from Ohio.

Mr. FESS. Is the Senator sure it will not be a "gnashing of teeth" campaign among the Democrats?

Mr. HARRISON. You Republicans look too hungry and too disconsolate for a Democrat now to "gnash his teeth" when he glances at you. No; there will be no "gnashing of teeth" amongst the Democrats. We are in too high hopes and too harmonious in principle to permit the "gnashing of teeth" among ourselves.

I have been amused, Mr. President, at the character of speeches that have been made over the radio by some of the Republican leaders. How their utterances have changed with regard to this remarkable man! I have before me a picture of Mr. Hoover painted by the distinguished Senator from Ohio, a picture I shall never forget. He does not talk that way now, but he did talk that way in 1920. I read from the New York Times of April 1, 1920:

> Representative FESS, of Ohio, chairman of the Republican Congressional Committee—
>
> He has always been a leader of the Republican Party; he has always been a spokesman for the Republican Party. Of course, there have come times in his remarkable political career when he talked a little bit too much; there have been times when coming from conferences with the President he has talked too much and has received from the President a little slap on the wrist; but it has had little effect upon the distinguished leader of the Republican National Committee—his apparent enthusiasm and loyalty to Republican administrative policies or to any Republican President has always impelled him to rush to their defense. So at this time he said:
>
> The Republican Party can not accept an internationalist as its standard bearer. Hoover must be greatly embarrassed in seeking the nomination at the hands of a party he conspired against with the party's opponents to defeat in 1918. It will demand a leader whose Americanism is not in question and whose political views are not a matter of speculation.

But the Senator from Ohio does not talk that way now. Here is my distinguished friend from Indiana [Mr. WATSON], the leader of the Republican Party on the majority side of the Senate——

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from Mississippi yield to the Senator from Ohio?

Mr. HARRISON. Yes; I yield.

Mr. FESS. On October 10, 1918, President Wilson issued his famous letter asking for the election of a Democratic Congress.

Mr. HARRISON. And Mr. Hoover joined in it, and that aroused the Senator from Ohio.

Mr. FESS. Mr. Hoover joined with members of the Cabinet. One member of the Cabinet was Mr. McAdoo, who had stated that the President had done nothing more than Lincoln once did, which, of course, was not a statement of fact. Mr. Hoover made a statement, given out in New York, in which in a way he affirmed the letter of the President; at least I so interpreted it. I was at the time chairman of the committee in charge of the election of a Congress, and I wanted a Republican Congress elected. I thought that Mr. Hoover, a Republican, was going out of his way to join what appeared to me a Democratic propaganda headed by the then President. I thought it was very unfair to the Republicans. Consequently I made a statement at the time condemning what the Food Administrator at that time had said.

Mr. HARRISON. Yes; and that aroused the Senator.

Mr. FESS. It did.

Mr. HARRISON. That was one time when Mr. Hoover had a lucid interval, when he wanted a Democratic Congress elected; but, fortunately for the country, we elected a Democratic Congress last year without the help of Mr. Hoover or the Senator from Ohio.

Mr. FESS. And the country probably will realize the very evil effects of it before we get through.

Mr. HARRISON. I must apologize to the Senator. Some one remarks that we elected a Democratic Congress with the help of the President and the Senator from Ohio.

The distinguished leader on the Republican side, the senior Senator from Indiana [Mr. WATSON], about the same time, back in 1928, in speaking of Mr. Hoover, said:

> We have come upon strange times. We used to nominate men because of what they stood for. Now we are asked to name voiceless candidates to lead us.

And yet the other night, over the radio, as the distinguished Senator from Texas [Mr. CONNALLY] called to the attention of the country the other day, on Lincoln's Birthday, the Senator from Indiana just pushed the memory of Lincoln aside and exploited Mr. Hoover as the superman of all the ages of the world. How do you expect people to have any confidence in what you say when you turn about face so quickly?

I could cite here what the distinguished Senator from Indiana [Mr. WATSON] said during the Republican convention in Kansas City; but I am too anxious to see harmony within the ranks of the leaders of the Republican Party to do that. I do not want to arouse the old feelings that were engendered at Kansas City. Then, too, I doubt if the rules of the Senate would permit me to quote such language. Indeed, if the Vice President were in the chair—he is not—I could bring back to memory the many nice things that he said at Kansas City about President Hoover. You have changed your tune now. It is altogether different. You have organized different kinds of bands and gangs. You have your gumdrop battalion that is out at work. That is one thing the administration has done. They have made gumdrops famous. They have the petticoat brigade out at work. Of course, it is not headed, in these days, by Mabel Willebrandt. She is too busy, and has been for some time; she is tired from her efforts before the Farm Board up here in getting these large loans and advancements to the President's friends out in California to make this concoction out of grape juice—I do not know exactly what it is called—Vine-Glo, or some such name as that. So she is not now beating the tom-tom. She may come into the picture later. Her place has been

usurped by Mrs. Dolly Gann. She is out on the hustings, on a nation-wide tour.

I noticed the other day that Mrs. Gann spoke or gave out an interview in Chicago, and she said, "The Democrats will try to talk about depression, but there is no depression. It is over. They can not make that an issue."

She said:

As a result of constructive measures the President has taken, the great masses of the people have never discovered that they were in hard times and have gone about their mirths and their employments without ever having found it necessary to limit in any degree their standard of living.

That is the kind of political evangelists the Republican Party is sending out to the country to tell them there have been no hard times. There has been mirth in all the homes of the country, perfect contentment, and 100 per cent employment—two chickens in every pot, two cars in every garage, and the people are building more garages. That is the kind of brigade that is working; and, oh, this medicine-ball gang! They are out. Why, one of them helped my distinguished friend from Ohio [Mr. FESS] before the Republican National Committee. I refer to Secretary of War Hurley. He showed fire. He had pep. He was tired of the way that other so-called leaders of the Republican Party had acted. They had not defended the President aggressively, as they should have done; so he took the matter in hand, and he pepped up the disconsolate and drooping spirits of the Republican leaders assembled here in Washington on that auspicious occasion and sent them home about one one-thousandth of 1 per cent more enthusiastic than when they came here.

Then they have another one who goes over the country, a remarkable character—I have known him for a long time—Mr. Jahncke; he is the political contortionist of the little cabinet. He can talk as well on one subject as another. Of course, that does not mean much, but he is ever ready to answer every call or demand of his chief. So he goes from Maine to California reading his speeches and praising the work of his chief. He read a speech to some crowd up here in Ohio, and I notice the papers carried the line that Mr. Hoover had shown such wonderful and remarkable qualities of leadership and had thrown so many constructive measures at us that the Democrats had become "dizzy."

Mr. President, some Democrats may have been driven to drink over Mr. Hoover's "leadership" and "constructive administration," and some of them may have been thrown into the very pits of economic despair; but I can not conceive of any Democrat getting dizzy from any quality of leadership displayed by the gentleman in the White House. He has taken us in merry-go-rounds, it is true; he has taken us down the slides, so to speak, and we may have become a little bit dizzy from that, but not from any qualities of leadership that he has shown. We may have become dizzy from trying to find out when he was going to act, and what side he was going to take when he did act; but that is the only time any Democrat has become dizzy about Mr. Hoover.

These are remarkable gentlemen that you are sending out over the country to engage in this campaign.

Now, Mr. President, let us look back and see what is the record. Let us stop for a minute blowing bubbles, as these members of the petticoat brigade and the gumdrop battalion, and the medicine-ball gang are doing.

I recall those glowing words in a very beautiful song, penned many years ago, and I am reminded of it when I listen to my friend from Ohio over the radio—not in the Senate any more. He has not the nerve to defend the President, and his remarkable work, here. When I hear his remarks over the radio, and all these other broadcast speeches in regard to the high quality of the work of Mr. Hoover as President, I am reminded of these words in this song:

We're forever blowing bubbles,
Pretty bubbles in the air.
They fly so high, nearly reach the sky,
Then, like a dream, they fade and die.
Fortune's always hiding,
We've looked everywhere.
We're forever blowing bubbles,
Pretty bubbles in the air.

That is what the American people know they are doing; that is what for the most part Mr. Hoover as President has done. Why, Mr. President, you recall that in that remarkable campaign of prejudice and intolerance, when they prophesied continued prosperity and fooled the people and people fell for it, a promise was exacted of Mr. Hoover; and he, frightened over the outcome of the election, promised that he would call an extra session of Congress should he become President of the United States. So he did call that extraordinary session of Congress; and it is well to-day, three years from that time, for us to refresh our memories as to the character of campaign that was waged and the prophecies that fell not only from the lips of my friends from Ohio and Indiana and Utah but from the lips of every Republican orator who went on the stump, exploiting the prosperity of the country. "It is always with us," they said, "when the Republicans control the country. Panics never come. Despair is never in the wake of the people. Industrial skies are always black with smoke from prosperous plants. People are ever employed. Profits are high; banks are intact, and there can not be an economic depression while the Republicans are in power."

One of the most remarkable documents that has been printed in a long time is this little red book that tells the story and the record of Mr. Hoover. It is entitled "Oh, yeah?" Even children laugh at it. The country everywhere knows of this remarkable record, and so it has been dramatized in this book—"Oh, yeah?" This chart shows the way that stock values for two and a half years have declined from the high peaks down into the low valleys. Then it puts together some remarkable utterances, including those of the distinguished Senator who now has opposition in Pennsylvania [Mr. DAVIS], who was then one of the spokesmen of the administration, and who said on October 24, 1928:

The single issue in the presidential campaign is, How can we best maintain and increase prosperity in America, and who is the man to do it?

The Vice President, speaking in 1928 as a vice presidential candidate, said:

The only issue in this campaign is the continued prosperity of the American people.

Then, again, at Gary, Ind., the Vice President said:

Stick to the full dinner pail.

Ah! That pail has turned out to be nothing but an old empty can.

You have been enjoying Republican prosperity. If you want to continue the prosperity of the administrations of Calvin Coolidge, vote for Hoover.

That is what Candidate Curtis said.

Then the President himself, at Palo Alto, away out in the home of his distinguished friend and colleague from California [Mr. JOHNSON], spoke eloquently of the great work in the past of the Republican Party; and to those good people out there, many of whom were friends of my friend from California who now presides over this body, he said:

Unemployment in the sense of distress is widely disappearing. * * * We in America to-day are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal, but, given a chance to go forward with the policies of the last eight years, and we shall soon, with the help of God, be in sight of the day when poverty will be banished from this Nation. There is no guaranty against poverty equal to a job for every man. That is the primary purpose of the economic policies we advocate.

I shall not burden the RECORD with more of these expressions. Here they are. That was the campaign.

I have before me advertisements, paid for by the Republican National Campaign Committee. One of them reads:

Vote for Hoover.

They appeared in all the magazines and periodicals of the country.

Wages, dividends, progress, and prosperity.
The Republican Party isn't a "poor man's party." Republican prosperity has erased that degrading phrase from our political vocabulary.

Under high tariff and lower taxation, America has stabilized output, employment, and dividend rates.

I have an advertisement here which says that this man is ten men in one, and that the American people can not take the chance of not electing him President of the United States.

What a man!

Could any Republican who voted for Mr. Hoover at the last election have doubted, in view of these remarkable statements over the radio, statements before them in advertisements, statements carried upon the wings of a whispering campaign, that if he should be elected prosperity would continue and we would never have any cause for legislative enactment to cure the economic situation?

What has happened? This man, who is a great leader, called Congress together in April for the purpose of enacting farm relief and for tariff revision, limited tariff revision. Let us see what happened.

We tried to give to the farmers of the country real relief. A fight ensued here for weeks and for weeks, and over the strenuous opposition and objections and protestations of the Senator from Ohio, the leader of the Republican Party and the spokesman of this administration upon this floor, we won out, and then we were defeated by the President. He had his way. He got his Farm Board. I shall not say more about that.

If you think you can make the farmers believe that they have been materially helped by the farm relief legislation you put over, you are indeed an optimist. It has created confusion. It has cost several hundred million dollars, and certainly they can not complain that the Democratic Party did not assist in making appropriations, because we laid in their laps $500,000,000. That is the farm relief the Republican Party of this administration gave to the farmers.

You will not talk about it much in the coming campaign, will you? You will not even attempt to defend that "farm relief." You will just ignore that part of the campaign. You will not have the courage to go before the farmers of this country and defend such an act as that.

Oh, I suppose my friend from Ohio might do it, because somehow or other he does not mind getting into hot water. [Laughter.]

Then he said that we must revise the tariff, must have a limited revision. We went to work on that. Of course, there was no demand for a revision of the tariff upward. In the Fordney-McCumber law you had put on the statute books tariff rates higher than had ever been enacted up to that time. There were certainly no demands at the time the extra session was called in 1929 for an increase in tariff rates in this country. Yet, when you got together here and allotted the chairmanship of this subcommittee to this apostle of special interests, and that one over to another, giving to Mr. REED, of course, the steel schedule, giving to Mr. BINGHAM the schedule which carried the articles and things in which his State was interested, and over to Mr. SMOOT the sugar schedule, about which he has talked more than any other subject in the world, then you went to work and increased the rates over the House rates in 872 instances, giving to the American people a tariff bill which has wrecked this country.

I say "wrecked this country," and I offer no apologies for saying that. Let Mr. Jahncke and Mr. Hurley and the other members of the medicine-ball gang go forth and say that one Democrat in the Senate said that that tariff law had wrecked this country, because I will admit it, and when we take up a tariff bill shortly we are going to show you. We will not convince you, because you will not be convinced. You know in your hearts it is true, but you want at least to protest that you still believe, with the old reactionary element of the Republican Party, in these excessive rates of protection which amount to embargoes.

The most pitiful picture that has ever been offered by any President of the United States in all the history of this Republic was portrayed to the Congress and to the country during the consideration of the Smoot-Hawley tariff bill. Here we were for months almost in a death grapple, the progressives and the Democratic Party fighting against the reactionary leadership of the Republican Party with reference to a tariff policy. We cried out in our weak voices on this floor to the President of the United States to take a hand against this conspiracy which had been concocted in the closed rooms of these representatives of special interests and to employ the power of his office and his influence on the side of the people against these high and excessive rates attempted to be foisted upon the people.

Protests came from foreign countries in greater number than ever before, in stronger language than they had ever employed, stating to us as a country that "If you dare do this, we will be forced to retaliate, to organize cartels, to boycott, to raise our rates against the importations of your goods into our countries."

Ah, they laughed about it. In derision did the Senator from Pennsylvania and the Senator from Utah speak. How eloquently did the distinguished leader on the other side say, "Oh, it is the usual, old custom of foreign countries to protest on the consideration of any tariff bill."

Yet we have lived to see that very prophecy they made come true, that very threat they uttered carried out. I remember that day when, in dramatic fashion, 1,089 of the greatest economists of this country, from every part of the land, signed a letter to the President, or to the Congress, I have forgotten which.

In this protest of the economists they laid down with remarkable accuracy just what would happen if this scheme written in the pages of the Smoot-Hawley tariff bill were carried out. They told us how it would increase unemployment in the United States. They told us how increased rates would be levied by foreign countries in retaliation on account of our action. They told us how factories which had built up an American trade throughout the world, and had increased our exports to a higher figure than they had ever reached before, would fall; that we would lose those markets; and how those owning those factories would be compelled to go to Canada and to Europe and elsewhere and build new factories, giving employment to foreign labor, making products to be sold in competition with our own.

The figures show that their prophecy has come true, and we have seen the exports of this country fall off from the last year under the old law, even—from more than $5,000,000,000—to this last year, when they amounted to a little more than $2,000,000,000. We have hardly a balance of trade now in our favor.

Of course, these factories have closed down, because those who ran them have built factories elsewhere. Of course, unemployment has increased in industrial centers, because the labor of foreign countries is being employed.

Mr. Morrow, whose memory we all respect, and whose striking personality we liked, said this in a speech at Newark when he was a candidate for the Senate:

All parties in the past, including the Republican Party, have been wont to credit themselves with whatever good times happened during their term of power, without looking for the deeper reasons that underlie the ebb and flow of prosperity. Any party that takes credit for the rain must not be surprised if its opponents blame it for the drought.

So the Republican Party takes credit for the prosperity, and it must take whatever discredit attaches for the economic drought now hovering over this country. What these economists said has come true. You have wrecked the economic and industrial life of this country; and Mr. Hoover, as he sat as the commanding figure of the Republican Party, certainly in the most influential position of anyone in this country, kept his lips sealed; he refused to take into his confidence any leader of the Republican Party and tell him how he felt on any question touching the tariff proposal.

That is the kind of leadership you have had. That is the character of leadership that has been displayed by the superman who now sits in the White House. I lay it down in all sincerity, Mr. President, that he showed during the tariff fight less qualities of leadership, more indecision, less courage than any President has ever shown in all the history of the country.

Oh, yes, there are some romantic incidents connected with all that history, though. We made a fight for the flexible

tariff provision. The sentiment of the country was with us. We were in conference. Senators will remember the ride of the four horsemen from the Rapidan one night about 2 o'clock in the morning. I think it was at a time before they had paved the road that led to the Rapidan. I think it was at a time when it took quite a while to get there over those rocky, bumpy places. It was before the marines got to work down there smoothing out the rough places. On this night, as the papers heralded the next day, those four distinguished Senators came—not as Paul Revere, because they did not ride horseback; they could not. Perhaps they rode in a White House automobile. But they came up here to straighten it all out and bring the news from the President so the Republican leadership would not give up to the progressive Republicans and the Democrats in the flexible-tariff fight. Thus one of the achievements of the administration was the midnight ride of the "four horsemen of the Rapidan."

There will be much said about the tariff in this campaign. It can not be claimed that it brought all the prosperity about which the Republicans talked. They will not admit, either, but will try to fool the people that it did not bring about this panic, this stock crash, this value depreciation, this increased unemployment, and all the heavy hearts and wrecked ambitions that we have witnessed in this country. They will keep pretty quiet, too, on that proposition.

Then what happened? We had the stock crash in September or October, 1929. Values to the extent of more than $5,000,000,000 were wiped out. What did the superman do? What did his great Secretary of the Treasury do? Mr. Hoover gave out a statement and said:

> Prosperity will soon return. This is just a seasonal matter. Prosperity is just around the corner.

Mr. Mellon chipped in and made similar observations.

Oh, no; Mr. Hoover did something else. After a little while, when prosperity did not come according to the time he said, Mr. Hoover sent for all of the great business men of the country, the captains of industry everywhere, and said to them, "Gentlemen, steam up. Let us not have a depression under a Republican rule. It will not do. It is contrary to everything we have preached in the past. Buckle on your armor and help me out in this crisis. Do not reduce wages. Put more money into more improvements. Go back to your homes and help out." They went back to their homes and in a few days, of course, they began to reduce wages. They did not begin to enlarge their operations but they began to reduce their operations. Mr. Ford, who came out the other day for Mr. Hoover as a great man to be reelected, was one of the first to close down and the balance of them followed suit.

Then Mr. Hoover said:

> I am going to ask that the Federal Government appropriate money for public improvements and public works.

He started on that line for a while, but again he shifted. He then came out and at the end of his third year as President he announces an economy program. In everything he has done, except the tariff and farm relief—and he can have all the credit he wants for them—he has been driven to his position. He is certainly the procrastinator of all ages. Tell me in the situation that has continued now for over two years and a half that the man who has directed the affairs of the Government, that let it exist and continue for more than two years and then acted, shows a remarkable degree of leadership?

He let the Congress last year in March adjourn over the protest of many congressional leaders. He sent us home and gave the impression to the country that if the Congress was in Washington in session it would terrify business and that things would get worse. He said, "Give business a time to rest. If Congress gets away, things will come back all right." He was just going to wave that magic wand, and magician that he was, turn the trick, and things would be all right. But it has not brought about any relief to the country.

The situation went on and on and got worse and worse. Appeals came for him to call the Congress in session in order that we might do something. He may have been moved a little bit about it. Perhaps he called in some of his reactionary friends, like my friend from Ohio [Mr. FESS], but they said to him, "No; do not get that crowd together down here. They will scare business again. They will frighten it, and the whole economic situation will get worse." So he refused to call Congress together. He telephoned a lot of us or telegraphed a lot of us; he asked a lot of us to come to Washington and to confer about it, and legislated through a correspondence-school course, but still he would not call Congress into session.

That is another remarkable achievement of this remarkable superman that has pushed Lincoln off the boards on Lincoln's Birthday, and Washington on February 22. In December Congress convened. Will anyone else on the other side rise and tell me a thing he did in the meanwhile? I pause for a reply.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. I yield.

Mr. NORRIS. I think I ought to challenge the Senator from Mississippi on that point. He has been speaking of the orations that were delivered about Mr. Hoover on Washington's Birthday and Lincoln's Birthday, but I want to call his attention to the fact that there is still another birthday coming which is much greater than either Lincoln's or Washington's. It is true that the Hoover spellbinders on Lincoln's Birthday compared Mr. Hoover to Lincoln, and Mr. Lincoln came out at the little end of the horn, naturally. When Washington's Birthday came he was compared with Washington, and of course Washington got the worst of it.

But the Senator from Mississippi must not claim those two instances as the only possible victories for Mr. Hoover. There is still another birthday coming, and I think the country will wait with almost breathless interest the coming of that other birthday when another comparison will be made and greater laurels will be laid upon Mr. Hoover's brow. Wait until the 25th of December, Christmas Day, and listen to the comparisons then! [Laughter.]

Mr. HARRISON. I have no doubt that will be quite true. Then I would suggest, too, that on the 1st day of April they ought to make some speeches to the American people praising Mr. Hoover. [Laughter.]

Well, Congress convened in December by law, not by the call of the President. Let us see as to these remarkable measures that will be claimed as some of the great achievements of this great administration. First was the moratorium granting a year's suspension on interallied governmental debts. I voted for that legislation. Many Democrats voted for it. We did not permit it to become a partisan matter. It could not have been passed except with the cooperation of the Democrats in both the House and the Senate. We stood for that measure because we did not want it to be said of the Democratic Party that we were trying to hamstring the President even in one thing that he was suggesting that might tend to restore economic conditions in the country. So we went through with that provision. We were hopeful it would help. We wanted to be of assistance to the country.

But we must remember, Mr. President, that when Mr. Hoover came to Congress and asked us to pass that moratorium legislation, although he disclaimed that he had changed his views with reference to the cancellation of the foreign debt, yet at the same time in that message he asked us to re-create the World War Foreign Debt Funding Commission so that they might study the present conditions of these foreign debtors and their ability to pay. But even though he appealed for that legislation evidently for the purpose of bringing in some report to modify the debt-funding agreement, the Democratic House of Representatives turned it down and the Senate turned it down.

So far as I know—and if I am mistaken I want some one now to correct me—I do not recall a single satellite of the administration who suggested, by bill or otherwise, that the

Debt Funding Commission should be re-created or resurrected. On the other hand, when the bill passed the House granting the 1-year moratorium, there was written into the measure a provision that the policy of the Congress was that it should not be construed in any way as favoring cancellation of foreign debts in any particular. I think even though we enacted that legislation, and with whatever harm there might be in it as thought by some, the provision we wrote into it over the objection of the administration and against the suggestion of the President, that the policy of the Government was that foreign nations should pay their debts and that the legislation should not be construed as any part of a debt-cancellation program, was worth the passing of the legislation. So it was that the Democrats and the progressive Republicans wrote into the law that provision announcing our debt-cancellation policy.

What else? The administration came in with the Reconstruction Finance Corporation proposal. First they were going to have a national credit association by means of which the banks were going to pool a lot of resources and make some loans. That probably helped some; at least we hope it did. But if it was good in January or December, two or three months ago, why was not the plan good two and a half years ago when conditions warranted such action? Why was it not good six months or a year ago? We passed the Reconstruction Finance Corporation act. In that case the Democrats cooperated with the administration, and when Senators on the other side go out and claim as an achievement of the Republican administration the passage of that act—and it was a nonpartisan measure and stated so to be by the President—let them not forget that the only relief that was given to the farmers of this country was written into the pages of that particular legislation, and it was done over the objection of the administration; it was done notwithstanding the opposition of the reactionary Republican leadership in this body and in the House of Representatives. There was written into that measure a provision that $50,000,000 should be appropriated to be loaned to the farmers of the country. That amount was increased by the Democratic House of Representatives so that the farmers might be able to borrow $200,000,000 from the Reconstruction Finance Corporation. So that is an achievement not of the administration but of the Democratic Party and of the progressive element of the Republican Party in the American Congress.

Likewise to claim as an achievement of the present administration the passage of the bill known as the Glass-Steagall bill is preposterous. It embodies provisions which have been advocated by Democrats for a long time. No one ever heard the President whispering to anyone that he advocated it. It was introduced and championed in the House of Representatives by a Democrat, Mr. STEAGALL; it was championed in this body and engineered to success by a Democratic ex-Secretary of the Treasury, the Senator from Virginia [Mr. GLASS]. How can Republican leadership lay claim to any undue credit for that particular act?

In the Federal land bank legislation, it was the Democrats and progressive Republicans, over the objection of the administration, who embodied the provision of allocating $25,000,000 of $125,000,000 in permitting delinquent borrowers to obtain extensions to meet their installment payments.

And so, Mr. President, is the empty record of the Hoover administration. It has turned prosperity away. Its achievements have been the highest tariff, the highest number of unemployed, the highest Treasury deficit, the highest number of bank failures—there were 491 banks to close in 1928—but in 1929, there were 642; in 1930, 1,345; and last year there were 2,298. In the last three years there have been nine times as many bank failures as there were during the whole eight years of the Wilson administration. Indeed, during the month of January this year there were as many bank failures as during the whole eight years of the Wilson administration. The highest number of business failures, the highest cost of government, the highest loss in the Government revenues, the highest wage loss to labor. That is the record of achivements of the Republican Party. Their prolific promises and promises of prosperity have produced only a pitiful economic paralysis.

Mr. President, we have heard a good deal about the reorganization of the departments of the Government; Mr. Hoover has talked about it; Mr. Harding talked about it; other Republicans have talked about it; but instead of retrenching and reorganizing they have spent more money than former administrations and have reorganized the least. The House of Representatives in five appropriation bills, which they have already passed, have cut the estimate of the Budget Bureau and the recommendations of the President of the United States more than $100,000,000. Yet the President talks about his economy.

So, Mr. President, this administration has been a weak, dismal failure. The American people know it; they can not be fooled about it. All this talk about a "superman" who has waited two years and a half even to suggest something—and whatever has been suggested along this line has been of a nonpartisan character—to allay the ills from which the country is suffering can not fool anybody. Every expression of the people since Mr. Hoover became President and made a failure has been against him. From one end of the country to the other the people have expressed their choice for Democrats who were running for office. They gave to the country a Democratic House of Representatives. That body has performed well; it has not played peanut politics, and its Members are not going about uttering encomiums as to its accomplishments, as some of the satellites of the administration have done concerning the Republican administration. We must keep the record straight.

The people in the State of my friend the Senator from New Jersey [Mr. KEAN] were so disgusted with the Hoover policies—and their action was not due to the liquor question or to the desire to obtain beer—with Mr. Hoover and the Senator from New Jersey [Mr. KEAN] and the other Republican leaders, because of the way they had acted here in Washington, that they turned a strong Republican district into a strong Democratic district, indeed, into a district which may become a Democratic Gibraltar.

So a Democrat was elected to Congress a few weeks ago in the State of my friend the Senator from New Hampshire [Mr. MOSES], who once was chairman of the Republican senatorial campaign committee. Up there amid the snows of New Hampshire, although he stumped the State, talking in behalf of his friend, former Governor Bartlett—and former Governor Bartlett is a good fellow, as good as Republicans grow; but, of course, that is not much, though it is something [laughter]—a Democrat was elected. The Senator from New Hampshire went up there; he spoke and exploited himself and made an appeal for the people to stand by Mr. Hoover; that they needed another Republican in Congress, because the vote there was so close that if the New Hampshire district was lost the Democrats would elect a Speaker of the House of Representatives. The people of New Hampshire did not believe the Senator from that State; they did not accept this fine character, Mr. Bartlett, and even in that old snow-bound, rock-ribbed State, which had not gone Democratic for a long time, they said to the Republicans, "Shoo, get out of here," and they did. [Laughter.]

Then in Michigan, in the State of my friend [Mr. COUZENS], who now presides over this body, a Democrat was elected to the House in a Republican district. I do not know when that district ever went Democratic before. I have been here a good while and I do not recall that it ever went Democratic. I am told it has never been Democratic since the War between the States. So Michigan has done one good thing besides sending the senior Senator from that State to the Senate. The people there would not listen to the Hoover appeal. They were disgusted. They knew that at Flint, at Detroit, and at many other industrial centers there were more people unemployed than ever before in the history of those cities; that plants had been moved over across the border into Canada, giving employment to

foreign people; and so they said, "You can not fool us; you have been fooling us a long time; you have been getting into office on shams and Wickershams [laughter] for a long time, but we are not going to let you do so any more." So they drove the Republican Party out of power in that district.

So it goes throughout the country. The voters are on fire against the Republican Party. I look almost with humility on what the vote is going to be in November. It is going to be so tremendously Democratic that many of the fine men on the other side whose benign countenances have graced this body for so long and who have voted so often so badly will be here no more.

Mr. TYDINGS. Mr. President, will the Senator permit me to interrupt him?

Mr. HARRISON. I yield.

Mr. TYDINGS. The Senator may not know of it, but an effort is being made to stem the tide. My spies inform me that many Republican song writers have been called into conference to write a song for the marching Republican clubs during the next campaign. They were instructed to write a song that would be accurate and would cause the people to turn to them. So, to the tune "Will you love me in December as you did in May," they proposed the following song:

Will you vote in this November
As you did on one fine day?
Will you vote in the good old-fashioned way
When your assets are all gone
And the soup line's very long?
Will you vote in this November
As you did on yesterday?

[Laughter.]

Mr. HARRISON. I thank my friend from Maryland for his contribution.

Mr. President, I hold in my hand a little memento of former days. Many of my Republican brethren saw it; a good many of them gave such mementos away in the campaign. I suppose my friend the Senator from New Jersey [Mr. KEAN] gave a good many of them away. I do not know that my friend from Utah [Mr. SMOOT] gave any of them away, because the memento is represented to be gold. Of course, it is not gold—when a Republican uses gold he expects something real—so this is one of those spurious coins so representative of the Republican Party. It was used in the campaign three years ago. I do not know who originated the idea; perhaps it was my friend from Ohio. However, it is supposed to represent a quarter, and on it appears a representation of a big elephant with the motto, "Hoover lucky pocket piece. Good for four years of prosperity." I have retained one as a wonderful specimen of Republican hypocrisy, as a fine evidence of Republican sham and deceit three years ago. Whatever kind of memento the Republican managers may get out for the next campaign I am sure they will not say, "Good for four years of prosperity."

Mr. President, in conclusion, when I think of the achievements of the administration I am reminded of a letter that I received the other day from a doctor, who is a friend of mine. He said there was an old darky who came around and worked on his lawn on occasions. One morning Bill came and was looking disconsolate and disgusted with the world. The doctor said, "What is the matter, Bill? Are you not feeling well?" Bill replied, "No, sir, boss; I'se feeling pretty bad; sho' feels bad. I eats one job before I gets another. I guess we ought not be downhearted, though, 'cause we's got such a good President. Yas, sir; he's the best President what we's ever had." The doctor said, "Well, Bill, why do you think that Mr. Hoover is such a great man?" Bill answered, "'Cause he done give us so much rest." [Laughter.] And so he has, Mr. President.

GEORGE WASHINGTON AS A JUDGE

Mr. FESS. Mr. President, I do not intend to take any time of my friend from Mississippi or any other Senator who desires to make the type of speech the Senator from Mississippi has made to-day. From the standpoint of Republican success, I sincerely hope that he will make another such speech to-morrow and continue to make them right along. He made one yesterday, and then subsequently, by his vote on an amendment which was presented, showed his sincerity. Now he has made another speech. I know of nothing that will be of more benefit to the Republican Party than just that sort of a speech, and I hope he will read the leading editorial in the New York Times of to-day on that very thing. I do not intend to enter into any discussion. I rose for a different purpose.

In the American Bar Association Journal for March there appears one of the most notable articles on one phase of the life of Washington that has come to light. This article deals with Washington the judge, a subject that has never been amplified. It is written by our good friend, Hon. R. Walton Moore, the distinguished lawyer, at one time president, as I recall, of the Bar Association of Virginia, and also a distinguished ex-Member of the House of Representatives from the district in which Mount Vernon is located. I have read the article; it contains very much new material and is all from original sources. I should like to have it receive a wider reading than will be given it from having it in this journal. I ask unanimous consent that it may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, that will be done.

The article referred to is as follows:

GEORGE WASHINGTON AS A JUDGE AND HIS ATTITUDE TOWARD COURTS AND LAWYERS—IN ALL THAT HAS BEEN WRITTEN ABOUT WASHINGTON THE FACT HAS NOT BEEN STRESSED THAT HE WAS ONE OF THE JUDGES OF A COURT POSSESSING EXTENSIVE JURISDICTION AND INEVITABLY PROFITED BY THE CONTACTS AND INFORMATION INCIDENTAL TO THAT SERVICE—COUNTY COURT IN HIS TIME THE MOST IMPORTANT TRIBUNAL IN VIRGINIA—HIS WORK AS ONE OF THE "GENTLEMEN JUSTICES," ETC.

(By Hon. R. Walton Moore, former president of Virginia Bar Association and former Member of House of Representatives from the Mount Vernon district)

Washington was through with school in the ordinary sense of the term when, about 15 years old, he took up his residence with his brother at Mount Vernon. In a letter to his mother attributed, perhaps mistakenly, to Lord Fairfax, the writer was correct in saying "his education might have been bettered" but correct in predicting, on the basis of his estimate of the youth's unusual qualities, that he "would go to school all his life and profit thereby." In that way certainly no one of the time had more opportunity or was a more intelligent and receptive student. Much has been written of how he was thus trained at almost every step for the great tasks which awaited him, for example, by his service as a young surveyor in a wild and thinly settled region, as a young soldier in the frontier wilderness, as a member of the colonial house of burgesses, and a Member of the Continental Congress.

But the fact seems not to have been at all stressed that for years he was one of the judges of a court possessing extensive jurisdiction and inevitably profited by the contacts and information incident to that service. While it is mainly the present purpose to say something about that one element of the education which the Fairfax letter predicted for him, a further word or so may be permitted with respect to his protracted legislative career as a burgess during the period from 1759 to 1775 and as a Delegate to the first and second sessions of the Continental Congress. In the House of Burgesses his associates were the ablest and most accomplished Virginia contemporaries, and in Congress the most eminent men of the thirteen Colonies. Of course, not as a speechmaker, but by his industry and wisdom, he won the admiration and confidence of his colleagues. Convincing proof of this is that in 1774 the house selected him as one of the seven Delegates of the first Congress. He was placed in distinguished company. The others were Benjamin Harrison, Richard Henry Lee, Richard Bland, Peyton Randolph, Edmund Pendleton, and Patrick Henry, the last three remarkable lawyers. As to how he was regarded in Congress, there is the testimony of Henry, who was destined to be offered by President Washington the post of Chief Justice of the Supreme Court. Henry, answering an inquiry, said: "If you speak of eloquence, Mr. Rutledge, of South Carolina, is by far the greatest orator, but if you speak of solid information and sound judgment, Colonel Washington is unquestionably the greatest man on that floor."

A recent writer says that when Washington returned to Mount Vernon in 1758, after British rule had been pretty firmly established in the West, he led "the quiet life of a country gentleman." But the life of a man could not have been very quiet who, besides his legislative duties, closely looked after his own large estate and the large estates of his wife and stepson, was busy with the affairs of the church as an energetic member of the vestry of his parish at a time when it had serious official responsibilities, who traveled much in and out of Virginia, and was exceptionally active in political and social relations with the influen-

tial people of the Colony. Added to all this, it is clear that not later than the spring of 1768 and thence on until the outbreak of the Revolution, he was a justice of the peace, and as such not only charged with disposing of minor cases but, along with other justices, was engaged in conducting the business of the county court of his county. As one may see from the court minutes, they were invariably, when holding court, styled "gentlemen justices." Due to the loss of colonial records showing the appointment of justices and the absence here of information understood to be available in England, where there are copies of those records, it is not possible at this moment to determine the precise date when Washington's judicial career started. But there remain two of the Fairfax County court order books covering the period from 1770 to 1775 which, if there were no other reason, are worth examining as an example of the beautiful and still perfectly clear writing of the old-time clerks who wrote up the minutes of the court proceedings.

From these two books it appears that Washington served in the court from 1770 to 1774. It is otherwise shown, however, that his service began prior to 1770, for turning to the first volume of his diaries, which give bare facts with little or no comment, there is this entry under date of April 18, 1768: "Went to court and returned in the evening." Then follow at intervals more than 20 such entries. Now and then they show that the sessions of the court ran several days. For instance, on June 20, 1769, having been at court the day before, the entry is: "Went up to court again and returned in the evening with Colonel Mason, Mr. Scott, and Mr. Bryan Fairfax," all of whom were justices. Mason, as we all know, was the author of the Virginia constitution of 1776, which included the Bill of Rights, this the first instrument ever written and promulgated which set up a complete system of government. Though not a practicing lawyer, he was deeply versed in the history and philosophy of the law. He was Washington's near neighbor and friend and one of his most trusted advisors. For instance, the day and evening before the famous Fairfax resolves were adopted by the citizens of Fairfax in 1774, he and Washington in conference at Mount Vernon agreed on the elaborate statement of the grievances and rights of the colonists which was embodied in the resolves, and the next day went from Mount Vernon to the meeting at the county seat in Alexandria, at which Washington presided. The last entry in the diaries relative to the court is June 17, 1774, subsequent to which date Washington was doubtless too much engrossed by affairs affecting the entire country to have much time for local matters.

Along with Mason the 1774 meeting had the benefit of the presence of Robert Hanson Harrison, a learned lawyer, who was a leader of the bar of Fairfax County while Washington was a member of the court. In many a case he had seen Harrison's character and ability tested, and he singled him out as one of a group of great lawyers, among them Marshall and Hamilton, on whom at various stages of his career he was accustomed to rely when the most dependable counsel was needed. Harrison was not only at his side when the resolves flung defiance at the Crown but at his side as a member of his staff during the Revolution, and when he became President he commissioned him as one of the original appointees to the Supreme Court. Turning again to the diaries, there is found this interesting entry dated February 6, 1790: "The resignation of Mr. Harrison as an associate judge (he declined the appointment a few days after being commissioned, preferring to be chancellor of the State of Maryland), making the nomination of some other character to supply his place necessary, I determined after contemplating every character which presented itself to my view to name Mr. Iredell, of North Carolina. * * * I had recourse to every means of information in my power and found them all concurring in his favor." In passing it may be noted that Iredell, who was to have a fine career in the court, was a native of England and his wife a sister of Dr. Samuel Johnson.

The evidence is abundant that no one has had more respect than Washington for the legal profession and that no President has been more solicitous about the importance of the judiciary and the maintenance of its integrity and strength. This is variously indicated. To illustrate, it is indicated by the appointments he made when he took up his duties as President and it is indicated in his letter to Edmund Randolph when he invited him to become Attorney General. "Impressed," he wrote Randolph, "that the true administration of justice is the firmest pillar of good government, I have considered the first arrangement of the judicial department as essential to the happiness of our country and the stability of its political institutions. Hence the selection of the fittest characters to expound the laws and dispense justice has been an invariable subject of my most anxious concern." It can be believed that such a high conception was in no small measure derived from his own participation in the work of expounding the laws and dispensing justice and that this was a factor in the education which it was predicted he would acquire.

In Washington's time and long before and after the county court was the most important tribunal in Virginia. While he was serving, with the exception of comparatively trifling cases, it had unlimited jurisdiction of civil cases, law and chancery, of probate matters, and of a large class of criminal cases. It had wide administrative powers touching the fiscal affairs of the county, the construction of public buildings, the laying out and construction of highways, building bridges, providing and operating ferries, the care of orphan children, the licensing of innkeepers and the fixing of their charges. Relative to the last matter, the order books show that periodically the rates to be charged for liquor, the surprisingly many kinds then in use being enumerated, and for lodging and food were determined by the court. Very commonly the final item in the list is, "For a night's lodging, with clean sheets, 6d., otherwise nothing." The trifling nature from our point of view of some of the business of the court can not prevent us from seeing that very much of it was of a kind to require able and discerning men on the bench and lawyers who were representative of the learning and skill of the profession.

Justices for a county were appointed by the governor, not fewer than eight and often more, there being no restriction as to the number. They remained in office indefinitely, and the court recommended appointments to fill vacancies. Without the presence of four no court could be held. The clerk was an appointee of the court and in effect so was the sheriff, though he held his commission from the governor. The justices were not lawyers but nearly always the most prominent and reliable citizens of their county. They received no compensation whatever. They were thought sufficiently compensated by the honor of holding an office regarded as of outstanding importance and dignity with the opportunity of contributing to the common good by attending to the settlement of small controversies out of court, and in court by taking part in the performance of duties which affected the property and liberty of persons and the general welfare of the public. When the Virginia Constitutional Convention of 1829–30 had under discussion the county court, then composed and having much the same jurisdiction as in Washington's day, Chief Justice Marshall, a member of the convention, said: "It was the truth that no State in the Union had hitherto more internal quiet than Virginia. There is no part of America where less discord, less ill feeling between man and man, is to be found than in this Commonwealth, and he firmly believed that that state of things was mainly to be ascribed to the practical operation of our county courts. The magistrates who composed these courts consisted in general of the best men in their respective counties. It was mainly due to their influence that so much harmony existed in the State. His emphatic opinion was that these courts must be preserved." Supporting Marshall's view, another member, Philip P. Barbour, who was appointed to the Supreme Court by President Jackson, said he had practiced in those courts for a quarter of a century and he could say with the utmost truth that his confidence in them had grown with his growth and strengthened with his strength. At the same time Benjamin Watkins Leigh said he had heard of but two instances of corruption in the county courts in 200 years. As to alleged incompetency and ignorance he had seen county courts which were among the ablest tribunals before which he had practiced. Speaking of the type of men who served in these courts, it will be remembered that both Jefferson and Madison were justices; that Monroe, after two terms in the Presidency, accepted an appointment and served as a justice in his county, and that in 1784 the victor of the Revolution was named as a justice for Fairfax County.

That the county court had a central place in the estimation of the public is easy to understand. The population was sparse and the people mainly engaged in agriculture. There were no cities and few villages large enough to be called towns. It was at the county seat when the court was in session that the inhabitants gathered. From several historians, including Fiske, we have this picture: The court day was a holiday for all the countryside, particularly in the fall and spring. From all directions came in the people on horseback, in wagons, and on foot. On the courthouse green assembled people of all classes—the hunter from the backwoods, the owner of a few acres, and the great landowner. Old debts were settled and new ones made; there were auctions, transfers of property, and if election times were near stump speaking, when questions pertaining more or less to some real or fancied encroachment on popular liberty of the Crown were apt to be debated. All else aside, as one of the historians has remarked, the county court was one of the main agencies of spreading political education. In every way it was one of the agencies which furthered the education of Washington according to the prediction which had been made.

Perhaps before he had any idea of being identified with the court, Washington must have frequently witnessed such a scene as that just outlined. Such was probably the scene when in his eighteenth year he appeared in the court of Culpeper County to qualify as the surveyor of that county, and such may have been the scene when four years afterwards, on March 17, 1754, he appeared early one morning in the Fairfax court and presented his commission from the governor as lieutenant colonel (he was preparing to set out on the campaign to the West, the year before starting on the fatal expedition with Braddock) and took the prescribed oaths. The courts were not leisurely. In spite of the fact that the justices sometimes had to travel a considerable distance over wretched roads to the county seat, the Fairfax court never convened later than 9 o'clock. Our ancestors seem to have been very industrious in discharging official duties and to have attached high value to the oaths under which they acted. On the occasions just mentioned Washington "took the usual oaths to his majesty's person and government, and took and subscribed the abjuration oath and test," and in Culpeper took also the oath as surveyor. The oath which was subscribed was a disclaimer of belief in the theological doctrine of transubstantiation.

Though a layman, Washington as a member of the court necessarily progressed in his knowledge of the law and of the importance of those who were trained in that profession. That he consulted statutes and law books bearing upon such matters as he was obliged to deal with is reasonably evident from the number of such works listed in the inventory of his estate. It will be plain to anyone who reads the statutes prescribing the jurisdiction

and procedure of the courts that he could not have escaped becoming fairly familiar with the rules of pleadings and practice, with the distinction between law suits and chancery suits and the methods of conducting both, with attachment and injunction, with the organization and functioning of grand juries and trial juries, with the means of executing judgments and decrees, with the duties of clerks, sheriffs and other officials. He necessarily became saturated with a good deal of the knowledge and acquired to some extent the habits of mind now assumed to be confined to those who have been equipped for judicial work by long study and then by some experience at the bar.[1] Several years ago in an address lauding the Virginia county court system, the late Holmes Conrad, who was Solicitor General under President Cleveland, not with Washington or any other particular man in view, visualized what occurred when a planter of high character and strong sense, but unlearned in the law, became identified with the court, and in reading what he says we may think of its application to Washington. The difficulties which the new judge encountered at the outset are described. He had difficulty in detecting the real questions involved and in following the testimony and argument, and he distrusted the conlusion which he reached. But "after the novelty wears away, he is able to fix his mind upon the business in hand; he detects and is able to follow the clue which leads him through conflicting testimony. He sees dimly at first, but steadily in the light of conscience he discerns the right and wrong of the case; and now he begins to apprehend and appreciate the arguments of advocates. He feels gaining on him a sense of responsibility and the importance of the work. There is slowly but gradually developing the faculties of his mind, of the powers of which he was before unconscious. He is undergoing a process of education, the effects of which become apparent to himself as also to his friends and neighbors. He is no longer led away by first impressions or whatsoever of the mere surface of matters. He learns to hold his judgment in abeyance until his mind is informed and his conscience satisfied. He goes down from his place on the bench and receives the confidence and manifest respect of the people of his locality."

Whenever it was that Washington qualified as a justice he of course took the same oaths as when he qualified as a lieutenant colonel. In addition, he took a lengthy oath as "justice of the peace" and another as "Justice of the County Court of Fairfax in Chancery." In the former he pledged himself, among other things, to "do equal right to the poor and rich after your cunning wit and power according to law; and you shall not be of counsel of any quarrel hanging before you; and the issues, fines, americaments[2] that shall happen to be made, and all forfeitures which shall be before you, you shall cause to be entered without any concealment or any imbeziling."[2] In the latter oath he was pledged to "do equal right to all manner of people, great or small, high and low, rich and poor, according to equity and good conscience and the laws and usages of his colony and dominion of Virginia, without favor, affection, or partiality." The praise that can be given these "gentlemen justices" is that they lived up to their oaths.

There is no way of knowing the extent of Washington's activities as an individual justice having exclusive jurisdiction of a class of minor cases. But as he resided in the most populous section of his county and enjoyed everybody's respect and confidence, it is safe to conjecture it must have been considerable and that he always exerted his influence to quiet controversy and promote the tranquil condition for which Marshall thought the county court and those composing it were largely responsible.[3]

Far less is known than could be desired of the proceedings of the Fairfax court during Washington's service. The court papers have long since disappeared and about the only source of information are the two order books already mentioned. Looking at the one of them, which runs from April, 1770, to January, 1772, containing 330 pages, it appears that Washington attended over half of the monthly terms, which was more regular than the attendance of a majority of his colleagues, Mason not excepted. In the period to which the book pertains, hundreds of civil cases were brought and in great variety—actions of debt, trespass, trespass on the case, trover and conversion, detinue, replevin, and ejectment. There was constant resort to attachment. There were suits in chancery, and injunctions were issued to restrain the collection of judgments and prevent irremediable injury. The names of the plaintiffs and defendants are always given and often the names of the lawyers, not only Mr. Harrison heretofore spoken of but others still unforgotten, among them William Grayson, who was to be one of the first United States Senators from Virginia; Benjamin Sebastian, ancestor of one of the first Senators from Arkansas; and George Johnston, who was on Washington's staff in the Revolution. He was the son of that George Johnston, like Mason a neighbor and friend of Washington, and one of the leaders of the Virginia bar, who as a member of the house of burgesses in 1765, according to Jefferson, who listened to the debate, delivered a powerful legal argument in support of Henry's resolutions condemning the stamp tax. The resolutions were carried by a very narrow majority and would have been lost but for the votes of Johnston and Washington. The cases were tried by juries unless the defendant failed to appear or waived a trial in that manner, and verdicts and judgments were made payable in tobacco or currency and sometimes partly in each.

Now and then the jurors disagreed after lengthy deliberation, and in one instance a juror was withdrawn and the case continued for "reasons exciting as well the said justices as the said parties"; but the reasons for the excitement are not set out. There were now and then exceptions to the refusal of the court to set aside verdicts, and in a certain case not otherwise notable the bill of exceptions was signed by Washington and sealed with his seal. Delinquent debtors were ordered to be imprisoned and were released after 20 days' confinement upon proof of insolvency. Lawyers were admitted to practice, wills were admitted to probate, letters of administration granted, guardians appointed, and the accounts of fiduciaries passed on. Poor children were directed to be bound out as apprentices and taught trades. There was much done in supervising and enforcing the collection of taxes and making expenditures for local purposes.

Relative to ferries there is this entry: "Ordered, that George Mason and George Washington, Gent., be summoned to appear at the next court to give security according to law for keeping the ferries at their respective landings." Both lived on the shore of the Potomac, and ferries were operated across the river to Maryland. The court was required to see to the construction, when needed, and to the upkeep of the courthouse and jail and warehouses for the storage of tobacco turned in for taxes. In obedience to the statute it had the duty of providing a "pillory, whipping post, and stocks." Notwithstanding, the criminal jurisdiction of the court embraced all offenses except those punishable by death, loss of limb, or outlawry, the order book refers to very few serious offenses. But the court was called on to deal with a great deal of the same comparatively unimportant kind of criminal business which now crowds the dockets of the United States district courts. The order books of the time back of Washington show that many people were charged with not attending their parish churches "within two months last past," with being "idle vagrants," and with "tending of seconds," which meant gathering a second growth of tobacco from the same stalks. The order book now referred to is full of presentments of women for having "base-born children," and people for violating the liquor laws and getting drunk, for violating the Sabbath, for failing to list themselves or their property for taxation, of road overseers and other officials for neglecting their duties. There seems to have been a good deal of profanity. A man would be presented for "prophanely swearing by his God one time," or more than one time might be specified, and there was an individual presented for "prophanely swearing by his God five times within three days." Enough has been said to suggest that here was the one nisi prius court operating in a nearly limitless field conducted by picked men who, albeit laymen, necessarily as the years went on, came to know very much of the law applicable to governmental and personal affairs, and the manner of its administration.

Fairfax County was a part of the princely domain called the Northern Neck of Virginia, of which Lord Fairfax was proprietor, embracing what are now more than 20 Virginia and West Virginia counties. He was one of the justices, and on his appearance he was noted at the head of the list as the presiding justice. On the occasions when he and Washington happened to be on the bench together it may be imagined that he was glad to see with his own eyes how constantly there was being verified his prediction quoted at the outset that Washington "would go to school all his life and profit thereby."

Mr. FESS. Mr. President, just as an indication of how widespread the interest in Washington this year has been, I am in receipt of a letter from Uruguay, from a personal friend of mine, who happens to be sojourning in the capital of that far-away country. I want to read one paragraph from that letter:

> It is really touching the way people here feel about George Washington. They seem to regard him as the first great hero of the Americas and to feel that he belongs partly to them.

I also have a letter from Venezuela that runs in like vein. In other words, it seems to me that recognition of the character of Washington is more widespread throughout the world than that of any other character who ever lived.

I want to make this remark with no reference to any comparison in which invidious references have been made this morning, all of which will be properly appraised because they carry their own condemnation.

PROPOSED PHILIPPINE INDEPENDENCE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting a letter quoting a resolution favoring the granting of immediate independence to the Philippine Islands, adopted by the convention of municipal presidents of Pangasinan, P. I., received by the

[1] His will, prepared a short time before his death, consisting of more than 20 large pages, wholly in his own handwriting, now preserved in the Record office at Fairfax and disposing of the largest estate of that time, tends to show his reliance upon the knowledge of law which he had acquired. Toward the end he modestly says it would be evident "that no professional character has been consulted or has had any agency in drafting the will."

[2] The old spelling is retained.

[3] In another way he exerted the same sort of influence. As shown by the diaries he was often chosen and acted as an arbitrator.

War Department through the office of the Governor General of the Philippines, which, with the accompanying papers, was referred to the Committee on Territories and Insular Affairs.

REPORT OF PROCEEDINGS, CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

The VICE PRESIDENT laid before the Senate a letter from the president of the Columbia Institution for the Deaf, Washington, D. C., submitting, pursuant to law, the proceedings of the twenty-seventh meeting of the Convention of American Instructors of the Deaf, which, with the accompanying report, was referred to the Committee on Printing.

BALANCE SHEET AND LIST OF STOCKHOLDERS OF WASHINGTON RAPID TRANSIT CO.

The VICE PRESIDENT laid before the Senate a letter from the treasurer of the Washington Rapid Transit Co., of Washington, D. C., transmitting, pursuant to law, copies of the balance sheet and list of stockholders of that company as of December 31, 1931, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Ardmore (Okla.) Chamber of Commerce, transmitting a resolution adopted by the Southern Oklahoma Oil and Gas Association, representing 17 producing counties in southern Oklahoma, protesting against the imposition of a Federal tax on gasoline and favoring the application of an equalizing excise tax on imported oil, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Woman's Home Missionary Society of the First Methodist Episcopal Church of Pasadena, Calif., favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a petition of sundry citizens of Yorkville, Ill., praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

Mr. FESS presented petitions of sundry citizens of the State of Ohio, praying that the specifications on which Federal institutions in Ohio buy coal may be so amended as to make possible the purchase of coal mined in Ohio, which were referred to the Committee on Military Affairs.

Mr. BLAINE presented a resolution adopted by Group No. 1681 of the Polish National Alliance, of Lublin, Wis., favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's Memorial Day, which was referred to the Committee on the Judiciary.

Mr. KEAN presented resolutions adopted by groups of the Polish National Alliance of Camden, Cartaret, Bayonne, and Paterson, in the State of New Jersey, favoring the passage of legislation requesting the President to proclaim October 11 in each year as General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

Mr. CAPPER presented a petition of sundry citizens of Coffeyville, Kans., praying for the passage of legislation for the Federal supervision of motion pictures, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Coffeyville, Kans., praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

Mr. HALE presented memorials of sundry citizens of Augusta, Houlton, and Richmond, in the State of Maine, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented a resolution adopted by the Lions Club of Bangor, Me., favoring the imposition of a protective tariff duty on chemical pulp, which was referred to the Committee on Finance.

THE FEDERAL TRADE COMMISSION

Mr. BROOKHART. Mr. President, I think no bureau in the Government has been of greater service than the Federal Trade Commission; yet there seems to be a movement and an effort to cripple it, to destroy its usefulness, by cutting down its appropriation.

I have here an editorial on this question from the Portland (Me.) Evening News, which I ask to have inserted in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

[From the Portland (Me.) Evening News of Tuesday, March 1, 1932]

HANDS OFF THE FEDERAL TRADE COMMISSION

Following its general policy, the Budget Bureau has cut $390,000 from the appropriation to the Federal Trade Commission for next year. The commission's estimate was for $1,626,000; the Budget Bureau's, $1,236,000. Under this decreased appropriation the Federal Trade Commission would be forced to discharge 184 of its 528 employees—a decrease of 35 per cent in personnel.

Furthermore, because the United States Senate enlarged the scope of the commission's activities by directing an additional investigation—into the building trades and cement industries—without making additional appropriation, and called for completion of the work by December, 1931, a deficit last year of $70,000 was incurred. The Budget Bureau refused to consider this deficit as warranting supplementary appropriation; hence it must be either paid for out of next year's appropriation—equivalent to a further 5 per cent reduction in the commission's efficiency—or else the commission must dismiss 75 employees March 1.

The Federal Trade Commission has been engaged in important investigations into public utilities, chain stores, and the cottonseed, cement, and building-materials industries. In addition, there are before Congress the Nye bills setting up a Federal trade court to make trade-practice agreements judicially enforceable under the Sherman and other antitrust acts dealing with restraints of trade, monopolies, and unfair competition.

To do this, and to continue its investigation of public utilities and other industries, the Federal Trade Commission needs more funds, not less. It would be nothing but calamitous were the commission forced to retrench at this time, when the fruit of its labors is so near at hand. It would be but the silliest kind of prodigality to dissipate because of any misguided motives of economy the results of three years' investigation, particularly when at some time this investigation will have to be started over again and the same expensive marshaling of fact and figure, the same careful scrutiny of ledger and statement, again undertaken.

Economy is and should be the watchword of Congress.

But under the guise of economy certain powerful corporate interests, those who operate effectively through lobbies, will work enthusiastically to cripple investigations which expose their less savory practices. These investigations have never been more important than in this crisis. For almost alone they point to many of the grave abuses which have precipitated the present depression and must be cured if we are to emerge from disaster and profit by its lessons.

A very large part of the present trouble may be traced to frenzied finance—reckless inflation, pyramiding holding companies, abuses which have resulted in losses of untold millions of dollars to American investors—of which the full tale is by no means as yet told. The Federal Trade Commission's investigation of the electric utilities has disclosed an almost incredible attempt to pervert public opinion to private gain, a story of greed and plunder in which the consumer's money was used so that he might continue to be exploited as he has been.

In short, the Federal Trade Commission, operating dispassionately, has nevertheless proved the bulwark of the people against exploitation. At least it furnishes the facts upon which those Congressmen and Senators who serve the people and not the vested interests may act. The commission's work should be facilitated and amplified rather than restricted and hindered by Budget curtailment. Considerable talk has been heard lately that we should not even in times of depression curtail our Budget for "defense." But who is the enemy to-day? The enemy is depression within, and the forces and errors that have brought it about. To combat that we certainly should not cut down our appropriation for "defense," but, if anything, increase it. And the Federal Trade Commission has in recent years proved itself to be the first line of defense.

SHORT SELLING

Mr. DAVIS. Mr. President, I present a brief editorial from the News-Telegraph, of Sharon, Pa., in its issue of Monday, February 29, 1932, which I ask may be referred to the Committee on Banking and Currency and printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

[From the News-Telegraph, of Sharon, Pa., Monday, February 29, 1932]

SHORT SELLING

Both branches of Congress are interested in possible legislation looking toward abolishing the practice of stock-market speculators in "selling short," but members of the committees considering this say they are in a quandary as to the means whereby the vicious practice could be stopped. To the noncongressional mind the answer appears easy.

Make it a criminal offense for anyone to sell anything he does not own. That would instantly stop "short" sales. Brokers defend the infamous practice on the pretense that it "cushions" the market, but to hundreds of thousands of investors who have seen the value of their holdings steadily declining for more than two years past, largely because of "short" sales; no evidence of any cushioning has been apparent.

It is a criminal offense for anyone to circulate rumors likely to affect any bank unfavorably. It should likewise be illegal for any person to engage in a practice that so disastrously affects the value or values in other forms.

Speculators who sell "short" expect to be able to buy such stocks later at a lesser price. Accordingly they are extremely interested in doing everything possible to depress the price of stocks in order that they can grab a profit by buying many points below where they "sold short."

Brokers allege that had "short sales" been barred after the 1929 crash it would have been necessary to close the stock exchange because of a lack of business. That would have been a good thing. Had the stock exchange been closed two years ago the depression might have been over by this time. At least, security prices would not have been driven down by financial wolves who circulated any rumors they could concoct to lessen public confidence.

Congress should make it a prison offense for any person to sell something he does not own. That would effectively end "short" sales.

WELFARE AND HYGIENE OF MOTHERS AND CHILDREN

Mr. ROBINSON of Arkansas. Mr. President, I present a telegram from Governor Harvey Parnell, of Arkansas, which I ask may be printed in the RECORD and referred to the Committee on Commerce.

There being no objection, the telegram was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

LITTLE ROCK, ARK., *March 2, 1932.*

Senator JOE T. ROBINSON,
Senate Chamber, Washington, D. C.:

The Arkansas division of the White House conference, composed of 46 organizations now assembled, urge your support of Senate bill 572, known as the Jones bill. Sound Commerce Committee before it comes to a vote Thursday, the 3d. In the opinion of those assembled the passage of this bill is vital to the welfare of our people. Use your best effort to secure immediate favorable action.

Governor HARVEY PARNELL,
Chairman Conference Mission.
EARL CHAMBES, *Secretary.*

REPORTS OF COMMITTEES

Mr. KEYES, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3086. An act relating to the construction of a Federal building at Ponca City, Okla. (Rept. No. 383);

H. R. 375. An act amending the public building act approved March 4, 1931, authorizing acquisition of building sites and construction of public buildings at Hibbing, Minn., and other places (Rept. No. 384);

H. R. 6739. An act to amend the authorization contained in the act of Congress approved March 4, 1929, for the acquisition of site and construction of building in Jackson, Miss. (Rept. No. 385); and

H. R. 7899. An act to authorize the Secretary of the Treasury to negotiate and to enter into an agreement regarding the south boundary of the post-office site at Plattsburg, N. Y. (Rept. No. 386).

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 3602) authorizing the modification of a certain contract for the sale and purchase of the St. Johns Bluff Military Reservation, in Florida, reported it with amendments and submitted a report (No. 387) thereon.

He also, from the same committee, to which was referred the bill (S. 3376) for the relief of William Burke, reported it without amendment and submitted a report (No. 390) thereon.

Mr. REED, from the Committee on Military Affairs, to which was referred the bill (S. 3173) authorizing the President to class as secret or confidential certain material, apparatus, or equipment for military or naval use, reported it with amendments and submitted a report (No. 389) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 1975) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act, reported it without amendment and submitted a report (No. 391) thereon.

Mr. NORRIS, from the Committee on the Judiciary, to which was referred the bill (S. 941) relating to the review of cases tried in the district courts of the United States without a jury, reported it with an amendment and submitted a report (No. 388) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. REED, from the Committee on Military Affairs, reported favorably sundry nominations of officers in the Regular Army.

The VICE PRESIDENT. The reported nominations will be placed on the Executive Calendar.

NOMINATION OF CHARLES A. JONAS—VIEWS OF THE MINORITY

(Exec. Rept. No. 1)

As in executive session,

Mr. SCHALL, from the Committee on the Judiciary, pursuant to leave heretofore granted, submitted the views of the minority on the nomination of Charles A. Jonas, of North Carolina, to be United States attorney for the western district of North Carolina, which were ordered to be printed.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

SELMA A. TRACY

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably without amendment Senate Resolution 168 submitted by Mr. WATSON on February 17, 1932, which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1931, to Selma A. Tracy, widow of Archie W. Tracy, late assistant superintendent of the Senate press gallery, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

LELA C. BROWN

Mr. TOWNSEND, from the same committee, reported back favorably, without amendment, Senate Resolution 171, submitted by Mr. HATFIELD on February 25, 1932, which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1931, to Lela C. Brown, widow of William Brown, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

HEARINGS BEFORE THE COMMITTEE ON MINES AND MINING

Mr. TOWNSEND, from the same committee, reported back favorably, without amendment, Senate Resolution 169, sub-

mitted by Mr. PATTERSON on February 19, 1932, which was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Mines and Mining, or any subcommittee thereof, hereby is authorized during the Seventy-second Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE BANKING AND CURRENCY COMMITTEE

Mr. TOWNSEND, from the same committee, reported back favorably, with an amendment, Senate Resolution 110, submitted by Mr. WALCOTT on December 18, 1931; and the Senate, by unanimous consent, proceeded to its consideration.

The amendment was, on line 4, to strike out "$5,000" and insert "$1,500," so as to make the resolution read:

Resolved, That the Committee on Banking and Currency, or any subcommittee thereof, hereby is authorized to expend from the contingent fund of the Senate not to exceed $1,500 for expenses in connection with the hearings before said committee on Senate bill No. 1, Seventy-second Congress, first session, to provide emergency financing facilities for banks and other financial institutions, and other purposes, upon vouchers to be approved by the chairman of said committee.

The amendment was agreed to.

The resolution, as amended, was agreed to.

SHORT SELLING ON STOCK EXCHANGES

Mr. TOWNSEND, from the same committee, reported back favorably, with amendments, Senate Resolution 84, submitted by him on December 14, 1931, and the Senate, by unanimous consent, proceeded to its consideration.

Mr. ROBINSON of Arkansas. Let the resolution be read.

The PRESIDING OFFICER. The resolution will be read.

The legislative clerk read the resolution as proposed to be amended by the Committee on Banking and Currency.

The amendments were, on page 1, line 4, after the word "the," to strike out "practice of 'short selling' of" and insert "practices with respect to the buying and selling and the borrowing and lending of"; on page 2, line 2, after the word "stock," to strike out "exchanges and the effect of such practice upon the actual or normal values of such securities" and insert "exchanges, the value of such securities, and the effect of such practices upon interstate and foreign commerce, upon the operation of the national banking system and the Federal reserve system, and upon the market for securities of the United States Government, and the desirability of the exercise of the taxing power of the United States with respect to any such securities"; on page 2, line 11, after the word "such," to strike out "practice should be prohibited" and insert "practices should be regulated"; and on page 3, line 3, after the word "exceed," to strike out "$3,000" and insert "$50,000," so as to make the resolution read:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed (1) to make a thorough and complete investigation of the practices with respect to the buying and selling and the borrowing and lending of listed securities upon the various stock exchanges, the values of such securities, and the effect of such practices upon interstate and foreign commerce, upon the operation of the national banking system and the Federal reserve system, and upon the market for securities of the United States Government, and the desirability of the exercise of the taxing power of the United States with respect to any such securities; and (2) to report to the Senate as soon as practicable the results of such investigation and, if in its judgment such practices should be regulated, to submit with such report its recommendations for the necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the first session of the Seventy-second Congress, to employ such experts, and clerical, stenographic, and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The resolution, as amended, was agreed to.

The preamble was stricken out.

FEDERAL FARM BOARD AND GRAIN EXCHANGE

Mr. WHEELER. Mr. President, I ask the attention of the chairman of the Committee on Agriculture and Forestry. I should like to know the status of the resolution to investigate the Farm Board and also the grain exchange.

Mr. McNARY. Mr. President, the first resolution, offered by the Senator from Nebraska [Mr. NORRIS], was reported favorably. That resolution is now before the Committee to Audit and Control the Contingent Expenses of the Senate. Subsequently the Senator from Nebraska introduced another resolution, which is before the Committee on Agriculture and Forestry, and will be considered as soon as he can attend a meeting of the committee some day next week.

Mr. WHEELER. I simply desire to say, Mr. President, that unless the resolution is reported out of the Committee to Audit and Control the Contingent Expenses of the Senate in the very near future, I shall move to discharge the committee from its consideration. As I understand, the committee has held up the resolution for nearly a month, and has not reported it.

Mr. McNARY. Let me disabuse the Senator's mind of that impression. I personally am responsible for the action of the Committee to Audit and Control the Contingent Expenses of the Senate. I have held up the matter because the Senator from Nebraska has changed his resolution, which contemplates that there shall be an investigation jointly by the Senate and House. I requested the chairman of the committee, the Senator from Delaware [Mr. TOWNSEND], to withhold action until we decided under which resolution we wanted to proceed. So the responsibility is all my own; and if there is any censure due, it should be visited upon the chairman of the Committee on Agriculture and Forestry.

Mr. WHEELER. I did not so understand the situation. I am very thankful for the explanation, but I wish to see action upon the resolution.

Mr. FESS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WHEELER. Yes.

Mr. FESS. The practice of that committee has always been that if a Senator has introduced a resolution, we do not act upon it until we have the author of the resolution before us, if there is any opposition at all. That is why the resolution has never come up.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 3924) granting an increase of pension to Edward Shaw; and

A bill (S. 3925) granting a pension to Minnie Cantlon (with accompanying papers); to the Committee on Pensions.

By Mr. HOWELL:

A bill (S. 3926) for the relief of William C. Campbell (with accompanying papers); and

A bill (S. 3927) for the relief of L. E. Geary (with accompanying papers); to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 3928) granting a pension to Mary E. Bordwell (with accompanying papers); to the Committee on Pensions.

A bill (S. 3929) to authorize the Commissioners of the District of Columbia to close certain alleys and to set aside land owned by the District of Columbia for alley purposes; to the Committee on the District of Columbia.

By Mr. GLENN:

A bill (S. 3930) granting a pension to Jessie Parker Booth (with accompanying papers); to the Committee on Pensions.

By Mr. BROOKHART:

A bill (S. 3931) granting a pension to Hannah M. Duncan (with accompanying papers);

A bill (S. 3932) granting a pension to Parrish E. Empey (with accompanying papers); and

A bill (S. 3933) granting an increase of pension to Samantha Ann Stennett (with accompanying papers); to the Committee on Pensions.

A bill (S. 3934) for the relief of Leo Emil Tiede; to the Committee on Finance.

A bill (S. 3935) to extend the benefits of the civil service retirement laws to fourth-class postmasters; to the Committee on Civil Service.

By Mr. WATSON:

A bill (S. 3936) granting an increase of pension to Sarah J. Brooks (with accompanying papers); and

A bill (S. 3937) granting an increase of pension to Arpa Montgomery (with accompanying papers); to the Committee on Pensions.

By Mr. DAVIS:

A bill (S. 3938) to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes; to the Committee on the Judiciary.

A bill (S. 3939) authorizing the President to present a gold medal to Paul Siple; to the Committee on Naval Affairs.

By Mr. WHEELER:

A bill (S. 3940) to suspend the requirements of annual assessment work on mining claims during the assessment years 1932 and 1933; to the Committee on Mines and Mining.

Mr. GORE (by request):

A bill (S. 3941) granting a pension to Charles Herron;

A bill (S. 3942) granting a pension to Nora Kizer Russell;

A bill (S. 3943) granting a pension to Mary L. Sewell;

A bill (S. 3944) granting a pension to Charley W. Lanford;

A bill (S. 3945) granting a pension to Susie Wichita Tekits-kush; and

A bill (S. 3946) granting an increase of pension to Annie R. C. Owen; to the Committee on Pensions.

By Mr. REED:

A bill (S. 3947) to supervise and regulate the sale of securities within the District of Columbia; to the Committee on the District of Columbia.

By Mr. GLASS:

A bill (S. 3948) to confer jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and enter judgment on the claim of William W. McElrath against the United States for compensation for the use or manufacture of an invention of William W. McElrath covered by reissue letters patent issued by the Patent Office of the United States on the 19th day of February, 1924; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 3949) for the relief of Michael Victor Moth; to the Committee on Military Affairs.

By Mr. JOHNSON:

A bill (S. 3950) to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes," as applied to the Virgin Islands of the United States; to the Committee on Commerce.

CHANGE OF REFERENCE

Mr. SCHALL. Mr. President, Senate bill 3477, for the relief of the Playa de Flor Land & Improvement Co., was referred to the Committee on Claims. I have spoken to the chairman of the committee, the Senator from Nebraska [Mr. HOWELL], and he says he has no objection to my asking that it be referred to the Committee on Interoceanic Canals. I therefore make that request.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Committee on Claims will be discharged from the further consideration of the bill, and it will be referred to the Committee on Interoceanic Canals.

ANNUAL REPORTS OF DISTRICT PUBLIC-UTILITY COMPANIES (S. DOC. NO. 66)

On motion of Mr. CAPPER, it was

Ordered, That the annual reports of the following-named public-utility companies in the District of Columbia, for the year ended December 31, 1931, heretofore transmitted to the Senate, be printed as a Senate document: Capital Traction Co., Chesapeake & Potomac Telephone Co., Georgetown Barge, Dock, Elevator & Railway Co., Georgetown Gas Light Co., Potomac Electric Power Co., Washington Gas Light Co., Washington Interurban Railroad Co., and Washington Railway & Electric Co.

RECOMMITTAL OF A BILL

Mr. WALSH of Massachusetts. There is on the calendar a bill reported by me from the Finance Committee adversely, which I ask to have recommitted to the Finance Committee for further consideration. I refer to Order of Business No. 354, being the bill (S. 2324) to extend the time for allowing suits on insurance contracts under section 19 of the World War veterans' act, 1924, as amended, the bill having been introduced by the junior Senator from Kansas [Mr. MCGILL].

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bill is recommitted to the Committee on Finance.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting nominations, a withdrawal of a nomination, and a convention, which were referred to the appropriate committees.

(For nominations this day received, and withdrawal of a nomination, see the end of Senate proceedings.)

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

Mr. McKELLAR. Mr. President, may I inquire what point has been reached in the progress of the pending agricultural appropriation bill?

The VICE PRESIDENT. There is no amendment pending. The bill is before the Senate and open to amendment.

Mr. McKELLAR. The committee amendments have all been acted upon?

Mr. McNARY. Yes; they have all been disposed of.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Colorado.

Mr. COSTIGAN. I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. Does the Senator yield for that purpose?

Mr. McKELLAR. I do.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Colorado offers the following amendment:

On page 48, line 21, to strike out the figures "$528,980" and insert in lieu thereof "$534,280."

Mr. COSTIGAN. Mr. President, the cut of $5,300 made by the House of Representatives from the Budget and restored by the amendment for conference consideration would eliminate the work done at the Rocky Mountain Experiment Station at Colorado Springs, Colo. The annual allotment for this work is $5,300. If this amount is restored, the work will continue on the same basis as in the past.

The work of this station began in 1906 and it has operated continuously until now. The work of the station is not limited to Colorado. It covers the forest regions of Colorado, Wyoming, and parts of Nebraska and South Dakota.

During its existence the station has shown its usefulness in many ways. It has studied the influence of windbreaks on agricultural crops in the Great Plains section, and a farmers' bulletin produced in 1910 has been issued to the extent of about 150,000 copies, the demand continuing regularly and without any stimulation. Other publications have dealt with the growth and management of the Engelmann spruce forest of Colorado, the production of lodge-pole pine,

and the growth of valuable western yellow pine and Douglas fir.

I am credibly advised that much of the success obtained by the Forest Service in planting in Nebraska may justly be attributed to research carried on by this station.

The station has operated on about the same basis since its inception and, in fact, instead of being restricted the work already done merits the establishment of a full-fledged experiment station adequate to handle the problems of forest production, forest protection, range management, erosion, and stream flow affecting the specified regions.

Mr. McNARY. Mr. President, I understand from the statement of the very able Senator from Colorado that this amendment simply adds $5,300 to the amount carried by the bill so as to equal the estimate of the Director of the Budget.

Mr. COSTIGAN. That is correct.

Mr. McNARY. I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. McKELLAR. I yield to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 65, line 16, after the word "employed," insert the following proviso:

Provided, That hereafter in the administration of the Federal highway act and acts amendatory thereof or supplementary thereto the first paragraph of section 9 of the act of November 9, 1921, shall not apply to publicly owned toll bridges or approaches thereto, constructed and operated by the highway department of any State.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, this bill contains a number of items to which I desire to call especial attention before the measure is finally voted upon. Before referring to the particular items, however, I desire just for a moment to review the way in which appropriation bills are passed in the Congress.

The Director of the Budget prepares a bill, say, like the agricultural appropriation bill. It is approved by the President. It is sent down to the House of Representatives and referred to the Committee on Appropriations, which, in turn, refers it to the subcommittee on the agricultural appropriation bill. All the items that have theretofore appeared in the bill—generally speaking, of course, because occasionally there are exceptions to the rule—are included in the bill. If there has been an authorization, say, in 1862, or in 1880, or in 1890, or in 1930, the matter appears in order in the bill. In other words, if a bureau was once established in the Department of Agriculture, it is continued year after year and year after year.

The agricultural subcommittee of the Committee on Appropriations takes the bill and considers it for amendments. The great body of the bill is taken just as a matter of course as sent down by the Budget Director and the President. When the agricultural subcommittee reports the bill the amendments that are made, either striking out or adding to the bill of the previous year, are put in italics; and the bill is thus passed and sent to the Senate.

When the bill reaches the Senate it is referred to the Appropriations Committee of the Senate, and by that committee is referred to the agricultural subcommittee. When the subcommittee goes over the bill as it came from the House all the regular appropriations, the year-to-year appropriations, those previously authorized, are taken simply as a matter of course; and the subcommittee merely reports amendments that it recommends, adding items to the bill or striking out items found in it. The report of the subcommittee comes to the full committee, and the bill takes the same course there and is reported to the Senate. The Senate committee's addition or subtractions are put in italics; and that is the way this bill has reached here.

Mr. President, a number of items to which I wish to call attention to-day are items that have appeared in the bill year after year during all these years. They do not receive consideration at the hands of the committee; and, as a matter of fact, there is a reason for it, because there are so many of them that it is almost impossible to go over all of them.

I have before me, however, 29 items in the bill, calling for the expenditure of very large sums of money, as to which the reasons for the appropriations have long since passed. There is really but one reason for keeping them there, and that is because a bureau has been established. In other words, each one of the 29 amendments I am proposing has to do with a bureau here in Washington or sometimes outside of Washington—some of the duties of the bureau are outside of Washington, but for the most part they are here in Washington—that has just gone on, year by year, without ever receiving any consideration at all; and that is the way these appropriation bills are framed.

The first of these items of long standing to which I desire to call attention, found on page 80 of the bill, is our old friend the European corn borer. In the year 1919 somebody in Massachusetts found that there were some worms in the sweet corn that grows in that State, and he got the late Senator Lodge, if I remember correctly, to introduce a bill authorizing an appropriation of $10,000 that year to examine, investigate, and if possible eradicate the European corn borer. As I say, it was a bug or worm that existed in sweet corn.

Since that time the corn borer, so the documents say, has increased, has spread, but as rapidly as the corn borer spread it did not spread half as rapidly as this bureau created in Washington. I find that the Budget officer and the President have recommended for this year an appropriation of $795,000—by the way, an increase of $45,000 over the appropriation of last year—to help eradicate the corn borer.

Mr. BROOKHART. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BROOKHART. I ask the Senator whether he has investigated and knows how that money was spent last year and the year before?

Mr. McKELLAR. If the Senator will be just a little patient with me, I think I can tell him the situation.

Mr. BROOKHART. I heard a comment that it was largely spent for tractors of the International Harvester Co. and things like that.

Mr. McKELLAR. I will say to the Senator that it was spent under the supervision of bureaus here in Washington, which had $750,000. The President has recommended that it be increased to $795,000. What did they do in 1919, when the $10,000 was first appropriated for Massachusetts? The first thing that was done was to establish a bureau here in Washington. The next year they wanted a very much larger appropriation, because they wanted to expand the bureau. They did prepare a bulletin, a very elaborate bulletin, on the European corn borer, and it is a very proper document, and ought to be very helpful to the farmers, because I suppose there is a corn borer somewhere, notwithstanding the fact that we made more corn last year than we ever made before, and the price is down to 23 cents a bushel. Yet we are asked to spend $795,000 this year, during this state of depression, with men hungry in the United States, largely for a bureau here in Washington, to help eradicate the European corn borer.

Mr. BROOKHART. Mr. President, right along that line, I was out through Ohio last summer, at a farm experimental school there, and the head of it told me that he had been out several days in the county where his school was located looking for corn borers, where they had been prevalent, and he had succeeded in finding three.

Mr. McKELLAR. I see one of the Senators from Florida here. I believe the corn borer bureau in the department has been very much more successful than the Mediterranean fruit fly bureau has been. The corn borer bureau, this bureau which costs from three-quarters of a million to a million dollars a year, has found several corn borers; in

other words, they have found several worms in growing corn. Every man who ever lived on a farm knows that there never was a field of corn in which occasionally you did not find a worm. But they did not find many of these borers; at that, however, they found more corn borers than the other bureau found Mediterranean fruit flies. We spent some $7,000,000 to find the Mediterranean fruit fly, and no man in the United States has ever seen one alive, I am reliably informed.

Mr. KING. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. KING. I want to state to the Senator from Tennessee that last evening, in conversation with Hon. HAMILTON FISH, Representative from New York, he stated that last summer, when he was in Canada, he received telegraphic news that 96 men had been sent by the Department of Agriculture into his congressional district alone to hunt for corn borers, and they were kept there all summer. There was not a single corn borer, he said, in his district; none could be found; but those men were getting large compensation and all their expenses paid, 96 of them, and that organization was fostered by the Department of Agriculture. That is merely one illustration of the incompetency, the inefficiency, the extravagance, the waste—I was about to say the criminal waste—of the Department of Agriculture and a lot of those so-called specialists and doctors who infest it and to-day infest the country.

Mr. McNARY. Mr. President, it is not important, but I want to have the RECORD show that the amount of money available for the year 1932 is $950,000, and the action of the House committee and the Senate committee brought the sum down to $295,000, a reduction of $650,000 for the fiscal year 1933.

Mr. McKELLAR. That has been done since the bill has been sent here?

Mr. McNARY. This cut was made by the House of Representatives and that action sustained by the Senate Committee on Appropriations.

Mr. McKELLAR. I am glad to hear it. I am glad to know that the committees have cut it down. The objection I have is that the committees ought to have found out what it would take to send this bulletin to a farmer, a bulletin which has already been printed, and they ought to have limited any appropriation simply to a few dollars for the distribution of this very valuable bulletin if, perchance, any corn borers can be found worthy of the name.

I want to call attention to this pamphlet. The Budget officer and the department and the President sent an authorization here of $795,000 for the eradication of the corn borer this year, and I call attention to this in the pamphlet:

> Thus far investigations have shown conclusively that the total eradication of the European corn borer in this country is beyond the realm of possibility.

Mr. President, I want to read just this from the pamphlet:

> Thus far investigations have shown conclusively that the total eradication of the European corn borer in this country is beyond the realm of possibility. It has been found feasible, nevertheless, to reduce the numbers of the borers in any given area to such an extent, by improved farm clean-up methods and other cultural practices, that the damage by the insect will be kept below the point of serious commercial loss.
>
> HISTORY OF THE CORN BORER IN THE UNITED STATES
>
> When the European corn borer was reported and identified in 1917 it was found to be causing severe damage to sweet corn in the vicinity of Boston, Mass., and to be present within an area of at least 100 square miles in that section.

There may have been a few corn borers. There is no place in the country where corn is grown where some insect will not be found occasionally in an ear of corn, as we all know. But just look at the establishment there is to look after the corn borer. The first salary is $6,400 a year to look after the European corn borer. The next one is $4,600. The third one is $4,200. The fourth one is $4,800. The fifth one is $4,600. The next one is $3,800. The next one is $3,450. The next is $3,200. The next is $3,700. The next is $2,900, then $2,700, and on down to $1,500. In other words, there is a bureau employing 92 men, year after year, trying to eradicate the European corn borer, when there have been very few corn borers ever seen or identified in this country.

I am happy the committees have reduced this appropriation; it ought to be stricken out altogether.

Mr. KING. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. KING. Will not the Senator call attention to the large appropriation which was secured a year or two ago, as I recall, from fourteen to seventeen million, for the extermination of the corn borer, most of which was used in one or two States, and paid to the farmers for pulling down or burning their own corn after the corn had been removed from the stalks?

Mr. McKELLAR. Mr. President, a large part of the money that has been spent for the eradication of the corn borer has been spent for damages done to growing crops. The corn borer has not done half the damage this bureau and its agents have done, and it ought to be abolished. That is what I propose here in an amendment, to abolish this bureau entirely, and strike out the appropriation. Here is a pest which the department says can not be eradicated. This bulletin says it can not be eradicated. Yet we find that they are spending this vast sum.

I come next to another item in this bill, not an amendment, just one of those items which go along year by year, the appropriation for controlling the Japanese and Asiatic beetle. We spent last year $445,000 for the control and the prevention of the Japanese beetle. By the way, there are two separate bureaus working on the Japanese and Asiatic beetle, not one expensive bureau but two expensive bureaus working on that item.

The Japanese beetle was discovered in the State of New Jersey in 1916. Two years later we began appropriating for its control. They discovered a bug somewhere, and immediately applied for an authorization from Congress. That was $10,000 or $20,000—infinitesimal—but the next year it was double that amount, and it just continues to double and double, until we are now spending $445,000 for the control and prevention of the spread of the Japanese beetle; and the President and the Budget Director, the economists, recommend but $400,000 this year to do away with these little bugs which are found in yards, and ought to be cleaned up by the people who own the yards.

There is a bulletin about that, and the bulletin says that, in 1916, when there was no appropriation, only a few beetles could be collected. In 1919, after an appropriation was received, there were as many as fifteen or twenty thousand beetles collected up in one little area in New Jersey, as I remember. It seems that these beetles eat a great many kinds of trees, both fruit and shade, and it is claimed they injure the trees.

The department has published a pamphlet of 67 pages on this beetle. Of course it is very interesting, and after reading it it is difficult to believe that this pest has destroyed property to the extent of one-tenth of the appropriation.

Senators will not believe it when I say to them that the records show that the American Government in the last 10 years has spent $4,152,212 in the so-called attempt to eradicate a beetle which is named, for the purpose of making the bureau seem important, the Japanese and Asiatic beetle.

Nearly all of this $400,000 we are asked to appropriate in this bill for the control of the Japanese and Asiatic beetle is to be spent right here in Washington, paying a great number of clerks in a bureau for that purpose. By the way, there are two bureaus, not one, but two separate bureaus for the control of the Asiatic and Japanese beetle. So much for that.

Now I come to an item which President Wilson used to say was of greater importance and nearer consequence.

I come now to the pink bollworm which has to do with my part of the country. The Congress appropriated last year $497,000, and this year the President cut it down to $436,000.

The Government has prepared a most interesting bulletin on the pink bollworm. Like the other two pests, it is claimed that he came from foreign countries. This one came from Asia. However, from the list of places where he now ranges, the world seems to be his stamping ground. A full description of the pink bollworm is given. Full advice is given in this bulletin as to how the cotton farmers can combat him.

It will be remembered that several years ago the pink bollworm destroyed enormous amounts of cotton in the extreme Southern States. It got up as high as northern Mississippi, and then the pink bollworm seems to have quit his operations and for a number of years has not greatly injured the cotton crop. Whatever the Government could do to combat this pest it has done except to send out the pamphlets; and yet we find, out of this appropriation of $436,000, that $314,720 is for personal services.

It is merely the institution of a bureau and that bureau will stay with us. The Senator from Wisconsin [Mr. LA FOLLETTE], a very young man, may be here 50 years more, and if he is here 50 years from now he will hear read year after year appropriations for the control of the pink bollworm and the European corn borer, because once established as a bureau in the department, that bureau goes on forever. I will later refer to a bureau that was established as far back as 1862 and is still in existence and still operating, though the reason for it has long since passed away. The only reason for its existence now is to pay the employees of the bureau their salaries.

Salaries of $4,000 and $5,000 and some of nearly $6,000 are paid to employees of the bureau to combat the pink bollworm that has not infested any part of the cotton crop of the South since at least 1924. Since 1917 we have spent the enormous sum of $6,833,580 on the pink bollworm and the end is not yet, because we propose to appropriate $400,000 for it this year. Yet we made more cotton last year than ever before in our history. I think the President or one of his Cabinet officers recommended that we plow up every third row of cotton in order to better the price of cotton, and yet we are spending this money on bugs that no longer exist; and the Government, by the expenditure of this money, could not prevent their existence under any circumstances. The only thing the appropriation does is to enable the bureau to send out its bulletins to the farmers. They would be helpful if the test should occur again, but the only purpose now is to keep the bureau in existence and going along with this willful waste of the people's money.

Incidentally, before leaving the pink bollworm, I find on page 134 of the Budget another appropriation of $276,820 for insects affecting cotton, including research on the pink bollworm of cotton, and another large bureau where the personal services amount to $190,200. These two bureaus might at least be coordinated and consolidated; and, inasmuch as the President has recommended the consolidation of bureaus, I believe I will call his attention especially to these two bureaus, both looking after the bollworm that has left our part of the country, at any rate.

On page 95 of the Budget I find another bureau for cotton, for investigation and control of diseases. Whether this includes the bollworm I do not know; but, at any rate, the appropriation for that is $221,040, of which $180,184 is spent for personal services. That is just the building up of another bureau.

Now I come to one of the most peculiar of all of these matters that I have been investigating. It is called the "phony peach disease," and the appropriation is made for the eradication of that disease. They have a bulletin on that disease. But I have learned that "phony" is not the proper term for it. I want to call this to the special attention of the chairman of the Committee on Appropriations, the Senator from Washington [Mr. JONES]. The appropriation bill says it is for the "phony peach disease." The bulletin issued by the bureau says "pony peach disease." What do you suppose, Mr. President, this money has been used for year after year? It is a most remarkable thing. Let me tell you about it. Some man went into a peach orchard down in Georgia. He found there some trees smaller than others. He called the smaller trees "pony" trees. He conceived the idea that all peach trees in a peach orchard ought to be of the same size. He said the fruit on the "pony" trees was not quite so good as the fruit on the larger trees. Therefore, he became instrumental in getting an appropriation from Congress which was authorized several years ago, and when it was authorized what happened?

The bureau sent one of these highly paid experts down to Georgia and he destroyed the "pony" peach trees. Think of that for a moment! Here is a peach orchard with several small trees in it. The trees are not uniform in size, said the bulletin, so they ought to be made uniform. I suppose on that theory we ought to organize a bureau to make men all the same size. What a splendid idea it would be to have another bureau, a bureau to investigate the causes for the differences in the height and size of men and of women, and to determine whether they could not be made uniform and equal. Would not that be a beautiful thought? Would not that be a beautiful use to which to put the Government's money?

Yet that is what we are doing in the case of the "pony" peach disease. The bureau is breaking up the little trees in an effort to make the trees all uniform in size. While the amount is not large, yet this year there is a recommendation for an appropriation of $82,000. It is just that much money of the people that is thrown away. The bureau can not make fruit trees all the same size any more than it could make men or animals all the same size. It is ridiculous to undertake it, and yet we are spending about $100,000 a year in an effort to make fruit trees of the same size and strength—certainly a ridiculous proposition.

I next come to our old friend the Mediterranean fruit fly. I heard of a very funny thing that happened with reference to that. We have appropriated $6,000,000 or $7,000,000 up to this time for the eradication of the Mediterranean fruit fly. The Mediterranean fruit fly was discovered in the fruit warfare between California and Florida several years ago. We have spent already over $7,000,000 to eradicate the Mediterranean fruit fly. There is not a man alive, so the bulletin says, who has ever seen in this country a live Mediterranean fruit fly. The bureau found a dead one one time, and they have him in a glass case in the bureau. There may be several that they claim are Mediterranean fruit flies, but so far as that is concerned it has never been seen alive in this country. The Senator from Washington [Mr. JONES] will remember, and other Senators will remember, that several years ago we authorized in one year, I think, $6,000,000 for the eradication of this great pest. What was done with it? I am going to tell a story on a friend of mine, without mentioning his name, that indicates how the money was spent in Florida.

This friend of mine drove down to Florida several years ago when this enormous appropriation was made. When he got across the Georgia line going into Jacksonville, Fla., he was stopped by a man who was driving a fine automobile. He was overhauled by this man and his car stopped. This agent came up to him and said, "I want to examine your automobile." It happened that my friend had a bottle of liquor in his automobile, and he at first suspected that it was a prohibition officer hunting for liquor, so he said, "Have you a warrant?" The man said, "Oh, I do not need a warrant." My friend said, "You will have to have a warrant to search my automobile." The man said, "I don't suppose you have one anyhow." My friend knew that he did have a bottle of liquor in his automobile and he said, "Whether I have it or not, I do not want you to investigate and search my car." The man said, "My friend, I am afraid you do not understand. I want to investigate to see whether you have a Mediterranean fruit fly in your automobile." When my friend found that was all he wanted, he let him go ahead with his investigation.

I have forgotten the exact number of times, but, as I recollect, that traveling friend of mine in Florida going down

down the east coast as far as Miami was held up and his automobile examined 17 times for the purpose of seeing whether he had a Mediterranean fruit fly, which he had never seen and which no one else had ever seen. That is the way the Government is spending its money.

In 1924 or 1925 we appropriated so much money for the eradication of the Mediterranean fruit fly that had never existed that most of the appropriations are still left on hand and we are still reappropriating the unexpended balances of the fund for its eradication. We ought not to do that. We ought to let the money be returned to the Treasury.

Another way our money was spent was in the destruction of many orchards. Occasionally some worm was found in an orange, as a worm may be found in any orange grove anywhere in the world. There is always some fruit of any kind that has a worm in it. The agents of the Government went down there and plowed up and grubbed up whole orange groves. As I understand it, the junior Senator from Florida [Mr. TRAMMELL] offered an amendment to the Agricultural Department appropriation bill to require the Government to compensate Florida orange-grove owners for the losses sustained in having their orange groves grubbed up in attempting to find a Mediterranean fruit fly. May I ask the Senator in charge of the bill whether that amendment was agreed to?

Mr. McNARY. Mr. President, the amendment was rejected by the vote of the Senate on yesterday.

Mr. McKELLAR. I thank the Senator. We spent $7,000,000 in attempting to eradicate a fly that no one has ever seen, and then, after our agents went down there and destroyed great orange groves, the grove owners come and want the Federal Government to pay for their losses. Sooner or later—and it is just a question of time—the Federal Government will have to pay for every one of those orange groves that this bureau destroyed. Some were destroyed by poison, others by grubbing them up, and others in other ways. That is what we are getting into by making these appropriations year after year. I doubt if the appropriations to which I have referred were even brought to the attention of the Senate by having the items read. I am not blaming anyone for that. We are just continuing to keep these bureaus in existence as a matter of form. I think the chief of this bureau got something like $8,000, and they are keeping the same old bureau going now under another name. So much for the Mediterranean fruit fly.

The next item I want to discuss is the white-pine blister rust. The estimate of the President for white-pine blister rust this year was $469,997. We have spent on white-pine blister rust since 1916—the bureau was established that year—$5,186,175.

What is white-pine blister rust? A bulletin has been issued on it. The Government has ascertained what it is. white-pine blister rust is a little insect that first forms on the bark of the white pine tree as a little worm. It develops into a moth or fly and then flies to a currant bush. That is what the bulletin says. The moth when it becomes a moth flies to a currant bush nearby the white-pine forest. There it lays its eggs on the currant bush; then the eggs become worms; then they become moths or flies again, and they fly back, and when they get back to the white-pine trees they are more vigorous than they previously were. The bud of the currant bushes or the sap of the currant bushes seems to strengthen their boring qualities, and they bore through the pine a little bit. I do not know to what extent they may bore into the pine tree. The Senator from Idaho possibly can tell me, as he lives in a pine-tree country. However, the Government has found out just exactly what white-pine blister rust is. A bulletin has been sent out, and that is all the Government can do. The Government can not go there and prevent those moths from flying first to the currant bush and then back to the pine tree; it is impossible to do it. All we have to appropriate for is the bulletin, to enable it to be sent out to the pine-tree owners, so that they may know how to take care of the pest.

It is true that the high-priced technical men in the bureau have dug up some 15,000 currant bushes. I do not know whether we will have to pay for the currant bushes after they are dug up or not. I imagine that those who own the currant bushes will follow suit of the orange growers in Florida and come back here with a bill asking the Government to pay for the destruction of the currant bushes on which the moth laid the eggs. So that is white-pine blister rust on which under this bill we are going to spend $469,997 and on which we have already spent $5,168,175. Think of it! With over 8,000,000 people unemployed in this country and hundreds of thousands of people hungry, the Government is spending its money—millions of dollars—on white-pine blister rust, keeping a big bureau in operation here, with highly paid officials doing ostensibly a work that it is impossible for them to do, because they admit that all they can do is to tell the owners of the white-pine forests what they should do to save them. This bureau has been in existence since 1916.

I next come to an amendment to which I desire to refer. I presume it has already been agreed to. May I ask the chairman of the committee, the Senator from Oregon [Mr. McNARY], if he will be kind enough to tell me whether the amendment providing an appropriation of $1,450,000 for grasshopper eradication was agreed to?

Mr. McNARY. That was agreed to day before yesterday.

Mr. McKELLAR. It is already agreed to, but I think I ought to have a word or two to say about it. I have bulletins here on the subject. The department has already prepared the bulletins and sent them out. I have a bulletin on each one of these items. The bulletin as to grasshoppers says that no human being can tell ahead of time whether there is going to be a plague of grasshoppers sweep over the country. There are places in the West, in Kansas, Nebraska, and other States, that are sometimes afflicted with grasshopper plagues, but no man can tell six months ahead whether the grasshoppers will appear; and yet there is appropriated in this bill the enormous sum of $1,450,000 to enable the Government to investigate whether there is going to be a grasshopper plague this spring in certain States.

If there should be such a plague, will the appropriation of $1,450,000 save the people in the areas affected from this pest? Not at all. They can not find anything out about grasshoppers except what they know, the appropriation of $1,450,000 will not save them, but it will be very good to have such an amount of money expended in States of the West. A very large number of men can be sent out with $1,450,000 hunting grasshoppers during the spring, and this is a fine time to send them out. They may need the jobs very badly. Who can tell?

Mr. NORBECK. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from South Dakota?

Mr. McKELLAR. I yield.

Mr. NORBECK. If the Senator will look at the appropriation item he will find the money can not be used for that purpose.

Mr. McKELLAR. If the Senator will turn to it he will see for what purposes the appropriation is to be used. The Senator's State is one of the States affected, his State is one of the States that occasionally has a grasshopper plague, and such plagues are bad; we all know that to be so; but the Government has already told exactly what to do when a grasshopper plague comes. If every dollar of this appropriation were spent in South Dakota it would not keep South Dakota from having a grasshopper plague if one should come; and the Senator does not know, and no other human being knows, whether or not there is going to be a grasshopper plague during the coming spring or summer. Yet here is an appropriation proposed in the Senate, and put on this bill in the Senate, providing $1,450,000 to eradicate grasshoppers that do not now exist and that no human being can tell whether they will ever exist. I am just wondering about it.

Mr. NORBECK. Mr. President——

Mr. McKELLAR. I yield.

Mr. NORBECK. If the Senator will read the Budget Bureau report, he will find their estimate was that to do a

good job it would take $3,000,000, of which the Government proposes to furnish half. In other words, the money provided by the Government must, in effect, be matched by the people in the respective localities, by the States, or by the counties before it shall become available. So there has got to be a very deep interest and a willingness on the part of the people in any locality to take hold of it or none of the Federal money will be available to them.

Mr. McKELLAR. I want to ask has the Senator any inside information as to whether there is going to be a plague of grasshoppers this year?

Mr. NORBECK. The only information I have is outside information.

Mr. McKELLAR. What sort of information—just so it is information, I should like to have it—what kind of information has the Senator that there is going to be a grasshopper plague in South Dakota this year?

Mr. NORBECK. Large areas have been infested; the eggs have been deposited; and during the farm spell they are beginning to hatch.

Mr. McKELLAR. That happens every year, does it not?

Mr. NORBECK. No; the Senator is mistaken about grasshoppers. He must keep in mind that it is a problem in itself that has got to be studied carefully.

Mr. McKELLAR. I am speaking from the record. I will get the grasshopper bulletin in just a moment. We have spent millions already to exterminate grasshoppers. I will look up the exact amount. I have a bulletin here, which I will find in a moment. Here it is—Grasshopper Control. That is one bulletin; I have another one which is entitled "A Study of the Lesser Migratory Grasshoppers." Listen to the way this very costly bulletin begins:

A survey of the publications—

Not a survey of grasshoppers, but—

A survey of the publications relating to grasshoppers has shown the need of a more detailed study of the life history and habits of these insects.

I will digress here long enough to say that there is an appropriation—quite a large appropriation, though not as large as the grasshopper appropriation—for the study of the marital relations of microscopic insects. I will call the Senator's attention to it a little later on. But this bulletin says:

A survey of the publications relating to grasshoppers has shown the need of a more detailed study of the life history and habits of these insects. Most of the existing literature deals with the subject of taxonomy and control.

Taxonomy, as the Senator no doubt knows—I did not know it until I looked it up—means the habits, relations, virtues and lack of virtues, correlations, and propagation of infinitesimal microscopic insects. They are related to the grasshopper because it seems that the grasshoppers in the evolutionary stage are microscopic insects, and it may be the Senator has some information that these microscopic insects are going to get bigger this year and become grasshoppers. I do not know; but here is all this literature about grasshoppers—A Study of the Lesser Migratory Grasshoppers.

I would be glad to show these bulletins to the Senator. In North Dakota and Montana there are sections where sometimes grasshoppers have been unusually widespread and destructive, but every way of dealing with grasshoppers is set out in these two bulletins.

If I were a farmer in the State of the Senator from South Dakota, the only possible way I could deal with grasshoppers, if they came, would not be to get the highly paid experts here in Washington to study the subject of taxonomy of grasshoppers, but I would have to follow the instructions contained in these bulletins and take such means of destroying the grasshoppers when they came as would be possible. The Government can not do that. We could spend every dollar of the $1,450,000 proposed to be appropriated under an amendment which has been agreed to for the eradication of grasshoppers; but no one would know whether they would come or not; no human being can tell whether they are coming; and if there was spent every dollar of the appropriation there will have to be just as big an appropriation next year if there should then be trouble about grasshoppers.

Mr. NORBECK. The Senator has forgotten that I told him they were already there; it is not a question of their coming.

Mr. McKELLAR. Was there any evidence before the committee that they were there? I never heard of that in the hearings before the committee. It may be they are there. If the Senator says that he has seen them, he has given us some information; if he has seen grasshoppers or has seen the bugs out of which the grasshoppers come, I take his word for it; but before the committee, prior to the time I left, there was not one scintilla of evidence except what is contained in this bulletin, and the bulletin says that no one can tell six months ahead or three months ahead whether or not there will be a grasshopper plague.

Mr. NORBECK. I call the Senator's attention to the Budget estimate that was submitted to the committee, and which is printed in the committee's report. That gives a good deal of information as to this particular subject.

I may say that a meeting was held at Sioux City last fall in which a half dozen Western States were represented to determine what to do with the question. Areas 100 miles across are completely devastated; there is not a cornstalk left; there is not a straw or grain left; the orchards have been destroyed; the ground has been infested with these eggs; and we know that the next crop of grasshoppers is almost here.

Mr. McKELLAR. Does the Senator mean to say that this appropriation of $1,450,000 and a like appropriation by the States affected would enable them to prevent the devastation of the crops by grasshoppers?

Mr. NORBECK. That is the opinion of those men who spent last summer studying the problem and who succeeded in exterminating them in certain areas. I myself am not a grasshopper expert; I can not qualify as such.

Mr. McKELLAR. I know nothing about it except what I find in the Government bulletins, and they state that no one can tell when there is going to be a plague of grasshoppers.

Mr. NORBECK. No; let me correct the Senator on that. They can not tell when the grasshoppers may come into new territory. The bulletin does not say that they can not tell whether the grasshoppers are going to come after they are there, and have laid their eggs.

Mr. McKELLAR. All right. Let us see where that takes us. We are going to appropriate $1,450,000 to prevent grasshoppers from despoiling certain portions of Nebraska and North Dakota and South Dakota.

Mr. NORBECK. Or, rather, from spreading to other States.

Mr. McKELLAR. From spreading to other States. It would be necessary to make an appropriation of at least three or four hundred thousand dollars in every other State so as to be certain that the grasshoppers did not cross the boundary lines.

Mr. KING. They ought to be branded.

Mr. McKELLAR. Yes; as the Senator from Utah says, they ought to be branded. We ought to appropriate enough money here to brand these grasshoppers and prevent their crossing State lines.

Mr. VANDENBERG. Mr. President, will the Senator yield there?

Mr. McKELLAR. Yes; I yield.

Mr. VANDENBERG. The Senator was absent yesterday; otherwise, he would have still further exhibits to offer. He has not told half of the story.

Mr. McKELLAR. No; of course, I have not. The story of the grasshopper is a wonderful story.

Mr. VANDENBERG. Under the precedent it was sought to establish yesterday—and I am sorry to advise the Senator that the precedent was supported by practically all the Senators on his side—we are not only supposed to pay for killing the grasshoppers, but we are supposed to pay for the grasshoppers after we have killed them. That is the theory under which we are supposed to proceed.

Mr. McKELLAR. I am certainly very grateful to the Senator from Michigan for his enlightening statement. I

was not here yesterday, I am sorry to say, or I would not have brought up the subject again.

Mr. TRAMMELL. Mr. President——

Mr. McKELLAR. I yield to the Senator from Florida.

Mr. TRAMMELL. I think the Senator from Michigan probably is referring to a little colloquy between himself and the Senator from Florida on yesterday, but he has not very accurately stated the situation.

Mr. McKELLAR. I am willing to have any light on the subject that I can get.

Mr. TRAMMELL. No one said that the Government would have to pay for killing the grasshoppers. I did state, in response to an inquiry of the Senator from Michigan, that if the Government agents displayed a total disregard for the interests of the farmers in that territory, and by inefficiency and by abuse of their rights ruthlessly destroyed the property of farmers, under the policy which has been established by the Government ordinarily they would expect some compensation; and, so far as I was concerned, I thought the compensation was all right.

Mr. NORBECK. Mr. President——

Mr. McKELLAR. I do not want to get into a controversy as between the western grasshopper and the Mediterranean fruit fly. I am afraid I would be ground between the upper and the nether millstones; so, if the Senators will permit me, I will go along.

The idea of appropriating $1,450,000 to protect us from an expected pest of grasshoppers, to my mind, is monstrous.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. McKELLAR. In just one minute. We are already $2,000,000,000 in the hole on running expenses. We have already appropriated at this session $1,250,000,000 more. We are going to appropriate, for the running expenses of another year, $4,601,000,000. We now have an income of only $3,000,000,000, and do not expect an income next year of more than $4,000,000,000. Where in the world are we going to get the money? Men and women are starving in this country, and here we are spending $1,450,000 to ward off grasshoppers when no man on earth knows whether we are going to have them or not.

I now yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, I have great sympathy with the Senator's position; but let me remind him that if this expected grasshopper plague does not materialize the money will not be spent.

Mr. McKELLAR. Suppose we should apply that theory to other matters. We may have an earthquake next year. How foolish it would be to appropriate $100,000,000 to erect homes for the people because an earthquake might come and shake down those that they now have! Yet this appropriation for grasshoppers, in my judgment, is just as futile and just as foolish. It is a willful waste of the people's money that ought not to be indulged in for a moment. I am very fond of the Senator from South Dakota [Mr. NORBECK]; but when this amendment goes to conference, I hope the conferees will strike it out.

I now come to another one. Listen to this. I do not know whether Senators know what it is or not. I did not before I looked it up. I am perfectly frank to say so.

The President has recommended that we appropriate this year, and we have just appropriated, $452,445 for the Parlatoria date scale. This, by the way, includes several other purposes. It includes Japanese and Asiatic beetles; and it takes $55,000 of the unexpended appropriation for the Mediterranean fruit fly and proposes to use it for another purpose.

Where is the Senator from Florida. This refers to the appropriation he secured some years ago to eradicate the Mediterranean fruit fly. Fifty-five thousand dollars of the unexpended balance of the appropriation for the Mediterranean fruit fly contained in the agricultural appropriation bill for the fiscal year 1931 is to be available until June 30, 1933, for what purpose? To do away with Parlatoria? Oh, no; for research work in the Hawaiian Islands!

Do you know what that means? The distinguished gentlemen of the bureau, drawing these perennial salaries from the Government for the purpose of dealing with Parlatoria, would like to have a little trip out to Hawaii; and if we appropriate this money, these distinguished gentlemen will go to Hawaii and make an investigation. They will look at those insects out there, and they may cross them and get us into all kinds of trouble.

You remember that the Commonwealth of Australia is suffering from a pest of rabbits—jack rabbits. You know how they got them. They got them by a mistake. They got them by interbreeding the rabbits of Australia, which were harmless, with rabbits from Texas or Arizona—I believe from Arizona, where they grow larger—and they formed the Australian jack rabbit, which has become one of the greatest pests of the world. I believe in Great Britain they have a little animal that has become a great pest there, that was brought about by the interbreeding of some pests in England and those in this country. So that is what we are likely to get into. We ought to keep these men at home and let them work on something that will be of real value. The idea of keeping a bureau here to examine into the habits of Parlatoria, or rust of dates! Perhaps these gentlemen need a vacation in Hawaii, and they may have it.

Mr. President, I desire to call the attention of the Senate to this item. We are appropriating $452,445 for this bureau. How much of it is used for looking for Parlatoria or rust, a little, infinitesimal insect? Why, $399,700 out of the $452,000 is used for the pay of bureaucrats. That is what it is for. No wonder our Government is $2,000,000,000 in the hole when we allow these perennial bureaus to grow in this fashion. The first one that I have here was established in the year 1862, 70 years ago. Year by year they have been taking the people's money and getting larger all the time.

I next come to a very unusual thing—gypsy and brown-tail moths. I am sorry the Senator from New Jersey [Mr. KEAN] is not here, because that is a moth that seems to be indigenous to New Jersey. We are told that it came from foreign countries. It is an aristocratic moth. It eats the grass on aristocratic lawns only. It must be a lawn that is cut with a mower. That is where they thrive best; and they sometimes eat up the grass there.

Mr. KEAN entered the Chamber.

Mr. McKELLAR. The Senator from New Jersey has come in now, and I want to tell him about what is being done in his own State. I am quite sure the Senator is familiar with it. This bureau has antiquity about it. The bureau was established long before the distinguished Senator from New Jersey came to this body. It was established in the year 1907 to deal with the gypsy and brown-tail moths. Of course the Senator from New Jersey knows about them. He shakes his head, but I am sure he does know about them.

Mr. KEAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Tennessee yield to the Senator from New Jersey?

Mr. McKELLAR. I yield.

Mr. KEAN. I think that is confined to Massachusetts.

Mr. McKELLAR. Then the bulletin is wrong, because the bulletin says "New Jersey."

Mr. KEAN. We have none in New Jersey. We have eliminated them.

Mr. McKELLAR. You have eliminated them? I am glad to hear they are eliminated.

Mr. KEAN. So am I.

Mr. McKELLAR. This bureau is like one of the oaks in the forest of bureaucracy. It was begun in 1907. The Government has spent to eliminate those little moths $11,781,769, and the Senator says they are eliminated. As a matter of fact, he has just as many moths there as there ever were. This money has been spent largely by bureaus here in Washington. It has just been going on from year to year. It started with a very small appropriation and had, perhaps, one or two people in the bureau. It has grown and grown and grown each year. Now it comes in as a matter of course. The department head recommends that a little more be given each year. It is not discussed in the Congress; and the result is that $11,781,769 has been spent on gypsy

and brown-tail moths, largely in New Jersey, and the Senator say it does not exist there!

There is a fine bulletin on the subject. This moth does exist also in Massachusetts. There are a few there; or, rather, the bulletin says that a few have been seen there. The States have taken control of the matter and probably have eradicated it. The money is spent very largely down here in Washington.

I next come to a very insignificant amount appropriated for work in connection with the Mexican fruit worm. The total estimate for 1933 for the quarantine against the Mexican fruit worm is $123,580, of which $92,000 is for a bureau here. It has been growing year by year.

The people want to know where their money goes. There is where it goes—for building up these bureaus. By the way, there are 29 of these bureaus that I am talking about. Most of them I have already referred to, and I have three or four more to talk about. They have been growing up steadily since 1862. This is the year when the first one was started, and the last one was started in 1930. They are getting a little larger every year, coming in with the bills as a matter of course. Their work is done. They did all they could do when they investigated and published a bulletin. There is nothing else for them to do, and yet they go on.

Mr. President, we have spent this sum on the Mexican fruit worm, which has never come over. The Mexican fruit worm is not here. We have fruit worms of our own, but the Mexican fruit worm has not come.

I next come to the cotton-insect investigation. I have already talked about the bollworm. The cotton-insect investigation in another old friend. This bureau now is 28 years old. It was started in 1904. The President cut down this estimate somewhat, and he is to be commended for it. Last year the amount was $304,820. This year it is only $276,820, and the most of that is for personal services.

Cotton insects. The Government has spent in the last few years millions of dollars in the study of cotton insects. Yet the President some time ago recommended that every third row of cotton be plowed up so as to keep the farmers from producing too much. Such appropriations as these are a waste of the people's money, and should not be indulged in, and I think these amendments should be agreed to. The most that has been done by this bureau since 1907 has been the publication of a bulletin.

Now I come to another bureau, that having to do with insects affecting men and animals. I do not know exactly what insects they refer to. There are certain kinds of lice and bugs which bite both men and animals. The estimate sent down this year by the President was for $149,000. Of this, $110,000 is for the bureau represented. The salaries begin with $5,000 and go down. It is an ancient bureau; it has been in existence since 1913. I suppose this money is largely spent on fleas. Fleas, I believe, attack both men and animals; do they not? I know they attack men, because I have felt them. Here we are running $2,000,000,000 behind in the running expenses of the Government, borrowing money wherever we can borrow it to keep the Government going, with 8,000,000 men out of employment, with hundreds of thousands, perhaps, hungry at this very minute, and we are asked to spend $149,000, according to this recommendation of the President, on bugs which affect both men and animals, whatever they may be. It is just another means of creating a bureau. It is just another bureau kept running, another way of spending the people's money for easy, light work.

I next come to taxonomy. I did not know what taxonomy meant. That was a word that was never in my vocabulary; I never had occasion to use it. But I find it treats of the interrelations of insects, microscopic insects, their habits, their methods of reproduction, their marriage, their lives, and their fortunes.

Let me see how much we appropriate for that. We appropriate but $235,730 for taxonomy, on these microscopic insects, their marital relations and lives, their methods of reproduction. By the way, there is another subbureau. This bureau over here can allow immigrant microscopic insects to come into this country and be exchanged for like microscopic insects to go to foreign countries. In other words, they are mixing the breeds of these microscopic insects, at a cost of $235,000. That is very small, but here is a bureau which I think was started in 1910, and they are still studying the marriage relations and the methods of reproduction of these microscopic insects. They have not finished the study yet. This bureau has been in existence about 22 years, and it seems to me that they must finish their study before a great while. I want to read from the bill:

> For taxonomy and interrelations of insects, and including the importation and exchange of useful insects and an insect-pest survey, $234,930.

Nearly all of that goes for personal services. This bureau has been doing this work for 22 years, but, so far as I am able to see, they have not been able to prepare a bulletin to show the interrelations of these insects. They do not show how many they have imported, though they are directed by law to import them. Think of it! Think of our spending our money for the importation of microscopic insects at a time like this, with our Government in the situation in which it finds itself. It is a crying shame. The whole country is waiting, no doubt, on this bureau right now to know how many insects they are going to exchange the next year. Yet we do not have a report from the bureau. It has been in existence 22 years and there is no report yet.

What the people who are engaged in this work, and who have been engaged in it 22 years, have been doing I can not say. I suppose they have their agents in Asia and Europe and other countries trying to get proper insects so that they can bring them over here and interbreed them with our insects, and see if we can not get a better stock. To my mind, it is very reckless for these people to bring in insects which may be exceedingly dangerous to our country. Whether or not the European corn borer was brought in in that way, the record does not show. Whether or not the Asiatic beetle was brought in in that way, the record does not show. Whether or not the pink bollworm was brought in in that way, the record does not show. Whether or not the Mediterranean fruit fly was brought in in that way, the record does not show. I am merely pointing out to this bureau the dangers of taxonomy.

I call the attention of this bureau, if they would deign to listen to such an unimportant person as I am, to the fact that there may be danger in bringing these foreign insects here, just as there was danger in carrying rabbits to Australia and muskrats to Great Britain. I understand that the rabbits in Australia are a perfect pest, and that the muskrats in Great Britain are becoming a great pest. The European starling has become a great nuisance in this country since its introduction, and the authorities are at their wits' end to know how to deal with it. The mongoose, though useful in its native country of India, when taken to Jamaica, Porto Rico, Hawaii, and other places to destroy vermin, became very destructive to poultry, game, and various harmless native animals.

Let us be warned by what happened about the carp, a native of Asia. A standard authority says:

> Within a few years it has been introduced into America *and widely distributed by the Government*, but has proved a nuisance in many localities, destroying the natural growth of water plants and increasing to such an extent that other and more valuable fish can not exist. It is rapidly extending its range. In America it is not generally considered fit for food. (Webster's International Dictionary.)

No doubt the Government agents who distributed this fish in America were confident they were performing a useful service for the public. What actually happened shows that they were badly mistaken. Let our taxonomy specialists take warning from occurrences of this kind.

We are told by authorities on the subject that nature provides checks and balances on these animals and insects in their native countries, but that when they are taken to other lands the balance is upset, and they often increase beyond all reason and control. So I hope the bureau, which is importing what it regards as useful insects, will be ex-

ceedingly careful to see that those brought in will not prove a danger to this country.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TRAMMELL. I do not desire to differ with the object and purpose of the Senator; I think he is performing a splendid service to his country in directing attention to many of these abuses in the way of appropriations. But I am sure he wishes to confine himself to the facts.

Mr. McKELLAR. Indeed, I do.

Mr. TRAMMELL. I do not know of any $7,000,000 claim in regard to the Mediterranean fruit-fly damage at all. I think that statement is a little erroneous. Of course, we do not know what we may ask for in Florida.

Mr. McKELLAR. I want to say to the Senator that I have a great deal of sympathy with his contention. I think that if the Government sends a lot of agents and has them patrolling the roads in Florida, holding up every passenger who comes along in an automobile or on horseback or in any other way to see whether that man has a Mediterranean fruit fly in his possession, and if those agents destroy orange groves without cause, if they poison the trees, if they cut down the trees, and there are no Mediterranean fruit flies, I am not so sure but what there are some equitable considerations which should lead the Government to make those orange-grove owners whole.

What I am complaining of are these useless appropriations, these useless and worse than useless bureaus which are being kept up here in the department. That is what I am complaining of.

Mr. TRAMMELL. Mr. President, I am thoroughly in sympathy with many of the criticisms being made by the Senator from Tennessee, but I did not want the RECORD to indicate that we were asking for $7,000,000.

Mr. McKELLAR. What was the amount?

Mr. TRAMMELL. There has been no amount ascertained. I do not think it would run over two or three million, but it has not been ascertained. That is the point; there is no definite amount ascertained.

Mr. McKELLAR. I am glad the Senator called my attention to it, because I do not want to do him or Florida an injustice.

I come to the next bureau, fruit and shade tree investigations. It was estimated by the President for this year, in these hard times, that $452,445 would be required to look after fruit and shade tree insects. We have enumerated nearly all the insects that are hurtful to fruit and shade trees. There are the Mediterranean fruit fly and the Mexican fruit worm. There is a difference between a worm and a fly. I think the fly comes a few days after the worm. There is the rust in Massachusetts and New Jersey, and other things. But here is another bureau, to cost $452,445, to look after fruit and shade tree insects. But our old friend the Japanese beetle and the Asiatic beetle needed a little more money, so this also included Japanese and Asiatic beetles.

We have a bureau for the specific purpose of looking after the Asiatic and Japanese beetles, but they come along and add this. There is another bureau looking after Parlatoria, and here comes along this general one, and they give the Parlatoria a little more money, so that they could put a few more men in the bureau.

It is a wonder these bureaucrats do not get worse mixed up than they are. They have to get their money in various bureaus, and there are so many of them doing the same thing, I imagine they have a great deal of trouble. Here is a bureau that is dealing with the Asiatic beetle, and another one with the Japanese beetle, another one with both beetles, another with Parlatoria, and so on, and so on, and so on, ad infinitum. Then they also include in this the fruit fly, both the Mexican and Mediterranean; there are not any. Oh, no; there are no Mediterranean fruit flies and there are no Mexican fruit worms in this country yet; but we have spent ten or twelve million dollars up to date in an effort to keep them out. The idea of Congress appropriating money for these purposes year by year is absolutely indefensible, in my judgment.

The President should not send these estimates to Congress; the Bureau of the Budget should not send them here; there ought to be an examination of these bureaus.

However, this fruit and shade tree insect investigation has been going on for 22 years, and they have spent $2,437,979 in carrying it on. This is one of the smaller bureaus. These insects are well looked after, because the personal services alone amount to $399,700, personal services to insects, maids to insects. This is a bureaucratic maid to aristocratic insects. This is one of the smaller bureaus. These insects are well looked after because the personal services alone amount to $399,700. That is the amount expended for personal services rendered to insects. This is a bureau for the rendering of personal service to these insects. Just think of that, Mr. President. Practically all of the appropriation is taken up in personal service. What is the bureau for if it is not to render personal services?

I now come to one of the strangest of all—barberry eradication. I suppose every Senator knows what it is. Some bureaucrat went out near a cornfield and found a barberry bush, and he evolved the theory that a worm that generated in corn or wheat and became a moth or a fly and flew over to the barberry bush did not hurt the corn at all in the beginning, but it eventually became a fly and flew over to a barberry bush and laid an egg and became a moth again and then flew back to the corn or the wheat, and it destroyed the corn or wheat. The department reports that it has pulled up by the roots 18,000 barberry bushes to do away with barberry rust. Think of that! They were asked if all barberry produced such a bug. They said no; that it is very strange that near many cornfields where there were barberry bushes around and where the bugs flew over to the barberry bushes and then flew back they did not do any harm. In other words, some barberry bushes are good and some barberry bushes are bad. So here we are appropriating year by year to eradicate the barberry bushes of the country. It is a very ornamental bush, a harmless bush.

We made more corn last year than the country could even use. It is down to 23 cents a bushel, and yet since this bureau has been established we have spent $4,385,086 to destroy the barberry bushes of the country. Most of it has been spent for personal services here in this city. This amendment ought to be adopted. More than $45,000 of this appropriation will be spent for travel pay on trains or in automobiles hunting barberry bushes. From the bulletin on barberry bushes I want to quote the following:

> The first survey is completed in all the 13 northern Central States except one, and the second and more extensive survey is in progress.

The first survey has been in existence or progress since 1918, only 14 years. The barberry bureau for the eradication of the barberry bush was created because a bug flew from a corn field onto a barberry bush and then flew back to the corn, and it might destroy the corn; and yet we have made more corn every year since 1918, with one or two possible exceptions, than we ever made before. Even so, in those 14 years we have spent $4,385,086 for the purpose of eradicating barberry bushes, and the bureau does not know which are the good and which are the bad.

Of course, this bureau ought to be abolished. It is a shame to legislate this money year after year for any such foolish purpose as is suggested here. Since 1918 there have been 18,000,000 barberry bushes destroyed. This bureau has located and destroyed 18,000,000 barberry bushes in 14 years. In passing, let me say that the barberry is a native of Europe and was imported into this country. The bureau say it is an undesirable immigrant. The bureau say they have reduced the rust somewhat by the expenditure of about $4,500,000. Probably if we appropriate $1,000,000,000 for them this year they might destroy more bushes, but the bushes come up just as rapidly as they are destroyed.

I read further from the bulletin:

> Many persons insist that all barberries ought to be killed out at this time.

I think that is a reasonable insistence.

In much of the barberry-eradication area, however, people have been planting barberries for the last 50 or 100 years. These have escaped from cultivation and have run wild in many places. It is asking a great deal of the Government and States to undo the work of so many years in a short time.

Yet they have had only 14 years. Perhaps when the great-great-great grandson of the Senator from New Mexico [Mr. BRATTON] is in the Senate they will still be eradicating barberry bushes out in New Mexico. It must be remembered that the bureau has had only 14 years in which to do this work.

Then, too, the barberry seed will lie in the soil a long time before germinating. They have all these troubles to consider. The bulletin closes with this injunction:

By all means keep up the barberry eradication campaign.

Sure! If they can keep up the campaign, they can keep up the bureau.

By all means keep up the barberry eradication campaign. It is perfectly clear that it is solving the rust problems in the States east of the Mississippi and north of the Ohio, and certainly it has been reducing the rust losses in other sections where the campaign has been in progress.

That does not follow, for this reason: We made more corn and wheat than ever before, and more than we could consume here or sell abroad.

And now we come to foreign plants introduction. This is a small appropriation, only $204,925, recommended by the President. Of this amount, $171,487, or practically all of it, is used for personal services. Let us see what they are to do.

For investigations in foreign seed and plant introduction, including the study, collection, purchase, testing, propagation, and distribution of rare and valuable seeds, bulbs, trees, shrubs, vines, cuttings, and plants from foreign countries and from our possessions, and for experiments with reference to their introduction and cultivation in this country.

The man who wrote that knew how to establish a bureau. He put enough things in that so that the bureau might work for a thousand years almost. This is a hoary bureau. It was established in 1899, and $3,189,651 has been expended on it already. There are 56 high-salaried bureaucrats who have been doing the work, and in the 33 years, after spending more than $3,000,000, they have not yet completed their investigation. That is sad. I think the best way to complete it is to strike the provision from the bill.

I sent for a bulletin on this subject. I thought perhaps in 33 years they had had time to prepare a bulletin, but one was not sent to me. Apparently they have not had time yet to prepare a bulletin. Thirty-three years is a very short time for a bureau to prepare a bulletin.

There is one thing that possibly may be studied by the bureau. I have been informed that they have introduced broccoli into this country. Like Mutt and Jeff, I am very fond of broccoli, and perhaps the introduction of broccoli will make up for the 33 years of existence of this hoary-headed bureau. If it is true that this bureau secured the introduction of broccoli into this country, I hope the chief of the bureau will advise me. I should like to claim it as a great accomplishment for the bureau.

Next we come to the botany investigation. We have 8,000,000 men out of employment in this country and the Government running $2,000,000,000 behind in operating expenses, and yet Mr. Hoover this year asks for $52,260 to further investigate botany:

For investigation and improvement in the utilization of wild plants and grazing lands, and to determine the distribution of weeds and means of their control.

Here we are asked to spend over $50,000 a year to know what to do with weeds. Those of us who were born and reared on a farm know what to do with weeds. It takes elbow grease and a good hoe or a good plow to get rid of weeds. We do not have to go to a bureau that has been in existence all these years to learn how to dispose of weeds.

Of this sum of $52,260, $47,210 is for personal services and $2,000 for travel pay. I suppose they have to travel out through various parts of the country to find out where the weeds are. There is $3,000 left, and I suppose that is spent for investigation, though, of course, I can not be certain, as some of it apparently was spent for rent, equipment, printing, and such things.

What could be more important at this time, I ask the Senate, than to determine the distribution of weeds and the means of their control? With our Government $2,000,000,000 behind in operating expenses, what an overshadowing question has been brought by the President and the Bureau of the Budget to the attention of the Senate in this item. What must we do with the weeds of the country? I suppose the 1932 weeds have not come up yet. When they come up next spring we must know how they are distributed and how to segregate them, so we have a bureau here in Washington to tell us about it. I remember, and I suppose other Senators remember, how our fathers taught us to dispose of weeds. We were given a hoe and told to go out and cut them down. We did not need any bureau here in Washington to tell us how to do it. Yet here is a bureau 64 years old that is still investigating to find out how to dispose of weeds and about the distribution of weeds.

Mr. President, this item shows how we allow these bureaus and their expenditures to grow. I sent to this bureau and asked for a bulletin on botany. While I have many bulletins that were sent to me, I find none on botany. I do not know much about botany and can not discuss it. I regret that in the short time this bureau has been in existence, only 60 years, we have not any bulletin from them on botany, and I hope some day when they get one I can read it, because when they get out a bulletin it is usually a good one. I hope these gentlemen, when they have had sufficient time—remember they have only been in existence 64 years—to get out a bulletin on botany will be good enough to send me a copy.

Botany was one of the subjects that I did not study when I was in school, and it is one that I have long wanted to study. I have an idea, away back in the back part of my head, that when this bureau gets time to prepare a bulletin on botany it is going to be a marvel of its kind, and I can get some real information on the subject, especially on the distribution of weeds.

Surely this bureau that has been established for 64 years, studying the distribution of weeds, can possibly give us some scientific information on that matter. Think of it, Mr. President, in this time of oppressive taxation, with the Government $2,000,000,000 behind in its operating expenses, with 8,000,000 people out of employment and many of them hungry—think of the Government spending all of this money to ascertain, among other things, the distribution of weeds! Again I say, it is a travesty upon Government.

INVESTIGATION OF HORTICULTURAL CROPS AND DISEASES

Another venerable bureau has charge of the investigation of horticultural crops and diseases. Whoever is at the head of that bureau is a fine financier. He has a splendid financial mind. I find that during the 44 years of the history of that bureau he has separated the Government from $14,038,929. Over $14,000,000 has been spent for the investigation of horticultural crops and diseases, and yet the bureau has not finished the investigation. Of course, by the time the Senator's great-grandson becomes old enough to become a Member of the Senate they may have a bulletin ready on the subject. We may have something of real interest after the expenditures, not only of $14,000,000 but of $14,000,000,000.

Now let me show just what this money is used for.

For investigation and control of diseases, for improvement of methods of culture, propagation, breeding, selection, and related activities concerned with the production of fruits, nuts—

I want to emphasize "nuts"—

vegetables, ornamentals, and related plants; for investigation of methods of harvesting, packing, shipping, storing, and utilizing these products; and for the study of the physiological and related changes of such products during the process of marketing and while in commercial storage.

And so forth, and so forth.

Apparently there has been no specific bulletin on this subject. Of course, the bureau, having been in existence only 44 years, has not yet had time, probably, to get out a bulletin; but there ought to be something to show for this $14,000,000. All I can say is that they certainly have a dandy bureau. Apparently it is the best bureau in the Government. They have 1 man at $9,000 a year, 19 men at about $5,000 a year, 14 men at $4,000 a year, and 21 men at $3,400 a year.

That is the way we are spending the Government's money. Here is a recommendation by the Budget and approved by the President of the United States where this mammouth bureau which is virtually doing nothing, the head man getting $9,000 a year, 19 men receiving about $5,000 a year, 14 men $4,000 a year, and 21 men $3,400 a year. Any man who can build up a bureau like that ought to be Secretary of the Treasury. My heavens, what a financier he must be to extract all that money from the Government on such a pretext!

That is a real bureau! They have evidently built it up through the ages that have passed since it was started, and apparently it is in fine running order. The salary list is the best that I find in the agricultural budget. The total appropriation asked for by the President is $1,447,660.

Think of it, $1,447,000—of which $1,110,000 is for personal services, which means salaries of officials and clerk hire, and, in addition to that, there is a trifling sum for traveling expenses of $75,000.

Think of it, Mr. President! This has been going on for more than 40 years, and there is no let-up in it. When is this thing going to end? When will they get this information that they were asked for some 44 years ago? Do investigations never cease?

INVESTIGATION OF RUBBER, FIBER, AND OTHER TROPICAL PLANTS

The next item is so important to the people of this country it can not be overlooked. It is the investigation of rubber, fiber, and other tropical plants—"other tropical plants." We are not a tropical country; rubber does not grow in the United States; and yet, Mr. President, since the organization of this bureau nearly $2,000,000 have been appropriated to investigate the growth of rubber in the United States.

The appropriation for the investigation of rubber, fiber, and other tropical plants is a very small one. It began in the year 1900 and only $1,754,913 has been expended. I read the provision as given by the President:

> Rubber, fiber, and other tropical plants: For investigation of crops introduced from tropical regions, and for the improvement of rubber, abaca, and other fiber plants by cultural methods, breeding—

Listen to this—here is what this bureau is doing:

> Breeding, acclimatization, adaptation, and selection, and for investigation of their diseases—

That would require the services of a "rubber" doctor, I suppose—

> and for determining the feasibility of increasing the production of hard fibers outside of the continental United States.

The total appropriation is $115,430 and the amount for personal services is $84,487.

Mr. President, here is a bureau that has been trying since the year 1900 to ascertain whether rubber and kindred tropical plants can be introduced into this country. I asked for a bulletin about this matter, and one has not been furnished me, so I suppose there is no such bulletin; but, as they have had only 32 years in which to get out a bulletin, we must not hurry them. It may be that one of these days we will get a bulletin as to how to raise tropical plants in the United States.

NEMATOLOGY

There is a very small appropriation in this bill for crop technological investigations, including the study of plant-infesting "nematodes."

We have other bureaus looking into worms, as has heretofore been shown. There appears to be some duplication; but this has such a fine name—"nematology"—that I do not see how any Senator could find it in his heart to vote for just $58,260 to investigate very small worms, especially when those worms are called "nematodes."

This is another rather hoary bureau. It has been with us since 1906. It is true that the appropriations never have been large. Evidently the financial head of this bureau has not shown himself a good money getter. If he had adopted the methods of those engaged in investigating horticultural crops and diseases, he would have gotten a great deal more money out of the Government. It may be, though, because this is a microscopic worm that the chief was good enough to take the position that we ought to have a miscroscopic appropriation for it.

FOOT-AND-MOUTH DISEASE

Mr. President, I am told—of course, I myself do not know, but I am told—that a great deal of good has been done by appropriations to combat the foot-and-mouth disease. It has been suggested facetiously many times that animals were not the only ones afflicted with foot-and-mouth disease; and that may be so.

This is another rather hoary bureau. It has been with us since 1902. There has been appropriated since that time, all told, the sum of $10,561,503 to eradicate this disease. The last big appropriation seems to have been in 1924. There seems not to have been any foot-and-mouth disease since that time; so we have just been reappropriating the unexpended balances of the appropriation of $3,500,000 contained in the second deficiency appropriation act of 1924; and all that is done this time is to reappropriate the portion still unexpended. I find that there is an unobligated balance of $1,436,017.

Mr. President, we have a bureau standing by ready at any moment to attack the foot-and-mouth disease; and the bureau no doubt will last as long as that unexpended balance can be carried on from year to year.

Of course, this item ought to come out of the bill. The Congress is nearly always in session, and if the foot-and-mouth disease breaks out it can be looked after and will be looked after. We ought not to keep a perpetual bureau here waiting for the foot-and-mouth disease to break out.

HOG CHOLERA

The bureau dealing with hog cholera was established in 1914. There has been expended up to date $4,533,150 to stamp out hog cholera. It is true that although it has been only 18 years since the work was started the bureau has issued a bulletin. The bulletin is very complete and shows exactly how the disease can be prevented and treated and eradicated. It seems to me the department has done everything that is possible. As I understand, there has been no epidemic of hog cholera in quite a number of years, and there ought not to be an appropriation for that purpose; yet the President has recommended $466,380 for that purpose for this year.

SOUTHERN CATTLE TICKS

Another hoary bureau is the one charged with looking after southern cattle ticks. It was established in 1907. The Government has contributed $13,695,595 since that time. The President estimates that $724,400 will be used for that purpose in 1933.

A bulletin has been issued on this subject, in the foreword of which this is said:

> The methods of eradication have been improved from time to time as new facts became known; and it may be stated that the methods have reached such a degree of perfection and have had such a wide practical test that the question of how to eradicate the tick is no longer an essential part of the problem. The main part of the task is to have hearty, vigorous, and conscientious cooperation of the people. In other words, the work will progress just as rapidly as the people desire it shall.

In that statement, Mr. President, is to be found a complete answer to this large appropriation for southern cattle ticks. The bulletin shows just precisely how the ticks can be eradicated, and the only appropriation necessary is one to enable these bulletins to be distributed. It is a waste of the people's money to do anything else, according to the statement of the bulletin itself; yet we have a large bureau here in Washington, and out of this appropriation of

$724,000 the sum of $573,500 is spent for personal services. This shows how, when a bureau once gets started, it never lets go.

CROP AND LIVESTOCK ESTIMATES

The work of preparing crop and livestock estimates was begun in 1864 during the Civil War. There has been spent on it altogether a total of $13,687,816. The President recommends that $790,320 be expended for this purpose in 1933.

This bureau, as I say, has been at work since 1864. Whether or not it does any good to the farmers is very doubtful. I think the crop estimates now provided for by law are exceedingly hurtful to prices. I know that there are certain great classes of cotton in Memphis where the Government virtually fixes the price by publishing every morning a statement as to the value of that cotton. We ought not to do it. The Department of Agriculture has been making these crop estimates, and they have simply become a part of the cotton-gambling program of the various cotton exchanges of the country. I should like to see the whole thing done away with, certainly the way it is used.

Let me add, Mr. President, that to my mind there is nothing more hurtful to the prices of cotton and wheat in this country than the crop estimates that are issued from time to time by the Bureau of Crop Estimates in the Department of Agriculture. Sometimes they hit it and sometimes they miss it, but at all times the farmers are injured by the publication of the estimates. I do not think we ought to spend a cent for such work; I think it ought to be stopped.

COTTON STATISTICS

The same thing is true, and even more true, of the work of the Bureau of Cotton Statistics. We have spent $1,773,898 on cotton statistics, and I do not believe they do any good.

MARKET-INSPECTION SERVICE

The same thing is also true of the market-inspection service. This bureau has been in existence since 1918. We have spent $4,671,946 on it since that time. While we spend a large sum now on market-inspection service—namely, $541,896, as shown on page 157—I do not believe it benefits the farmers in any appreciable degree.

COLOR INVESTIGATION

I next come to color investigations. The President has recommended $90,960 for this purpose. With the Government $2,000,000,000 behind in its running expenses and with the probability that it will be $6,000,000,000 behind in another year, with 8,000,000 people out of employment, and probably hundreds of thousands of them hungry, we are spending the Government's money for color investigations. Let me read what the item is:

> For investigation and experiment in the utilization for coloring, medicinal and technical purposes of raw materials grown or produced in the United States in cooperation with such persons, associations, or corporations as may be found necessary, including repairs, alterations, improvements, or additions to a building on the Arlington Experimental Farm.

Color investigations! Men and women starving in America, 8,000,000 out of employment in America, and the Government wasting its money on color investigations!

Here is another appropriation of $71,040 for forest economics. What is forest economics?

Mr. KING. Jobs.

Mr. McKELLAR. We might just as well establish a bureau for goat economics. Out of the $71,000 appropriated for this purpose $53,264 is for personal services. It is just another bureau.

Forest research is an item of the same kind. The total appropriation is $535,080, of which $403,240 is for personal services. Up to date over $13,000,000 has been spent for forest research, with people hungry and starving in America.

Mr. President, the various items I have named in these 29 amendments amount approximately to $151,000,000. We talk about economy, and yet here is the Budget Bureau directing the appropriation of $151,000,000 for these 29 bureaus, which, all put together, are either entirely out of date and serving no useful purpose or are altogether not worth a million dollars.

Mr. President, I am as much interested in agriculture as any man in this body, or any man in the United States for that matter, because I believe that the basis of all our prosperity is in the soil. I have selected these 29 appropriations in the agricultural bill simply because that bill came up first. There are equally useless bureaus in every department of the Government. Heaven knows, it is not because of anything against the farmer. These appropriations are not really for the farmer. They are for the bureaucrats who are working the farmer and at the same time working the Government.

We ought not to appropriate money to these bureaus in the way we have been doing. When the Government was rich and received more money than it could spend there might have been some excuse for this profligacy, but there is not any such excuse for it now. There ought to be a committee appointed by the Vice President to examine into the question of these appropriations.

I stop here long enough to say that I offered such an amendment some time ago, but after doing so I saw a bill that was introduced by the distinguished senior Senator from Arkansas, my friend Mr. ROBINSON, for a joint commission to be created by the House and the Senate, and I think that is the very best plan. I hope the bill may soon be reported out and passed by this Congress, so that the joint commission can take up this question of useless bureaus, of duplicating bureaus, of bureaus that are idly spending the people's money year after year, and the Congress does not even pass on the matter; because, as I explained to the Senate awhile ago, all these appropriations that have been authorized by law just come along year after year and are passed over without even reading them.

Mr. President, we must balance our Budget. It is the only way to keep this Government where it should be. Great Britain got behind $600,000,000, and the very fact that she was behind $600,000,000 in her running expenses caused a political revolution in that country. There was an overwhelming vote in favor of balancing the budget, and she did balance the budget, and she acted wisely when she balanced the budget.

Think where we are. We are not only $600,000,000 behind; we are over $3,000,000,000 behind right now, because we have appropriated $1,250,000,000 since this Congress met in December. We already have a deficit of $2,000,000,000. In addition to that we have authorized a billion and a half dollars of bonds for the Reconstruction Finance Corporation. We are going to authorize other big appropriations; and the President has sent in to us a Budget of $4,600,000,000. Our income is only $3,000,000,000, and in fact it is not even that. We do not know that we will get that amount. Then we are going to add another billion to it, according to the news from the House; and, suppose we do. That will be $4,000,000,000; and with all those additional taxes, the way I figure it out—and I believe my figures are correct—we will be somewhere between five and six billion dollars in the hole by July 1, 1933.

We can not balance the Budget in any other way than by cutting down these appropriations. We ought to start in with this first bill; and I am going to ask for a record vote, and I hope it will be granted, on the first one of these amendments. If it is voted down, I suppose it will be useless to go through the form in every case; but I am going to ask for a record vote on the barberry amendment.

I move to strike from the bill the appropriation for the barberry bureau; and I want to implore the Members of the Senate to consider the seriousness of what is in front of them. With our Government already owing all this money, and with the probability that the amount is going to increase greatly, I ask you, gentlemen of the Senate, to join me in cutting down these appropriations. As a practical matter, they are not needed. Let us cut them down where they can be cut down; and in these 29 bureaus they can be cut down.

I thank the Senate.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield the floor.

Mr. McNARY. Then we are to understand that the Senator will be content with offering the one amendment to which he has referred?

Mr. McKELLAR. No; there are several very important ones. Let us try the barberry bush amendment. I should like to have a vote on that first, because it is a typical case.

Mr. McNARY. I agree with that; but the Senator will be content with that as a test, and will abandon the others if that one is not agreed to?

Mr. McKELLAR. I do not feel like abandoning the others. I do not like the word "abandon." I never abandon a position I have taken where I thought it was right. If it was wrong, I am very happy to abandon it.

Mr. McNARY. Very well; then we will refrain from using the word "abandon."

Mr. McKELLAR. But let us see what the vote is. Let us have a vote on the barberry amendment. I will find it among the papers on my desk in just a moment.

Mr. PATTERSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement recently issued by the Secretary of Agriculture in regard to the bulletins prepared by that department.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Is there objection?

Mr. ROBINSON of Arkansas. What is the request of the Senator?

Mr. PATTERSON. I requested unanimous consent to have printed in the RECORD a statement recently issued by the Secretary of Agriculture in regard to bulletins prepared by that department.

Mr. ROBINSON of Arkansas. Mr. President, pending the request of the Senator from Missouri I desire to bring a matter to the attention of the Senate.

Mr. KING. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Utah.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Smith
Barkley	Dill	La Follette	Smoot
Bingham	Fess	Logan	Steiwer
Black	Fletcher	McGill	Stephens
Blaine	Frazier	McKellar	Thomas, Idaho
Borah	George	McNary	Thomas, Okla.
Bratton	Glass	Metcalf	Townsend
Brookhart	Glenn	Morrison	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Walcott
Byrnes	Harrison	Norris	Walsh, Mass.
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hatfield	Oddie	Waterman
Connally	Hayden	Patterson	Watson
Coolidge	Hebert	Pittman	Wheeler
Copeland	Howell	Reed	White
Costigan	Johnson	Robinson, Ark.	

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, there is a quorum present.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Missouri [Mr. PATTERSON] submitted a request for unanimous consent, which request has been temporarily suspended by myself.

I believe it is fair and just that the Senate should have brought to its attention the very unusual, the almost inexplicable, course which is being pursued by the Secretary of Agriculture. One finds difficulty in accounting for his action in certain particulars, to which attention is to be brought on any theory of fair-mindedness and intelligence on the part of the Secretary.

The particular document which it is asked shall be printed in the CONGRESSIONAL RECORD is nothing more than an attempt on the part of the Secretary of Agriculture to reply to criticisms which have been made here and elsewhere directed against publications and proceedings by the department of which he is presumed to be the head. For my part I have not the slightest objection to any statement which the Secretary would like to have published in reply to criticisms of his administration of the office which he is so highly honored by being permitted to fill.

The bill before the Senate carries the astonishing sum of almost three and a half million dollars, to be accurate, in excess of $3,369,350, for publicity purposes. The items which make up this aggregate appear on pages 69 to 72 of the bill before the Senate.

There is authorized $812,320 "for acquiring and diffusing among the people of the United States useful information on subjects connected with the marketing, handling, utilization, grading, transportation, and distributing of farm and nonmanufactured food products, and the purchasing of farm supplies," and so forth.

There is also incorporated a provision for the appropriation of a fund of $785,020 "for collecting, compiling, abstracting, analyzing, summarizing, interpreting, and publishing data relating to agriculture, including crop and livestock estimates, acreage, yield, grades, staples of cotton, stocks, and value of farm crops, and numbers, grades, and value of livestock and livestock products on farms, in cooperation with the Extension Service and other Federal, State, and local agencies."

In addition to these two enormous sums there is provided a further fund of $365,790 for "acquiring and diffusing useful information regarding agriculture, and for other purposes," having relation, among other things, to the export of agricultural products.

Finally, under Market News Service is this provision:

> For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of livestock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, cottonseed, hay, feeds, tobacco, and seeds, and other agricultural products, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of farm and food products, $1,406,220.

Making the aggregate of almost three and a half million dollars of which mention was made in the beginning of these remarks.

The Secretary of Agriculture has assumed to frank out in official envelopes a statement made by himself consisting of an attack on Democrats in the body at the other end of the Capitol. He has done that at the expense of the Government, with money provided by the Congress of the United States.

I hold in my hand one of the official envelopes which incorporated the statement to which I have referred, and which, presumably, was sent out under the item last read, Market News Service. On the envelope is printed: "United States Department of Agriculture. Office of the Secretary. Washington, D. C. Official business."

Then there is the common stamp on the envelope, "Penalty for private use," and so forth.

It seems that the department has established the practice of sending out to country newspapers throughout the United States what is alleged to be information concerning the market, and to all newspapers which have been in the habit of receiving such communications from the department the Secretary is alleged to have sent the attack on the Democratic membership of the House of Representatives, which I mentioned a few moments ago.

The statement is headed:

> Statement by Secretary of Agriculture Arthur M. Hyde, February 28, 1932.

I quote portions of the statement by the Secretary:

> Yesterday the Democratic organization in the House railroaded through a bill for $132,000,000 for roads.

Just what relationship that declaration has to "market news service" I would like to have the gigantic intellect which dominates the agricultural interests of this Nation in the name of the Secretary of Agriculture explain. There is, of course, no objection to the Secretary entertaining any view which he may be prompted to entertain concerning the

House Democratic leadership. There is no objection to his expressing it. But there arises a question of ethics and morals when he undertakes to carry on his political campaign by the misappropriation and false and improper use of public money, and if he or anyone here is lacking in the moral principle and the intelligence required to see the truth of this, I am unable to find language which can be properly spoken here to describe his lack of comprehension and intelligence. We are wasting public money by appropriating large general funds for publicity purposes—money which is used for political purposes by a Secretary of Agriculture, whose ethical standards are so at variance with those commonly accepted that they can not be described in parliamentary language.

Congress should hardly be expected, considering the condition of the Treasury, to provide campaign funds for members of the Cabinet in this administration.

To give an illustration of what newspaper editors and publishers think of the course pursued by the Secretary in abusing his power and in misusing public funds for political purposes, I read from the letter of a country newspaper publisher who, immediately upon receipt of this contemptible document, transmitted it to me:

I am sending you herewith a copy of what I think is the rankest thing that has come under my observation during the 30 years of my experience in newspaper work. The Department of Agriculture maintains a publicity service which it furnishes to weekly papers such as mine, but such service is supposed to deal solely with matters of farm interest and not with politics. I can not conceive of such a thing being passed out to the country papers under the guise of "farm news service." I think this is one of the rawest things that ever came under my observation—

And so forth.

The Secretary, after repeatedly denouncing the measure referred to as having been railroaded through the House by the Democrats, characterized it as a "pork-barrel" measure. His object, of course, was not to influence legislation. What was his object? What was the purpose of the Secretary in sending in a franked envelope to newspaper publishers a statement of the character described? Was it in compliance with the lofty purposes which presumably inspire Cabinet officers? No; it was a display of pettishness, of littleness of mind that is reflected in neglect of public duty in order to promote political advantage. He could not have expected to do anything more than to arouse criticism of Democrats in Congress.

The bill referred to was not regarded as strictly a partisan measure. It was almost identical with another bill that passed this body and the House a year ago by a unanimous vote, or nearly such, in both bodies, and which received the approval of the President. True, it was an emergency measure. It is also true that the emergency which prompted and apparently justified the first bill has not yet passed. The vote in the House on this bill—that is, the bill which the Secretary characterizes and condemns in his message to country newspapers, in his "farm marketing news service"—was yeas 205, nays 109. Of the yeas, 150 were cast by Democrats and 55 were cast by Republicans. Of the 109 nays, 12 were cast by Democrats and 97 by Republicans. There was a large number of absentees, some Members voting "present."

The Secretary did not realize that, instead of popularizing his own attitude, he was, perhaps, inviting criticism of the position he occupied, because there is a general feeling that the construction of rural post roads is a very practical and effective way of providing employment for those who require it in communities remote from the great centers.

But the merits of the bill, the fact that an almost identical measure passed both Houses of the Congress nearly unanimously, and the fact that this measure passed the body at the other end of the Capitol by large votes on both sides of the Chamber, are not essential to the question that I am now discussing, and that is that it is immoral and well-nigh indecent to use public funds, moneys appropriated from the Treasury of the United States, for partisan political purposes. It can not be justified when done by anyone, no matter whether he be a Democrat or a Republican. But when a member of the President's Cabinet resorts to methods of the character which I have described and pursues the policy of using trust funds in his hands—trust funds that have been amassed from 20-cent wheat and 5-cent cotton, or from whatever source—he puts himself in a position that no one in this body dare rise to defend unless he wishes to mark himself with the indelible brand of infamy.

The VICE PRESIDENT. The question is on the request of the Senator from Missouri. Is there objection?

Mr. ROBINSON of Arkansas. I have no objection.

Mr. HARRISON. I can see no objection. This is the matter which I answered in my speech in the Senate on yesterday.

The VICE PRESIDENT. Without objection, the statement will be printed in the RECORD, as requested.

The statement is as follows:

STATEMENT BY ARTHUR M. HYDE, SECRETARY OF AGRICULTURE, FOR EDITOR AND PUBLISHER

The Department of Agriculture realizes it has much to learn. We welcome criticism. I hope we are not so impervious as to fail to profit from it. But the criticism should be constructive, and the critic should know his facts.

Lately we have had the other kind a plenty. I believe that editors who have followed the widespread tirades against our farmers' bulletins will agree that most of the statements have been short on truth. The criticism originated with the United States Chamber of Commerce, and was relayed via the Senate Chamber, barbed with wit, embellished with wisecracks, and camouflaged under the fair name of economy. But the gentlemen who originated and transmitted the outburst were in blissful ignorance of the facts.

A few of the facts:

Sixty per cent of the alleged bulletins criticized never were printed by this department. They were articles printed by commercial magazines, the unemotional editors of which paid their own hard money for typesetters and white paper because they thought the information was of some value.

A bulletin on window curtaining was printed by the department. We issued it with the double-barrelled purpose of offering to the wives in humble homes an inexpensive method of making the home attractive, and of widening the market for cotton. It was printed at the request of cotton producers for whom a large demand for cotton would be a boom. Indeed, Congress has instructed several branches of the Government to try to widen the market for cotton.

A bulletin called "Lamb As You Like It" did not prove to the liking of a senatorial humorist. In that respect he differs from more than 200,000 of his fellow citizens who took the pains and bought stamps to write for it. He differs from producers who realized that a prejudice existed against lamb because housewives did not cook the meat properly.

The statement, made by this same Senator and spread throughout the country, that "we could forego * * * the $20,000,000 that we are using for the preparation and publication of bulletins" needs some important qualifications, reservations, and limitations, as well as much salt and ketchup before it can be swallowed.

The total output of the public Printing Office last year cost fifteen and one-half million dollars. Deduct two and one-half million spent by Congress. Deduct, roughly, another six and one-half million for job printing for the Treasury, Patent Office, and all other units of government, and the twenty million has shriveled to six and one-half million or thereabouts to pay for every governmental book, report, publication, or bulletin in all the executive and judicial branches of the Government. Many of these reports are required by acts of Congress.

Of the remaining six and one-half million, the Department of Agriculture spent last year $212,601 for farmers' bulletins and leaflets. The people of the United States wrote in, asked for, and received 17,000,000 such bulletins. They cost 1¼ cents a copy!

An 8-page bulletin on rompers brought a snort of senatorial satire. The total cost of that bulletin was only $1,018 for 130,000 copies. The cost therefore was about equal to the expense of printing the Senator's quips in the CONGRESSIONAL RECORD (free and bound editions). However, an important difference is that the people have already demanded 130,000 copies of the romper bulletin.

The Senator talked about a publication on the Love Life of the Bullfrog. Since when was the Bureau of Fisheries transferred to the Department of Agriculture? In any case, the only publication on frogs ever issued by the Department of Commerce was a technical treatise which came out back in 1919. It constituted a real contribution to biological knowledge and answered a demand for information on growing frogs for market.

For popular bulletins, which in a very real sense are part of this department's program of free education, we spend annually less than one-fifth of 1 cent per capita. Of the 750 different popular bulletins that we distribute, less than a dozen have been criticized. That's a pretty good average for any concern. These 12 are mostly in the field of home economics. It's a curious thing that our bulletins on fertilizers, plant propagation, disease, and insect control escape passing jibes, but as soon as we dare tell a

woman how to use cheap cotton fabrics in dressing her child healthfully, the wrath of the critics is turned loose. These criticized bulletins cost about $2,300 a year! One recent speech by a Senator increased the CONGRESSIONAL RECORD printing bill by $11,500.

We publish other bulletins, many of them technical studies. These are issued in small editions for scientists specializing in the subjects. They are not for the avèrage reader. Strangely enough these are not criticized. They are science, and entitled to respect, but when science steps into working clothes and goes out to the kitchen or the field to give practical application to her truths through the medium of the inexpensive bulletins or leaflets, then she subjects herself to the jibes of the uninformed.

One idea behind popular bulletins is the idea behind the public schools and the State universities. It is the idea behind the second-class mail rate, the idea that education and information are worth while.

Editors ought to understand more clearly than most others the basic reason for these bulletins. Most newspapers accept the burden of answering questions from readers. Some newspapers subscribe for a syndicated service that agrees to answer the questions that come in from readers. Replies to readers cost money, but newspapers accept it as part of their job. How much more is it the job of a public agency like the Department of Agriculture, supported by public funds and employing specialists who are recognized as authorities in their fields!

Our knowledge—no matter how developed—is public property. Every citizen has the privilege of writing to the department for information. Our specialists are investigating under specific appropriations provided for study of specific problems. The information is on tap for anyone who wants it, whether it is new or old. If the 6,000,000 separate farms do not turn to us or to the cooperating State institutions for information in usable form, where are they to get it? If they can't turn to us, why have a Department of Agriculture?

In the early days of the department it soon became evident that specialists were spending time and effort in replies to oft-repeated questions which could be answered better, more comprehensively, and much more economically with printed pamphlets. To-day the interest of the public is the principal determinant in selecting subjects for new popular bulletins. While a bulletin costs about 1¼ cents, a letter costs anywhere from 25 cents to a dollar. If a farmer writes to us and asks for information on onion culture and we reply, "We're sorry, but we can't tell you anything about onions because many people feel it wouldn't be a proper function of government," the cost for that short letter would be several times the cost of a bulletin that gives adequate information on growing onions. Quite obviously we wouldn't write such a negative type of letter. We would do the best we could to satisfy the request. The cost would be proportionately higher. If we spent less for bulletins we would spend much more for correspondence and many persons would have to go without.

From the standpoint of cost to the department and to the taxpayer we have found the press is the most economical channel for getting the fact to the man who can put it to work, but when editors find news or information in the achievements of the department they create a demand for bulletins that give more detailed information than a newspaper or periodical can be expected to supply. We try to meet the demand. Last year we were able to supply only about half the publications for which we had requests. It costs less on the average to print a bulletin than the 2-cent stamp the inquirer uses to ask for it.

A list of titles of agricultural publications sets off the hair-trigger humorist. An onion bulletin is good for a laugh except from the man who has his troubles growing and marketing onions. Ants make a picnic, and cheese is a strong spread for wisecrackers. But does this make for adequate or helpful criticism? In looking over examples of frothy fault-finding I have often wondered why it is that home economics bulletin titles draw so much male ridicule. Perhaps it is because it is easy to make fun of something you know little about.

One criticism that seems to me most deserving of consideration is that we are trying to teach in too many fields. I see the point of an editor in the Kansas wheat fields who wonders why we have a bulletin on mushroom growing. I have often wondered why a certain bulletin was published, and when I've investigated I have found there is a reason—usually a good reason—that the specialists need it to answer questions. That is the explanation for the leaflet on How to Make a Cat-Trap, which puzzled a good many. That 4-page leaflet, illustrated, makes a far better reply than a letter without illustrations. Why trap cats? Ask the man who wants the assistance of birds in his garden and orchard. Ask the farmer who wants to save his poultry. Ask the public-health official, who knows that stray cats spread disease.

Many people assume that the department scatters its bulletins helter-skelter, hoping that 1 out of 10, or thereabouts, will find a reader rather than a wastebasket. On the contrary, we do not mail bulletins unless an individual has written to the department and specifically requested information contained in a bulletin. We don't even try to stimulate requests. To the press we issue a notice of the availability of a new bulletin. The knowledge of the bulletin's availability spreads from there on. If the present barrage of criticism hasn't done anything else, it has certainly stimulated people to pour more requests for publications into our laps.

The department values and has benefited from intelligent criticisms of its publications. No group is more capable of giving us good advice in this respect than newspaper editors, who are paying more attention to science and agriculture than ever before. If I object to most of the recent comment on bulletins, it is because it obviously is based on misinformation which many editors appear to have accepted as trustworthy. When a Senator echoes a propagandist in suggesting that the Government could save $20,000,000 if we stopped printing bulletins, it is claptrap. When editors accept this in good faith and reason accordingly it becomes serious. Any editor can demand and get the facts in regard to publications, or for any specific publication—how much it cost, why it was printed, and information in regard to demand for distribution.

If the propagandists who are taking pot shots at the department really mean that we should abandon what is one of the most economical and effective methods of popular education and information, if they think the Government should discharge all its scientists, or let them work on without revealing the results, it would mean a change in policy that ought to be discussed seriously. It would deserve treatment more substantial than facile wit and wisecracks.

On the other hand, if they are interested in seeing rigid economy practiced by all Government departments we are with them. We've reduced our budget by millions. We've decreased our printing fund by $75,000. We've decreased travel. We will continue to take second place to none in economizing and in increasing efficiency. The chairman of the House Committee that handles the department's appropriation bill said the other day: "From my investigation I believe this department * * * has cooperated with the President 100 per cent in striving to reduce expenses. * * * It is striving with might and main to conduct an economical administration."

A bulletin is the most tangible evidence of a Government expenditure. The critic can hold it in his hand and shout about extravagance. The critic focuses on what seems to him a triviality and distorts it as characteristic of the whole. These bulletins are not published to waste the taxpayers' money. Rather they are our cheapest method of doing a very necessary job.

Mr. McNARY. Mr. President, the junior Senator from Utah [Mr. KING] yesterday moved to reconsider the vote by which the Budget recommendation favorable to an increase in the grasshopper item was incorporated in the bill.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Tennessee?

Mr. McNARY. Certainly.

Mr. McKELLAR. Would not the Senator be willing to take to conference the various amendments which I have offered and work them out there? In view of what has been said and what appear to be the facts in reference to the amendments, I hope that the Senator will be willing to accept them and let them go to conference.

Mr. McNARY. Oh, no. Of course, that is an unusual and fatuous request. It is unthinkable and unfair legislation. I would not be carrying out the desires and purposes and expressed views of the Senate. Of course, I would not do a thing like that.

The junior Senator from Utah [Mr. KING] yesterday, as he will recall, interposed a motion to reconsider the vote on the grasshopper item. Is it the desire of the Senator to discuss that subject at this time?

Mr. KING. Mr. President, the Senator from Maryland [Mr. TYDINGS] desires to discuss the matter, and I wanted to use it as a vehicle for a few observations generally upon the bill. If it is agreeable to the Senator, I am willing to pass it over for the present.

Mr. McNARY. I had hoped we could conclude the consideration of the bill to-day.

Mr. KING. I do not think the Senator can do so. The Senator knows that I have made no observations at all upon the bill.

Mr. McNARY. Does the Senator so desire?

Mr. KING. I expect to speak upon the bill.

Mr. McNARY. At any length?

Mr. KING. Yes; perhaps an hour.

Mr. McNARY. Could the Senator proceed at this time?

Mr. KING. Can we not proceed with some other amendments?

Mr. McNARY. I would prefer, if I may choose the course that may be pursued, to take up the amendments offered by the Senator from Tennessee [Mr. McKELLAR] at a later time. There is quite a number of them to be considered, and I should like to go through them without the interruption of a recess.

Mr. McKELLAR. I would suggest that we take them up when we convene to-morrow.

Mr. McNARY. It is the desire of an overwhelming majority that we may recess over this afternoon until Monday.

Mr. McKELLAR. That would be perfectly satisfactory to me.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 110) authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress, which was to strike out all after the resolving clause and insert:

That the Federal Farm Board is authorized and directed to take such action as may be necessary to make available, at any time prior to May 1, 1933, on application by the American National Red Cross, or any other organization designated by the American National Red Cross, wheat of the Grain Stabilization Corporation, for use in providing food for the needy and distressed people of the United States and Territories, and for feed for livestock in the 1931 crop-failure areas. Such wheat shall be delivered upon any such application only upon the approval of the President of the United States, and in such amounts to each organization as the President may approve, except that the total amount of wheat delivered as hereinbefore authorized shall not be in excess of 40,000,000 bushels.

SEC. 2. No part of the expenses incident to the delivery, receipt, and distribution of such wheat shall be borne by the United States or the Federal Farm Board. Such wheat may be milled or exchanged for flour or feed, but if processed it shall be without profit to any mill, organization, or other person. In cities of over 25,000 population the American National Red Cross or any other organization designated by it may have said flour obtained in accordance with section 2 baked into bread or processed into food for distribution: *Provided*, That no part of the expense incident to such baking or processing shall be paid out of said wheat or flour and no part of said expense shall be borne by the United States or the Federal Farm Board.

SEC. 3. The Federal Farm Board shall keep account of all wheat delivered as authorized in section 1 and shall credit the account of the Grain Stabilization Corporation with an amount equal to the current market value thereof at the time of delivery.

Mr. NORBECK. I move that the Senate concur in the House amendment.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from South Dakota.

Mr. NORRIS. Mr. President, I desire to ask the Senator from South Dakota a question or two regarding the joint resolution. In what respect does the amendment adopted by the House differ from the joint resolution passed by the Senate?

Mr. NORBECK. The Senate passed two measures.

Mr. NORRIS. I understand that and the House has incorporated them into one measure.

Mr. NORBECK. Yes.

Mr. NORRIS. Is there any material difference between the measures passed by the Senate and the measure which now comes from the House of Representatives?

Mr. NORBECK. There is no material difference.

The VICE PRESIDENT. The question is on the motion of the Senator from South Dakota to concur in the House amendment.

The motion was agreed to.

ORDER OF BUSINESS

Mr. McNARY. Mr. President, after conferring with other Senators who have amendments pending I think time would be made by recessing at this time until Monday.

RELIEF OF NAVAJO, ZUNI, AND APACHE INDIANS IN ARIZONA

Mr. FRAZIER. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from North Dakota?

Mr. McNARY. I yield.

Mr. FRAZIER. Out of order, I submit a resolution and ask that it may be read, and then I shall ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Let the resolution be read.

The Chief Clerk read the resolution (S. Res. 179), as follows:

Whereas a series of blizzards without precedent in the history of the Southwest has destroyed more than 200,000 of the sheep belonging to the Navajo, Zuni, and Apache Tribes, and has brought about a condition of starvation among the livestock which, unless met at once, will result in the destruction of percentages of the Indian-owned sheep running as high as 60 per cent or higher in some areas; and

Whereas the destruction of the livestock of these tribes means the destruction of their chief and frequently their only source of self-support, and if allowed to go forward will necessitate the feeding of thousands of Indians at Government expense, with the incidental demoralization of the economic system of the tribes, and ultimately will compel the Government to spend a very large sum in the purchase of sheep to restock the reservations; and

Whereas the Department of Agriculture has under its control funds which could immediately be lent to these Indians, with their sheep as security, thus making it possible for the Indians to keep their sheep alive by feeding until the spring grass comes; and

Whereas it is impossible for the Department of Agriculture to extend this aid to the Indians except with the consent and cooperation of the Department of the Interior and Bureau of Indian Affairs; and

Whereas, although informed of the facts, the Commissioner of Indian Affairs has practically obstructed the action of the Department of Agriculture through proposing that funds legally under the jurisdiction of the Department of Agriculture shall be transferred to the Department of the Interior, a proposal difficult or impossible to meet within the terms of existing law and regulations: Therefore be it

Resolved, That it is the sense of the Senate that the Secretary of the Interior and the Commissioner of Indian Affairs should move instantly to bring the help of the Department of Agriculture to the Indians in the manner which is feasible under existing law and existing regulations, by enabling the Indians to hypothecate their livestock to the Government and by assisting the Department of Agriculture with all means at their command to extend the necessary credit to the Indians in the most expeditious possible manner.

Mr. FRAZIER. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, the resolution involves a matter of departmental consideration. I think it is important to consider the resolution, and I would not want at this time to ask that it go over under the rule.

Mr. ASHURST. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Arizona?

Mr. McNARY. I yield.

Mr. ASHURST. I desire first to thank the Senator from Oregon for yielding. The resolution relates to a subject of some controversy and of vast importance. It will be remembered that on January 4 last I introduced to the deficiency bill my amendment for $75,000 to purchase food for stormbound Indians in northern Arizona and northern New Mexico and to purchase feed to save the flocks and herds of these Indians. At that time I told the Senate that commencing with November 21 last, snowstorms and blizzards of Siberian ferocity and Arctic fury had fallen upon the Indian reservations in northern Arizona and northern New Mexico, where dwell over 50,000 pure-blood Indians. These storms came at intervals and for many weeks the whole of that Indian country, 20,000 square miles in area, was as a marble ocean.

Indians perished in the snowdrifts, starved in the storms, and froze in the frosts. Their mainstays of support and subsistence are sheep and goats, and these winds and snows, with the thermometer ranging from 10 to 30 degrees below, decimated the Indians' herds and flocks.

The Indian Bureau here and the superintendents of the various reservations in the field put forth valiant efforts at relief, and I stated then that an appropriation of $75,000 was necessary to purchase food for the Indians and feed for their sheep and goats.

The two Houses of Congress agreed to my amendment and the item became a law.

Since I spoke those words on January 4 last another snowstorm, accompanied by extreme cold and cyclonic winds, struck that region.

These Indians, in addition to following their immemorial pastoral pursuits, also make blankets, rugs, silver ornaments, and pottery.

These different tribes inhabiting this 20,000 square miles represent various cultural standards; one tribe may be nomadic and pastoral and another may be sedentary and agricultural.

Mr. President, it is sometimes asserted that noblesse oblige and gallantry are extinct in this mechanical and scientific

age, and that sympathy for human suffering does not touch the heart as once it did; but as against such assertions I now relate an episode of valor and high emprise as follows: The severity of the storms made it impossible for trucks or even for horsemen to traverse the storm-swept region, whereupon the Air Corps of the Army sent out seven bombing planes, and these bombing planes, like great birds of mercy, dropped down upon these widely scattered and famishing Indian families who could not be reached by horsemen, not steel messengers of death, but packages of food. Each package or bundle weighed 100 pounds and contained tea, coffee, sugar, bacon, and bread.

I do not agree with any suggestion made by resolution or otherwise that the Bureau of Indian Affairs was at all remiss or negligent in this behalf. On the contrary, I am bound to say, as a man who desires to be fair, that the Bureau of Indian Affairs and the superintendents and all the personnel in the field did everything within their power to extend relief.

Congress frequently thanks this soldier or that citizen, but I have the unique distinction this afternoon, on behalf of the Indians of that region, to thank Congress. Amidst the shower of approbrious epithets heaped upon Congress, I, on behalf of these Indian tribes and at their request, thank Congress for the passage of my amendment making available $75,000, which went into the deficiency bill, to aid the Indians and to purchase feed for their sheep and goats.

These Indians are our wards, and if we permit them to perish, if we permit their holdings of livestock to be reduced to the point where the Indians become charges upon the Treasury, the fault and blame will be ours. Embraced in the membership of these different tribes are men of acumen, of industry, of purpose, and of upstanding integrity. It is well worth the attention of this Congress to take measures looking toward assisting them in replenishing their herds of sheep and goats, and I again say that I do not join in any criticism of the Bureau of Indian Affairs.

To permit these tribes to be extinguished would be a foul blot and an angry scar upon our Government.

Mr. BRATTON. Mr. President, the situation existing on the Navajo Reservation presents some very serious aspects. With every reasonable effort to lend assistance I am in hearty sympathy. The Senators from Arizona and the Senators from New Mexico have collaborated in an effort to aid in relieving the distress.

The resolution proposed by the Senator from North Dakota, however, is a proposal with which I am not familiar. I had no notice that he intended to offer it. He and I have not discussed it. The resolution presents a unique suggestion, and one that I should like to consider. In view of the fact that I have not considered it, and have had no opportunity to do so, I shall ask that it go over until Monday.

The VICE PRESIDENT. The resolution will go over under the rule.

RECESS UNTIL MONDAY

Mr. McNARY. Mr. President, I move that the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.) the Senate took a recess until Monday, March 7, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 4 (legislative day of March 2), 1932

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Charles H. Sherrill, of New York, to be ambassador extraordinary and plenipotentiary of the United States of America to Turkey.

UNITED STATES MARSHAL

Joseph Fritsch, jr., of New York, to be United States marshal, western district of New York. (He is now serving in this position under an appointment which expires March 7, 1932.)

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

To be brigadier general, Auxiliary Reserve

Brig. Gen. Henry Lewis Stimson, Auxiliary Reserve, from May 16, 1932.

POSTMASTERS

ALABAMA

George F. Schad to be postmaster at Brewton, Ala., in place of G. F. Schad. Incumbent's commission expires March 22, 1932.

John T. Mizell to be postmaster at Clio, Ala., in place of J. T. Mizell. Incumbent's commission expires March 22, 1932.

Allie L. Boutwell to be postmaster at Flomaton, Ala., in place of A. L. Boutwell. Incumbent's commission expires March 28, 1932.

Jesse G. Moore to be postmaster at Florence, Ala., in place of H. A. Cathey, removed.

William A. Giddens to be postmaster at Frisco City, Ala., in place of W. A. Giddens. Incumbent's commission expired March 1, 1932.

Annie K. Fazenbaker to be postmaster at Fulton, Ala., in place of A. K. Fazenbaker. Incumbent's commission expires March 22, 1932.

Blevins S. Perdue to be postmaster at Greenville, Ala., in place of B. S. Perdue. Incumbent's commission expires March 22, 1932.

Robert O. Atkins to be postmaster at Heflin, Ala., in place of R. O. Atkins. Incumbent's commission expires March 22, 1932.

Oliver P. Williams to be postmaster at Henagar, Ala., in place of O. P. Williams. Incumbent's commission expired March 1, 1932.

Ora B. Wann to be postmaster at Madison, Ala., in place of O. B. Wann. Incumbent's commission expired March 1, 1932.

Thomas C. Latham to be postmaster at Marvel, Ala., in place of T. C. Latham. Incumbent's commission expired March 1, 1932.

Grover C. Warrick to be postmaster at Millry, Ala., in place of G. C. Warrick. Incumbent's commission expires March 22, 1932.

Willer B. Goodman to be postmaster at New Brockton, Ala., in place of W. B. Goodman. Incumbent's commission expires March 22, 1932.

Harry E. Marshall to be postmaster at Orrville, Ala., in place of W. T. Cowan. Incumbent's commission expired March 1, 1931.

Albert H. Quinn to be postmaster at Quinton, Ala., in place of A. H. Quinn. Incumbent's commission expires March 22, 1932.

Clyde Oldshue to be postmaster at Sulligent, Ala., in place of Clyde Oldshue. Incumbent's commission expires March 22, 1932.

Lucious E. Osborn to be postmaster at Vina, Ala., in place of L. E. Osborn. Incumbent's commission expires March 22, 1932.

ALASKA

Wilkie T. Pinkerton to be postmaster at Fairbanks, Alaska, in place of W. T. Pinkerton, removed.

Lydia Noble to be postmaster at Kodiak, Alaska, in place of L. H. White, resigned.

Owen E. Meals (Mrs.) to be postmaster at Valdez, Alaska, in place of George Warner, resigned.

ARKANSAS

Ernest H. Alfrey to be postmaster at Bentonville, Ark., in place of E. S. Miller. Incumbent's commission expired January 23, 1932.

Mary E. Catts to be postmaster at Washington, Ark., in place of M. E. Catts. Incumbent's commission expires March 27, 1932.

CALIFORNIA

Purley O. Van Deren to be postmaster at Broderick, Calif., in place of P. O. Van Deren. Incumbent's commission expires March 14, 1932.

Peter Garrick to be postmaster at Camino, Calif., in place of Peter Garrick. Incumbent's commission expires March 7, 1932.

Lew E. Wickes to be postmaster at Castella, Calif., in place of L. E. Wickes. Incumbent's commission expires March 7, 1932.

Daniel G. Thomas to be postmaster at Colton, Calif., in place of D. G. Thomas. Incumbent's commission expired January 29, 1931.

Floyd F. Howard to be postmaster at Courtland, Calif., in place of F. F. Howard. Incumbent's commission expires March 14, 1932.

Anthon G. Heerman to be postmaster at Dinuba, Calif., in place of A. G. Heerman. Incumbent's commission expires March 14, 1932.

Julia M. Arbini to be postmaster at Fairfax, Calif., in place of J. M. Arbini. Incumbent's commission expired March 3, 1931.

Maude H. Parsons to be postmaster at Gerber, Calif., in place of M. H. Parsons. Incumbent's commission expired January 11, 1932.

George L. Clare to be postmaster at Guerneville, Calif., in place of G. L. Clare. Incumbent's commission expired December 17, 1931.

Nelson S. Dilworth to be postmaster at Homet, Calif., in place of N. S. Dilworth. Incumbent's commission expires March 14, 1932.

Edwin J. Thompson to be postmaster at La Jolla, Calif., in place of E. J. Thompson. Incumbent's commission expired January 31, 1932.

Frances E. Bennett to be postmaster at Mills College, Calif., in place of F. E. Bennett. Incumbent's commission expires March 14, 1932.

Albert K. Small, to be postmaster at Murrieta, Calif., in place of A. K. Small. Incumbent's commission expires March 14, 1932.

Winfield S. Buchner to be postmaster at Oildale, Calif., in place of W. S. Buchner. Incumbent's commission expires March 14, 1932.

Irven N. Rowen to be postmaster at Robbins, Calif. Office became presidential July 1, 1931.

Manuel S. Trigueiro to be postmaster at San Miguel, Calif., in place of M. S. Trigueiro. Incumbent's commission expires March 14, 1932.

Walter L. Milne to be postmaster at Talmage, Calif. Office became presidential July 1, 1931.

Rose C. Odell to be postmaster at Tulare, Calif., in place of R. C. Odell. Incumbent's commission expires March 20, 1932.

Walter M. Brown to be postmaster at Turlock, Calif., in place of W. M. Brown. Incumbent's commission expires March 7, 1932.

Jennie E. Kirk to be postmaster at Waterford, Calif., in place of J. E. Kirk. Incumbent's commission expires March 7, 1932.

COLORADO

Bessie Salabar to be postmaster at Bayfield, Colo., in place of Bessie Salabar. Incumbent's commission expired March 1, 1932.

Alice A. Blazer to be postmaster at Elizabeth, Colo., in place of A. A. Blazer. Incumbent's commission expired March 1, 1932.

Ben H. Glaze to be postmaster at Fowler, Colo., in place of B. H. Glaze. Incumbent's commission expired March 1, 1932.

Paul C. Boyles to be postmaster at Gunnison, Colo., in place of P. C. Boyles. Incumbent's commission expired March 1, 1932.

Thomas B. Scott to be postmaster at Meeker, Colo., in place of T. B. Scott. Incumbent's commission expires March 8, 1932.

John H. Mallot to be postmaster at Mount Harris, Colo., in place of J. H. Mallot. Incumbent's commission expired February 27, 1932.

Edward F. Baldwin to be postmaster at Nucla, Colo., in place of E. F. Baldwin. Incumbent's commission expired March 1, 1932.

John R. Munro to be postmaster at Rifle, Colo., in place of J. R. Munro. Incumbent's commission expired March 1, 1932.

CONNECTICUT

Henry G. Linsley to be postmaster at Branford, Conn., in place of H. G. Linsley. Incumbent's commission expired December 19, 1931.

Marshall Emmons to be postmaster at East Haddam, Conn., in place of Marshall Emmons. Incumbent's commission expired March 1, 1932.

Sidney M. Cowles to be postmaster at Kensington, Conn., in place of S. M. Cowles. Incumbent's commission expired March 1, 1932.

Herbert E. Erwin to be postmaster at New Britain, Conn., in place of H. E. Erwin. Incumbent's commission expires March 16, 1932.

Clifford E. Chapman to be postmaster at Niantic, Conn., in place of C. E. Chapman. Incumbent's commission expires March 9, 1932.

DELAWARE

James M. Montgomery to be postmaster at Edge Moor, Del., in place of J. M. Montgomery. Incumbent's commission expires March 20, 1932.

Jehu F. Hudson to be postmaster at Georgetown, Del., in place of J. F. Hudson. Incumbent's commission expired January 17, 1932.

William R. Risler to be postmaster at Lincoln, Del., in place of W. R. Risler. Incumbent's commission expires March 24, 1932.

FLORIDA

Gabriel I. Daurelle to be postmaster at Bowling Green, Fla., in place of G. I. Daurelle. Incumbent's commission expired January 11, 1932.

GEORGIA

Sallie G. Purvis to be postmaster at Pembroke, Ga., in place of S. G. Purvis. Incumbent's commission expired June 3, 1930.

HAWAII

Edward K. Ayau to be postmaster at Aiea, Hawaii, in place of E. K. Ayau. Incumbent's commission expired January 11, 1932.

IDAHO

Clarence P. Smith to be postmaster at Eden, Idaho, in place of C. P. Smith. Incumbent's commission expired March 2, 1932.

Arthur B. Bean to be postmaster at Pocatello, Idaho, in place of A. B. Bean. Incumbent's commission expires March 12, 1932.

ILLINOIS

Bryce E. Currens to be postmaster at Adair, Ill., in place of B. E. Currens. Incumbent's commission expired March 2, 1932.

Rose S. Beard to be postmaster at Arenzville, Ill., in place of R. S. Beard. Incumbent's commission expires March 21, 1932.

Robert N. Bragg to be postmaster at Brimfield, Ill., in place of R. N. Bragg. Incumbent's commission expires March 21, 1932.

William F. Lammers to be postmaster at Buckley, Ill., in place of W. F. Lammers. Incumbent's commission expires March 30, 1932.

Georgia W. Cooper to be postmaster at Congress Park, Ill., in place of G. W. Cooper. Incumbent's commission expires March 8, 1932.

Guy H. McKelvey to be postmaster at Coulterville, Ill., in place of G. H. McKelvey. Incumbent's commission expired January 10, 1932.

John W. Nelson to be postmaster at Donovan, Ill., in place of J. W. Nelson. Incumbent's commission expires March 22, 1932.

Edward F. Tedens to be postmaster at Lemont, Ill., in place of E. F. Tedens. Incumbent's commission expires March 21, 1932.

Ulysses E. Smith to be postmaster at Metropolis, Ill., in place of U. E. Smith. Incumbent's commission expired January 27, 1932.

Arthur F. Sturgis to be postmaster at Middletown, Ill., in place of A. F. Sturgis. Incumbent's commission expires March 21, 1932.

Frank Ohlhausen to be postmaster at Midlothian, Ill., in place of R. K. Cumming, resigned.

James W. Scott to be postmaster at Monmouth, Ill., in place of J. W. Scott. Incumbent's commission expires March 30, 1932.

Willard L. Dragoo to be postmaster at Pawnee, Ill., in place of H. E. Farnam, deceased.

Joseph R. Atkinson to be postmaster at Sidell, Ill., in place of J. R. Atkinson. Incumbent's commission expires March 22, 1932.

Vern L. Shinneman to be postmaster at Weldon, Ill., in place of V. L. Shinneman. Incumbent's commission expires March 30, 1932.

INDIANA

Charles L. Winter to be postmaster at Bicknell, Ind., in place of Hugh Horn. Incumbent's commission expired January 11, 1932.

Foster V. Annis to be postmaster at Bremen, Ind., in place of F. V. Annis. Incumbent's commission expires March 16, 1932.

Jesse Dowen to be postmaster at Carbon, Ind., in place of Jesse Dowen. Incumbent's commission expired March 2, 1932.

LaFayette H. Ribble to be postmaster at Fairmount, Ind., in place of L. H. Ribble. Incumbent's commission expired March 2, 1932.

Earl H. Shepherd to be postmaster at Geneva, Ind., in place of O. A. Potter. Incumbent's commission expired March 3, 1931.

William G. McNeelan to be postmaster at Holton, Ind., in place of W. G. McNeelan. Incumbent's commission expires March 16, 1932.

Harry F. Dutton to be postmaster at Martinsville, Ind., in place of R. E. Tilford. Incumbent's commission expired January 10, 1932.

McKinley Elliott to be postmaster at Middlebury, Ind., in place of McKinley Elliott. Incumbent's commission expires March 14, 1932.

Herman A. Douglass to be postmaster at Monticello, Ind., in place of G. W. Gilbert, deceased.

James J. Patchell to be postmaster at Union City, Ind., in place of J. J. Patchell. Incumbent's commission expires March 22, 1932.

William I. Ellison to be postmaster at Winona Lake, Ind., in place of W. I. Ellison. Incumbent's commission expired March 2, 1932.

IOWA

Charles O. McLean to be postmaster at Ankeny, Iowa, in place of C. O. McLean. Incumbent's commission expires March 27, 1932.

Joseph D. Schaben to be postmaster at Earling, Iowa, in place of J. D. Schaben. Incumbent's commission expires March 8, 1932.

Edward A. Hansen to be postmaster at Holstein, Iowa, in place of E. A. Hansen. Incumbent's commission expires March 27, 1932.

Marinus Jansma to be postmaster at Hospers, Iowa, in place of Marinus Jansma. Incumbent's commission expires March 27, 1932.

Leander G. Kelley to be postmaster at Lamoni, Iowa, in place of L. G. Kelley. Incumbent's commission expired January 10, 1932.

Ray C. Edmonds to be postmaster at Le Mars, Iowa, in place of R. C. Edmonds. Incumbent's commission expires March 27, 1932.

Anna A. Meek to be postmaster at Minburn, Iowa, in place of A. A. Meek. Incumbent's commission expired December 19, 1931.

John E. Klutts to be postmaster at Mondamin, Iowa, in place of J. E. Klutts. Incumbent's commission expires March 27, 1932.

Edna Hesser to be postmaster at Nichols, Iowa, in place of Edna Hesser. Incumbent's commission expired March 2, 1932.

Emil A. Larson to be postmaster at Red Oak, Iowa, in place of J. S. Baxter. Incumbent's commission expired December 19, 1931.

Perry B. Wilson to be postmaster at Shannon City, Iowa, in place of P. B. Wilson. Incumbent's commission expires March 27, 1932.

Ora L. Garton to be postmaster at Weldon, Iowa, in place of O. L. Garton. Incumbent's commission expires March 27, 1932.

KANSAS

Jessie W. Lloyd to be postmaster at Athol, Kans., in place of J. W. Lloyd. Incumbent's commission expires March 27, 1932.

Anna L. Miller to be postmaster at Bushton, Kans., in place of A. L. Miller. Incumbent's commission expires March 27, 1932.

Joseph V. Barbo to be postmaster at Lenora, Kans., in place of J. V. Barbo. Incumbent's commission expired March 1, 1932.

Forrest L. Powers to be postmaster at Le Roy, Kans., in place of F. L. Powers. Incumbent's commission expired March 1, 1932.

George J. Frank to be postmaster at Manhattan, Kans., in place of G. J. Frank. Incumbent's commission expired March 1, 1932.

Cyrus L. Holeman to be postmaster at Maplehill, Kans., in place of Olive Clements, resigned.

Nora J. Casteel to be postmaster at Montezuma, Kans., in place of N. J. Casteel. Incumbent's commission expired March 1, 1932.

Anna M. Bryan to be postmaster at Mullinville, Kans., in place of A. M. Bryan. Incumbent's commission expired March 1, 1932.

Andrew M. Ludvickson to be postmaster at Severy, Kans., in place of A. M. Ludvickson. Incumbent's commission expired March 1, 1932.

Walter R. Lathrop to be postmaster at Smith Center, Kans., in place of A. F. Reder, resigned.

James B. Pratt to be postmaster at Syracuse, Kans., in place of J. B. Pratt. Incumbent's commission expires March 16, 1932.

KENTUCKY

Clifford V. Bryant to be postmaster at Fleming, Ky., in place of A. G. Bryant, removed.

Claude T. Winslow to be postmaster at Mayfield, Ky., in place of C. T. Winslow. Incumbent's commission expired January 12, 1932.

Benjamin F. Shepard to be postmaster at Wayland, Ky., in place of Byrd Wicker, resigned.

LOUISIANA

George W. Varnado to be postmaster at Franklinton, La., in place of G. W. Varnado. Incumbent's commission expired January 13, 1932.

Lillian D. Gayle to be postmaster at Independence, La., in place of L. D. Gayle. Incumbent's commission expires March 21, 1932.

Edwin A. O'Brien to be postmaster at Lafayette, La., in place of R. L. Mouton, resigned.

MAINE

Hugh Hayward to be postmaster at Ashland, Me., in place of Hugh Hayward. Incumbent's commission expired March 2, 1932.

Marion E. Brown to be postmaster at Belfast, Me., in place of W. C. Libbey, resigned.

H. Emily Cunningham to be postmaster at Damariscotta Mills, Me. Office became presidential July 1, 1931.

Bernard V. Thompson to be postmaster at Easton, Me., in place of B. V. Thompson. Incumbent's commission expires March 21, 1932.

Charles C. McLaughlin to be postmaster at Harmony, Me., in place of C. C. McLaughlin. Incumbent's commission expires March 27, 1932.

Harry J. White to be postmaster at Jonesport, Me., in place of H. J. White. Incumbent's commission expires March 16, 1932.

Thomas E. Wilson to be postmaster at Kittery, Me., in place of T. E. Wilson. Incumbent's commission expired March 2, 1932.

Harold C. Gates to be postmaster at Millinocket, Me., in place of H. C. Gates. Incumbent's commission expires March 21, 1932.

Winfield L. Ames to be postmaster at North Haven, Me., in place of W. L. Ames. Incumbent's commission expired March 2, 1932.

Hiram Ricker, jr., to be postmaster at South Poland, Me., in place of Hiram Ricker, jr. Incumbent's commission expired March 2, 1932.

Carl W. Mitchell to be postmaster at Union, Me., in place of C. W. Mitchell. Incumbent's commission expires March 7, 1932.

George E. Sands to be postmaster at Wilton, Me., in place of G. E. Sands. Incumbent's commission expired March 2, 1932.

Parker B. Stinson to be postmaster at Wiscasset, Me., in place of P. B. Stinson. Incumbent's commission expired March 2, 1932.

MARYLAND

Harry E. Pyle to be postmaster at Aberdeen Proving Ground, Md., in place of H. E. Pyle. Incumbent's commission expires March 6, 1932.

Thomas G. Pearce to be postmaster at Glenarm, Md., in place of T. G. Pearce. Incumbent's commission expires March 12, 1932.

MASSACHUSETTS

Fred C. Small to be postmaster at Buzzards Bay, Mass., in place of F. C. Small. Incumbent's commission expired March 1, 1932.

Isabelle Crocker to be postmaster at Cotuit, Mass., in place of Isabelle Crocker. Incumbent's commission expires March 22, 1932.

Chestina B. Robbins to be postmaster at East Templeton, Mass., in place of C. B. Robbins. Incumbent's commission expires March 22, 1932.

Edwin C. Howe to be postmaster at Enfield, Mass., in place of E. C. Howe. Incumbent's commission expires March 27, 1932.

Bernard Campbell to be postmaster at Millville, Mass., in place of Bernard Campbell. Incumbent's commission expired January 13, 1932.

Maryetta Browne to be postmaster at State Farm, Mass., in place of F. P. Turner, resigned.

Harry W. Metcalf to be postmaster at Wrentham, Mass., in place of H. W. Metcalf. Incumbent's commission expires March 22, 1932.

MICHIGAN

Homer E. Buck to be postmaster at Bay City, Mich., in place of H. E. Buck. Incumbent's commission expired January 9, 1932.

Arthur R. Gerow to be postmaster at Cheboygan, Mich., in place of A. R. Gerow. Incumbent's commission expires March 21, 1932.

Bert E. Paul to be postmaster at Dowagiac, Mich., in place of John Fenine. Incumbent's commission expired January 9, 1932.

Melvin A. Bates to be postmaster at Grayling, Mich., in place of M. A. Bates. Incumbent's commission expired March 1, 1932.

Dudley E. Hewitt to be postmaster at Petersburg, Mich., in place of J. D. Housman, resigned.

Wilda P. Hartingh to be postmaster at Pinconning, Mich., in place of W. P. Hartingh. Incumbent's commission expired March 1, 1932.

Christina B. Grozinger to be postmaster at Woodland, Mich., in place of C. B. Grozinger. Incumbent's commission expires March 21, 1932.

MINNESOTA

Ernest J. Grunst to be postmaster at Alpha, Minn., in place of E. J. Grunst. Incumbent's commission expired March 1, 1932.

Claude C. Stubbe to be postmaster at Ashby, Minn., in place of C. C. Stubbe. Incumbent's commission expired February 28, 1931.

Claire L. Lewis to be postmaster at Big Lake, Minn., in place of E. E. Putnam, deceased.

Agnes Doyle to be postmaster at Bovey, Minn., in place of Agnes Doyle. Incumbent's commission expired March 1, 1932.

Frederic E. Hamlin to be postmaster at Chaska, Minn., in place of F. E. Hamlin. Incumbent's commission expires March 29, 1932.

Olga P. Hatling to be postmaster at Dalton, Minn., in place of O. P. Hatling. Incumbent's commission expired January 10, 1932.

Georgia C. Hompe to be postmaster at Deer Creek, Minn., in place of G. C. Hompe. Incumbent's commission expired January 10, 1932.

Eva Cole to be postmaster at Delavan, Minn., in place of Eva Cole. Incumbent's commission expires March 19, 1932.

Ralph C. Peterson to be postmaster at Dilworth, Minn., in place of R. C. Peterson. Incumbent's commission expired January 10, 1932.

Theresa E. Thoreson to be postmaster at East Grand Forks, Minn., in place of T. E. Thoreson. Incumbent's commission expired January 10, 1932.

Clarence W. Ivey to be postmaster at Elmore, Minn., in place of C. W. Ivey. Incumbent's commission expired January 10, 1932.

John A. Gregerson to be postmaster at Fertile, Minn., in place of J. A. Gregerson. Incumbent's commission expired January 10, 1932.

Edith B. Triplett to be postmaster at Floodwood, Minn., in place of E. B. Triplett. Incumbent's commission expires March 20, 1932.

Emanuel Nyman to be postmaster at Foley, Minn., in place of Emanuel Nyman. Incumbent's commission expired December 17, 1930.

George H. Baer to be postmaster at Frazee, Minn., in place of G. H. Baer. Incumbent's commission expired January 10, 1932.

Erwin B. Whitney to be postmaster at Granite Falls, Minn., in place of E. B. Whitney. Incumbent's commission expired March 3, 1931.

Charles A. Anderson to be postmaster at Greenbush, Minn., in place of C. A. Anderson. Incumbent's commission expired January 10, 1932.

Herbert L. McChesney to be postmaster at Hewitt, Minn., in place of H. W. Noeske. Incumbent's commission expired March 11, 1930.

Lewis H. Merrill to be postmaster at Hutchinson, Minn., in place of L. H. Merrill. Incumbent's commission expires March 20, 1932.

Louis W. Galour to be postmaster at Iona, Minn., in place of L. W. Galour. Incumbent's commission expires March 29, 1932.

Carl F. Peterson to be postmaster at Kennedy, Minn., in place of C. F. Peterson. Incumbent's commission expired January 10, 1932.

Roy Coleman to be postmaster at Lancaster, Minn., in place of Roy Coleman. Incumbent's commission expired January 10, 1932.

Arnold E. Talle to be postmaster at McIntosh, Minn., in place of A. E. Talle. Incumbent's commission expired January 10, 1932.

Clara M. Hjertos to be postmaster at Middle River, Minn., in place of C. M. Hjertos. Incumbent's commission expires March 29, 1932.

Francis S. Pollard to be postmaster at Morgan, Minn., in place of F. S. Pollard. Incumbent's commission expires March 29, 1932.

Vera M. Parks to be postmaster at Nisswa, Minn. Office became presidential July 1, 1931.

Edward J. Soland to be postmaster at Oklee, Minn., in place of E. J. Soland. Incumbent's commission expired March 3, 1931.

Abraham L. Ober to be postmaster at Palisade, Minn., in place of A. L. Ober. Incumbent's commission expires March 14, 1932.

Frank X. Virnig to be postmaster at Pierz, Minn., in place of Theodore Thielen. Incumbent's commission expired December 21, 1930.

Selma O. Winter to be postmaster at St. Hilaire, Minn., in place of S. O. Winter. Incumbent's commission expires March 20, 1932.

Charles J. Moos to be postmaster at St. Paul, Minn., in place of C. J. Moos. Incumbent's commission expired January 21, 1930.

Tallof T. Hamrey to be postmaster at Trail, Minn. Office became presidential July 1, 1931.

Alfred Anderson to be postmaster at Twin Valley, Minn., in place of Alfred Anderson. Incumbent's commission expired February 9, 1931.

Alfred Gronner to be postmaster at Underwood, Minn., in place of Alfred Gronner. Incumbent's commission expires March 20, 1932.

Mary A. Bradford to be postmaster at Verndale, Minn., in place of L. A. Bradford, deceased.

Milda Rieman to be postmaster at Vergas, Minn., in place of Milda Rieman. Incumbent's commission expired January 10, 1932.

Milton P. Mann to be postmaster at Worthington, Minn., in place of M. P. Mann. Incumbent's commission expired March 1, 1932.

Henry Groth to be postmaster at Wright, Minn., in place of Henry Groth. Incumbent's commission expired March 1, 1932.

MISSISSIPPI

Nettie Dorsett to be postmaster at Lucedale, Miss., in place of Nettie Dorsett. Incumbent's commission expired February 9, 1931.

MISSOURI

Edward A. Birkmann to be postmaster at Beaufort, Mo., in place of E. A. Birkmann. Incumbent's commission expired March 1, 1932.

Harry C. Grant to be postmaster at Cuba, Mo., in place of H. C. Grant. Incumbent's commission expired January 13, 1932.

Joseph P. O'Hern to be postmaster at Hannibal, Mo., in place of J. P. O'Hern. Incumbent's commission expired March 1, 1932.

John M. Schermann to be postmaster at Hermann, Mo., in place of J. M. Schermann. Incumbent's commission expired March 1, 1932.

Oliver H. Simmons to be postmaster at Lancaster Mo., in place of O. H. Simmons. Incumbent's commission expired January 13, 1932.

John S. McCrory to be postmaster at Linn Creek, Mo., in place of J. S. McCrory. Incumbent's commission expires March 20, 1932.

John A. Varney to be postmaster at Paris, Mo., in place of J. A. Varney. Incumbent's commission expires March 26, 1932.

Hattie Stierberger to be postmaster at Union, Mo., in place of Hattie Stierberger. Incumbent's commission expired March 1, 1932.

Charles A. Boyles to be postmaster at Urich, Mo., in place of L. C. Boyles, removed.

Artie B. Keadle to be postmaster at Wellsville, Mo., in place of A. B. Keadle. Incumbent's commission expired January 13, 1932.

MONTANA

Queenie B. Lyndes to be postmaster at Hysham, Mont., in place of Q. B. Lyndes. Incumbent's commission expired December 19, 1931.

George I. Watters to be postmaster at Victor, Mont., in place of G. I. Watters. Incumbent's commission expires March 22, 1932.

NEBRASKA

Charles W. Fritts to be postmaster at Crawford, Nebr., in place of C. W. Fritts. Incumbent's commission expires March 16, 1932.

William C. Hagelin to be postmaster at Friend, Nebr., in place of W. C. Hagelin. Incumbent's commission expired January 28, 1931.

Earle D. Willard to be postmaster at Genoa, Nebr., in place of E. D. Willard. Incumbent's commission expired December 19, 1931.

Louis R. Eby to be postmaster at Hartington, Nebr., in place of L. R. Eby. Incumbent's commission expired December 16, 1930.

Ingebert J. Thomsen to be postmaster at Minden, Nebr., in place of I. J. Thomsen. Incumbent's commission expired December 19, 1931.

Edwin P. Clements, jr., to be postmaster at Ord, Nebr., in place of E. P. Clements, jr. Incumbent's commission expires March 7, 1932.

Leona V. Schrecengost to be postmaster at Papillion, Nebr., in place of L. V. Schrecengost. Incumbent's commission expired February 9, 1932.

Carl H. Olderog to be postmaster at Springfield, Nebr., in place of C. H. Olderog. Incumbent's commission expired February 9, 1932.

NEVADA

Isaac L. Stone to be postmaster at McGill, Nev., in place of I. L. Stone. Incumbent's commission expired December 19, 1931.

NEW HAMPSHIRE

Alice L. Coughlin to be postmaster at West Ossipee, N. H., in place of A. L. Coughlin. Incumbent's commission expires March 20, 1932.

NEW JERSEY

Alfred J. Perkins to be postmaster at Atlantic City, N. J., in place of A. J. Perkins. Incumbent's commission expired February 9, 1931.

Robert K. Greenwood to be postmaster at Elmer, N. J., in place of L. H. Greenwood, removed.

Fred F. Dennis to be postmaster at Fair Haven, N. J., in place of F. F. Dennis. Incumbent's commission expires March 24, 1932.

Frank Pierson to be postmaster at Lawrenceville, N. J., in place of Frank Pierson. Incumbent's commission expired December 19, 1931.

Edith C. Reeves to be postmaster at New Lisbon, N. J., in place of W. A. Reeves, removed.

Frank C. Dalrymple to be postmaster at Pittstown, N. J., in place of F. C. Dalrymple, removed.

Mabel E. Tomlin to be postmaster at Sewell, N. J., in place of M. E. Tomlin. Incumbent's commission expires March 24, 1932.

James H. Masker to be postmaster at Somerville, N. J., in place of J. H. Masker. Incumbent's commission expires March 24, 1932.

NEW YORK

Harold L. Payne to be postmaster at Bainbridge, N. Y., in place of H. L. Payne. Incumbent's commission expires March 14, 1932.

Jennie M. Steinhilber to be postmaster at Beaver Falls, N. Y., in place of J. M. Steinhilber. Incumbent's commission expired February 27, 1932.

George H. Farley to be postmaster at Broadalbin, N. Y., in place of G. H. Farley. Incumbent's commission expired January 10, 1932.

Elizabeth H. Oschmann to be postmaster at Broad Channel, N. Y., in place of E. H. Oschmann. Incumbent's commission expired December 19, 1931.

Peter R. Carmichael to be postmaster at Caledonia, N. Y., in place of P. R. Carmichael. Incumbent's commission expires March 20, 1932.

Edmund B. Windsor to be postmaster at Castile, N. Y., in place of E. B. Windsor. Incumbent's commission expires March 14, 1932.

John G. McNicoll to be postmaster at Cedarhurst, N. Y., in place of J. G. McNicoll. Incumbent's commission expired March 1, 1932.

John F. Wickham to be postmaster at Clyde, N. Y., in place of F. A. Haugh, retired.

Laurance C. Baker to be postmaster at Comstock, N. Y., in place of L. C. Baker. Incumbent's commission expires March 5, 1932.

Stanley W. Parsons to be postmaster at Copenhagen, N. Y., in place of S. W. Parsons. Incumbent's commission expired February 27, 1932.

Harry L. Hedger to be postmaster at Glen Cove, N. Y., in place of H. L. Hedger. Incumbent's commission expires March 5, 1932.

Henry L. Sherman to be postmaster at Glens Falls, N. Y., in place of H. L. Sherman. Incumbent's commission expired March 2, 1932.

Oby J. Hoag to be postmaster at Greene, N. Y., in place of O. J. Hoag. Incumbent's commission expired January 31, 1932.

Carl Gardner to be postmaster at Groveland, N. Y., in place of Carl Gardner. Incumbent's commission expires March 20, 1932.

Nell S. Barclay to be postmaster at Hillsdale, N. Y., in place of N. S. Barclay. Incumbent's commission expires March 5, 1932.

Robert L. McBrien to be postmaster at Huntington, N. Y., in place of R. L. McBrien. Incumbent's commission expires March 14, 1932.

Estella Otis to be postmaster at Keene Valley, N. Y., in place of Estella Otis. Incumbent's commission expired February 21, 1932.

Ruth W. J. Mott to be postmaster at Oswego, N. Y., in place of R. W. J. Mott. Incumbent's commission expired March 1, 1932.

John H. Quinlan to be postmaster at Pavilion, N. Y., in place of J. H. Quinlan. Incumbent's commission expires March 5, 1932.

Harry C. Holcomb to be postmaster at Portville, N. Y., in place of H. C. Holcomb. Incumbent's commission expires March 20, 1932.

Giles C. de Groot to be postmaster at Ronkonkoma, N. Y., in place of G. C. de Groot. Incumbent's commission expired January 16, 1932.

Asa C. Rowland to be postmaster at Salamanca, N. Y., in place of A. C. Rowland. Incumbent's commission expires March 5, 1932.

Conrad Happ to be postmaster at Sparrow Bush, N. Y., in place of Conrad Happ. Incumbent's commission expires March 5, 1932.

Walter W. Tilley to be postmaster at Theresa, N. Y., in place of W. W. Tilley. Incumbent's commission expires March 5, 1932.

James Richtmyer to be postmaster at Windham, N. Y., in place of James Richtmyer. Incumbent's commission expires March 5, 1932.

John T. Gallagher to be postmaster at Witherbee, N. Y., in place of J. T. Gallagher. Incumbent's commission expired March 1, 1932.

NORTH CAROLINA

William H. Manning to be postmaster at Bethel, N. C., in place of W. H. Manning. Incumbent's commission expired February 20, 1932.

William T. Fletcher to be postmaster at Boonville, N. C., in place of W. T. Fletcher. Incumbent's commission expired January 4, 1932.

George E. Kestler to be postmaster at Concord, N. C., in place of G. E. Kestler. Incumbent's commission expired February 20, 1932.

John M. Crawford to be postmaster at Graham, N. C., in place of J. R. Guthrie, deceased.

Herbert C. Whisnant to be postmaster at Granite Falls, N. C., in place of H. C. Whisnant. Incumbent's commission expired February 2, 1932.

Theodore E. McCrary to be postmaster at Lexington, N. C., in place of T. E. McCrary. Incumbent's commission expired February 2, 1932.

Paul E. Bruce to be postmaster at Mars Hill, N. C., in place of P. E. Bruce. Incumbent's commission expired February 14, 1932.

William F. Ballard to be postmaster at Mount Holly, N. C., in place of W. F. Ballard. Incumbent's commission expired February 2, 1932.

May C. Campbell to be postmaster at Norwood, N. C., in place of M. C. Campbell. Incumbent's commission expired February 20, 1932.

Charles E. Zedaker to be postmaster at Red Springs, N. C., in place of C. E. Zedaker. Incumbent's commission expired February 2, 1932.

Cyril L. Walker to be postmaster at Roper, N. C., in place of C. L. Walker. Incumbent's commission expired February 2, 1932.

W. Homan Hall to be postmaster at Rosehill, N. C., in place of W. H. Hall. Incumbent's commission expired February 2, 1932.

James A. Grogan to be postmaster at Spray, N. C., in place of J. A. Grogan. Incumbent's commission expired January 24, 1932.

Alexander B. Berry to be postmaster at Swanquarter, N. C., in place of A. B. Berry. Incumbent's commission expired February 2, 1932.

Lat W. Purser to be postmaster at Vanceboro, N. C., in place of L. W. Purser. Incumbent's commission expired February 2, 1932.

Nannie M. Moore to be postmaster at Warrenton, N. C., in place of N. M. Moore. Incumbent's commission expired February 9, 1932.

NORTH DAKOTA

Marie Toenberg to be postmaster at Alexander, N. Dak., in place of Marie Toenberg. Incumbent's commission expired February 7, 1932.

Rudolph G. W. Anderson to be postmaster at Ambrose, N. Dak., in place of R. G. W. Anderson. Incumbent's commission expired December 17, 1931.

Reuben P. Semrau to be postmaster at Balfour, N. Dak., in place of R. P. Semrau. Incumbent's commission expires March 21, 1932.

Ella C. Sweeney to be postmaster at Berthold, N. Dak., in place of E. C. Sweeney. Incumbent's commission expired January 10, 1932.

Nellie Ribb to be postmaster at Donnybrook, N. Dak., in place of Nellie Ribb. Incumbent's commission expired December 19, 1931.

Oscar J. Haner to be postmaster at Douglas, N. Dak., in place of O. J. Haner. Incumbent's commission expired December 19, 1931.

Don E. DeLa to be postmaster at Hettinger, N. Dak., in place of D. E. DeLa. Incumbent's commission expired February 7, 1932.

Ole H. Larson to be postmaster at Killdeer, N. Dak., in place of O. H. Larson. Incumbent's commission expired December 19, 1931.

Bernhard C. Hjelle to be postmaster at Mercer, N. Dak., in place of B. C. Hjelle. Incumbent's commission expired January 11, 1932.

Almeda Lee to be postmaster at Mohall, N. Dak., in place of Almeda Lee. Incumbent's commission expired January 31, 1932.

Martin H. Weber to be postmaster at New Leipzig, N. Dak., in place of M. H. Weber. Incumbent's commission expired January 17, 1931.

August Kreidt to be postmaster at New Salem, N. Dak., in place of August Kreidt. Incumbent's commission expired January 5, 1931.

John C. Black to be postmaster at Plaza, N. Dak., in place of J. C. Black. Incumbent's commission expired December 19, 1931.

Lottie A. Nelson to be postmaster at Powers Lake, N. Dak., in place of L. A. Nelson. Incumbent's commission expired December 19, 1931.

Albert F. Harris to be postmaster at Reeder, N. Dak., in place of A. F. Harris. Incumbent's commission expired December 19, 1931.

Viola C. Marking to be postmaster at Scranton, N. Dak., in place of Hazel Ronning, removed.

Seth E. Garland to be postmaster at Tioga, N. Dak., in place of S. E. Garland. Incumbent's commission expired December 19, 1931.

Chase E. Mulinex to be postmaster at Tolley, N. Dak., in place of C. E. Mulinex. Incumbent's commission expired December 19, 1931.

Axel G. C. Strom to be postmaster at Williston, N. Dak., in place of A. G. C. Strom. Incumbent's commission expired December 19, 1931.

Sidney O. Dundas to be postmaster at Watford City, N. Dak., in place of S. O. Dundas. Incumbent's commission expired June 21, 1930.

OHIO

Edward M. Barber to be postmaster at Ashley, Ohio, in place of E. M. Barber. Incumbent's commission expired March 1, 1932.

Frank A. Brown to be postmaster at Batavia, Ohio, in place of F. A. Brown. Incumbent's commission expires March 20, 1932.

Charles E. Kniesly to be postmaster at Bradford, Ohio, in place of C. E. Kniesly. Incumbent's commission expired March 1, 1932.

James G. Mills to be postmaster at Cardington, Ohio, in place of W. E. Smiley. Incumbent's commission expired January 10, 1931.

Edgar C. Allison to be postmaster at Cumberland, Ohio, in place of E. C. Allison. Incumbent's commission expires March 27, 1932.

Andrew L. Brunson to be postmaster at Degraff, Ohio, in place of A. L. Brunson. Incumbent's commission expired March 1, 1932.

Wade W. McKee to be postmaster at Dennison, Ohio, in place of W. W. McKee. Incumbent's commission expired March 1, 1932.

Francis E. Cook to be postmaster at Galion, Ohio, in place of F. E. Cook. Incumbent's commission expires March 27, 1932.

Frank H. Shaw to be postmaster at Germantown, Ohio, in place of F. H. Shaw. Incumbent's commission expires March 8, 1932.

Charles H. Morrison to be postmaster at Hebron, Ohio, in place of C. H. Morrison. Incumbent's commission expires March 20, 1932.

Ida H. Cline to be postmaster at Kings Mills, Ohio, in place of I. H. Cline. Incumbent's commission expired March 1, 1932.

William H. Snodgrass to be postmaster at Marysville, Ohio, in place of W. H. Snodgrass. Incumbent's commission expired March 1, 1932.

Clem Couden to be postmaster at Morrow, Ohio, in place of Clem Couden. Incumbent's commission expired March 1, 1932.

George B. Fulton to be postmaster at North Baltimore, Ohio, in place of G. B. Fulton. Incumbent's commission expired March 1, 1932.

Oliver Ferrell to be postmaster at Paulding, Ohio, in place of Oliver Ferrell. Incumbent's commission expires March 27, 1932.

William E. Whitcomb to be postmaster at Perrysville, Ohio, in place of W. E. Whitcomb. Incumbent's commission expires March 20, 1932.

Marion E. Campbell to be postmaster at Sardinia, Ohio, in place of M. E. Campbell. Incumbent's commission expires March 22, 1932.

Harry Sotzen to be postmaster at Shelby, Ohio, in place of A. H. Anderson, deceased.

Iris L. Bloir to be postmaster at Sherwood, Ohio, in place of I. L. Bloir. Incumbent's commission expired March 1, 1932.

Nathan S. Hall to be postmaster at Summerfield, Ohio, in place of N. S. Hall. Incumbent's commission expires March 27, 1932.

Charles O. Eastman to be postmaster at Wauseon, Ohio, in place of C. O. Eastman. Incumbent's commission expired March 1, 1932.

William E. Thomas to be postmaster at Wellston, Ohio, in place of W. E. Thomas. Incumbent's commission expired February 4, 1931.

Asher O. Earley to be postmaster at Woodsfield, Ohio, in place of A. O. Earley. Incumbent's commission expires March 22, 1932.

OKLAHOMA

Ira A. Sessions to be postmaster at Grandfield, Okla., in place of I. A. Sessions. Incumbent's commission expires March 26, 1932.

Ada M. Thompson to be postmaster at Mannford, Okla., in place of A. M. Thompson. Incumbent's commission expires March 9, 1932.

Nellie V. Dolen to be postmaster at Okemah, Okla., in place of N. V. Dolen. Incumbent's commission expires March 5, 1932.

Charles C. Chapell to be postmaster at Okmulgee, Okla., in place of C. C. Chapell. Incumbent's commission expires March 5, 1932.

James W. McKay to be postmaster at Stonewall, Okla., in place of J. W. McKay. Incumbent's commission expires March 26, 1932.

Greenberry Peters to be postmaster at Texhoma, Okla., in place of Greenberry Peters. Incumbent's commission expired February 17, 1932.

Margaret E. Williamson to be postmaster at Wanette, Okla., in place of M. E. Williamson. Incumbent's commission expires March 26, 1932.

OREGON

Henry A. Barrett to be postmaster at Athena, Oreg., in place of H. A. Barrett. Incumbent's commission expired January 4, 1932.

David S. Young to be postmaster at Dufur, Oreg., in place of D. S. Young. Incumbent's commission expires March 7, 1932.

Don Ellis to be postmaster at Garibaldi, Oreg., in place of Don Ellis. Incumbent's commission expires March 7, 1932.

Fred C. Holznagel to be postmaster at Hillsboro, Oreg., in place of F. C. Holznagel. Incumbent's commission expires March 7, 1932.

William R. Logus to be postmaster at Oregon City, Oreg., in place of W. R. Logus. Incumbent's commission expires March 22, 1932.

Celia M. Tozier to be postmaster at Rainier, Oreg., in place of C. M. Tozier. Incumbent's commission expires March 28, 1932.

William I. Smith to be postmaster at Redmond, Oreg., in place of W. I. Smith. Incumbent's commission expired March 1, 1932.

George W. Trommlitz to be postmaster at Toledo, Oreg., in place of G. W. Trommlitz. Incumbent's commission expires March 22, 1932.

PENNSYLVANIA

William A. Leroy to be postmaster at Canonsburg, Pa., in place of W. A. Leroy. Incumbent's commission expires March 16, 1932.

Harvey J. Smoyer to be postmaster at Clairton, Pa., in place of H. J. Smoyer. Incumbent's commission expires March 5, 1932.

Thomas Collins to be postmaster at Commodore, Pa., in place of Thomas Collins. Incumbent's commission expires March 9, 1932.

Marion C. Hemmig to be postmaster at Elverson, Pa., in place of M. C. Hemmig. Incumbent's commission expires March 21, 1932.

John T. Painter to be postmaster at Greensburg, Pa., in place of J. T. Painter. Incumbent's commission expires March 14, 1932.

Allen L. Shomo to be postmaster at Hamburg, Pa., in place of A. L. Shomo. Incumbent's commission expired January 18, 1932.

Harry C. Myers to be postmaster at Holtwood, Pa., in place of H. C. Myers. Incumbent's commission expired March 1, 1932.

Michael A. Grubb to be postmaster at Liverpool, Pa., in place of M. A. Grubb. Incumbent's commission expires March 7, 1932.

John M. Hayes to be postmaster at Montoursville, Pa., in place of J. M. Hayes. Incumbent's commission expired January 26, 1930.

William Tyndall to be postmaster at Mount Joy, Pa., in place of William Tyndall. Incumbent's commission expires March 21, 1932.

John H. Francis to be postmaster at Oaks, Pa., in place of J. H. Francis. Incumbent's commission expired March 1, 1932.

A. Milton Wade to be postmaster at Quarryville, Pa., in place of A. M. Wade. Incumbent's commission expired March 1, 1932.

Edward G. Carper to be postmaster at Roaring Spring, Pa., in place of E. G. Carper. Incumbent's commission expired February 10, 1932.

Fred F. Cannan to be postmaster at Rome, Pa. Office became presidential July 1, 1931.

Newton E. Arnold to be postmaster at Roslyn, Pa., in place of N. E. Arnold. Incumbent's commission expired March 1, 1932.

Nathaniel Shaplin to be postmaster at Windgap, Pa., in place of Nathaniel Shaplin. Incumbent's commission expires March 12, 1932.

Jay W. Clark to be postmaster at Woodlyn, Pa. Office became presidential July 1, 1931.

Randall H. Weaver to be postmaster at Worthington, Pa., in place of Jennie Sutton. Incumbent's commission expired February 9, 1931.

Edmund W. Tomb to be postmaster at Youngwood, Pa., in place of E. W. Tomb. Incumbent's commission expires March 5, 1932.

RHODE ISLAND

Howard E. Munroe to be postmaster at Barrington, R. I., in place of H. L. Yager, removed.

SOUTH CAROLINA

Fred L. Timmerman to be postmaster at Graniteville, S. C., in place of F. L. Timmerman. Incumbent's commission expired January 16, 1932.

SOUTH DAKOTA

John V. Drips to be postmaster at Belvidere, S. Dak., in place of J. V. Drips. Incumbent's commission expired January 11, 1932.

Paul M. Rickert to be postmaster at Sisseton, S. Dak., in place of O. S. Opheim, resigned.

Volney T. Warner to be postmaster at Woonsocket, S. Dak., in place of V. T. Warner. Incumbent's commission expired January 11, 1932.

TENNESSEE

William F. Osteen to be postmaster at Chapel Hill, Tenn., in place of W. F. Osteen. Incumbent's commission expired March 1, 1932.

James E. Graham to be postmaster at Jasper, Tenn., in place of S. P. Raulston, resigned.

Christine M. Meister to be postmaster at Loretto, Tenn., in place of C. M. Meister. Incumbent's commission expires March 16, 1932.

Ben M. Roberson to be postmaster at Loudon, Tenn., in place of B. M. Roberson. Incumbent's commission expired March 1, 1932.

Thomas H. Hale to be postmaster at Pikeville, Tenn., in place of S. L. Robinson. Incumbent's commission expired March 1, 1930.

Wilbur Walker to be postmaster at Tiptonville, Tenn., in place of Wilbur Walker. Incumbent's commission expires March 21, 1932.

Simon C. Dodson to be postmaster at Sparta, Tenn., in place of S. C. Dodson. Incumbent's commission expired January 24, 1931.

TEXAS

Maggie P. Rhew to be postmaster at Anderson, Tex., in place of M. P. Rhew. Incumbent's commission expires March 21, 1932.

William F. Hofmann to be postmaster at Carrollton, Tex., in place of W. F. Hofmann. Incumbent's commission expires March 21, 1932.

Charles H. Bugbee to be postmaster at Clarendon, Tex., in place of C. H. Bugbee. Incumbent's commission expired March 1, 1932.

Gustav A. Wulfman to be postmaster at Farwell, Tex., in place of G. A. Wulfman. Incumbent's commission expired March 1, 1932.

James S. Carter to be postmaster at Grand Saline, Tex., in place of J. S. Carter. Incumbent's commission expires March 21, 1932.

Ira S. Koon to be postmaster at Hallsville, Tex., in place of I. S. Koon. Incumbent's commission expires March 21, 1932.

John V. Lackey to be postmaster at Hico, Tex., in place of J. V. Lackey. Incumbent's commission expires March 21, 1932.

Allen M. Huddleston to be postmaster at Hubbard, Tex., in place of W. M. Huddleston, deceased.

John A. McFarland to be postmaster at Ladonia, Tex., in place of J. A. McFarland. Incumbent's commission expires March 27, 1932.

Lilburn C. Graham to be postmaster at Lancaster, Tex., in place of L. C. Graham. Incumbent's commission expires March 21, 1932.

John T. Hopkins to be postmaster at Longview, Tex., in place of J. T. Hopkins. Incumbent's commission expires March 29, 1932.

Walter E. Hall to be postmaster at Lufkin, Tex., in place of W. E. Hall. Incumbent's commission expires March 7, 1932.

William M. Owens to be postmaster at Memphis, Tex., in place of W. M. Owens. Incumbent's commission expired January 9, 1932.

Theodor Reichert to be postmaster at Nordheim, Tex., in place of Theodor Reichert. Incumbent's commission expired March 1, 1932.

Everett A. Vordenbaum to be postmaster at Randolph Field, Tex. Office became presidential January 1, 1932.

Silas J. White to be postmaster at Rising Star, Tex., in place of S. J. White. Incumbent's commission expired March 1, 1932.

Henry E. Cannon to be postmaster at Shelbyville, Tex., in place of H. E. Cannon. Incumbent's commission expires March 21, 1932.

Charles E. Binnings to be postmaster at Strawn, Tex., in place of I. B. Davidson, deceased.

Willie M. Prouty to be postmaster at Wallis, Tex., in place of W. M. Prouty. Incumbent's commission expires March 7, 1932.

Fannie Dawson to be postmaster at Wilson, Tex., in place of Fannie Dawson. Incumbent's commission expires March 7, 1932.

VERMONT

Isabel Neary to be postmaster at Shelburne, Vt., in place of Isabel Neary. Incumbent's commission expires March 29, 1932.

Robert A. Slater to be postmaster at South Royalton, Vt., in place of R. A. Slater. Incumbent's commission expires March 26, 1932.

James S. Brownell to be postmaster at Woodstock, Vt., in place of J. S. Brownell. Incumbent's commission expires March 22, 1932.

VIRGINIA

Roscoe C. Travis to be postmaster at Bowling Green, Va., in place of R. C. Travis. Incumbent's commission expired February 9, 1932.

Alvis T. Davidson to be postmaster at Faber, Va., in place of M. S. Roberts, deceased.

Ludema Sayre to be postmaster at Fairfax, Va., in place of Ludema Sayre. Incumbent's commission expires March 26, 1932.

Daniel E. Davis to be postmaster at Forest, Va., in place of M. P. Leftwich, deceased.

WASHINGTON

Mabel G. Lamm to be postmaster at Burlington, Wash., in place of M. G. Lamm. Incumbent's commission expires March 16, 1932.

Nellie Tyner to be postmaster at Dishman, Wash., in place of Nellie Tyner. Incumbent's commission expired March 2, 1932.

Paul B. Davis to be postmaster at Longmire, Wash. Office became presidential July 1, 1931.

Francis H. Lester to be postmaster at Tieton, Wash., in place of F. H. Lester. Incumbent's commission expires March 12, 1932.

WEST VIRGINIA

James O. Buskirk to be postmaster at Holden, W. Va., in place of J. O. Buskirk. Incumbent's commission expires March 21, 1932.

Ernest E. Ritter to be postmaster at Red Jacket, W. Va., in place of E. E. Ritter. Incumbent's commission expired January 9, 1932.

Guy E. McCutcheon to be postmaster at Reedy, W. Va., in place of G. E. McCutcheon. Incumbent's commission expires March 21, 1932.

Ernest T. Morrison to be postmaster at Sutton, W. Va., in place of E. T. Morrison. Incumbent's commission expired February 2, 1932.

James H. Trail to be postmaster at Winding Gulf, W. Va., in place of J. H. Trail. Incumbent's commission expired January 9, 1932.

WISCONSIN

Archibald G. Campbell to be postmaster at Barneveld, Wis., in place of Annie Jordan. Incumbent's commission expired June 19, 1930.

Arthur Nortwen to be postmaster at Conover, Wis., in place of G. C. Dobbs. Incumbent's commission expired February 11, 1931.

Beatrice Ring to be postmaster at Osseo, Wis., in place of J. L. Ring, deceased.

Cynthia T. Goodell to be postmaster at Platteville, Wis., in place of R. A. Goodell, deceased.

WYOMING

Albert J. Schils to be postmaster at Cokeville, Wyo., in place of A. J. Schils. Incumbent's commission expired December 16, 1930.

John A. Stafford to be postmaster at Rock Springs, Wyo., in place of J. A. Stafford. Incumbent's commission expires March 16, 1932.

Fred W. Smith to be postmaster at Glenrock, Wyo., in place of F. W. Smith. Incumbent's commission expired January 4, 1932.

L. Roy Ness to be postmaster at Powell, Wyo., in place of L. R. Ness. Incumbent's commission expired January 4, 1932.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 4 (legislative day of March 2), 1932

POSTMASTER

OKLAHOMA

Laura M. Hopkins to be postmaster at Woodward, Okla.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 4, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we lift our hearts unto Thee and pray for a quickening of all our best powers. So direct us that our duties shall be performed in wisdom and in discretion. If we have anxiety, quiet it; if we have groundless fear, put it to rest. O God, may we have a deep, sincere appreciation of moral values. Bless us with the tenderest sympathy for human frailty and sustain us with faith in the final triumph of the right. Merciful God, constantly abide with those who carry great sorrows. Bless any of our officers and Members who may be in distress; give them courage and hope, that they may trace the rainbow through the rain. Comfort the shattered home about which our country is pouring its fervent prayers; do Thou answer them. May the parents be fed no longer with the bread of tears. Strike down the dull, hardened, and blackened souls of the killers and the robbers of life, and let righteousness and justice have their way. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

PENSIONS

Mr. GASQUE. Mr. Speaker, I call up the bill (H. R. 9575) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, and I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from South Carolina calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina that this bill be considered in the House as in Committee of the Whole?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to make a preliminary inquiry of the gentleman from South Carolina. Will the gentleman inform the House as to the policy his committee is following in recommending favorable reports on private pension bills, and particularly as to whether the persons who are listed for pensions are already receiving pensions? In providing pensions and increase of pensions, what general policy is followed in granting the preferment of the Government to certain persons as listed in the omnibus bill?

Mr. GASQUE. I will state to the gentleman that the committee, as he probably already knows, acts on cases which can not come under the general law. In other words, it acts in the capacity of an equity court where cases are shut out by some technical point in the law.

Mr. STAFFORD. Then, as I understand from the gentleman's statement, it would not be possible to include these cases in any general law?

Mr. GASQUE. It would not.

Mr. STAFFORD. There are numerous instances where we have increased the pensions of widows of soldiers who served in certain wars who are now receiving pensions which could be covered by a general law. I am fundamentally opposed to special legislation which gives a preferred status to any individual. I favor general legislation, and I am seeking information as to whether it is possible, in connection with the cases which the gentleman's committee reports

favorably, to have a general law rather than special laws giving preferment to selected individuals.

Mr. GASQUE. I agree with the gentleman. I think a general law covering most of these cases could be passed, but it has not yet been worked out.

Mr. STAFFORD. Mr. Speaker, that is very important information. The gentleman states it might be possible to cover these cases by a general law?

Mr. GASQUE. To cover most of the cases, but not all of them.

Mr. STAFFORD. I think it would be highly proper to have general legislation covering these cases rather than to have them appeal to Members for special consideration, and the gentleman's committee has jurisdiction over general legislation.

Mr. GASQUE. The committee is working along those lines in attempting to arrive at some legislation that would cover a large majority of these cases.

Mr. STAFFORD. Can the gentleman give us any hope that at this session legislation will be reported from his committee that will cover these cases by general legislation rather than by specially designating them?

Mr. GASQUE. I might state for the benefit of the gentleman that the committee has already reported a bill granting uniform pensions to the widows and dependent children of all wars, which makes a beginning. I have never believed that the widows of any one war should be given preference over the widows of another war. My committee now has a bill, H. R. 7230, known as the uniform widows' pension bill, on the calendar, which I hope the gentleman will help us pass.

Mr. STAFFORD. What is the policy of the committee as to the granting of original pensions to members of the Regular Army, including those who served in Indian wars?

Mr. GASQUE. The only bills we have reported with regard to veterans of the Indian wars are such as I mentioned in the beginning—cases in which they can not quite comply with the law, but almost comply with it. I might state that a subcommittee of my committee is now considering a number of Indian war bills in an effort to arrive at some method of unifying them and putting all of the Indian war veterans on the same basis.

Mr. STAFFORD. Mr. Speaker, the gentleman has furnished the information I desired, and I withdraw the reservation of objection.

The SPEAKER. Is there objection?

Mr. RANKIN. Mr. Speaker, reserving the right to object, what bill is this?

Mr. GASQUE. It is an omnibus pension bill.

Mr. RANKIN. This is a bill providing special pensions in individual cases?

Mr. GASQUE. Yes; it is an omnibus pension bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill.

This bill is a substitute for the following House bills referred to said committee:

H. R. 501. Margaret McAllister Barron.
H. R. 502. Mary J. Burris.
H. R. 503. Nellie L. P. Earlewine.
H. R. 565. Ada May Fuller.
H. R. 588. Jennie Bowman.
H. R. 590. Zenobia Blanche Sniffen.
H. R. 647. Nettie E. Dennison.
H. R. 658. Ellen Scully.
H. R. 760. Willis E. Van Vranken.
H. R. 762. William A. Symington.
H. R. 763. Addaline Collins.
H. R. 851. Charles O. Thomas.
H. R. 852. Erastus J. Griffin.
H. R. 902. Martha Foley.
H. R. 921. Julia J. Godley.
H. R. 932. Leo J. Nagele.
H. R. 939. Charles W. Bentley.
H. R. 942. Carl H. Ziebell.
H. R. 1052. Hiram P. Marcum.
H. R. 1057. Roscoe Eversole.
H. R. 1068. James G. Carr.
H. R. 1074. Philip Aaron.
H. R. 1095. Richard E. Hibbard.
H. R. 1107. Jane Jones.
H. R. 1114. Armina E. Smith.
H. R. 1119. William O. Whitaker.
H. R. 1153. Malissa Hoover.
H. R. 1189. Clare Elsworth Hawley.
H. R. 1213. Clarence B. Cline.
H. R. 1281. Marie Beck.
H. R. 1336. Dorothy D. Grabenstatter.
H. R. 1349. Frank Sornborger.
H. R. 1365. Clara Stevens.
H. R. 1366. Mary J. Glace.
H. R. 1372. Agnes Fuhrmeister.
H. R. 1423. Addie Foster.
H. R. 1534. Richard M. Aylward.
H. R. 1590. Mrs. Lee J. Bethel.
H. R. 1604. Anastasia Watts.
H. R. 1719. Louis d'Orville Chabut.
H. R. 1750. John Charles Inglee.
H. R. 1771. William Kiefer.
H. R. 1772. Anna V. Brower.
H. R. 1862. Mamie G. Poindexter.
H. R. 1898. Commodore P. Fuller.
H. R. 1946. Stanford A. Lasater.
H. R. 1947. Clara E. Braden.
H. R. 1958. John D. Nite.
H. R. 2001. Grace A. Coates.
H. R. 2163. William Henry Coffey.
H. R. 2228. Nellie L. Axe.
H. R. 2301. Olieda Irene Hansen.
H. R. 2315. Charlotte Dean.
H. R. 2321. Lewis Garner.
H. R. 2334. Mabel Jane Maher Boosey.
H. R. 2386. Alexander Lane.
H. R. 2401. Wilson Branch Cook.
H. R. 2406. William Long.
H. R. 2407. Ida Alice Bricker Lewis.
H. R. 2413. Susan A. Holden.
H. R. 2448. Elizabeth Spafford.
H. R. 2459. Alice Brayman.
H. R. 2484. Rose M. Young.
H. R. 2538. William R. Minter.
H. R. 2636. Robert E. Swingle.
H. R. 2652. Lucy M. Chapman.
H. R. 2655. George W. Baker.
H. R. 2688. Lucille E. Hanigan.
H. R. 2690. Ingelow Johnson.
H. R. 2728. George W. Kelley.
H. R. 2729. Mary Connelly.
H. R. 2755. Stephen D. Graves.
H. R. 2756. Rye Fairbanks.
H. R. 2830. Peter Furlong.
H. R. 2951. Marelda Pennington.
H. R. 3021. Mary A. M. Lafferty.
H. R. 3026. Leonie E. Fisher.
H. R. 3073. Harry C. Miller.
H. R. 3092. Charles Wheatley.
H. R. 3123. Willis E. Dudley.
H. R. 3140. John Grosbush.
H. R. 3182. George A. Morgan.
H. R. 3183. Hiram E. Morrill.
H. R. 3215. Shirley R. Slevin.
H. R. 3226. Lloyd O. Taylor.
H. R. 3230. George F. Thornton.
H. R. 3428. Mary J. Stearns.
H. R. 3432. Martha Hill.
H. R. 3452. Maggie R. Cooper.
H. R. 3453. Ella Elizabeth Ayers.
H. R. 3536. Marie Geiger.
H. R. 3617. John A. Petty.
H. R. 3647. Mary Shoch.
H. R. 3651. Joseph A. Daily.
H. R. 3765. Mary R. Dickman.
H. R. 3772. Chester E. Stevenson.
H. R. 3833. Fredrika Monstrom.
H. R. 3834. Bertha Branning.
H. R. 3857. Dorothy King.
H. R. 3896. Bella F. Osgood Kern.
H. R. 3912. John Bettridge.
H. R. 3924. Thomas E. Cruess.
H. R. 3947. Tandy A. Key.
H. R. 3956. Samuel W. Mabry.
H. R. 4000. Carl Kobis.
H. R. 4063. Sadie M. Meik.
H. R. 4084. Bert T. Robinson.
H. R. 4088. Jennie M. Bonnell.
H. R. 4135. Velma Johnson.
H. R. 4140. Old Coyote.
H. R. 4141. May McGee.
H. R. 4189. Nellie B. Hughett.
H. R. 4192. Louis C. McKnight.
H. R. 4394. John Wesley Smailes.
H. R. 4402. Julian D. Haynes.
H. R. 4410. Robert Eakin.
H. R. 4420. Hattie L. McDaniel.
H. R. 4426. James B. Newman.
H. R. 4433. Louis R. Reibold and Louis Reibold, jr.
H. R. 4953. Minerva Wagner.
H. R. 5032. Matthew S. Scott.
H. R. 5167. Mary Willoughby Osterhaus.
H. R. 5205. Ida M. Mathison.
H. R. 5281. Cicero G. Rowden.
H. R. 5302. Michael J. Carroll.
H. R. 5379. Nancy Ann Whitehead.
H. R. 5451. Harriet Trombly.
H. R. 5534. William Patterson.
H. R. 5663. Catherine E. Burke.
H. R. 5665. Cora C. Cheever.
H. R. 5693. Marie M. Colby.
H. R. 5711. Henry W. Baylor.
H. R. 5712. James Whitecotton.
H. R. 5713. Wyatt E. Heard.
H. R. 5714. George W. Baylor.
H. R. 5715. Sidney J. Baylor.
H. R. 5723. Mary H. Wright.
H. R. 5741. Lella Deal.
H. R. 5797. Edith Chambers Feehan.
H. R. 5985. Eleanor and Robert Snyder.
H. R. 5991. Theodore V. Cowart.
H. R. 6254. Cornelius J. Phillips.
H. R. 6265. William Clark.
H. R. 6320. Joseph Lang.
H. R. 6568. John P. Hurley.
H. R. 6756. Della Dabbs.
H. R. 6769. Henry Knight.
H. R. 6795. Anna T. Walsh.
H. R. 6799. Pearl A. Phearson.
H. R. 6816. William H. Wooton.
H. R. 6831. Ida L. Von Harten.
H. R. 6859. Mary E. Moen.
H. R. 6870. Alice Coe.
H. R. 6911. James A. McMasters.
H. R. 6916. Hakon B. Duee.
H. R. 6919. Sarah Penberthy.
H. R. 6924. Sarah Ann McNiece.
H. R. 6941. Ross Huston Horner.
H. R. 6961. Charles Farris.
H. R. 6988. Rose Harkin.
H. R. 7018. Margaret E. Hoffman.
H. R. 7044. Pauline Forger.
H. R. 7048. Irl E. Moats.
H. R. 7088. Julia May Townsend.
H. R. 7090. Julius Hansen.
H. R. 7091. Mary Virginia Davis.
H. R. 7156. Eleanora Emma Bliss.
H. R. 7303. Harriet S. Weeks.
H. R. 7340. Ruth T. Stuart.
H. R. 7347. Jack J. McLawhorn.
H. R. 7464. William F. Stevens.
H. R. 7544. Estelle Foster.
H. R. 7589. Edward H. Laterell.
H. R. 7689. John E. Stringer.
H. R. 7738. Alexander Kalish.
H. R. 7968. Leon Lavigne.
H. R. 8005. Katherine Mueller.
H. R. 8033. Margaret E. Cantrell.
H. R. 8061. Alma A. De Coen.
H. R. 8134. Ida A. Davis.
H. R. 8268. Howard S. Ford.
H. R. 8285. R. M. Collins.
H. R. 8436. Guy H. Stedham.
H. R. 8604. Bertha H. McArthur.
H. R. 8744. Mary Baldwin Kennedy.
H. R. 9465. Helen K. Snowden.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BABIES AND DADDIES

Mr. NELSON of Missouri. Mr. Speaker, because of the great sorrow that has come to the Lindbergh home the whole Nation is thinking of parent and child love; and in this connection I ask unanimous consent to extend my remarks in the RECORD by inserting an article which I wrote some 20 years ago on the subject "Babies and Daddies."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The article is as follows:

This is about babies. It is, in fact, mainly about one very small baby. At this springtime and Eastertide we have on our farm calves, colts, lambs, pigs—yes, and downy-coated chicks; but it is not of these little creatures that we write. Our thoughts turn to the farm's best crop—children. You have no baby and are not interested in these pink-toed bits of humanity that cry and "coo"? But you were once somebody's baby, and somebody—yes, two "somebodies"—thought you a perfectly wonderful child. If in your home you have a baby, a real bouncing boy, you address him something like this: "Hello, old man!" "Howdy, partner!" "How do you do, fine fellow?" "Good morning, good man," or "How's my mannie man?" All the time you are gaily gesticulating and going through more motions than were ever thought of by a movie maker. And it is a paid performance that you are giving, for the smile and laugh—ever notice how babies laugh, even with their eyes?—that baby gives us is better by far than gold. Yes; and there is music sweeter than ever came from a Stradivarius or the melody of murmuring brook—a baby's laugh.

There is a language of Babyland. It is a language that parents only can understand. Babies alone can speak it, but all fathers and mothers try. No mere linguist, however learned, has succeeded in any attempt to reduce it to the printed page; nor for the shortest word is there so much as a suitable symbol, for the smile, the smile that no camera ever yet has caught, is a part of this language of love. To be sure baby, your baby, can talk to you and make you understand. He tells you things that he tells none other—none other, save mother. He knows not words, yet his are the sweetest of stories—and again and again perchance you say as you hug him tighter in your arms or toss him higher in the air, "Dat's fine; tell fahdie 'nother story."

When evening comes and the work of the day is done, you draw the window shades or close the shutters and say half to yourself and half to your little son, "Good night, Mr. Day."

Just why we do not know, but babies take us into the Kingdom of Make-believe, where live fancies and fairies. After you have held baby up so that he may stretch his little legs and "dance a set," his restless "footsies" being allowed barely to touch your lap, lest he be bowlegged, you talk to him about going to "Sleepy House." Or if he is strong enough you give him a ride on your foot while you dream of your youth and of stick horses (stick horses of children become the staffs of old age) and plan how, later, you will buy him a pony so that he may ride with you over the farm.

When little eyes are heavy with sleep mother takes "the man" as he goes to slumber land. Comes your own bedtime, and you look to see if all is well with the little sleeper. Then, it may be that you notice a smile play over a very small face tinted like the sea shell, and you wonder if he is talking with the angels—yes; and at that moment you feel that heaven must be very near. As you look there comes to mind the words:

"Here is my past and present; yea, and here
The days that shall be counted my hereafter;
Here is my sweetest and my bitterest tear,
And here my laughter."

Did you ever feel the touch of a baby's hand, your own baby's hand, chubby, soft, and velvety? Did baby's hands, the little hands of your own baby, ever pat you tenderly and lovingly on your cheeks? Magical almost is the touch of a baby's hand. The little fingers clasp your own big ones and lead you into a world, the existence of which you never before knew. Or gently and confidingly a hand almost too small to seem real is placed in your own. Then it is, for the first time, you know the meaning of "a little child shall lead them."

Baby brings out the best that is in us. If, at this Easter time, you in your heart hold hatred for some fellow man who seems rough and unfeeling, you would forgive if you could but see and hear him in his own home and with his baby on his knee.

It is a fine thing after you have come in from the field to see, as your near the house, a little nose pressed against the window pane until it seems only a tiny round spot. What if there are fingerprints on the glass? Who cares, when a pair of little hands are upheld to his? Or baby may be in his little bed or buggy and gaily pounding his rattle. You hear it and somehow your feet carry you in that direction and your arms reach down, when up comes "the fellow." Then, although you may not be able to distinguish America from Dixie, you attempt to imitate the band or to sing.

Some babies, they say, are a bit spoiled and bad, but nobody ever had such a baby in his own home. A few fathers are perfectly foolish, too, they say, but never was there a fond father who felt that he was "perfectly foolish" over his baby. His baby is different—to him. Take him up when he frets? Why not? Maybe the little fellow is sick, has the "tummy" ache, or is going to cut a "toofie." It doesn't seem strange that the dreadful pain goes away when he is up in papa's lap and at the table. "There, look, mamma, look! Did you see that? Boy put his hand in the custard and quick as a wink his little fingers went into his mouth. Wasn't that smart of the little rascal? Not many babies like him, bless his heart. See how he is still sucking his thumb?" No; that was not somebody else's baby.

All babies are clever. Each has his own special repertoire of clever tricks. What father has there ever been who did not enjoy watching baby in his effort to get his toe into his mouth, and what mother who did not pick him up and hug and kiss him when he succeeded? A wonderful thing is a baby. He drives away "the blues" and lets in the sunshine.

Babies all, bless 'em. One day, too soon it will seem, they will leave the home nest for the wonder world without. Back on the old farm father and mother may be left alone. Yet on Easter Day and other days as they see the world through the eyes of a son, the baby of the yesteryears, they will find joy in this thought:

"The glory age, be it understood,
Is a boy out there who is making good."

BRIDGE ACROSS THE RAINY RIVER, MINN.

Mr. MILLIGAN. Mr. Speaker, I call up the bill (H. R. 5064) authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn., with a Senate amendment, and move to concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 20, insert:

"The said Vernon W. O'Connor, his successors or assigns, shall within 90 days after the completion of the bridge constructed under the authority of this act file with the Secretary of War an itemized statement under oath showing the actual original cost of such bridge and its approaches and appurtenances, which statement shall include any expenditures actually made for engineering and legal services; and any fees, discounts, and other expenditures actually incurred in connection with the financing thereof. Such itemized statement of cost shall be investigated by the Secretary of War at any time within three years after the completion of such bridge, and for that purpose the said Vernon W. O'Connor, his successors or assigns, in such manner as may be deemed proper, shall make available and accessible all records connected with the construction and financing of such bridge, and the findings of the Secretary of War as to the actual cost of such bridge shall be made a part of the records of the War Department."

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. MILLIGAN. I yield.

Mr. STAFFORD. I noticed when I read the Senate amendment it was rather different in phraseology and policy from what we have heretofore incorporated in bridge bills. Will the gentleman kindly inform the House of the reason he is moving to adopt the Senate amendment?

Mr. MILLIGAN. For the reason this is an international bridge, and the committee was of the opinion that it was better to exclude the general provision that is included in bridge bills, because it would be necessary, by treaty, to make provisions relative to the bridge, due to the fact it is international in character; but the Senate was of a different opinion and insisted that this amendment should go in the bill, and the amendment was placed on the bill in the Senate.

Mr. STAFFORD. The gentleman states the Senate insisted. I thought when this bill came over on yesterday the gentleman would ask for a conference on the Senate amendment, but the gentleman is now moving to accept the amendment without any conference.

Mr. MILLIGAN. Yes; and I may say that I advised with the Senator who had the bill in charge before it was passed by the Senate.

Mr. STAFFORD. I would like to have the gentleman yield so that the gentleman from Minnesota, who is deeply interested in this bill, because it is in his district, may explain the reason why we depart from the general policy in the amendment proposed by the Senate, if the gentleman knows.

Mr. KNUTSON. I may say to the gentleman that I conferred with the Senator who insisted on this amendment. Of course, personally, I can not see the necessity for it, but the Senator thought it should go into the bill, and rather than delay the matter any longer I accepted the amendment.

Mr. STAFFORD. Was this at the insistence of the junior or senior Senator from Minnesota?

Mr. KNUTSON. It was at the insistence of the junior Senator from Michigan [Mr. VANDENBERG].

Mr. STAFFORD. He thought it was a good policy to be adopted generally or only in connection with this international bridge bill?

Mr. MILLIGAN. In connection with this particular bill.

Mr. STAFFORD. The gentleman will notice that this itemization of cost is to be investigated by the Secretary of

War at any time within three years. Of course, we know that is a mere formality that will rarely, if ever, be undertaken by the Secretary of War. It is simply an idle gesture.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. MILLIGAN. Yes.

Mr. LAGUARDIA. It is, as the gentleman says, a gesture; but when abuses do take place they have appealed, and in one instance, they had quite an extensive hearing on the rates.

Mr. KNUTSON. And it helps determine the toll that should be charged, I may say to the gentleman.

The SPEAKER. The question is on the motion of the gentleman from Missouri to concur in the Senate amendment.

The Senate amendment was agreed to.

DEPENDENTS OF WORLD WAR VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I have filed with the Clerk of the House a petition to bring out of the Rules Committee the bill (H. R. 8578) for the relief of the widows, orphans, and dependent parents of deceased veterans of the World War, and at this point I ask unanimous consent to insert the bill in the RECORD.

The bill is as follows:

A bill to amend the World War veterans' act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War

Be it enacted, etc., That section 201 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 472), be hereby amended by adding at the end thereof a new subdivision to read as follows:

"(8) Where any honorably discharged ex-service man who entered the service prior to November 11, 1918, and served 90 days or more during the World War dies of a disability not acquired in the service the following monthly allowances shall be paid:

"(a) If the deceased leaves a widow without means of support other than her daily labor and actual net income not exceeding $250 per year who was his wife and living with him not less than five years next before his death or who married him prior to January 1, 1925, $20;

"(b) If the deceased leaves a widow and one child without means of support other than her daily labor and actual net income not exceeding $400 per year; $26, with $6 for each additional child;

"(c) If the deceased leaves no widow but one child, $20, with $6 for each additional child: *Provided*, That no child shall be permitted to draw this allowance who has an actual net income exceeding $400 per year;

"(d) If the deceased leaves a dependent father or mother who has reached the age of 65 years, $15, or both, $20. Such allowance shall be payable whether the dependency of the father or mother, or both, arose before or arises after the death of the ex-service man;

"(e) The payment of allowance for a widow shall continue until her death or remarriage;

"(f) The payment of allowance to or for a child shall continue until such child reaches the age of 16 years or marries, or if such child be permanently incapable of self-support by reason of mental or physical defect, then during such incapacity.

"(g) Whenever the allowance payable to or for the benefit of any person under the provisions of this subdivision is terminated by the happening of the contingency upon which it is limited, the allowance thereafter for the remaining beneficiary or beneficiaries, if any, shall be the amount which would have been payable to them if they had been the sole original beneficiaries;

"(h) As between the widow and the children not in her custody and as between children, the amount of allowance shall be apportioned as may be prescribed by regulations;

"(i) No allowance under this subdivision shall commence prior to the date of the passage of this amendatory act or the date of application therefor, and such application shall be in such form as the Administrator of Veterans' Affairs may prescribe."

Mr. RANKIN. This measure is one that should have been passed years ago. If what was called the Rankin bill a few years ago had become law, these widows and orphans and dependent parents would have automatically gone on the roll, but when that bill was vetoed and the disability allowance bill was passed the widows, orphans, and dependent parents were left out.

This bill is not exactly what we want. But under the circumstances it is the best we could get. In fact, there has been a good deal of pressure brought to bear to take from the veterans at least a part of what they are now receiving; and, of course, those who assume that attitude as a rule are opposed to any additional relief.

Veterans are criticizing the "needs" clause in this bill. I am not responsible for that provision. It was inserted in the committee. When the bill comes to the floor of the House, an amendment will be offered to strike the "needs" clause out. So that criticism ought not to be used to keep the bill from coming to the House for final passage.

Some criticism—and in my opinion the most unjust and unreasonable criticism—has been made because of the fact that we propose to take care of the dependent parents of those veterans who have passed away.

John Thomas Taylor sent a letter out over the country asking veterans to write you to strike these dependent parents from the bill. That would be the most unjust, the most cruel, and the most inhuman step that Congress could take.

I am going to show you why. The bill provides that none of these aged parents are to go on the roll unless their soldier son is dead and they were actually dependent on him. It only provides the small pittance of $15 a month for one and $20 for two of these old people, who sent their son to defend the country in times of war and who in their helpless old age are unable to care for themselves as a result of his passing away.

The cost of this provision has been greatly exaggerated. Let me show you what it will cost. It will cost only about $860,000 a year. It is limited to those above 65 years of age. Their average length of life will be less than seven years. They are rapidly passing away. They are dying faster than the veterans themselves. The cost of this provision will in all probability grow less with each passing year.

The gold-star mothers are for this provision of the bill. The World War mothers are for it. The rank and file of the American Legion are for it, and so are the Veterans of Foreign Wars and the Disabled American Veterans of the World War.

You talk about the people who suffered in the World War. There was no suffering more intense than that of the aged father and mother who gave their son to the cause—that son upon whose manly shoulders they had hoped to lean for support and protection in their declining years, and who has now passed away, leaving them penniless in their infirm old age, and that in the midst of the greatest depression this country has ever seen.

The very least we can do is to give them the relief provided in this bill and help to drive from their doors the wolf of poverty in their declining years.

I hope that every Member of the House will sign the petition to bring this bill to the floor of the House for early consideration and that it will pass the House and the Senate by a unanimous vote. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, I have listened with a great deal of interest and a great deal of sympathy to the statement just made by my distinguished friend and colleague from Mississippi [Mr. RANKIN]. The filing of a petition at the Clerk's desk, of which he gave notice, brings up in a concrete form some of the practical difficulties that confront the Committee on Rules in undertaking to bring out legislation for consideration of the House. I assure my friend from Mississippi and all Members of the House that there is no disposition whatever to refuse a rule for the consideration of this veterans' legislation. I think I am in position to assure him that such a rule will be granted at an early date. The delay in the measure—and I acquainted my friend from Mississippi with these facts before he made his statement—is because of the difficulties that are presented to the Committee on Rules as well as to the leadership of the House in the fact that there is now pending before the Committee on Rules a request from the Committee on Pen-

sions which sets up an entirely different measure of pensions for the veterans of the World War than that suggested by the bills sponsored by the gentleman from Mississippi. There is no real conflict between me and the gentleman from Mississippi or the Rules Committee on the major proposition of bringing in a rule for consideration of pension legislation. In the interest of orderly legislation we thought it advisable to see if it would not be possible before any action was taken to reconcile these two legislative measures. The Committee on Pensions has jurisdiction to bring out a pension bill. They have done so, affecting the payment of pensions to World War veterans and other veterans. My friend from Mississippi and his committee have reported out a bill dealing exclusively with World War veterans, so that in all fairness, in all reason, I do not think my friend from Mississippi has just cause for complaint because of the fact that the matter has been pending before our committee for a short time and we have not acted upon it. There is no disposition to throttle the consideration of his measure, and I feel justified in making this statement, because, of course, the filing of the petition to discharge the Committee on Rules is in its very nature a criticism of the committee or of its delay in that matter; and if Members of the House, in view of the facts that I have presented, feel justified in asking to discharge the committee, I shall not resent it. It would not offend the Committee on Rules.

Mr. POU. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. POU. In view of the efforts that the Committee on Rules has been putting forth from day to day to reconcile the differences of these measures that have been mentioned here, does not the gentleman from Alabama think it is a little bit previous to attempt to club the Committee on Rules at this time?

Mr. BANKHEAD. I would not like to answer that question in terms, because I do not want to get into a controversy with my good friend and colleague from Mississippi. He knows that I am in sympathy with bringing out a rule at an early date for the consideration of this legislation.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. RANKIN. Instead of my criticizing the Committee on Rules, it seems that I am being criticized by the Committee on Rules. I offered no criticism of the Committee on Rules, but the bill that the gentleman refers to, which is before the committee, carries with it more than three times the amount of the expenditure that this bill carries. Besides, in my honest opinion, the Pensions Committee had no right to infringe upon the jurisdiction of the Committee on Veterans' Affairs by attempting to handle World War veterans' legislation. In addition, that bill covers widows of Spanish War veterans that the Veterans' Committee is precluded from handling, and in addition to that brings in Civil War widows. That brings several elements into the contest that I would prefer not to see mixed up in legislation on World War veterans' affairs.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, instead of trying to embarrass the Committee on Rules, if the gentleman will investigate it carefully, he will see that I am doing the Rules Committee a favor.

Mr. BANKHEAD. Mr. Speaker, I am not impugning the motives of my friend from Mississippi, who will understand that, but the very statement he has made with reference to the conflict in the jurisdiction of these two bills and the difference in these bills illustrates the difficulty that is presented to the Committee on Rules. The gentleman from South Carolina [Mr. GASQUE] is chairman of a committee of the House of equal dignity and standing to the Committee on World War Veterans' Legislation, and he has requested the Committee on Rules to give him a hearing, and it has been decided to give him a hearing to-morrow on his bill. The Rules Committee wants to act with reasonable dispatch in these measures. There is a rather grave responsibility that rests upon that committee, particularly in a matter of this sort, where confusion will necessarily arise out of these two conflicting measures, unless they can be reconciled. I understand they can not. Therefore, if I may be permitted to speak what I think is the sentiment of the Committee on Rules, within a very few days we will bring out a rule that will throw this whole question squarely before the House of Representatives.

Mr. GASQUE. Mr. Speaker, will the gentleman yield, that I may interrogate the gentleman from Mississippi?

Mr. BANKHEAD. Yes.

Mr. GASQUE. The gentleman from Mississippi stated that the Committee on Pensions had overstepped its authority in bringing in a pension bill for World War veterans.

Mr. RANKIN. No; the gentleman is mistaken.

Mr. GASQUE. Is not the measure that the gentleman's committee has reported in reality a pension bill?

Mr. RANKIN. In reality they are all pension bills, whether you call them retirement pay, compensation, allowance, or pension.

Mr. GASQUE. Why did not the gentleman call it a pension in the case of his bill, and then it would naturally have come to the Committee on Pensions?

Mr. RANKIN. The World War Veterans' Legislation Committee has never referred to it as a pension. They have called it disability allowance and compensation.

Mr. COX. Will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. COX. Will the gentleman state how this could have been abolished?

Mr. BANKHEAD. Was my colleague here when I made my preliminary statement?

Mr. COX. Yes.

Mr. BANKHEAD. I undertook to explain to the membership that this delay was caused by reason of there appearing before our committee two bills from committees having somewhat concurrent jurisdiction on this question, and the gentleman from South Carolina [Mr. GASQUE] had not had an opportunity to appear before the Committee on Rules in support of his resolution. We thought it nothing but fair to wait until fair consideration could be given to the bill proposed by him, inasmuch as it involves identically, in part, the same subject matter as the bill presented by the gentleman from Mississippi [Mr. RANKIN].

Mr. COX. And the Rules Committee threw out the suggestion to the gentleman that they collaborate on the separate bills and reach some agreement.

Mr. BANKHEAD. Yes; but I stated that it was apparent that could not be done.

Mr. Speaker, that is all I care to say on the subject.

The SPEAKER. The time of the gentleman has expired.

RELIEF OF INDIANS IN DISTRESS

Mr. HOWARD. Mr. Speaker, I desire to prefer a unanimous-consent request on behalf of the gentleman from Wisconsin [Mr. PEAVEY], who is unavoidably absent.

I ask unanimous consent that the gentleman from Wisconsin [Mr. PEAVEY] be permitted to extend his remarks and to incorporate therein a resolution adopted by the House Committee on Indian Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. PEAVEY. Mr. Speaker, under authority to extend remarks in the RECORD, granted on the request of Chairman HOWARD, of the Indian Affairs Committee of the House, last Saturday, I insert in the RECORD copy of the resolution referred to.

The resolution is as follows:

Whereas due to crop failures, unemployment, recent blizzards, and the exhaustion of Indian tribal funds there now exists a state of acute and growing distress, amounting in thousands of cases to gradual starvation among Indians in at least 10 States, and not fewer than 125,000 in number; and

Whereas the facts are known to the Interior Department and Bureau of Indian Affairs through numerous letters and telegrams from the superintendents in the files of the Indian Office; and

Whereas it has been the policy of the administrative branch to withhold distress relief from these Indians administratively classed as nonwards, although the majority of such Indians are in fact still living in tribal relations, are still interested in tribal property, funds, or claims, or still subsisting under treaty relations with the Government, these Indians thus denied Federal aid numbering not fewer than 50,000; and

Whereas the American Red Cross is extending aid to these so-called nonward Indians in four States only (Montana, North Dakota, South Dakota, and Nebraska), and in the total amount of only $50,000 between this date and July 1, while the so-called nonward Indians in all other States, including Oklahoma, Wisconsin, Nevada, and California, are denied aid alike by the Red Cross and the Federal Government; and

Whereas for all the so-called ward Indians of the country the Bureau of Indian Affairs has now only $95,000 for the distress relief for the balance of the fiscal year 1932, and is requesting only $135,000 in addition, or a total of $230,000 for not fewer than 75,000 so-called ward Indians in distress; and

Whereas the Indian tribes of the Southwest have already lost through starvation following a series of blizzards 200,000 or more of their sheep, and will lose during the month of March a greatly increased number unless feeding of the sheep can be provided at once, and the self-support of these tribes is dependent on their sheep; and

Whereas the Department of Agriculture has under its control funds which could be made available for the feeding of sheep and livestock belonging to Indians and for the rehabilitation of Indian farmers, but is not in a position to take the initiative, and must wait on initiative from the Secretary of the Interior: Therefore be it

Resolved, First, that this committee declare its judgment that the denial of relief to the so-called nonward Indians in distress by the Federal Government is contrary to the body of statute laws affecting Indians and contrary to the declaration of the Supreme Court as to Federal responsibility toward the Indians, and, in addition, does not properly follow from any ruling from the Comptroller General of the United States, and this committee strongly holds to the opinion that the United States is bound by legal as well as moral obligations to help these so-called nonward Indians, numbering not fewer than 50,000. Such distress relief for so-called nonward Indians is provided in the bill H. R. 8498, pending before this committee, which bill proposes to make use of the local agencies of Government in the distribution of distress relief in line with the policy of the Secretary of the Interior, as embodied in the pending bill, H. R. 227, S. 3110, now pending before this committee.

Second. That it is the judgment of this committee that a total fund of $230,000 for all so-called nonward Indians in distress in the whole country from this date until the end of the fiscal year is a totally inadequate sum, being $5 for each Indian in distress.

Third. That it is the judgment of this committee that steps should be taken at once to make available to the Navajo, Apache, and Zuni Indians, and to any other Indians similarly situated, the funds under the control of the Department of Agriculture available for stock feed, and that the Department of the Interior should take steps without further delay to enlist the fullest cooperation of the Department of Agriculture.

HUBERT H. PEAVEY.

Adopted by the Indian Affairs Committee of the House by a unanimous vote, Wednesday, March 2, 1932.

Mr. Speaker, this resolution refers specifically to two classes of dependent Indians. The first article of the resolution provides for the relief of some 50,000 or more Indians known as nonward Indians. This includes Indians who have received their allotments and who, by the several acts of Congress and the administration of the Bureau of Indian Affairs, have been turned loose in the various sections and communities of the counties in which they live, and who, due to their previous tribal character and ignorance of the white man's methods of making a living, are now destitute and are being supported by charity of the towns and counties where they reside.

This nonward Indian question is one of serious proportions to the towns and counties of the States having Indian residents. Most of these towns charge that by the Government's failure to provide for and maintain these Indians it has forced this liability upon the people of the towns and counties where the Indians live. By every rule of law and reason, it is a Federal liability that should be carried out by the Federal Government, but in fact and in practice it is now being carried by the taxpayers of the towns and counties mentioned.

The passage of H. R. 8498 would provide relief for these nonward Indians in the amount of 50 per cent of the amount so paid for the Indians by the several towns and counties affected. It affords relief not only to the Indians but to the taxpayers and officials of the towns and counties affected. Many of these towns and counties, due to the present economic conditions, are themselves in serious financial straits. Most of their taxable land areas have gone delinquent in the past three or four years, and people living in many of these localities are themselves dependent upon their communities for aid and sustenance.

The second class of Indians affected in this resolution are known as ward Indians who for the most part live on the reservation and are under the direct control and authority of the Federal Government and who receive direct allotments or payments from the tribal funds. Many of these tribes of Indians, owing to the depleted state of their tribal funds, have no money or means with which to live and support their families. An appropriation of $230,000 is provided for this class under the resolution.

The third article of the resolution provides or makes available to the Navajo and other Indians similarly situated funds that are already available to the Department of Agriculture for livestock, feed, and so forth. Mr. Speaker, more than 25 States of the Union are directly affected by this resolution.

In Wisconsin we have many tribes of Indians. I have three reservations in my congressional district—Bad River at Odanah, Lac du Flambeau, and Reserve—and in addition there are the abandoned Indians of Red Cliff at Bayfield, Wis., and the Lost Band of Chippewas at Webster. There are in addition many hundred scattered Indians. There are more than 100 towns in eight counties directly concerned with feeding and clothing these Indians. It is not Christian-like for the white man to permit his Indian neighbor to starve or freeze.

In closing I want to say that unless the funds specified in the three paragraphs of this resolution are made available that literally thousands of men, women, and children of more than one-quarter Indian blood will perish within the coming year. Starvation for themselves and starvation for the small amount of livestock that some of these Indians still possess is facing them at this time. I sincerely hope that Congress will act speedily in providing the emergency relief sought in this resolution.

ORDER OF BUSINESS

Mr. RAINEY. Mr. Speaker, I find there are so many gentlemen who are anxious to go on record either for or against the anti-injunction bill, mostly for it, and who can not be here to-morrow, that it would be better to take that up on Tuesday next, immediately after the reading of the Journal, under the rule. In order to expedite the business of the House and general debate on the independent offices appropriation bill, I desire to ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow, and that when the House adjourns on Monday next it adjourn to meet at 11 o'clock on Tuesday.

Mr. SNELL. Reserving the right to object, and I shall not object, as I understand, all that will be laid before the House to-morrow will be general debate on the independent offices appropriation bill?

Mr. RAINEY. That is all. Of course, if general debate should be concluded, which does not seem likely, then we will proceed under the 5-minute rule on that bill, but there will be no vote on that bill to-morrow.

Mr. BLANTON. Reserving the right to object, with regard to the anti-injunction bill, there are some in the House who are against curtailing the present power and jurisdiction of our courts. Are we to be given a fair division of time in the discussion of that bill?

Mr. RAINEY. The gentleman will have to take that up with others than myself.

Mr. BLANTON. But the rule does not provide that.

Mr. O'CONNOR. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. O'CONNOR. There is no rule yet actually drafted.

Mr. BLANTON. But I mean the rule that the gentleman has in mind.

Mr. O'CONNOR. The idea of the Rules Committee is to give free debate on both sides.

Mr. BLANTON. And there will be equal division of time by those who are against as well as those who are for the measure?

Mr. O'CONNOR. That is my understanding of the attitude of the Rules Committee.

Mr. WOODRUM. Mr. Speaker, reserving the right to object, as I understand, the gentleman from Illinois proposes to allow the independent offices appropriation bill to have right of way after the present bill is finished?

Mr. RAINEY. Yes, sir.

Mr. WOODRUM. Through to-morrow?

Mr. RAINEY. Yes.

Mr. WOODRUM. And when will we have an opportunity to consider that bill again after to-morrow?

Mr. RAINEY. On Monday afternoon, if they get through with the Consent Calendar.

Mr. WOODRUM. The gentleman will perceive that we start out on a bill such as the independent offices appropriation bill, which provides appropriations for 30 different governmental agencies, and which has some controversial subjects in it, and it is going to be very hard on the committee and on the House if we split it up. I wonder if the gentleman would ask unanimous consent to dispense with Calendar Wednesday, so that we could go ahead with that bill and complete it on Wednesday or Thursday?

Mr. RAINEY. That would be impossible. Of course, there would be objection. Calendar Wednesday could not be dispensed with except by a two-thirds vote.

Mr. WOODRUM. The gentleman is assuming there would be objection. There may not be. Under the gentleman's proposal now we will not finish general debate on this appropriation bill to-morrow, and we will not get to it again until Thursday of next week. That is the effect of it.

Mr. RAINEY. It may be possible to consider it again on Monday.

Mr. WOODRUM. It is obvious that Monday is Consent Calendar, and Tuesday the anti-injunction bill will be considered, and Wednesday Calendar Wednesday, so that we will go from Saturday until next Thursday.

Mr. RAINEY. I would not care to propound such a request.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Treasury and Post Office Departments appropriation bill, with Mr. HOWARD in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

For the inland transportation of mail by aircraft, under contract as authorized by law, and for the incidental expenses thereof, including not to exceed $30,000 for supervisory officials and clerks at air mail transfer points, and not to exceed $41,780 for personal services in the District of Columbia and incidental and travel expenses, $19,000,000.

Mr. LANKFORD of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LANKFORD of Virginia: On page 57, line 25, strike out the sign and figures "$19,000,000" and insert in lieu thereof the sign and figures "$20,000,000."

Mr. LANKFORD of Virginia. Mr. Chairman, I am not fooling myself and I am sure I am not fooling any Member of this House when I say that the amendment I have offered has about as much chance to get the approval of the Appropriations Committee as a militant Chinaman would have on the streets of Tokyo.

However, I want to show you this picture. I want you to consider it because you are the custodians of the Treasury and you are the ones to decide it.

I have the greatest respect for the Appropriations Committee and they are doing fine work. I usually stand with them. I stand with them very often when it hurts; but when there is a good thing which they do not approve, I do not stand with them, and I submit this is a good thing. I want to ask your careful consideration of it for a few minutes.

If you are not familiar with this airplane map, I think it might be interesting to say that here is a very beautiful picture, a very fine picture. If you do not know about it, you would be surprised to see how much development there has been in the air mail service of this country. I think the Postmaster General has done a fine piece of work, but there are some missing links in this picture, and with $19,000,000 this can not be completed. Year by year expenses are being reduced as the mail increases, and the Postmaster General says that within three years he thinks these lines can get along without any assistance or very little assistance.

It is very important to connect these missing links so as to bring this service up to as high a standard as possible, and with this additional $1,000,000 I am sure that can be done. There are several connecting links that affect this entire situation. Here is one from Troy to Montreal and another from Richmond to Hampton Roads and from Washington to Hampton Roads. Here is one from Washington down to Nashville, through this great central portion of West Virginia, Kentucky, and Tennessee. Here is one from New Orleans to this point [indicating on map]. Here are two from the southern point of Florida connecting the West Indies. Here is one across the State of Texas. Here is one up in Washington to Victoria.

I am not going to discuss these other points because other gentlemen who are interested will do that. We have been before the Appropriations Committee and we have been before the Budget. I can not speak for either one of them but I do not believe that either one would seriously object if this were done.

At Hampton Roads we have a great population—400,000 people—and one of the greatest ports in the country. There are an average of 10 or 12 ships that come there every day, large ocean liners. They want to get their mail to all parts of the country. The bankers there tell me that they will be able to save $200,000 a year by getting their paper to New York quickly, as can be done by air mail. Lights have been installed from Washington to Norfolk by the Department of Commerce. We have two air lines there, but no air mail. Ship captains come in every day and are amazed that there is no way of getting their mail out of Hampton Roads by air routes.

Here is an extension that should be made from Washington down through this large section, one of the largest sections on the map that is not touched. It reaches right into the city of Nashville, the home city of the gentleman from Tennessee, the chairman of the Committee on Appropriations. Of course, his hands are tied and he is not going to set a precedent, but I think we should take it out of his hands and establish it, and by doing that we would be performing a very graceful act for him. It would be a very graceful thing if we should establish a line into his home city.

Mr. STAFFORD. Even over his protest?

Mr. LANKFORD of Virginia. Yes; even over his protest, as the gentleman from Wisconsin suggests. I think it would be a very graceful thing to do for him.

Going back to this situation here at Hampton Roads, last year one of the reasons given for this additional $2,000,000 was that this line was to be established. The city has gone ahead and established an airport. Two lines have come in there and there is tremendous traffic around that port. It is the second largest port in America. More coal, tobacco, and cotton are shipped out of that port than from any other port in the country.

[Here the gavel fell.]

Mr. LANKFORD of Virginia. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LANKFORD of Virginia. I do not want to be selfish about it and there are other Members who will tell you about their problems. We are all interested in it. As I say, we have been before the Appropriations Committee and before the Budget. Last year one of the reasons for this additional $2,000,000 was that this line was to be established. The committee was going to give them $18,000,000, but the Post Office Department asked for $20,000,000. One of the reasons given for this additional $2,000,000 was that this route was to be established from Washington to Norfolk. As the result of that, as I say, lights were established all along the way and those lights are there now. Lights have been established by the Department of Commerce over the entire route.

Depending on that, the city established an airport, and two air lines are connecting Washington and Norfolk at this time—one the Ludington line coming here direct from Washington and the Eastern Air Transport coming from Richmond. It does not make any difference to us which one gets it, but we do want air mail service.

The bankers have told me that they would save $200,000 a year in getting their paper from Norfolk to New York where it is cleared.

You will notice that this entire coast line here [indicating] is not served with air mail, but is cut off entirely, and here at Hampton Roads we have one of the greatest ports in the United States. Frequently we have 18 or 20 ocean steamers a day coming in there from all parts of the world, and the postmaster told me a few days ago that they come in and express amazement that they can not get their mail and their invoices and other important papers to other parts of the country by air mail. The overhead cost on some of these ships is $2,500 a day, and a delay of one day is tremendously important to them.

Mr. GARBER. Will the gentleman yield?

Mr. LANKFORD of Virginia. Yes.

Mr. GARBER. What is the distance of that route and what would be the approximate cost?

Mr. LANKFORD of Virginia. I am glad the gentleman has asked that question. The distance from Richmond to Norfolk is probably 60 miles and the cost would be something like $70,000 a year. The distance from Washington to Norfolk is 120 miles and I think the cost would be $150,000 a year, only a nominal sum.

I do not want to criticize the Post Office Department, but as I say, they secured this money last year and this is one of the reasons they gave for it. Frequently that is done. I know that other Members of the House have had a similar experience. The department gets the money for one purpose and then spends it for another.

Mr. FLANNAGAN. Will the gentleman yield?

Mr. LANKFORD of Virginia. Yes.

Mr. FLANNAGAN. If the appropriation is increased, will the air route from Washington by way of Charlottesville and Roanoke and Bristol to Nashville be put in?

Mr. LANKFORD of Virginia. My understanding is it would be, but I would not like to say definitely about that. The gentleman from Tennessee [Mr. LOVETTE] is going to speak about that in a few minutes and will tell the gentleman about that. I think the gentleman has some understanding about it, and I would rather that he advise the gentleman about that. However, I understand that is true.

So, as I have said, the money was appropriated for this purpose, and yet we have not the route, and now these lines are running and we need the establishment of this air mail route. The cost will be a very small matter.

Mr. LANHAM. Will the gentleman yield?

Mr. LANKFORD of Virginia. I yield.

Mr. LANHAM. Even if the gentleman's amendment should not prevail, will the $19,000,000 provided for in this bill insure the continuance of every route now in existence in its full efficiency?

Mr. LANKFORD of Virginia. With the $19,000,000?

Mr. LANHAM. Yes.

Mr. LANKFORD of Virginia. I understand it will, but it will not give them room for any extensions. It will barely keep the present routes going.

Mr. LANHAM. Is it absolutely certain it will do that?

Mr. LANKFORD of Virginia. I think it is. That is my understanding of it.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. LANKFORD of Virginia. Yes.

Mr. EATON of Colorado. Has the gentleman any authority for making that statement in so far as the route from Los Angeles to Salt Lake and Denver and in that western country is concerned; that is, that the arrangements that have been completed in the last 90 days are not going to be corrected if they get only the $19,000,000?

Mr. LANKFORD of Virginia. I have not any authority to speak about that. I do not know about that.

Mr. EATON of Colorado. Do not say it, then.

Mr. LARSEN. Will the gentleman yield for one question?

Mr. LANKFORD of Virginia. Yes.

Mr. LARSEN. My understanding is that the testimony of the Postmaster General before the subcommittee was to the effect that if the appropriation remained at $19,000,000 this would necessitate the cutting down of 5 per cent of the amount that is now being paid to the transportation companies, and he said that, considering the fact he had just had a 10 per cent cut, he did not think it practicable or feasible, and that it ought not to be done.

[Here the gavel fell.]

Mr. LANHAM. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. If the gentleman will yield, in view of the statement made by the gentleman from Georgia, is it not doubtful that the $19,000,000 provided for in this bill will be sufficient to enable the existing lines to run at full efficiency?

Mr. LARSEN. The Postmaster General said distinctly it would not enable him to do it; that he could not proceed with the $19,000,000 in the way he should proceed, as I understood his testimony.

Mr. LANKFORD of Virginia. Mr. Chairman, I have one concluding statement to make, and I appreciate very much the time you have given me.

Let me call your attention to the fact that this is a decreasing expense. Every year the mail and passenger service is increasing so that the cost can be reduced more and more, and the Postmaster General states that in about three years most of these lines will be self-sustaining.

Mr. LUDLOW. Will the gentleman yield?

Mr. LANKFORD of Virginia. Yes.

Mr. LUDLOW. The question has been raised here as to whether this $19,000,000 will be sufficient to sustain the present service——

Mr. LANKFORD of Virginia. The Post Office Department wants $20,000,000, and we want $20,000,000, but they have been limited to $19,000,000.

Mr. LUDLOW. I would like to clear up some misapprehension that may exist here. When Mr. Glover was before the committee, as a member of the subcommittee I asked him this question:

> Mr. LUDLOW. Mr. Glover, under this $19,000,000 appropriation you expect to be able to maintain the existing service, do you?
> Mr. GLOVER. Yes, sir.
> Mr. LUDLOW. And if there is any change at all, it will be in the frequency of service, curtailing of service?
> Mr. GLOVER. If we have to curtail it at all, it would be in the frequency of the service.

His answer leaves no doubt whatever that $19,000,000 will sustain all of the existing air mail routes during the next fiscal year, and there is even doubt as to whether in any single instance there will be any curtailment in the frequency of the service.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. LANKFORD of Virginia. Yes.

Mr. EATON of Colorado. Under the guise of having insufficient funds, or for some other reason, the service from

Los Angeles to Denver by Salt Lake or by Albuquerque and thence easterly has been made such a service that it is absolutely useless as air mail service, and if that service is to be continued, it might just as well be cut out and any money saved in connection with cutting out that service might be used at some other place, unless they are going to correct the present service.

Mr. LUDLOW. From the statement of Mr. Glover, there need not be any misapprehension in the mind of any gentleman of the House that the existing service will be cut out. In these times of general distress we must pay some heed to the condition of the Treasury and to the interests of the overburdened taxpayers. Not a single air mail route in this country will be discontinued if this bill passes.

Mr. LANKFORD of Virginia. Mr. Chairman, there are other Members who are interested in different sections of the country, and I am going to yield to them now. I appreciate very much the opportunity you have given me.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. LANKFORD of Virginia. Yes.

Mr. COOPER of Tennessee. Will the gentleman kindly give the names of the cities proposed to be served by this extension and state whether or not they now have airports?

Mr. LANKFORD of Virginia. I will put that in the RECORD. I can not point it out on the map, as the print is too small.

Mr. McMILLAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent to proceed for five minutes beyond the allotted time. Is there objection?

There was no objection.

Mr. McMILLAN. Mr. Chairman, I may say in the beginning of the remarks that I make on this matter that it has been my honor to serve as a member of the Post Office Committee of the House for the past several years, during which time the Watres bill, under which existing air mail is now carried, was reported out of that committee and passed by this Congress.

If there is anything in connection with the Watres bill that was intended to be emphasized it was to sell commercial aviation to the people of America.

Since the passage of that bill the Postmaster General has undertaken, I believe in a very splendid, efficient way, to put over that idea because of that legislation.

Now, what has happened in the last two or three years? Since the passage of the Watres bill aviation has taken great strides throughout America.

I have some statistics here which I desire to call to your attention. In 1930 there was a total of 21,353 air mail miles in America. In 1931 there were 26,553 air mail miles, or an increase of over 5,000 air line miles covered by the air mail.

There was an average daily schedule of 62,349 miles in 1930 and 95,121 miles in 1931, an increase, you will observe, of over 30,000 miles.

In 1930 there were 14,939,000 miles flown and last year 21,381,000 miles flown.

There has been a lot said here about the rates paid to these air mail contractors. In 1930 the average rate was 0.978 cents. In 1931 the rate had been reduced to 0.792. On January 1 of this year there was a further reduction of the rate to 0.66, as against 0.97 last year.

Here is another important thing about the air mail service. In 1926 there were only 5,782 passengers carried. In 1931, five years later, there were 469,981 air mail passengers.

I bring that out to impress upon the committee how this service has been sold to the American public as the result of the Watres bill passed by Congress three years ago—a comparison of 5,000 passengers in 1926 to over 469,000 in 1931.

Now, this map here has been brought in so that you may see the picture of our air mail service as it exists to-day. There is great room for air mail expansion in various sections of this country. I pay tribute to the Postmaster General for the interest that he has shown in his department for air mail expansion. He has done a good job.

You will find on this map existing air lines, but you can observe also that many extensions are still needed. The Postmaster General said in the hearings that within three or four years he hoped to see the air mail on a self-sustaining basis.

There is another significant thing about this air mail proposition. Air mail activity in America for the past 12 months has been about the only activity where there has been an increase. Take business concerns in all sections of the country, and you can not find an exception of that kind. Air mail and commercial aviation have increased.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN. Yes.

Mr. ALLGOOD. If we subsidize any business at the rate of $10,000,000 a year, does not the gentleman think it would cause an increase? That is what I understand happened in the case of air mail.

Mr. McMILLAN. Oh, they have had a subsidy of $20,000,000, if you call it a subsidy, but the gentleman overlooks the value of this service. That is the recommendation of the department this year, but the Budget has cut it to $19,000,000.

Mr. BLAND. And is not the development of commercial aviation an important factor in national defense?

Mr. McMILLAN. It is one of the most important factors that I know for national defense.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN. Yes.

Mr. WILLIAM E. HULL. I live at Peoria, Ill. We had an air mail there. It was taken away from us on account of our field. To-day every business man in Peoria is subscribing toward a fund of $400,000, out of his own pocket, to build a new field and bring back the air mail, now that they see the loss they have sustained by losing it.

Mr. McMILLAN. I am very glad the gentleman has interrupted me to say what he has, because throughout America you will find municipalities in all sections of the country in anticipation of getting this service, offered through this Watres bill, subscribing to funds to build airports, even in these depressed times, and they are floating bond issues for that purpose. Down in my city we floated a bond issue for this purpose, and to-day we have one of the finest fields that can be found anywhere. In Savannah, Jacksonville, Atlanta, and in all of the cities all over the country you will find that similar action for aid development has been taken in anticipation of getting air service and air mail.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield again?

Mr. McMILLAN. I am sorry I can not—I have only a few minutes.

Mr. YON. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN. I have only a few minutes.

Mr. YON. I want to advise the committee also that along this line where the triangle is not completed——

Mr. McMILLAN. If I have the time, I shall call attention to the matter in which the gentleman is interested. I said in the beginning of my remarks that there are various places on this map showing where connections or extensions should be made. Here is one here from the Northwest over to the west coast, comprising an area that ought to be supplied. Here is one down here that the gentleman from Florida [Mr. YON] is interested in. Why not have a line from Jacksonville to New Orleans? This Congress appropriated $7,000,000 for the Pan American Airways that operates from Miami to South and Central America. This is a very important line because our trade under normal conditions with Central and South America amounts to $2,000,000,000 a year. Why not have a connecting line from Jacksonville over New Orleans connecting with the Pacific coast? That is where the gentleman from Florida [Mr. YON] is interested. Then look at this section through the Shenandoah Valley of Virginia, where there are millions of people and a great many cities of importance, with no air mail. We can not hope to get any extension or expansion of this service unless we get

additional money. I hope you will support the amendment of the gentleman from Virginia.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. LARSEN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LARSEN. Mr. Chairman, a question has arisen as to whether $19,000,000 would be sufficient to meet air mail demands. Reference was made to Mr. Glover's testimony. I call attention to the testimony of Postmaster General Brown and read from the hearings on page 286:

We have been obliged very recently to make what amounted to a 10 per cent cut in compensation to contractors. A number of them feel very much aggrieved by it and feel that it is making them do business at a loss, and undoubtedly it is in these winter months when it is pretty hard to operate anyhow.

There are a number of services that ought to be increased to take care of the business that we are building up. We are spending now at the rate of $20,000,000 a year, and to get on a basis of $19,000,000 a year we will have to make another 5 per cent cut on the average, for this takes one-twentieth of our money.

He has cut, effective on the 1st day of January, 10 per cent from these contractors, and he says that if he has to make out with $19,000,000 it means he will have to reduce another 5 per cent. Let us see his testimony again. The gentleman from Georgia [Mr. WRIGHT], a member of the committee, asked him a question, which will be found on page 298.

With this $19,000,000 appropriation can you carry out the program you had contemplated?

Mr. Brown said:

No; I can not.

In reply to a question asked by the gentleman from North Carolina [Mr. ABERNETHY], page 298 of the hearings:

As a last proposition, for the record, I understand that you really need the $20,000,000 to carry on effectively according to the policy of the department?

To which the Postmaster General replied:

That is correct. I would say at least $20,000,000.

Again, when called on by Mr. ARNOLD to give an explanation as to what the Budget had in mind as to the matter, he said this, same page, 298:

I think Colonel Roop thought that if it did not turn out to be enough that we knew where to come for some more.

I called attention to this the other day. Under the provisions of the Watres Act, the Postmaster General could not create a deficit unless it was for an unforeseen emergency. This is not an unforeseen emergency. He knows exactly what the situation will be. He knows that $19,000,000 is not sufficient to carry on. He desires carrying on legally and efficiently, and therefore asks for $20,000,000.

There is another point I want to clear up. Somebody said you could operate a business with a subsidy of $10,000,000; but there is no subsidy of $10,000,000 in this. These are the facts: We appropriate $20,000,000 for the operation. The only subsidy there could be would be represented by the difference between the revenue derived from the operation of the business and the cost of the business under the appropriation. What is it? It is not $10,000,000. The revenue from the cancellation of air mail stamps and other stamps used for transmission of air mail is from $12,000,000 to $14,000,000 per year. The difference between that and the unexpended portion of the $19,000,000 or $20,000,000, or whatever it may be, would represent any subsidy that might be involved. In no event could it exceed five or six million. That is all there is to it. There is no $10,000,000 subsidy or anywhere near it. If you propose to cut out all of the postal subsidy you would better see as to the ninety to ninety-five million deficit or subsidy in the Postal Department.

Do you know what this air mail service is? Do you stop to think? Do you realize what you are doing when you reduce the appropriation? We have invested at various points in America $120,000,000 in airports. I think somebody asked the gentleman from Virginia something about where the airports were located. I can not tell just where they are located, but I know that individuals and corporations, private individuals and municipal organizations have invested at least $120,000,000 in the airports of this country. I got the figures from the Commerce Department yesterday. Now, whose money is this? It is your money, our neighbor's money—all private money invested in these airports, with the understanding and belief that we would make sufficient appropriation to keep up the air mail service. Now it is proposed to cut it down. It is proposed to hamper and hamstring the Postmaster General and the administration. It is proposed to cripple the airports in your own States, and to fail to furnish that service which we ought to have.

From Atlanta, Ga., to Charleston, S. C., is an air line. It is part of the system now, but there is no mail on it. The only thing they can do is to try to keep up that route. They can not likely keep it up without air mail contract and with passenger transportation alone. If you do not give them enough to operate what is now in existence, how do you expect any development?

Mr. LUDLOW. Will the gentleman yield?

Mr. LARSEN. I yield.

Mr. LUDLOW. The gentleman has referred to the testimony of the Postmaster General. Permit me also to direct attention to the testimony of the Postmaster General on page 297:

Understand, we have just made a 10 per cent reduction effective the 1st of January. Now, to absorb this $1,000,000 that the Budget cut off we will have to make another 5 per cent cut if we are to live within our $19,000,000 in the next fiscal year. One cut has just been made and another is in sight.

Here the Postmaster General says that provision already is being made to bring the cost of the service within $19,000,000, so that there will be no curtailment of this service at all by passing this bill.

That was the testimony of Mr. Glover.

Mr. LARSEN. But I did not say anything about Mr. Glover. I am talking about the Postmaster General, the man who is in charge of this air mail service, and not some underling official. I did not undertake to read what Mr. Glover had said. I said the Postmaster General, who is the man responsible for the work, and who is the man that made the statement to which I referred.

Mr. LUDLOW. But I am reading the testimony of the Postmaster General, who said that these two cuts could be made.

Mr. LARSEN. No. He said he could not carry on the present development in answer to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. EATON of Colorado. Will the gentleman yield?

Mr. LARSEN. I yield.

Mr. EATON of Colorado. And on page 319 they say the amount expended is $16,942,000, leaving $3,000,000 of the $20,000,000 that has not been expended, in making this cut of 10 per cent and a threatened cut of 5 per cent more.

Mr. LARSEN. Yes; this still further reduces the amount of the alleged subsidy. Now, I want to call attention to some other things.

Mr. FISHBURNE. Will the gentleman yield?

Mr. LARSEN. I yield.

Mr. FISHBURNE. The gentleman asked a few moments ago about a description of the airports on the proposed route from Washington to Chattanooga. I have here a list of the airports in all those cities if the gentleman desires to have them.

Mr. LARSEN. The gentleman from Virginia [Mr. LANKFORD] said he would put that into the RECORD.

Now, I want to call attention to this fact. Down at Camp Benning in Georgia, near Columbus, Ga., is one of the greatest military training posts of the United States. There is no air line to Camp Benning or to Columbus. There is no service whatever. There should be; and we need a line across Columbus to Montgomery, Ala., to connect it up—the line from Chicago to New Orleans. There is one of the greatest military points in the South without any air facilities at all. How can we expect to develop anything unless we can get sufficient appropriations to do it?

Now, listen. In what were these pilots trained? Do you think they just run the ships? Not at all. Do you know what it involves? Here are some of the things. A pilot, if efficient, must learn the weather service. He must learn to translate and read the weather reports. He must know something as to radio. He has to learn the manipulation of radio instruments.

[Here the gavel fell.]

Mr. LARSEN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LARSEN. He must learn something of radio. He must learn to manipulate the machine and the keyboard, just as one learns the keyboard in telegraphy, as it were. Then he must learn the practical navigation of the ship. He must learn all of these things. They do not get that in the Regular Army, and in case of a national emergency where are we going to get such men as that? In case of foreign invasion or foreign enemy were to undertake to invade our country, what would they do first? Naturally the first thing they would do would be to destroy our air bases. They would go to these Army bases, if possible, and blow them up, and that would end it all; but with several thousand of these privately owned airports, manned by efficient men, how easily we could take our ships into these various ports, and they never could do any damage to our aircraft. Yet these privately owned airports, built up and maintained by cities, municipalities, and individuals, at no cost whatever to the Government, are to be destroyed and neglected and allowed to grow up in weeds because of a supposed economy. We are too stingy to put on $1,000,000 in order to carry on work that is now in progress. It is an outrage, gentlemen, and you ought not to do it.

I want to call your attention to something else. You take our airships in the Army. They do not fly far enough to develop and find out the weak points in the engines. They never fly very much; in two years perhaps 1,000 hours; yet in commercial aviation the pilots get at least 100,000 hours in the air per year with one particular engine, so that they are able to develop the weak points in the engine and train flyers also. It is through this commercial aviation that we find weak points in our engines, and it is not through our Regular Army service.

Mr. McMILLAN. Will the gentleman yield?

Mr. LARSEN. Yes.

Mr. McMILLAN. Will the gentleman in his remarks make a brief statement with respect to these contractors and the amount of money they have had to invest in order to put over a proposition of this character, and is it fair to them to make this cut when they have spent so much in trying to put the thing over?

Mr. LARSEN. As a matter of fact, if it is not fair to those who own the municipal airports; it could not be fair to those gentlemen who have taken the contracts and expected to receive sufficient appropriations to carry on the service. When they have gotten the service half-way built up it is now proposed to cut them down.

Mr. ARNOLD. Mr. Chairman, I rise in opposition to the amendment. We are carrying in this bill $19,000,000 for domestic air mail. That is the amount which was recommended by the Bureau of the Budget. The Post Office Department asked for $20,000,000. They presented that request to the Bureau of the Budget, but the Bureau of the Budget, after going over the matter very carefully, was of the opinion that this activity could be carried on without diminution on an appropriation of $19,000,000. This $19,000,000 is $1,000,000 less than was appropriated in 1932.

Of course, gentlemen, it goes without saying that we are all intensely interested in our domestic air mail, but permit me to call your attention to the rapid growth and development of this service as shown by appropriations. In 1927 the first appropriation that was made for domestic air mail was but $2,000,000, and since then it has reached the point where in 1932 we appropriated $20,000,000. It is a great service of which we are all proud.

Now, my sympathy is with you gentlemen who are interested in getting new and additional air lines, but permit me to call your attention to this fact: That with this $1,000,000 you seek to add by this amendment you have no assurance that you will get the lines you are particularly interested in. It will require far more than an additional million to put the contemplated new lines in service. Both the Postmaster General and the Second Assistant, who is in direct charge of this activity, tell us that they can maintain the present service at its present standard with the $19,000,000 appropriation and make such readjustments as may be necessary in existing lines.

Let me call your attention to this further fact, that in January of this year, through some readjustments which were made by the Postmaster General and the air mail contractors under the certificate plan, $1,240,000 was saved over the amounts that had previously been paid out on these contracts. We are told by the Postmaster General and by the Second Assistant Postmaster General that negotiations are under way for further reductions and that in the very near future it is entirely probable further reductions will be made. So if any of you gentlemen are of the opinion that this service can not be continued at its present standard with the $19,000,000 carried in the bill, disabuse your minds of that idea at once.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. EATON of Colorado. I want to ask the gentleman how much service can be figured in a million dollars or in any other amount of money when you change the air mail service to provide delivery of hundreds of pounds of air mail for a big metropolis every day to half past 6 or 7 o'clock in the evening instead of 2 o'clock.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ARNOLD. Of course, that matter is an administrative one, and I can not answer the gentleman's question directly, but I know that this service has been developing year by year most satisfactorily from the standpoint of the air mail user. We have got to the place now where your committee felt that in view of the unfortunate economic situation throughout the country we could very well afford to mark time for one year and carry on this service for the fiscal year 1933 as it has been carried on during the fiscal year 1932; and these gentlemen who are so much concerned about getting additional air lines in their sections of the country can well bide their time for a year. This matter is only temporary, and when the Treasury gets in better shape further appropriations for expansion can be made.

Gentlemen, we are trying as far as we can to protect the Treasury of the United States without doing violence to the activities of the Federal Government. Here you have an opportunity to protect the Treasury to the extent of $1,000,000 without doing violence to this wonderful activity in the Post Office Department.

Mr. SWING. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. SWING. I would like to call the gentleman's attention to a situation which does not involve the establishment of a new line but which is a line that has already been established, but for which there is no money to operate it even though the Government, at the expense of the Department of Commerce, has already put the lights along the route and laid out the landing fields ready to operate. This air line is from Phoenix to San Diego, a part of the Southern Airmail Line.

Mr. ARNOLD. I can not yield further.

Mr. SWING. And I am informed by Mr. Glover that they can not operate it on the appropriation now proposed.

Mr. ARNOLD. That matter is in the hands of the Postmaster General, and they tell us that with the savings already made and those they have in immediate prospect

they can take care of readjustments on all lines where necessary.

Mr. SWING. He tells me he can not do that with the money now in the bill.

Mr. ARNOLD. They tell us they can, and if the gentleman will read the hearings carefully he will find they say they can do it.

Now, gentlemen, here is the situation: I am as much a friend of the air mail as any man in this House. In 1931 the cost of domestic air mail over and above receipts was something like $11,000,000. Of course, it would be a nice thing to have this service extended. Of course, every community would like to have air mail, but the situation is such that we have been making such rapid progress in development along this line that it will certainly not hurt us to mark time for one year, so long as we keep up the present standard.

Mr. MAAS. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. MAAS. And it is only intended that this should be temporary anyway. It is not to set any precedent for the future?

Mr. ARNOLD. Absolutely not. It is not to set any precedent, and we are simply trying to protect the Treasury in such a way that this activity will not be interfered with, and yet we will save the $1,000,000 that is sought to be tied on to this bill.

Mr. GOSS. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. GOSS. Do I understand correctly that we are appropriating more money for air mail in foreign countries this year and yet we are not willing to increase this appropriation $1,000,000 for air mail in this country? Can the gentleman make that explanation to the House?

Mr. ARNOLD. The foreign air mail appropriation has not been increased. It probably would have been decreased had it not been for the fact that contracts were already in existence, and they are contracts under which the Government of the United States is obligated legally to pay. It was obligatory on us to appropriate the amounts necessary for the fulfillment of those contracts, otherwise the contractors would have gone into the Court of Claims, sued the Federal Government, and recovered judgment. The Government would have had no defense. Therefore we carry under the appropriation for foreign air mail service the same figure that was carried last year. This domestic air mail is costing us about $11,000,000 a year as a direct subsidy to air transport companies. We should not increase that subsidy under these unfortunate financial conditions. [Applause.]

[Here the gavel fell.]

Mr. LOOFBOUROW. Mr. Chairman, it has been said here repeatedly that under the present appropriation of $19,000,000 there will be no diminution of air mail service heretofore rendered, and that economies that were effected on January 1 of this year were made without hurting the service.

I want to call the attention of the committee to the line of the Western Air Express [indicating] that has operated between Los Angeles and Salt Lake City for seven years. It operated there 18 months as a passenger line before it had a mail contract. The owners put in $400,000 before they secured a mail contract. For more than four and a half years they have operated under a mail contract, carrying mail once each way in the daytime and once each way at night.

On January 1 of this year the night service was suspended, with the result that patrons of the mails now get as quick service with a 2-cent stamp as they formerly did with a 5-cent stamp, and mail brought down from the North on the National Parks Line and from the Northwest on the Pasco Line that gets into Salt Lake City in the evening is sent from Salt Lake City to San Francisco and south to Los Angeles instead of going down directly by the former night mail to Los Angeles. This is one of the economies that resulted in the saving of $1,200,000 referred to by the member of the committee.

Mr. MAAS. Is that a lighted airway?

Mr. LOOFBOUROW. A lighted airway; yes. It has been lighted for three years. The emergency fields are there; the lights are installed, but they are now dark.

Mr. STAFFORD. The service is still there, but it goes by a different route.

Mr. LOOFBOUROW. Yes; the mail goes to San Francisco and then south to Los Angeles, and it takes approximately 10 hours longer than heretofore.

Mr. STAFFORD. You do not get the same service by the other route?

Mr. LOOFBOUROW. No. It takes about 10 hours longer.

Mr. McMILLAN. That is a striking demonstration of whether there has been any diminution.

Mr. LOOFBOUROW. Up to January 1 they carried about 1,500 pounds by night mail, and now it is less than 75 pounds in the daytime. It has not only affected the weight of the mail between these points, but it reaches points further east hours later than formerly.

Mail originating in Los Angeles is now delayed 6 hours into Denver, 7 hours into Omaha, 11 hours into Chicago, 9 hours into St. Paul and Minneapolis, 10 hours into Detroit, 13 hours into Cleveland, 8 hours into Buffalo, and 8 hours into Albany, N. Y. Westbound mail from these points for Los Angeles is now delayed from two to four hours. The economy mentioned by the member of the committee has caused this deterioration in service.

Now, I want to call the attention of the committee to the fact that between Washington and New York City there are five trips each way each day carrying air mail, and that between Washington and Richmond, Va., there are four trips each way each day. There has been no diminution on these trips. Certainly, a readjustment in the distribution of money available for this service is needed.

This line from Salt Lake City to Los Angeles is what the railroads call a transfer track. It carries the mail from one transcontinental line to another, now only in the daytime, but the mail which accumulates in the afternoon must wait until the next morning.

Mr. HASTINGS. The mail leaves there in the daytime, in the morning?

Mr. LOOFBOUROW. Yes; at 9.30 a. m. from each terminal city. At that time in the morning there is no mail from that day's work. The great volume of mail is deposited in the afternoon, and that must be carried the greater distance by way of San Francisco or wait overnight.

They have not only taken away the service between these cities; the mails are also delayed in the same way that are brought down to Salt Lake City from the national parks line to Salt Lake City and from Pasco.

All this deterioration in service has resulted from the economy of January 1, mentioned by the member of the committee.

[Here the gavel fell.]

Mr. SCHAFER. Mr. Chairman, I have listened with a great deal of interest to the arguments advanced against the pending amendment by the distinguished members of the Appropriations Committee, indicating that we should mark time. The whole trouble with the present economic distress and unemployment is that too many business institutions in the Nation have been marking time, cutting their operations costs to the bone, with a result that millions of our best citizens have been forced to mark time while unemployed and unable to get a job.

Mr. Chairman, I desire to briefly present my views with reference to the item in the Treasury and Post Office Departments appropriation bill for the inland transportation of mail by aircraft.

The appropriation for this item during the current fiscal year was $20,000,000. While the Post Office Department's estimate to the Budget requested an appropriation for the next fiscal year of $21,000,000, the Budget estimate as transmitted to the House provided for only $19,000,000.

To these alleged economy experts in the House let me state that I have at no time heard complaint lodged against Postmaster General Brown because he was not practicing economy. In fact, all complaints with reference to economy in his department have been protests generally about the rigid economy which he had been practicing.

The original contract air mail law was passed seven years ago. During that brief period, under the able guidance of the Post Office Department pursuant to authority and appropriations voted to it by Congress, our domestic contract air mail system has come into existence and has developed until it is second to none in the world. I do feel that our commercial air transportation system is of such vital importance to our economic welfare, as well as to our national defense, that the appropriations for such service even in times like these should not be curtailed.

I, for one, take great pleasure in expressing the hope that the full amount requested by the Post Office Department for our domestic air mail service will be recommended by the Budget in the near future and appropriated by Congress.

There are several new air mail routes which would then be made possible. One of these is the route from Milwaukee, Wis., across Lake Michigan to Grand Rapids and Detroit.

In testifying before the Appropriations Committee, Assistant Postmaster General Glover referred to this route as one of those that would be provided with air mail service if $20,000,000 were available. On page 324 of the hearings he is quoted as stating, "that is a very fine service and a wonderful passenger service"; and again on page 330 he says "there is a tremendous demand for that service up there; there is a lot of time saved, and a great many passengers are using it."

This operation was inaugurated by the Kohler Aviation Co. in September of 1929. For two and one-half years they have been flying across Lake Michigan, winter and summer, with amphibian planes, without a single injury to passengers, personnel, or cargo. From the beginning their schedules have called for six crossings of Lake Michigan on week days and four on Sunday. The regularity and dependability of their service has been such that it is now commonly referred to as "the bridge that spans Lake Michigan." They have pioneered in the development of air express service, and last month carried over 19,000 pounds. They have carried about 12,000 passengers and have enabled the business men of Wisconsin and the Lower Peninsula of Michigan to save much valuable business time in traveling back and forth across the lake.

One can appreciate the importance of this service when you realize that the Michigan and Wisconsin shores are 6½ hours apart by boat, 8½ hours by train, and 45 minutes by plane.

This is the only operator who has conducted an all-year-round operation with amphibian planes over open water in northern latitudes. This operation is more than a year older than any other operation which has been conducted without an air mail contract.

I sincerely trust the funds will be made available to put air mail on this line, thereby not only according the operators a well-merited recognition but also providing the business men of the communities along their route with an air mail service which they urgently need and have frequently requested.

The present unnatural procedure of taking air mail around the lake by way of Chicago would be discontinued, and there would be created an important link in the direct mail service from the East through Milwaukee and into the Northwest.

The Milwaukee Association of Commerce, whose members include some of the largest taxpayers in the Nation, is heart and soul behind the proposed air mail service over Lake Michigan.

If we approach the consideration and advisability of voting for the pending amendment, carrying an additional million dollars for air mail service, from a national-defense standpoint alone, I believe we can justify our position in its favor. We know, particularly those of us who have seen planes in actual operation during a great conflict between nations, the importance that aviation will play in the future defense of our beloved country. The Committee on Naval Affairs of this Congress, after mature consideration, have favorably acted on a bill providing for almost a billion dollars to build ships for the purpose of national defense. Why, then, quibble over this million dollars of the taxpayers' money which will add so much to our national defense as well as improve the air mail service. Preceding speakers have called to your attention in detail how all of these airports and flyers made possible as a result of the Federal Government appropriation for air mail service will strengthen the arms of our Nation if we are forced into a future war. If my friend, the chairman of the Committee on Appropriations, desires to make up some of the million dollars carried in this amendment, he can do so in the regular Navy Department appropriation bill.

The Navy Department educates almost twice as many future officers in the United States Naval Academy as the Army educates in the United States Military Academy, although the Army officer personnel is larger than the Navy.

The Navy star-chamber performance of selection for promotion and placing on the retired list Naval Academy graduates who have not been selected should be discontinued, not only in the interest of fair play but in the interest of economy. The American taxpayers should not be compelled to pay for the training of so many midshipmen only to have them placed on the retired list in the prime of their lives at an annual cost of $2,500 for each one during their entire life because a few admirals in a star-chamber proceeding did not select them for promotion. At a future date I shall at length present facts and figures showing that economy can be had in this respect without injury to our national defense.

Mr. Chairman, I sincerely hope that the pending amendment will pass, if only from a national-defense standpoint. [Applause.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that debate upon this paragraph and all amendments thereto close in 35 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Chairman, ladies and gentlemen of the committee, I rise in support of the amendment offered by the gentleman from Virginia [Mr. LANKFORD].

I am in complete sympathy with the President, the Bureau of the Budget, and the Appropriations Committee in their laudable efforts to reduce the expenses of the Government to the end that the Budget may be balanced. Of course, this is of vital importance. I yield to none of my colleagues in my interest and advocacy of the strictest possible economy in the administration of our governmental machinery. In view of the critical condition of the Treasury, I believe every item of expense should be closely scrutinized and reduced to the minimum consistent with the proper and efficient administration of governmental functions. I am of the opinion, however, that even economy can be carried to extremes. A close-fisted, cheese-paring, parsimonious policy in providing funds for our governmental activities that results in the crippling of the service is, in my opinion, very poor economy. Efficient service should be taken into account in our labors and desires to bring Uncle Sam's expenses within the limits of his income.

Mr. Chairman, I think it will be conceded that there is no more popular or progressive branch of the Postal Service than the air mail. Every day it is growing in public favor and, in my opinion, it is destined to soon become the most important as well as the most beneficial service of the great Post Office Department.

I confess that, in addition to the general interest that I have in the air mail service, I have what might be considered a personal and selfish interest in this amendment. There is a section of country stretching approximately 750 miles west of Washington City that does not enjoy the direct benefits of air mail. It is the largest area east of the Mississippi River that does not participate in this great blessing.

My congressional district is a small part of that vast area. Some of the most patriotic and public-spirited people of the United States reside in that territory. Besides this score or more of progressive cities that will receive direct benefit from an air mail line that would bisect that area running from Washington City to Nashville, Tenn., hundreds of towns, hamlets, and communities, and at least 5,000,000 people would be benefited. Undoubtedly there are a number of other projects of perhaps equal merit in other sections of the country.

Air mail, while comparatively in its infancy, has already grown into a very large activity or industry, if you please. Showing the growth of the domestic air service during the last fiscal year, Mr. Glover, Second Assistant Postmaster General, has furnished me the following data:

	Fiscal year	
	1930	1931
Length of routes.....miles..	21,353	26,553
Average daily scheduled.....do....	62,349	95,121
Miles flown	14,939,466	21,381,852
Pounds carried	7,719,698	8,579,422
Average rate paid per mile.....cents..	97.8	79.2

The average rate paid per mile in the month of December, 1931, was 66 cents.

The increase in passengers carried since 1926 is particularly interesting. In 1926 there were 5,782 passengers carried, as against 469,981 in 1931.

Mr. Chairman, let us not be too niggard in our treatment of this very important infant industry. Let us not starve it to death or stunt its growth by withholding the necessary appropriation for its proper and deserved nourishment. I am in favor of economy, but I am opposed to an economy that will cripple or retard a great public service such as the air mail.

The department estimate for this service is $21,000,000. Let us "split the difference," to use horse-jockey parlance, and increase the appropriation to $20,000,000, in order that the department may make some highly desirable improvements and extensions, and in order that this very popular and important public service may not actually suffer. [Applause.]

Mr. LOVETTE. Mr. Chairman, I rise for only one purpose in connection with this discussion. I also live in this "lost continent" you see on this map. When I first came to Congress and became interested in the air mail I inquired about the service and procured a map. It is a map just like this air mail map you have before you now. I wondered why this great territory west of Washington, referred to by Mr. TAYLOR, was left out. I still wonder why. I am not criticizing anyone. I think the air mail system of the United States has developed wonderfully fast. I think the Postmaster General has been very diligent and efficient in the establishment of this great system, but I can not understand why it is that when you mail a letter at Washington for San Diego, Calif., or anywhere in the great Southwest, you have to carry it 250 miles farther than it ought to be carried; or when a passenger takes a plane in the city of Washington to go anywhere in the great Southwest you either carry him up to the Great Lakes, down to Columbus, Ohio, Cincinnati, Louisville, and into Nashville and on into the West, if he should be going that way, or bring him around by the Atlantic seaboard almost to the Gulf Coast, at Atlanta, and then start him to the West. It is approximately 850 miles from Washington around to Nashville either way you go. It is less than 650 miles right down the Shenandoah Valley to Nashville. Let me tell you what is in the Shenandoah Valley, if you do not already know it. There is Charlottesville with an airport; Roanoke with an airport; Bristol, Tenn.-Va., with one of the best airports in the country; Johnson City, Kingsport, Greeneville, and Knoxville, Tenn., and then to Nashville or Chattanooga, as the case may be. This line will traverse the most beautiful valleys in all of the eastern section of our country, beginning with the Shenandoah Valley, then going on down into the East Tennessee Valley to the Great Smoky Mountains National Park, where the Government and the people are spending millions of money, and which is one of the beauty spots of the United States. The cities along this route, such as Charlottesville, Roanoke, Bristol, Johnson City, Kingsport, Greeneville, and Knoxville, and many other smaller cities, are thriving, growing cities. There are from 3,000,000 to 5,000,000 good American citizens who live in this section of the country who have been deprived of the air mail since its institution. I can see no good reason why they should not have it. I have taken it up with the Post Office Department. I went to the Post Office Department, and they advised me that they did not have the money and that unless the appropriation fixed by the committee was raised they could not put it in.

I called their attention to the fact that we had been overlooked; that in the development of this great air mail system we had been left out. I called their attention to the fact that it was not good business or good economy to send mail from Washington first to the Great Lakes on the north, then back to Nashville, mail that was destined to go to the Southwest. I called their attention to the fact that it was not good business or good economy to send mail from Washington, via Richmond, down through the Carolinas, skirting the Atlantic seaboard, and almost to the Gulf coast at Atlanta, an additional distance of from 200 to 250 miles in reaching the Southwest, when a direct line from Washington, by Charlottesville, Roanoke, Bristol, Johnson City, Greeneville, Kingsport, Knoxville, and Nashville, would save fully three hours in time, aside from the additional expense of flying this extra distance, and the same is true as to passengers who go from Washington to the Southwest.

I called their attention to the fact that we had been overlooked in the establishment of air mail lines. If you will observe on the map before you, the space indicates where there are no air lines, and it is by far much larger than any space in the United States east of the Mississippi River not covered by air mail. In other words, each State or each section apparently is fully covered by air mail lines, and in some instances parallel lines, and our territory has been left out. Some one has fallen asleep at the switch.

I am not criticizing anyone, not even my distinguished predecessor who was here while these lines were being set up. I could not attribute it to his neglect. A Representative in Congress, Mr. RANSLEY, from the great State of Pennsylvania last year pronounced a eulogy on him and mailed 20,000 copies into my district under his frank as a campaign document, in which he said he was comparable to Abraham Lincoln, who is my political patron saint.

There must be something wrong, or some misunderstanding somewhere, for if there had been one as great as Abraham Lincoln, or even nearly as great as that great statesman, representing my district, I am sure that the Post Office Department, or even the Congress, in laying out the air mail system of this country could not have built rings around him, as is shown by the air mail lines on this map.

This neglect of my section of the country is wrong and ought to be cured in some way. In view of the advice from the Post Office Department that this line can not be built without an additional appropriation, I feel that the great need for it, together with the benefit that it will be to the system, demands that the appropriation be increased for this purpose. They have practically assured us that if the appropriation is increased they will be able to make this great improvement in the service. It is not only for the benefit of the people of our section of the country, but will be a great benefit to the people of the Nation, especially in establishing a shorter and more direct line from the Capital to the great Southwest. For that reason I hope that the amendment will pass.

I do not yield to any man in the House in my interest in the Budget, or in balancing the Budget; I believe in balancing the Budget; I believe in economy; I believe we ought to hold the expenses down. I try to do that with every vote I cast.

The proposed line that I am describing is good business and good economy, and will not only benefit a large section of the country that is entitled to it, but will enhance the efficiency of the system, as it is now already constituted, by making a shorter route from the Capital of the Nation to the great Southwest.

Mr. LEAVITT. Mr. Chairman, my desire is to call attention to the entire lack of transcontinental air service in a part of the country that has not as yet been referred to in any detail.

It will be seen by this map that at the present time an air mail route reaches only into North Dakota from Chicago and the Twin Cities, but that there is a great stretch to the west that comprises approximately a thousand miles, reaching out to some of the greatest western cities, without any direct east and west air mail service.

The necessity for the increase of appropriation provided for in this pending amendment is due partly to the total lack of that service, and to the fact that without such an increase that service can not be provided.

Mr. LANHAM. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. LANHAM. If this amendment is adopted and $20,000,000 is made available, will that insure the inauguration of that particular route?

Mr. LEAVITT. The situation is that without it we certainly can not get the route, and with it we have great hope that we can.

Mr. Chairman, I feel that the general case for the air mail service has been so well made that there is no necessity that I take the further time of the House in that direction. I only wish to call attention on the map to this great missing gap in the east and west air mail system as it now exists and to the fact that without an increase in funds that lack can not be supplied.

Mr. McMILLAN. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. McMILLAN. Last year's increase in poundage for air mail shows approximately a million pounds over the year 1930.

Mr. LEAVITT. That is undoubtedly true.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. SUMMERS of Washington. I wish to call attention to the fact that they are cooperating in Canada in a transcontinental line, while they neglect the northwestern part of the United States.

Mr. LEAVITT. Indeed. The east and west line I refer to would go through Montana, would complete the line through North Dakota, the entire distance across Montana, northern Idaho, and the northern part of the State of Washington to Seattle. In addition there is need for an extension of what is now known as the national parks line, northward from Great Falls to Havre and into Canada, and for a line to Denver by way of Billings. I am active for those developments, but I am referring now particularly to the great missing part of the national system of east and west air mail lines known as the northern route, because that lack is plainly before you on this map.

Mr. Chairman, I yield back the balance of my time in order to give opportunity to another who desires to speak on this matter and who would otherwise be excluded by expiration of the agreed period of debate.

Mr. MAAS. Mr. Chairman, as has been pointed out, it will be noticed on the map that the country is pretty well serviced by air mail, with one exception. One gap is left which, from a commercial and military standpoint, is one of the most important in the country. Each of the great transcontinental railroads is paralleled with an air line, with the exception of the northern part of the country, where there are four transcontinental railroads and not one air line. The policy of following trade territories requires that this gap be completed with air service, especially as we have these great distances out there which need air services even more than many of the congested sections of the country where distances are short.

I feel the next logical development is to extend the air service into Montana, which will eventually be extended to the coast.

Now, just a word from a military standpoint. One of the great benefits from and purposes of an air mail subsidy is to build up national defense. From a defense standpoint one of the most vulnerable parts of the country would be our northwestern section. When the Army undertook to move the fighting squadrons of its planes, a year or so ago in the winter, from their base at Selfridge Field, Mich., across the continent, they had a great deal of difficulty in this part of the country because of lack of ground facilities. The movement was a fizzle. It was no reflection on the Army Air Corps nor the pilots. They could not move those planes with any sort of expedition, because there were no ground facilities. There was no trouble about actual flying. It is of vital importance that we have all ground facilities for easy and quick movement of our planes from east to west, over this route, if they are needed.

Now, I understand the necessity for economy and I think all of us do, but we have just passed a bill calling for some $132,000,000 to build new roads. I believe we can well afford to appropriate one more million dollars, which is what the department itself requests, to complete the air picture of our traffic systems, and close the remaining gaps. Certainly it is unwise and unfair to leave one important section of the country, a great inland empire, if you please, without the same advantages and protection afforded to all the other parts of the Nation.

Some of the so-called feeder lines could certainly be deferred a while until the great natural trade channels are taken care of. The normal, long-established trade routes of the Northwest flow east and west. The whole trade territory of the Northwest has been built along these lines, until it is now so well accepted that any departure from this policy can only be artificial and tend to disturb and disrupt the whole area.

I wish to call the attention of the committee to the urgent necessity of extending the air mail facilities from the Twin Cities out into Montana at once, because of the very tendency to a departure from the normal trade routes inaugurated by the Post Office Department in recently granting an extension that will have the effect of interfering with the natural flow of trade and commerce of our trade territory and divert it to another channel.

A few weeks ago an extension to a mid-continent transcontinental air line was put into operation from Omaha, Nebr., to Watertown, S. Dak. This artificially cuts across a trade channel, and would tend to tap and divert established trade out of its normal east-west flow to a north-south traffic, inasmuch as it provides the only air service in that section. That is a trade abortion and an unwarranted trade invasion, because it does not follow natural development; it only upsets existing trade relations and tends to break down the whole plan.

Such an extension would be logical and should come, but only after the northern east-west air traffic is adequately established.

It is hardly a good plan to build the feeder lines before the main line itself is established.

But because this has already been done, as I have indicated, it is doubly important in order to prevent permanent injuring to the future development of this area, that an east-west extension be granted from the twin cities of St. Paul and Minneapolis out through one of the Dakotas into Montana, probably Helena, and this done at once.

Mr. Chairman, I yield back any remaining time I may have.

Mr. FISHBURNE. Mr. Chairman and gentlemen, I simply rise to accentuate what the gentleman from Tennessee [Mr. LOVETTE] has said about the importance of a line from Washington to Chattanooga or Nashville, right through the middle of this vast territory of 168,000 square miles shown on the map we have before us.

I represent a district which includes the great Shenandoah Valley and there are more than 2,000,000 people who would be accommodated by this line. It would run from Washington by Charlottesville, Lynchburg, Roanoke, Bristol, Johnson City, and Nashville, and at all of those places are now established airports, and short feeder lines could connect with Winchester and Harrisonburg. The territory it goes through is peculiar in this, that it is filled with universities, colleges, and schools. There are 15,000 students who would be accommodated by that air line, and it has been found that schools and universities use the air mail to a great extent. The business men throughout this territory are clamoring for this service.

I have in my hand a very elaborate abstract and survey of this proposed route, and I would be very glad if every Member of the House could see it.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Chairman, I do not believe there is anyone in this House who has any more personal interest in the development of aviation than I have. I have been with it since its very birth in this country.

Gentlemen, I want to say in all frankness that the $1,000,000 that you suggest here would not commence to give you all the lines you want. You would be fighting among yourselves after the $1,000,000 was granted.

Mr. LANKFORD of Virginia. At least give us a chance to fight over it.

Mr. LAGUARDIA. All right. Had it not been for the unfortunate development out West on the Century Lines I believe the appropriations would have been reduced even more than they were.

My interest in supporting the committee to-day is that I do not want to be a party to the killing of the goose that laid the golden egg. No one can properly say the United States Government is starving aviation. With the $19,000,000 appropriated in this bill and the establishment and maintenance of lighted airways, weather service, scientific and technical aid, as well as the appropriations made for the Army and the Navy for equipment, which gives the industry an opportunity to live at this time, we have been most generous. Within 10 years from now I will say that 90 per cent of the mail will be carried by air. It can not be stopped. But we can not, as I see the present conditions and the differences of opinion existing, do any more this year. What I would suggest to the gentleman from Tennessee, the distinguished chairman of the committee, as well as to the legislative committee, is that provision should be made whereby air mail may be transported on a poundage basis between any two given points without a subsidized postal contract. When I say without a subsidy I mean a postal contract under the special law establishing the subsidy system.

I believe we have arrived at the time when it is up to aviation to show what it can do, and it can do that by carrying the mail between points on a poundage basis. Of course, I assume absolute fairness to all reputable companies on the part of the Post Office Department. On the other hand, the pioneer companies can not and must not be destroyed.

Now, gentlemen, when I say that within 10 years we will carry all the mail by air I am absolutely convinced of that. You will find that we appropriate for railroad transportation $115,000,000. That is a decrease of $12,000,000, but that decrease is due to the falling off of business. Now, the increase for aviation must be reflected in a decrease in the cost of railway transportation. That is how aviation can get more appropriations for transportation of mail.

Mr. ARNOLD. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. ARNOLD. It appears in the hearings that the decrease in the amount provided for the carrying of mail by the railroads was due to the fact that so many of the short-line railroads are being taken off and they have to supplement that service by trucks and busses.

Mr. LAGUARDIA. I understand. The point I am trying to develop is this: As aviation grows, without artificial stimulation, it must come from that amount. The more mail transported by air the less by rail. The less by rail the more money for aviation. I have confidence in the success of aviation as a means of transportation for mail.

At this very moment there is a bill before the Post Office Committee on which hearings are being held, and there exists a difference of opinion as to what is the proper rate to be paid to these companies. Let us go along this year with this appropriation. Next year, I hope, all existing doubt and differences will be removed. Let present operating companies take heed; we expect our pilots to be kept on a high professional level and properly paid.

It is encouraging to note the great interest in aviation as expressed on this floor to-day. Indeed, a big change of attitude of former years. This new industry is certain of its future.

[Here the gavel fell.]

Mr. EATON of Colorado. Mr. Chairman, I want to draw your attention to the western part of the United States also. I have listened to this debate attentively, and it is difficult to determine whether to support the amendment or not. But in the light of what has been said, I am inclined to support the amendment, because when the Post Office Department changed the air mail service from Los Angeles to Denver by way of Salt Lake City it resulted in the delivery of air mail at Denver at about 6.30 in the evening—too late for any business on the date of delivery. Officials of the post office said that by so doing they were going to save money. But if there is to be any saving of money made by delivering business mail at 6.30 in the evening, I do not know how it can be done. I am told that the quantity of air mail has decreased from 1,500 pounds per day to 50 or 60 pounds per day on this delivery. Of course it would be so.

Now, another subject: Gentlemen from the Northwestern States have been telling you about this area in here [indicating on map]. Here is the area across from Mexico to Canada. We have been trying to obtain air mail service through this area by way of Denver, Cheyenne, Casper, Sheridan, and Billings. Air mail service has not yet been established, and the Government regrets that it has not enough funds available for this new service. Of course, you can tell by this map that this additional routing is coming and that it is necessary. Whether it is intended to be included in this year's program I do not know. Maybe it can be postponed. Perhaps it ought to be postponed; but you can see by looking at this map that the open spaces between the ends of these routes are going to be brought together and closed up some day—north and south and east and west, making through air mail transportation.

I know something of the business and mail possibilities of air service between Denver and Billings, and I do not hesitate to represent that the net amount of money which may be called subsidy which might be paid in connection with the establishment of such a line would be far less than amounts which I have been told have been paid upon even less mileage in connection with some lines.

I submit to you who are talking about the amount of money involved that you know full well how much money the Post Office Department has had to establish air mail service. You know what the department asked for in this bill and what was approved in the Budget. If the change in the Los Angeles-Denver air mail and the refusal to establish a Denver-Billings line was a part of a plan to induce some of us to come on the floor of this House and badger the committee to give the Post Office a million dollars more for air mail, and if they need it, I want to help them get it. But if the plan is simply to have some of us make a play here to ask for some more money, then I am not interested in such a play.

Mr. ARNOLD. Will the gentleman yield?

Mr. EATON of Colorado. Yes.

Mr. ARNOLD. We do not know what this million dollars in figures may be used for—increasing night lines or for increased frequency on existing lines.

Mr. EATON of Colorado. The gentleman from Illinois [Mr. ARNOLD] will realize that when you change the schedule

for delivery of air mail so that what formerly amounted to 1,500 pounds of air mail began to arrive at Denver, Colo., from the West at 6.30 o'clock in the evening, it did not take long for the business people who were sending mail that way to learn about the change in delivery and to begin sending their mail under 2-cent postage. For the 2-cent letters would be delivered the next morning, and so would the air mail.

In other words, delivery at 6.30 in the evening practically cuts off 24 hours of the air mail service. So air mail that theretofore was delivered after a 2 o'clock airplane arrival reached the banks and business houses in time to be a part of that day's business. The Post Office Department has stated that the quantity of mail now carried is insufficient to reestablish the old service, which included some night flying. Of course it is, and the revenue is the difference between that collected from stamps on hundreds of pounds and the amount collected on tens of pounds.

Mr. McMILLAN. Will the gentleman yield?

Mr. EATON of Colorado. Yes.

Mr. McMILLAN. And that reduction has a corresponding effect on the reduction of revenue?

Mr. EATON of Colorado. Absolutely. It cuts the revenue *right straight* out.

Mr. McMILLAN. And that applies to all sections where that situation exists?

Mr. EATON of Colorado. Yes; 50 or 60 pounds of mail is simply curiosity mail by people who merely want to put a 5-cent stamp on a letter so as to have it marked and transported as air mail. That is not the business that will build up air mail delivery.

Mr. SUMMERS of Washington. Mr. Chairman, I want to point out the very evident lack of a completed air mail system through the northwest part of the United States.

The map itself indicates that this section of the country is simply waiting for a line, as indicated by my pointer here. [Indicating.] This stub, this stub, and this stub would be connected, and at the same time you get your north-and-south connections at three different places here.

This is one of the great perishable commodity producing sections of the entire United States. They have occasion to pass their mail back and forth in the shortest time possible, and they have often been handicapped by the time required.

Here is a great section not served at all. The mail that comes down from Alaska would be picked up there [indicating] and brought at once directly across to the central part of the United States.

So we hope we may succeed in getting the connection across here that we have been trying to get for the past several years. It would serve the Dakotas, Minnesota, Montana, a part of Wyoming, Idaho, Washington, and many of the various connections to which I have referred, and would also serve Alaska and the mail that comes from across the Pacific.

Mr. ALLGOOD. Mr. Chairman, I am opposed to this amendment. I think the gentleman from New York [Mr. LAGUARDIA] has the correct idea. The gentleman has been a friend of the air service, and it has been brought out in this discussion that the air service now, from the standpoint of carrying passengers, is largely able to care for itself, and that the Government ought not to be called upon to subsidize further this part of our mail service.

It has been brought out that 1,000,000 additional pounds of mail was carried in this way last year, but it has also been brought out that it cost the taxpayers of this country approximately $18,000,000 to secure and carry this additional 1,000,000 pounds of mail. So there is $18 a pound for each additional pound of mail that you are carrying.

We are coming to a time in this country when we have got to slow down. You talk about national defense here. I think the greatest question of national defense is defending the Treasury of the United States, and I think the people back home realize that this is the greatest question before the Congress to-day. If you want national defense, defend the Treasury, because if you bankrupt the Treasury of the United States and utterly destroy our credit, how are you going to defend this country in case of war or in case of invasion?

So here is one place where you can cut out money, and instead of adding $1,000,000 you can cut out $10,000,000 by adopting my amendment, because the hearings show that the air mail can be carried for one-half the amount it is being carried for now. This is the evidence in the hearings.

Mr. Chairman, I have just received the information from the Committee on Public Buildings that no more contracts for the erection of post-office buildings anywhere in the United States would be let for this year. I want to say that I heartily indorse the economy program which the House has instituted, and it is my wish that we might economize in every one of these appropriation bills; but why economize so rigidly in one of the needed branches of the mail service by refusing to continue the erection of post-office buildings where they are actually needed and denying an opportunity for the employment of much of the unemployed labor, and then allow this increase in expenditures of tax money to further subsidize an already oversubsidized air transport company engaged in the carrying of air mail? To my mind this is a wanton waste of the tax money of our people and should be stopped. I am, therefore, opposed to this amendment. [Applause.]

[Here the gavel fell.]

Mr. ALLGOOD. Mr. Chairman, I offer an amendment as a substitute for the pending amendment.

The Clerk read as follows:

Page 57, line 25, strike out the figures "$19,000,000" and insert the figures "$10,000,000."

Mr. BYRNS. Mr. Chairman, I think the very best answer that could be made to those who have advocated the increase of this appropriation is the map now before you. I think if you will look at that map, gentlemen, and see the wonderful progress in putting in air mail lines that has been made during the past four years, you will agree with me that the Government has been going at a pretty rapid pace in the establishment of air routes.

I am a friend of the air mail service. For several years the gentleman from Kentucky [Mr. THATCHER] and I, on the committee, have been standing for every reasonable appropriation if it would help the air service.

But after all, gentlemen, the $19,000,000 is in accordance with the request of the Budget for the continuance of the service for the next year, and $11,000,000 of that, in round figures, represents nothing more or less than a plain subsidy in the interest of the service.

There is such a thing as loading down the service, and I want to say to those who favor the air mail service that if you increase too fast, if you proceed too rapidly, if you make it too great a burden on the people of the country, you will find that you have done the air mail service an injury rather than a benefit.

There is not one of you gentlemen who have spoken in favor of a million-dollar increase who knows that you will get a route if the amendment is adopted. There are a number of applications throughout the country, and I suspect that most of those who made speeches in the interest of the million-dollar increase, if granted, will be sadly disappointed when the time comes to allocate the million dollars extra.

We have granted the Budget estimate. We have not diminished it a dollar. That is all the Budget asked for, and Mr. Glover, as the gentleman from Indiana said a while ago, said that the $19,000,000 would be sufficient to carry on the present service during the year.

Mr. LOOFBOUROW. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. LOOFBOUROW. Then how does the gentleman explain the situation between Salt Lake and Los Angeles, where the night flying has been taken off as a matter of economy?

Mr. BYRNS. I do not know. The gentleman can get that information from the Post Office Department. I will say that the hearings disclose that $19,000,000 will be sufficient

to carry on the present service. It was suggested that it might prevent greater frequency on some of the routes, or some night flying, which might possibly be put on during the year.

But, gentlemen, can not that wait one year; can not we postpone for one year the further establishment of these routes? Can not we, in the interest of the taxpayers of this country during this great depression, postpone for one year the further proposed lines? The present lines are now taking $19,000,000 to carry on. We are not going to deprive anybody now getting the service.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BRAND of Georgia. I call the attention of the distinguished chairman of the Appropriations Committee to the fact that Richmond County and Augusta, Ga., with a population of 75,000 people, are now a portion of my district, and that they are deeply interested in the adoption of this amendment.

Mr. BYRNS. Yes; and the State of Georgia. If we should appropriate the extra million dollars, it will not be sufficient to satisfy the gentleman from Washington, the gentleman from Tennessee, the gentleman from South Carolina, the gentleman from Virginia, and the gentleman from Georgia, who are advocating this extension. Somebody is going to be disappointed. Let us not disappoint anyone, but simply go ahead and provide this service as the Budget has asked us to do, and hold down these appropriations within the limits of the Budget.

The CHAIRMAN. The time of the gentleman from Tennessee has expired. All time has expired.

The question first comes on the substitute amendment offered by the gentleman from Alabama.

The question was taken, and the substitute amendment was rejected.

Mr. LARSEN. Mr. Chairman, let us have the Lankford amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the Lankford amendment.

There was no objection; and the Clerk again reported the Lankford amendment.

The CHAIRMAN. The question is on agreeing to the Lankford amendment.

The question was taken; and on a division there were—ayes 75, noes 70.

Mr. BYRNS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. LANKFORD of Virginia and Mr. BYRNS to act as tellers.

The committee again divided; and the tellers reported—ayes 74, noes 94.

So the amendment was rejected.

The Clerk read as follows:

For miscellaneous equipment and supplies, including the purchase and repair of furniture, package boxes, posts, trucks, baskets, satchels, straps, letter-box paint, baling machines, perforating machines, duplicating machines, printing presses, directories, cleaning supplies, and the manufacture, repair, and exchange of equipment, the erection and painting of letter-box equipment, and for the purchase and repair of presses and dies for use in the manufacture of letter boxes; for postmarking, rating, money-order stamps, and electrotype plates and repairs to same; metal, rubber, and combination type, dates and figures, type holders, ink pads for canceling and stamping purposes, and for the purchase, exchange, and repair of typewriting machines, envelope-opening machines, and computing machines, copying presses, numbering machines, time recorders, letter balances, scales (exclusive of dormant or built-in platform scales in Federal buildings), test weights, and miscellaneous articles purchased and furnished directly to the Postal Service, including complete equipment and furniture for post offices in leased quarters; for miscellaneous expenses in the preparation and publication of post-route maps and rural-delivery maps or blue prints, including tracing for photolithographic reproduction; for other expenditures necessary and incidental to post offices of the first, second, and third classes, and offices of the fourth class having or to have rural-delivery service, and for letter boxes, $1,700,000; and the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps or blue prints at the cost of printing and 10 per cent thereof added; of this amount $1,500 may be expended in the purchase of atlases and geographical and technical works: *Provided*, That no part of this appropriation shall be expended for the purchase of furniture and complete equipment for third-class post offices except miscellaneous equipment of the general character furnished such offices during the fiscal year 1931.

Mr. STAFFORD. Mr. Chairman, I reserve the point of order upon the paragraph to inquire of the chairman of the committee as to the need for the last proviso whereby you restrict the use of furniture to third-class post offices in some respects.

Mr. BYRNS. Mr. Chairman, the appropriation for last year was $300,000 for the purchase of furniture in third-class offices. It was stated in the hearings that with that $300,000 they had supplied 200 offices. The plan was to continue to supply third-class offices upon the theory that it would cost less money in the long run, and that they would complete the job in the next 20 years. There are some 9,000 third-class offices. Gentlemen can see just how long it would take to supply them at the rate of 200 a year, and it would cost eventually $15,000,000.

Mr. STAFFORD. Was it the purpose of the department to supplant the old equipment and furniture in third-class offices and replace them with Government-owned equipment?

Mr. BYRNS. Eventually, yes. The postmasters, as the gentleman knows, supply the furniture now, but it was the purpose of the Government to supply it in the manner and at the rate that I have indicated.

Mr. STAFFORD. And it is the thought of the committee to abandon the policy that was initiated last year?

Mr. BYRNS. Yes; and the proviso was put in for that purpose.

Mr. STAFFORD. It is not intended to destroy the right of third-class postmasters to furnish their own equipment if they see fit.

Mr. BYRNS. Not at all.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. KELLY of Pennsylvania. In the last Congress the Post Office Committee had a proposal to allow these third-class postmasters to have 50 per cent of the actual amount collected for box rent through their own equipment. The department assured us that we should not pass such a bill, because they would have $300,000 on the yearly appropriation bills to put Government-owned equipment in these third-class offices. Now, this appropriation is not carried.

Mr. BYRNS. Of course, the Committee on Appropriations and the Congress were not a party to any agreement that might have been made by the Post Office Department, but here we had a situation of $300,000 being appropriated. It had supplied only 200 third-class offices. That leaves 8,800 not yet supplied. It was in effect an increase of salary for 200, but what about the 8,800 third-class postmasters that would not get it, and some who would not get it for 20 years, and before the end of the 20 years Congress would find itself appropriating money to supply new furniture for the offices being supplied now. I think it was wholly impracticable, if such an agreement was made.

Mr. STAFFORD. What was the motive that prompted the committee to launch into this policy when a bare statement of it shows it to be of an extravagant character?

Mr. BYRNS. I am speaking for the committee as constituted at the present time.

Mr. STAFFORD. But the gentleman was on the Committee on Appropriations last year. Was it with the idea of giving more employment at the expense of the Government for the benefit of the third-class postmasters?

Mr. BYRNS. The gentleman from Pennsylvania [Mr. KELLY] has given the only reason that could have prompted it.

Mr. STAFFORD. What could have been the reason except that of taking Government money and putting it in the hands of third-class postmasters for the purchase of furniture? I withdraw the reservation of the point of order.

Mr. FOSS. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. FOSS. Does this prevent the department from supplying furniture in new buildings for third-class offices?

Mr. BYRNS. This has no relation to the new buildings.

Mr. FOSS. Under the third-class offices—I mean, of course, leased buildings.

Mr. BYRNS. This is in rented buildings. Under the present arrangement the third-class postmasters are under the necessity of supplying most of the furniture.

Mr. FOSS. A great many of our third-class offices are housed in very poor quarters, and they have very poor fixtures, and when we move into a new building, under lease, it has been the policy of the department to furnish new furniture for those offices. Will this prevent the department from continuing to do this?

Mr. BYRNS. Not with reference to the third-class post offices. It has never been the policy, except for the last year, and they furnished 200 last year, but I submit if we have 9,000 offices and furnish 200 per year, it will be a long time before some of them will get their new furniture. If we are going to do it for any, we ought to do it for all, and it would require ten or fifteen million dollars to do it.

Mr. FOSS. Of course, the gentleman knows that the third-class postmaster, receiving a salary of $1,400, can not afford to pay a thousand or twelve hundred dollars for new fixtures.

Mr. BYRNS. That may be true.

Mr. FOSS. And then the Government takes the box rents.

Mr. BYRNS. But if he is not getting enough money, I would rather vote him a direct salary rather than to give him these perquisites in the way of furniture. In other words, it would be better to let the country know what he is getting in the way of salary rather than to be supplementing his salary by these perquisites.

Mr. FOSS. I agree with the gentleman absolutely. We should take over all of the third-class equipment.

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Chairman, one of the few remaining subjects before this House in which the country is interested is the question of taxes. Emergency reconstruction legislation has been completed. Further tariff legislation has been definitely shelved. Most of the supply bills are now under way. A vote on prohibition is assured and will be taken within the next week or two. Only the question of taxation remains. But the question of taxes presents an unusually difficult problem this year. We are faced by the greatest peace-time deficit in the history of the Nation. The Treasury reports a deficit of approximately $2,000,000,000. One billion two hundred and forty million dollars additional revenue must be raised to balance the Budget.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. CANNON. With pleasure.

Mr. STRONG of Kansas. I did not understand whether the gentleman said the tariff question had been settled.

Mr. CANNON. Has been definitely shelved for this session.

Mr. Chairman, we must raise an unprecedented sum in taxes for the coming fiscal year. And the question is who is going to pay it. Is it to be paid by the wealth of the country—by those who have it to pay? Or is it to be saddled on the masses of the people—those who even now are reducing their standard of living to the irreducible minimum? Is it to be paid from the impounded surplus of those who are hoarding vast resources? Or is it to be paid from the daily pittance of the toiler?

In other words, does the House propose to raise this vast sum from income taxes, surtaxes, estate taxes, excess-profit taxes, corporation taxes—taxes which have heretofore been utilized for that purpose—or do we propose to change our policy of taxation and raise it by a sales tax—a tax levied on the citizen regardless of his income or his ability to pay? That is the question in which the country is interested this morning.

Mr. GARBER. Will the gentleman yield?

Mr. CANNON. Certainly.

Mr. GARBER. Why not raise some of it by a tax on the importation of crude oil and refined products?

Mr. CANNON. That is a very interesting query.

Mr. SCHAFER. Will the gentleman yield?

Mr. CANNON. I yield.

Mr. SCHAFER. And why not raise about five hundred million by a tax on good, wholesome beer?

Mr. CANNON. And that likewise is a very interesting query.

Mr. STRONG of Kansas. There is no such animal.

Mr. CANNON. The House has not suffered from lack of advice as to the method by which this money should be raised. Metropolitan newspapers, owned and controlled by intrenched wealth, have urged a sales tax ever since the close of the war. Secretaries of the Treasury possessed of vast fortunes have recommended a sales tax in season and out of season. Corporations which profiteered unmercifully and international bankers who helped bring on the present depression by forcing worthless foreign bonds on our investors are clamoring for a sales tax. The corridors of the Capitol are crowded with lobbyists representing big business importuning Members and committees in behalf of a sales tax.

Why all this clamor for a sales tax? The explanation is very simple. They want to lift the burden of government from the great incomes to the wage earner, the farmer, the small tradesman, the masses of the people. They want to shift the weight of taxation from the rich to the poor. And they know they can do it with a sales tax.

What is a sales tax? A sales tax is the most iniquitous, most reprehensible, most unconscionable device for plundering the people ever devised since the days of Captain Kidd. [Applause.] It is a nuisance tax in the worst form. It is a daily toll exacted from the wages of labor, the unrequited sweat of the farmer, and the meager fee of the tradesman. It taxes every purchase. It adds to the cost of every necessity from a tractor to a match. It increases the price of the swaddling clothes of the infant, the wedding gown of the bride, the weeds of the widow, and the simple habiliments of the aged. It taxes the primer in the school, the almanac in the farm kitchen, the magazine in the barber shop, and the Bible in the church. It takes shoes from children's feet; it drives the rain through the shattered roof of the tenement; it snatches healing medicaments from the fevered brow of pain; and it denies the bier of the veteran the tribute of the flag beneath which he served. From poverty and penury and toil it takes its inevitable and relentless toll in order that wealth and power and profiteers may go untaxed. [Applause.]

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CANNON. Mr. Chairman, the sales tax—sometimes designated as a manufacturer's tax—is in direct violation of the fundamental law of taxation as laid down by every economist since Adam Smith. Adam Smith, in his Wealth of Nations, wrote it in this form:

> The subjects of every State ought to contribute to the support of the Government in proportion to the revenue which they, respectively, enjoy under its protection.

And that law is cited and reaffirmed by every authority on taxation from John Stuart Mill to the present day. It is the basic principle of taxation—that every man should be taxed in proportion to his ability to pay and not in proportion to what he consumes. Under the sales tax the rich man pays no higher tax than the poor man.

When Mr. Mellon, with an income of thousands of dollars a day, buys a lead pencil or a bottle of quinine or a package of cigarettes he pays no more tax on them than the work-

ingman, whose income is a wage of $1 a day. The housewife buying a paper of pins or a cake of soap or a can of baking powder pays the same tax on them for the support of the Government whether she lives in a hovel or a mansion. They are not paying in proportion to their ability to pay. They are not paying in proportion to the service rendered them by the Government.

Mr. LAGUARDIA. Ability, coupled with the benefit derived from government.

Mr. CANNON. Ability, coupled with the benefit derived from government. Yes.

Let us illustrate the operation of the sales tax. One of your neighbors has a number of children. The wealthiest man in your neighborhood has none. When school opens your neighbor must pay taxes on school books for every child. The man of wealth pays none. Your neighbor must pay taxes on shoes and clothing for his children and himself. The rich man pays only on his own. No wonder the rich man wants a sales tax. No wonder Wall Street wants a sales tax. It transfers taxes to the consumer. It saves them from an income tax.

Let us see how a sales tax would work in the abstract. According to official statistics, 65 per cent of the people of the United States receive only 4½ per cent of the total income paid to the people of the United States and 35 per cent of the people of the United States receive 95½ per cent of the income of the people of the United States. Under an income tax the 35 per cent would pay taxes on 95½ per cent of the income and the 65 per cent would only pay on the 4½ per cent. But under a sales tax the 65 per cent of the people who receive 4½ per cent of the income pay 65 per cent of the cost of supporting the Government and the 35 per cent of the people who receive 95½ per cent of the income pay only 35 per cent of the expense of supporting the Government. Of course, the 35 per cent are very much in favor of a sales tax and very much opposed to an income tax.

Let us go further and estimate the amounts which would be paid by the rich and the poor, respectively, under a sales tax. Here it is: For every 1 per cent sales tax or manufacturers' tax levied by the Government, all the people of the United States with incomes of less than $1,800 a year would pay into the Treasury $100,000,000 a year. The people of the United States whose incomes amounted to more than $100,000 a year each, would pay into the Treasury only $10,000,000 a year. If the sales tax was 2 per cent, the poor would pay into the Treasury $200,000,000 and the rich would pay $20,000,000. If the tax was 2¼ per cent, as rumor to-day suggests will be offered in the House, the men receiving less than $1,800 a year would pay in $225,000,000 and men receiving from $100,000 to $5,000,000 annual income would pay in only $22,500,000. The smaller your income the larger the burden the sales tax places on you. The larger your income the smaller proportionately is the amount of your tax. The sales tax saddles the burden of government directly on the people least able to bear it. It places the weight of taxation on those who derive the least benefit and protection from the Government. It is a tax on the poor. It is a tax on the farm. It is a tax on labor. It is a tax on childhood. It is a tax on civilization. It will reduce the attendance of our schools. It will deny the educational advantages of the motion picture. It will curtail the revenues of the church itself.

But let us take up another objectionable feature of the sales tax—the collection of the tax. It is to be collected from the manufacturer. Of course, the manufacturer will not pay the tax himself. He will pass it on. And he will have three options—

First, he can pass it on to the consumer by simply adding the tax to the selling price.

Second, he can pass it on to the producer of his raw material. The packer can deduct the tax from the price he pays the farmer for livestock. The spinner can pass it on to the grower of cotton. The miller can take it out of the price of grain. The shoemaker can deduct it from the price he pays for hides.

Or, third, he can take it out of the price of labor. He can deduct it from the wages he pays his workmen. As a matter of fact, they will probably take it out of all three. They will increase the price of their product, decrease the price paid for raw material, and lower wages.

No one will suffer more from the adoption of the sales tax than labor. It will increase the cost of the necessities of life; it will curtail employment; and it will reduce the wage scale. But his employer is a warm advocate of the sales tax. It gives him a profit from three sources. It saves him from paying a surtax on his income. He escapes further corporation taxes. And he pays no higher tax on what he consumes himself than his poorest paid employee.

[Here the gavel fell.]

Mr. CANNON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CANNON. Mr. Chairman, a sales tax is particularly inopportune at this time. We are in the trough of the greatest business depression in the economic history of the world. We are just beginning to beat back against the tide. Any influence which serves to check recovery is a national menace, and that is precisely what the sales tax does. It slows up business. It retards industry. It defers the return of the country to normal conditions. It acts as a brake on returning prosperity.

A sales tax becomes immediately a cost of production. The tax has to be added to the cost. It increases the price of the commodity. And it is another immutable principle of economic law that when you increase price you decrease demand. It is axiomatic that the higher the price of a commodity the less people buy. And the less they buy the less the factory produces. And the less the factory produces the less the demand for raw material and labor.

When you place a tax on a commodity you not only slow down production at the factory but you take away the farmer's market and you deprive more men of a job and turn more unemployed out to walk the streets. The whole current of commerce is checked, the reconstruction measures passed by Congress are neutralized, and the country sinks hopelessly back into the jaws of the depression.

It was just such a system of taxation that fomented the French Revolution. The aristocracy was subject only to consumption duties. Wealth went untaxed. The nobles with vast landed estates paid no higher tax for the support of the Government on what they consumed than did the poorest subjects of the King. Louis dismissed every minister who sought to equalize the burden and tax the nobles in proportion to their ability to pay. And the revolution followed.

I have no doubt that many Members were reminded of that when they read in this morning's papers the account of the uprising of the people in the capital of the State of Kentucky against an administration which sought to impose upon the people of the Commonwealth a sales tax similar to that proposed for the consideration of this Congress. We will never have a revolution in America. We passed that stage of political development long ago. But the people of the various constituencies represented in this House will register their disapproval in a manner no less effective if it is ever attempted. Such a tax is indefensible, inequitable, uneconomic, undemocratic, unwise, unfair, and un-American. And there are Members on both sides of the aisle who will never support any measure which carries it. [Applause.]

[Here the gavel fell.]

Mr. STRONG of Kansas. Mr. Chairman, I ask unanimous consent to proceed for five minutes out of order.

Mr. BYRNS. Mr. Chairman, reserving the right to object, I do not know whether this is the beginning of a discussion on matters foreign to the bill or not, but we want to get through with the consideration of this bill. We have another appropriation bill that will be taken up just as soon as this one is disposed of, and these gentlemen can all get ample time in general debate. There are gentlemen here who are waiting the disposition of this bill. I am not going

to object to the request of the gentleman from Kansas, but I shall object to other speeches being made unless they are pertinent to the pending bill. I feel we have got to get through with the consideration of this measure.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. STRONG of Kansas. Mr. Chairman, I rise in defense of the Democratic Ways and Means Committee that, I understand, is about to bring in a bill providing for a manufacturers' tax. I came to Congress about 13 years ago, at which time we were burdened with all kinds of general sales taxes, which were termed "nuisance taxes." I voted to repeal them, and commencing with the tax on soda water and going down the line all nuisance taxes were at last repealed.

We then commenced to raise the exemption on the people of the country until we only required heads of families with incomes above $3,500 per year to pay taxes on their incomes. We thus exempted 95 per cent of the people from the payment of income taxes. We now have found that incomes have fallen off so that we are not collecting enough money to run the Government. Where are we going to get this money?

I am in favor of a manufacturers' tax, and I want to tell you why. I went to Canada about eight years ago to study their tax system. They had just repealed their nuisance or general sales taxes and had placed on their statute books instead a manufacturers' tax. I first went to the tax commission to ask them how it worked, and they said, "Fine; we are collecting this tax throughout the Dominion of Canada with 30 men." I then went to the manufacturers and said, "How do you like it?" They said, "Fine; we pass it on," just as my friend from Missouri has said. I then went to the jobbers and I asked how they liked it, and they said, "We like it"; I asked why, and they replied, "Because we are not eternally troubled with a lot of government tax collectors coming in here and quarreling with us and going over our books." I said, "Do you pass it all on?" and they said, "We can not," and they took down their invoices and showed me where there was added, when they paid their wholesale bills, one cent and a half tax. When I asked, "How do you pay it?" and they said, "We charge it up just like we do our rent, our salaries, and insurance, as overhead expense." I asked, "Do you not add a little more profit to your goods?" and they replied, "Why, of course, if we can, but can not always do so. We can not add so small a tax on notions or on overalls or shoes and hundreds of such goods that sell for but a few dollars. Competition prevents our doing so. We have to absorb much of such a tax, but," they said, "we would prefer doing so to being annoyed and bothered with tax collectors, making reports, and so forth."

Then I went down and asked the man on the street, "How do you like this tax?" and he said, "What tax?" I said "The manufacturers' tax"; and he said, "Oh, we have no such tax; we repealed our sale taxes"; but I said, "You have a manufacturers' tax"; and he said, "Oh, no; we do not."

I went with a Member of this House into a store to buy a suit of clothes and we said to the salesman, "How do you like the manufacturers' tax?" and he said, "We have no such tax"; and we had to go to the manager of the store before we found anyone who knew that they had any such tax; and he said, "Yes; we do have a tax, but it is not the old general sales tax; it is a manufacturers' tax. We like it."

Now, my friends, the Democratic Ways and Means Committee, I understand, is proposing a 2-cent manufacturers' tax. How is this going to hurt the man in the street? The things that he buys will either have no tax placed on them; or, if they do, it will be so small that he will neither feel nor know it. It will be only those who buy in large quantities who will know anything about this tax.

If they put a 2-cent tax upon manufactured goods, it will raise a large amount of revenue and the men who spend the most money will pay the most tax.

Mr. SCHAFER. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. SCHAFER. How would this manufacturers' sales tax affect your independent oil producers whom the gentleman has been talking about for some months? Does the gentleman think it will help them get out of their present deplorable situation?

Mr. STRONG of Kansas. Yes. If you put a tax on the importation of foreign oil, they will be greatly helped.

Mr. SCHAFER. By levying a 2 per cent tax on their refined oil at the refinery?

Mr. STRONG of Kansas. Yes; if you will put a tax on the importation of foreign oil.

Mr. SCHAFER. I asked about domestic oil, which is refined in domestic refineries.

Mr. STRONG of Kansas. I refuse to yield any further. I am making this speech. [Laughter and applause.]

Mr. SCHAFER. The gentleman can not answer that, can he?

Mr. STRONG of Kansas. Yes. If you will put a tax on gasoline and keep foreign gasoline from being imported into this country, the men in this country who are producing American gasoline will be willing to pay a manufacturers' tax.

Mr. SCHAFER. Are they willing to pay it now?

Mr. STRONG of Kansas. Sure, they will if you shut out the importation of oil.

Mr. SCHAFER. Oh, if and but.

[Here the gavel fell.]

The Clerk read as follows:

For vehicle allowance, the hiring of drivers, the rental of vehicles, and the purchase and exchange and maintenance, including stable and garage facilities, of wagons or automobiles for, and the operation of, screen-wagon and city delivery and collection service, $16,500,000: *Provided*, That the Postmaster General may, in his disbursement of this appropriation, apply a part thereof to the leasing of quarters for the housing of Government-owned automobiles at a reasonable annual rental for a term not exceeding 10 years: *Provided further*, That this appropriation is available for the maintenance of the Government-owned post-office garage at Washington, D. C., including such changes and additions to the mechanical equipment as, in the opinion of the Postmaster General, may be necessary: *Provided further*, That the Postmaster General, during the fiscal year 1933, may purchase and maintain from the appropriation "Vehicle service" such tractors and trailer trucks as may be required in the operation of the screen-wagon and city delivery and collection service: *Provided further*, That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in connection with the administrative work of the Post Office Department in the District of Columbia.

Mr. STAFFORD. Mr. Chairman, I reserve the point of order on the paragraph. I want to ask the chairman whether the hearings disclose any testimony as to what is proposed by the department for operating the screen-wagon service by means of tractors and trailing trucks?

Mr. BYRNS. They only use them in certain places.

Mr. STAFFORD. I am seeking information—the use of tractors and trailing trucks seems to be an innovation in the postal operations.

Mr. BYRNS. I do not know that the hearings go into the particulars, but they only use them around docks, and probably in some of the larger post offices. The language has been carried in the bill for about three years.

Mr. STAFFORD. It is not purposed to have them operate generally through city streets?

Mr. BYRNS. Oh, no.

Mr. STAFFORD. I withdraw my reservation of the point of order.

The Clerk read as follows:

SEC. 4. No appropriation under the Treasury or Post Office Departments available during the fiscal year 1932 and/or 1933 shall be used after the date of the approval of this act (1) to increase the compensation of any position within the grade to which such position has been allocated under the classification act of 1923, as amended, (2) to increase the compensation of any position in the

field service the pay of which is adjustable to correspond so far as may be practicable to the rates established by such act as amended for the departmental service in the District of Columbia, (3) to increase the compensation of any position under such act through reallocation, (4) to increase the compensation of any person in any grade under such act through advancement to another position in the same grade or to a position in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation, or (5) to increase the compensation of any other position in the Federal Government under the Treasury or the Post Office Departments other than commissioned officers of the Public Health Service and commissioned officers, commissioned warrant officers, and enlisted men of the Coast Guard: *Provided*, That no additional credits for service shall be allowed to any commissioned officer in the Public Health Service or to any commissioned officer, commissioned warrant officer, or civilian instructor in the Coast Guard for purposes of base or period pay, or for longevity pay before July 1, 1933; any increase of base or period pay for length of service, or longevity pay, which would have been authorized under existing law before that date, shall become effective July 1, 1933, and not earlier, notwithstanding the provisions of any other act: *Provided further*, That so much of the act of May 29, 1928, as amended by the act of December 12, 1930 (U. S. C., Supp. V, title 19, sec. 6a), as provides automatic increases in salary to clerks in the field service of the Customs Service, and so much of the acts of May 14, 1930 (U. S. C., Supp. V, title 3, sec. 61), and July 1, 1930 (46 Stat. 839), as provide automatic increases in salary to privates of the White House police force, and so much of existing laws as provide automatic promotions for length of service to employees of the Postal Service, shall not be operative during the period between the date of the approval of this act and July 1, 1933: *Provided, however*, That this section shall not apply to postmasters or postal employees whose compensation is fixed, or from time to time adjusted, upon the basis of the postal receipts or other variable factor of business of their respective offices or to carriers in the rural mail delivery service whose compensation is fixed upon the basis of the length of their respective routes: *Provided further*, That from the date of this act to and including June 30, 1933, payment for personal services made in accordance herewith shall constitute payment in full for such services. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes, but shall be impounded and returned to the Treasury, and a report of the amounts so impounded for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

Mr. BYRNS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 65, line 18, strike out the words "commissioned warrant" and insert "chief warrant and warrant."

Mr. BYRNS. That is merely to clarify the language.

Mr. LAGUARDIA. That will not preclude my offering a motion to strike out the section.

Mr. BYRNS. No; that is a perfecting amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was agreed to.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the entire section.

Mr. LEHLBACH. Mr. Chairman, I have a perfecting amendment which takes preference.

The CHAIRMAN. The gentleman from New Jersey is recognized to offer an amendment.

Mr. LEHLBACH. I offer the following amendment.

The Clerk read as follows:

Page 65, line 9, strike out the words "Act through reallocation."

Mr. LEHLBACH. Mr. Chairman, I will just take a minute in explanation of the amendment. Among the restrictions in the fixing of salaries of the civil-service employees governed by this appropriation bill is included this class: It prohibits any use of the appropriation by increasing the compensation of any person in any grade under such act through reallocation, but the only reason for reallocating an employee is when in the original allocation it was found to be a mistake or error.

Now, a person who has a certain set of duties to perform is classified in the first instance by the head of the department in the appropriate service and grade in that service, and he is limited to that range of salary. If it is alleged that an error has been made and he has been allocated to the wrong grade, the allocation is reviewed by the Personnel Classification Board. If an error has been made it is corrected. A person who is getting a salary through error and mistake, and it is attempted to do justice to him by correction of that error, ought not to be penalized; and the matter is of such small moment it would not make any appreciable difference in the pay roll. I think in the interest of simple justice this provision ought to be eliminated.

Mr. GARBER. And the correction referred to is the reallocation referred to in the bill.

Mr. LEHLBACH. Yes.

Mr. BYRNS. Mr. Chairman, the departments have had since 1923 to take care of these errors if they have been made, and to which my friend from New Jersey [Mr. LEHLBACH] refers. It seems to me that is a long enough time to make adjustments. The gentleman says it amounts to very little. It cost about $1,000,000 last year. The facts are that when employees in the department here in Washington fail to get an increase, they bring all the influence they can upon the Personnel Classification Board to get a reallocation in order to get an increase. This simply means that for the year 1933 we are going to stop that practice and not increase the salary of anyone. This is identically the same provision that has been carried in four appropriation bills that have already passed this House, and certainly we do not want to discriminate in favor of one class of employees and against another. I hope the amendment will be voted down.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. LEHLBACH. Of course, what the gentleman says in respect to the opportunity since 1923 to correct errors and mistakes applies to those employees who were in the service in 1923, but from 1923 to 1932 many each year have entered the service under new appointments, and errors and mistakes in their initial allocation may have occurred.

Mr. BYRNS. In what I said I was not referring to any particular employee. I was talking about the position itself. They have had nine years in which to make these adjustments, not with reference to any particular individual, but with reference to these various positions. It seems to me under those circumstances that this language ought to be carried in this bill. If you do not carry it here, you are not doing what you did in the other appropriation bills, and this is in line with what you have done as to all of the other employees of the Government without the slightest protest. Why make an exception? Let us be fair with all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken, and the amendment was rejected.

Mr. BEEDY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BEEDY: Page 66, line 12, after the word "force," strike out the balance of the line and also lines 13, 14, 15, and all of 16 preceding the word "provided."

Mr. BEEDY. Mr. Chairman, if I may have the attention of the chairman of the Committee on Appropriations, this is the provision which has gone into all of these appropriation bills, and which, though consistent with the policy adopted by the committee, was not even suggested by the Bureau of the Budget. The gentleman from Tennessee, as he addressed the committee on the amendment just offered by the gentleman from New Jersey, said that the committee did not want to put itself in the position of discriminating against one class of employees and in favoring another.

Mr. BYRNS. Is not that what the gentleman is just now trying to do?

Mr. BEEDY. I do not think so. If he is, he does not know it.

Mr. BYRNS. We acted similarly in the case of employees in the State Department, so far as the Foreign Service is concerned. It has automatic promotions under the law. We acted in accordance with this in reference to the Coast and Geodetic Survey and also with reference to the Immi-

gration Service. So my friend, who says he does not want to be inconsistent, and I am very certain he does not, certainly will be by this amendment, for he will discriminate in favor of the postal employees against these other classes of employees.

Mr. BEEDY. Did not the Senate throw these other provisions out when it came to consider them?

Mr. BYRNS. The gentleman will remember that it was said on the floor of the Senate that those amendments were stricken out without prejudice. That was said by the chairman of the committee and the members of the committee. If the gentleman's amendment be adopted, then the gentleman is in the attitude of letting this go over there, and then if the other bills should carry this provision it would be impossible for the conferees to do in this bill what they do in the others.

Mr. BEEDY. I do not see how the Senate could have done otherwise than it did. I understand the provision which my amendment strikes out applies to the employees in the Postal Service who are getting between $1,700 and $2,000 a year. As I understand it, it does not affect anybody else. I am glad the gentleman exempted a class of postal employees that ought not to be affected by this, namely, rural carriers and others.

It may not be pleasing to the State Department, but I do not look on the employees in the State Department as being entitled to their automatic increases in salary quite as I do in the case of employees in the Postal Department whom this cut affects, namely, the men who carry the mail through the storms as well as in fair weather, and who stand on the substitute list for years realizing little or nothing in wages, but looking forward to the day when they may receive a permanent appointment and their automatic increases, which in part make up for their meager earnings as substitutes. State Department employees do not have to serve on any substitute list. This provision, expressing the policy of the committee, may be good economy, but I submit to the chairman that in this class of employees, when you take into consideration the fact that men give the best part of their lives getting in line for this service, waiting for years for the time when they will receive their automatic increases of $100 or so, only to find themselves disappointed, I say very frankly that it is a question in my mind whether the depletion of morale and incident inefficiency that follows from discouragement does not more than offset all the money that is saved.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. KELLY of Pennsylvania. I agree with the gentleman's idea, but the gentleman's amendment goes further than he intended, I believe.

Mr. BEEDY. Well, the amendment may not be accepted, but at least I have gained the opportunity to get my views before the committee.

Mr. KELLY of Pennsylvania. But the amendment should end with the word "service," instead of going on to line 15.

Mr. BEEDY. Now, may I ask the gentleman from Tennessee how much this provision in the bill saves?

Mr. BYRNS. This provision alone will save $1,250,000 in the year 1933, and I call the attention of the gentleman to the fact that it is only a temporary expedient. It is only limited to 1933. I do not believe there is a postal employee in the United States Government who would not be willing to forego any increase in salary in these times, when we read in the papers that the bishops and others in the Episcopal Church have agreed to voluntary cuts, and when we read that the Presbyterian missions have reduced their salaries for some time. I do not think there is an employee of the Postal Service who would not be willing to forego the $100 increase in salary for the year 1933 in the interest of the taxpayers of this country.

Mr. MEAD. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from Maine.

The CHAIRMAN. The gentleman from New York [Mr. MEAD] offers a substitute amendment, which the Clerk will report.

The Clerk read as follows:

Substitute amendment offered by Mr. MEAD for the amendment offered by Mr. BEEDY: Page 66, line 12, after the word "force" strike out the comma and the rest of the language thereafter down to and including the comma after the word "service" in line 14.

Mr. MEAD. Mr. Chairman, the amendment which I have offered has in mind safeguarding automatic increases provided by law, as it applies to the laborers in the Postal Service whose salaries range from $1,500 to $1,600. It also applies to the carriers in the village delivery service, whose salaries range from $1,150 to $1,250 per year. And it also applies to clerks and carriers in post offices of the first and second class—those men who begin with an initial salary of $1,700 and receive automatic promotions up to $2,100.

In my judgment, we should adopt this amendment, for these employees are the poorest paid in the Postal Service. They command your sympathy, for their meager incomes hardly enable them to live as employees of this great Government should live. These men are the underpaid employees of the Post Office Department. They have been until recently reporting for years as substitutes in the Postal Service, and during that period of time, ranging from 4 to 8 and 9 years, received compensation only for the actual time they were employed, with no allowance or credit for reporting.

Mr. HARE. Will the gentleman yield?

Mr. MEAD. Yes; I yield to the gentleman.

Mr. HARE. Does this apply only to the substitutes?

Mr. MEAD. This applies to those men who in the last three or four years were substitutes and have recently received regular appointments.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. MEAD. Yes; I yield to my colleague from New York.

Mr. FITZPATRICK. They are the lowest-paid men in the Postal Service that the gentleman is trying to help, are they not?

Mr. MEAD. Yes; the gentleman is correct. They are the lowest-paid employees in the Postal Service, and I believe we are deviating from a proper program of economy when we set out to exempt higher-salaried employees in this and other branches of the Government, and apply with undue severity our economy program on these, the lowest-paid men in the service. These men do the manual labor, they have the hardest jobs and do the worst kind of work under most unfavorable conditions, until such time as seniority will permit them to secure a better assignment.

Mr. BEEDY. The gentleman's amendment covers precisely the same class of employees which my amendment covered, except that it does not make the error my amendment did, of including language that was not necessary. Is that not the fact?

Mr. MEAD. Yes. It covers the same class of employees.

Mr. HARE. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. HARE. Does this apply to substitutes also, who have not obtained regular employment?

Mr. MEAD. No. It will not cover them until such time as they secure a regular assignment. If, however, within the next 16 months they receive a regular assignment, it will then protect and cover them.

Mr. TIERNEY. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. TIERNEY. Do I understand there is any change in the existing situation, that the highest-paid man in the service, who has been working for 10 years, a carrier or clerk, will be raised anyway under the present amendment?

Mr. MEAD. No. They will not be raised. This will not apply to them at all. This only applies to the newer employees of the department, the apprentices of the department.

Mr. TIERNEY. So if we leave it just as it is, there is no raise coming to the man who has been in the service for 10 years in any event?

Mr. MEAD. No. None whatever. This only covers a small percentage of the men in the service.

Mr. McCORMACK. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. McCORMACK. It covers those men who, when they were appointed, received the appointment with the understanding that they would be given the automatic increases as provided by existing law until they reached the maximum salary paid such employees of the Postal Service.

Mr. MEAD. The gentleman is correct. Mr. Chairman, I think economy is essential and we ought to be very careful in the expenditure of public money, still I believe that when we try to reduce the salaries of our underpaid workers, those whose salaries will not permit them to live according to American standards, we are not economizing; we are retarding prosperity by further reducing the consuming power of our people. We are bringing about just the opposite effect we aim to bring about when by appropriating money for public work we seek to increase the buying power of our people and then we reduce the wages of those who barely receive a subsistence wage.

Until the American worker has the power to buy the products of the American farms and markets we will have no prosperity in these United States. Wages is but the power to buy. Let us not reduce this power in such meritorious cases as is the case we are considering. I hope the amendment prevails.

[Here the gavel fell.]

Mr. KELLY of Pennsylvania. Mr. Chairman, the chairman of the Post Office Committee [Mr. MEAD] has well shown what, to my mind, is the distinct difference between the postal employees covered in his amendment and the employees covered in other appropriation bills with which we have already dealt. There is no inconsistency in adopting this amendment as far as the other department bills are concerned, and for this reason the Post Office Department has an entirely different system of employment than any other department. It is built on substitutes, or apprentices, who are the foundation element in the Postal Service. There are about 20,000 men in the substitute service getting a basic pay of 65 cents an hour for whatever work they actually perform. That pay in many cases, of course, is tragically low, when considered as yearly compensation.

Mr. HARE. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. HARE. But I understood from the chairman of the committee a few moments ago that this does not apply to substitutes. I am anxious to know whether it does apply to them.

Mr. KELLY of Pennsylvania. I am going to show how it directly applies. Ordinarily a substitute post-office clerk or letter carrier would make, I should say, $80 a month, on the basis of 65 cents an hour; but the reduction in the volume of mail has been such that now many of them are getting only a few dollars, and I think the average in the entire substitute service is around $35 a month at the present time. These men for years have been trying their best to get along on any kind of an emergency basis so that they might get regular employment and get into this automatic promotion line of $100 a year until they have reached the maximum of $2,100 a year.

The committee has been considerate in putting in a helping clause for substitutes on the next page of this bill. It provides that where there is eight hours of substitute service necessary daily the substitute must be appointed a regular employee. I hope that will be clarified so it will be made sure that when there is use for 44 hours' substitute service each week a substitute employee will get a regular appointment.

Mr. BYRNS. I have no objection to any amendment which will make that certain.

Mr. KELLY of Pennsylvania. That is a step in advance for which the committee deserves a great deal of credit, but it does not affect this provision for these automatic grades. Twelve thousand substitutes have been appointed to regular positions and they are now getting these lower-grade salaries of $1,700, $1,800, and $1,900. We have enacted a law providing that they shall only get certain increases and then they are through ordinarily for all time to come. That has meant that when a man goes into this service he knows just what he will get in the future.

Mr. McLEOD. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. McLEOD. Is it not a fact that all of these employees are merely postal carriers and not clerks?

Mr. KELLY of Pennsylvania. No; they are clerks and carriers and also railway postal clerks.

Mr. WHITE. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. WHITE. Is it not true that these men who render substitute service give a great deal of time to the study of postal matters during the time they are not at work?

Mr. KELLY of Pennsylvania. The gentleman is correct. They must report every day, and if they do not get anything to do they study distribution schemes. Our committee had a delegation of substitutes appear before it the other day, and we are trying to do something for them, but we find it difficult to work out any definite schedules of pay.

Mr. WHITE. The men who would be affected by this law are men who have just gotten out of this service.

Mr. KELLY of Pennsylvania. Yes; and they have endured five or six years of very low pay. I hope the members of the committee will realize the difference between this service and Government service where a man goes in at the regular rate of pay the first day he goes on the job. There is a difference between an employee with that fixed compensation and one who waits five or six years before he even receives the pay of the lowest grade. Surely he should not be deprived of the small increase under the automatic promotions. [Applause.]

Mr. BYRNS. Mr. Chairman, I do not know what my friends have against some of these other services. This provision applies to the Customs Service, and the men engaged in that service are certainly entitled to the same consideration as postal clerks.

Mr. KELLY of Pennsylvania. But the Customs Service does not have a substitute service for five years.

Mr. BYRNS. This does not have the slightest reference to the substitute service. Gentlemen, do not be misled by that sort of an argument. This would not apply to the substitute service, for the substitutes are not on the permanent roll. The gentleman just said that the average salary of a substitute is about $35 or $40 a month. He says when they are appointed to a $1,700 job it would apply after they had served a year; but do you not believe that a substitute who has served, as he says, four and five years, and in my home city for even longer, at $35 and $40 a month, on the average, would be entirely willing to wait for one year, in 1933 for an increase after an appointment to a position at $1,700 a year?

This is the plain proposition before you. Here is a provision which applies to the Customs Service and it applies to the White House police, and yet the gentleman offers an amendment here and undertakes to correct the amendment of the gentleman from Maine by excepting the Postal Service, but he does not offer to make the same exception for these other employees. The law applies to the Customs Service and the White House police, just as it does to post-office employees. Why make favorites of the postal employee in preference to the others? Let us be fair, let us be square about this. You know what is the matter and I know what is the matter. It is because of the influence back home that these gentlemen are undertaking to make an exception of the Postal Service. What position are you going to be in when you go back home and face your constituents with the fact that you stood firm and fast upon no increases for 1933 with reference to every employee of this Government who is entitled to his automatic increase under the

law, but when it came to the Postal Service you yielded and made an exception of him. I say, gentlemen, let us be fair.

You voted this provision in in the State Department bill and neither the gentleman from Maine nor the gentleman from New York nor the gentleman from Pennsylvania rose to say anything about the automatic increases there. You voted this provision in in the Commerce Department bill and not one of these gentlemen rose to protest because we were striking out the automatic increases. That same provision applies to the immigration inspector in the Labor Department, and still not one of these gentlemen rose to his feet and said it was unfair not to give them these automatic increases.

Mr. BEEDY. Will the gentleman yield, since the gentleman makes specific reference to me?

Mr. BYRNS. Not now; I will yield in a minute.

But when we come to the postal clerks back home you are going to say to the country as representatives of the taxpayer, as men who are here to protect the Treasury, as men who next week are going to vote a tax upon practically everything that they and the entire people have to buy and nearly everything that they wear and nearly everything that they eat, that we made an exception of this class of employees and increased their salaries and paid no attention to the others.

Gentlemen, we have taken our stand, and the House has been commended all over this country for its efforts to effect economy. Why, I have just read a magnificent editorial in the New York Times which was published this morning which gave fulsome praise to the entire House for the economies that they had put into effect. Now, are we coming to the point, because we have postal clerks, if you please, back home and because they vote, that we are going to put ourselves in the position before the country of breaking our splendid record?

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for three more minutes.

Mr. SCHAFER. Mr. Chairman, I believe the gentleman ought to have 5 minutes, and I think if he speaks 10 minutes we will pass the amendment.

Mr. BYRNS. Well, I never expect to influence the gentleman from Wisconsin by any appeal to his reason. [Laughter.]

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. These Customs Service people and the immigration inspectors do not vote. The immigration inspectors are serving up on the border, and they do not vote because they are away on their duties, and nobody raised his voice, nobody was heard to say a word as to their automatic increases when we passed the bill the other day.

Now, why the distinction? It does not take a Solomon to tell you why this effort is being made to cut out this provision.

I am a friend of the Postal Service. You can go down to my home and every postal employee will tell you that I am his friend.

I want to tell you that the postal employees in my section of the country and from the great district from which I come are as anxious to conserve public money as any other class of citizens. They do not want to be made an exception. They are willing to give up this automatic increase of $100 for one year—no more—when farmers and when business men and when other classes of citizens are losing money in their business. They will get the same salary in 1933 that they got in 1932. Why should we make an exception of this class of employees and increase their salaries when we have taken a positive stand with reference to these other bills that we are not going to increase anybody's salary in the year 1933? Gentlemen, I do not believe you are going to do it.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Chairman, the gentleman from Tennessee, I am sure, wants to be fair with the Members of the House who have decided views on this question.

Mr. BYRNS. May I say that so far as I know the gentleman from New York is the only Member of the House who has raised his voice against this provision.

Mr. LAGUARDIA. Oh, no. These gentlemen around me have been here voting with me. The gentleman from Tennessee knows that we had this provision in the Department of Agriculture bill, and the gentleman from New York [Mr. FITZPATRICK]; also other gentlemen, including Messrs. MEAD, OLIVER, SWING, BOYLAN, HOGG, MCCORMACK—why, I can mention several scores of Members who voted for my amendment when I offered it on the Interior, Agriculture, State, and other department appropriation bills. There are a number of gentlemen on both sides of the aisle who voted with me when I made the motion to strike out the provision from the agricultural bill, and we were sustained in our judgment by the Senate Committee on Appropriations.

Mr. BYRNS. There is no such provision as this in the agricultural bill, because there are no automatic increases.

Mr. LAGUARDIA. But I am going to move to strike out the entire section. Why, the gentleman is in error. Subsections 1, 2, 3, and 4 are exactly as they were in the agricultural appropriation bill or in the Interior Department bill. The Senate committee has stricken it out. The gentleman says the Senate struck it out without prejudice. That is all any committee can do. Then the Interior Department appropriation bill came along, and then the State, Labor, and Commerce Departments bill came along, and I have consistently taken the floor and moved to strike this provision from the bill, because it is unfair, unjust, and unnecessary. You ought not to take away the hope of promotion from these employees, because it will imperil the morale.

You have provided for the Coast Guard and the Public Health Service, all contained in this bill. I am going to move to strike out the entire section. I have done it before, and shall continue to do it until the obnoxious provision is out of the bill. I am sure the gentlemen of the House have realized the purpose of the gentleman from Tennessee, and they are ready to vote on it, and the other body is going to sustain us in this, I am sure. I repeat what I have said so many times, that there is a decided organized movement in this country to reduce wages in industry and commerce, and the hope is to have the Government do the same as a justification to the exploiters of the wage earners.

The gentleman from Tennessee stated that would save only $635,000—that is all—out of a total expenditure of over $800,000,000. I submit that it is not only unwise because of our commitment, bad as to policy, and detrimental to our wage system, but it is going back on our word to maintain existing law. The automatic promotion in salary is part of our governmental system, and affects several services. If a $2,100 man dies, the place may not be filled. Others will not be moved up, and there will be general stagnation. Let that feeling of hopelessness prevail and it will demoralize any service. Yes; and if Congress then goes through with such a plan, it will be another drive for another reduction of wages throughout the country. Not only skilled and unskilled labor are being driven down, but the white-collar class is being so cut in wages as to make life almost unbearable. We must discourage this policy and not encourage it.

Mr. MEAD. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. MEAD. Does not the gentleman see the fairness of my position?

Mr. LAGUARDIA. Let me say the gentleman has presented his views in a very forceful way before the Committee on Appropriations and again here to-day, and the gentleman's argument here is unanswerable.

Mr. MCCORMACK. Let me call the gentleman's attention to the fact that the automatic increase in the Post Office Department is the only one where the men have to work

four or five years before they receive a permanent appointment.

Mr. LAGUARDIA. Of course, the Army and Navy and the Public Health Service—the first few years are pretty hard in those services as well.

Mr. TIERNEY. Is not it a fact that by an automatic cut they saved something like half a million dollars last year?

Mr. LAGUARDIA. The only way to save the postal employees is to cut out the entire section. Unless we do, it will be an argument to put the postal employees back in the section. Yes; I am for treating all alike—but treating them all fairly and justly and not eliminate automatic or earned promotions.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FITZPATRICK. And if sections 4 and 5 are adopted, will it not mean that the men in the substitute list will be making only $6 or $7 a week, with no chance to move up?

Mr. LAGUARDIA. Yes. It is starvation wages, especially in our city. I serve notice on the committee now that immediately after this is voted on I shall move to strike out the entire section.

Mr. BYRNS. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 30 minutes.

The motion was agreed to.

Mr. BEEDY. Mr. Chairman, the gentleman from Tennessee enjoins it upon us that we be fair. The gentleman from Tennessee has had a great deal more experience in this body than I; but as I have been standing here waiting for order to be restored so that we could go on with the debate, I have been trying to think when I ever saw any Member on this floor try to do anything that I thought was unfair. I do not recall such an instance. We are all fair. We are all trying to do our duty as we see it. There is, to be sure, a question of fairness involved here, but it is from the other angle. There is an element of justice to postal employees with which we should be concerned. The gentleman says why did not the gentleman from Maine and the gentleman from Pennsylvania rise and cry out against the curtailment of these salaries for men in the case of the Coast Guard, the State Department, and the White House policemen? That is a different proposition entirely. I have supported the gentleman from Tennessee, and I shall support anybody in this House on a consistent and justifiable policy of economy, because it is absolutely necessary. There is no argument about that. When the gentleman from Tennessee brought in the bill that cut out the appraisers and the surveyors of ports I supported him, although two of the finest citizens in the State of Maine who are holding these positions at the port of Portland are to be the losers. Those gentlemen were fine enough not to lie down on me and ask me to come in here and argue against the curtailment. While I know these men at Portland, Me., have done work that is really for the best interest of the Customs Service, yet I know that their offices can be dispensed with. So I sat silent and cooperated with the gentleman. It was no pleasant task, but I faced the music.

When you come to discuss men in the State Department and the White House policemen and men in the Coast and Geodetic Survey, let me say that their situation is not comparable to that of postal employees to be affected by this proposed cut.

Let us get under the surface of things. Every member of the Postal Service who has stayed on the substitute list ever since we have had the classification act was content to accept his $25 or $35 a month, because he kept looking ahead for the day when, after he was put on the permanent list, he was going to get an automatic increase. That was in his view to be a part of his pay that he looked forward to as compensating him for the hardships and underpay that he put up with while on the substitute list. We had made, as it were, a special contract with these postal employees, and I submit it is not keeping faith to stand here under the plea of economy and let this provision stay in the bill. If we are going to be fair to these men and meet at least the moral obligation we owe them, here is the place and now is the time to stop this kind of cutting of salaries.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. KELLY of Pennsylvania. I understand also that this bill carries an increased appropriation of a million dollars and a half for foreign mail service because we have a contract with certain merchant marine operators.

Mr. BEEDY. Oh, in discussing the possibilities of economy I always hesitate to be too meticulous and to avoid that which is personal. I am taunted with not having risen here and lifted my voice against this provision in other bills.

I might call attention to the fact that when this House just a few days ago was appropriating $120,000,000 for road building—and the States have gone unjustifiably into debt throughout this country to build roads—I noticed the gentleman from Tennessee did not rise to lift his voice in the interest of economy and ask his side of the House not to make that appropriation. We are all fair, but it is a question of judgment in these problems. I will not condemn the gentleman from Tennessee for his stand on the $120,000,000 which did not have the recommendation of the Budget. He thought he was right. I think I am right now in the stand that I take. I hope the gentleman does not criticize me or impugn my motives.

Mr. BYRNS. Oh, I hope the gentleman will not get down to personalities. I think it is rather unfortunate that the gentleman puts himself in that attitude.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. MEAD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN [Mr. DELANEY]. The gentleman will state it.

Mr. MEAD. I have submitted an amendment. I understand that the gentleman from Maine [Mr. BEEDY] has an amendment and that Mr. LAGUARDIA will later offer another amendment. I am wondering whether we could not get a vote on my amendment now and devote the rest of the time allotted by the committee to a discussion of other amendments.

The CHAIRMAN. The gentleman may withdraw his amendment and offer a perfecting amendment.

Mr. MEAD. And have it voted on right now?

The CHAIRMAN. Yes.

Mr. MEAD. I withdraw my substitute amendment and offer it as a perfecting amendment and ask for a vote.

Mr. BEEDY. Mr. Chairman, in the interest of saving time I withdraw my amendment, so that we may have a clean-cut vote on the amendment of the gentleman from New York.

The CHAIRMAN. Without objection the amendment of the gentleman from New York and the amendment of the gentleman from Maine will be withdrawn.

There was no objection.

Mr. MEAD. Mr. Chairman, I offer my amendment now as a perfecting amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Page 66, line 12, after the word "force" strike out the comma and the rest of the language thereafter down to and including the comma after the word "service" in line 14.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. MEAD].

The question was taken; and on a division (demanded by Mr. BYRNS) there were—ayes 73, noes 27.

Mr. BYRNS. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed Mr. BYRNS and Mr. MEAD as tellers.

The committee again divided, and the tellers reported there were—ayes 88, noes 41.

So the amendment was agreed to.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the entire section. Time is limited and I have already made my statement. I shall not consume any time.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. LAGUARDIA: Page 64, beginning with line 23, strike out all of section 4 down to and including line 7 on page 67.

Mr. OLIVER of New York. Mr. Chairman, I congratulate my friend from New York, Mr. MEAD, for the victory that is now his. I think the amendment which the gentleman proposed was one of the most humane that could be proposed in an hour of economy. The ax of economy is a cruel ax. It knows no brother. If we wield that ax without discrimination or without humanity we are going to cause suffering in ranks that we want to aid.

The postal employee who is a substitute is really one of the unemployed. The charity of New York City is extended to him because he can not get enough from the little wage he receives as a substitute to sustain him and his family. Everywhere he seeks additional work, and yet in the morning he must go and report for his substitute's job, to be given an hour or two hours a day, with the mere pittance that he derives from that, or else he is dismissed from the list of substitutes. If we deprive him of an opportunity to get into the service after many years of that mere begging at the door of the Federal Government, hoping for a permanent job, we do what seems to me a cruel thing.

I do not question the fairness of my dear friend the gentleman from Tennessee [Mr. BYRNS]. No man in Congress has the affection and admiration of his fellows for his fairness, in a higher degree or in a more deserving degree than has the gentleman from Tennessee, but I say to him that he hardly knows conditions that prevail in the great cities, such as New York City. Those men have not appealed to me to sustain this bill. They have appealed to me to sustain the motion made by the gentleman from New York, Mr. MEAD, and the motion made by the gentleman from New York, Mr. LAGUARDIA. They have asked me to see that the whole scheme of putting the Government into a straitjacket on this proposition be stricken out, because the economies are not sufficient to justify them, in view of the humanities.

The gentleman from Tennessee [Mr. BYRNS] is as fair a man as I know in the Congress, and yet his judgment can be mistaken. I do not believe that the Government should take the lead in salary decreases. The whole world of private industry is awaiting the leadership of the Government in salary deductions in order that they may destroy the American standard of living, and say, "We are but following the footsteps of the National Government."

Mr. BOYLAN. Will the gentleman yield?

Mr. OLIVER of New York. I yield.

Mr. BOYLAN. If this bill prevails, with the language that is in it, would it not be a clear violation of contract on the part of the Government?

Mr. OLIVER of New York. I think it would be a violation of a moral agreement which led these men into service. Every man seeks a job and every man seeks promotion in due course. He seeks enough wage to give an opportunity to put something aside for his old age. We propose to destroy by the bill a promotion in due course, and once you take that from the scheme of things you take away the power that leads up to and gives life to the whole service, and you put into it a deadening thing which destroys the morale.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. OLIVER of New York. I yield.

Mr. LAGUARDIA. Will the gentleman be kind enough to call attention to the fact that we have provided for just a fraction of the employees in the amendment just adopted, and the amendment now before the committee would take care of the entire situation?

Mr. OLIVER of New York. Yes. I agree with the gentleman, and I am glad he has taken such splendid leadership in a movement which I so heartily advocate.

Mr. STEWART. Will the gentleman yield?

Mr. OLIVER of New York. I yield.

Mr. STEWART. Would not the same principle apply to some of these employees in the department?

Mr. OLIVER of New York. Yes; it would. I do not think we save enough to justify us in destroying what we do destroy by the pending bill. You can take the heart out of the service by these petty reductions, which mean so much to them and so little in economy. So when you are balancing your books you have not done a lot for the Government when you have destroyed the spirit and the initiative of the whole service and when you have deprived men of the hope that they had that they would get a little more money if they gave good, loyal, 100 per cent service.

[Here the gavel fell.]

Mr. SWING. Mr. Chairman, this Congress has tried about every known method for improving the psychology of the country, recognizing the fact that psychology has more to do with the present depression and its continuance than any other single factor; yet to-day, here and now, in this section it is proposed to do exactly the opposite of what the President of the United States has repeatedly urged private business not to do, and that is to change from the normal course and to adopt an abnormal course in relation to employment, which is bound to react unfavorably, not only upon the employees of the Federal Government but likewise upon the entire public.

I say if it is right for the President to urge private industry not to discharge, not to cut down, and not to lay off its employees, but to go on in a normal way, then it is important that the Government itself, the biggest employer in the whole country, should set an example by treating its employees in a normal manner.

In normal years it is recognized that Government employees are notoriously underpaid, and if during these periods of depression their compensation seems to be slightly better, it is only a temporary advantage and will last for only a short time. However, even in normal times, there is not a single Government employee I know of who has ever been able to save anything out of his salary. Every bit of it goes as fast as he can get it.

We urge the country to go on normally; we want to reestablish normal psychology, normal living, normal buying, and normal investments, yet we ourselves are the first to upset normal conduct.

Life itself must go on, depression or no depression. Year after year children are born into the families of these Federal employees, and where there are already children they keep growing up as the years go by, bringing always an added cost for the purchase of shoes, for the purchase of clothes, for the purchase of food, and for their education. So there is an absolute need for these occasional increases in the pay of the employees.

This rule of automatic increases was adopted after mature thought. It has a sound basis for its existence in the law. It was adopted for the purpose of stimulating the efficiency of the service which the employees render the United States Government. To take it away from them will put discouragement and despair in the hearts of every one of them. It will break the morale of the Government employees. It will destroy the incentive to do their best work. In the long run this policy will not prove an economy. I warn that the few dollars and cents that will be saved by refusing them the normal increases we have promised for long and faithful service will cost the United States Government more than it saves by reason of inefficient and indifferent service that is bound to follow. Let us keep our promise to them and carry out the contract we made to give them from time to time these small increases which they have earned and which they so badly need. [Applause.]

Mr. THOMASON. Mr. Chairman, I am in sympathy with this amendment. I am for economy, and I am for balancing the Budget, but I do not believe this means economy in the long run. [Applause.]

I agree with the statement made by the gentleman from New York [Mr. OLIVER] that if you want to practice real economy and at the same time be honest and consistent, let us begin at the top rather than at the bottom. [Applause.] Let us start in by reducing salaries from the President down, if that be necessary, including our own, rather than picking out the very lowest paid of the Government employees.

I do not subscribe to the statements made by some gentlemen that there was a direct contractual obligation entered into between the Government and these postal and customs employees. I do not say that, but I do say there is a moral obligation; that these men went into the Government service with the law as it then existed and were told, "After you have served a certain time there shall be an automatic increase of $100 per year." Those men having been told that, I do not think this is the time to destroy individual initiative and ambition by putting them in a position where they will not be as enthusiastic or as efficient as they otherwise might be. Uncle Sam should always deal in good faith with his employees.

My position has been such during the last four or five years that I have had more or less dealings with postal employees and customs officers. In my city of El Paso there are a great many Government employees, many of them being engaged in the Customs Service. Those customs men are serving along the wild Mexican border. I could not count on the fingers of my two hands the men in the Customs Service who have been killed in the last five years. No braver men live, and they take their lives in their hands every day. I happen to know men who have quit better-paid employment, which they feared might be more or less temporary, in order to seek what they regarded as permanent employment, as well as an employment that promised some hope of promotion.

I do not think we should pick out men drawing $1,700 or $1,800 as the ones who are to be reduced or have no promotion. I know that many of these men have families of four or five children, and I do not think we should take away from them the $100 to which they are entitled after struggling for it for five years or more. If we want to reduce let us begin with salaries in the high brackets. We should not single out these men who are entitled to this $100 merely because we want to economize. They are entitled to it, both in law and equity, and I do not believe this is the proper place to begin the so-called program of economy.

I am not only loyal to the committee, but I stand here for absolute economy, and I believe my record will so show. I think, however, that under all the circumstances, those men in the Postal Service who day in and day out, in the rain or in the sunshine, bring to us our mail, whether it be from business friends or from loved ones, should be given that which has been promised to them. In effect, we entered into a solemn compact with them that after a certain number of years of service they would be increased by this $100 per year. The Senate struck this provision from the bill, and now we should do the same. Most of these men have families, draw about $1,700 per year, and are the lowest-paid men in Government service. They worked about two or three years as substitutes at $50 per month. Let us be just before we are economical; and if we have to do any salary cutting, let us start in with the big boys. [Applause.]

Mr. HOGG of Indiana. Mr. Chairman, before I came to Washington last fall I had an interview with a very wealthy man who said to me, "This depression must mean one thing to the American people. It must mean that wages be forced down to where they should be."

A few years ago there was a well-known man who was reported to have said, "A man was worth a dollar a day from his shoulders down, but he is worth as much above his shoulders as he is able to collect."

I do not subscribe to any such false philosophy. I will vote to reduce my salary and your salary as well as the salaries of all higher-paid Government employees. The RECORD will show that I am for every economy. But, Mr. Chairman, I shall never subscribe to any legislation which tends to liquidate this depression on the wages of the men and women who toil for their bread. [Applause.]

This depression was brought on, in part, by people who were seeking profits that they did not earn. We should not turn to the wages of men and women who toil for the comforts of life in order to find a way out of the trouble we are in.

I am for this amendment. [Applause.]

Mrs. NORTON. Mr. Chairman, my remarks will be very brief. I just want to say that I have a great deal of affection and respect for my colleague [Mr. BYRNS], but I am sorry I can not go along with him on this matter.

I think, as so many of the gentlemen have so well said here to-day, that this is a wrong way to economize. I believe in economy, but not to the extent of creating human misery. I happen to have a number of letters from the wives of some of these employees who would be affected by the provision in this bill, and I think if you gentlemen could read the letters I have received you would understand that we would really be doing a very great injustice to a great number of faithful employees in putting through such a provision. Perhaps some of you have received these letters, but being a woman, I think women write a little more intimately, perhaps, to a woman Representative, and I know that my heart has been touched by the appeals that have been made to me. I want to say further that I am entirely in agreement with my friend [Mr. LAGUARDIA] in this regard and hope that his amendment shall prevail. [Applause.]

Mr. BYRNS. Mr. Chairman, I have no more interest in this amendment than any other Member on the floor of this House. I made a solemn pledge to myself when I came here in December that I was going to do what I could to stand by the President of the United States in his effort to balance the Budget [applause], and I can stand here to-day and say I have worked day and night, and the other gentlemen upon the Committee on Appropriations of which I am a member have done the same thing, in an effort to hold down the appropriations.

I have no personal interest in this question. There is not a man in the Nashville post office who is not my personal friend, and, certainly, I do not want to see any man there or elsewhere injured in any degree; but I say to you gentlemen in this period of time when the farmers—and you will notice that most of those who are supporting this amendment do not come from the country—when the farmers of this country find it impossible to make enough to pay the cost of production upon their farms——

Mr. MAY. Or taxes.

Mr. BYRNS. Or even, as the gentleman from Kentucky suggests, the taxes which they have to pay, when business men are failing and banks are failing, when the deficit has reached the point that this Committee on Ways and Means has been sitting for weeks and weeks in an effort to find something they can tax in order to balance the Budget, when you are going to come in here next week and impose a tax upon practically everything that the postal clerks and everybody else wears and eats, it is no time to increase salaries.

Now, gentlemen have talked about this as if it were a reduction of salary. It does not reduce anybody's salary. It simply provides that for the year 1933 nobody shall receive an increase.

Mr. MAY. Will the gentleman yield to me for a question?

Mr. BYRNS. Yes, briefly.

Mr. MAY. In view of the numerous appropriations made by this Congress for the past 10 years and the present condition of the Treasury of the United States, I would like to know if the gentleman could give the House a modern, up-

to-date definition of the meaning of the phrase "funds not otherwise appropriated" at the beginning of this act?

Mr. BYRNS. If we keep up at this rate, the time is coming when there will not be any funds to appropriate.

I was much disappointed a while ago. This is no more to me than it is to you. I do not impugn the motives of any gentleman who votes against me on any proposition. He may be right and I may be wrong. I look at all such matters as having two sides, but this House has uniformly stood for every proposition looking to economy. You have voted exactly this language, as the gentleman from New York knows, in every appropriation bill that you have passed.

Are you going to vote it out of this? If so, why? Why are you going to make fish of one and fowl of another? Remember, this means no reduction in salary, it only applies, as the gentleman from New York [Mr. MEAD] said, to comparatively few—those who graduate from substitutes into the $1,700 class. I do not know whether they would get it in the first year's salary, but, if so, it would only amount to $100 increase. Why can not this be delayed for just one year?

I want to tell you that I have more confidence in the patriotism and loyalty of the postal clerks of this country than some of the gentlemen here seem to have, when they say that the adoption of this policy will break the morale of the postal clerks. I do not believe it for a moment. I want to tell you that the postal clerks of this country are loyal, they are patriotic, they are not going to ask you to make an exception of them when you have applied this provision to the other services in the Government. They do not ask you to make a distinction in their favor.

Gentlemen, I appeal to you. You have passed this measure in other bills. It was put into the other bills, and nobody opposed it except the gentleman from New York.

Mr. LAGUARDIA. There were others who voted with me.

Mr. BYRNS. Yes; but nobody except the gentleman from New York raised his voice in opposition, and it was exactly the same provision.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The question was taken; and on a division (demanded by several Members), there were 72 ayes and 60 noes.

Mr. BYRNS. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. BYRNS and Mr. LAGUARDIA as tellers.

The committee again divided; and the tellers reported that there were 74 ayes and 65 noes.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 5. No appropriation under the Treasury or Post Office Departments available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply (1) to absolutely essential positions the filling of which may be approved in writing by the President of the United States, (2) to the commissioned and enlisted personnel of the Coast Guard, or (3) to temporary, emergency, seasonal, or cooperative positions: *Provided*, That when any vacancy is caused by the retirement, removal, resignation, or death of a postal employee in a position the duties of which make it necessary to assign permanently a substitute for an 8-hour daily period, or when it is necessary permanently to utilize a substitute on an auxiliary route for eight hours daily, then the Postmaster General shall so advise the President and request written authorization to fill such vacancies by the appointment of additional regular employees. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

Mr. MEAD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 67, line 20, after the word *"Provided,"* strike out all of the remainder of the line down to and including the word "employees" on line 3, page 68, and insert in lieu thereof the following: "That when any vacancy is caused by the retirement, removal, resignation, or death of a postal employee in a position the duties of which make necessary the use of approximately 44 hours' substitute service per week, or when it is necessary permanently to utilize substitute service on an auxiliary route for approximately 8 hours daily, then the Postmaster General shall so advise the President and request written authorization to fill such vacancy by the appointment of additional regular employees."

Mr. BYRNS. Mr. Chairman, I have no power to speak for the committee, but, so far as I am concerned, I have no objection to agreeing to the amendment of the gentleman from New York [Mr. MEAD]. He is seeking to do the same thing that we seek to do, and if his amendment clarifies the matter I am happy to have it adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

SEC. 6. No part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses, station wagons, and ambulances) at a cost, delivered and completely equipped for operation, in excess of $750, including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only when the same is approved by the head of the department. This section shall not apply to any motor vehicle for official use of the Secretary of the Treasury or the Postmaster General.

Mr. GOSS. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Goss: Page 68, line 15, after the word "delivered," insert the following: "f. o. b. factory."

Mr. GOSS. Mr. Chairman, this is the same section that has been in all of the bills, and I offer this amendment because it has been said on the floor of the House that it would not be possible to buy a Ford, a Chevrolet, or a Plymouth automobile in the far Western States for $750, delivered and completely equipped. There is no intention upon my part to raise the price beyond a reasonable freight allowance from the factories. I think the committee intended to put this amount at $750 so that it would count out the higher priced cars. I ask the chairman of the committee whether he is agreeable to accepting this amendment. The freight allowance would not be over $200, and it would allow the cheaper cars to be purchased anywhere in the United States.

Mr. BYRNS. Would not the gentleman be willing to allow this matter to be passed and have it go to the Senate and then be taken up in conference, as will be done with the other provisions respecting automobiles in other bills, so that it can be arranged with some degree of uniformity? If gentlemen want to have a hodgepodge of their appropriation bills, and if they want to change one when they do not change another, of course, I can not prevent it.

Mr. GOSS. Will the gentleman give his cooperation in conference?

Mr. BYRNS. Certainly it will be given every consideration, though I will not promise the gentleman that I will agree to a raise.

Mr. GOSS. If the gentleman will not agree to a raise so that we can get the automobile delivered, then I shall insist upon my amendment.

Mr. BYRNS. The attitude of the committee is that we want to take care of the Treasury. We are looking to the interest of the taxpayers and of the Treasury rather than to the interest of the automobile manufacturers.

Mr. GOSS. Does the gentleman want to have motorcycles used for this purpose?

Mr. BYRNS. I assure the gentleman that the service will not be interfered with, it will not be disturbed in the slightest, but we will not have the spectacle of Government employees riding in handsomer cars than nine-tenths of the Members of Congress, at the expense of the Government.

Mr. GOSS. The gentleman should know that the amendment providing $750, f. o. b. factory, would not allow of any expensive cars.

Mr. BYRNS. But we are trying to perfect this provision and all automobile provisions, in order to cut out some of the Packards and Cadillacs that are being used at the expense of the Government.

Mr. GOSS. I agree with the gentleman. I simply make the price f. o. b. at the factory.

Mr. HART. Does not that apply to any other car?

Mr. GOSS. Yes; but the price of $750 is the delivered price, including the whole car, freight, and equipment. All my amendment proposes to do is to make the price $750 f. o. b. factory.

Mr. HART. That would be too high for the lower priced cars.

Mr. GOSS. Oh, no. The argument has been made that out West they could not buy automobiles for that price.

Mr. BYRNS. Why not let these matters be threshed out in conference, so that we can have some uniformity with reference to these appropriations.

Mr. GOSS. I would be willing, but the gentleman will not give his assurance that he would go to even $750.

Mr. BYRNS. I am not going to give the gentleman any assurance in advance. I think the gentleman may trust me to do the reasonable thing; but I say this to the gentleman and to the members of the committee, that as a member of the conference committee I am not going to stand for a proposition which means that the Government has to pay a dollar more than is necessary for any car needed by Government employees.

Mr. GOSS. I agree with the gentleman.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. GOSS. Yes.

Mr. KVALE. The gentleman's amendment proposes to make sure the statement given to the House that in the consideration of a like amendment in a former appropriation bill that was to the effect that the freight expense would be taken out of the contingent fund.

Mr. GOSS. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was rejected.

The Clerk read the bill down to and including line 15, on page 69.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOWARD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, and had come to no resolution thereon.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. TIERNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TIERNEY. Mr. Speaker, I believe the present status of so-called automatic promotion in the Postal Service should remain as is and not be cut down as proposed in lines 13 and 14, page 66, of H. R. 9699, appropriations for the Treasury and Post Office Departments.

It is well to first call attention to the fact that under the present law no promotions for carriers and clerks and substitutes carry any more than the present top salary of $2,150 a year. It requires 10 years' service to reach this pay, and the existing law does not allow for any further advance.

The situation as to substitute carriers is, they are working for 65 cents an hour, or approximately $1,350 a year. If they work steadily into position of juniors in the service at around $1,700 or $1,800 a year they obtain $100 a year advancement until they reach the $2,150 class and there stop.

The system of graduated increase up to a limit has been in force under a well-worked-out system in the Post Office Department for many years. It would disrupt this system if it were now changed.

We must keep in mind that there have already been substantial cuts and savings in the Postal Service. For example, over one-half million dollars has been saved in the cutting of around 5,000 salaries of postmasters and supervisors, whose pay is proportional to the volume of business passing through the office; this volume is decreased on account of the depression. There has been also a large saving through the recent policy of the Post Office Department in being rather slow in making promotions and using a substitute wherever possible.

We should keep in mind that from 1912 to 1925 the clerks, carriers, and substitutes, numbering perhaps over 150,000 in the United States, received no increase in pay. The highest pay during that period was approximately $1,200 a year. Many of these men are men of families, all American citizens; many are struggling under debts incurred in endeavoring to sustain themselves under lower pay and until they reach the ultimate goal now set.

I know of no harder working branch of the Government service than the carriers and clerks. There is no sinecure or soft berth connected with their work.

I do not believe there is any public support calling for such change in the system and the public at large will surely lose in a service that is so necessary; and of all services in the United States this ought to be kept up to a high effective plane.

May I read a letter received this morning from Mr. George H. Pfeil, president, branch 35, United National Association Post Office Clerks, calling attention to one post office in Connecticut where there are 15 clerks substituting, working at 65 cents an hour, doing the work of a $1,700 or $2,100 a year man, many of them for five or six years without promotion.

I believe the existing law should be left as is, especially having in mind that there is no provision for promotion for the man who has been 10 years in the service and that the other promotions are not really promotions in the sense but are really a graduated form of pay which the clerks, carriers, and substitutes have been led to believe would be a permanent system and one that they could build on for their future.

Many other avenues for cuts in various interlocking departments at Washington, and obsolete systems could be looked into to save money, instead of penalizing our hard-working effective postal employees in the lower grades.

UNITED NATIONAL ASSOCIATION OF POST OFFICE CLERKS,
New Haven, Conn., February 29, 1932.

Hon. WILLIAM L. TIERNEY,
House of Representatives, Washington, D. C.

MY DEAR SIR: In justice to the 15 clerks out of 175 on the rolls of the New Haven (Conn.) Post Office who are due for the automatic promotion of $100 during the fiscal year 1933, may we respectfully beg you to oppose any change in the present law which would suspend the promotions for a year or more.

It is our understanding that the Treasury and Post Office supply bill will contain the proviso recommended by the Committee on Appropriations, suspending all promotions for the next fiscal year.

Owing to the financial condition of the Treasury at the present time, we can readily appreciate the necessity of strict economy and the withholding of promotions to the supervisory positions and to grades above the automatic grades. However, we do feel that an injustice will be done the employees in the automatic grade if this provision were adopted. In some instances these employees have served as substitutes for five or six years, under adverse working conditions, before being appointed regular employees, with the expectation of regular promotion when appointed.

We trust that you will give the matter your usual sincere consideration and will be able to give your valuable support to sustaining the present law, allowing these employees the promotions which they have earned.

With the kindest regards, I am, respectfully,

GEORGE H. PFEIL,
President Branch 35, United National Association of Post Office Clerks.

TEMPORARY RELIEF OF WATER USERS ON IRRIGATION PROJECTS

Mr. BANKHEAD, from the Committee on Rules, presented the following privileged report for the consideration of the bill (S. 3706) for the temporary relief of water users on irrigation projects constructed and operated under the

reclamation law, which was referred to the House Calendar and ordered printed:

House Resolution 165

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3706, a bill "for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law."

That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Irrigation and Reclamation, the bill shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion, except one motion to recommit.

AMENDMENT OF JUDICIAL CODE AND LIMITATION OF COURTS OF EQUITY

Mr. O'CONNOR, from the Committee on Rules, submitted a privileged report providing for the consideration of the bill (H. R. 5315) to amend the judicial code and to define limitation of courts sitting in equity, and for other purposes, which was referred to the House Calendar and ordered printed:

House Resolution 166

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 5315, a bill "To amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes."

That after general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be controlled by the chairman and ranking minority member of the Committee on the Judiciary, and to be equally divided between those favoring the bill and those opposing it, the bill shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion, except one motion to recommit.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. RUDD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

Mr. RUDD. Mr. Speaker, the amendment to section 5 offered by Mr. MEAD, of New York, meets with my approval. Legislation of this kind is badly needed to correct a situation confronting the substitutes in the Brooklyn and other post offices in the country. The substitutes in my home city of Brooklyn have been forced into the army of unemployed. There are two reasons for this: First, a falling off in postal revenues; and, secondly, the restrictive employment policies of the Post Office Department. Very unfortunately, the Postmaster General and the First Assistant Postmaster General, at a time when there is so much unemployment in our country, are endeavoring to take work away from post-office substitutes by instituting petty economies, such as the lengthening of the working hours of the regular clerks. This can be done under a technical interpretation of the 8-hour law. This law provided that the 8-hour service of regular clerks and carriers must be performed within 10 hours. Ordinarily it is performed within 9 hours. But Mr. Coleman, the First Assistant Postmaster General, has instructed postmasters to lengthen the hours to 8 within 10, which operates to rob the substitutes of work opportunities.

In other words, the regular clerks are required to work longer hours, and in so doing they take away employment chances for the substitutes. I wish to call the attention of the House to a communication I have been informed was sent by First Assistant Postmaster General Coleman under date of November 5, to all postmasters, instructing them to reduce substitute service by lengthening the tours of regulars to 8 within 10 hours:

You are directed to immediately reorganize your forces and reduce substitute service to the minimum. You are authorized to make such changes in the assignments and tours of clerks and carriers as will enable you to render good service to the public, with as little auxiliary assistance as possible. Full advantage is to be taken of the 8-in-10-hour law.

BROOKLYN SUBSTITUTES

So acute is the unemployment situation among the Brooklyn substitutes that they have made public appeals for support to obtain corrective legislation. They are seeking enactment of bills sponsored by three members of the House Post Office Committee, namely, Representatives KELLY, HOGG, and SWEENEY. The public appeal of the Brooklyn substitutes reads:

These bills would guarantee to substitutes 30 hours of work a week, a sick leave, and a vacation with pay. Substitute postal clerks have suffered severely from present economic conditions. In the past they were appointed to the regular force after a brief trial period. To-day they must substitute indefinitely, with little hope of such appointment.

Most of them are married men and have several who are dependent upon them for support from the very inadequate remuneration they receive. Enactment into law of the relief measures depends upon favorable public sentiment and interest.

Petitions in behalf of the Brooklyn substitutes signed by thousands of citizens of my city have been sent to the House Post Office Committee.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MURPHY, at the request of Mr. CABLE, on account of sickness.

To Mr. WOLFENDEN, for the balance of the week, at the request of Mr. BRUMM, on account of illness.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 278. An act for the relief of Charles Parshall, Fort Peck Indian allottee, of the Fort Peck Reservation, Mont.; to the Committee on Claims.

S. 290. An act to establish a memorial to Theodore Roosevelt in the National Capital; to the Committee on the Library.

S. 1030. An act for the relief of John A. Pearce; to the Committee on Claims.

S. 2058. An act for the relief of William C. Rives; to the Committee on Naval Affairs.

S. 2570. An act authorizing adjustment of the claim of Joseph E. Bourrie Co.; to the Committee on Claims.

S. 2655. An act providing for waiver of prosecution by indictment in certain criminal proceedings; to the Committee on the Judiciary.

S. 2827. An act to amend the act known as the "Perishable agricultural commodities act, 1930," approved June 10, 1930; to the Committee on Agriculture.

S. 3447. An act for the relief of John Stratis; to the Committee on Claims.

S. 3506. An act authorizing the selection of a site and the erection thereon of a suitable monument indicating the historical significance of the Chesapeake and Ohio Canal; to the Committee on the Library.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 307. An act to approve act No. 256 of the session laws of 1931 of the Territory of Hawaii, entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North Kona and South Kona, on the island and county of Hawaii, Territory of Hawaii."

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until to-morrow, Saturday, March 5, 1932, at 11 o'clock a. m.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following list of committee hearings scheduled for Saturday, March 5, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE JUDICIARY

(10 a. m.)

Bills relating to short sales of securities (H. R. 4, H. R. 4604, H. R. 4638, H. R. 4639).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

468. A letter from the Postmaster General, transmitting the facts in the claim of Thomas F. Olsen, Postmaster at De Kalb, Ill., for credit on account of public funds and property lost in the burglary of the post office on February 10, 1931; to the Committee on Claims.

469. A letter from the Secretary of the Treasury, transmitting schedules of miscellaneous tax forms in the files of the Bureau of Internal Revenue which are not needed in the transactions of public business and have no permanent value; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BANKHEAD: Committee on Rules. H. Res. 165. A resolution providing for the consideration of S. 3706, an act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law; without amendment (Rept. No. 690). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. H. Res. 166. A resolution providing for the consideration of H. R. 5315, a bill to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes; without amendment (Rept. No. 691). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SMITH of West Virginia: Committee on Indian Affairs. H. R. 9388. A bill to authorize the Secretary of the Interior to extend or renew the contracts of employment of the attorneys employed to represent the Chippewa Indians of Minnesota in litigation arising in the Court of Claims under the act of May 14, 1926 (44 Stat. 555); with amendment (Rept. No. 684). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 901. An act for the relief of Warren J. Clear; without amendment (Rept. No. 685). Referred to the Committee of the Whole House.

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. H. R. 2650. A bill for the relief of George H. Holman; without amendment (Rept. No. 686). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 7385. A bill for the relief of Sidney Joseph Kent; without amendment (Rept. No. 687). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 5786. A bill for the relief of Essie Finger; with amendment (Rept. No. 688). Referred to the Committee of the Whole House.

Mr. ANDREW of Massachusetts: Committee on Naval Affairs. S. 860. An act for the relief of William Girard Joseph Bennett; without amendment (Rept. No. 689). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9982) granting a pension to Mary Tompkins; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 8937) granting a pension to Richard O'Hearn; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MEAD: A bill (H. R. 10147) relative to assumption of risks of employment; to the Committee on the Judiciary.

Also, a bill (H. R. 10148) to amend the act relating to the liability of common carriers by railroad to their employees in certain cases; to the Committee on the Judiciary.

By Mr. DOUGLASS of Massachusetts: A bill (H. R. 10149) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. VINSON of Georgia: A bill (H. R. 10150) to provide that the existing law covering the age limit for appointment in the Supply Corps of the United States Navy shall not be applicable in the case of officers transferred to the Supply Corps from the line of the Navy; to the Committee on Naval Affairs.

By Mr. COOKE: A bill (H. R. 10151) to provide additional revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. UNDERWOOD: A bill (H. R. 10152) to empower assignee of inventor of file divisional, continuation, renewal, or reissue application; to the Committee on Patents.

By Mr. SIROVICH: A bill (H. R. 10153) to limit the life of a patent to a term commencing with the date of the application; to the Committee on Patents.

By Mr. RICH: A bill (H. R. 10154) permitting single signature in patent applications and validating joint patent for sole invention; to the Committee on Patents.

By Mr. GOODWIN: A bill (H. R. 10155) to abolish the statute permitting renewal of patent applications; to the Committee on Patents.

By Mr. KELLY of Illinois: A bill (H. R. 10156) to limit inventors to priority of two years before filing applications for patent; to the Committee on Patents.

By Mr. DIES: A bill (H. R. 10157) to expedite prosecution of patent applications pending more than three years; to the Committee on Patents.

By Mr. JONES: A bill (H. R. 10158) to remove certain burdens on interstate commerce in agricultural commodities by providing means of limiting the amount of short future trading which may be done in such commodities, and for other purposes; to the Committee on Agriculture.

By Mr. BALDRIGE: A bill (H. R. 10159) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. McLEOD: A bill (H. R. 10160) to make illegal and provide penalties for transporting kidnaped persons in interstate or foreign commerce, and schemes to use the mails in kidnaping cases; to the Committee on the Judiciary.

By Mr. HOWARD: A bill (H. R. 10161) amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes; to the Committee on Indian Affairs.

By Mr. BANKHEAD: Resolution (H. Res. 165) providing for the consideration of S. 3706, an act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law; to the Committee on Rules.

By Mr. O'CONNOR: Resolution (H. Res. 166) providing for the consideration of H. R. 5315, a bill to amend the Judicial Code, and to define and limit the jurisdiction of courts sitting in equity, and for other purposes; to the Committee on Rules.

By Mr. McSWAIN: Joint resolution (H. J. Res. 322) proposing an amendment to the Constitution of the United States to prevent profiteering during war; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEAM: A bill (H. R. 10162) for the relief of John Toner; to the Committee on Military Affairs.

By Mr. BEERS: A bill (H. R. 10163) granting an increase of pension to Jennie E. Little; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10164) granting an increase of pension to Mary E. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10165) granting an increase of pension to Mary E. Goshorn; to the Committee on Invalid Pensions.

By Mr. BLACK: A bill (H. R. 10166) authorizing adjustment of the claim of Frank Spector; to the Committee on Claims.

Also, a bill (H. R. 10167) authorizing adjustment of the claim of J. G. Shelton; to the Committee on Claims.

Also, a bill (H. R. 10168) authorizing adjustment of the claim of the Westinghouse Electric & Manufacturing Co.; to the Committee on Claims.

Also, a bill (H. R. 10169) authorizing adjustment of the claim of the Adelphia Bank & Trust Co., of Philadelphia; to the Committee on Claims.

Also, a bill (H. R. 10170) authorizing adjustment of the claim of Joseph T. Ryerson & Son (Inc.); to the Committee on Claims.

Also, a bill (H. R. 10171) authorizing adjustment of the claim of Lewis Semler; to the Committee on Claims.

Also, a bill (H. R. 10172) authorizing adjustment of the claim of Schutte & Koerting Co.; to the Committee on Claims.

Also, a bill (H. R. 10173) authorizing adjustment of the claim of the Van Camp Sea Food Co. (Inc.); to the Committee on Claims.

Also, a bill (H. R. 10174) authorizing adjustment of the claims of Orem Wheatley, Kenneth Blaine, and Joseph R. Ball; to the Committee on Claims.

Also, a bill (H. R. 10175) authorizing adjustment of the claim of B. F. Hart; to the Committee on Claims.

Also, a bill (H. R. 10176) authorizing adjustment of the claim of Kenneth Carpenter; to the Committee on Claims.

Also, a bill (H. R. 10177) authorizing adjustment of the claim of the Wilmot Castle Co.; to the Committee on Claims.

Also, a bill (H. R. 10178) for the relief of William C. Campbell; to the Committee on Claims.

By Mr. CANFIELD: A bill (H. R. 10179) granting an increase of pension to Indiana Hess; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Missouri: A bill (H. R. 10180) for the relief of the Tevis Motor Co.; to the Committee on Claims.

By Mr. COOKE: A bill (H. R. 10181) for the relief of Squaw Island Freight Terminal Co. (Inc.), of Buffalo, N. Y.; to the Committee on Claims.

By Mr. COX: A bill (H. R. 10182) for the relief of M. Brown and S. H. Brown for losses sustained on schooner *Ninnetta M. Porcella;* to the Committee on Claims.

By Mr. DARROW: A bill (H. R. 10183) granting a pension to Florence H. Surman; to the Committee on Pensions.

By Mr. GUYER: A bill (H. R. 10184) granting an increase of pension to Mary E. Cowan; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H. R. 10185) for the relief of George G. Slonaker; to the Committee on Claims.

By Mr. HOGG of West Virginia: A bill (H. R. 10186) granting a pension to Hosea F. Dearth; to the Committee on Pensions.

By Mr. KEMP: A bill (H. R. 10187) for the relief of Stephen O. Fuqua; to the Committee on Claims.

By Mr. McLAUGHLIN: A bill (H. R. 10188) granting a pension to Rebecca Barnard; to the Committee on Pensions.

By Mr. McSWAIN: A bill (H. R. 10189) for the relief of Joseph H. Coleman; to the Committee on War Claims.

Also, a bill (H. R. 10190) to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the yellow fever commission; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 10191) for the relief of Joseph Leroy Everett; to the Committee on Naval Affairs.

By Mr. MOORE of Ohio: A bill (H. R. 10192) granting an increase of pension to Emma J. Wallace; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 10193) for the relief of William Sherman Paisley; to the Committee on Claims.

By Mrs. OWEN: A bill (H. R. 10194) granting a pension to Emma Grennan; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 10195) granting an increase of pension to Emma J. Henderson; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 10196) granting an increase of pension to Mary Warren; to the Committee on Invalid Pensions.

By Mr. SMITH of Virginia: A bill (H. R. 10197) for the relief of the Mount Vernon, Alexandria & Washington Railway Co.; to the Committee on Claims.

By Mr. STRONG of Pennsylvania: A bill (H. R. 10198) granting a pension to Mary C. Lytle; to the Committee on Pensions.

By Mr. TURPIN: A bill (H. R. 10199) for the relief of Edward Earle; to the Committee on Claims.

By Mr. YON: A bill (H. R. 10200) for the relief of Wade H. Cobb; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3601. By Mr. ADKINS: Petition of citizens of Charleston, Ill., requesting the cash payment of the adjusted-compensation (bonus) certificates; to the Committee on Ways and Means.

3602. By Mr. BARBOUR: Petition of residents of the seventh congressional district of California, protesting against compulsory Sunday observance, and Senate bill 1202 and House bill 8092, providing for closing barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

3603. Also, petition of residents of Stanislaus County, Calif., opposing repeal, modification, or resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3604. By Mr. BURDICK: Petition of Mrs. J. W. Kippax and 36 other residents of East Providence, R. I., opposing the repeal, resubmission, or any modification of the eighteenth amendment; to the Committee on the Judiciary.

3605. By Mr. CONNERY: Petition of veterans and citizens of Wyoming, in favor of immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3606. Also, petition of veterans and citizens of Ohio, favoring immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

3607. By Mr. CULKIN: Petition of L. O. Gagwin and 15 others, of Kasoag, N. Y., and vicinity, protesting against the enactment of Senate bill 1202 and House bill 8092, providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

3608. Also, petition of F. C. Ostrander and 16 other citizens of Copenhagen, N. Y., urging against modification, resubmission to the States, or repeal of the eighteenth amendment; to the Committee on the Judiciary.

3609. By Mr. DAVENPORT: Petition of 125 members of the Woman's Christian Temperance Union of Ilion, N. Y., favoring the maintenance and enforcement of the eighteenth amendment, and opposing the resubmission of the question through a repeal amendment; to the Committee on the Judiciary.

3610. Also, petition of Group No. 2579 of the Polish National Alliance of the United States, favoring the setting

aside of October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3611. By Mr. EVANS of Montana: Resolutions of members of the Montana State branch of the National Woman's Party, calling on Congress to submit immediately to the States for ratification the following amendment to the Constitution of the United States: Men and women shall have equal rights throughout the United States and every place subject to its jurisdiction; to the Committee on the Judiciary.

3612. Also, resolution submitted by Helen E. Shull, of the Montana State branch of the National Woman's Party, urging submission of the equal-rights amendment to the States for ratification; to the Committee on the Judiciary.

3613. By Mr. GIBSON: Petition of Vrest Octon and certain other voters of Brattleboro, Vt., urging resubmission of the eighteenth amendment to the States by referendum; to the Committee on the Judiciary.

3614. By Mr. GOSS: Petition of Group No. 1008 of the Polish National Alliance of Ansonia, Conn., asking that on the 11th day of October of each year a proclamation be issued by the President for the observation of the day as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3615. By Mr. HALL of Mississippi: Petition of 50 members of the Missionary Society of the First Methodist Church and 20 members of the Woman's Christian Temperance Union of Laurel, Miss., urging support and maintenance of the prohibition law and its enforcement and opposing the repeal, resubmission, or any modification; to the Committee on the Judiciary.

3616. By Mr. HOGG of West Virginia: Petition of Ables-Rayburn Post, No. 118, Ravenswood, W. Va., requesting that the World War veterans' adjusted-service certificates be paid in full without deduction of any interest due on loans already made; to the Committee on Ways and Means.

3617. By Mr. LANKFORD of Georgia: Petition of members of the Baptist Bible Class of Naylor, Ga., opposing resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3618. By Mr. LINTHICUM: Petition of William S. Hill, Katherine E. Meisel, Mrs. S. N. Donaldson, and George R. Erler, of Baltimore, Md., urging passage of House bill 7230; to the Committee on Pensions.

3619. Also, petition of Medical and Chirurgical Faculty, Baltimore, Md., opposing Senate bill 572 and House bill 4739; to the Committee on Interstate and Foreign Commerce.

3620. Also, petition of the Young Women's Christian Association and Elisabeth Gilman, of Baltimore, Md., urging passage Costigan-La Follette bill (S. 3045); to the Committee on Labor.

3621. Also, petition of Veterans of Foreign Wars, Baltimore, Md., urging passage of Senate bill 2263; to the Committee on the Civil Service.

3622. Also, petition of police department, Baltimore, Md., urging passage House bill 4537 and Senate bill 1525; to the Committee on Interstate and Foreign Commerce.

3623. Also, petition of Baltimore & Philadelphia Steamboat Co., Baltimore, Md., urging passage Senate bill 2793; to the Committee on Interstate and Foreign Commerce.

3624. Also, petition of Baltimore Association of Commerce, Baltimore, Md., urging unemployment relief; to the Committee on Appropriations.

3625. Also, petition of the Builders' Exchange and the Baltimore Brick Co., Baltimore, Md., urging passage House bill 6187; to the Committee on Public Buildings and Grounds.

3626. Also, petition of Baltimore Building Trades Council, Baltimore, Md., urging passage of Senate bill 124 and House bill 8332, 5-day week bill; to the Committee on the Civil Service.

3627. Also, petition of Baltimore Association of Commerce, urging passage House bill 8681, merchant airship act of 1932; to the Committee on Interstate and Foreign Commerce.

3628. Also, petition of Hires Turner Glass Co. and the Novelty Steam Boiler Workers Co., Baltimore, Md., urging passage of House bill 4680; to the Committee on Expenditures in the Executive Departments.

3629. Also, petition of Robert Marshall and Esther Allison Brown, of Baltimore, Md., urging passage of House bill 7926; to the Committee on Labor.

3630. Also, petition of Enoch Pratt Free Library, Baltimore, Md., urging passage of Senate bill 3037; to the Committee on Labor.

3631. Also, petition of Mount Clare Local Federation and the Builders' Exchange of Baltimore, Md., urging passage of Senate bill 935 and House bill 9315; to the Committee on the Judiciary.

3632. Also, petition of J. Harry Wagner, of Baltimore, Md., protesting reduction in National Guard appropriations; to the Committee on Appropriations.

3633. Also, petition of Maryland Lumber Co., urging passage of the home loan discount bank bill; to the Committee on Banking and Currency.

3634. Also, petition of Sterrett Operating Service, Washington, D. C., protesting increased taxation; to the Committee on Ways and Means.

3635. Also, petition of Baltimore Federation of Labor, urging passage of Senate bill 935; to the Committee on the Judiciary.

3636. Also, petition of the American Journal of Physiology, Baltimore, Md., urging passage of House bill 8765; to the Committee on Labor.

3637. Also, petition of William H. Masson, urging passage of Senate bill 2350 and House bill 6707; to the Committee on Ways and Means.

3638. Also, petition of Mrs. S. Tagart Steele, Edward S. Hyde, Elizabeth Crummer, Minna D. Starr, Dr. E. Huber, and the Maryland State Game and Fish Protective Association, all of Baltimore, Md., and Capt. W. H. Munter, of Boston, Mass., urging passage of bill for Everglades National Park; to the Committee on the Public Lands.

3639. Also, petition of Ida C. Lloyd and others, of Baltimore, Md., indorsing the present prohibition law; to the Committee on the Judiciary.

3640. Also, petition of Real Estate Board of Baltimore, Baltimore, Md., urging passage of House Joint Resolution 245 to retain the Post Graduate School of the United States Naval Academy; to the Committee on Naval Affairs.

3641. Also, petition of Edward Unduth, Joseph Gentile, William A. Harrison, Ernest H. Kiefer, Samuel S. Feinstein, James J. Hepner, John Miller, Harry M. Becker, Raymond Quinn, Thimothy C. McKinzie, United Veterans' Association (Inc.), and Edward Doll, all of Baltimore, Md., and E. J. Dore, National Soldiers' Home, Virginia, urging passage of House bill 1, cash payment bonus bill; to the Committee on Ways and Means.

3642. Also, petition of Baltimore Association of Commerce, protesting against House bill 4648; to the Committee on Immigration and Naturalization.

3643. Also, petition of Elmer Lee Price, George A. Jackson, Roy E. Waltz, John E. Bopp, John J. Reardon, Frank Persiani, and Andrew J. Reilly, all of Baltimore, and Alexander Johnson, of Dundalk, Md., urging passage of House bill 1, cash payment bonus bill; to the Committee on Ways and Means.

3644. By Mr. PATMAN: Petition of Frank L. Gibson and 319 other signers, of Gueydan, La., indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3645. Also, petition of J. W. May and 119 other citizens and veterans of Soperton, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3646. Also, petition of Oscar Marcus and 139 other citizens and veterans of Savannah, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3647. Also, petition of Alton H. Harvey and 139 other citizens and veterans of Thomaston, Ga., urging immediate cash

payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3648. Also, petition of Allen T. Short and 36 other citizens and veterans of Whitewright, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3649. Also, petition of F. W. Barkley and 59 other citizens and veterans of Belton, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3650. Also, petition of Mrs. William Mulrine and 84 other citizens of Chester, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3651. Also, petition of Augustine Lattang and 36 other citizens and veterans of Norristown, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3652. Also, petition of H. M. Read and 136 other citizens and veterans of York, Thomasville, Bridgeton, Hanover, Glen Rock, Wellsville, Felton, Wrightsville, Shrewsburg, and Lewisburg, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3653. Also, petition of W. T. Hawkins and 55 other citizens and veterans of Monroe City, Ind., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3654. Also, petition of Elijah O. Ricks and 24 other citizens and veterans of Washington, Ind., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3655. Also, petition of John A. Anlutner and 29 other citizens and veterans of Sandborn, Ind., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3656. Also, petition of John Arzly and 55 other citizens and veterans of Bruceville, Ind., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3657. Also, petition of Bennie J. Wills and 83 other citizens and veterans of Milledgeville, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3658. Also, petition of T. C. Poole and 139 other citizens and veterans of Americus, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3659. Also, petition of P. A. Smith and nine other citizens and veterans of Newnan, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3660. Also, petition of Clyde Morris and 24 other citizens and veterans of Whitesburg, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3661. Also, petition of Andrew J. Daniel and 49 other citizens and veterans of Franklin, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3662. Also, petition of John Munn and 89 other citizens and veterans of Ashburn, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3663. Also, petition of George Traylor and 139 other citizens and veterans of La Grange, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3664. Also, petition of Maywood Post, No. 223, of Maywood, Calif., urging passage of House bill 1; to the Committee on Ways and Means.

3665. Also, resolution of Revere City Council, Revere, Mass., submitted by Albert J. Brown, city clerk, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3666. Also, petition of American Legion Post, No. 261; Ladies Auxiliary of said post; Lions Club; Chamber of Commerce; Board of Trustees of Independent Schools; the Diversity Club; the Literary Club; the Board of Aldermen; Parent Teachers' Association; and 81 individual taxpayers of Winters, Tex., signed by officers of said organizations and said taxpayers, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3667. Also, resolution of Veterans of Foreign Wars, Post No. 797, Port Arthur, Tex., submitted by M. D. Carter, adjutant of said post, indorsing full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3668. Also, resolution of American Legion Post, No. 70, Arcadia, La., submitted by D. D. Pointer, adjutant of said post, indorsing payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3669. Also, resolution of American Legion Post, No. 398, Whitesboro, Tex., submitted by G. W. Hodges, adjutant of said post, indorsing immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3670. Also, resolution of Disabled American Veterans of World War, Chapter No. 1, Memphis, Tenn., submitted by M. A. Ingram, adjutant of said chapter, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3671. Also, petition of Porter Hoyt Griffith and 116 other ex-service men of Walker County, Ga., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3672. Also, resolution of the Disabled American Veterans, Chapter No. 1, Tacoma, Wash., submitted by Charles O. Merritt, commander of said chapter, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3673. Also, resolution of American Legion Post, No. 372, Blackduck, Minn., submitted by George W. Angell, commander, and George W. Bloomquist, adjutant of said post, indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3674. Also, petition of E. L. Ross and 63 other voters of Chunky, Miss., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3675. Also, resolution of the Disabled American Veterans, Chapter No. 25, Greenfield, Ohio, submitted by John G. Rooks, commander, and other officers of said chapter, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3676. Also, resolution of the Disabled American Veterans, Chapter No. 1, Reno, Nev., submitted by W. H. Cougars and Orrin W. Davie, officers of said chapter, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3677. Also, resolution of the Disabled American Veterans, Chapter No. 22, Marion, Ohio, submitted by committee of said chapter, indorsing immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3678. Also, resolution of the Disabled American Veterans, Chapter No. 15, Greensboro, N. C., submitted by Walter V. Joyce, J. S. Burton, and J. R. Collins, officers of said chapter, indorsing immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3679. Also, resolution of American Legion Post, No. 43, Fort Lyon, Colo., submitted by Walter J. McDonald and T. G. Roberts, officers of said post, urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3680. Also, petition of American Legion Post, No. 678, New York, N. Y., submitted by William F. Beck, of said post, urging immediate cash payment of the adjusted-service certificates: to the Committee on Ways and Means.

3681. Also, resolution of the Disabled American Veterans, Chapter No. 18, Chillicothe, Ohio, submitted by George E.

Brown, commander, and Earl A. Hatfield, adjutant of said post, indorsing immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3682. Also, resolution of the Disabled American Veterans, Chapter No. 1, Memphis, Tenn., submitted by H. J. Coburn and M. A. Ingram, officers of said post, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3683. Also, resolution of citizens and ex-service men of Tacoma and Pierce County, Wash., submitted by Neil H. Kime, of the Tacoma Disabled American Veterans' chapter, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3684. Also, resolution of American Legion Post, No. 381, Robert Lee, Tex., submitted by J. L. Roy Knight and F. C. Clark, of said post, indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3685. Also, petition of George J. Georgeacopoulus and 54 other disabled veterans of National Military Home, West Los Angeles, Calif., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3686. Also, resolution of American Legion Post, No. 474, St. Paul, Minn., submitted by Fred P. Lancette, adjutant of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3687. Also, petition of H. A. Sellars and 179 other citizens and veterans of Panama City, Fla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3688. Also, petition of H. R. Whitehead and 55 other citizens of Tampa, Sulphur Springs, and Lutz, Fla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3689. Also, petition of Claude M. Mullinax and 55 other citizens and veterans of Van Alstyne, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3690. Also, petition of R. A. Smith and 154 other citizens and veterans of Howe, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3691. Also, petition of Walter Johnson and 55 other citizens and veterans of Holland, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3692. Also, petition of Moses D. Sewell and 65 other citizens and veterans of Mart, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3693. Also, petition of Jim L. May and 99 other citizens and veterans of Dennison, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3694. Also, petition B. B. Thompson and 71 other citizens and veterans of Sherman, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3695. Also, petition of E. R. Williams and 254 other citizens and veterans of Legion and Kerrville, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3696. Also, petition of Robert C. Steger and 13 other veterans of Palmer, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3697. Also, petition of J. Wheeler and 41 other citizens and veterans of Holidaysburg, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3698. Also, petition of Clifford Jones and 89 other citizens and veterans of Philadelphia, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3699. Also, petition of W. D. Harman and 195 other citizens and veterans of Altoona, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3700. Also, petition of Earl Black and 55 other citizens and veterans of New Castle, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3701. By Mr. REID of Illinois: Petition of 102 residents of Elgin, Ill., urging the maintenance of the eighteenth amendment and its enforcement, and protesting against the resubmission of the same to the States for a referendum vote; to the Committee on the Judiciary.

3702. By Mr. RUDD: Petition of O. W. Cutting, 60 Cedar Street, New York City, favoring the establishment of the Everglades National Park in Florida; to the Committee on the Public Lands.

3703. Also, petition of Brooklyn Federation of Churches (Inc.), Brooklyn, N. Y., stating the results of a referendum on the 8-point peace program for the Far East; to the Committee on Foreign Affairs.

3704. Also, petition of Clara H. Cunningham, Washington, D. C., favoring an amendment to section 210 of the World War veterans' act; to the Committee on World War Veterans' Legislation.

3705. By Mr. SELVIG: Petition of Minnesota Federation of Architectural and Engineering Societies, urging enactment of House bill 6187; to the Committee on Public Buildings and Grounds.

3706. Also, petition of Stephen Post, No. 390, Stephen, Minn., urging full cash payment of the adjusted-service certificates; to the Committee on Appropriations.

3707. Also, petition from the chairman of the legislative committee American Hospital Association of St. Paul, Minn., protesting proposed tax on hospitals, and also any tax on electric current, gas bills, oil, and telephones as burdensome to hospital operation; to the Committee on Ways and Means.

3708. By Mr. SHOTT: Petition of Luther Patterson Post, No. 36, American Legion, Kimball, W. Va., asking Congress for the immediate cash payment of the adjusted-service certificates without interest charges on amounts already borrowed on said certificates; to the Committee on Ways and Means.

3709. By Mr. SHREVE: Resolution of 60 members of the West Millcreek Woman's Christian Temperance Union, of Erie; 50 members of the Albion Woman's Christian Temperance Union; 300 members of the Tenth Street Methodist congregation, of Erie; 75 members of the Titusville Woman's Christian Temperance Union; and 100 members of the Lilian Stevens Woman's Christian Temperance Union, of Erie, all of the State of Pennsylvania, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislature; to the Committee on the Judiciary.

3710. By Mr. STALKER: Petition of residents of Horseheads and Beaver Dams, N. Y., protesting against compulsory Sunday observance; to the Committee on the Judiciary.

3711. Also, petition of residents of Oswego, N. Y., protesting against compulsory Sunday observance; to the Committee on the Judiciary.

3712. Also, petition of residents of R. F. D. No. 5, Corning, N. Y., urging the enforcement of the eighteenth amendment; to the Committee on the Judiciary.

3713. Also, petition of residents of Elmira, N. Y., protesting against compulsory Sunday observance; to the Committee on the Judiciary.

3714. By Mr. SUTPHIN: Petition of the Twenty-ninth Division Association (Inc.), asking for the payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

3715. By Mr. TEMPLE: Petitions of John R. McClannahan, 1016 Chess Street, and George W. Hellen, 420 Park Avenue, Monongahela; Elliott Underwood, box 331, West Brownsville; and Ross Richardson, box 505, McDonald, all of the State of Pennsylvania, supporting legislation providing for the payment in full of the adjusted-service certificates of World War veterans; to the Committee on World War Veterans' Legislation.

3716. Also, petition of Peter Profili, American Theater, Vestaburg, Pa., suggesting certain amendments to the Vestal bill on patents and copyrights; to the Committee on Patents.

3717. Also, petition of W. J. Mellega, W. N. Flower, E. F. Reese, J. W. Shaw, and Jacob Miller, jr., urging favorable action on the soldiers' bonus bill; to the Committee on World War Veterans' Legislation.

3718. By Mr. TIMBERLAKE: Petition of Free Methodist Church, Loveland, Colo., protesting against submitting the eighteenth amendment to the States for a referendum vote; to the Committee on the Judiciary.

3719. Also, petition of American War Mothers, Chapter No. 7, Loveland, Colo., protesting against submitting eighteenth amendment to the States for a ratification vote; to the Committee on the Judiciary.

3720. By Mr. WEST: Petition of 23 members of the Railway Mail Association Auxiliary, Fifteenth Division, Crestline Branch, protesting against any plan or bill suggesting a reduction in salaries of railway postal clerks and other Government employees; to the Committee on Expenditures in the Executive Departments.

HOUSE OF REPRESENTATIVES

SATURDAY, MARCH 5, 1932

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, we thank Thee for that love which measures itself by suffering for the poor and needy and heartbroken. Go forth, O love divine, and make Thy disclosures by which men are redeemed from the lower spheres of human life. O break upon them in the fullness of Thy power until it shall incite them to things beautiful and holy. Save us from the bondage and proscription which are of the sinful levels of society. Lead us upward in the spiritual and intellectual life in which unbounded faith, hope, and love bestow their choicest blessings. O God, stand behind every weeping soul; be not far away from every distressed orphan; be near every oppressed widow in the hour of her trial, and remember all Thy children of weakness and want. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendment of the House to the joint resolution (S. J. Res. 110) authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Treasury and Post Office Departments appropriation bill, with Mr. HOWARD in the chair.

The Clerk read the title of the bill.

Mr. FULMER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FULMER: Page 69, line 6, after the word "act," insert the following: "or appropriations hereafter made."

Mr. FULMER. Mr. Chairman, I note with a great deal of interest that the language contained in section 7 is practically identical with that contained in a bill which I introduced in the earlier part of the session, H. R. 5612.

I will state for the information of the committee that the bill introduced by me has already been reported by the Post Office Committee and is now pending on the calendar. I may state also that I have a favorable report from the Post Office Department on this legislation. The adoption of this amendment will accomplish what I seek to accomplish under my bill.

This legislation also meets with the approval of the President of the United States, according to a statement made by him some time ago. I would like to have the Clerk read this statement, which was issued some time in January.

The CHAIRMAN. Without objection, the Clerk will read the statement.

There was no objection.

The Clerk read as follows:

It would be of substantial advantage to American manufacturers and purchasers if Congress should authorize all departments and executive establishments uniformly to give preference in purchase of supplies to goods of domestic origin, and I suggest the enactment of legislation providing that in advertising for proposals for supplies heads of departments shall require bidders to certify whether the articles proposed to be furnished are of domestic or foreign growth, production, or manufacture, and shall (if in their judgment the excess of cost is not unreasonable) purchase or contract for the delivery of articles of the growth, production, or manufacture of the United States, notwithstanding that articles of foreign origin may be offered at a lower price.

Mr. FULMER. This same type of legislation was passed some two years ago for the War and Navy Departments. At that time in requesting bids on matches they had a lower price submitted by foreign countries, and they had to give their orders for matches which were imported rather than use those made in this country.

Mr. JONES. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. JONES. I would like to state to the gentleman that I think this is a good amendment. As a matter of fact, a number of us, including the gentleman from South Carolina, had this matter up with the Post Office Department last summer. As I recall, they stated they would use cotton twine, but for some reason they backed up on the proposition.

Mr. FULMER. The reason the department decided to use jute twine is that under the present law the department is forced to accept the lowest bid, regardless of where the product is grown or manufactured. Mr. Brown, the Postmaster General, told me that if my bill had been the law at that time he would have used cotton twine, even though the price was some higher than jute.

Mr. JONES. As a matter of fact, it would make very little difference in the cost.

Mr. FULMER. That is right, especially at this time, when cotton is so cheap.

Mr. JONES. What they are now using is a jute product made in India, thus giving preference to foreign products over the domestic cotton twine which is made in this country.

Mr. FULMER. The gentleman is correct.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. VINSON of Georgia. The language of the amendment offered by the gentleman is the same as that which was included in his bill before the Post Office Committee.

Mr. FULMER. The amendment will accomplish what I proposed to accomplish with my bill that the gentleman refers to. I understand that the Post Office Department is now faced with buying foreign gasoline because it had to accept the lowest bid.

Mr. HASTINGS. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. HASTINGS. I would like to have the amendment again reported. There was some confusion in the Chamber, and many of us did not hear it.

Mr. FULMER. May I state before that is done that I have had this matter up with several members of the Ap-

propriations Committee, including the chairman, and there is no objection to this amendment, as far as I understand?

Mr. HASTINGS. Mr. Chairman, may the amendment be again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again read the amendment.

Mr. FULMER. I do not see how any Member can object to this amendment, so I will not take any more of the time of the committee.

Mr. GOSS. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. GOSS. The gentleman's amendment reads "or appropriations hereafter made." What about bills that have passed heretofore?

Mr. FULMER. As I have stated, some two years ago the bills providing appropriations for the War and Navy Departments contained this same legislation.

Mr. GOSS. What about bills providing appropriations for other departments which have already passed the House?

Mr. LAGUARDIA. If the gentleman will permit, the word "hereafter" makes it permanent legislation.

Mr. GOSS. But, as I understand, as to the bills which have already passed, this would not be effective.

Mr. LAGUARDIA. This language would have been subject to a point of order, but if this amendment is adopted it makes it permanent legislation.

Mr. JONES. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. JONES. I think the committee should accept this amendment, or, at least, not make any objection to it. I can see no reason on earth why we should prefer foreign commodities to American commodities.

Mr. BYRNS. If the gentleman will permit me to reply to that, I will say this: The gentleman from South Carolina did me the honor to speak to me about this amendment two or three days ago. I told him that as far as I was concerned I did not have the slightest objection to it. Of course, I had no authority to accept the amendment on behalf of the committee. As the gentleman from New York says, this amendment would make it permanent law. The committee has recommended it for 1933, but this makes it permanent law.

Mr. FULMER. I thank the gentleman from Tennessee, and will not take any more time.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

The Clerk read as follows:

SEC. 8. The United States Bureau of Efficiency is authorized and directed to prepare and submit to Congress on the first day of the next regular session a report showing the make, year, type, annual mileage, useful purpose, assignment, and other similar pertinent information relative to each Government-owned passenger automobile and motor boat in the custody of the several field services on June 30, 1932, and shall indicate appropriately in such report which of such vehicles were forfeited to the United States for violation of law.

Mr. GOSS. Mr. Chairman, I reserve a point of order on the language in line 23, "shall indicate appropriately in such report which of such vehicles were forfeited to the United States for violation of law."

I hope the committee will be willing to strike out the word "appropriately," so that it would not be possible for the department to put the names and addresses of the violators of law that have lost their automobiles. If they just simply want this indicated and are willing to strike out the word "appropriately," I shall not press my point of order.

Mr. BYRNS. I will say to the gentleman the committee had only one purpose in making this recommendation, and that is to secure information by next December as to the number of automobiles and their types that are in Government use throughout the country. We are not interested in the names of those who formerly owned them, and it is not the intention of the provision to collect their names and publish them, because this would be an expense that I would criticize, as well as the gentleman himself. I am perfectly willing to move that the word "appropriately" be stricken from the bill.

Mr. GOSS. Mr. Chairman, in view of the fact that the gentleman is going to offer that amendment, I withdraw my point of order.

Mr. BYRNS. Mr. Chairman, I move that the word "appropriately," in line 23, page 69, be stricken from the bill.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: Page 69, line 23, strike out word "appropriately."

The amendment was agreed to.

The Clerk read as follows:

SEC. 9. No part of any appropriation made by this act shall be used to pay the actual expenses of subsistence in excess of $6 each for any one calendar day or per diem allowance for subsistence in excess of the rate of $5 for any one calendar day to any officer or employee of the United States, and payment accordingly shall be in full, notwithstanding any other statutory provision.

Mr. BYRNS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have concluded the reading of the bill. I am not going to take up the time of the committee, because this matter was discussed at very great length on yesterday, but I do want to call the attention of those who were not here on yesterday during the discussion to the effect of the amendment which was adopted yesterday striking out section 4.

This section, according to the Postmaster General, meant a saving in the Post Office Department alone of $1,200,000 for the year 1933, and in order that no one may doubt my accuracy on this point, I want to read you just what Mr. Brown, the Postmaster General, said in response to a question from me:

The CHAIRMAN. Can you tell us how much of these estimates for 1933 is due to automatic promotions?

Mr. BROWN. It runs a little over $1,200,000 a year.

Now, the action of the committee upon yesterday struck out this section, and those who vote aye when the matter comes up in the House are going to be on record—I think we all should understand this—as having voted to add to the cost of government $1,200,000 a year, not to prevent a reduction in salary but to provide increases in salary. It has been my understanding from the beginning that the Members of the House, many of whom are opposed to reductions in salary, are equally opposed to making any increases in 1933 for obvious reasons.

I want to give warning to those who profess to be the friends of the Postal Service that you could not do anything, in my judgment, which would more certainly promote the movement in favor of an actual reduction in salaries than to vote for this amendment putting on these increases for 1933. [Applause.] I say that those who vote to restore section 4 of the bill are the real friends of the Postal Service and the real friends of all the employees of this Government, because you can rest assured that when your tax bill comes in next week and the people realize—not through speculation but as a matter of fact—that they are going to be confronted with an immense tax bill, which is going to tax nearly everything they eat and nearly everything they wear and nearly everything they use, you can rest assured there is going to be even further protest over the country in the interest of economy.

Gentlemen, let me close with this remark. The Committee on Appropriations worked out this scheme to prevent increases—not reductions, but to prevent increases in salaries during the year 1933.

Mr. KELLER. And it does not go beyond that?

Mr. BYRNS. It does not go beyond the year 1933 but is simply for that year.

These provisions have gone on every other bill. Strike it out of this bill and you are going to exempt employees of the Treasury and the Post Office Departments and leave

the House in a position where it was willing to impose this restriction upon the employees of every other department of this Government; and I want to say to you further, as earnest as I am in the advocacy of the proposition, that there shall be no increases; I want to be fair with everybody. I want to be on the level with every class of employees, and if you strike this provision from this bill and exempt the Treasury and Post Office Departments, I am frank to say to you, much as I would hate to do it, I am in favor of eliminating that section as to every other department of this Government. When you do that you add several million dollars to the cost of government for 1933 for increases. I hope that when we come to vote the House will not put itself on record in favor of it. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The Chair first recognizes the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I want to back up 100 per cent what the gentleman from Tennessee [Mr. BYRNS] has said on this bill. I think the postal employees are making a great mistake in pressing this matter. That is all I wish to say.

Mr. LAGUARDIA. Mr. Chairman, the gentleman from Tennessee [Mr. BYRNS] suggests that if we eliminate this section from the bill the Treasury and postal employees will be in a better position than the employees coming under other departments. May I call the attention of the gentleman from Tennessee to the fact that this same amendment has been eliminated by the Senate committee in connection with the bills of the Interior Department and the Agricultural Department now before the Senate, and that they were reported with the recommendation that these sections be eliminated from the bills. So much for that.

Now, there are two classes of employees to be considered. This is not a salary increase. This concerns the class of employees, such as the Postal Service, the Geodetic Survey, Public Health, the Army, and the Navy, where the salaries are fixed at the outset of the employment—a yearly scale depending upon the years of service. That constitutes a solemn contract written into our basic law affecting this character of employment.

The gentleman from Tennessee the other day told the House that there were certain features in the air mail contract that he did not like, but it was a contract and we could not rescind it. The same is true here. These salaries are fixed by years of service, by longevity, under solemn contract.

The proposition is simply this, that if any employee dies or retires or is removed from the service and another employee is moved to that position, that employee takes the salary of the minimum of that grade. How can we remove all hope of promotion, all hope of advancement in any department of the Government any more than in any other walk of life?

And, gentlemen, there is a greater significance. I announced at the time the first proposition was before the House that the American Congress is being used by a determined movement of the big financial interests of this country to tear down the wages of the working people and make them pay the entire cost of the miserable depression they themselves have brought about. [Applause.]

If by accident any of these amendments—I do not believe they will be continued in the bill—is approved by the Senate, every owner of a scab shop will immediately pounce upon such an unfortunate eventuality and use it as his alibi to further tear down wages. It is that condition that I am protesting against.

Let me also point out—and if I am not correct in this, I want the gentleman from Tennessee to correct me—this reduction from the total amount appropriated was not recommended in the Budget. Listen, you Republicans, this reduction was not recommended by your Budget.

Mr. BYRNS. If the gentleman will permit, the President is on record, and recommends holding down appropriations, and has given his full approval to not making promotions.

Mr. LAGUARDIA. We do not need this legislation, and the President of the United States never said in his message, or in any other manner, that he wanted to disregard the solemn contracts written into the law providing for the salaries of this class of employees.

Mr. BYRNS. Then we have the President on record as saying that he is not in favor of an increase of salaries.

Mr. LAGUARDIA. This is not an increase in salaries. As I said, there are two classes, one with contract salaries legally fixed each year and the other is the question of ordinary routine promotions when a vacancy occurs.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I rise to oppose the proposition suggested in the way of an amendment by the gentleman from New York [Mr. LAGUARDIA]. I do that as a friend of the postal employees of this country. [Applause.] No one can truthfully say that during my service here I have not been most friendly with the employees of the Postal Service. In what I am saying to-day I am satisfied that I again speak as their friend. The gentleman from New York [Mr. LAGUARDIA] says that the Government has entered into an agreement with the postal employees promising them increases in salaries and promotions, and that if this bill is passed without adopting his amendment that this will break faith with these employees. The postal employees are not unreasonable. We have no more patriotic group of citizens, and they realize that in these days of storm and stress that they are fortunate to have positions, and I can not conceive of them, after mature deliberation, insisting on any kind of increases at this time. The man who has any kind of a job is fortunate, and doubly fortunate is he who holds the same position which he held in prosperous times and still draws the same salary. Decreases in compensation are being accepted by many of our State, county, and municipal employees, and it seems to me that it would be the height of folly for postal employees in these same communities to insist on increases, directly or indirectly. You who are so opposed to reducing salaries of Government employees should hail with delight any legislation that looks toward maintaining a status quo salary position for those Government employees in whom you are so apparently interested.

Adopt this LaGuardia amendment, authorizing increases in salaries, and you will bring down upon you the wrath of the taxpayers to such an extent that legislation will be brought forth and enacted doing the very things you hope to prevent.

It is preposterous to talk about economy and then vote to increase salaries, even though the law does stipulate increases at certain times in one's service. We know something about a moratorium on debts, and it is high time that we declare a moratorium on increasing expenses. Our Ways and Means Committee is working long hours to find the money to balance the Budget, yet if this LaGuardia amendment is adopted it will cost the taxpayers several million dollars a year which go as increased salaries. The people will not and should not tolerate it.

The Post Office Department has in effect been doing the very thing which this appropriation bill authorizes, so far as these increases and promotions are concerned, and that work of economy in the department should be continued. Is not that right, I ask the gentleman from Tennessee?

Mr. BYRNS. That is true.

Mr. MICHENER. The real situation is that the department has run up against a decision by the Comptroller General which prevents the carrying out of economy, and it is the purpose of this bill, as presented by the Committee on Appropriations, to do what is intended to be done, and not what the Comptroller General thinks should be done. Everybody here is for economy until that economy begins to affect some interest in his district, and all are willing to vote for economy until they feel that some group back home might be offended by such action. This is an unpleasant year to be in Congress, but it is only by courageous votes that economy and expenses of Government can be effected.

This provision has been placed in preceding appropriation bills by the House, and, regardless of action at the other end of the Capitol, we should follow our charted economic course. I ask that those who voted for this amendment in the committee reconsider. It you want to help the postal employees, surely the best way to do that thing is to help them retain that which they already have. This is a case where you should consider both those whom you are trying to aid and the taxpayers who must furnish the money, because, as I stated above, a vote for this amendment means an increase of at least $7,000,000 which must be raised for the next fiscal year. The committee has given most careful consideration to this matter. The amendment has been thoroughly debated, and if there was ever a time that the people insist upon their Representatives in this body cooperating with the President and with the Committee on Appropriations in reducing the costs of Government it is now. I hope that the amendment will be defeated.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise and report the bill with the amendments, with the recommendations that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOWARD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9699, the Treasury and Post Office Departments appropriation bill, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. BYRNS. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded upon any amendment?

Mr. BYRNS. Mr. Speaker, I ask for a separate vote upon the amendment of the gentleman from New York [Mr. LAGUARDIA] striking out of the bill section 4.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. MEAD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MEAD. Mr. Speaker, yesterday I offered a perfecting amendment to the language of section 4 of the bill, as recommended by the committee. That amendment applied to only two or three lines of the bill. The gentleman from New York [Mr. LAGUARDIA] offered an amendment striking out the entire section. If we vote against the amendment will we have an opportunity to have inserted in the bill the perfecting amendment that I offered yesterday?

The SPEAKER. The House has no knowledge of the gentleman's amendment. The House has knowledge only of the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

Mr. MEAD. Mr. Speaker, I most respectfully ask the Speaker to answer my inquiry. Would the amendment that I offered perfecting the language of the bill remain in the bill?

Mr. BYRNS. Mr. Speaker, I do not profess to be an expert parliamentarian, but my understanding is that if the House should vote down the amendment of the gentleman from New York it will restore the section to the bill as it was reported by the Committee on Appropriations.

The SPEAKER. That is a correct statement of the parliamentary situation. Is a separate vote demanded on any other amendment? If not, the Chair will put them en bloc. The question is on agreeing to the other amendments.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment of the gentleman from New York [Mr. LAGUARDIA].

The Clerk read as follows:

Amendment by Mr. LAGUARDIA: Page 64, line 23, strike out all of section 4.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 90, noes 102.

Mr. LAGUARDIA. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 160, nays 155, not voting 116, as follows:

[Roll No. 26]

YEAS—160

Adkins	Dieterich	Keller	Pittenger
Allen	Douglass, Mass.	Kelly, Ill.	Prall
Amlie	Dowell	Kemp	Ransley
Andrew, Mass.	Dyer	Knutson	Robinson
Andrews, N. Y.	Eaton, Colo.	Kopp	Rogers, Mass.
Arentz	Eaton, N. J.	Kurtz	Rudd
Auf der Heide	Estep	Kvale	Sabath
Bachmann	Evans, Calif.	LaGuardia	Sanders, N. Y.
Barbour	Fernandez	Lambertson	Schafer
Beam	Finley	Lanham	Schneider
Beedy	Fish	Lankford, Ga.	Schuetz
Black	Fitzpatrick	Larrabee	Seger
Bloom	Foss	Leavitt	Seiberling
Bohn	Frear	Lehlbach	Selvig
Boileau	Gambrill	Lindsay	Shannon
Boland	Garrett	Linthicum	Sinclair
Boylan	Gavagan	Lonergan	Spence
Britten	Gifford	Lovette	Stalker
Brumm	Gilchrist	McClintock, Ohio	Stewart
Brunner	Goodwin	McCormack	Strong, Pa.
Burdick	Goss	McFadden	Sullivan, N. Y.
Butler	Granata	Maas	Summers, Wash.
Cable	Granfield	Magrady	Sutphin
Campbell, Iowa	Griswold	Major	Swank
Campbell, Pa.	Hall, N. Dak.	Maloney	Swanson
Carley	Hardy	Manlove	Swing
Carter, Calif.	Hartley	Mansfield	Temple
Carter, Wyo.	Hess	Mapes	Thomason
Chavez	Hill, Wash.	Martin, Mass.	Thurston
Christgau	Hogg, Ind.	Martin, Oreg.	Tierney
Condon	Holmes	Mead	Tinkham
Connery	Hooper	Millard	Welch, Calif.
Cooke	Hopkins	Niedringhaus	White
Crosser	Hornor	Nolan	Whitley
Crump	Hull, William E.	Norton, N. J.	Withrow
Cullen	Jacobsen	O'Connor	Wolcott
Curry	James	Oliver, N. Y.	Wolverton
Dallinger	Kading	Overton	Woodruff
Darrow	Kahn	Palmisano	Wyant
Delaney	Karch	Peavey	Yates

NAYS—155

Abernethy	Crowe	Huddleston	Pou
Allgood	Culkin	Hull, Morton D.	Ramseyer
Almon	Davenport	Jeffers	Ramspeck
Arnold	Davis	Johnson, Mo.	Rankin
Ayres	DeRouen	Johnson, Okla.	Rayburn
Baldrige	Dies	Johnson, Tex.	Reed, N. Y.
Bankhead	Disney	Jones	Reilly
Barton	Doxey	Kerr	Rich
Beck	Driver	Ketcham	Sandlin
Bland	Evans, Mont.	Kleberg	Shallenberger
Blanton	Fiesinger	Kniffin	Simmons
Boehne	Fishburne	Lankford, Va.	Smith, Va.
Brand, Ga.	Flannagan	Lozier	Snow
Browning	Free	Luce	Sparks
Buchanan	French	Ludlow	Stafford
Bulwinkle	Fulbright	McClintic, Okla.	Steagall
Burch	Fuller	McGugin	Stevenson
Busby	Fulmer	McKeown	Strong, Kans.
Byrns	Garber	McMillan	Sumners, Tex.
Canfield	Gasque	McReynolds	Tarver
Cannon	Glover	McSwain	Taylor, Colo.
Carden	Green	May	Thatcher
Cartwright	Greenwood	Michener	Underwood
Cary	Gregory	Miller	Vestal
Chapman	Guyer	Milligan	Vinson, Ga.
Chiperfield	Haines	Montague	Wason
Christopherson	Hall, Miss.	Montet	Weaver
Clague	Hancock, N. Y.	Moore, Ky.	Whittington
Clark, N. C.	Hancock, N. C.	Morehead	Wigglesworth
Clarke, N. Y.	Harlan	Nelson, Me.	Williams, Mo.
Cochran, Mo.	Hart	Nelson, Mo.	Williams, Tex.
Cochran, Pa.	Hastings	Norton, Nebr.	Williamson
Cole, Iowa	Hill, Ala.	Oliver, Ala.	Wilson
Cole, Md.	Hoch	Parker, Ga.	Wingo
Collins	Hogg, W. Va.	Parks	Wood, Ga.
Colton	Holaday	Parsons	Woodrum
Cooper, Tenn.	Hollister	Partridge	Wright
Cox	Hope	Pettengill	Yon
Cross	Howard	Polk	

NOT VOTING—116

Aldrich	Bowman	Celler	Cooper, Ohio
Andresen	Brand, Ohio	Chase	Corning
Bacharach	Briggs	Chindblom	Coyle
Bacon	Buckbee	Clancy	Crail
Beers	Burtness	Collier	Crisp
Bolton	Cavicchia	Connolly	Crowther

De Priest	Hawley	Moore, Ohio	Smith, W. Va.
Dickinson	Horr	Mouser	Snell
Dickstein	Houston, Del.	Murphy	Somers, N. Y.
Dominick	Igoe	Nelson, Wis.	Stokes
Doughton	Jenkins	Owen	Sullivan, Pa.
Douglas, Ariz.	Johnson, Ill.	Parker, N. Y.	Sweeney
Doutrich	Johnson, S. Dak.	Patman	Swick
Drane	Johnson, Wash.	Patterson	Taber
Drewry	Kelly, Pa.	Perkins	Taylor, Tenn.
Englebright	Kendall	Person	Tilson
Erk	Kennedy	Pratt, Harcourt J.	Timberlake
Eslick	Kinzer	Pratt, Ruth	Treadway
Freeman	Lambeth	Purnell	Tucker
Gibson	Lamneck	Ragon	Turpin
Gilbert	Larsen	Rainey	Underhill
Gillen	Lea	Reid, Ill.	Vinson, Ky.
Golder	Lewis	Rogers, N. H.	Warren
Goldsborough	Lichtenwalner	Romjue	Watson
Griffin	Loofbourow	Sanders, Tex.	Weeks
Hadley	McDuffie	Shott	Welsh, Pa.
Hall, Ill.	McLaughlin	Shreve	West
Hare	McLeod	Sirovich	Wolfenden
Haugen	Mitchell	Smith, Idaho	Wood, Ind.

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. McLeod (for) with Mr. Taber (against).
Mr. Corning (for) with Mr. Johnson of South Dakota (against).
Mr. Igoe (for) with Mr. McDuffie (against).

General pairs:

Mr. Rainey with Mr. Treadway.
Mr. Lewis with Mr. Watson.
Mr. Crisp with Mr. Bacharach.
Mr. Sanders of Texas with Mr. Crowther.
Mr. Eslick with Mr. Hawley.
Mr. Vinson of Kentucky with Mr. Chindblom.
Mr. Doughton with Mr. Aldrich.
Mr. Dickinson with Mr. Hadley.
Mr. Briggs with Mr. Cooper of Ohio.
Mr. Warren with Mr. Tilson.
Mr. Tucker with Mr. Snell.
Mr. Celler with Mr. Bacon.
Mr. Dominick with Mr. Kelly of Pennsylvania.
Mr. Griffin with Mr. Connolly.
Mr. Lambeth with Mr. Murphy.
Mr. Somers of New York with Mr. Purnell.
Mr. Drane with Mr. Reid of Illinois.
Mr. Patman with Mr. Shreve.
Mr. Dickstein with Mr. Doutrich.
Mr. Gilbert with Mr. Moore of Ohio.
Mr. West with Mr. Buckbee.
Mr. Hare with Mr. Jenkins.
Mr. Larsen with Mr. Swick.
Mrs. Owen with Mr. Welsh of Pennsylvania.
Mr. Drewry with Mr. Cavicchia.
Mr. Romjue with Mr. Burtness.
Mr. Collier with Mr. Underhill.
Mr. Lea with Mr. Kendall.
Mr. Douglas of Arizona with Mr. Johnson of Washington.
Mr. Ragon with Mr. Kinzer.
Mr. Lichtenwalner with Mr. Parker of New York.
Mr. Patterson with Mr. Erk.
Mr. Gillen with Mr. Gibson.
Mr. Sweeney with Mr. Pratt.
Mr. Goldsborough with Mr. Golder.
Mr. Rogers with Mr. Clancy.
Mr. Sirovich with Mr. Englebright.
Mr. Kennedy with Mr. Coyle.
Mr. Lamneck with Mr. McLaughlin.
Mr. Mitchell with Mr. Wood of Indiana.
Mr. Smith of West Virginia with Mr. Stokes.
Mr. Horr with Mr. Smith of Idaho.
Mr. Weeks with Mr. De Priest.
Mr. Person with Mr. Perkins.
Mr. Shott with Mr. Beers.
Mr. Crail with Mr. Wolfenden.

Mr. TILSON. Mr. Speaker, having just entered the Chamber, I fear that I can not qualify. I did not realize that the House was convening an hour earlier than usual, so I was attending to official business at one of the departments and, consequently, was not present when my name was called.

The SPEAKER. The gentleman from Connecticut does not qualify.

Mr. TILSON. I am sorry, for I should like to support the committee.

Mr. ALLEN. Mr. Speaker, when the name of Mr. ALDRICH was called I inadvertently voted "aye."

The SPEAKER. Is the gentleman from Rhode Island [Mr. ALDRICH] present? If not, the RECORD will be corrected to eliminate his vote, if there is no objection.

There was no objection.

Mr. BRITTEN. Mr. Speaker, may I suggest that before the vote of Mr. ALDRICH is stricken from the roll call it should be determined whether or not he was actually in the House and voted at the time his name was called.

The SPEAKER. The gentleman from Illinois [Mr. ALLEN] announced that he answered in response to the name of the gentleman from Rhode Island [Mr. ALDRICH]. The call shows that the gentleman from Rhode Island [Mr. ALDRICH] is not present.

Mr. BRITTEN. But the gentleman might have been in the House and voted and not be present now.

The SPEAKER. That may be, but the gentleman from Illinois [Mr. ALLEN] said that he responded to the gentleman's name and voted "aye." The record shows that he is recorded as voting "aye."

Mr. BYRNS. Mr. Speaker, in order to settle the matter, I hold in my hand an announcement which I am requested to make in which the gentleman from Rhode Island [Mr. ALDRICH] is paired, so that he was not present. He is attending a session of the Committee on Ways and Means.

The SPEAKER. That confirms the matter.

Mr. McDUFFIE. Mr. Speaker, I doubt if I can qualify. If I were permitted to vote, I would vote "no."

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

Mr. BYRNS. Mr. Speaker, I have been requested to ask that the following pairs be announced on the amendment.

The SPEAKER. Without objection, the following pairs will be announced on the amendment.

There was no objection.

The Clerk announced the following pairs:

Mr. Rainey with Mr. Treadway.
Mr. Lewis with Mr. Watson.
Mr. Crisp with Mr. Bacharach.
Mr. Sanders of Texas with Mr. Crowther.
Mr. Eslick with Mr. Hawley.
Mr. Vinson of Kentucky with Mr. Chindblom.
Mr. Doughton with Mr. Aldrich.
Mr. Hadley with Mr. Dickinson.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the final passage of the bill.

Mr. COLLINS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman from Mississippi is opposed to the bill?

Mr. COLLINS. I am.

The SPEAKER. And the gentleman is a member of the committee?

Mr. COLLINS. I am.

The SPEAKER. The gentleman from Mississippi offers a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. COLLINS moves to recommit the bill H. R. 9699 to the Committee on Appropriations, with instructions to report the same back forthwith with the following amendment: On page 31, line 11, strike out "$300,000" and insert in lieu thereof "$800,000."

Mr. BYRNS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

Mr. O'CONNOR. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion by Mr. BYRNS, a motion to reconsider the vote by which the bill was passed was laid on the table.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes; and pending that motion, I ask unanimous consent that general debate continue through the day, the time be equally divided and controlled by the gentleman from New Hampshire [Mr. WASON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10022, the independent offices appropriation bill, with Mr. SWANK in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I yield myself 10 minutes. [Applause.]

Mr. Chairman, as the prospects for the consideration of this bill under the 5-minute rule are very remote at the present time on account of the schedule of the House, it is not my purpose now to discuss the bill in detail.

Under the program for the next few days, as we understand it so far, on Monday there is to be the Consent Calendar, on Tuesday the anti-injunction bill, and on Wednesday Calendar Wednesday business. Therefore it does not appear likely that we will get to the real consideration of this bill until the latter part of next week, with the additional contingency that if the tax bill comes in that will necessitate a still further postponement of the further consideration of this measure. So, for that reason I am not going to take your time now to discuss the details of this bill, carrying appropriations for some thirty-odd governmental departments, and in which the committee that brings it to you has made reductions of more than $54,000,000.

I am going to take just a few minutes, however, to relieve my conscience as a member of the Appropriations Committee. It has been hurting me a little since yesterday. The morning papers announced the fact, which I had hardly realized, that the distinguished and able chairman of our Appropriations Committee, the gentleman from Tennessee [Mr. BYRNS], had been left here yesterday on the floor of the House single-handed to fight for the provisions of his bill, with no other member of the committee and no Member on the minority side, I think, adding his voice to that of the chairman in attempting to maintain the integrity of the economy program of the Appropriations Committee. I want to here and now record the fact that I was present and voted with my chairman, and I want, as a Member of this House and as the chairman of a subcommittee that is working under him, to compliment and commend him to this House and to the country for his splendid efforts. He is working side by side and hand in hand with the distinguished minority representative on the Appropriations Committee in trying to formulate and bring to the House of Representatives and to the country a program that will help to balance the Budget of this Nation, which to-day is the most important problem that faces the American people. [Applause.]

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. GIFFORD. I want to say to the gentleman that there was a goodly number of that committee present last Saturday afternoon.

Mr. WOODRUM. I am glad the gentleman makes that observation, because most of the members of the Appropriations Committee were present at that time. But the thing that hurt my conscience, I will say to the gentleman, was that we did not raise our voices in support of the chairman of the Appropriations Committee. Maybe it would not have helped any to have done so, and from what has happened here to-day apparently it would not have helped.

The people of America to-day are divided into two groups. One hundred and nineteen and a half millions of them are people who have felt the stinging hand of the tragic panic under which we are living. [Applause.] It is not confined to any one group of people. It is not confined to the God-forsaken-looking crowd of humanity we pass in the bread line on Pennsylvania Avenue when we come to the Capitol every morning; but every banker, every lawyer, every doctor, every professional and business man, every merchant, every druggist, and every grocer has felt the stinging hand of these strenuous times. Every citizen, every farmer, every clerk, every housewife has felt the stinging lash of this so-called depression.

Something has been said about the integrity of contract, that this Government, forsooth, has a contract with its employees which must be observed.

Ah, my friends, go with me down into my district and I will take you in front of the municipal building of one of my cities, or the courthouse of one of my counties, where the auctioneer is selling the humble dwelling of a laboring man or the farm of some poor unfortunate citizen. In the files of that auctioneer you will find a stack of notes, and that laboring man or that farmer made a solemn contract to pay that debt for that dwelling or farm, but he has no way of paying it because he has not the money.

Now, what is happening in this country to-day? As I say, business and professional men have felt the stinging hand of this depression; the laboring man and the farmer have felt it in your districts; the man who works in the shops; the man who works in the factories; and the man who works on the streets has felt it. He is out of employment; he is working part time and he has had to keep his children out of school, perhaps. Not only that, but every county officer, I dare say, in most of the districts represented in this House—every State, city, and county officer, in most cases—has had to yield, and most of them have done it with good grace in these times and accept some reduction in salary. In many counties of our districts the schools have had to curtail their school terms and reduce the salaries of their teachers.

Then what about this great army of 5,000,000 or 6,000,000 men and women who are walking the streets begging for work, begging for employment?

This is the group I show you, gentlemen, in this one hundred and nineteen and a half million American citizens. The other one-half million, who do not know there has been a depression unless they have read it in the newspapers, who have not missed drawing their check on the first day of every month, who have not missed getting their sick leave and their annual leave of absence every time it has been due, who have not lost one sleepless night tossing upon a restless pillow wondering where they would get the money to pay the rent and the grocery bill the rest of the month or how long their job would last—this latter group are you and I and the others who have their names on the Federal pay roll.

Now, that is the situation in the country to-day, gentlemen; and when the Appropriations Committee of this House, under the able leadership of our Speaker and the chairman of our Appropriations Committee, and with a splendid and fine spirit of patriotic cooperation from every member of the committee, regardless of politics, sought to bring in a program whereby we could effectuate every possible economy without material injury to the public service we had a right to expect the support of the membership of this House. We did not ask a single Government employee to give one red copper penny from his annual salary. We did not do that. All we asked was that they forego the right to ask for promotions and increases during these tragic times when their brothers and their neighbors and their fellow men were down in the ashes of degredation and despair.

My friends, I have been in this House nine years. When I first came here I served upon the Civil Service Committee of this House. There have been days and years when I was counted as a friend of the Government employee. I have voted for many measures that carried increases in their salaries and carried benefits and prerogatives to which I thought they were entitled. I do not feel unkindly to them now, and the best I can say is that I do not believe the action that has been taken in this House reflects the senti-

ments of the vast army of men and women on the Federal pay roll. This is the most charitable thing that can be said. I do not believe it reflects their sentiments.

Now, something was said here yesterday about the psychological effect on these employees in withholding the right of promotion and salary increases. Well, I am not a psychologist, but I am going to venture an observation on the psychological effect of what we have done here to-day. I venture to say that there is no power under high heaven that will be able to stem the tide of popular demand for a radical and a drastic salary reduction in the pay roll of this Government.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself five additional minutes.

I have been among those Members of the House who have been hoping that by effecting savings and economies in appropriations and expenditures we could avoid taking a step of this kind. I am going to be frank enough to say that I had a personal motive, probably, that to some extent actuated my conclusion; but, on the other hand, I felt and I feel now that when the day comes that Uncle Sam has got to take down his flag of optimism and admit that he has got to curtail his pay roll, that then the last vestige of hope we can have that industry and private business will uphold the standards and maintain the present level of pay and living conditions will be gone and there will be a widespread and sweeping reduction of salaries. It has got to come, and, as one Member of the House, I am willing to say this now: If the attitude of the Federal employee is, as has been reflected here to-day, that he is not willing to forego his right of promotion and advancement during these perilous times, then, gentlemen, I am ready, as one Member of Congress, to vote on your salary cut bill, and the sharper you make the knife and the higher you begin to cut and the deeper you go, the better it will please me. If it has got to come to that, let it come, if that is the only way to reach it.

My friends who engineered this piece of legislation may feel they have done a very smart and intelligent thing that will benefit the workingman and the laboring man and the voting Federal employees, but I venture to say they have built a veritable Frankenstein and that before this thing is over it is going to start an avalanche of public indignation that this House will be unable to stand up against.

The bill that is now before you contains the same provision that the House of Representatives has repudiated in the bill just passed. It is going to be for you gentlemen, when the time comes, to pass upon it. I am going to discharge my duty to you and to my constituents by doing everything I can to maintain that provision.

Mr. ARENTZ. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. ARENTZ. I think it is about time that the gentleman from Virginia addressed his remarks not only to the majority leader but to the minority leader, because, after all, there must be some leadership, and if you are going to let the chairman of the Appropriations Committee stand here alone and fight his own battles, how far are you going to get? You have got to have a program and you have got to have leadership and you have got to follow such leadership. There has been no leadership and no program to speak of in this matter at all.

Mr. BLANTON. Will the gentleman yield?

Mr. WOODRUM. I will yield to the gentleman in a moment.

I quite agree with the gentleman from Nevada, but I want to call the gentleman's attention to the fact that the obvious leadership on this question was the report of your committee that studied this bill and reported it to the House unanimously; and not only that, but the fact that two or three other bills containing similar provisions had passed the House of Representatives.

I now yield to the gentleman from Texas.

Mr. BLANTON. Can the gentleman explain why it is that on such a crucial vote as this we find JOHN TILSON, the great Republican leader; BERT SNELL, the great Republican leader; WILL WOOD, the great Republican leader—none of them voting to save this money—not one?

Mr. ARENTZ. Where are RAINEY and CRISP and the rest of your men?

Mr. BLANTON. They were hard at work on the tax bill in the Ways and Means Committee. Where were the three great horsemen of the Republican Party? Let the gentleman from Nevada, who voted against the committee's economy program, answer for his three leaders.

Mr. BYRNS. Mr. Chairman, I want to say, if the gentleman will yield, in justice to the gentleman from Indiana [Mr. WOOD], he was heartily in favor of this provision. He joined in the report of the subcommittee and the report of the general committee in its advocacy. The gentleman is unfortunately out of the city, so I am informed, but if he had been here he would have voted against the amendment. There is no question about where the gentleman from Indiana stood. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself two more minutes.

Mr. TILSON. Mr. Chairman, in view of the fact that my name has been brought into the discussion as one of the responsible leaders, who should be leading the Republican hosts here, I wish to say, in the first place, that I am not clothed with this responsibility. No one can say that I ever shirked a responsibility placed upon me. In the next place, I had already stated when I entered the Chamber that I did not realize the House was meeting to-day at 11 o'clock instead of 12 o'clock and so was down at the departments on some business for my constituents and came into the Chamber just after the roll call was completed.

Mr. BLANTON. If the gentleman from Virginia will permit, the gentleman from Connecticut is still a leader, despite what the Republicans did to him. [Applause.]

Mr. MICHENER. Mr. Chairman, the gentleman from New York [Mr. SNELL] is absent. Mr. SNELL conferred with the leadership of the House last evening, and is out of the city, I understand, having, as the gentleman from Tennessee knows, the thought that to-day would be devoted to general debate. If the gentleman from New York [Mr. SNELL] were present, he would support the gentleman from Tennessee [Mr. BYRNS], and it was so stated on the floor.

Mr. LINTHICUM. Will the gentleman from Virginia yield?

Mr. WOODRUM. If I have any time.

Mr. LINTHICUM. It was stated by the gentleman from New York [Mr. LAGUARDIA] that the provisions of which you speak have been stricken out of the bill as it was passed by the Senate.

Mr. WOODRUM. That is correct; they were stricken out because of a suggestion that in drawing the bill, certain personnel had not been considered by the committee. The Senate struck them out with the understanding that they would be taken up in conference in order that they might redraft them and take care of some technicalities. [Applause.]

Mr. WASON. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I, for one, felt that I was placed in a rather difficult position in voting as I did a few minutes ago and possibly we may anticipate recriminations for some time. However, I can not let the opportunity pass for referring to what happened last Saturday afternoon, at which time little was said by the members of the Appropriations Committee then present against the appropriation of the sum of $132,000,000 for roads, which many regard as likely to be built largely by machines rather than unemployed labor. That seems to have been a party measure, rushed through Congress, and it rather discouraged some of us in our attitude toward measures of economy. [Applause.]

We may expect differences of opinion on the subject of taking away from Government employees something of what seems to be due them under what amounts to a contract calling for automatic increases.

That may not be the correct view of the relation, but many of us so regard it. I have personally felt that it would be taking from them something to which they had a contractual right, and I regret that I could not support the chairman of the committee. I watched him last Saturday, every minute expecting to hear something from him, but did not.

I have great appreciation for the chairman of the subcommittee, but can not agree with his statement that the people who are on the Federal pay roll do not know that there is a depression.

I wonder if he does not continually receive calls for contributions to aid others more than ever in the past. He must make such contributions from his salary. If he is a business man he must also realize that bankers now find it necessary to make increasing demands for payment of obligations and that these must be met. All suffer from present conditions in one way or another, and it is hardly fair to state that those who draw Federal salaries do not know that there is a depression. Because of that fact, their obligations to the public are greater and a reduction would make it more difficult to meet such obligations. [Applause.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, I have no alibi to offer to the House or to the country for my position in favor of economy. I am not seeking to justify a vote in favor of extravagance by claiming that the House, perchance, last week passed a bill that might be construed as out of harmony with an economical program. It was stated authoritatively upon this floor by the Republican leader, the distinguished gentleman from Indiana [Mr. WOOD], that if that bill, for what I regard as an extravagant highway-construction program, passed the House and became a law, it would, within five minutes after that happened, in all probability meet with an Executive veto. That was his statement. Monday's papers confirmed that statement as to the President's position. I have no reason to believe that that will not be the position of the President in his determination to balance the Budget.

I compliment the Democrats for their good politics this morning in voting consistently in large numbers to back their chairman of the Committee on Appropriations in a policy that was inaugurated two years ago when the Republicans had control of the House. We started on this policy when the depression was on two years ago, not to provide for automatic increases of salary, so far as the field service was concerned. We suffered a temporary reverse at first in the House, but later the policy was adopted by both Houses.

It is all well and good for the leader of the progressive minority bloc, the distinguished gentleman from New York [Mr. LAGUARDIA], to seek in every way to prevent any cut in appropriations or in salary increases. I justify my vote of "no" this morning, and I was ready yesterday to lend my voice, if called upon, to register my protest against discontinuing that policy of economy, in face of a political cabal, that seeks to tell us here how we should determine the policy of the Government as to cutting down expenditures lest perhaps we incur their ill will at the election.

I say to you Republicans from New York City, from New York State, from Massachusetts, from the heavy taxpaying part of the country, that you are not in a happy position, if you favor economy; to say because, forsooth, on Saturday last the Democrats favored an appropriation of $132,000,000 for road improvement, that, therefore, you are justified in departing from the economy program that is advocated by the President.

The President is sincerely desirous of keeping down appropriations. Are we, as Republicans, going to sustain him, or are we going to yield to the mandate of political organizations that seek to decapitate us unless we do their bidding? I come from a district which is held only by a scant political thread, but I shall vote consistently for what I believe is right in this hour of emergency. The people of the country, the farmers, the artisans, all classes, are in favor of cutting down mounting Government costs. My home city, socialistically controlled, is not voting for increase of salaries. The legislature of my State, controlled by so-called progressives, is not voting for increase of salaries. No; it is part of their program to cut down the salaries of the official salaried class.

And we, distant from the scene, apparently have not the stamina to stand up to-day and do our duty to the taxpayer of the country in this great emergency.

We have suffered a reverse, but I do not believe that we have suffered a rout. The end is not yet. The people will still rise in their might and call upon the Representatives who have deserted the flag and standard of economy to change their position so that we can have real economy, backing up the President, backing up all those who are sincerely desirous of balancing the Budget rather than piling up, Pelion high, taxes not alone upon the wealthy classes but upon the masses by means of a sales tax. [Applause.] So, for one, I am not misled by the passage through the House of a large good roads bill that can not be justified with consistent policies of economy.

I have said to my Federal employees that I will not favor cutting down any Federal employees' salaries below $2,000, or possibly $2,500, and certainly will not favor discharging any from the service. The proponents of this salary increase claim that there is a legal contract that binds us to vote the increase. Is there any legal contract that we shall keep any man on the Government pay roll? Have we adopted the socialistic principle that we owe every person in this country a living? It is within our province at any time to cut down appropriations. There is not a postal employee, there is not a Government employee, after we have pared the appropriations, that has yet been deprived of his existing salary.

Let us be frank. This is merely a surrender to a little cabal because some Members consider their seats prior to the interest of the Treasury. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Chairman, I do not rise for the purpose of discussing what the House has just done. I have said enough upon that, perhaps too much. I do want to say to my friend from Massachusetts [Mr. GIFFORD] who took occasion to criticize me that he is not going to be able to satisfactorily explain to his constituents back home why he voted here this morning to levy a tax amounting to several million dollars upon his constituents by an increase of salaries for 1933. It does not matter what my position has been on any proposition, that is not going to be an explanation to the gentleman's constituents when he comes to face them in the election in November, because that is exactly what every man who voted yea did when he voted for that proposition. I have voted consistently for every economy program. The gentleman from Massachusetts voted with loud voice $500,000,000 for the banking interests of the country; but when it came to voting $132,000,000 to relieve unemployment and to build roads, he voted no. And last Wednesday, when it came to a vote on a proposition of saddling half a million dollars for this first year and more than that each year thereafter upon this Government by putting into commission 261 cadets at the Naval Academy, who the department heads say are not needed, the gentleman from Massachusetts is also on record as voting for it. If he can take those three votes back to his constituents and get away with it, it is all right with me. But I repeat that no man will be able to explain any vote he casts upon this or any other question by criticizing some of his colleagues.

Now, that is not what I rose to speak about. This is the sixth appropriation bill that has been reported by the Committee on Appropriations. The Committee on Appropriations has been sitting day and night. I want to pay tribute to every member of that committee, because I want to say to you and I want to say to the country that that com-

mittee has had only one object in view, and that is to try to reduce appropriations and save money to the taxpayers where they can do it without in any way affecting the functions of our Government.

Day and night for three months your committee has been sitting in hearings. Because forsooth some of us are not here when some vote is taken, when we are in the committee room at work, we are to be criticized. We bring these bills before you. It is your privilege, of course, to do as you please. We have discharged our responsibility when we make the recommendation. I can say for every member of the Committee on Appropriations, on both sides of the chamber, that in my judgment they have kept the faith, not only with the House but with the taxpayers of this country, in their effort to hold down appropriations and to help balance the Budget.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. JOHNSON of Texas. I want to congratulate the chairman of the committee and the committee upon the splendid reductions they have been making in this and other bills. I would like to inquire whether or not the chairman of the committee would not set out in his remarks the first two paragraphs of the report, which state eloquently in figures the splendid work of reduction?

Mr. BYRNS. That will be done by the gentleman from Virginia, Mr. WOODRUM, chairman of the subcommittee, who is in charge of this bill, when he comes to make his speech upon it.

I rose only for the purpose of calling the attention of the House and the country to the facts and to put in the RECORD just what the Committee on Appropriations has done with respect to bills that have been reported up to this time. There have been five bills reported, including the deficiency appropriation bill, namely, the Agriculture Department bill, the Department of the Interior bill, and the bill making appropriations for the State, Justice, Commerce, and Labor Departments, the bill for the Department of the Treasury, and the Post Office, which was just passed, and the independent offices bill which is now pending. The total reduction in all these bills below the President's estimate or Budget amounts to $114,579,052.56.

Mr. JOHNSON of Texas. Is that below the appropriations of last year?

Mr. BYRNS. That is below the appropriations for last year. The total reductions under the appropriations for 1932, exclusive of the first deficiency bill, amount to $458,496,764.41. It is that much less than was carried for last year in these four regular annual bills.

Mr. HOPKINS. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HOPKINS. Will the gentleman put in the RECORD how much of that $114,000,000 reduction is not really a reduction but a postponement until the deficiency appropriation bill in December? For example, with reference to the Veterans' Bureau, $50,000,000 has been cut out of that appropriation, and yet on reading the hearings it appears that that $50,000,000 is a reduction in the estimate of the amount of money that will be loaned to veterans, and the gentleman's committee has promised to put that in a deficiency bill if necessary.

Mr. BYRNS. There has been no promise to put it in a deficiency bill. Of course, a deficiency bill will carry whatever is needed. The gentleman from Virginia [Mr. WOODRUM] can correct me if I am wrong, but my understanding is that the Director of the Veterans' Bureau stated that he thought he could get along with the amount recommended.

Mr. WOODRUM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. WOODRUM. He said that his best judgment was that he would not need that amount.

Mr. HOPKINS. Will the gentleman yield further?

Mr. BYRNS. I yield.

Mr. HOPKINS. It is not a reduction in appropriations. It is a postponement of estimated loans to veterans. There were $75,000,000 appropriated—

Mr. WOODRUM. The money is still in the Treasury and as long as it is there, it is not appropriated or allocated. It is in the pockets of Uncle Sam.

Mr. HOPKINS. But if the veterans continue to borrow as they have borrowed during last year, they will need the $50,000,000 in the December deficiency appropriation bill.

Mr. WOODRUM. Not according to General Hines's statement. He said he did not think, based on present experience, they would need that.

Mr. HOPKINS. He said he hoped they would borrow from banks, and that they would not need it.

Mr. BYRNS. But the facts are that General Hines told the committee that in his opinion they would not need that $50,000,000, and the committee very properly decided, in view of the fact that the director general of the activity having that in charge said he did not think it was necessary, not to make the appropriation.

Mr. HOPKINS. I just wondered if there were any other decreases like that that were really postponements.

Mr. BYRNS. Not at all, except one, and that is the case of tax refunds which I explained to the House the other day, and that was the action of the Bureau of the Budget and not the action of the Committee on Appropriations. We did exactly what the Bureau of the Budget said.

Mr. HOPKINS. But if the veterans do borrow as they have in the past, the $50,000,000 will be required in December?

Mr. BYRNS. Oh, if the veterans borrow, yes; but the director general, I have been trying to show, stated that he did not believe they would, and that he did not think it would be required. Of course, if it is required, a deficiency will be forthcoming, because there is no intention to deprive veterans of whatever is due them.

Mr. WOODRUM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. WOODRUM. I call the gentleman's attention to the statement made by General Hines on page 542 of the hearings. He was very emphatic and unequivocal. There can be no possible room for any conjecture about it.

The potential borrowing capacity of the veterans is $1,750,000,000; but based upon experience and the present applications for loans as they are coming in, it was the deliberate, studied judgment of the Administrator of Veterans' Affairs that $100,000,000 would be sufficient to run them through the present fiscal year, and certainly until the next session of Congress, and upon that assurance that amount was taken out of the bill.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. McREYNOLDS. Has the gentleman any estimate of the savings that will be made if section 4, which was stricken out of the Treasury and Post Office bill, should be carried in other appropriation bills?

Mr. BYRNS. I will say that section 4, which was stricken out this morning, according to the estimate of the Postmaster General, as will appear in the hearings, would have saved $1,250,000, at least with respect to these two departments. Then when you take into consideration the other departments where there are automatic increases, such as in the Department of Commerce, the Department of State, the Department of Labor, the War Department, and the Navy Department, it would mean a saving of millions of dollars. I can not tell the gentleman definitely just how much.

Now, gentlemen, I want to complete the statement I rose to make. I want to take this occasion to congratulate the gentleman from Virginia, the chairman of this subcommittee, and those who have served with him, the gentleman from New York [Mr. BOYLAN], the gentleman from Oklahoma [Mr. HASTINGS], the gentleman from Georgia [Mr. WRIGHT], the gentleman from New Hampshire [Mr. WASON], and the gentleman from Washington [Mr. SUMMERS], for the splendid bill they have presented to you and the work they have accomplished. They have rendered a real service to

the country. I understand the reduction about which the gentleman complains represents the unanimous report of that subcommittee, Democrats and Republicans, and it also is the unanimous report of the entire general committee. This bill reduces the estimates $54,948,535. The deficiency bill, which was the first bill to be passed, reduced the estimates $14,171,120. The Department of Agriculture bill, $10,834,591. The Interior Department bill, $6,258,920. The bill for the Departments of State, Justice, Commerce, and Labor, $5,568,144.56. The Treasury and Post Office Departments, $22,797,742, or a total, as I have said, of $114,579,052.56.

Mr. LINTHICUM. Will the gentleman yield for a short question?

Mr. BYRNS. Yes.

Mr. LINTHICUM. That provision was stricken out of the Post Office and Treasury Departments bill this morning by the House. Over in the Senate it has been stricken out by the Senate?

Mr. BYRNS. No; it has not yet reached the Senate.

Mr. LINTHICUM. In a number of bills it has.

Mr. BYRNS. Without prejudice, and with the direct statement made to the Senate by the chairman of the committee that it was stricken out solely for the purpose of permitting the conferees to get together and work out the proposition.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. LINTHICUM. Inasmuch as that is the situation with respect to all the bills, does not the gentleman think there will be some arrangement made between the conference committees as to this whole proposition?

Mr. BYRNS. That is what I tried to put over to the gentleman and to other gentlemen, but without success. As to this particular provision which you have stricken from the bill, how are you going to get it in the bill unless the Senate puts it in with reference to these two departments? I say that those gentlemen who voted aye have by their action, unless the Senate restores this section, absolutely killed the proposal of the Appropriations Committee with respect to increases of salaries in 1933. There is no room for argument about that. It is a clear and undisputed fact. There can not be any question about it.

It is not a pleasant task for the Appropriations Committee to reduce appropriations. I do not think I ever did anything as unpleasant in my life, and I am sure I speak for every member of the Committee on Appropriations. I do not like to do it. I would much prefer not to do it, but I have a duty to perform and I am seeking to perform that duty. Notwithstanding what the House may do I can pledge that committee to continue to do its duty with respect to the Treasury. [Applause.] We are going to bring these bills in, and then the responsibility rests with the House.

But I want to appeal to you. This matter is on my heart, because I see stretching before us an expense for government which is going to overwhelm the taxpayers of this country if something is not done to relieve the situation.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to insert these figures in the RECORD with reference to savings effected on the appropriations bills so far considered by the House.

The CHAIRMAN. Is there objection?

There was no objection.

The tables follow:

Department of Agriculture:		
Appropriation, 1932	$235,664,694.00	
Estimate, 1933	186,243,405.00	
Decrease		$49,421,289.00
Interior Department:		
Appropriation, 1932	69,342,606.73	
Estimate, 1933	56,705,352.33	
Decrease		12,637,254.40
State, Justice, Commerce, Labor:		
Appropriation, 1932	$139,001,704.34	
Estimate, 1933	129,784,136.89	
Decrease		$9,217,567.45
Treasury and Post Office:		
Appropriation, 1932	1,104,586,890.00	
Estimate, 1933	1,082,575,905.00	
Decrease		22,010,985.00
Independent offices:		
Appropriation, 1932	1,306,196,777.00	
Estimate, 1933	1,041,395,041.00	
Decrease		264,801,736.00
Total reduction in 1933 estimates under 1932 appropriations		358,088,831.85
Total reduction bills (including first deficiency) under Budget estimates		114,579,052.56
Total reduction carried in bills under appropriations for 1932, exclusive of first deficiency bill		458,496,764.41

The pending independent offices bill is the fifth of the great annual supply bills that have been reported to the House at this session. It is the sixth bill that has been considered, which includes, of course, the deficiency bill, which was taken up shortly after this Congress convened.

This bill, as reported to the House, carries a reduction below the Budget estimates of $54,948,535, or approximately a reduction of 5 per cent under the Budget estimates.

The other bills, beginning with the deficiency bill, as they passed the House carried reductions under the Budget estimates as follows:

The deficiency bill as passed by the House was $14,171,120 under the Budget estimates, or approximately a 10 per cent reduction under the estimates.

The Department of Agriculture appropriation bill carried a reduction under the Budget estimates of $10,834,591, or approximately 6 per cent under the Budget estimates.

The Interior Department appropriation bill carried a reduction under the estimates of $6,258,920, or an approximate decrease under the Budget estimates of 11 per cent.

The State, Justice, Commerce, and Labor Departments appropriation bill carried a reduction of $5,568,144.56, or a reduction of approximately 4 per cent under the Budget estimates.

The Treasury and Post Office appropriation bill carried a reduction below the Budget estimates of $22,797,742, which is divided, as between the two departments, in a reduction of $14,824,830 for the Treasury Department and $7,972,912 for the Post Office Department.

In other words, these six bills have decreased the Budget estimates in the total sum of $114,579,052.56.

There are five more appropriation bills to follow: The District of Columbia, the legislative bill, the War and Navy Departments, and the second deficiency bill. How much this reduction will be increased by these bills it is impossible to say at this time.

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Chairman, I am going to repeat, in part, what I have said one or two times already in this session of the Congress. I join with the distinguished chairman of my committee in everything he has said regarding the willingness and the need of this Congress to curb and curtail public expenditures and appropriations; but as a member of the Committee on Appropriations and as a member of one of the subcommittees that has already reported a bill to this House, I can not sit here and allow to go unchallenged the statement just made that the Committee on Appropriations has recommended to this Congress savings to the taxpayer of $114,000,000.

It is true that the total Budget figures submitted to the Congress by the President up to this date are probably $114,000,000 more than the Appropriations Committee has recommended to the House, but it does not follow from this that it means for one moment that there is to be a saving of $114,000,000 to the taxpayers of this country or to the Treasury of the United States. I do not have the figures, as I am speaking without advance notice, but at a later date these figures will be put in the RECORD and repeated here on the floor, but let me go back over the bills that have been reported to the Congress and passed by the House.

In the first deficiency bill, of the savings that they claim of some twelve or thirteen million dollars, ten millions was cut from the appropriations in that bill for Federal aid to public roads. Now, what is involved in that item of savings to the taxpayer? Not one penny, because the obligation of

the United States to make those appropriations exists and the Committee on Appropriations has no power to curb or reduce that obligation.

Mr. BYRNS. Is the gentleman referring to the deficiency bill?

Mr. SIMMONS. I am referring to the deficiency bill.

Mr. BYRNS. What will the gentleman say when I tell him that in a conference with the Director of Public Roads, he told me that the cut could be made and that he could not use the full amount between now and July 1?

Mr. SIMMONS. July 1, 1932; I know that. The gentleman has stated that many times, but that is not what I am talking about.

Mr. BYRNS. Does the gentleman want us to appropriate the money when he can not use it?

Mr. SIMMONS. I refuse to yield, Mr. Chairman.

What I am saying is that the obligation of the United States to pay that $10,000,000 that was cut out of the deficiency appropriation bill exists now and will continue to exist. My recollection is that the report of the committee on the first deficiency bill said that the $50,000,000, and not the $60,000,000, was all that was necessary until the regular supply bill came along. So there is an item of $10,000,000 that they claim as a saving that does not save one penny, finally, to the Treasury nor the taxpayer. It is merely the postponement of meeting an obligation.

Then in the Department of Agriculture appropriation bill $9,000,000 more was taken out of the item for public roads, or out of this $114,000,000 you have $19,000,000 that has been cut out of the Budget request for public-roads funds; but the obligation of the Treasury and of the United States to pay that $19,000,000 still exists. If we did not appropriate but half of it, they could still say they could have made savings of $50,000,000 instead of $19,000,000, but the Treasury would still have been obligated to meet the demands of the States for that money when the demands came in. There is no saving of taxes and no reduction of expenditures in such a procedure.

So I charge that a claim of a saving of that kind has only one effect, and that is to mislead the country into believing that savings are being made when actually nothing is being effected, save the creation of an impression of savings where none exists.

Then they came along with the Interior Department appropriation bill, where they cut some $6,000,000 out of it. And how? One million dollars of it was taken from the appropriation for the building of roads in the national parks, and immediately after that bill passed the House, here last week, the Congress, under the leadership of the Democratic organization of the House, passed a bill that requires the President to submit a Budget estimate asking for $1,500,000 for park roads. You have taken $1,000,000 out of the appropriation bill for national-park roads, claimed a saving to the country of that amount, and then you are asking in a legislative bill for the President to submit an estimate for $1,500,000 to take its place. There is no saving in that. After cutting $19,000,000 out of the appropriations for public roads and boasting to the country of it, the Democratic leadership put through this House last week a bill calling for the expenditure of $120,000,000 additional for public roads. The chairman of my committee [Mr. BYRNS] did not vote on that proposal. And we ought not to be dishonest as to the effect of the things that we do and say here in the House.

Now, what are the rest of the savings in the Interior bill? One million and a quarter dollars more, roughly—I have not the exact figures—was money that was taken out of reclamation projects in the Western States, where the Government is committed to its program, an expenditure that, incidentally, does not come out of the Treasury but out of a special fund; and if all the reclamation funds were stopped to-day the taxpayer would not be relieved of one penny, for he contributes not to that fund. But, without regard to that fact, those postponements of expenditures from a special fund are released to the press as a saving of taxpayer's money. No such a saving is accomplished.

Then we come along to the Post Office bill, where again they claim a saving of some $22,000,000. Well, one item of it is an item claiming a saving of $12,000,000—how? By the postponement of an appropriation for public buildings; not a saving to anybody, but $12,000,000 out of the $22,000,000 in that bill was merely the postponement of an obligation upon the Treasury and not a saving.

Now we come to this bill where, again, with a great showing of savings to the country, my committee claims it is saving $55,000,000 under the estimates of the President. And how? Well, here is one item of $500,000 cut out of the appropriation for the building for the Supreme Court in this city—merely a postponement of an expenditure and not a saving of one penny to the taxpayer.

Then they cut $50,000,000 out of the Budget request for money with which to pay the loans that the World War men may ask for on their adjusted-service certificates. How absurd it is to say that that is a saving to the taxpayer. The obligation of the United States to loan that money to these men is fixed. If we do not appropriate the money, the Government must find some way to meet its obligations. Why go to the country and claim that you are saving money merely by telling the Secretary of the Treasury that Congress is not going to give him the funds with which to meet all obligations to the World War veterans which have been fixed by Congress.

When Congress authorized the loan in the last Congress, it fixed the obligation of the United States. The cutting off of $50,000,000 does not stop or change the obligation one iota. It does not save the taxpayer one cent. It may delay the United States in making the loans; it may work an unjust hardship on some World War veterans. Nothing else will be accomplished.

It is said that General Hines said he could get along without this money. I say to you now that in the short session of Congress next fall we will have the biggest deficiency appropriation bill that we ever had in history in peace times if this policy gets through. All of these sums cut out of the appropriations will have to be picked up in the fall, in whole or in part, and the taxpayers will have to foot the bill. Of course, that will not come until after the next election. In my judgment if it were not for the oncoming election a number of these paper reductions would not be made.

Of course, they can get along until next fall. We could cut out the appropriations for salaries one-half, and they could pick it up in the deficiency bill next fall. Why not be honest in the effect of the thing that we are doing?

Now, what did General Hines say about the $50,000,000 that is cut out? On page 542 of the hearings he says:

> The estimate of $150,000,000 for 1933 contemplates normal death losses of $20,000,000 and loans of $130,000,000, the loans being equal to only 30 per cent of the total remaining loan value. These loans may not reach this point if conditions improve, and if conditions do not improve they may easily exceed it. The banks may not demand complete redemption for loans made by them, but from present indications it is apparent that they will. Under any circumstances, however, if this appropriation were reduced to $100,000,000, I think we would have sufficient funds to operate until—

The next fiscal year? Not at all. General Hines says:

> To operate until the next session of Congress, when the facts could be again presented and a special appropriation requested if necessary.

General Hines did not say that in his judgment the $100,000,000 was going to meet the needs through the fiscal year.

Now, let us see. On page 543 of the hearings the gentleman who is now presiding over the Committee of the Whole, Mr. HASTINGS, said this:

> You think the $100,000,000 is entirely adequate until Congress meets next December?

Get that—"next December."

General Hines said:

> I feel, as I have stated, the chances are it will meet the demand. If conditions should improve, we would have ample money, but most certainly we should, with $100,000,000 plus the balance, have sufficient to carry us until you gentlemen are back here again, and we can appeal if we need the money.

Now, let us see what the committee thought about this. On page 15 of the committee's report they say:

> Of the committee reduction, $50,000,000 is taken from the estimate of $150,000,000 for the adjusted-service certificate fund upon the assurance of General Hines that an appropriation of $100,000,000 will take care of the obligations until the next session of Congress, when a deficiency appropriation can be made if needed.

Get that—"until the next session of Congress." That means next December; that means after the elections; that means a deficiency appropriation.

Then again at the end of the paragraph they make the statement:

> With the possibility that the $100,000,000 carried in the bill will meet all requirements for the year.

Only a "possibility."

Let me repeat. In the savings in these bills, where in a very few instances the committee has reduced the Federal employees, the committee is entitled to claim savings to the country. In those instances where, as in the agricultural bill, we cut 5 per cent from the contingent fund for expenses, that will be a saving and will stay in the Treasury and help balance the Budget. But as for these savings running into millions of dollars, in each instance where the committee has done nothing but postpone an obligation that the Treasury knows and the committee knows must be met in whole or in part in deficiency appropriations next December, there is no actual saving, and we ought not to claim those savings to the country. When the whole story is told, the record of all that the House Committee on Appropriations has done will show that the vast majority of the claimed savings which the gentleman from Tennessee [Mr. BYRNS] just referred to and which he released to the press yesterday are savings that will not be reflected in the Treasury balance, that will not be reflected in reduced obligations on the Treasury, that will not be reflected in reduced tax bills from the taxpayer's standpoint, but are merely paper savings, that will be reflected only in Democratic campaign speeches between now and next November. [Applause on the Republican side.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIETERICH].

Mr. DIETERICH. Mr. Chairman, the discussions this afternoon have been somewhat discouraging to the line of thought I have in mind to present to the House. Perhaps nothing that I may say will in any manner change the action of this Congress nor the attitude of the individual Member, yet I feel that the citizenship which I represent has the right to know my attitude toward legislation that vitally concerns its interests.

A new Member reluctantly enters the field of argument. This is due to the consciousness that there are others whose views are predicated upon information which experience alone can gather and for that reason is more helpful to a correct solution.

There has been much criticism of the rule of seniority, long established and religiously adhered to by the membership of the Congress, while that rule to a more or less extent limits the activities of the new Members of the Congress, the thoughtful new Member would recognize the benefit of yielding to the experience of older Members if no such rule were in existence.

This Congress convened at the most serious peace-time period in the history of the world, at a time when there was upon us one of the worse panics that the industries of this Nation had ever known, a time when our financial structure was on the verge of collapse, a time when bank and business failures were the common experiences of every community, especially throughout the agricultural West and when agriculture was at the lowest ebb during its history.

The party which had successfully waged many campaigns on the representation that its policies were panic proof, the party which represented to the people that it was the only party which possessed the experience and political wisdom to direct the affairs of government during the reconstruction period, had failed to carry out its promises and lost its influence with the electorate. As a protest the control of the House of Representatives of our National Congress had passed from the administration in power to the Democratic Party.

When it was apparent that the control of the House had passed to the Democratic side, political strategists began to circulate the propaganda that the Democratic membership would not have the courage to assume responsibility.

The Democratic majority made answer to its critics by accepting responsibility and courageously taking leadership.

I am not overstating the feeling when I say that the leadership of the majority side of this House has given to the citizen a new hope, a new confidence, and has restored his faith in the stability of our Government.

The leadership of the majority of this House has risen above the spirit of partisanship and faced the conditions as it found them, has bended every energy and every talent in an attempt to correct the conditions that had stagnated the business of the country and had caused misery and want to dwell in a land blessed by the hand of God with plenty.

They have been subject to some partisan criticism, criticism that they did not take political advantage of the conditions, and by obstruction mete out political punishment to those in charge of the administration of the Government for the last decade.

No sooner had the Democratic leadership of this House thrown out the life line and saved the financial and business structure from complete collapse than partisanship began to assert itself on the minority side of the House, and the spokesmen for the administration began their well-known boast of what wonderful political wisdom the administration possessed and what a rare statesman the Executive had proven himself to be by temporarily rescuing business from utter destruction which their unwise administrative policies were rapidly bringing about.

There is much talk of balancing that Budget; it is elementary that it can be balanced only by two methods, one by an increase of revenues and the other by a decrease of expenditures. It is apparent, not only to the Member of Congress but to the citizen who has given the matter any considerable thought that even by paring all appropriations to the bone, so to speak, and by eliminating many of the bureaus and agencies that may not be necessary and useful in government, that the decrease in the estimates in revenue are such that somewhere from some source there must be derived a revenue to balance the necessary expenditures.

I venture the prediction that when that necessary tax is levied, which it must and will be, to make up for the deficiencies which these unprosperous conditions have brought about that those in charge of the administration of the Government will use every artifice known to politics to escape the blame. I suppose some skilled strategist will be employed to trace the root of this panic to the prosperity of the Wilson administration.

We were asked at the beginning of the session of this Congress to support emergency measures carrying appropriations of hundreds of millions of dollars for the relief of distressed banking institutions and depressed industries. These measures received almost unanimous support from both sides of the House.

That support was given upon the representation that these enormous appropriations were absolutely necessary to prevent a national catastrophe which would endanger the institution of government itself, that these appropriations would help to bring about the normal functioning of the various industries of this country and hasten the end of the present crisis.

There was no definite information given to the Congress as to what part of these stricken financial and business establishments these generous lotions would be applied. We were told that detailed information upon this would be dangerous to the welfare of the country and that a delay in extending the remedy would prove fatal.

The Congressman acting upon the assumption that the agency charged with the administration of these enormous trusts would administer them honestly, intelligently, and for the public good, in the face of criticism, gave his support to these measures.

The only observation that I care to make at the present time in reference to these relief appropriations is that if properly applied these enormous amounts of money made available to the banking and industrial institutions should be productive of much good, but that if improperly applied they will be productive of immeasurable harm. If they are simply to patch up some of the losses of the habitual violator of the rules of sound business, the public will receive no benefit.

It is very apparent that the money voted for this relief will be absolutely wasted if the agency that administers these relief measures will not furnish this Congress with information concerning the causes that brought about these unstable conditions, so that legislation can be enacted to prevent a further recurrence of the practices that brought about these serious ills.

There is a unanimity of sentiment among the substantial citizenship of this country for economy, for the elimination of waste and the checking of extravagance in the cost of government.

The air has been charged with courageous expressions from legislators of forced economy and the elimination of bureaus and unnecessary agencies with overlapping authority. The loudest of these expressions have come from the representatives of the party that has been in charge of the administration of this Government for the past 12 years, under whose administration bureaus have multiplied, agencies have increased, and under whose policies the Federal Government has injected itself into fields into which it was never intended by the framers of the Constitution it should extend.

Federal legislative enactments in the last decade authorizing encroachments of one department of government upon another and the Federal Government upon the rights of the States has brought uneasiness to the mind of the student of constitutional law.

It was somewhat disappointing to find that the Members on the administration side of this House who had charge of the making of the Budgets and appropriations and directing the affairs of government for the last 12 years, who were more loudly than sincerely demanding reduction in the cost of government, stood hopelessly divided upon the question as to what bureaus and agencies were necessary and what appropriations could be eliminated without impairing the proper functioning of its various departments.

During all this time the only hopeful sign was that the major committees of this House controlled by a Democratic membership with every appropriation that was reported made marked reductions in the amount of the appropriations from those that had been recommended in the Budget, most of which reductions were made in the face of the opposition of the minority of this House, representing the administration in power.

It was not, however, until House Resolution 151, providing for the appointment of the Economy Committee, was acted upon and that committee appointed for the purpose of investigating the economies of the Federal Government which may be effected without impairing the necessary functions of the Government, that we had the assurance that an analysis of the business of the Government would be made and a real economy effected.

It is not, however, my purpose to impose my ideas on the economic conditions generally, but I do make bold to address myself to some of the conditions affecting my own constituency in the State that I represent.

The citizenship of the State of Illinois, rural and urban, is very much concerned with the policies and problems pertaining to banking and agriculture.

It is seriously interested in the causes that have affected in a most disastrous manner the basic industry of the Central West, destroyed the credit of the farmer and business man and closed the doors of thousands of our banking institutions. Upon these two propositions I ask your indulgence for a brief time.

In order that I might intelligently convey my ideas it will be necessary for me to review briefly the conditions and the policies pursued in the recent past.

The criticisms that I desire to make are what I consider constructive criticisms and not merely criticisms for political effect.

If there is any one particular tendency among the senior Members on the other side of the aisle by which I have felt grieved, it has been the willingness to criticize and justify error and the unwillingness to admit their mistakes, even though these mistakes were so apparent that they could be seen by the purblind.

A proper diagnosis of any ailment is absolutely necessary for the proper treatment, and the proper treatment of a political ill can only be remedied when the erroneous policy is discovered and corrected.

While agriculture and banking in the States of the South and West are necessarily very closely related to each other, so that an abnormal condition in one reflects itself in the other, yet the depression in agriculture, while it was one of the contributing causes, was not alone responsible for these enormous bank failures in the agricultural sections.

That this is true we need only cite that thousands of urban banks, not in any way dependent upon agriculture, have closed their doors.

On the other hand, while the policies adopted by the banks contributed to the depressed condition existing in agriculture, banking conditions were not the cause of the lack of prosperity in this important industry.

It could not be expected that agriculture would prosper when the other industries of the country are in a state of panic. The products of agriculture can not find a ready market when the consumer has no money with which to buy.

This also makes it rather difficult to determine whether or not we have the overproduction that we are told exists of many of the agricultural commodities.

It must be remembered that agriculture was very much depressed long before the general depression seized us. Such depression was recognized by both the major parties in their platforms in 1924.

That there had been a discrimination against agriculture and that by lack of appropriate legislation it was not on an equality with other industries, was admitted in the platforms of both of the major parties in 1924 and 1928.

Inasmuch as a Republican administration supported by Republican Congress has been in power since 1920, it would be impossible to advance any criticism toward any of the policies pursued toward agriculture without that criticism being construed as more or less political, yet at the risk of being accused of being partisan, I venture to give my views and my criticisms in reference to the policies that have been pursued during the past 12 years under which, even with other business conditions being normal, agriculture could not have prospered.

From 1920 to 1924 there was a reluctance in the administration to recognize that agriculture was discriminated against and while the various organizations representing the agricultural industries were warning Congress of the perils that were threatening that great industry there was no change in policy and no legislation passed to correct any of the errors or give relief.

Much of the time of the Sixty-eighth Congress was taken up in passing what was commonly known as the first McNary-Haugen bill, S. 4808, which had to deal with the matter of disposing of surplus products and which involved the principle of the equalization fee concerning which there was much difference of opinion and controversy.

That bill was passed by the Congress but failed to receive the approval of Mr. Coolidge, the then President of the United States.

The President's veto message contained the following comment upon the conditions confronting agriculture:

> No one can deny that the prices of many farm products have been out of line with general price level for several years. No one could fail to want every proper step taken to assure to agriculture a just and secure place in our economic scheme. Reasonable and constructive legislation to that end would be thoroughly justified and would have the hearty support of all who have the interests of the Nation at heart.

The President bases his veto of the measure upon the following general criticism:

The difficulty with this particular measure is that it is not framed to aid farmers as a whole, and it is, furthermore, calculated to injure rather than promote the general public welfare.

Then follows a lengthy detail of criticism in amplification of the general statement.

The Sixty-ninth Congress when it convened passed a bill (S. 3555) to meet the objections of the President, but that bill was also vetoed by Mr. Coolidge.

The objections to this measure as set out in the measure are:

1. Its attempted price-fixing fallacy.
2. The tax characteristics of the equalization fee.
3. The widespread bureaucracy which it would set up.
4. Its encouragement to profiteering and wasteful distribution by middlemen.
5. Its stimulation of overproduction.
6. Its aid to our foreign agricultural competitors.

The President then contradicts his former statement as to the condition of agriculture; he includes in the veto message the following statement:

Nor should we overlook the fact that our farmers have made noteworthy progress since 1921, both in the purchasing power of their products and in the output per worker in agriculture. The latter is the result of improved methods and equipment, and is in keeping with the fundamental cause of American prosperity—high productivity per worker.

Mr. Coolidge then closes the door of hope for relief with the following statement:

Moreover, we should avoid the error of seeking in laws the cause of the ills of agriculture. This mistake leads away from a permanent solution, and serves only to make political issues out of fundamental economic problems that can not be solved by political action.

The President then clearly shows the attitude of his mind by indulging in the following prophecy:

Once we plunged into the futile sophistries of such a system of wholesale commercial doles for special groups of middlemen and distributors at the expense of farmers and other producers it is difficult to see what the end might be.

These veto messages caused the representatives of the Republican Party assembled in convention at Kansas City much worry. At that convention agriculture stood outside knocking for admission, but the now ambassador to the Court of St. James instructed his doorkeepers to lock the portals.

Ex-Governor Frank O. Lowden, of Illinois, one who perhaps was more interested in the agricultural problem than anyone before that convention, after he read the platform withdrew his name as a candidate, gathered up his following, and went home.

In order to offset this bad record and unfair treatment the promise was made that if Mr. Hoover would be elected to the Presidency of the United States one of his first official acts would be to call a special session of the Congress for the purpose of passing legislation for agricultural relief and revise the tariff on those commodities that affected agriculture.

The special session of Congress, which was convened pursuant to that promise, enacted legislation dealing with the tariff and agriculture which did more to destroy agricultural prosperity than the act of any Congress since the adoption of the Constitution.

Tariff schedules were adopted so outrageous that for the first time in history retaliatory laws were passed which practically closed the markets of the world against American-made goods, and especially the products of agriculture.

Five hundred million dollars were made available for loaning purposes under the guise of financing cooperative marketing agencies which were making headway in protecting the farmer from selling his produce on low markets.

The real purpose of the act was not revealed until its administration was undertaken when, instead of loaning to the various cooperatives, those in charge undertook the organization of a huge trust, not for the purpose of raising but for the purpose of stabilizing at a low price the products of agriculture.

Two Delaware corporations were organized with interlocking directorates and permitted to deal with each other in the buying and selling of grains, both financed by this fund.

The stock and storage facilities of privately owned grain companies were purchased at prices far above the actual value, and enormous salaries were paid by the purchasing corporation, all financed by loans from the revolving fund.

The Farmers National Grain Corporation made profitable deals selling grain to the stabilization corporation far above the market price, and the stabilization corporation bought and lost with money loaned it by the agency of the Federal Government.

In the meantime, the prices for farm products began to reach low levels. The farmer who was depressed during the Harding and Coolidge administrations became panic-stricken as the corporation financed by his Government became his competitor, offering their holding on the market against the farmers' incoming crop, and forced the price of grain below the cost of production.

Resolutions are pending in both House and Senate for an investigation of the transaction of those in charge of the administration of this act with the corporations created under it. These transactions were conducted at a loss of several hundred millions of dollars, and the public is entitled to know the facts.

Whether the law as passed is good or bad, the maladministration of it makes it impossible to judge.

At a time when the outlook for agriculture was most discouraging, when the farmer was experiencing his hardest struggle to meet the taxes and general obligations, the policies of the banks with which he had been dealing in the years past and to which he had always come for credit changed their attitude.

The funds were not only no longer available to carry on the transactions of the farm, but he was demanded to repay the capital loan.

The banker who he felt knows him better than any other man in the community and with whom by a long course of honest dealings he felt he had established for himself a sure credit began to talk to him in strange terms.

He was told that his capital loan was regarded by the department as a frozen asset and that he must make some effort to meet the obligation when it became due. He must procure the money elsewhere. In some instances he was assisted by his banker in securing a loan from the Federal land bank or the joint-stock land bank, but in by far the majority of the instances he was unable to transfer his loan to these institutions.

Coerced by the policy of the department, he was forced to liquidate, and his farm was sold under the hammer, and the equipment and livestock were sold to pay the deficiencies. He was forced to sell at a time when there was no market for farm lands and when the stock and equipment brought but a small per cent of their normal value.

The same policies enforced against the farmer were pursued as to the urban home builder and local business man.

The banks throughout the Central West were told by the representatives of the department that they must become liquid in order to protect themselves against a run by the depositors.

Then began the campaign of educating the banker as to what was meant by the term "liquidity." The ordinary bank carried as its first reserve the cash in its vaults, the bonds of the Federal Government, and such other securities as could be readily converted into cash, the department insisted that they should build up a secondary reserve. It was this secondary reserve built up under the supervision and direction of the Department of the Federal Government that caused the downfall of the bank.

It was not generally known that the financiers of Wall Street had become interested as brokers in the sale of the industrial securities of the countries of Europe and South America, and the western banker was somewhat astonished when he was told of the high rating of these foreign securities and that his secondary reserve should be built up with these investments.

The bond salesmen and the examiner worked hand in hand, and it was not long until almost every bank had substantial investments in securities of this class bearing high ratings from the inspection departments and whose liquidity was vouched for by those in charge of the examination of the conditions of the institution.

Community building was no longer a part of the banks' problems. The matter of investing the surplus cash became easy and for a while was very profitable.

The returns in dividends on their bank stock and the further assurance that they were not only favored but recommended by the agents of the Federal department quieted the officer of the bank who might be skeptical.

Every examiner became a part of the great sales force to help market these securities; and before the Nation was aware of what was happening, between ten and fifteen thousand millions of dollars of these foreign industrial securities had been purchased by the banks and the investors of this country, and the original brokers had, at the expense of the ruination of the financial structure of this Nation, collected to themselves profits the amount of which will never be known, but it is safe to estimate that these profits ran into the billions.

When the market quotations on the secondary reserve began to drop and the bank was unable to dispose of these securities upon the market, except at a great loss, the banker realized what had happened.

Confronted by this condition the unscrupulous banker tried to do what had been done to him; that is, sell to innocent depositing customers. The scrupulous banker delivered up the keys or marked time.

It was then that the real failures began. Their doors were closed at a rate of from 10 to 15 banks per day in the last year. The institution that had always been considered the safest and most stable institution of this country became the most discredited.

The department of this Government in charge of the supervision of the banks is responsible for this condition.

It was a part of the great movement to centralize the money of this country in the international banking centers of the East, the accomplishment of which can only be made possible by the destruction of the community banks scattered throughout this Nation. It was the first step in the policy of substituting branch banking for community banking.

Branch banking has been recommended by Mr. Hoover in his message to every Congress since his election to the Presidency.

In order to make the branch bank possible in a community the community bank must be destroyed. The method of destruction adopted by the administration was heartless and cold-blooded.

Branch banking means the elimination of the country bank and substituted therefor a bank controlled by a central source deaf and indifferent to the community needs. [Applause.]

Mr. WASON. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Chairman, every government in recorded history which has ever failed, at the very moment of its failure the people were being bled white by taxation, at the very moment of its failure the government was making a frantic effort to tax itself into security. We can read the history of Greece, Rome, Spain, and France, and can eliminate the names of Greece, Rome, Spain, and France, and insert the name of the United States and make it current history. This Government to-day is bankrupt. It is bleeding the American citizens white for taxes.

The total income of the United States amounts to $65,000,000,000 a year, and in that I refer to the wages, the salaries, the profits, the dividends of all our citizens. The total public expense of Federal, State, and local governments amounts to $15,000,000,000. One dollar out of every four dollars and thirty-three cents which is earned by an American citizen, whether it be by the sweat of his brow or interest on capital investments, is wasted for taxation, for some public purpose which is nonproductive. The Government of the United States is going behind at the rate of $2,000,000,000 a year. Every day we sit in this House the Government of the United States spends $5,000,000 more than its income during that day, and there is no one in the United States who has the power to correct that situation except the Congress, and there is no one so much to blame for it as Congress. If we are going to have a constitutional government, a parliamentary government, this Congress must have the moral courage to meet the situation. We can not reduce these expenses unless men have the courage to sit in this body and reduce them. [Applause.] In time of war, when this country is in great distress, what the country needs is not men smart enough to profiteer and make a million dollars but men with the courage to die for their country; and in an hour like this what a parliamentary government needs, what the Government of the United States needs, is not Congressmen who are astute enough to be reelected but Congressmen with the patriotism and the moral courage to be defeated, if necessary, in an effort to balance the Budget. [Applause.] As I look over the past week of what has happened in this House I am fairly convinced that there is not a single question which means quite so little to the Members of the House as the fact that their Government is spending $5,000,000 every day more than its income.

In the light of the record of this House during the last seven days, I can not think of a single thing that this House takes more lightly than the fact that this Government is going behind at the rate of $2,000,000,000 a year. In the light of the conduct of this House during the last week, beginning one week ago to-day, I can not think of a single thing that is of so little importance to the House as the fact that the citizens of this country are being bled white by taxation. That is the issue which is before the people of this country. It is the crying need of the hour to reduce expenses, and about all it amounts to on the floor of this House is partisanship and bickering between the two parties. I have but praise for the chairman of the Committee on Appropriations, the gentleman from Tennessee [Mr. BYRNS]. I have but praise for my colleague from Kansas [Mr. AYRES]. I do not care that they are Democrats. They have been patriots and have tried to reduce the expenses of this Government. I have said that on account of the record of this House during the last week I have thought that the matter of balancing the Budget meant nothing to it; and I am going to tell you why I say that. Last Saturday we voted $132,000,000 for so-called highway improvements under the guise of unemployment. Of course, we exercised just the same statesmanship that Louis XVI practiced on the eve of the downfall of the Government of France under the Bourbons. He was trying to solve the economic and social ills by bleeding the producers of the country.

A few days later, on Wednesday, I think it was, we came here and, by our votes, arbitrarily placed some cadets on the pay roll for life who are not needed in the Navy. When we did it, we did violence to a law that Congress has heretofore enacted, based upon the scientific needs of the Navy, namely, that it should consist of 4 per cent officers and 96 per cent enlisted men. What was the excuse and argument for putting those men in the Navy as officers when we did not need them? One excuse was that they were young men, just going out into life, and these were hard times. Young unmarried men, who have just been educated at the expense of the Government and at a time when there are eight and one-half million men, mostly married men, out of employment and in distress, and we give as our reason for commissioning those men that it would be hard for them to get started in life. What about the thousands of young men who are going out from your State universities and mine, who did not go through that university at the expense of the taxpayers of the United States but who went through at the expense of their parents or their own toil? So much for that.

We come now to this last bill guaranteeing automatic increases in salaries to members of the Postal Department. I do not believe it is unfair or unkind to say that this Con-

gress did not vote this morning to grant those increases on the basis of justice. This same House of Representatives, composed of the same Members, in five other bills voted not to give those automatic increases in salaries; and I say to you if it is justice to do it to the postal employees, it was justice to do it for the employees in the Department of Justice, in the Department of the Interior, and the Department of Agriculture.

The only excuse that can be given for the difference is that this was a political vote this morning. The only excuse that can be given is that there is not an Interior Department employee in every Congressman's district; that there are not Department of Agriculture employees in every Congressman's district; that there are not Department of Justice employees in every Congressman's district, while on the other hand there are postal employees in every Congressman's district. When the representatives of the postal employees sat in yonder gallery and cracked the lash, Congressmen here did the unequal thing of voting to do for the postal employees what they did not do for the employees of any other department of Government. The vote to-day proves that this is a political Congress, and that it is dealing with the great problem of balancing the Budget on the basis of votes at the fall election. Thank God there is more statesmanship in the people back home than the Members of this House think there is.

I want to read to you a straw vote taken by the Des Moines Register. When it held a straw vote on candidate for President, it held a straw vote on public questions——

Mr. BANKHEAD. Will the gentleman read all of the votes for our information?

Mr. McGUGIN. Well, my speech is not political. I can not gratify the gentleman's political desires.

One of the questions was reduction of public salaries. There were 47,218 in favor of reducing public salaries and 8,975 against it. Nearly 6 to 1 in favor of reducing public salaries. What do you think the vote would have been on the salary increases granted to-day by this House if that issue had been left to the people of Iowa to decide?

I am firm in my conviction that those who voted this morning thinking it was politically wise to vote that increase, made a mistake, and I hope they did make a mistake. I hope the people back home have the courage to meet it. If Congressmen are going to be lashed into their votes by the head of some organized minority bloc, then I hope the great unorganized masses will learn the truth and take the situation in their own hands.

A parliamentary government should not be run upon that basis, but if it must be run upon the basis of men sitting here in Congress and either being lashed by those who are going to live off the public pay roll or lashed by those who pay the taxes, then I hope those who pay the taxes will be the ones to wield the lash.

I am firm in my conviction that before this Congress is over, you will have to meet the issue and cut the public salaries of this country of ours, and they should be cut. Men out in private industry have taken their cuts. Eight and one-half million of them suffered a 100 per cent cut when they lost their jobs. Practically all of the others have taken reductions. Twenty-seven million farm people of this country are to-day operating on 40 per cent less income than they received before the war. Every commercial institution, corporation, or individual is operating with less income, and yet all of those institutions which are operating with less income, and all those people whose salaries have been reduced, are the ones who must pay the public salaries, which we now say must remain undiminished.

Oh, you say we are doing public employees an injustice by reducing their salaries. My answer is that it is impossible to refrain from reducing their salaries without doing an injustice to the great toiling masses of this country who must pay the taxes.

The Ways and Means Committee is about to bring in a new tax bill. It is trying to balance the Budget of this country. It is trying to save your country and my country from the ruin which is inevitable, if we do not balance the Budget. To do so, it has doubled the income tax, I am advised. I am not a member of that committee, but that is what I have been told. It has increased the estate taxes. Personally, I am opposed to a sales tax, but if that Ways and Means Committee comes in with a bill whereby it has taxed the great incomes of this country to the limit and whereby it has taxed the large estates in all reasonable bounds, and then there is still a deficit, I am ready to take the sales tax.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield three additional minutes to the gentleman from Kansas.

Mr. McGUGIN. We should pay as we go. If we do not raise revenue to pay these debts, then we must issue bonds, and that means that we are passing our current expenses on to our children to pay. If we do this, then we are as devoid of moral character as the parent who is content to die leaving his grocery bill for his children to pay. A generation which is willing to pass its current governmental expenses on to its children disgraces alike its forbears and posterity.

When we turn to the sales tax, that means that every man, woman, and child is going to pay a tax practically every time he eats a meal and every time he places a stitch of clothing upon his back. When that bill comes before this House for consideration, I expect to hear those who have been the loudest in voting these appropriations to be the ones who will complain the most about levying a tax in order to meet the expenditures of the Government and help balance the Budget. I expect many to vote against that tax bill, yet in many instances those who vote against it will have been the ones who made it necessary when they voted for all kinds of appropriations.

I am going to vote for the tax bill if it comes anywhere near being within reason, and I am going to tell the people of Kansas, "Yes, I voted for the tax bill which is now a burden upon you, but I did not vote the taxes upon you. The taxes were not placed upon you when the tax bill was passed; they were placed upon you when appropriations were made—which I voted against. The ones who voted to put those taxes on your backs were the Members who voted, without rhyme or reason, for large appropriations. After they made those appropriations it was necessary to place a tax on the backs of the American people in order to meet those appropriations and to preserve the credit and integrity of the Government of the United States." [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. STEWART].

Mr. STEWART. Mr. Chairman and gentlemen, I have listened with pleasure to the remarks made this afternoon in a desire to balance the Budget, and remarks to the effect that apparently some of the Members of this House in their votes have not expressed their own opinions but have been actuated by some other motive, political or otherwise.

I am going to discuss very briefly the relation of prohibition to our present economic difficulties.

Mr. Chairman, I desire to present for your earnest consideration the effect which prohibition has had upon the economic structure of the Federal Government, the several States and thousands of municipalities, throughout our country.

I am going to present facts from two great central States for two reasons. First, because here I found evidence that the Anti-Saloon League, in its official publication, the American Issue, made specific promises that prohibition would produce economic, moral, and social benefit, stressing particularly the economic benefits which would arise. Specific benefits were promised in reduction of taxes in one State alone by more than $3,000,000.

I have chosen these States for the second reason that they are not representative of what the professional drys call the "wet East," nor, on the other hand, the "bone-dry West." Situated midway between the Atlantic and Pacific Oceans, these States may be said to be fairly representative of the conservative-thinking people of the United States.

In the prohibition campaigns conducted by the Anti-Saloon League and allied professional prohibition organiza-

tions, extravagant claims were made of the benefits which would result from the ratification of the eighteenth amendment. The prohibition policy was going to eradicate crime to such an extent that prison costs would be reduced by 75 per cent; it was going to bring about a 25 per cent reduction in the cost of caring for the insane; it would reduce the cost of boys and girls' reformatories by 50 per cent; it would save 12½ per cent in the cost of epileptic hospitals; it would save 75 per cent of the total criminal costs of the State governments.

I have looked up some of these specific promises. My researches were rewarded by the discovery of a calculation made by the Missouri Anti-Saloon League in 1916 in which specific claims were made. It was stated in the American Issue, the official organ of the Missouri Anti-Saloon League, on November 9, 1916, that the cost of supporting the Missouri Penitentiary for the fiscal year 1913–14 was $954,181.15, of which 75 per cent, or $715,635.17, was due to liquor. The inference, of course, was that if prohibition should be adopted the cost of the penitentiary would be reduced from $954,181.15 to $228,545.40. I find upon further checking this calculation that the claim was made the expense of maintaining the three State insane asylums would be reduced by 25 per cent, resulting in a saving of $556,392.67; that the cost of running the boys' reform school would be reduced from $205,312.47 to $102,656.23, or 50 per cent; that the cost of maintaining the girls' reform school would be reduced from $161,161.02 to $80,580.51; that the total criminal costs of the State of Missouri would be reduced from $965,436.44 to $240,992.42, or 75 per cent; and that the cost of maintaining the paupers of the State would be reduced from $2,231,322.44 to $1,486,881.63, or 33⅓ per cent. The entire cost of liquor to the State of Missouri in the form of prison, asylum, pauper, and criminal expenses was assessed by the Anti-Saloon League of that State at $3,020,073.37. Is was stated that—

> These facts are enough to make every taxpayer in the State understand the greatest cause of taxation.

There is no question that if taxes in this one State, by reason of the enactment of the eighteenth amendment, would have been reduced by some $3,000,000 a year, it would have been a great economic benefit.

I have therefore examined the Binennial Report of the Department of Penal Institutions for Missouri for the fiscal year of 1927–28.

I find that the cost of running the Missouri Penitentiary in that year instead of being $228,545.40, as promised by the Anti-Saloon League, was $2,413,844.28, more than ten times what the advocates of prohibition promised it would be. The report of the department of penal institutions shows that in 1917–18 there were 2,317 prisoners in the Missouri Penitentiary, and that in 1927–28 there were 3,832. I find that on May 7, 1931, the population of the Missouri Penitentiary, as shown in a special dispatch to the St. Louis Globe-Democrat, was 4,338, almost a 90 per cent increase.

Instead of the cost of the reform school, or prison, for boys being decreased by 50 per cent, it was $446,541.81 in 1927–28 as compared with $205,312.47 in 1913–14. The cost of maintaining the girls' reform school at Chillicothe, Mo., instead of being decreased 50 per cent, as promised in 1916, rose from $161,161.02 in 1913–14 to $243,092.60 in 1927–28.

The voters of Missouri were given to understand by the Anti-Saloon League in 1916 that if prohibition were adopted, the cost of maintaining the State penitentiary and the boys' and girls' reform schools would be only $411,782.14. The actual cost of maintaining these three institutions, as shown by the official records of the State, was $3,103,498.69 for the fiscal year of 1927–28, and from the great increase of prisoners since that date it must be considerably higher now.

It is fair to take the promises made by the Missouri Anti-Saloon League as typical of the economic benefits of prohibition promised in other States by the same organization. I happen to have a press release issued August 29, 1930, by Mr. Rodney H. Brandon, director the Department of Public Welfare of the great State of Illinois. Bear in mind that in Missouri the Anti-Saloon League held out the promise to the people that the cost of their State correctional institutions would be reduced anywhere from 33⅓ to 75 per cent, upon the adoption of prohibition, and then listen to these extracts from the press release of the director of public welfare of the neighboring State of Illinois:

> During the decade which ended June 30, 1930, the population of Illinois charitable and penal institutions increased 50.85 per cent, Gov. Louis L. Emmerson was advised to-day by Rodney H. Brandon, director of the department of public welfare.
>
> In the same period, the population of the States as a whole increased only 17.65 per cent. The rate of increase in population of the institutions under the department of welfare was almost three times the rate of increase in the State's general population.
>
> During the 1920–1930 decade cited by Director Brandon, the increase in the State's penal population was 131.25 per cent, and was greater than the total increase for the 60 years previous to 1920.

So we find the promise by the Anti-Saloon League of empty prisons and abandoned institutions for the insane and otherwise helpless people met by the stubborn facts in one of the greatest States of the Union showing an actual increase during the first prohibition decade of 50.85 per cent, as applicable to all State institutions, and 131.25 per cent as applicable to the State prisons, an increase greater than during the past 60 years.

Let us now consider the economics of prohibition after 12 years. By reference to Table 33, page 47, of Statistics Concerning Intoxicating Liquors, issued in December, 1931, by the United States Bureau of Industrial Alcohol, you will find that in 1918 there were 56,222,477.3 gallons of whisky withdrawn from the bonded warehouses upon payment of taxes. In 1919 there were 62,142,459.6 gallons of whisky withdrawn.

It happens that in 1930 the Prohibition Director of the United States issued a monograph entitled "Possible Production of Illegal Liquors Made in the United States for the Year Ending June 30, 1930."

This survey was made for Director Woodcock by two employees in his department, one of whom was formerly employed by the Methodist Board of Prohibition, Temperance, and Public Morals. It is not likely that these gentlemen, with such pronounced prohibition tendencies, would exaggerate the quantity of liquor made unlawfully in the United States.

I am setting up in parallel columns the actual amount of alcoholic beverages withdrawn from bonded warehouses or manufactured for consumption in the United States in 1919 and Mr. Woodcock's estimates of the amount of the same beverages illegally manufactured in 1930:

	Gallons, 1919	Gallons, 1930
Whisky	62, 142, 459. 6	73, 386, 718
Beer	852, 977, 018. 0	684, 476, 800
Wine	54, 272, 656. 0	118, 476, 200

Mr. Woodcock's tables will be found on page 144, volume 1, Senate Document 307, of the Official Records of the National Commission on Law Observance and Enforcement.

I find, according to Mr. Woodcock's estimates, that there were 11,244,258.4 more gallons of whisky illegally manufactured and smuggled into the United States in 1930 than were legally withdrawn for consumption in 1919.

I find, according to Mr. Woodcock's estimates, that there were 74,204,144 more gallons of 12 per cent wines manufactured in the United States in 1930 than in 1919.

While Mr. Woodcock finds that there were 168,500,218 gallons more beer manufactured in 1919 than in 1930, yet it should be remembered that the beer manufactured in 1919 contained only 2.75 per cent of alcohol, while Mr. Woodcock estimates that the beer made in 1930 contained 3.4 per cent of alcohol. In alcoholic content, the home-brew illegally manufactured in the United States in 1930 was almost exactly the equivalent in alcohol of all the beer legally manufactured in 1919.

By reference to Table 34, page 47, of official Statistics Concerning Intoxicating Liquors, I find that in 1919 the Federal Government collected $117,839,602.21 on beer, and

$365,211,252.26 on distilled spirits, including wines and cordials.

The total collections in 1919 were $483,050,854.47.

In 12 years, on the basis of the 1919 collections, the Federal Government has lost $5,796,610,253.64 in revenues.

On March 2, 1932, I was informed by the Ways and Means Committee of the House that the actual Treasury deficit for this year was $903,000,000, and that the estimated deficit for the fiscal year ending June 30, 1933, is $2,123,000,000.

If the estimates of the Director of Prohibition are to be relied upon, we have increased the consumption of whisky under prohibition by 11,244,258.4 gallons over the 1919 consumption; we have increased the consumption of wine by 74,204,144 gallons, and, in alcoholic content, we have not reduced the consumption of beer.

These figures are convincing proof that the Federal Government has thrown $5,796,610,253.54 in revenue out of the window without diminishing the consumption of alcoholic beverages that returned this amount of money to the Federal Treasury.

While there are no reliable statistics concerning the revenue losses to the several States and municipalities, the amount is stupendous. The Association Against the Prohibition Amendment has estimated these revenues at $480,000,000 per year; this estimate being approximately correct, the States and municipalities have lost an additional $4,800,000,000.

We can trace with absolute accuracy the loss of nearly $6,000,000,000 in Federal revenue, and with some degree of accuracy the loss of $4,800,000,000 in State and municipal revenue, a total of more than $10,500,000,000.

In addition to that, more than $300,000,000 have been frittered away in vain attempts to enforce this law, with the actual result that there has been a large increase in the consumption of liquor over the 1919 basis. I am using the 1919 figures because those are the records upon which the revenues were computed.

Where in the history of civilization was there ever such an economic folly?

We have, as I have shown, as in Illinois, increased prison population, in a decade of prohibition, more than during the 60 years before prohibition; and we have, as I have further shown, as in Missouri, more than trebled the cost of prison administration, notwithstanding that specific promises were made by the Anti-Saloon League of reducing the costs of prisons by 75 per cent.

The Federal Government alone has convicted 449,230 persons of violating the national prohibition act; it has arrested and placed the stigma of criminality upon a great many more.

The dollars and cents cost of the prohibition folly has been astounding. It has been the greatest legislative failure in the history of the United States. In 1919, the year before national prohibition, there were 1,367 deaths from alcoholism in the United States. In 1929 there were 4,339. These figures confirm the fact that either there was a much larger consumption of liquor in the United States in 1929, after 10 years of prohibition, than in 1919 or that the prohibition liquor was much more deadly to human life.

The Federal Government, in direct appropriations and losses in revenue, fritters away approximately $533,000,000 a year to save the lives of a handful of drunkards who drink themselves to death. I have just pointed out that in 1919, the year before prohibition, there were only 1,367 persons in the entire United States who died from alcoholism, but the Federal Government, which can afford to make these huge appropriations and sustain these enormous losses to save the lives of these few drunkards, and fails even in that, can afford to appropriate only ten and one-half million dollars per year for the support of the United States Public Health Service to protect the lives of 122,000,000 citizens and to try to save the lives of over a million persons who die every year, many of them from preventable diseases.

Our people, through their legislative bodies but not by direct vote, accepted the word of the professional prohibition propagandists that the eighteenth amendment would reduce taxes, eradicate a large part of the crime, improve public morals, and be a great blessing to the entire people. The exact reverse has been true. Taxes for prisons have trebled. Taxes for criminal investigation and prosecution have been greatly increased. Taxes for the maintenance of asylums and other charitable institutions have increased by leaps and bounds. In addition to the economic burdens pressed upon the backs of our taxpayers, we have experienced the greatest period of criminality in the history of the Nation; respect for law and official authority has been uprooted; we have become a nation of hypocrites, preaching the doctrine of total abstinence and practicing the art of manufacturing liquor in the homes; we have filled our jails and prisons to overflowing, and instead of having a crimeless Nation we are staggering under a crime cost estimated anywhere from three billions of dollars annually to eighteen billions. The official figures of the Prohibition Bureau offer conclusive proof that the so-called liquor traffic has been taken out of the hands of lawful manufacturers and distributors, who shared their profits with the Federal, State, and municipal governments, and put into the hands of criminals, who use their vast profits to finance crime and corrupt public officials not to interfere with their criminal operations.

Were it not for this experiment, it is entirely possible that the National Treasury would not be facing the tremendous deficit of over $2,000,000,000 and that thousands of municipalities would not be in the position they find themselves to-day, with no funds to pay school teachers, firemen, police officers, and other employees, with schools closing for lack of funds and taxpayers unable to meet the assessments.

Certainly the Ways and Means Committee would not be facing the tremendous task of balancing the Nation's Budget, which will mean the imposition of taxes on everyone in the United States. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield one minute to the gentleman from Connecticut [Mr. LONERGAN].

Mr. LONERGAN. Mr. Chairman, I will utilize my time by placing in the RECORD a telegram referring to this bill which I received from the Connecticut Milk Producers Association.

The telegram referred to follows:

HARTFORD, CONN., *March 2, 1932.*

HON. AUGUSTINE LONERGAN,
House Office Building:

Connecticut dairy farmers learn that Congress threatens to scuttle Farm Board and cooperative marketing division by reducing appropriations beyond all reason and to the point of destroying efficiency. Connecticut dairy farmers want Farm Board maintained and sustained for purpose of helping agriculture in efficient marketing. We are not borrowing Farm Board money and don't intend to, but Farm Board should be sustained on a basis that will enable it to help the American farmer put himself in a position to deal on terms of equality in marketing so that he may cope with the combined capital and buying power of the agricultural trades. American agriculture can not be sound until this is done. The marketing act and Farm Board created by Congress offer most of anything invented for solution of this problem. Congress should sustain its pledge and carry out its program to help agriculture. Vacillating from the program is wasteful. A bad backward step breaks faith with the farmer. Hope we may have your cooperation in maintaining appropriations for the Farm Board in line with the original Budget committee proposal.

CONNECTICUT MILK PRODUCERS ASSOCIATION,
ROBERT C. MITCHELL, *President.*

Mr. WASON. Mr. Chairman, I yield one minute to the gentleman from Nevada [Mr. ARENTZ].

Mr. ARENTZ. Mr. Chairman, after the speech made by the gentleman from New Jersey [Mr. STEWART], I think it would be well to refer the Members to a statement made by the gentleman from West Virginia [Mr. BACHMANN] on pages 4962 to 4965 of the CONGRESSIONAL RECORD of March 7, 1930, on court congestion and prohibition enforcement.

Mr. LOZIER, Representative from Missouri, has advised me that fully four-fifths of all prisoners convicted in liquor violations in the State of Missouri were prosecuted by State and county authorities, and that of this four-fifths most of the cases originate in 105 or 106 counties of the State almost entirely in character. In but few of these cases does a Federal prohibition officer enter the picture. Only one-fourth of the liquor violators in the State prisons are the

result of Federal prosecution, and of these the major part were apprehended, tried, and convicted in the cities of the State.

From this it is seen that when a State expresses its full authority it does a good job of taking care of its duties without waiting for the Federal authority to lead the way in cleaning up the mess. You can always trust State officials to interpret in no small degree the wishes of the people.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, this bill, known as the independent offices appropriation bill, carries the appropriations for all the independent offices or commissions of the Government not directly supervised by a Cabinet officer, including the Veterans' Administration, which has charge of disability allowances, hospitals, pensions, and, in fact, all expenditures for the ex-service men.

It is, therefore, appropriate in the consideration of this bill to discuss the question of the payment of the balance due on the adjusted-compensation certificates.

I favor the payment of the balance due on these certificates. Several bills have been introduced during the present session of Congress by different Members, and all are pending before the Ways and Means Committee. Some of these bills provide for direct payment in cash, others by Treasury certificates, and others by exchange of Government 4½ per cent bonds.

First, let me emphasize that I favor payment of the balance due on the certificates in cash. When the World War resolution was passed by Congress and legislation enacted providing for its prosecution we pledged all of our man power and all of our resources for the successful termination of the war. Nearly 5,000,000 of the splendid youth of our country joined the colors. Two and one-half million, after being quickly trained at home, were thrown across the sea. After brief training in the new methods of warfare they were thrown into action. Our supporting divisions held the line at Chateau Thierry July 15–18, 1918, turned the tide of battle, saved Paris, inspired confidence in our allies, and destroyed the morale of the enemy and the hope that they could win.

We won a glorious victory in the St. Mihiel drive on September 12, 1918, and under General Pershing we swept down the Woevre Valley under a barrage of a million shells to a triumphant victory.

Transferred to the Argonne, we fought with a valor never surpassed until the armistice was proclaimed on November 11, 1918, which amounted to an unconditional surrender.

Our ideals were upheld on foreign soil and our soldiers redeemed the pledge to return our flag unsullied and in triumph.

Unfortunately, some did not return. Many lie buried under the lilies of France. The remains of thousands of those who offered their lives on the altar of their country sleep in unknown and unmarked graves. They are represented by the Tomb of the Unknown Soldier erected in Arlington Cemetery, across the Potomac. They and their dependents are entitled to the undying gratitude of every citizen of this Republic. Thousands of other ex-service men, since their return, have broken under the strain and have either joined their fallen comrades across the shore or are lingering on this side awaiting the final summons.

They kept the faith. They met our most glorious expectations. Those that survive insist that we keep the faith when we pledged during the war all of the resources of our Nation.

Congress, recognizing that our intrepid soldiers have not been adequately compensated, enacted legislation to adjust their compensation and authorized that they be given certificates representing the additional meager compensation of $1.25 per day for overseas service and $1 per day for those ex-service men who had not yet been sent across the seas. Adjusted-service certificates were issued and delivered to all those who applied for them, payable 20 years after the date of issue, for the most part in 1945. Because of present business conditions they find themselves in a distressed condition. Millions of people, including thousands of ex-service men, are unemployed.

Congress has enacted legislation permitting the ex-service men to borrow 50 per cent of the value of their adjusted-compensation certificates. It is estimated by the Veterans' Administration that the total net amount due the ex-service men on their certificates, after deducting loans and interest, amounts to $2,185,705,921.17.

The interest charged on the loans made on these certificates is 4½ per cent. This interest rate is excessive, because the Government has been able to borrow at a less rate.

Legislation was introduced for the payment of the adjusted-service certificates during the last session of Congress. It was referred to the committee for consideration. In the place of it the committee reported a bill to increase loans up to 50 per cent of the value of the certificates. An effort was made to decrease the rate of interest, which I supported. This was defeated. The 4½ per cent interest now charged the ex-service men will absorb the greater part of the balance due on the principal of each certificate and but little, if any, will remain payable on these certificates in 1945.

As I have stated, there are a number of bills pending in Congress to pay the balance due on these certificates in full. Without regard to authorship, I favor any one of these bills that will result in the ex-service men receiving the balance due on the certificates in cash.

The Oklahoma Legion convention, held at Enid, Okla., in 1931, indorsed such a measure. The action of the national convention later, held at Detroit, does not, in my judgment, reflect the true sentiment of the ex-service men of my State, nor do I believe that it reflects the will of the ex-service men throughout the Nation.

Legion posts in my district earnestly favor the payment of these certificates in cash.

The latest expression of my State is found in the Democratic platform adopted February 20, 1932, as follows:

> The Democratic Party favors paying speedily the remainder of the bonus due the veterans of the World War, as a matter of common justice; and, further, because these payments being paid in all parts of the country will prove an economic betterment to all classes of business and enterprises in all sections of the Republic.

The argument always used against this, either on the stump or through the press, and which was used effectively at the Detroit convention, was that it would be too great a strain upon and an embarrassment to the Treasury.

In order to meet this objection, and as an alternative measure, I have prepared and have introduced a bill (H. R. 6584) authorizing the issuance and exchange at par of 4½ per cent tax-exempt negotiable bonds for the balance due on these certificates.

These bonds would be due and payable in 1945 when most of these certificates are due and payable. The adjusted-service certificates are obligations against the Treasury. These bonds would be obligations of the Treasury. The bonds would be tax exempt to the same extent as the 4¼ per cent Liberty bonds are now tax exempt. These bonds would bear interest at the rate of 4½ per cent and should readily sell at par. The present market value of the 4¼ per cent Liberty bonds is above par and to-day around $102.

Of course a 4½ per cent Government bond, tax exempt, would be absorbed readily at slightly above par, and even with the entire amount issued to pay these certificates all would be absorbed at par, and this would result in the ex-service men realizing cash for the face value of their certificates. The interest on the bonds would be payable semiannually.

The reason for making these bonds bear 4½ per cent interest is, first, because that rate of interest is charged the ex-service men by the Government on loans secured on their certificates; and, second, to insure that these bonds will not sell below par.

No one intellectually honest believes that a 4½ per cent tax-exempt Government bond will sell below par.

My bill is the answer to the argument that payment in cash would be too great a strain upon the Treasury at this time.

The bonds would be issued in denominations of $50, $100, and $500, and any fractional amounts due on the certificates would be payable in cash. The bill authorizes the issuance of such bonds to provide funds to pay the fractional amounts to be paid in cash and the semiannual interest on the bonds exchanged, all due in 1945.

The ex-service men are not so concerned about the wording of the legislation as they are in the result of it.

Let me repeat that I introduced my bill as an alternative measure for the consideration of the Ways and Means Committee and of Congress, in the event any of the bills to pay the balance due on these certificates in cash fail to meet with favorable consideration.

Conditions throughout the country are deplorable. The depression has continued without any evidence of turning the corner. It is estimated there are between six and eight million people out of employment. This legislation, in my opinion, will do more to relieve the situation than any other legislation proposed or enacted by Congress. There is not a community in the country it will not reach. It will affect almost every family because nearly every family was represented by a boy who joined the colors when our Nation's flag was in peril.

We enacted much legislation both during and subsequent to the World War for the benefit of the ex-service men, to aid their dependents at home, for insurance, for vocational training, for disability compensation, for hospital treatment, and for pensions, but this is totally inadequate to compensate those who offered their lives as a supreme sacrifice upon the altar of their country.

The enactment of any one of these bills would result in the distribution of $2,185,705,921.17 throughout the country. Every State would receive its share. There would be paid to the ex-service men in the State of Oklahoma $39,722,184.80, and to the ex-service men of the second congressional district, which I represent, as follows: Adair County, $245,244.72; Cherokee County, $290,351.40; Haskell County, $269,509.92; McIntosh County, $414,236.88; Muskogee County, $1,103,966.88; Okmulgee County, $939,993.96; Sequoyah County, $324,173.10; and Wagoner County, $372,753.36.

No other legislation that Congress could enact would have the effect of so completely relieving the depression. It would enable many of the ex-service men and the members of their families to pay taxes due, which would not only benefit them individually but enable them to contribute their share toward the local and State governments and make possible the continuance of schools which are largely supported through taxation. Many rural schools are being closed because the people are unable to pay their taxes. It would enable them to pay mortgages upon their homes and farm lands and relieve their minds of threatened foreclosure. Their purchasing power would be increased and more food would be purchased for themselves and feed for their work stock which would immediately favorably influence the price of all farm products. It would revive the business of merchants who would be able to sell more goods, bank deposits would be increased, and the banks would in turn be able to loan money upon more favorable terms to those in need of funds for business reasons or to meet urgent necessities.

There is no character of business, great or small, that the payment of the balance due on these certificates to the ex-service men would not materially affect.

Much of the legislation enacted by Congress may affect one class of business or another, but the payment of the balance due on these certificates would favorably affect every individual and every class of business in the country. Every family would be either directly or indirectly affected. It would increase the volume of money in circulation, expand credit, and thereby enhance the price of both agricultural and manufactured products. The unemployment situation would be greatly relieved and wages increased, because this additional amount of money placed in circulation would enable every unemployed man either to return to his own character of work or trade or enable him to procure other employment. In my judgment, there is no other legislation that would so universally and favorably affect the great mass of citizens throughout the entire country extending into every section and into every community.

We are making every effort to restore prosperity. This legislation would assist more people and be of greater benefit to them than any other that has thus far been proposed or enacted.

The purchasing power of the people, because of the restriction of credit and because there is no market for agricultural or manufactured products, is at a minimum. The enactment of this legislation would restore the purchasing power of the people. For that reason it would enhance the price of farm products now selling at ruinously low prices and below the cost of production. Wheat at harvest time sold at from 25 to 30 cents per bushel. Corn at gathering time sold around 18 cents per bushel, oats from 12 to 15 cents per bushel, and cotton around 1½ cents per pound. Other farm products, including livestock, are still selling at ruinously low prices and below the cost of production.

I know farming conditions out of a lifetime of experience; and during my entire service in Congress, and particularly during the past few years, I have joined in every effort to secure for the farmers the cost of production plus a reasonable profit. I voted for the debenture plan, which is the only way to make the tariff applicable to farm products, but this was twice vetoed by the President. Everyone knows that a tariff of 42 cents per bushel on wheat is not effective when only one forty-fifth of 1 per cent of the amount of wheat we produce is imported into this country. The same is true of the 25 cents per bushel tariff on corn, when only one-thirteenth of 1 per cent of the amount of corn we produce is imported. Such legislation is an idle gesture to deceive the farmers. However, if the debenture plan were enacted giving the farmers 50 per cent of this tariff on all farm products exported to foreign markets, it would make it effective. The domestic prices would respond to prices received for the exported products.

I voted for the equalization fee, which by legislation completely organized the farmers, and those who had given their best thought to it commended it as the most effective means, through combined cooperative marketing, of securing for the farmers the full value of their farm products and a fair profit.

The administration of the Farm Board has been a disappointment, and the farmers have not realized a favorable reaction through the actions of that board. They had a right to believe that a sympathetic administration, with a revolving fund of $500,000,000 for their use, would bring them relief.

The causes for the depression have been discussed on the floor of the House, in the Senate, in the press, and on the lecture platforms, on every street corner, and around every fireside. It is generally agreed that it is due in part: (1) To conditions growing out of the World War; (2) to the contraction of the currency and to restriction of credits, because when commodities are scarce they sell at high prices, and the same is true of money; (3) to the investment in foreign securities; (4) to speculation on the stock market; and (5) to the enactment of the 1930 tariff act, which shut off our foreign markets and prevented the exporting of our surplus products, which, thrown upon our domestic markets, depressed prices. We need to export approximately 200,000,000 bushels of wheat each year. Our domestic market absorbs the rest. We need to export about 60 per cent of our cotton crop. Our domestic spinners consume the remainder. The tariff has shut off our foreign market for practically all of our agricultural products and many of our manufactured products as well.

We have enacted legislation during the present session of Congress creating the Reconstruction Finance Corporation for the purpose of giving financial aid to the railroads, the banks, and other corporations or financial institutions.

Part of these funds are to be loaned direct to farmers. Legislation has been passed making additional paper eligible for rediscount with the Federal reserve banks so as to make frozen securities held by the banks more liquid in cases of emergency. The relief of these, of course, indirectly affects the masses of the people and is an effort to restore prosperity and confidence. We have enacted a land bank bill to provide more funds for the farm land banks and in effect with legislative instructions to defer foreclosures until the depression passes, which should measurably help all farmers who have secured loans through these banks.

We have enacted legislation authorizing an appropriation from which farmers may borrow money to form organizations for their benefit.

The House has passed a bill authorizing an additional expenditure of $132,500,000 as Federal aid to highways. This bill is pending in the Senate. It directs the use of local labor. It will assist in giving additional employment, add value to farm lands, and release local funds to build more farm-to-market roads.

Forty million bushels of wheat held by the Grain Stabilization Corporation are to be distributed to feed the hungry in need of assistance.

Other legislation is in the course of preparation and will be brought up for consideration before Congress adjourns.

The entire subject of agriculture should be studied and a comprehensive legislative program enacted which will result in better prices for farm products through better marketing facilities.

Old-age pension legislation has been reported to Congress and will unquestionably receive favorable consideration during the present session.

We have passed a joint resolution proposing an amendment to the Constitution of the United States changing the time for the inauguration of President and Vice President and changing the terms of Members of Congress in the hope that they will respond more readily to public sentiment throughout the country by convening within a shorter time after their election.

Having considered this legislation referred to for the benefit of the business interests of the country, we should press favorable action before the adjournment of Congress upon legislation which will make sure that the balance due the ex-service men on their adjusted-compensation certificates is paid in full in cash, which would benefit all of the people of the entire country.

Congress enacted legislation, over my vigorous protest, known as the moratorium bill, extending the time for the foreign governments to pay the interest on their indebtednesses amounting to $252,000,000, which is extended, not for one year as is generally believed, but is to be repaid over a period of 10 years. This legislation was passed in the face of the fact that we are making every effort to find new sources of revenue to meet our own Government needs.

This legislation to pay the balance due on the adjusted-service certificates will not only recognize the gallant services of those who made it possible to return our flag in triumphant victory during the World War, but will benefit practically every family in the country, aid every community, and, in my judgment, do more to restore prosperity than all the legislation that either has been passed or will be enacted during the present session of Congress.

If it be argued that the payment of the balance due on these certificates in cash will be too great a strain upon the Treasury at this time, let me answer by saying that I have offered a bill which would provide for the exchange of 4½ per cent tax-exempt Government bonds for these certificates, which bonds should sell at par, would be due in 1945, when most of the certificates are due, and which would result in the ex-service men receiving the full value for the balance due on their adjusted-service certificates.

Nor does our obligation end here. Additional hospital facilities should be furnished sufficient to insure the hospitalization of the soldiers of all wars, including the World War, for sickness and disability, whether incurred during the service or thereafter.

Pension legislation should be enacted to take care of the widows and dependents of soldiers of the World War on a parity with legislation for widows and dependents of veterans of other wars.

Legislation should also be enacted liberalizing the administration of the laws enacted for the benefit of disabled ex-service men so as to insure sympathetic administration both as to the consideration of claims for disability compensation and for pensions.

Finally let me add that during peace times Congress should enact legislation which will insure the conscription of wealth, as well as universal service, in the event of any future war. Nothing will have a better effect for the prevention of future wars and a guaranty of peace.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. SUMMERS of Washington. I was very much interested in my colleague's discussion. As far as I can discern he is advocating a plan very similar to one which I introduced and presented before the Ways and Means Committee when this matter was first under consideration. I believed then and I believe now it would have been the best solution of the problem.

Mr. HASTINGS. I am glad to have my bill commended by the gentleman from the State of Washington, whom I know is interested both in restoring prosperity and in the welfare of the ex-service men of the country.

Mr. ALLGOOD. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. ALLGOOD. Does the gentleman expect to have hearings on his bill?

Mr. HASTINGS. I understand the Ways and Means Committee will hold hearings on this and other similar measures as soon as the tax bill is reported and out of the way.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield five minutes to the gentleman from Montana [Mr. LEAVITT].

Mr. LEAVITT. Mr. Chairman, I have asked for this time to call attention to a matter entirely different from any yet presented this afternoon.

It is not customary to announce to the Congress of the United States the passing of any private citizen of this country unless he has achieved distinction of the first order. We announce here the passing of former Members of this body and of the Senate. We announce here the passing of few other men, and only those who have given great service to their country. Recalling that standard, I have chosen to announce the passing of one who has graced the history of my State of Montana. He was the Indian chief named Plenty Coos, or perhaps more correctly Plenty Coups. He was a man whose leadership among his people was such that when at the close of the Great War the body of the Unknown Soldier was returned for burial in Arlington Cemetery and a choice was to be made of a chieftain to represent our Indian citizenship, one worthy to speak for and represent all of them, the choice fell on Plenty Coos, the chief of the Crows.

You will find to-day in the amphitheater in Arlington Cemetery, among those tributes that were then placed upon the Tomb of the Unknown Soldier, among the bronze plaques and wreaths and flags of the great nations of the earth, the feathered war bonnet and coup stick of Plenty Coos. By his hand they were laid as a tribute of all the Indian tribes and nations upon the Tomb of the Unknown Soldier. There to-day they recall the fact that there was no group of our citizenship that gave more bravely and more fully to the sacrifices of that war than did the Indian people.

Many of you perhaps noticed this morning an Associated Press item reading as follows:

PLENTY COOS, 85, CHIEF OF CROW INDIANS, DIES

BILLINGS, MONT., March 4.—Plenty Coos, chief of the Crow Tribe, who represented the American Indians at the burial of the

Unknown Soldier at Arlington Cemetery, died to-day at his reservation home at Pryor, south of here. For many months Chief Plenty Coos had been ill, blind, and crippled. He was 85 years old.

Known as a chieftain particularly skillful in negotiations with the Government, Plenty Coos was often the central figure in ceremonies honoring celebrities coming to this section. Among the notables he inducted into the Crow Tribe were Marshal Foch, Vice President Curtis, former Gov. Frank O. Lowden, of Illinois, and Maj. Gen. James G. Harbord.

It is not the custom of the Crow Indians to give this honor of adoption indiscriminately, and it was with the greatest of dignity that Chief Plenty Coos conducted ceremonies of this kind. A year ago last fall, when Mrs. Leavitt and I were on our way back east to our duties in Washington, we stopped on the Crow Reservation for a council. We found that a ceremony had been arranged, and Chief Plenty Coos adopted Mrs. Leavitt into the Crow Tribe, the first and only woman who has ever been given that honor. [Applause.] The chief presented her with a dress of red material upon which there were shown many elks' teeth. It was a signal and particular honor which came to us through the adoption of my wife because of their appreciation of her. That was the last occasion upon which I saw that fine and stately old leader of his race.

I speak, therefore, with somewhat of personal sentiment with regard to the passing of this great man. I speak of him as a great man because he had in him such elements of leadership among his people as marked him as a statesman. His history has been written, and those of you who are interested can find it in a book entitled "American," written by Frank B. Linderman, a Montana author. It is one of the most interesting tales ever written about an American Indian. It traces back to the days when the Indians were living the tribal life of the buffalo days. It depicts his exploits as a warrior and a hunter. It shows him as the wise counsellor of his people when the white man came into his country. His life was in truth a symbol of the absorption of the American Indian into the citizenship of the United States. His was one of the finest characters I have ever known.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield the gentleman from Montana three additional minutes.

Mr. LEAVITT. Chief Plenty Coos was an orator of the first order. I have heard him on various occasions in councils I had the honor of attending when the affairs of his tribe were being discussed. He spoke, of course, through an interpreter, drawing his imagery from the mountains and from the sky, from the wind whispering through the grass. Always he was calling attention to the needs of his people, not speaking particularly about their wrongs, although it was plain to see that the injustice that had been too often meted out to the Indian race tugged at his heart. He was speaking about the future, about the things we ought to do for the children of the Indian race, and what they ought to do for themselves. He was speaking for the young men and young women, for the boys and for the girls; the opportunities they should have through education in our schools, the opportunities they should have through proper training in health and in access to good hospitals; the rights they had to their homes and lands, and the training they should have to enable them to produce the things they need for their welfare and for their health. These were the things that were always in the mind of Plenty Coos. His heart and voice were ever for the good of his people. When he came here to Washington representing them these were likewise the things he presented here. He pointed a way which his tribesmen will be proud to follow.

It is a matter of sincere regret to me to announce to you the passing of this supreme representative of the Indian race. He was a man of such caliber and such high character, and his service was so outstanding, that it is entirely fitting that the American Congress should pause for a moment to do him reverence. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, the adoption of the conference report on the Norris resolution by the House Tuesday and by the Senate Wednesday has prompted me to take the floor at this time in order to pay a tribute to a former colleague, a man who was not of my political faith, but who was my friend. I refer to Hays White, of Kansas, who went on a long, long journey about a year or year and a half ago.

When I entered the Sixty-eighth Congress one of the committees to which I was assigned was the Committee on the Election of President, Vice President, and Representatives in Congress. Hays White was chairman of this committee. He was cast, like a Viking, in a heroic mold, but behind his rough exterior there was an educated and cultured mind.

In the first session of the committee in which the Norris resolution was considered, in the course of the debate, he incidentally referred to something that had been said in debate in the Constitutional Convention. I looked at the old and seemingly unsophisticated gentleman and wondered what that rough plainsman knew about the debates out of which came our Federal Constitution, and at the first opportunity I made bold to interrogate him as ingeniously as I could with a view of ascertaining to what extent he was familiar with the proceedings of the convention that formulated our organic law. To my amazement and pleasure I found that he had an intimate knowledge of the proceedings and debates of the Constitutional Convention and of the political history of our Nation.

This was the beginning of a warm but rather unusual friendship. Some might think that our tastes were so different there would be little in common between us. But I was attracted by what he knew and by a sincere desire to learn something by my contact with him, though I was conscious of my inability to give much in return. Very frequently I met him at the close of a busy session and engaged him in conversation, to the end that I might draw from his storehouse of wisdom a little knowledge to add to my limited and none too generous stock of information.

He was familiar with the classics, and had a fair comprehension of the governmental philosophy of Solon, Lycurgus, Aristides, Pericles, Justinian, Calbert, Richelieu, Rousseau, John Locke, Peel, Pitt, Burke, Mill, Bentham, Adam Smith, and Charles James Fox; and he thoroughly understood the principles and policies of the men who made this Nation—Washington, Jefferson, Hamilton, Madison, Franklin, John Adams, the Pinckneys, John Dickinson, Roger Sherman, Gouverneur Morris, Robert Morris, George Mason, Pierce Butler, and other outstanding giants in our colonial, Revolutionary, and early constitutional history.

As a Member of this body and as chairman of the Committee on Election of President, Vice President, and Representatives in Congress, he labored with unfailing patience and with unremitting assiduity to bring about the submission of the so-called Norris "lame-duck" constitutional amendment.

Providence decreed that he should not live to see the consummation of his ardent hopes. Well advanced in years, broken by toil and the vicissitudes of fortune, weary and footsore, he turned aside from the caravan, sought the refreshing shade of the palm trees, and surrendered himself to the gentle embrace of sleep that in this finite life knows no waking.

He now abides in the marble palace of Valhalla, in the great Hall of Odin, in cloudless, sunlit, zephr-carressed, beatific Elysian fields, where stirless silence wooes sinless souls, celestial rapture is unbroken, and where manumitted spirits may taste the charms of Heaven, experience the humanly inconceivable and indescribable tranquillity of the Infinite, and enjoy the intoxicating reveries unknown to human ken.

If the spirits of just men are made perfect by the alchemy which attends that change of state that for the lack of a better term we call death; if the departed from their empyrean abode can look back through the nebulous zone that separates the finite from the infinite; if those with whom we touched elbows in this earth life; if those who walked with

us along life's crowded highway; if those kindred spirits who were bound to us as with hoops of steel; if those who were interested in our governmental institutions and who ably served their day and generation; if those who have crossed over the Great Divide and have been hidden from our sight by dipping horizons that set limits to death's tideless, waveless sea; if those who have passed into the silent land may still be interested in things terrestrial or in the perplexing problems of those who linger this side of the tomb, then methinks at this good hour the disembodied spirit of Hays White is quickened with unmeasurable exaltation and rejoices in the realization that his friends kept the faith, battled on, and contended earnestly for a principle and policy he considered wholesome and vital to our institutions if the concepts of our constitutional fathers are to be preserved.

Knowing Hays White as I did, and appreciating the admirable qualities of mind and heart with which a benign Providence had endowed him, I thought it not improper, following the adoption of the conference report on the Norris resolution, to halt the deliberations of this body for a few moments to pay a genuine and well-deserved tribute to a former colleague who believed in this resolution and industriously labored to bring about its submission.

Hays White, robust son of the great West, has gone the way of all the earth—down the long, long trail. He has paid the debt that all the sons and daughters of Adam owe to nature. The silver cord has been loosed, the golden bowl has been broken, the heartstrings have been palsied, and death has kissed the lips of my friend into eternal silence. After life's fitful fever he sleeps well. Peace to his ashes; rest to his soul. [Applause.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, it is my desire to talk on that part of the independent offices appropriation bill dealing with the appropriation for the Federal Trade Commission. I want to register a protest against the manner in which this particular appropriation has been cut. The original cut provided in the Budget on this particular item was 28 per cent, the highest cut made in any appropriation in all the figures of the Bureau of the Budget. Twenty-eight per cent is unusually high when we consider that the average reduction in the figures set out by the Bureau of the Budget is only 1.3 per cent. I realize as a new Member—I did not at first as I do now—that it is necessary that the Members accord to the decisions of the various committees a great deal of consideration. I have noticed that in the reports of the committees—the presumption is that those reports are correct—that what the committee has done has been arrived at after considerable study and consideration of all the facts; but I feel that in the case of the appropriation for the Federal Trade Commission the recommendation that has been made is not entitled to any such favorable consideration. I do not feel that the recommendation of the committee is entitled to any presumption in its favor. I shall tell why. In 1928 the Senate ordered two investigations and directed the Federal Trade Commission to proceed with them. The Senate called for an investigation of utilities in the United States and an investigation of the chain stores. Those investigations have been going on ever since. The utility investigation is probably the biggest and most important investigation ever undertaken by any governmental department or commission. When the Bureau of the Budget made its report it advised and recommended that the allotment made for those two investigations be stricken off altogether. That seemed particularly peculiar in view of the fact that this investigation has gone on for four years and that it is as vital a question to-day as it was in 1928, and after a million and three-quarters dollars has been expended upon the investigations and only about $400,000 was needed to finish them. It was strange that it should be dropped out at that particular point and the work go for nothing. About the time that the Budget figures came out it did not seem possible to some of us that the Appropriations Committee would accept any such recommendation striking from the work of the commission the most important thing that it has ever undertaken. I was astounded last Wednesday when the preliminary report on the bill came out from the Committee on Appropriations to find that the preliminary bill followed precisely the recommendations of the Budget Bureau. Before the bill came out I had heard for a number of days vicious and sinister rumors going around Washington to the effect that the Democrats and Republicans were both ready to scrap this particular investigation.

When that came out I immediately got in touch with some of my friends and they expressed themselves to me as feeling the same way about it. They said that they had heard these rumors. That was on Thursday morning. In the afternoon the bill was changed so as to provide that the cut should not come entirely out of these two investigations, but that out of the reduced appropriation of something like a million and a quarter, $300,000 was to be used to finish up the investigation of the utility question and the chain stores. I do not feel that that represents any study on the part of the Committee on Appropriations. I had hoped that they would stand on the original bill as they reported it out on Wednesday, because I felt certain in my own mind that I could easily have gotten enough Members on both sides of the aisle to have put back in the bill the amount necessary to finish up those two studies without crippling the general work of the commission.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. AMLIE. Yes.

Mr. ABERNETHY. Mr. Chairman, I am very much interested in the gentleman's discussion, because I am a member of the Committee on Appropriations. Of course, the gentleman understands that the committee is so well organized that we usually follow the lead of our subcommittees. Of necessity we have to do that, because individually we do not have time to make studies necessary as to the various questions. We have an onerous job, and we get a good deal of criticism. I am wondering if the gentleman will not talk this matter over with the gentleman from Virginia [Mr. WOODRUM], the chairman of the subcommittee, after he has made his speech, and his speech is a real contribution to the cause. I have talked with people who have the same views the gentleman has about this matter, and some I know very well, who are connected with the Federal Trade Commission. I, as one member of the Committee on Appropriations, am anxious that none of the activities of the Federal Trade Commission should be curtailed. But I have another duty on the other side, and I am trying to follow my leadership and cut where cuts can be made, sometimes to my own detriment and hurt. Talking seriously, not facetiously, I hope the gentleman will follow up his contribution with a conference on this matter with the subcommittee to see if we can not, before we get to a vote upon it, iron out these differences to the end that this great constructive bureau, the Federal Trade Commission, may carry on and do the work it has been doing.

Mr. SIMMONS. Mr. Chairman, will the gentleman from Wisconsin yield?

Mr. ABERNETHY. Will the gentleman first permit me to get through.

Mr. AMLIE. I hope the gentleman will help me get more time.

Mr. ABERNETHY. The gentleman will be able to get all the time he wants. I think I can get the time for the gentleman.

The gentleman is making a splendid speech and has struck an idea that has been running in my mind, and has really made an impression on me, whether he has on anybody else or not. I hope that will be some help to the gentleman. I want to learn more about this. I would like for the gentleman to give us all the light he can on this subject. I thank the gentleman for allowing me to interrupt him thus far.

Mr. AMLIE. I will be very happy to go over this matter with any member of the committee with whom I may have that privilege. I realize that the gentleman from North

Carolina [Mr. ABERNETHY] has stated a problem that confronts every member of the committee.

I shall digress here for a moment, on account of the remarks of the gentleman from North Carolina, and present a thought. The members of the Committee on Appropriations must choose between various departments the amounts that must be allotted to each. I am going to compare two departments that have grown up side by side. I am now referring to the Federal Trade Commission and the Bureau of Foreign Commerce in the Department of Commerce.

In 1920 the appropriation for each was approximately $1,000,000. The appropriation since Mr. Hoover took charge of the Department of Commerce in 1920 has gone up, until the average annual expenditure of that department was approximately $4,000,000 during the last five or six years. The past year it has been $5,000,000.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield to the gentleman from Wisconsin 10 additional minutes.

Mr. AMLIE. I mention this because the two departments represent a different approach, originating in a different philosophy of government. I might say to the gentlemen on the Democratic side of the Chamber that, in my opinion, the creation of the Federal Trade Commission has been perhaps the most constructive thing that they have done during the past 20 years. That was created upon the theory that I have heard expressed here dozens of times since this session of Congress began—the feeling that it is possible on the part of the Government to regulate unfair practices, to curb monopolistic tendencies on the part of great wealth, and to give the small business man a chance to prosper; to protect the consumer so that the law of supply and demand may work out and solve our difficulties.

On the other hand, there is the philosophy which feels that it is commerce that keeps everything going, and if we can simply keep commerce stimulated we are going to have prosperity as a direct and natural result. To that end we are spending now about $5,000,000 a year by maintaining commercial agents in foreign countries. I realize that the representatives of the Department of Commerce in foreign countries have a tremendous task on their hands. They have been trying to sell American goods in those countries, and they have been met with the fact that those countries have been unable to buy because they have been unable to sell their goods in the United States because of high protective tariff barriers.

The Department of Commerce found a way to get around that. They found if they could get these foreign countries to borrow money in the United States, and issue bonds, they could still keep commerce going. I am going to quote to you a statement from the annual report of the Department of Commerce of 1928, found on page 135:

> A record-breaking volume of foreign stocks and bonds was offered to the American investing public last year. This partly explains the increased use made of the store of information on the finances of foreign governments and corporations that is on file in the bureau. American underwriters of foreign securities are now turning to the finance and investment division in constantly growing numbers for data to guide them in foreign financial commitments.

Going on:

> The services of this division, from their nature, are not easily measured in dollars and cents. Though closely associated with important financial transactions, the division can take no active part in promoting them. It operates in a field where the greatest service is often rendered by furnishing detailed, accurate information not readily obtainable elsewhere.

Those are significant statements. That was in 1928. The Department of Commerce is taking credit for the fact that they got American investors to invest approximately $1,500,000,000 in South America. They are now catching up with this sort of work and the American investor realizes that if he takes the Department of Commerce at its own word, the Department of Commerce itself was responsible for leading those people to make investments upon which they have taken losses to-day, in South America alone, of $1,115,000,000. This is the department, the appropriation for which we have already passed, with a very minor cut. They are going to spend approximately $5,000,000. It has been approved. The Bureau of the Budget reduced this department only 8 per cent, whereas they have reduced the Federal Trade Commission by 28 per cent; figuring the 1931 deficiency through the completion of two separate investigations ordered by the Senate, the actual reduction is 34 per cent.

On the other hand, let us consider the type of work that has been done these many years by the Federal Trade Commission. I am going to mention the investigation of the Pittsburgh plus. That has been perhaps one of the most important investigations ever conducted by any department of the Government. The benefits of the Pittsburgh plus have accrued to the eastern sea coast. It has particularly benefited the Middle West and the Far West. The investigation of the Pittsburgh plus was initiated by the Federal Trade Commission. It was conducted over a number of years. Eight years ago, on the order of the Federal Trade Commission, the practice was abandoned.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield to the gentleman from Wisconsin 10 additional minutes.

Mr. AMLIE. As a result of the abandonment of the Pittsburgh-plus plan, through the activities of the Federal Trade Commission, there has been a saving to the people of the West and the Northwest, according to the statement of Mr. Howard, former president of the American Farm Bureau, of $30,000,000 a year. Certainly that was true on the basis of the prices of steel back in 1923 and 1924.

It is hard to calculate the importance of these measures. I want to mention another matter. Since they started the investigation of the utilities a couple of years ago, one change alone that has resulted from this investigation has been the abandonment on the part of the Electric Bond & Share Co., one of the largest holding companies in the utility business, of certain service charges to their subsidiaries, charged to the consumer as an operating expense. They have reduced their service fees in an amount of approximately $1,000,000 a year. Two other companies have made reductions in similar service charges aggregating approximately $1,000,000 a year, which have come about as a direct result of this important investigation. By abandoning these practices these companies have admitted that they were unjustified in the first instance. On this item alone the utility investigation has resulted in a saving to the patrons of these three companies of $2,000,000 a year.

That is a continuing matter. It may be argued that was not the result of the investigation, but I might say this Federal Trade Commission had a tremendously hard time in getting access to those figures. They were denied access to them by officials of the Electric Bond & Share Co., and this question is now in court, but at least this reduction is an actuality to-day.

I want to point to another very important result and reason why this investigation is very bitterly fought. The hearings on the public-utility question have demonstrated and given evidence of some very interesting cases of write ups. The testimony taken so far shows this: That the value of certain property bought by the Appalachian Power Co. was $72,000,000; that after it was purchased it was written up to $139,000,000; that is, $66,000,000 of fictitious value was written into this corporation and its securities foisted upon the American public. That is only one instance. There is another instance where property bought was written up to the extent of $55,000,000, or an increase over the actual value of 124 per cent.

Now, I will say this: Some States have very powerful rate commissions, such as Massachusetts, primarily, and Wisconsin. I could start on the other end of the line and work up, but perhaps I had better refrain. However, some States have virtually no protection of any kind in matters of this kind, so that an investigation of this kind becomes doubly important for that reason.

Investigation in regard to chain stores is equally important.

This body was originally created in 1904 under President Roosevelt's régime, when it was known as the Bureau of Corporations. Under President Wilson, in 1914, it became the Federal Trade Commission of to-day. It was this body that gathered together facts upon which all price-fixing during the World War was based. It is one of the most constructive departments in the Government. It is one of the few departments of the Government that is functioning in behalf of the consumer. It is perhaps the only body ever created by Congress that has remained entirely responsive to the wishes of Congress. This body has time and time again created executive departments and has made appropriations for them, and it has found that as soon as they have been created they are entirely outside of the control of Congress. But here is one body that has always been responsive to the wishes of Congress. It has had burdens thrust upon it.

At the last session of Congress the Senate thrust upon it two investigations and asked for reports by December 1, 1931. They went ahead, as they have done during the past 10 years and incurred expenses of approximately $70,000. They presented a deficiency to be included in the deficiency appropriation bill for $70,000, believing they could rely upon the orders of the Senate, but that matter has been disallowed, though the practice followed has been a matter of 10 years' standing.

It seems to me if there is anybody that this Congress ought to protect, particularly the Members on this side of the aisle, it is the Federal Trade Commission. It is the one body that is carrying out their philosophy of government. If you are ready to scuttle the Federal Trade Commission I have no further comment to make. There is nothing so closely allied to the Democratic conception and policy of government as is the work of the Federal Trade Commission.

If I might be pardoned for making a suggestion, it would seem to me it would only be poetic justice, on the basis of the accomplishments of these two bodies, if the $5,000,000 we are giving to the Department of Foreign Commerce, whose actions have caused us to lose $1,115,000,000 in investments in South America, were taken from that body and given to the Federal Trade Commission and the one million and a quarter given to the Federal Trade Commission given to the Department of Foreign Commerce. If that were done, it would seem to me, it would be but poetic justice.

Mr. BOYLAN. Will the gentleman yield?

Mr. AMLIE. Yes.

Mr. BOYLAN. The gentleman knows, of course, that the subcommittee did not reduce the Budget estimate in this case, does he not?

Mr. AMLIE. That is true.

Mr. BOYLAN. Not a single dollar.

Mr. AMLIE. The Federal Trade Commission itself reduced its budget over $105,000 before they presented their figures as against last year.

Mr. BOYLAN. But the subcommittee did not reduce the Budget estimate a single dollar.

Mr. AMLIE. They had taken the cut before they came to the subcommittee.

Mr. BOYLAN. They were given the entire amount recommended by the Budget.

Mr. AMLIE. If you intend to stand with the President and back of the Bureau of the Budget, I am sorry for the Democratic Party. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield myself five minutes.

Mr. Chairman, there was no purpose on the part of the subcommittee reporting this bill, or the full committee, to scuttle the Federal Trade Commission or even to hamper or in any way interfere with the two investigations to which the gentleman has made particular reference; that is, the chain-store investigation and the gas and utility investigation.

The Members of the House will recall the fact that at the last session of Congress in order to facilitate and complete the chain store and utility investigations the Congress itself added a sizable sum of money to the amount recommended by the Appropriations Committee, thereby emphasizing the special interest of Congress in these particular investigations. Now, what happened? The Federal Trade Commission instead of pursuing these investigations with the money that Congress had provided, diverted the money and diverted the personnel to investigations that were subsequently ordered by another body, thereby creating a deficit in their pay roll, which now confronts them, of some $70,000 for the remainder of this fiscal year, and retarding the particular investigations for which we specifically appropriated money.

There is no disposition to be other than perfectly fair with the Federal Trade Commission. It has been the policy that has heretofore been pursued by the commission that when another body would order investigations and provide no funds for the investigation, the Federal Trade Commission would make the investigations with such funds as they had, and, subsequently, get a deficiency appropriation to make it up. On this particular occasion the Bureau of the Budget refused to sanction their request for a deficiency appropriation of $70,000, and not only that but reduced their request for appropriations something over $400,000.

The subcommittee has brought the report of the Budget to the Congress. It is a matter for this House to pass on. We have no pride of authorship about it. We have no desire to unnecessarily hamper the Federal Trade Commission, but we do have this desire, and it shall be our purpose in whatever legislation may be passed here, to specifically earmark and set apart a definite sum that must be used to complete these particular investigations; otherwise, like Tennyson's proverbial brook, they run on and on and on forever, and any facts gathered or any studies made or any survey that might be presented to Congress on chain stores and utilities would be so antiquated and so out of date by the time it finally came to us that it would be of no value.

As I say, the matter is before the Congress for its consideration. The gentleman can offer his amendment and it can be considered by the committee. The gentleman will know that there has been a tacit understanding between the minority and majority members of the Appropriations Committee that in the interest of economy we will in no case go beyond the budgetary estimates. I do not mean to say this is such a hard-and-fast rule that the Appropriations Committee will not depart from it. So far it has not done so. We feel it is in the interest of good legislation and of safe legislation in these perilous times to adhere as closely as possible to the budgetary estimates, and wherever possible come under them. We did not reduce the Federal Trade Commission at all. We gave them just what the Budget estimated; and, in the consideration of this legislation here and in the Senate, if it appears proper to add to the fund allotted to them, then, of course, that will be done.

Mr. ABERNETHY. Will the gentleman yield for a question?

Mr. WOODRUM. Yes.

Mr. ABERNETHY. As I understand, the underlying purpose of the gentleman, as I caught it here and as I caught it in the Appropriations Committee, that you desire to earmark this appropriation so that if the other body adds investigations that provisions for the investigation should be made there. I want to sustain the gentleman; and, as I understand it, that is the underlying principle here.

Mr. WOODRUM. The underlying principle is exactly what the bill shows. We proposed out of the approximately $1,250,000 that we give the Federal Trade Commission at least $300,000 is to be used for the chain-store and utility investigations; and entirely aside from trying to scuttle the Federal Trade Commission, we were expressing our special interest in these particular investigations, and for that purpose earmarked the money.

Mr. ABERNETHY. I think the gentleman and myself understand each other, and I was trying to get at the purpose of the gentleman for the membership.

Mr. WOODRUM. I am perfectly willing to answer the gentleman if I can.

Mr. ABERNETHY. If I catch the purpose of the gentleman in making the statement, as I understand the gentleman's purpose, and that it is the intent of the Appropriations Committee, which is practically unanimous, that we do not want in any way to hamper the Federal Trade Commission, but we want the funds that are allocated for a specific purpose used for that purpose, and not diverted. Is not that the idea?

Mr. WOODRUM. That is exactly correct.

Mr. AMLIE. Is not this Federal Trade Commission a little different from other commissions? Is it not true that Congress has been making demands on it without regard to appropriations? The Federal Trade Commission is willing to follow the rule in good faith.

Mr. WOODRUM. I think the gentleman has correctly stated the situation.

Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, a man who is really a friend of another will not do that which will temporarily benefit him but which ultimately may ruin him. I am as good a friend to our Government employees as any man in Congress. I have backed them in every laudable undertaking they have espoused.

There have been some instances when they have made demands which I deemed unwise and I could not support. In the case of the LaGuardia amendment it ought to be thoroughly understood that there was nothing in the committee proposal he caused to be stricken out that reduced the salary of any employee of this Government. It merely sought to prevent increases of salary during this depression.

I am a friend of the postal employees. I have helped my friend the gentleman from Pennsylvania [Mr. KELLY] provide for them all the way down the line. But we will not benefit these men by now increasing their salaries in this time of depression, which the LaGuardia amendment will do, when we are getting complaints from everybody else in our district that they are getting already more than other people and more than the other people think they are entitled to. Was not that a proper provision for the Appropriations Committee to put in the bill that no salaries should be increased; and was not it a provision that the majority could expect the minority to support? And yet on a committee proposition of that kind to prevent salary increases you found, on the LaGuardia amendment to strike out the provision, all of the Republican leaders absent.

There is no Republican leader for whom I have a more profound respect and regard than the gentleman from Connecticut [Mr. TILSON]. It so happened that he could not be here until after the vote was taken, so his vote does not count. Our friend from New York [Mr. SNELL] is a great leader of the Republicans—he could not lead Democrats anywhere—but he is a great Republican leader. He had to be absent. He could not vote to stop salary increases. There was a time when the gentleman from Indiana [Mr. WOOD] was the great economist of the Nation; he fought a man's fight against extravagance and waste and was for economy. He could not be here to-day. He could not vote to stop salary increases. And so we found Mr. ARENTZ, of Nevada, voting against economy, and he voted to permit salary increases. Then there was Doctor SUMMERS, of Washington. He did not vote in favor of economy. He voted for salary increases. And the gentleman from Michigan [Mr. MAPES], upon whom we have always expected a certain reliance to uphold the Government and back up the present effort to balance the Budget, he voted for salary increases. And Mr. DARROW, of Pennsylvania, the former great power on the Republican steering committee, he voted to permit salary increases in this terrible depression, when 7,000,000 heads of families are out of jobs.

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes; certainly, to my friend.

Mr. SUMMERS of Washington. The gentleman will recall that I made a strenuous fight here two or three weeks ago to try to save some of these needless expenditures, and got very little support at that time.

Mr. BLANTON. Oh, yes.

Mr. SUMMERS of Washington. I think that would be more important than the matter under consideration.

Mr. BLANTON. I am talking about to-day's action, where it was put right up to us, whether we would vote for economy in behalf of all the people or vote for salary raises and something more for the Government employees. Have we not been good to these employees? The people at home are just beginning to find out all Congress has done for these Government employees. They get 30 days' vacation every year on full pay. They get 30 days' additional sick leave on full pay, and most of them take it. They can get doctors' certificates, and they take it. That amounts to 60 days all together. Then they get all of the numerous Government holidays and they get a half holiday every Saturday. They get their salaries paid twice a month regularly. There is no doubt about their salaries. There is doubt about the income of the people at home, but the Government clerks are paid twice a month regularly. They get retirement privileges and are not dreading the future. They work seven hours a day. They have every kind of convenience and safeguard placed around them in the comfortable places where they work. We have been kind to them. We have not proposed to reduce them. We merely propose that they should not have a raise right now.

I have been checking on what the Classification Board did. An appropriation bill is going to be reported in here in a few days having to do with an activity where in one bureau of a department they took a bunch of employees and designated them heads of 19 divisions in one bureau. By doing that, 19 of them in one bureau automatically were raised from around $2,200 a year clerks to $5,600 to $7,500 heads of divisions. Think of it! And all of them were given automobiles, and some of them were given chauffeurs at Government expense to drive them. Are the people going to stand for that much longer? They are waking up. They know what is going on.

I called attention to the fact that down here in the Department of Commerce one of the most important bureaus is the Bureau of Domestic and Foreign Commerce. The man at the head of that bureau ought to know everything about the business of the Department of Commerce. Yet last July they took a man whose only connection with the Department of Commerce was back in 1924, when he was a $2,200 secretary, who had not had any experience with the Department of Commerce since, and put him in there at the head of this Bureau of Foreign and Domestic Commerce at a salary of $9,000 a year. And he had to ask clerks all around him what it is all about. We are going to have to repeal that classification act. The people are not going to stand for this any longer, they are getting tired of it. Write your merchants back home, write your home clerks in banks, in stores, in offices, and ask them if they are satisfied with what the Government employees are getting, and they will tell you that they are getting too much consideration. When I vote to give Government employees more than the people are going to stand for I am not their friend, I am not doing them a kindness. I am doing them some harm, because the time will come when the people will decide they are getting too much, and the pendulum will swing back, and they will have taken away from them some of that to which they are justly entitled.

To my surprise, complaints have come to me in the last three weeks from numerous merchants here in Washington about the failure of Government employees to pay their accounts. Some of the finest people on God's earth are Government employees. I know many of them who have no peers anywhere. Ought a great body of honest, deserving Government employees to have their reputations damaged because certain Government employees will not pay their accounts? They have been sending me a list of the ones who will not pay anything they owe, and who defy these merchants, and tell the merchants to go and make a complaint to their chief, that he will not pay any attention to

it; that he will tell them that the Government is not a collection agency. Of course, they will tell them it is a rule that if they do not pay they will be fired, but they do not pay any attention to that.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SIMMONS. The Post Office Department has been quite strict in enforcing that rule against rural mail carriers who do not pay their bills. Does the gentleman mean to say that it is not enforced here in Washington in the same way?

Mr. BLANTON. No; it is not. I hope the Washington newspapers will mention this. I have a bunch of complaints with the names and the addresses of the Government employees who buy indiscriminately and promiscuously and who get good salaries, and yet they will not pay their bills and defy the merchants.

It is not a disgrace for a person to refuse to pay a debt that he can not pay. But when a person with proper self-denial could pay what he owes, and refuses to pay, he is dishonest, and the Government ought to drop him.

Mr. FOSS. Why does not the gentleman put those names in the RECORD?

Mr. BLANTON. Oh, not yet. I am going to give them a chance, and give them this notice, and if they do not make proper arrangements to pay what they owe to Washington merchants I am going to let the Congress know their names and addresses and what they owe and how long they have owed it, and take steps to have them dropped. And I will also take steps to have their chiefs dropped, who have been disregarding the regulations mentioned by my friend from Nebraska [Mr. SIMMONS], which require employees who willfully refuse to pay honest debts to be dropped from the Government service.

A person who with economy and self-denial could pay what he owes to merchants but who refuses to pay and has no concern about about paying is a deadbeat. No person working for this Government who is getting a good salary and who by economy and thrift can pay his bills has any business owing the merchants of Washington. If the newspapers will just call their attention to it, I am going to wait a while, as I am collecting a list of them, and if they do not arrange to pay up I intend to take some action to drop them from the service, and I am going to demand of the bureau chiefs that they obey the law and that they drop them from the list, if they do not pay their accounts. It is a disgrace to the Government of the United States to have deadbeats working in the departments.

Mr. ABERNETHY. Will the gentleman yield for a question?

Mr. BLANTON. Certainly, because the gentleman always throws light on every subject.

Mr. ABERNETHY. I am a friend of the postal employee and have always stood by them, and the gentleman knows that what I am saying is a fact. The policy that our committee outlined is in the interest of the postal employees. The sooner those lobbyists who represent them around Washington find that out and quit this eternal drive on Congress, the better off the postal employees will be.

Mr. CABLE. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. CABLE. The gentleman from Texas is one of the greatest money savers this House has ever had. During the last few days of the Seventy-first Congress you saved millions of dollars of the people's money. The second best is the gentleman from Nevada [Mr. ARENTZ]; but I rise to ask this question: Does the gentleman from Texas not believe it is the duty of Members of Congress to attempt to conserve the taxpayers' money by cutting the salaries and expenses of the legislative body?

Mr. BLANTON. Certainly, I do; and I will help the gentleman do it. We would not hesitate for a minute to vote that way.

Mr. BLACK. I would take about five minutes.

Mr. BLANTON. No. If the matter came to a vote, the gentleman from New York would do just like the gentleman from Nevada, Mr. ARENTZ, the gentleman from Montana, Mr. LEAVITT, the gentleman from New York, Mr. FISH, the gentleman from Washington, Doctor SUMMERS, the gentleman from Michigan, Mr. MAPES, and all these other gentlemen did this morning. He would vote right now.

Mr. BLACK. No. I promise the gentleman I will make a $10,000 masterpiece against it.

Mr. BLANTON. When there are men down here drawing salaries of from $15,000 to $50,000 a year and doing only a few hours' work per day occasionally for the Government, we will not save very much after we cut the salary of a Congressman. What the people want us to do is to cut all salaries above $3,000. Then we would save money and reduce expenses. But voting for the LaGuardia amendment this morning increases the salaries of certain employees.

We ought to reduce every appropriation bill that is brought in here and cut them to the bone.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I yield myself two additional minutes.

Mr. BLACK. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from New York, who is the only man who is ever able to put any spice in debate. I yield to him.

Mr. BLACK. Does not the gentleman realize that if it were not for prohibition we would not have to decrease any salaries?

Mr. BLANTON. If the gentleman will listen in on the Columbia Broadcasting system to-night at 10 o'clock in its coast-to-coast hook-up, he will hear what I have to say about prohibition.

Mr. MILLARD. Will the gentleman yield?

Mr. BLANTON. Certainly, I yield.

Mr. MILLARD. The gentleman has not mentioned the fact that the majority leader was not present this morning.

Mr. BLANTON. Oh, he, with Mr. CRISP and Mr. SANDERS, and others, was working on the tax bill in the Committee on Ways and Means, doing the most valuable service that a man can do for his country, trying to balance the Budget.

Mr. MILLARD. But the gentleman admits that he was in the building. Is that right?

Mr. BLANTON. Oh, he was in the Ways and Means Committee room, engrossed in the problem of raising revenue to balance the Budget.

Mr. MILLARD. I thank the gentleman very much.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, ladies and gentlemen of the committee, as you know there was a very general onslaught to cut the salaries of postal employees, not only the salaries of the postal employees but the salaries of everybody else. Under the leadership of our matchless chairman we brought out a proposition that was fair to everybody, which met the situation and was generally satisfactory. I want to say it is to the eternal credit of the gentleman from Michigan [Mr. MICHENER] that he stood up, as I stood up, against the onslaught on the Appropriations Committee's proposal. I have rendered a better service to the postal employees when I agreed with the leadership on both sides that we would have no increases in salaries and no promotions, which leaves the matter in a splendid position for the postal employees.

I want to suggest to the postal employees, and I am their sincere friend, the part of wisdom is for them to stand by the unanimous action of the Appropriations Committee. Is not that so, Mr. MICHENER?

Mr. MICHENER. Yes.

Mr. WASON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman and members of the committee, I have been requested by a representative of the Daughters of the American Revolution to seek to have included in the CONGRESSIONAL RECORD a recent, very able speech by Norman Sommerville, the distinguished Crown counsel of Canada, before the Women's Patriotic Conference at Washington, held on February 1, 1932, in which he gave a most

interesting and instructive address on the prosecution of eight of the leading communists in Canada. I wrote him and asked if he would send me a copy of that address. I have looked it over and believe it to be a most valuable document which should be carefully read by Members of Congress, Federal and State officials, and the American public, being filled with many facts in regard to communist activities and propaganda in Canada which were not developed in the investigation of communism by the House committee. So with that explanation I ask unanimous consent that the speech made by Mr. Sommerville, Crown counsel of Canada, here in Washington last month, together with his letter of transmittal, be incorporated as a part of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

NORMAN SOMMERVILLE & CO.,
Toronto, March 3, 1932.

MY DEAR MR. FISH: I have your letter of recent date asking for a copy of the address which I delivered at Washington. I am inclosing a copy of the same herewith.

You will be interested to know that since the address was delivered the court of appeals, by unanimous judgment, sustained the conviction of the eight communists. The chief justice wrote a very strong judgment, indicting the unlawful character of the Communist Party, and proving it from the documents which are admittedly the basis of communist activities in all countries. We are having several thousand copies of that portion of the judgment relating to the unlawful character and objects of the organization printed. They will be ready for distribution within the next day or so, and I shall take the liberty of forwarding a copy to you then.

I shall be interested to know if you succeeded in getting the address read into the CONGRESSIONAL RECORD.

The effect of the judgment of the court of appeal is that mere membership in the Communist Party constitutes a crime and renders members liable to imprisonment for 20 years and to deportation. This very pregnant fact is now sinking into the membership in Canada, and we find a very great falling off in their activities.

In the meantime other proceedings are pending in several other Provinces, and the results will undoubtedly be the same as in the Province of Ontario.

I should be very glad to have any CONGRESSIONAL RECORDS containing the addresses which you have delivered to Congress in respect of this subject.

If there is any further information which I can give you in connection with this matter, I shall be very pleased to have you write me.

Wishing you every success in your splendid efforts for the orderly development of government in the United States, I am,

Yours very sincerely,

NORMAN SOMMERVILLE.

HAMILTON FISH, Jr.,
House of Representatives, Washington, D. C., U. S. A.

ADDRESS OF NORMAN SOMMERVILLE, K. C., OF TORONTO, ONTARIO, CANADA, BEFORE WOMEN'S PATRIOTIC CONFERENCE, WASHINGTON, D. C., FEBRUARY 1, 1932

Madam Chairman, distinguished guests, and friends, I say "friends" advisedly, for was there ever given to the world a more divine expression of friendliness than that which exists between your people and mine. It should always be so since our common differences are so superficial and our common interests so fundamental. We are, indeed, the joint keepers of the friendly frontier. That is America's greatest contribution to war-worn old Europe.

Looking at the program of the proposed activities of your conference one observes that there are to be many addresses delivered to you. Perhaps that little English lad was not far astray when he wrote upon an examination paper in answer to the question, "What is America?" "America is a land where they put people to death by elocution."

These are the days when there are many demands for addresses for banquets, service clubs, conventions, and associations. Out of these demands it was a real pleasure to accept your invitation to come to you, to address you in this Capital City. One summer I sojourned with my family in the north of Scotland. While motoring one afternoon up Glen Urquhart, away up the glen where it joins Glen Afric, we came upon an old Presbyterian kirk in the course of repair. We began to question the workmen about it, and we learned that this old kirk of the glen had fallen into such a terrible condition of disrepair that even the congregation became thoroughly ashamed of it. They decided that a collection should be taken up for the restoration of the kirk. The oldest member of the session, McTavish by name, was chosen to take the collection. He started out on Monday morning to cover the cottages in the glen, and he was coming down the mountain road on Tuesday afternoon. With his unsteady step he was taking the whole of the road. He came to a turn in the road and suddenly found himself face to face with his minister.

Straightening himself up as well as his condition would permit, he looked at the minister and the minister looked at him. Finally the minister sensed the situation and said, "McTavish, I'm afeerd you're the worse for liquor." "I am," said McTavish. "Weel, McTavish, do you not think it is a disgrace to be the worse for liquor when you are on the business of the congregation?" "No," said McTavish, "I blame it on the congregation." "Weel, how is that?" asked the minister. "You asked me to take a collection," said McTavish, "and every house I have visited has given me a wee drap, and I feel I ha' taken o'ermuch." The minister heatedly replied, "McTavish, that's a slander on my congregation to say that every home in my congregation has liquor in it." "Oh, no," said McTavish, "I didna' say that; there are some that have no got it. I'm not callin' on them. I'm writin' to them!"

And so, my friends, I am not writing to you. I'm calling on you.

I came to you so that we might discuss a matter of mutual interest—the common enemy that is in our midst, the Communist Party.

Canada believes that Soviet Russia is the common enemy of humanity; that the principles and practices of that nation would, if not curbed, destroy the finest achievements of mankind in the home, the church, and the state. Canada believes that the civilized nations of the world should treat Russia as it would any other outlaw. Russia could not survive a world aroused. Canada has used against this enemy the three weapons under her control—political, commercial, and judicial.

Politically our nation has refused to recognize or to hold political intercourse of any kind with the Union of Socialist Soviet Republics.

Through its control over trade and commerce, Canada has prohibited all commercial intercourse with Russia. We will not help to build up the trade of such an enemy to humanity. The temporary advantage seldom justifies the permanent injury. To strengthen such an enemy at this time is to invite a contest with a giant later.

The third weapon we used was that provided by the criminal code. Aroused by the increased activity of the past year, it was decided to have the Communist Party of Canada put on trial as an unlawful association.

For this purpose it was decided to proceed upon an act passed in Canada some years ago known as section 98 of the Criminal Code, which declares, in effect:

I. That any organization which "teaches, advocates, advises, or defends the use of force, violence, or physical injury for the purpose of bringing about governmental, industrial, or economic change" is an unlawful association.

II. That any person who is (i) a member or (ii) an officer of such an unlawful association is guilty of an offense and liable to 20 years' imprisonment.

This act provides a very simple method of proving membership, and membership in such an association now forms a ground for deportation from Canada.

Having completed all arrangements to proceed under this section, simultaneous raids and arrests took place at many points in Canada. The eight leaders of the party were brought to trial last November. Each of them was convicted and each was sentenced to five years' imprisonment. Communists believe in the 5-year plan—so do we, as a punishment. At the end of the five years each is to get his severest punishment, namely, deportation to the land of his origin. The verdict was a blow to communism throughout Canada. It was so recognized as a very severe blow to communism in other lands, since it was feared that this treatment might spread to other lands. A frantic appeal for help was made to Moscow. The following cable was sent to the International Red Aid in Berlin, Germany, through which Moscow communicates with the rest of the communist world, by the national executive committee of the Canadian Labour Defence League, a branch of the Communist Party:

[From The Worker, Saturday, November 21, 1931]

"Workers and farmers of Canada are faced with severe growing reaction. Communist Party outlawed, leaders jailed for five years, setting precedent for parliamentary countries. Workers of the world must help. Need $10,000 to carry on defense."

CANADIAN LABOUR DEFENCE LEAGUE.

An appeal was launched, apparently funds were provided, and during January the appeal was argued before the appellate division of the Supreme Court of Ontario. Judgment was reserved by the five judges hearing the appeal, but it is expected that judgment on the appeal will be delivered at the beginning of February.

[Judgment has since been delivered, on the 19th of February, 1932, dismissing the appeal and confirming the convictions. There being no further appeal from an unanimous judgment, the eight communists have been transported to Kingston Penitentiary to serve their terms.]

SOME SIGNIFICANT FACTS ABOUT THE TRIAL

I. The trial was by jury, practically chosen by the communists themselves. They challenged 80 jurors, and the jury finally selected consisted almost exclusively of workingmen, from whom the communists apparently hoped to get a favorable verdict. But labor, organized labor, has always been the greatest bulwark against the fallacious half truths of communism, and has steadfastly refused to adopt it. We hasten to acknowledge our gratitude

to labor for its efforts on behalf of the state. Labor knows that communism means loss of liberty to every workingman. The verdict of the jury was the verdict of the workingman on the program of the communists, when properly explained to him.

II. The evidence on which the communist leaders were convicted was furnished entirely by the Communist Party itself. We did not rely on the flamboyant utterances of some enthusiast, nor seek a conviction on the speeches of some irreconcilable radical. Every material statement placed in evidence came from a document found in the possession of the accused, which was issued either by the Communist Party of Canada, at Toronto, or by the Communists International, at Moscow. Not a single document was disputed. Not a single quotation was denied. The evidence was therefore unassailable. Secret books, documents, and papers issued by Moscow are frequently declared to be forgeries when they are disclosed to the public. These documents, being found in the possession of the accused, could not be denied, but were, in fact, identified, and their contents indorsed by the very accused themselves. Unassailable evidence never before disclosed is therefore available to all who are interested in the program and tactics of the Communist Party throughout the world.

III. One of the most interesting sidelights of the trial was the disclosure of the activities of the Royal Canadian Mounted Police. Sergt. John Leopold, who had enlisted in that force for service overseas, was assigned for duty in Canada watching the activities of the International Workers of the World (I. W. W.), who at that time were spreading sedition among the foreign and radical elements in western Canada. While thus engaged, he was invited to join the Communist Party of Canada in 1921. For seven years he served as an officer in the Communist Party. He lived those seven long years in the shadows, while doing his duty to his country, in following the developments of communism in Canada. So well did he perform his duties that when he was sent to jail for assisting them in their demonstrations, he did not disclose his real identity. Indeed, so well did he discharge his duties as an officer of the Communist Party that, when after six years, he was accused on the floor of the national convention of being a representative of the government, he was defended so ably by his confrères that a vote of confidence was given to him, and he was elected assistant secretary to write the minutes of the whole convention. One year later he was betrayed by one whom he had befriended, and he was expelled from the party he had served so well. Such is gratitude! His devotion to duty, extremely tedious and difficult duty, for seven long years has added luster to the splendid traditions of the Royal Canadian Mounted Police. "The mounties always get their man" is a saying that has a greater significance through the magnificent service of this cultured man who never ceased to be a gentleman. None will admit this more readily than his erstwhile comrades in communism.

IV. The trial was not an attack on freedom of speech, or liberty of action. Ours is a land of free institutions, freedom of speech, freedom of the press, and freedom of action to every man who will use these institutions, but not to those who abuse them. The abuse of freedom is lawlessness. Freedom demands that the rights of others be respected. Freedom of action is safeguarded so long as that freedom does not infringe on the rights of others. I am free to use that arm in all legitimate effort, but when I direct it to an assault on another it ceases to be freedom. It becomes a wrong. Freedom of speech is the proudest heritage of every Anglo-Saxon so long as that speech does not destroy the rights of others. There can be no freedom, however, where there is abuse of liberty or its privileges.

One of the fundamental rights of every individual is the right of self-preservation. In every legal system self-defense is acknowledged as the right of man. As with men so with the state. One of the fundamental obligations of every state is its duty to preserve itself against these attacks, as well from the traitor within its gates as from the enemy without its borders. It is the solemn duty of the state to prevent and suppress lawlessness and to punish those who abuse its liberty by acts or utterances that tend to corrupt public morals, incite to crime, or disturb the public peace. Teachings and practices which imperil the very state itself should not be permitted in any free land. It is entirely wrong, therefore, to say that when the overthrow of government by rebellion and civil war is being advocated the suppression of such practices is an attack upon liberty. When force or violence, in these days, takes the place of considered judgment and enlightened legislation then, indeed, "government of the people, by the people, and for the people" shall perish from the earth. The suppression of violence is not an attack upon but the very salvation of liberty.

WHAT THE TRIAL DISCLOSED

The trial disclosed that in the year 1919 three men arrived in America to organize Communist Parties in Canada, the United States, and Mexico. These men were all foreigners; one was Katayama, a Jap, still an active member of the Præsidium, in Moscow; the second was a man named Jensen, from Latvia. He later adopted the name of Scott, and was assigned to work in Canada. The third man was named Freina, and was from Russia.

These men came with a Russian mandate to establish Communist Parties in America. They had a Russian program, and they brought with them Russian gold to the extent of $60,000. A second installment of $30,000 was intrusted to a courier for delivery to them, but the courier and the money disappeared in Mexico. They constituted the Pan American council. This was Moscow's first mission to America. Never before in history had one nation deliberately sent out its emissaries to bring about civil war and revolution in another great nation. We believe that was an act of war as deliberate as if they had openly fired upon our flag. Russia has persisted in her war upon other lands ever since by these same methods, so that to-day in 57 countries of the world great parties have been established who owe allegiance to Russia rather than to their native lands and who deliberately plan the forcible overthrow of their own governments.

The party was formed in Canada in May, 1921, under the direction of Scott, one of the trio direct from Moscow. Because of its revolutionary objects, it was created as an illegal or underground organization. The first issue of The Communist, the official organ of the party, in June, 1921, contains some very illuminating statements as to the origin, objects, and tactics of the party in Canada. You will observe that it adopts the program of the Communist Party of the United States with slight variations, and you get from these quotations a fair estimate of the aims and objects of the Communist Party of the United States. It remained underground until 1924 and made little progress while working illegally. In 1924, on orders from Moscow, it came aboveground.

These are extracts from the report of the constituent convention of the Communist Party of Canada, May, 1921.

[From page 165 of evidence from Exhibit 28, The Communist, of June, 1921, article entitled "Report of the Constituent Convention."]

"In accordance with the mandate of the Pan American council, the Third International, to bring about the formation of the Communist Party of Canada, the United Communist Party and other Canadian groups met in constituent convention to take the first steps in the preparation of the proletariat in this country for the realization of its dictatorship. The place and fashion of meeting, underground and illegal in themselves, denote the great change that the imperialist way and the Russian revolution have wrought in the conditions in the class struggle, even in backward Canada. 'Rat hole,' as that law-abiding old spinster, the S. L. P., would sneer, but extremely efficient under the changed circumstances, nevertheless. The convention was called to order by a representative of the Pan American council, who acted as chairman."

[From page 166 of evidence; same reference as on preceding page]

"The program submitted was, with certain eliminations of specifically American matter and certain additions to apply to the Canadian situation, that of the Communist Party of America. It was an excellent document, largely written by Marx, Lenin, Zinoviev, and Radek, a neat digest of the theses of the second congress and the manifesto of the first.

"Then follows the formal acceptance of the 21 conditions for admission to the Communist International.

"The result of the constituent convention is the organization of the vanguard of the Canadian working class into the Communist Party of Canada. Section of the communist international with a program of mass action as the vital form of proletarian activity, armed insurrection, civil war as the decisive, final form of mass action for the destruction of the capitalist state, proletarian dictatorship in the form of soviet power as the lever of the communist reconstruction of society. And now, comrades, there is tremendous work before us."

[From page 167 of evidence; same reference as on page 11]

"The revolutionary epoch upon which we have now entered forces upon the proletariat the application of militant methods, namely, mass action, which leads to direct collision with the bourgeois state, developing into armed insurrection and civil war."

Mass action consists of mass demonstrations and mass strikes.

[From page 168 of evidence; same reference as on page 11]

"As these strikes grow in number and intensity they acquire political character by coming into collision and open combat with the capitalist state which openly employs all its machinery to break the strikes and crush the workers' organizations. This culminates in armed insurrection and civil war aimed directly at the destruction of the capitalist state and the establishment of the proletarian dictatorship."

[From page 169 of evidence; same reference as on page 11]

"The successful establishment of the Soviet Republics led by the Russian Soviet Republic is an inspiration to the proletarians of the world to rise and destroy the dictatorship of the bourgeoisie of the world.

"The Communist Party of Canada, Section of the Third International, assembled in its constituent convention in May, 1921, indorses and adopts unanimously on roll-call vote the 21 points for affiliation with the Communist International as binding upon all delegates present and for its entire membership without any reservations."

[From page 170 of evidence; same reference as on page 11]

"SEC. 2. It is the organization of the revolutionary vanguard of the proletariat. Its purpose is to educate, direct, and lead the working class of Canada for the conquest of political power, to destroy the bourgeois state machinery, to establish the dictatorship of the proletariat in the form of soviet power, to abolish the capitalist system, and to introduce the communist society.

"SEC. 1. Every person who accepts the principles and tactics of the Communist Party of Canada and the Communist International, who submits to the party discipline and agrees to engage actively in the party work, shall be eligible to membership."

This was the party's charter. By it must the party be judged. It can not complain of its own declarations.

The name chosen was the Communist Party of Canada, Section of Communist International. It was not an independent party with aims and objects suited only to the needs of Canada, but it was a section of Communist International, part and parcel of the whole.

You will observe that it had a Russian chairman, Russian money, Russian mandate, Russian program, with a truly Russian conception. It was born out of the Russian revolution; it carried the very breath of revolution in it. It was not a mere historical conception of revolution but a present actuality. It was the reflection of the experience through which Russia had passed and a statement of the means by which Canada must follow in Russia's footsteps.

Every Communist Party must adopt the same program in every country, otherwise it will not be accepted by communist international.

The statutes and theses of the communist international are binding upon every single member of the Communist Party throughout the world. The evidence disclosed that the parties in Canada and the United States accepted fully the theses and statutes of the second congress as the basis of their activity. These statutes have already been judicially considered by the courts of appeal in two of the Provinces of Canada, and it has been unanimously adjudged in each that the statements and principles declared and advocated in these states are extremely seditious according to the common law, which is at the foundation of the jurisprudence of North America. They would doubtless be equally seditious according to your common law.

You will observe from the charter from which I have quoted that the Communist Party is determined to establish "the dictatorship of the proletariat." Now, what does that mean? Well, proletariat means "wage earner who has no property." The bourgeoisie are all the rest of the people. It is, then, the dictatorship of the propertyless over all the rest of the people.

Let us look at the Moscow documents as to the nature of this dictatorship.

[From page 317 of Evidence, Exhibit 68, Program of Communist International, 1929]

"The conquest of power by the proletariat does not mean peacefully 'capturing' the ready-made bourgeois state machinery by means of a parliamentary majority. * * * The conquest of power by the proletariat is the violent overthrow of bourgeois power, the destruction of the capitalist state apparatus (bourgeois armies, police, bureaucractic hierarchy, the judiciary, parliaments, etc.) and substituting in its place new organs of proletarian power to serve primarily as instruments for the suppression of the exploiters."

[From page 659 of evidence Exhibit 103, theses and statutes of Communist International as adopted at the Second World Congress, July 17, to August 7, 1920]

"Only a violent defeat of the bourgeois, the confiscation of his property, the annihilation of the entire bourgeois government apparatus, from top to bottom, parliamentary, juridical, military, bureaucratic, administrative, municipal, etc., up to the individual exile or interment of the most stubborn and dangerous exploiters, the establishment of a strict control over them for the repressing of all inevitable attempts at resistance and restoration of capitalistic slavery—only such measures will be able to guarantee the complete submission of the whole class of exploiters."

[From page 659 of evidence, same reference as above]

"Therefore, the preparation of the dictatorship of the proletariat must be begun immediately and in all places by means of the following method, among others (Nuclei, etc.)."

[From page 287 of evidence, Exhibit 60, Sixth Congress Training Materials]

"But the overthrow of capitalism is impossible without force, without armed uprising, and proletarian wars against the bourgeoisie."

[From page 230 of evidence, Exhibit 43, syllabus of course of study of Marxism and Leninism, under cover of letter N/7804/10, sent from Moscow, 1927, "To the Agitprop department of all parties"]

"Smashing the bourgeois state: The proletariat can not simply take over the bourgeois state machine, and get it going for its own purpose. It must destroy it to its foundation and build up its own state machine."

[From pages 666 and 667 of evidence, Exhibit 103, theses and statutes of Communist International as adopted at the Second World Congress, July 17 to August 7, 1920]

"The working class can not achieve the victory over the bourgeoisie by means of the general strike alone, and by the policy of folded arms. The proletariat must resort to an armed uprising. Having understood this, one realizes that an organized political party is absolutely essential, and that shapeless labor organizations will not suffice. The revolutionary syndicalists frequently advance the idea of the great importance of a determined revolutionary minority. The Communist Party is just such a determined minority of the working class, which is ready to act, which has a program, and strives to organize the masses for the struggle."

[From page 365 of evidence, Exhibit 95, A B C of Communism]

"The proletariat realize their dictatorship through the conquest of the power of the state. But what is meant by the 'conquest of the power of the state?' Many people believe that it is a very simple thing to deprive the bourgeoisie of power. This view is quite erroneous, and a little consideration will enable us to ascertain where the error lies."

[From page 365 of evidence, Exhibit 95, A B C of Communism]

"When the proletariat fight to acquire power, against what do they fight? Against the bourgeois organization in the first place. When they fight this organization their problem consists in finding that part of their enemy's defenses where their blows will take most effect. But as the chief power of the state lies in the army, it is necessary, above all things, to undermine and destroy the army in order to overcome the bourgeoisie. * * * As long as the army of your opponent is intact, the revolution can not succeed. When the revolution conquers, the army of the bourgeoisie falls to pieces. * * * The army which marches against the workers at the order of the generals of the bourgeoisie must be destroyed, even if the last of our countrymen are killed in the process. The revolution means death to them in any case. We have therefore nothing to fear from the destruction of the bourgeois army; and a revolutionary must account it a gain to have destroyed the state apparatus of the bourgeoisie. Where the bourgeois discipline is sound the bourgeoisie are invincible. Those who really want to overthrow the bourgeoisie must not shrink from inflicting a little pain."

[From page 190 of evidence Exhibit 32, copy of The Worker of Saturday, October 18, 1924]

"The Russian revolution has taught the working class militants of the world, and we are proud to accept the leadership of the Bolsheviks. Bolshevism has taught us what the conquest of power is like, has taught us how to link up the struggles of the eastern peoples with those of the western proletariat, how to unite the farmers with the workers against the common capitalist enemy, how to work out the economic policy of socialism, how to fight bureaucracy, and build the soviet state. They have taught us that the class struggle is civil war and that the only real workers' government is the Soviet Government. They have taught us Leninism—that, in the words of the great leader, 'We want not hysterical outbursts but the regular march of the iron battalions of the proletariat.'"

Such is their own definition of the dictatorship which communists are striving to establish in our land in our day. There is not a word of liberty in it for anyone. Not even for the dictators, the workers themselves. In all the documents seized there is not a word of liberty for anyone. It is all domination, discipline, cruel and ruthless destruction. These things shall not be in this free democracy of the west.

This month we celebrate with you the birth of one of the great characters of all history. That Virginian gentleman who, filled with a Briton's love of freedom, defied a German king, upon England's throne, because he was a dictator, has declared that for all time men here shall be free. That declaration is our heritage, too. This Nation, born out of a dictatorship, if true to itself, will always defy the dictator. For us there shall be no dictator, neither of the rich nor of the poor, the bourgeoisie or the proletariat, but all shall be free to assist in developing and expanding that liberty for which our fathers and our brothers have fought.

But still some people will say, "Russia may have a revolution, but you can never have such violence in an enlightened country like the United States of America."

Well, let us see what the communists teach about that. They ought to know—they are experienced in violence and the creators of strife.

Into the hands of every proposed member of communism is put a handbook called "The A B C of Communism." It is said to contain the minimum of political knowledge required of each member respecting the Communist Party. It is written by Bukharin, one of the ablest leaders in Moscow. Listen to what it says:

[From page 367 of evidence, A B C of Communism]

"Many people believe that the horrors of civil war are the results of the 'Asiatic' outlook and the backwardness of the Russian people. The enemies of the revolution in western Europe continually assert that 'Asiatic' socialism flourishes in Russia, and that the revolution will be consummated in other countries without violence. That is nonsense. In a capitalistically developed country, the resistance of the bourgeoisie must be stronger than in an undeveloped one. The intellectuals (technical experts, engineers, officers, etc.) are more closely bound to capital, and therefore more antagonistic to communism. The civil war in such a country must, therefore, be more violent than in Russia. We have ample evidence of this in the case of Germany. The German revolution has shown that the struggle in an advanced capitalistic country assumed a very violent form."

This dictatorship of the proletariat is to be brought about through what they call "mass action."

The Communist Party, according to orders from Moscow, must do everything.

[From page 308 of Evidence. Exhibit 64, resolution of enlarged plenum of Communist Party of Canada, February, 1931]

"To secure the leadership of mass actions (strikes, unemployment movements, demonstrations, etc.), actions which often break spontaneously and lead these actions along the channels of organized political struggle, especially in the form of mass political strikes, which will bring the working class toward the task of revolutionary struggle for power."

The Communist Party is seeking this leadership in three principal fields of activity: (i) In the trade-union movement; (ii) in the farmers' movement; (iii) in the foreign-language groups.

I. IN THE TRADE-UNION MOVEMENT

The evidence disclosed that the Communist Party organized and absolutely controls the Workers' Unity League. This is the industrial depot of the Communist Party of Canada. Through the Workers' Unity League it was disclosed that the Communist Party controls unions in Canada having a membership of over 25,000 men, comprising mostly mine workers, lumber workers, steel workers, and the needle trades; that in every one of these unions a strike has been called and in every case bloodshed had ensued. The party does not believe in reform. There can be no reform satisfactory to them. There can only be revolution. As Moscow writes:

[From page 335 of evidence, Exhibit 81, letter found at the home of Tim Buck, one of the accused, from Krestintern]

"The assertion that the party must consider 'revolutionary reforms' as its task is quite incorrect. There can be no talk of revolutionary reforms. We can only speak for the struggle for the revolution."

Hence the party does not lead the unions to seek reforms in their conditions. They only use these organizations as a means of stirring up revolutionary sentiment. As the program of Communist International says, at page 79 (Exhibit 68):

[From page 334 of evidence, Exhibit 68, program of the Communist International]

"The task of the party is to utilize these minor everyday needs as a starting point from which to lead the working class to the revolutionary struggle for power.

"When the revolutionary tide is rising, when the ruling classes are disorganized, the masses are in a state of revolutionary ferment, the intermediary strata are inclined toward the proletariat, and the masses are ready for action and for sacrifice, the party of the proletariat is confronted with the task of leading the masses to a direct attack upon the bourgeois state. This it does by carrying on propaganda in favor of increasingly radical transitional slogans."

If there are no grievances among the working classes, then it is the duty of the party to develop grievances so as to create a revolutionary upsurge.

One very illuminating document found in possession of the leader in Canada, a man by the name of Tim Buck, was a copy of the speech which he delivered to the executive committee in Moscow, in which he said:

[From page 283 of evidence, Exhibit 61, Report on the Canadian Party Situation]

"The political line of our party is to utilize this tendency of radicalization by adopting a policy of developing demands and initiating movements in different industries. All the characteristics of the third period are manifested to-day quite sharply. On account of the position of the Canadian working class, it is necessary to develop demands in advance rather than wait for sporadic outbreaks. Spontaneous strikes do not generally assume the proportions or the possibilities that the spontaneous strikes in the United States do because of the differences in the size of the centers and industrial concerns. The political value of these strikes therefore tends to be less unless we ourselves can prepare them in certain industries. The result is that we have adopted a policy of developing demands in many industries, and on this basis sharpening relations and developing strike movements."

The industrial work of the party is essentially to provoke the innocent workers into rebellion and civil strife under the leadership of these agitators.

II. IN THE FARMERS' MOVEMENT

The Communist Party of Canada received orders in August, 1930, to organize at once the farmers in Canada in what was to be called "The Farmers' Unity League." The program which was to entice the farmers was supplied by Moscow. Similar agrarian policies were provided for all other countries.

[From pages 335–336 of evidence, Exhibit 81, letter from Krestintern, at Moscow, to Tim Buck]

"Starting with the partial needs, the Communist Party must sharpen the slogans and the methods of struggle in accordance with the revolutionary situation and always link them up with the slogans of the confiscation of the land of big landowners, the overthrow of the bourgeois government by an armed rebellion, and the establishment of a workers' and farmers' government (the dictatorship of the proletariat).

"As to the method of struggle for these demands, they must lead to the revolutionizing of the masses. Decisive statements and agitation by communists in favor of these demands must be calculated to mobilize the masses for the direct struggle for the fundamental tasks of the Communist Party. They must also be supported by the mass activity of the farmers. It is necessary to utilize all forms of struggle of the farmers' meetings, gatherings, demonstrations of protest, etc. The organization of a struggle against the collection of taxes, debts, fines, and, under conditions of a revolutionary upsurge, to the point of a boycott or mass refusals to pay taxes and assessments. Refusal to do forced labor for the government, the local government, etc. Mass refusals to pay rent, the owners' share (in share cropping), etc. Mass refusal to pay debts to the government, money lenders, landowners, and bankers. The organization of resistance to tax collectors, to the forced collection of debts, rents, etc. The organization of the resistance to evictions of farmers from the land. The seizure of the land of the government and the big landowners. Demonstrations of solidarity and support of strikes of agricultural workers, miners, road workers, etc., and participation in the 1st of May and other demonstrations. General meetings and demonstrations with the workers against the war danger and fascism. Participation in the demonstrations in front of courts and prisons. Participation in the organization of help for the victims of the white terror and political prisoners. The organization of self-defense by the working farmers. Mass resistance to the arrest of prominent revolutionary farmers. Mass demonstrations against war and in defense of the Union Socialist Republic. The organization of farmers' delegations to the Soviet Union, etc."

Upon this program the Communist Party of Canada called four conferences in September, 1930, and in one month signed up 5,000 farmers to the support of the Communist Party of Canada. This is truly a remarkable achievement, which was made possible by the unfortunate conditions existing among our farmers. It illustrates the dangers that exist when the economic conditions bear so heavily upon the workers and the farmers of the land.

In this connection an interesting letter produced in evidence gave unmistakable evidence that parties sent to Russia are accompanied by well-seasoned guides who know what to show the tourist, and to explain properly what they see. As a result of the success among the farmers, it was decided to send a delegation of farmers to Moscow:

[From page 320 of evidence, Exhibit 71, Letter from M. Popovitch to Tim Buck dated Winnipeg, March 22, 1931]

"We have selected Comrade Navis as leader of the delegation because of the importance of the delegation and because there are several important matters to be taken with different institutions in Union of Social Soviet Republics. The names of several were considered, and finally all agreed that John must go. He was abroad and knows the ways to go by. He can talk to the delegates on their way to Union of Social Soviet Republics and prepare them psychologically for the visit. He can give them the proper interpretation of everything they will see there. We want the delegates to come back with a unanimous opinion about the achivements in Union of Social Soviet Republics, and utilize their experiences for propaganda purposes. They are required upon their return to give some of their time (at least two months) for traveling and reporting to the mass meetings. And we don't take any changes. That is why we had to unanimously agree to let John go with the delegation."

III. ORGANIZATION OF FOREIGN-LANGUAGE GROUPS

The greatest success of the Communist Party of Canada has been in getting control of the foreign-language groups throughout the land. The party controls, absolutely and completely, the Ukrainian Farm Labor Temple Association, the most important among the 400,000 Ukrainians in Canada. This organization has about 150 lodges, over 50 temples, several newspapers, and owns property valued at about $1,000,000. It is a powerful organization. So complete is this control exercised by the Communist Party of Canada that the minority of the executive committee of the Ukrainian Farm Labor Temple Association appealed to Moscow against the severity of this control, but without success. The appeal, however, discloses that when some Ukrainian school children took part in a tree-planting ceremony the local Ukrainian lodge was reported to Moscow for further discipline. Also when the Ukrainian orchestra played our national anthem at the opening of a public concert or when the prime minister of a Province was allowed to speak in one of their halls, in both instances the local Communist Party reported the Ukrainian organization to Moscow, in order that it might be disciplined for these crimes against communist principles.

The appeal also disclosed that the Ukrainian lodges had adopted in its entirety the communist program and that large numbers of Ukrainian children had been taken out of school and were being taught in Ukrainian temples doctrines that were wholly anti-capitalistic and deeply antireligious. The whole conception of our government and its institutions was being given to these youthful minds by the communists, and they were being poisoned in their whole outlook on our civilization. Thus does the nursery of communism flourish in our midst.

THE FINNISH ORDER

So completely is the Finnish population under the domination of the Communist Party, according to our evidence, that until recently no one could become a member of the Finnish order without at the same time joining the Communist Party of Canada. This is the most influential organization among the Finns. It has upwards of 100 lodges, property worth several hundred thousands of dollars, and exercises a powerful influence among the Finns in Canada. The Communist Party of Canada appoints the editor of the Finnish paper and controls its policy to the last detail. Recently Moscow ordered that all Finns were not to be accepted as communists; that they did not want members recruited in this manner. They did not want large numbers so much as disciplined members. They wanted men who would obey; a small disciplined group to lead the unthinking masses is their ideal.

What is true of the Ukrainian and Finnish population is equally true of the Hungarians, Serbs, Bulgarians, Rumanians, and some German and Hebrew organizations.

While we strive to assimilate the foreigner, they seek to isolate him; while we try to make them citizens, they would make them traitors. We seek peace; they teach civil strife. In a land that offers free opportunity to the oppressed of the world we will not allow the seeds of sedition to be sown. We are determined not to garner a harvest of hatred and strife.

THE MOSCOW CONTROL

Moscow controls every activity of the Communist Party everywhere. It especially governs the affairs of America and has set up in Moscow a special committee known as the Anglo-American Secretariat whose duty it is to keep constantly spurring on the membership here and in Canada to realize now—in these days of economic depression—the proletarian revolution, not as a distant hope but as a present possibility.

No better example of Moscow's discipline can be cited than the case of Jack MacDonald. For 10 years he was the leader of the party in Canada. From the days of its origin he worked zealously in the interests of the cause and regularly visited Russia to gain fresh knowledge and inspiration. He suffered for the cause, went to gaol, and was looked upon by the communists in Canada as their martyr. When, in 1930, Moscow demanded that he at once begin to realize the revolution he hesitated with the suggestion that the time was not ripe for such drastic steps as were suggested. Moscow does not reason with you. It just issued an ultimatum in this form:

[From page 299 of evidence, Exhibit 65, cable from Moscow to Tim Buck re expulsion of Jack MacDonald, November 22, 1930]

"Moscow.

"Tim Buck, central committee Communist Party of Canada, November 22, 1930.

"Place before MacDonald demand that he, as member of party and C. C. must openly admit and immediately abandon right opportunist position, unconditionally agrees to carry on resolute struggle in deed against all right elements in party, against Lovestoneites as well as Trotzkyites, unconditionally accepts Communists International and party line and discipline, informing him failing to accept these conditions of the Tenth Executive Council of Communist International Plenum means expulsion from the party. In case he does not comply with this demand C. C. should take action publishing statement of his position.

"HECKERT."

MacDonald did not accept within 10 days, and he who had served his party so faithfully was summarily expelled as a traitor to the cause. His only crime was that he was not bloodthirsty enough for Moscow, which decided as follows:

[From page 308 of evidence, Exhibit 64, resolutions of enlarged plenum of Communist Party of Canada]

"There is no room in the Communist Party for elements who deny the revolutionary class significance of the present period and the revolutionary conclusions which flow from it, or who evade the revolutionary duties and tasks which these conclusions involve. We live in the period of war colonial revolt and proletarian revolution. Our party is the party of the proletarian revolution. In this present deep and sharpening crisis of world capitalism, with its concurrent sharpenings of the class struggle, every member of our party must be a fighter and a leader of the working class. The cleansing of our party of all elements who resist this is our stern duty to the Communist International and the working class."

Tim Buck, fiery fighter of Moscow's choice, became the new leader. The party enlisted upon a new era of great revolutionary activities. Hence the prosecution and outlawry of the party.

One of the most extraordinary documents found in the party's possession was the Vassiliev pamphlet, written by one Vassiliev, a prominent member of the organization department at Moscow. This document was distributed by the Communist Party of the United States, and it was through this office that it reached Canada. It is a guide to present-day activities of the Communist Party. Written in 1930, it is Moscow's latest message in tactics. It deals at great length and in detail with the methods for the illegal work of the party everywhere; gives directions as to secret codes, invisible inks, secret hiding places, secret messages, and constitutes in fact the whole machinery of an illegal society.

It urges the establishment of labor defense corps, a group of workers trained to prevent by means of violence any interference by the police. The accused admitted such defense corps existed in Canada. The pamphlet then proceeds as follows:

[From page 356 of evidence, Exhibit 94, pamphlet by B. Vassiliev, on "How the Communist International Formulates at Present the Problems of Organization"]

"In many cases the comrades from the proletarian self-defense units defended themselves with stones. But again here is evidence from those who were present at these operations showing that our comrades don't know how to throw stones. It is not enough to pick up a stone and throw it, but it is important that the stone should hit its target, and not merely hit its target, but that some effect should be seen from that blow. But so long as our comrades don't go through any training in throwing stones, they naturally throw stones more for the moral effect. But if meanwhile members of proletarian self-defense organizations systematically train themselves in throwing stones, and set themselves the aim, let us say, of each evening, when they finish work, and each morning, instead of going through gymnastic exercises, throwing stones at a target 25 paces away, we can say beforehand that in two weeks the results of such a training on any attack would be quite different."

The evidence disclosed that there was stone throwing at the demonstration in Toronto on May 1 last, and in the office of the secretary was found this carbon copy of a letter dated May 2, 1931:

[From page 326 of evidence, Exhibit 76, letter addressed to Jeanne Corbin, district 2, Montreal, Province of Quebec, May 2, 1931]

"The demonstration in Toronto yesterday (I did not attend) was good. Two arrests with charges, the others were released. Four police were beaten up and one had to go to the hospital, so you see that things are picking up."

People who preach such doctrines and practice such methods should be prosecuted. They are beyond the law. They have so constituted themselves. They are outlaws. Why not treat them as such everywhere—right now? Better stamp out the incipient blaze, lest the conflagration destroy you.

Let us, by all the means in our power, repress these enemies within our gates. But let us also be constructive. Let us be alert to remedy the weaknesses in our democratic system of government. Let us demonstrate our ability to adapt our institutions to the social problems of our day. But let the genius of the race prove its sterling qualities by producing these results through the orderly process of legislation. Revolution shall not pass this way. But that declaration requires of us courage, determination, and wisdom.

It would seem at this time as if Columbia, the spirit of this Nation, were calling to her children:

"Give me men to match my mountains.
Give me men to match my plains.
Men of courage, men of action,
Men of purpose, men of brains."

Give me the men and the women of this fair land who have ideals as lofty and as pure as yonder mountain peaks; give me the men and the women who have sympathies for all human need, as broad and rich as yonder golden prairies; give me the men and the women who have character and courage as firm and abiding as the rocks I possess, and I shall give you the men and the women who will, in God's name, make this Nation worthy of the leadership of the world.

Mr. WASON. Mr. Chairman, I yield one minute to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Chairman, I have a poll conducted by the Des Moines Register, of Des Moines, Iowa, of February 26, 1932, on cutting the expenses of the Army and the Navy. It indicates the way people generally feel about ever-mounting armament expenditures. I ask unanimous consent that the poll be incorporated in the RECORD as a part of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The poll referred to follows:

Source of arms and debts ballots

ON CUTTING ARMY AND NAVY FUNDS

	Total	Men	Women	City	Town	Farm
Yes	38,236	22,824	15,412	9,061	12,579	16,596
No	16,653	10,597	6,056	6,803	5,077	4,773

ON ARMAMENT REDUCTIONS

Yes	40,822	24,607	11,265	11,219	13,195	16,458
No	10,820	6,850	3,970	4,048	3,269	3,503

ARMAMENT VOTE

The following table shows how more than 50,000 Iowans voted in the Register and Tribune state-wide straw poll on retrenchment in arms cost:

Iowa's armament vote

	For cutting Army and Navy expenses		For armament reductions	
	Yes	No	Yes	No
Adair	417	95	407	64
Adams	457	70	426	74
Allamakee	175	61	176	39
Appanoose	525	214	528	160
Audubon	340	95	362	55
Benton	400	186	403	137
Black Hawk	892	828	1,081	517
Boone	740	262	739	176
Bremer	256	127	262	77
Buchanan	255	135	267	100
Buena Vista	411	83	397	64
Butler	327	133	303	105
Calhoun	389	155	418	111
Carroll	543	188	527	136
Cass	558	222	558	152
Cedar	251	91	269	51
Cerro Gordo	621	446	729	257
Cherokee	161	104	189	73
Chickasaw	280	90	294	56

Iowa's armament vote—Continued

	For cutting Army and Navy expenses		For armament reductions	
	Yes	No	Yes	No
Clarke	220	68	221	50
Clay	371	90	387	55
Clayton	176	108	190	71
Clinton	154	143	171	97
Crawford	410	137	419	114
Dallas	725	223	747	156
Davis	307	99	315	67
Decatur	297	112	316	67
Delaware	230	108	239	83
Des Moines	114	88	135	54
Dickinson	196	72	217	38
Dubuque	176	119	173	77
Emmet	219	84	240	53
Fayette	357	186	384	123
Floyd	318	167	351	109
Franklin	365	131	395	82
Fremont	165	55	157	44
Greene	359	96	367	65
Grundy	194	85	205	47
Guthrie	389	96	408	63
Hamilton	621	152	633	94
Hancock	363	99	356	63
Hardin	660	183	699	106
Harrison	250	96	245	77
Henry	138	69	143	58
Howard	237	103	239	83
Humboldt	368	105	366	70
Ida	85	49	90	36
Iowa	439	188	487	119
Jackson	177	64	180	45
Jasper	766	320	794	222
Jefferson	299	130	317	81
Johnson	409	163	442	100
Jones	99	70	127	36
Keokuk	600	174	576	141
Kossuth	478	198	542	106
Lee	203	184	211	144
Linn	457	623	639	377
Louisa	179	69	187	46
Lucas	390	131	385	100
Lyon	123	49	127	39
Madison	402	113	433	61
Mahaska	650	198	693	117
Marion	646	193	679	114
Marshall	547	223	607	133
Mills	149	44	146	22
Mitchell	278	107	289	80
Monona	119	44	117	29
Monroe	387	182	363	160
Montgomery	269	109	302	70
Muscatine	117	74	134	54
O'Brien	186	79	227	40
Osceola	175	88	196	47
Page	272	83	288	64
Palo Alto	271	86	295	52
Plymouth	119	48	116	33
Pocahontas	420	95	440	56
Polk	3,863	2,414	4,516	1,430
Pottawattamie	286	171	315	99
Poweshiek	624	171	616	116
Ringgold	393	83	371	71
Sac	342	124	362	83
Scott	201	227	234	146
Shelby	301	84	299	72
Sioux	128	40	128	25
Story	904	348	1,037	187
Tama	365	150	398	96
Taylor	387	92	389	58
Union	356	115	358	85
Van Buren	306	133	316	84
Wapello	300	281	401	213
Warren	433	98	410	78
Washington	358	164	384	104
Wayne	396	119	419	72
Webster	571	358	687	192
Winnebago	246	66	246	53
Winneshiek	303	108	304	76
Woodbury	184	102	233	43
Worth	131	59	139	39
Wright	553	230	618	145
At large	157	79	210	59
Total	38,236	16,653	40,872	10,820

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. GLOVER]. [Applause.]

Mr. GLOVER. Mr. Chairman, ladies and gentlemen of the committee, we have had a discussion this afternoon about many things, but I want to talk to you about something that has not been talked about so far as I know, and I think is very vital to the taxpayers of America.

We are told in the press to-day that the Democratic Party is sponsoring a sales bill that will be reported out next week. If that be true, I want to register my protest now against it.

I have tried to maintain a reputation in this House for economy. I have voted for it on every occasion so far as I know.

When the moratorium came up for $252,000,000 to be given to the foreigners, I thought that ought to be paid into the Treasury of the United States. I think so now and I think every man who voted for that believes that was bad policy on the part of this Government, to vote for that and then go out and put a sales tax on our people. You can not explain that position to the satisfaction of your people.

The next mistake that came up was going into the United States Treasury, when you say you have no money, and vote for a $2,000,000,000 corporation bill, and at one scoop of the hand take out $500,000,000 in money, and then talk about placing a sales tax that will reach every poor man in the land. I say to you that is a poor policy. We are told we have a $2,000,000,000 deficit, or will have, that must be met. Who is the man at the head of that who is now trying to balance it? It is your Treasurer of your party, appointed by your President, and I presume he voices the sentiment of the President of the United States when he favors that kind of a proposition.

To my mind, gentlemen, it is nonsensical in this time of distress, when people can not now pay the tax burden that is laid upon them—it is the height of foolishness to go out now and place an additional burden upon them in an attempt to raise in this time of distress $2,000,000,000 and put it on the backs of our constituents in an attempt to raise this amount in taxes by 1933. The sensible thing to do, and the thing that any business man that had a deficit of this kind would do in a distressful time like this, would be to amortize it and pass it out farther into the future when times are better and when it can be met.

I do not agree with your Secretary of the Treasury or with the Ways and Means Committee that we ought to attempt now to pass a bill next week to lay this burden on the backs of our folks to raise $2,000,000,000 in so short a time as is proposed in the bill.

I am going to propose a proposition to relieve the $2,000,000,000 deficit in two bills which I have introduced and that I rose to call to your attention. One of them I introduced to-day, which will solve this question and will never take a dollar out of the pockets of the people and not a cent of burden in taxes will be laid upon them, and it will not be a tax on liquor either. It will be a fundamental proposition that is authorized and warranted by the Constitution of the United States and Congress only can exercise this power.

I introduced one bill last week which is known as H. R. 9589, to amend the revenue laws of the United States and to provide for the collection of income tax on capital invested in foreign countries. If you will place a tax on American capital owned by American citizens living in the United States and having their capital invested in foreign countries, under my bill it will bring $50,000,000 of revenue to your Treasury every year. It will not touch a dollar's worth of property in the United States, but it will tax some property outside the United States that ought to be taxed in the United States. Not only this but it will have a twofold purpose. It will stop the investment of capital in foreign countries and bring it back home where it ought to be, and instead of giving labor to those of a foreign government and to a foreign people the labor will be given to our American citizens, where it ought to be given. If the American flag is not good enough for an American citizen to live under and invest his capital under, then let him go to some foreign flag that he likes better.

The bill that I introduced to-day is one that I believe will appeal to you. I have confidence in this House, and I believe that when the tax bill comes up next week, laying its burden of tax on every home in the United States, that this House is not going to vote for it, or at least a majority of them.

We have a great deficit during this administration, that is true, and we ought to meet it like sensible men. We ought to meet it with a proposition that is warranted by the Constitution of the United States.

I have introduced a bill to-day as an emergency measure, and I am offering it to the Ways and Means Committee in good faith as a substitute for the bill they have been working on so long. If they will take my two bills as a substitute, it will balance the Treasury of the United States in a very short time and give us a surplus of money.

Here is the bill, and it is the medicine that will hit the spot. The bill is short, and I would like to read it to you. It is a fresh, new one, just put in the basket to-day. The bill is to provide for the limited coinage of $2,000,000,000 in silver and to regulate the value thereof.

A bill to provide for the limited coinage of $2,000,000,000 in silver and to regulate the value thereof

Whereas the Constitution of the United States provides that Congress is given the authority and power "To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures"; and

Whereas there is now facing the United States Treasury a deficit of $2,000,000,000, which must be raised by taxes or otherwise; and

Whereas there is now in the Treasury of the United States $499,313,006 in silver, which amount is wholly insufficient to meet the needs and requirements of the business world: Therefore

Be it enacted, etc., That the Secretary be, and he is hereby, authorized and directed to immediately have coined $1,000,000,000 in silver money and of the denomination and weight of the present silver coinage; and the Secretary of the Treasury is further authorized and directed to have issued $1,000,000,000 in silver certificates of the denomination and kind now used in the United States Government; and said coined silver money and said silver certificates shall be good and valid money of the United States and shall be accepted at full face value in the payment of all public and private debts and in business transactions the same as if it were gold coin or gold certificates.

Now, that is authorized by the Constitution. Where is the common sense in the Ways and Means Committee putting a tax on the already tax-burdened people, burdened to a point that they can not pay the tax assessments they now have? Now, you come and put on a burden of taxes on the people, and you are not going to get as much revenue as you got without it. Why? Because you are going to paralyze business. Business is not greeneyed. When you tax a man who can not make a profit, you do not gain anything. You talk about hiding away 60 per cent of the money; you will drive all of it out when you paralyze business.

What we need is an expansion of the currency. Who doubts the authority for putting this in direct execution, and who doubts that it would be of great advantage to the people of the United States? No one can dispute it; we have a right to do it. As the gentleman said down there to-day, the fellows back home are talking and asking, Why do not you exercise the right given under the Constitution of the United States instead of coming out with a bill for a further burden of taxation?

Gentlemen, it is not right; it is suicidal to further burden the people with $2,000,000,000 more in taxes that must be raised by 1933 in order to balance the Budget in a time of distress.

Not only that, we need the silver money in circulation. How long has it been since you have seen a gold coin? It is like a balloon, you only see one every year or two. Gold hides away; all we have now is hiden away. I am not against the gold standard, I believe in a double standard, but the trouble with us now is that you are on a single standard, where they can hoard it and paralyze business as they have done.

But you come back and say this trouble is world-wide. I deny that part of it anyway. In our country, that great financier in control of our finances brought it on to the detriment of this Nation. Are we big enough to see the situation, are we big enough to exercise the right given under the Constitution and take ourselves out of this difficulty, under our rights, without laying the whip and burden of taxation upon our people back home? That is my complaint. Go and speak to somebody on the Ways and Means Committee and make a complaint as I have done, and he will say to you, What have you to offer? I have something better than a sales tax. I can offer a dozen things that will beat that. I think when that plan comes out and you study it, and you have studied this plan as a solution, you will see that the gentleman from Arkansas is right. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. PARKS. Mr. Chairman, I make the point of order that their is no quorum present.

Mr. WOODRUM. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly, the committee rose; and the Speaker having resumed the chair, Mr. SWANK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10022 and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. GILBERT, indefinitely, on account of business.

Mr. SOMERS of New York, indefinitely, on account of illness of his wife.

Mr. LAMBETH, indefinitely, on account of illness.

Mr. MURPHY, for the day, on account of illness.

Mr. MAY, on account of important business.

ORDER OF BUSINESS

Mr. WOODRUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOODRUM. What is the order of business for Monday?

The SPEAKER. The Consent Calendar.

Mr. WOODRUM. Can the Chair give any information as to whether the entire day will be utilized with the Consent Calendar?

The SPEAKER. The Chair thinks so. The calendar is quite long.

Mr. WOODRUM. Then, under the present order of business, as I understand it—and I am asking this information for the committee—Monday is consent day, Tuesday will be taken up with the anti-injunction bill, and Wednesday is Calendar Wednesday business, so that the next call for this committee would be Thursday.

The SPEAKER. That is correct.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 110. Joint resolution authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 52 minutes p. m.) the House adjourned until Monday, March 7, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Monday, March 7, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

Depressed value of silver.

COMMITTEE ON ELECTIONS NO. 3

(10 a. m.)

Stanley H. Kunz *v.* Peter C. Granata, eighth congressional district of Illinois.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

General legislation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WOOD of Georgia: Committee on the Post Office and Post Roads. H. R. 96. A bill to punish the sending through the mails of certain threatening communications; with amendment (Rept. No. 692). Referred to the House Calendar.

Mr. PATMAN: Committee on the District of Columbia. S. J. Res. 4. Joint resolution to provide for the naming of Montgomery Blair Portal; without amendment (Rept. No. 702). Referred to the House Calendar.

Mr. SWANK: Committee on Flood Control. H. R. 8603. A bill to provide a preliminary examination of the Combahee, Big Salkehatchie, Coosawhatchie, Edisto, and South Edisto Rivers, S. C., with a view to the control of floods; without amendment (Rept. No. 703). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOORE of Kentucky: Committee on Flood Control. H. R. 9456. A bill providing for an examination and survey of Lewis Creek, Ohio County, Ky.; with amendment (Rept. No. 704). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HARLAN: Committee on Claims. H. R. 1409. A bill for the relief of Theodore W. Beland; without amendment (Rept. No. 693). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 2927. A bill for the relief of George M. Peed; with amendment (Rept. No. 694). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 2935. A bill for the relief of J. R. Reimer; without amendment (Rept. No. 695). Referred to the Committee of the Whole House.

Mr. HARLAN: Committee on Claims. H. R. 4887. A bill for the relief of Lieut. Enoch Graf; without amendment (Rept. No. 696). Referred to the Committee of the Whole House.

Mr. SMITH of Virginia: Committee on Claims. H. R. 5820. A bill for the relief of J. H. Wallace; with amendment (Rept. No. 697). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 7412. A bill for the relief of Karim Joseph Mery; without amendment (Rept. No. 698). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 7639. A bill for the relief of Carrie Price Roberts; without amendment (Rept. No. 699). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 229. An act for the relief of Don C. Fees; without amendment (Rept. No. 700). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. S. 2909. An act for the relief of Ross E. Adams; with amendment (Rept. No. 701). Referred to the Committee of the Whole House.

Mr. PATMAN: Committee on the District of Columbia. S. 2496. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; without amendment (Rept. No. 705). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on the Post Office and Post Roads was discharged from the consideration of the bill (H. R. 9487) to provide for the construction of a post-office building at Pittsfield, Ill., and the same was referred to the Committee on Public Buildings and Grounds.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CABLE: A bill (H. R. 10201) to establish a Federal guaranty and insurance corporation to protect bank depositors; to the Committee on Banking and Currency.

By Mr. SHANNON: A bill (H. R. 10202) to authorize the purchase of the leased Veterans' Administration hospital at Kansas City, Mo., and to authorize appropriation therefor; to the Committee on World War Veterans' Legislation.

By Mr. ARENTZ: A bill (H. R. 10203) to provide retirement insurance for railway employees, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SINCLAIR: A bill (H. R. 10204) authorizing the Secretary of the Interior to erect a monument as a memorial to the return from Canada and surrender to the Government of the United States of the Sioux Indian chiefs, Sitting Bull, Gall, Rain in the Face, and Crow King, with their several bands of followers, in 1881; to the Committee on Indian Affairs.

By Mr. JAMES: A bill (H. R. 10205) to authorize the acquisition for military purposes of certain lands in Porto Rico; to the Committee on Military Affairs.

By Mr. CONNERY: A bill (H. R. 10206) to amend the act of March 3, 1931, (46 Stat. 1494); to the Committee on Labor.

By Mr. VINSON of Georgia: A bill (H. R. 10207) to permit disbursing officers of the Navy and Marine Corps to use for current expenditures public money received by them from sales and other sources; to the Committee on Naval Affairs.

Also, a bill (H. R. 10208) to authorize the Secretary of the Navy to accept donations and contributions for use in providing for recreation, amusement, and contentment of enlisted men; to the Committee on Naval Affairs.

By Mr. GLOVER: A bill (H. R. 10209) to provide for the limited coinage of $2,000,000,000 in silver and to regulate the value thereof; to the Commitee on Coinage, Weights, and Measures.

By Mr. COLTON: A bill (H. R. 10210) to amend the act entitled "An act confirming in the States and Territories title to land granted by the United States in the aid of common or public schools," approved January 25, 1927; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTON: A bill (H. R. 10211) granting a pension to Annie C. Linthicum; to the Committee on Invalid Pensions.

By Mr. BEERS: A bill (H. R. 10212) granting a pension to Rhoda M. Long; to the Committee on Invalid Pensions.

By Mr. BOWMAN: A bill (H. R. 10213) to authorize the payment of hospital and other expenses arising from an injury to Florence Glass; to the Committee on Claims.

By Mr. BRAND of Ohio: A bill (H. R. 10214) granting an increase of pension to Ellen Bruce; to the Committee on Invalid Pensions.

By Mr. BRITTEN: A bill (H. R. 10215) for the relief of William F. Shaw; to the Committee on Naval Affairs.

By Mr. CANFIELD: A bill (H. R. 10216) granting an increase of pension to Louisa Page; to the Committee on Invalid Pensions.

By Mr. COLTON: A bill (H. R. 10217) for the relief of the Christensen Construction Co.; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 10218) readmitting Henry A. Brown to the character and privileges of a citizen of the United States; to the Committee on Immigration and Naturalization.

By Mr. EVANS of Montana: A bill (H. R. 10219) granting a pension to Nellie B. Buck; to the Committee on Pensions.

By Mr. GIFFORD: A bill (H. R. 10220) for the relief of the estate of Milton L. Baxter; to the Committee on Claims.

By Mr. GILLEN: A bill (H. R. 10221) granting an increase of pension to Mariam Boothe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10222) granting a pension to Luda King; to the Committee on Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 10223) to provide for the examination and survey of a channel at the mouth of McCreadys Creek, Elliott, Md.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 10224) for the relief of Robert R. Calder; to the Committee on Claims.

By Mr. GREEN: A bill (H. R. 10225) for the relief of B. A. Cannon; to the Committee on Claims.

By Mr. HOOPER: A bill (H. R. 10226) for the relief of Harry Parker; to the Committee on Military Affairs.

By Mr. KENDALL: A bill (H. R. 10227) granting an increase of pension to Ella N. Herwick; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 10228) for the relief of James F. Flannigan; to the Committee on Military Affairs.

By Mr. MARTIN of Oregon: A bill (H. R. 10229) for the relief of Arthur G. Means; to the Committee on Claims.

By Mr. MOORE of Kentucky: A bill (H. R. 10230) granting a pension to James A. Corbin; to the Committee on Invalid Pensions.

By Mr. NIEDRINGHAUS: A bill (H. R. 10231) granting a pension to Sophie Wallis; to the Committee on Invalid Pensions.

By Mr. RANKIN: A bill (H. R. 10232) granting a pension to Andy A. Murry; to the Committee on Pensions.

By Mr. SULLIVAN of Pennsylvania: A bill (H. R. 10233) for the relief of John A. Downey; to the Committee on Claims.

By Mr. TARVER: A bill (H. R. 10234) granting a pension to Green Foster Alexander; to the Committee on Pensions.

By Mr. WASON: A bill (H. R. 10235) granting an increase of pension to Ianthe S. Webber; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3721. By Mr. BOHN: Petition of Charlevoix (Mich.) Woman's Christian Temperance Union, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

3722. Also, petition of Sault Ste. Marie (Mich.) Woman's Christian Temperance Union, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

3723. By Mr. BURDICK: Petition of Earl G. Batty, 178 Bowen Street, Providence, R. I., and 1,129 citizens of Rhode Island, urging the President to cooperate with other nations of the world to bring about a substantial reduction of armaments, land, sea, and air, as well as the reduction of armament expenditures; to the Committee on Foreign Affairs.

3724. By Mr. CABLE: Petition of citizens of Auglaize County, fourth congressional district of Ohio, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3725. By Mr. CHRISTOPHERSON: Petition of the Woman's Christian Temperance Unions of Olivet, Canistota, and Yankton, S. Dak., protesting against resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3726. By Mr. CONDON: Petition of Sarah Finch and 22 other citizens of Rhode Island, favoring the passage of House Joint Resolution 197, proposing an amendment to the Constitution of the United States to give equal rights to men and women throughout the United States and every place subject to its jurisdiction; to the Committee on the Judiciary.

3727. Also, petition of Amelia M. Martin and 27 other citizens of Woonsocket, R. I., favoring the passage of House Joint Resolution 197, proposing an amendment to the Constitution to give equal rights to men and women throughout the United States and every place subject to its jurisdiction; to the Committee on the Judiciary.

3728. By Mr. CULLEN: Petition of hotel and restaurant owners and employees and those of allied industries, petitioning the President of the United States and the representatives of the people in the United States Senate and the House of Representatives to lend their every effort to modify the Volstead Act; to the Committee on the Judiciary.

3729. By Mr. FITZPATRICK: Petition of Group 1844 of the Polish National Alliance of the United States of North America, memorializing the United States Congress to enact legislation designating October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3730. Also, petition of the Association of One Hundred Per Cent United States Women, of New York City, N. Y., urging the Judiciary Committee to favorably report House bill 8549 to make it a crime to advocate or promote the overthrow or the destruction of the Government of the United States by force or violence, and for other purposes; to the Committee on the Judiciary.

3731. By Mr. GREENWOOD: Petition of Rev. Mark F. Smith and 64 other citizens of Indiana, urging maintenance of the prohibition law; to the Committee on the Judiciary.

3732. By Mr. HOPKINS: Petition signed by 15 citizens of St. Joseph, Mo., and headed by Harry Jerberg, of 1315 North Third Street, St. Joseph, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3733. By Mr. JOHNSON of Texas: Petition of Monroe Folmar, Gause, Tex., favoring immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3734. By Mr. KVALE: Petition of residents of Willmar, Minn., protesting against the enactment of House bill 8092; to the Committee on the District of Columbia.

3735. Also, petition of Jackson Liberty Post, No. 130, American Legion, Jackson, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

3736. Also, petition of Minnesota Federation of Agricultural and Engineering Societies, urging enactment of Senate bill 2956 and House bill 6187; to the Committee on Public Buildings and Grounds.

3737. Also, petition of 32 members of the Woman's Christian Temperance Union of Morris, Minn., opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

3738. Also, petition of Pennock Implement Co., Pennock, Minn., urging enactment of Senate bill 2487 and House bill 7797; to the Committee on Agriculture.

3739. Also, petition of Pennock Implement Co., Pennock, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

3740. Also, petition of Hibbing (Minn.) Ladies' Auxiliary, Local No. 291, to the National Association of Letter Carriers, protesting against reduction of the salaries of the letter carriers; to the Committee on the Post Office and Post Roads.

3741. Also, petition of Women's Division of Minnesota Allied Drys, urging enforcement of the eighteenth amendment; to the Committee on the Judiciary.

3742. Also, petition of Minneota Post, No. 199, Minneota, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

3743. Also, petition of Kandiyohi County National Farm Loan Association, Willmar, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

3744. By Mr. LAMBERTSON: Petition of Mrs. C. C. Stauffer and 45 other citizens of Denison, Holton, and Mayetta, Kans., urging the maintenance of the prohibition law and its enforcement, and opposing any measure of repeal, modification, or resubmission to the States; to the Committee on the Judiciary.

3745. By Mr. LEWIS: Petition of citizens of Cumberland, favoring regulatory powers of Congress over interstate commerce; to the Committee on Interstate and Foreign Commerce.

3746. Also, petition of the Woman's Christian Temperance Union of New Market, Md., protesting against repeal of the eighteenth amendment; to the Committee on the Judiciary.

3747. Also, petition of the Woman's Christian Temperance Union of Sandy Spring, Md., opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

3748. Also, petition of citizens of Smithsburg and Brunswick, Md., and vicinity, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3749. By Mr. MEAD: Petition of Hotel, Restaurant, Club, and Allied Industries Association, protesting against the prohibition amendment and urging modification of the Volstead Act; to the Committee on the Judiciary.

3750. Also, petition of residents of Buffalo, N. Y., opposing a tax on gasoline; to the Committee on Ways and Means.

3751. By Mr. MILLIGAN: Resolution by the Buckholtz-Kiefer Post, No. 150, American Legion, and the Veterans of Foreign Wars, Post No. 2210, Ste. Genevieve, Mo., on military preparedness; to the Committee on Military Affairs.

3752. By Mr. O'CONNOR: Resolutions of the Hotel, Restaurant, Club, and Allied Industries Association, protesting against the prohibition amendment and urging every effort by the Congress to modify the Volstead Act; to the Committee on the Judiciary.

3753. By Mr. PARKER of Georgia: Petition of the South Atlantic Steamship Co., Strachans Southern Steam Ship Co., and the Savannah Chamber of Commerce, urging the maintenance of the Sea Service Bureau of the Shipping Board and protesting against any amendment that might be offered to the independent offices appropriation bill with an object of abolishing this bureau; to the Committee on Appropriations.

3754. Also, petition of the commissioners of roads and revenues of Chatham County and the Retail Merchants Association and the Retail Furniture Dealers of Savannah, Ga., urging passage of legislation properly regulating busses and trucks carrying passengers and freight; to the Committee on Interstate and Foreign Commerce.

3755. By Mr. PARTRIDGE: Petition of residents of Camden, Me., opposing the passage of Senate bill 1202, entitled "A bill providing for the closing of barber shops on Sunday in the District of Columbia," or any other compulsory religious measures that have been or shall be introduced; to the Committee on the District of Columbia.

3756. By Mr. PEAVEY: Petition of Group No. 467 of the Polish National Alliance of the United States of North America, local headquarters at Superior, Wis., memorializing the Congress of the United States to enact House Joint Resolution 144 directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3757. Also, petition of the Woman's Christian Temperance Union of Earl, Wis., comprising 10 members, urging opposition to the resubmission of the eighteenth amendment and urging opposition of the Representatives in Congress against such resolution, and to vote for adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3758. Also, petition of Group No. 120 of the Polish National Alliance of the United States of North America, local headquarters at Ashland, Wis., memorializing Congress to enact House Joint Resolution 144, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3759. Also, petition of Group No. 1681 of the Polish National Alliance of the United States of North America, local headquarters at Lublin, Wis., memorializing Congress to enact House Joint Resolution 144, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3760. Also, petition of Group No. 632 of the Polish National Alliance of the United States of North America, local headquarters at Hurley, Wis., memorializing Congress to enact House Joint Resolution 144, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3761. By Mr. RAMSEYER: Petition of citizens of the State of Iowa, protesting increase in Federal taxes on automobiles and motor fuel; to the Committee on Ways and Means.

3762. By Mr. REID of Illinois: Petition of 61 residents of Elgin, Ill., urging the maintenance of the eighteenth amendment and its enforcement, and protesting against the resubmission of the same to the States for a referendum vote; to the Committee on the Judiciary.

3763. By Mr. REED of New York: Memorial of Dunkirk Group No. 608 and the Olean Group No. 1717 of the Polish National Alliance, of New York, memorializing Congress to observe and commemorate the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3764. Also, petition of the Woman's Christian Temperance Union of Ripley, the First Methodist Episcopal Church of Friendship, and the Congregational Church of Friendship, N. Y., protesting against the resubmission of the eighteenth amendment, and urging law enforcement; to the Committee on the Judiciary.

3765. By Mr. RUDD: Petition of American Federation of Labor, favoring the Norris-LaGuardia anti-injunction relief bill; to the Committee on the Judiciary.

3766. Also, petition of Association of One Hundred Per Cent United States Women, New York City, N. Y., favoring the passage of House bill 8549; to the Committee on the Judiciary.

3767. Also, petition of Brooklyn Federation of Churches, Brooklyn, N. Y., with reference to disarmament; to the Committee on Foreign Affairs.

3768. Also, petition of Big Brother and Big Sister Federation (Inc.), New York City, favoring the passage of House bill 8911; to the Committee on the District of Columbia.

3769. By Mr. SUTPHIN: Petition of the American Legion of New Jersey, objecting to cutting of salaries of Government employees below $2,500 a year; to the Committee on Ways and Means.

3770. By Mr. TEMPLE: Petition of Greene County Auto Club, Waynesburg, Pa., protesting against any form of Federal tax on highway transport, whether through a sales tax on motor vehicles, accessories, and parts, or a sales tax on fuel, or through license fee for motor vehicles or drivers; to the Committee on Ways and Means.

3771. By Mr. TIERNEY: Petition of second district department of the American Legion, Department of Connecticut, urging passage of the Hale bill, S. 51, and the Vinson bill, H. R. 8230; to the Committee on Naval Affairs.

3772. Also, petition of Group No. 2397 of the Polish National Alliance, urging passage of House Joint Resolutions 248 and 249; to the Committee on the Judiciary.

3773. Also, petition of Group No. 2434 of the Polish National Alliance, urging passage of House Joint Resolutions 248 and 249; to the Committee on the Judiciary.

3774. Also, petition of Group No. 820 of the Polish National Alliance, urging passage of House Joint Resolutions 248 and 249; to the Committee on the Judiciary.

3775. By Mr. WYANT: Petition of the Woman's Christian Temperance Union of New Alexandria, Westmoreland County, Pa., representing 20 people, protesting against any changes in present prohibition laws; to the Committee on the Judiciary.

3776. Also, petition of the Methodist Episcopal Church of New Alexandria, Westmoreland County, Pa., representing

majority of members, protesting against any change in present prohibition laws; to the Committee on the Judiciary.

3777. Also, petition of the Presbyterian Church of New Alexandria, Westmoreland County, Pa., representing 397 people, protesting against any change in present prohibition laws; to the Committee on the Judiciary.

3778. Also, petition of the Reformed Presbyterian Sabbath school of New Alexandria, Westmoreland County, Pa., representing 100 people, protesting against any change in present prohibition laws; to the Committee on the Judiciary.

SENATE

MONDAY, MARCH 7, 1932

(Legislative day of Wednesday, March 2, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9575. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; and

H. R. 9699. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 5064. An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.; and

S. J. Res. 110. Joint resolution authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal of the calendar days of Wednesday, March 2, Thursday, March 3, and Friday, March 4.

The VICE PRESIDENT. Without objection, the Journal will be approved for the calendar days indicated.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Coolidge	Hastings	Neely
Austin	Copeland	Hawes	Norbeck
Bailey	Costigan	Hayden	Norris
Bankhead	Couzens	Hebert	Nye
Barbour	Cutting	Howell	Oddie
Barkley	Dale	Johnson	Patterson
Bingham	Davis	Jones	Pittman
Black	Dickinson	Kean	Robinson, Ark.
Blaine	Dill	Kendrick	Robinson, Ind.
Borah	Fess	Keyes	Schall
Bratton	Fletcher	King	Sheppard
Brookhart	Frazier	Lewis	Shipstead
Broussard	George	Logan	Shortridge
Bulkley	Glass	McGill	Smith
Bulow	Glenn	McKellar	Smoot
Byrnes	Goldsborough	McNary	Steiwer
Capper	Gore	Metcalf	Thomas, Idaho
Carey	Hale	Morrison	Thomas, Okla.
Connally	Harrison	Moses	Townsend
Trammell	Wagner	Walsh, Mass.	Watson
Tydings	Walcott	Walsh, Mont.	White
Vandenberg			

Mr. FESS. I wish to announce the unavoidable absence of the senior Senator from Pennsylvania [Mr. REED].

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva, Switzerland.

Mr. SHEPPARD. I have been requested to announce that the junior Senator from Tennessee [Mr. HULL] is detained by illness.

I also desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily out of the city.

Mr. BLAINE. I desire to announce that my colleague [Mr. LA FOLLETTE] is unavoidably absent from the Senate.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

EXPRESSION OF APPRECIATION BY SENATOR SHORTRIDGE

Mr. SHORTRIDGE. Mr. President, I crave the indulgence of the Senate for a moment only. I wish to thank the Senate for its courteous references and attentions during my temporary absence. I particularly wish to thank the many Senators who sent me kindly worded messages during my illness. I was particularly gratified that those messages came from what we are accustomed to term "both sides of the Chamber." It impressed me, sir, that after all we are Americans with only one aim and view—the welfare of our country.

To the Senator from Ohio [Mr. FESS] for his attentions during my absence I wish to pay my respects and thanks. To the senior Senator from Oregon [Mr. MCNARY], whom I have known so long and admired so greatly, I wish to extend my thanks for the helpful attention he has given to matters in which I was especially interested.

To my colleague the senior Senator from California [Mr. JOHNSON] I have no words adequate to express my deep appreciation and my sincere thanks for his courtesy and the attention and assistance he gave to me. I shall never forget his kindness.

Nor shall I ever forget the kindness of individual Senators nor cease to be grateful to the Senate itself for its kindly references during my temporary absence. I thank you, sir, one and all.

CONTRACT AIR MAIL SERVICE (S. DOC. NO. 67)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Post Office Department, fiscal year 1933, amounting to $500,000, of which not exceeding $125,000 is to be immediately available, for the contract air mail service, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CONTINGENT EXPENSES, POST OFFICE DEPARTMENT (S. DOC. NO. 68)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Post Office Department, fiscal year 1933, amounting to $2,500, so much thereof as may be necessary to be immediately available, for contingent expenses, Post Office Department, telegraphing, which, with the accompanying paper, was referred to the Committee on appropriations and ordered to be printed.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to law, schedules of papers in the files of the Bureau of Internal Revenue which are not needed in the transaction of public business and have no permanent value or historical interest and asking for action looking toward their disposi-

tion, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. SMOOT and Mr. HARRISON members of the committee on the part of the Senate.

AIR AND OCEAN MAIL CONTRACTS

The VICE PRESIDENT. The Chair lays before the Senate a letter from the Postmaster General, transmitting, pursuant to Senate Resolution 53, of December 19, 1931, information concerning air mail contracts, with accompanying exhibits (S. Doc. No. 70).

Also the Chair lays before the Senate a letter from the Postmaster General, transmitting, pursuant to Senate Resolution 85, of December 19, 1931, information concerning mail contracts let under the merchant marine act, 1928, with accompanying papers (S. Doc. No. 69).

The Chair calls the attention of the senior Senator from Tennessee [Mr. MCKELLAR] to the communications.

Mr. MCKELLAR. Mr. President, I ask that the reports be printed and referred to the Committee on Post Offices and Post Roads. The report relative to air mail contracts should be printed with illustrations and the one relative to ocean mail contracts with an illustration.

The VICE PRESIDENT. Without objection, that order will be made.

FINAL RECOMMENDATIONS OF THE WAR POLICIES COMMISSION

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Military Affairs:

To the Congress of the United States:

In accordance with the provisions of Public Resolution No. 98, approved June 27, 1930, creating the War Policies Commission, and Public Resolution No. 2, approved December 21, 1931, extending the time for the submission of its recommendation, I transmit herewith the final recommendations of the commission.

HERBERT HOOVER.

THE WHITE HOUSE, *March 7, 1932.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

Mr. VANDENBERG. Mr. President, I want to suggest two courses of action supplementary to the message of the President and the report of the War Policies Commission, which have been transmitted by the President to the Senate pursuant to act of Congress.

This is a report of the so-called War Policies Commission, which was created by act of Congress one year ago for the purpose of recommending a practical formula to take the profits out of war and to equalize the burdens of war, if, unhappily, this scourge again comes to America. It was a mixed commission, consisting of members of the Cabinet, Members of the House, and Members of the Senate, under the chairmanship of the Secretary of War. The Senate was represented by the senior Senator from Pennsylvania [Mr. REED], the senior Senator from Arkansas [Mr. ROBINSON], the senior Senator from Virginia [Mr. SWANSON], and myself. The report is now transmitted to Congress. Its summary is exceedingly brief, and the first request I want to submit is that this illuminating and self-explanatory summary shall be printed in the RECORD, if it is not otherwise printed in the RECORD in the House proceedings. I want Congress and the country to sense the tremendous import of this prospectus in practical patriotism.

The VICE PRESIDENT. Without objection, that order will be made.

The report of the commission is as follows:

WAR POLICIES COMMISSION,
Washington, D. C., March 5, 1932.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: I inclose herewith the final recommendations of the commission created by a congressional resolution entitled "Joint resolution to promote peace and to equalize the burdens and to minimize the profits of war."

Twelve of the fourteen members of the commission have signed these recommendations. Of the two members not signing, one is attending the disarmament conference in Geneva and the other has prepared a minority report, which is attached hereto.

On December 4, 1931, there was submitted to the President a preliminary report concerning the commission's activities. An extension of time for the preparation of conclusions and recommendations was requested and granted in order that certain studies concerning constitutional law could be carried to completion. The Attorney General and others have carefully investigated the legal phases of the questions involved, and their conclusions were considered by the commission in formulating its final report.

During the course of its deliberations the commission held a series of open hearings, at which many witnesses advanced diverse proposals and opinions bearing upon the intricate problems that presented themselves for study. The names of these witnesses and the complete testimony submitted by each accompanied our preliminary report.

In accordance with the decision of the members there will be promptly prepared and submitted to the President a summarized analysis of the testimony and copies of the legal opinions presented to the commission.

A copy of the resolution creating the commission and an account of the proceedings subsequent to December 4, 1931, are appended.

Respectfully yours,

PATRICK J. HURLEY,
Secretary of War,
Chairman of the Commission.

(Inclosures: Report of commission, minority report, supplemental proceedings, and Public Resolution No. 98, Seventy-first Congress.)

REPORT OF COMMISSION CREATED BY PUBLIC RESOLUTION NO. 98, SEVENTY-FIRST CONGRESS, APPROVED JUNE 27, 1930

MARCH 5, 1932.

To the PRESIDENT:

The commission appointed under Public Resolution No. 98, Seventy-first Congress, entitled "Joint resolution to promote peace and to equalize the burdens and to minimize the profits of war," respectfully submits the following report and recommendations:

First. We recommend, in order to eliminate all doubt concerning the extent of the power of the Congress to prevent profiteering and to stabilize prices in time of war, that a proposed constitutional amendment clearly defining such power be submitted by the Congress to the States.

Second. We further recommend that until a constitutional amendment be adopted clearly defining the power of Congress to prevent profiteering and to stabilize prices in time of war, the following program be adopted as governmental policy in order effectively to minimize the profits of war and to distribute its burdens and sacrifices equitably:

(a) That the Congress should empower the President, in the event of war, to institute a program under which prices may be stabilized and thereafter adjusted at such levels as will minimize inflation and will secure to the Government the use of any private property needed in the prosecution of the war without affording the owner thereof profit due to the war. It should be clearly stated that such a program will not be placed in operation until Congress specifically directs it as a necessary measure in the conduct of the war.

(b) The Congress should empower the President to make, in war, such readjustments in, additions to, the executive departments of the Government as are necessary to assure adequate control of all national resources. The President should be empowered also to fix the status, for the period of the war, of personnel transferred under this authority from one bureau or department of the Government to any other.

(c) Existing law empowering the President to compel acceptance of war orders and to commandeer property should be continued.

(d) In addition to all other plans to remove the profits of war, the revenue law should provide that, upon any declaration of war and during the period of such emergency, individuals and corporations shall be taxed 95 per cent of all income above the previous 3 year average, with proper adjustments for capital expenditures for war purposes by existing or new industries.

(e) In time of peace continuous planning by the Federal Government, particularly by the War and Navy Departments, should be directed toward insuring:

(1) That upon declaration of war there shall be immediately available to the Congress accurate and detailed estimates concerning the man-power and material needs of the military and naval services, together with detailed studies and recommendations concerning the most applicable methods for mobilizing the necessary men and procuring the required munitions.

(2) That there shall be no competitive bidding between Government agencies for the products of industry.

(3) There shall be no placing of contracts in excess of needs.

(4) That cost-plus-percentage methods of purchase shall be eliminated.

(5) That the munitions-production load shall be distributed properly over the United States.

(6) That the governmental organizations required in the administration of war functions shall be set up promptly.

(7) That the necessary controls respecting prices, raw materials, transportation, priorities, war trade, finances, and related matters

shall be continuously studied, so that in the event of war the will of Congress may be promptly and efficiently administered.

(f) Plans prepared in the War and Navy Departments for the accomplishment of the above should be continuously revised to meet changing national and international conditions, and should be thoroughly examined and revised at least every two years by appropriate congressional committees.

Third. We recommend that no constitutional amendment to permit the taking of private property in time of war without compensation be considered by the Congress.

Respectfully submitted.

PATRICK J. HURLEY,
Chairman.
DAVID A. REED,
Vice Chairman.
JOE T. ROBINSON.
JOHN J. McSWAIN.
ARTHUR H. VANDENBERG.
WILLIAM D. MITCHELL.
C. F. ADAMS.
R. P. LAMONT.
WM. P. HOLADAY.
ARTHUR M. HYDE.
W. N. DOAK.
LINDLEY H. HADLEY,
Secretary.

Absent: Senator CLAUDE A. SWANSON, attending the conference at Geneva.

MINORITY REPORT

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON APPROPRIATIONS,
Washington, D. C., March 3, 1932.

To the PRESIDENT:

The purpose in creating the so-called War Policies Commission was to "study and consider amending the Constitution of the United States to provide that private property may be taken by Congress for public use during war and methods of equalizing the burdens and to remove the profits of war, together with a study of policies to be pursued in the event of war."

I take it that the object of the resolution creating the commission deals solely with the purpose of eliminating profits that accrue to certain classes of individuals and corporations during war and that "a study of policies to be pursued in the event of war" relates to policies to be prescribed by Congress either through a constitutional amendment or by legislation for the purpose of eliminating war profits.

As the Constitution of the United States is now drawn I am convinced that the only way to eliminate war profits is through the adoption of a constitutional amendment so as to enable Congress to pass legislation creating an agency to fix prices of commodities, either for the purpose of keeping profits at a minimum or the entire elimination of them. I heartily favor the adoption of a constitutional amendment to carry out this object.

I do not believe it was the intention of Congress that the power to fix prices of commodities should be delegated to military men. I believe that such administrative matters should be entirely in the hands of civilians, and I object to any recommendation that would tend to confer upon military men the power to regulate prices or the activities of the civilian population during war or at any other time. I am firmly convinced, whether intended or not, that any war planning as now carried on by the War Department will in the end result in the administration of price fixing laws and the regulation of civilian activities by military and naval officers if the recommendations of the majority members of the commission are finally adopted by Congress.

I regret that I am unable to follow the majority of the members of the commission upon all of their proposals and respectfully submit to you this dissent.

Very respectfully,

ROSS A. COLLINS.

ADDITIONAL PROCEEDINGS OF THE COMMISSION CREATED BY PUBLIC RESOLUTION NO. 98, SEVENTY-FIRST CONGRESS, APPROVED JUNE 27, 1930

AN ACCOUNT OF THE PROCEEDINGS OF THE COMMISSION TO INCLUDE ITS MEETING OF DECEMBER 1, 1931, WAS SUBMITTED TO THE PRESIDENT UNDER DATE OF DECEMBER 4, 1931

February 26, 1932

The commission met in executive session at 2 p. m., in the minority caucus room of the Senate Office Building.

Present: Secretary of War Hurley, Secretary of Navy Adams, Secretary of Commerce Lamont, Secretary of Labor Doak, Attorney General Mitchell, Congressman HADLEY, Congressman COLLINS, and Congressman McSWAIN.

The chairman called the meeting to order. The Attorney General presented a summary of the conclusions reached by him concerning the power of Congress to fix prices in time of war.

This subject was discussed informally by the members. Other matters pertaining to the commission's report were considered. Final decision was deferred until the next meeting of the commission.

The commission then adjourned to meet at 2 p. m., Thursday, March 3, 1932.

March 3, 1932

The commission met at 2 p. m., in the minority caucus room, Senate Office Building.

Present: Secretary of War Hurley, Secretary of Navy Adams, Secretary of Commerce Lamont, Secretary of Labor Doak, Attorney General Mitchell, Senator REED, Senator VANDENBERG, Senator ROBINSON, Congressman HADLEY, Congressman COLLINS, and Congressman McSWAIN.

Absent: Secretary of Agriculture Hyde, Senator SWANSON (in Europe), and Congressman HOLADAY.

The commission undertook final revision of its recommendations. These were formulated in detail, and the chairman was requested to present them to all members (except Senator SWANSON—absent in Europe) for signature. Each member present, except Congressman COLLINS, announced his readiness to sign the recommendations as written. The chairman was requested to submit them to the President by March 6, 1932.

The executive secretary was directed to prepare a short analysis of the evidence presented during the course of the commission's deliberations and submit it to the chairman.

The chairman was requested to forward to the President this analysis of testimony together with copies of the several written legal opinions previously considered by the commission.

There being no further business before it the commission adjourned.

D. D. EISENHOWER,
Assistant Executive Secretary.

[PUBLIC RESOLUTION—NO. 98—71ST CONGRESS]

Joint resolution (H. J. Res. 251) to promote peace and to equalize the burdens and to minimize the profits of war

Resolved, etc., That a commission is hereby created to study and consider amending the Constitution of the United States to provide that private property may be taken by Congress for public use during war and methods of equalizing the burdens and to remove the profits of war, together with a study of policies to be pursued in event of war. The commission shall report definite recommendations to the President of the United States to be by him transmitted to the Congress not later than the first Monday in December, 1931, together with copies of its proceedings and hearings and to report if, in their opinion, any constitutional amendment be necessary to accomplish the purposes desired: *Provided*, That said commission shall not consider and shall not report upon the conscription of labor.

SEC. 2. That said commission shall be composed of four Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and four Members of the Senate, to be appointed by the President of the Senate, the Secretary of War, Secretary of the Navy, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, and the Attorney General.

SEC. 3. The said members to be appointed by the Speaker of the House of Representatives and the President of the Senate shall meet as soon as possible after the enactment of this resolution in the city of Washington, District of Columbia. The Secretary of War shall supply from the War Department all necessary office and clerical assistance.

SEC. 4. When said commission shall meet it shall organize by electing one of its number as chairman, and another as vice chairman, and shall appoint a secretary.

SEC. 5. That no compensation shall be paid any member of said commission, and no expenses shall be incurred by them except the actual expenses of sustenance and travel for the members of the commission, and printing and clerical assistance that can not be reasonably provided by the War Department.

Approved, June 27, 1930.

Mr. VANDENBERG. Mr. President, the commission in the course of its hearings accumulated probably the most valuable compilation of expert and dependable testimony which can ever be put at the service of the country in a subsequent martial difficulty. Those volumes of testimony, taken from all the great civil and military leaders who participated in our World War experience, will be on file for permanent reference in connection with the ultimate work of the commission. This testimony charts both mistakes and advantages, assets and liabilities, which developed in our national experience in organizing the country to fight for its life. It mobilizes these lessons for the benefit of to-morrow. It is the voice of recommendation and admonition. Let none misunderstand the final purpose we have sought to serve in this whole connection. It is not to facilitate war. It is to discourage it if a commercial motive should ever influence such decisions, and to democratize it if, despite all honorable efforts, it comes.

We immediately discovered, Mr. President, that the popular and abstractly laudable notion of actually and physically drafting capital or labor in time of war is an impractical impossibility. As a matter of fact, the commission was foreclosed from considering the drafting of labor. But

the commission is practically unanimous in the view that it has achieved a formula which better reaches the objective and which accomplishes everything the original order of Congress had in its purview and which totally answers the aspirations of the American Legion as expressed for the last decade and repeatedly stressed in its annual conventions and as shared by all straight thinkers with a proper conception of the relative duties and obligations incumbent upon all citizens in a democracy.

The program, very briefly summarized, falls into three parts and in connection with two of them I am suggesting action by the Senate this morning, so that this unusually pregnant movement may lose no impetus, because I think we will all agree that if war can be demonetized in its impulses we shall have made one of the most practical possible contributions to real and useful pacifism of a type which every American can cordially appprove unless he nurses the unholy aspiration to capitalize some subsequent disaster in the rôle of a war profiteer.

The first recommendation of the committee revolves around the freezing of commodity prices at the time of entry into a martial conflict. It is the opinion of a majority of the commission, supported by substantial legal authority, that Congress already possesses the necessary and adequate power to proceed in this fashion, but, in view of a possible cloud of doubt upon that authority, the commission has unanimously recommended consideration by Congress of a constitutional amendment, and, for the purpose of initiating definitely this phase of the recommendation, I introduce, Mr. President, on behalf of the Senator from Arkansas [Mr. ROBINSON], the Senator from Virginia [Mr. SWANSON], the Senator from Pennsylvania [Mr. REED], and myself, a joint resolution proposing an amendment to the Constitution, which I ask may be printed in the RECORD and referred to the Judiciary Committee.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Washington?

Mr. VANDENBERG. I yield.

Mr. DILL. I am very much interested in this question; I should like to have the proposed constitutional amendment submitted by the Senator read.

The VICE PRESIDENT. The joint resolution will be read.

The joint resolution (S. J. Res. 115) proposing an amendment to the Constitution of the United States providing for the fixing of prices in time of war and the prevention of profiteering was read the first time by its title and the second time at length, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"At the end of the fifth amendment change the period to a semicolon and add the following:

"'*Provided, however*, That in time of war Congress may regulate or provide for the regulation of prices, rent, or compensation to be exacted or paid by any person in respect of the sale, rent, or use of any real or personal property, tangible or intangible, without regard to any limitation contained in this article or any other article of the Constitution.'"

Mr. DILL. Mr. President, this is the recommendation of the commission, so far as the Senate is concerned, to carry out the proposal of the American Legion that we shall draft property the same as we draft men?

Mr. VANDENBERG. If the Senator will permit me to conclude my summarizing of the report, he will see that the proposed constitutional amendment touches but one factor and merely initiates the more vital substance.

Mr. DILL. But this is the only recommendation for an amendment of the Constitution, I understand?

Mr. VANDENBERG. That is correct.

Mr. DILL. And when we are proposing to amend the Constitution it is suggested by the commission to amend it only so that the Government can fix profits, not prevent profits?

Mr. VANDENBERG. The Senator may put his own paraphrase upon the amendment. I shall proceed subsequently to indicate that his implied criticism is without foundation.

Mr. BORAH. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Idaho.

Mr. BORAH. The Senator from Michigan merely asks that the joint resolution proposing a constitutional amendment be referred to the Committee on the Judiciary?

Mr. VANDENBERG. That is all.

The VICE PRESIDENT. Without objection, the joint resolution will be referred to the Committee on the Judiciary.

Mr. VANDENBERG. Now, Mr. President, in the theory of the commission as it has sought to remove the profits and equalize the burdens of war so far as it may be done by law—and I reiterate that this is a unanimous report, at least so far as the representatives of the Senate and the Cabinet are concerned—the further proposal is that after the commodity price index has been appropriately and equitably set at the inception of a war, if subsequently any extraordinary profits seep through they shall practically all be closed into the Treasury of the United States through a special tax of 95 per cent upon all earnings of corporations and individuals; that is, a tax of 95 per cent on the excess of the corporate or the individual income as compared with the average income for the three preceding years. In other words, money, whether earned by property or services, shall no longer escape common contribution in so far as this objective is susceptible of mandate. The Senate will note that we have entirely avoided the difficulty previously involved in the old so-called excess-profits tax, which required a calculation of invested capital and resulted in endless litigation and argument and perplexity and evasion.

In order to bring this phase of the program definitely and specifically to the attention of Congress in tangible form for congressional action, the commission is anxious to submit this phase of its report to the Treasury Department, with the request for specific recommendations relative to ways and means for developing the 95 per cent tax program. Therefore, Mr. President, again on behalf of the Senator from Arkansas [Mr. ROBINSON], the Senator from Virginia [Mr. SWANSON], the Senator from Pennsylvania [Mr. REED], and myself, I offer a resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. FESS in the chair). The resolution will be reported for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 180), as follows:

Resolved, That the report of the War Policies Commission, in which is recommended the application in time of war of a 95 per cent tax on all incomes of corporations and of individuals in excess of the prior 3-year average income, be referred to the Secretary of the Treasury for a prompt expression of his detailed recommendations and opinions.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. VANDENBERG. I yield.

Mr. BORAH. Did the committee take into consideration the advisability of fixing prices in time of peace as well as in time of war? Why it is wise to fix prices in time of war and not wise to fix prices in time of peace? If we are going into this proposition I am in favor of giving authority to fix prices in time of peace.

Mr. VANDENBERG. Mr. President, all the administrators from the war period came before us and argued, I think without exception, that the starting point in the control of war profits must be a fixed price index with respect to commodities involved in the necessary national defense.

Mr. BORAH. I understand that; but, so far as the interests of the people as a whole are concerned, why should not prices in time of peace be fixed the same as in time of war? The concentration of wealth is causing more human suffering than war, the curse lasts longer and the evils are greater.

Mr. VANDENBERG. The problem of peace-time price fixing or peace-time profits of any nature was not within the permitted purview of the commission. We were involved solely with the problem given to us by Congress under the resolution to undertake to equalize the burden and to remove the profits of war so far as possible.

Mr. BORAH. And the question of doing the same thing in time of peace did not come before the committee?

Mr. VANDENBERG. It did not. It could not. It is not a part of our problem. It is unrelated because the régimes of peace and war inevitably involve totally different conceptions and necessities. All of us consent to rules in time of war which would be unthinkable in times of peace.

Mr. BORAH. In view of the fact that it is proposed to amend the Constitution so as to control prices in time of war, what does the Senator think of making it broad enough to cover the proposition in time of peace, in case we desire to do so? Both propositions relate to human welfare, and, in my opinion, the one may be sustained on the same ground as the other.

Mr. VANDENBERG. The view of the Senator from Michigan is that the proposed amendment to the Constitution being submitted to the Judiciary Committee, of which the Senator from Idaho is a distinguished member, in connection with the committee's study, if the Senator wants to broaden the contemplation of the proposed amendment, I shall be glad to go into that with him. I have not gone into it up to the present time.

Mr. BORAH. I was simply speaking of having the Senator from Michigan consider it when the matter comes before the committee.

Mr. VANDENBERG. I have never considered it up to the present time. It seems to me the commission had a sufficient contract to carry out in connection with the actual problems submitted to its consideration. I do not want to confuse the issue.

Mr. KING. Mr. President, I think the resolution is of sufficient importance to go over for a day and to be referred to the Committee on Finance.

Mr. VANDENBERG. Does the Senator understand that the resolution simply asks the Secretary of the Treasury for essential information?

Mr. KING. It asks his opinion, as I understand the resolution, with respect to the method of procedure that could be employed for the purpose of imposing a 95 per cent tax upon certain income or profits in time of war.

Mr. VANDENBERG. Solely so that Congress may have complete information when it undertakes to consider the problem on its merits.

Mr. KING. I may say to the Senator that my view is that in time of war Congress has now full, plenary power not only to impose a 95 per cent tax upon profits but to take all of the profits from business and to take property itself—of course, under the Constitution, by affording proper compensation. During the World War, as the Senator well knows, we took ships and property, lands, houses, and personal property, and remitted the owners oftentimes, if they refused to take the amount which was tendered, to the courts in order that they might obtain adequate compensation for the property taken. As the Senator knows, war sets aside largely peace-time laws and, perhaps, constitutional provisions, and in time of war it seems to me we can accomplish all that is recommended by the Senator from Michigan in the report which he submits.

Mr. VANDENBERG. The Senator is discussing the merits of the question. I am asking him to permit the resolution to be adopted so that the available information may be on hand when the merits of the question shall be before the Senate for its consideration.

Mr. KING. Would the Senator object to letting the resolution go over until to-morrow?

Mr. VANDENBERG. Not if the Senator insists on it; I could not object.

Mr. KING. I want to please the Senator, but I think he ought to let the resolution go over.

Mr. DILL. Mr. President, before the Senator takes his seat, I want to know what reason the committee had for refusing to recommend a constitutional amendment that would carry out the great plan which the American Legion so enthusiastically put forward looking to the enactment of laws that would enable Congress to draft property in time of war the same as it drafts men.

Mr. VANDENBERG. To answer the Senator's question with any finality would require me to enter upon a discussion which would be longer, I am sure, than the Senator would desire to precipitate at the moment. Let me answer him just to this extent: In seeking to equalize—let me emphasize the verb "equalize"—the burdens of war it was speedily disclosed by the witnesses before the commission that an arbitrary drafting of property might actually create a larger discrepancy in the burden of war through the drafting of one unit in a given industry and the release of the other units from any such imposition.

Mr. DILL. Mr. President——

Mr. VANDENBERG. Let me finish. The commission came to the conclusion, based, I believe and as I recall, upon the preponderating weight of the testimony, that the ultimate recapture of any profits accruing from the operation of war adequately and in practical fashion accomplished all that the Senator has in mind.

Mr. DILL. Let me ask the Senator where does he get the principle of which he speaks, namely, the equalizing of profits to individuals and to property? There was nothing to that effect in the resolution that was adopted appointing the commission of which the Senator is a member. That resolution looked to the taking out of war the profits on property used in war; and yet the commission comes back here and recommends that we go to the great trouble of amending the Constitution of the United States, without including within the power given Congress the right of Congress to exercise its judgment on that question, if ever the time should come when it wanted to take that step. I want to know where the Senator gets the equalization idea of which he speaks.

Mr. VANDENBERG. I remind the Senator that the instructions to the commission included the admonition to undertake an equalization of the burdens as well as the prohibition of war profits.

Mr. DILL. But we have a right now to limit the profits.

Mr. VANDENBERG. The Senator's present argument, going to the merits of the case, may very appropriately be addressed to the Judiciary Committee. I am simply submitting the findings of the commission after one year's intimate study in contact with the best authority and advice that we could procure.

Mr. DILL. I am a member of the Judiciary Committee, but the point I am trying to make is this: I had considerable to do with the passage of the joint resolution. The joint resolution specifically was directed to taking the profit out of war.

Mr. VANDENBERG. And we think we have done that.

Mr. DILL. And the commission has recommended an amendment, not to take the profit out of war but to give the Congress the right to limit the profit, to fix the profit.

Mr. VANDENBERG. On the contrary——

Mr. DILL. In other words, it looks to me as though the commission in this situation is like the mountain that labored and brought forth a mouse.

Mr. VANDENBERG. That may be the Senator's view. I think it is not the view of the Senator from Arkansas [Mr. ROBINSON] or the Senator from Pennsylvania [Mr. REED] or the Members of the House or the members of the Cabinet who labored for one year upon this problem. If the specific and tangible removal of 95 per cent of the profits of war is not a direct frontal attack upon war profiteering, then I do not know how to make it.

Mr. ROBINSON of Indiana. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Indiana.

Mr. ROBINSON of Indiana. The Senator from Washington is quite right, I think, in assuming that the whole purpose of the position of the American Legion has been

to take the profits out of war, and to eliminate profiteering. The subject has been before the Senate a number of times, and I think before the Committee on Military Affairs. A great deal of evidence has been taken. This is the first time I have ever had any notion that it was necessary to amend the Constitution of the United States to carry out the program of the American Legion—which is, I think, the program of most of those who saw service in the World War—that property might be drafted, wealth might be drafted, the same as individuals for the front-line trenches.

I recognize that this is a matter that goes to the merits of the question, and I shall be glad to study the subject when it comes before the Committee on the Judiciary. I am forced, however, to express my surprise that it has been found necessary in carrying out a joint resolution of this kind to suggest to the Senate that we must set up the cumbersome machinery of amending the Constitution of the United States to get at a question which is comparatively simple. Furthermore——

Mr. VANDENBERG. Let me say there——

Mr. ROBINSON of Indiana. Just a second, and then I shall be glad to be interrupted.

Furthermore, Mr. President, everybody who understands *anything* about amending the Constitution of the United States knows that it is practically impossible—so nearly impossible, at any rate, that in 144 years it has been amended but nineteen times. I do not think it is necessary at all, from what study I have been able to make of this question, and for a number of years I have studied it at least to the best of my ability. I think we can enact legislation that will do the job, and I think such legislation ought to be enacted. I do not think it ought to be left to the tender mercies of numerous interests throughout the country that would work with every legislature in the country to prevent amendment of the Constitution of the United States.

That is just a statement made without having studied carefully the recommendation of the commission, of which the Senator from Michigan is an honored member.

Mr. VANDENBERG. Mr. President, I want to be very sure that there is no cloud of doubt left upon the reason why a constitutional amendment is submitted, because it would be exceedingly unfortunate if it were misconstrued.

It was the majority opinion in the commission that no constitutional amendment is necessary, and when the Senator from Indiana examines the report he will find it specifically indicated that the commission believes that adequate power exists to-day to accomplish the results which the commission is recommending. We do not desert this position. We do not propose to wait for new authority before invoking the new formula. In an excess of caution, however, and purely supplementary to the situation as I have just defined it, at the request of a minority of the commission, and solely to bulwark the proposition and to remove any ultimate and final doubt, the suggestion of a constitutional amendment is made.

In conclusion, I will say that the recommendation of the American Legion, through its legal department, is precisely in line with the opinion expressed by the Senator from Indiana, which I also entirely share, that a constitutional amendment is not necessary.

Mr. ROBINSON of Indiana. Up to date we have never been able to get a measure of this kind out of the Senate committee, much less get the Constitution of the United States amended to provide for it.

I think the resolution ought to go over, Mr. President.

The PRESIDING OFFICER. The resolution goes over until to-morrow.

Mr. THOMAS of Oklahoma and Mr. McKELLAR addressed the Chair.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. Is not this argument proceeding by unanimous consent?

The PRESIDING OFFICER. It is all out of order.

Mr. McNARY. I do not want to invoke the rule or suggest the regular order of procedure; but I want to get to the pending appropriation bill.

Mr. DILL. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DILL. What rule says that we can not discuss a subject when a bill is before the Senate? Why is unanimous consent required to discuss a subject when the agricultural bill is before the Senate?

The PRESIDING OFFICER. Just as soon as an amendment is offered, discussion will be in order.

Mr. McNARY. Yes; but there is no amendment pending at this time. The bill itself is the unfinished business. I am willing to be patient; I have been for 40 minutes; but I want to get the appropriation bill before the Senate and get through with it. If the argument is so vital in the mind of the Senator from Washington, however, he may speak further when the first amendment is offered.

Mr. DILL. I simply do not want the rule to be laid down here that Senators can speak only by unanimous consent when a great legislative bill is before the Senate. It is not requisite to have an amendment pending to discuss the agricultural appropriation bill.

Mr. McNARY. That is a rule as old as this institution itself. There is nothing pending before the Senate but the unfinished business. No amendment has been offered, and it is only by unanimous consent that Senators have been speaking. If the Senator will be patient until an amendment is offered, then he may speak at length.

Mr. DILL. Mr. President, I ask to have inserted in the RECORD a copy of House Joint Resolution 251, Public Resolution No. 98 of the Seventy-first Congress.

There being no objection, the joint resolution, approved June 27, 1930, was ordered to be printed in the RECORD, as follows:

[PUBLIC RESOLUTION—No. 98—SEVENTY-FIRST CONGRESS]

Joint resolution (H. J. Res. 251) to promote peace and to equalize the burdens and to minimize the profits of war

Resolved, etc., That a commission is hereby created to study and consider amending the Constitution of the United States to provide that private property may be taken by Congress for public use during war and methods of equalizing the burdens and to remove the profits of war, together with a study of policies to be pursued in event of war. The commission shall report definite recommendations to the President of the United States to be by him transmitted to the Congress not later than the first Monday in December, 1931, together with copies of its proceedings and hearings and to report if, in their opinion, any constitutional amendment be necessary to accomplish the purposes desired: *Provided*, That said commission shall not consider and shall not report upon the conscription of labor.

SEC. 2. That said commission shall be composed of four Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and four Members of the Senate, to be appointed by the President of the Senate, the Secretary of War, Secretary of the Navy, Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, and the Attorney General.

SEC. 3. The said members to be appointed by the Speaker of the House of Representatives and the President of the Senate shall meet as soon as possible after the enactment of this resolution in the city of Washington, District of Columbia. The Secretary of War shall supply from the War Department all necessary office and clerical assistance.

SEC. 4. When said commission shall meet it shall organize by electing one of its number as chairman, and another as vice chairman, and shall appoint a secretary.

SEC. 5. That no compensation shall be paid any member of said commission, and no expenses shall be incurred by them except the actual expenses of sustenance and travel for the members of the commission, and printing and clerical assistance that can not be reasonably provided by the War Department.

Approved, June 27, 1930.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate telegrams in the nature of petitions from the Susan B. Anthony Delphian Chapter, by Lorena Butler, president; the Kiwanis Club, by A. R. Snow, secretary; the Rochester Club, by William Bausch, president; the Women's Entertainment Committee of the Brooklea Club, by Mrs. Ray J. White; the Oak Hill Country Club, by L. W. Chapin, president; and the Chatter Box Club, by Mrs. Harold C. Townsend, president;

all of Rochester, N. Y., praying for the passage of the so-called Cochran kidnaping bill, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the Woman's Home and Foreign Missionary Society of the Methodist Episcopal Church of Hollister, Calif., favoring the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a proposed draft of legislation prepared by Lester P. Barlow, to create a commission to study and investigate such secret military plans as Mr. Barlow may present to the proposed commission, which was referred to the Committee on Military Affairs.

Mr. BARBOUR presented a petition of sundry citizens of Red Bank, N. J., praying for the passage of legislation making kidnaping a Federal crime and providing capital punishment therefor, which was referred to the Committee on the Judiciary.

Mr. BROOKHART presented petitions numerously signed by sundry citizens of the State of Iowa, praying for the passage of the so-called Capper-Kelly price protection bill, which were referred to the Committee on Interstate Commerce.

Mr. TYDINGS presented memorials of sundry citizens of Mount Rainier, Md., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

Mr. GEORGE presented the petition of members of the Woman's Christian Temperance Union of Ochlocknee, Ga., praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by a mass meeting assembled at the Methodist Church in Cairo, Ga. (about 400 present), protesting against any attempts to weaken the Volstead law and also against a proposed referendum on the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

Mr. WALSH of Massachusetts presented memorials and letters in the nature of memorials numerously signed by sundry citizens of the State of Massachusetts, remonstrating against the imposition of a Federal tax on gasoline, which were referred to the Committee on Finance.

He also presented petitions of 300 ex-service men, being citizens of the State of Massachusetts, favoring the passage of legislation authorizing the Treasurer of the United States to pay the full face value in cash of adjusted-service compensation certificates upon demand (bonus), which were referred to the Committee on Finance.

Mr. SHEPPARD presented a memorial signed by 22 members of the Wesley Bible Class of the Grace Methodist Episcopal Church of Houston, Tex., remonstrating against the adoption of measures looking to the modification or nullification of the eighteenth amendment of the Constitution or the Volstead law, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by approximately 150 members of the Friendship Baptist Church, of Fort Worth, Tex., memorializing the Congress to call upon the President to designate a day of prayer and supplication for a higher sense of duty and responsibility on the part of the individual citizen, etc., which was referred to the Committee on the Judiciary.

He also presented a memorial in the form of a resolution adopted by the Woman's Missionary Society of the First Baptist Church of Amarillo, Tex., signed by 1,051 citizens of that place, remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement, which was referred to the Committee on the Judiciary.

Mr. VANDENBERG presented petitions of sundry citizens of Saline, Mich., praying for the maintenance of the prohibition law and its enforcement, and protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, which were referred to the Committee on the Judiciary.

He also presented the petition of the Association of Commerce of Houghton, Mich., embodying a memorial signed by the Governors of Arizona, Nevada, New Mexico, California, Washington, Oregon, Utah, Tennessee, and Michigan, praying for the imposition of a tariff on copper, which was referred to the Committee on Finance.

He also presented resolutions adopted by the American Monetary Reform Association, submitted by Charles R. Adair, president, of Flint, Mich., in favor of the adoption of bimetallism, which were referred to the Committee on Banking and Currency.

He also presented resolutions adopted by the Michigan Affiliated Exchange Clubs, protesting against any curtailment in military training for the National Guard through limitation in the bill making appropriations for the War Department, which were referred to the Committee on Appropriations.

Mr. CAPPER presented a resolution adopted by the Topeka (Kans.) Bar Association, favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented petitions numerously signed by sundry citizens of Washington, D. C., praying for the passage of legislation providing for the regulation of barber shops on Sunday in the District of Columbia, known as the Copeland Sunday health bill, which were referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of the State of Kansas, praying for the passage of the so-called Capper-Kelly fair trade bill, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the local chapter of the Woman's Christian Temperance Union of St. Johns and the Women's Society of the Methodist Church of Manhattan, in the State of Kansas, favoring the maintenance of the prohibition law and its enforcement, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Denison, Manhattan, Stafford County, and members of the Wesley Methodist Sunday school, of Kansas City, all in the State of Kansas, praying for the maintenance of the prohibition law and its enforcement, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented a resolution adopted by hotel and restaurant owners and employees of New York City, N. Y., favoring the modification of the Volstead Act, which was referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens and organizations of the State of New York, remonstrating against the resubmission of the eighteenth amendment of the Constitution to the States, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by groups of the Polish National Alliance of Astoria and Schenectady (two groups), N. Y., favoring the passage of legislation providing that October 11 in each year be proclaimed General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented petitions of councils of the Sons and Daughters of Liberty, of Southampton, Long Island, and Poughkeepsie, N. Y., respectively, praying for the passage of legislation providing for the deportation of undesirable aliens, which were referred to the Committee on Immigration.

He also presented a resolution adopted by Massena Post, No. 79, the American Legion, of Massena, N. Y., favoring the repeal of the 2-year loan-value clause of the World War veterans' act pertaining to loans on adjusted-service certificates, which was referred to the Committee on Finance.

He also presented a resolution adopted by the management of St. Luke's Hospital, of Newburgh, N. Y., favoring consideration of the facilities for the care of injuries and acute illnesses offered by available civilian general hospitals

under conditions similar to those now enjoyed by veterans suffering from service disabilities and requiring general hospital treatment, etc., which was referred to the Committee on Finance.

He also presented a resolution adopted by citizens of Buffalo, N. Y., remonstrating against the imposition of a Federal tax on gasoline, which was referred to the Committee on Finance.

He also presented several memorials from citizens of the State of New York, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented a resolution adopted by the Community Councils of the State of New York (Inc.), favoring the passage of legislation providing for old-age pensions, which was referred to the Committee on Pensions.

He also presented a resolution adopted by Harry B. Bentley Post, No. 443, the American Legion, of Elmira, N. Y., favoring the passage of legislation placing widows and orphans of World War veterans on an equal basis with widows and orphans of veterans of other wars, which was referred to the Committee on Pensions.

He also presented a resolution adopted by the Chamber of Commerce of Pittsburgh, Pa., protesting against the passage of Senate bill 3643, providing for the regulation of common carriers by water engaged in interstate commerce through the Panama Canal, which was referred to the Committee on Commerce.

He also presented petitions of sundry citizens of the State of New York, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the Kiwanis Club, the Rotary Club, and the Lions Club, respectively, of Troy, N. Y., praying for ratification by the Senate of the Geneva convention of 1931, limiting the operation of the manufacture and traffic in narcotic drugs, which were referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the Oneida County American Legion, of Utica, N. Y., and of Hollis Post, No. 2247, Veterans of Foreign Wars of the United States, of Hollis, Long Island, N. Y., remonstrating against the making of further reductions in appropriations for the Army and Navy, which were referred to the Committee on Appropriations.

SENATOR GEORGE W. NORRIS

Mr. McKELLAR. Mr. President, the Hon. Josephus Daniels is the owner of a newspaper at Raleigh, N. C., by the name of the News and Observer. I think every Senator knows who Mr. Daniels is and knows about his paper. I have in my hand an editorial from that paper, of date March 4, 1932, with regard to a distinguished Member of this body. I think it is one of the most timely editorials about any man connected with the Senate that I have seen for a long time, and I ask unanimous consent that it may be read by the clerk.

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Oklahoma yield for that purpose?

Mr. THOMAS of Oklahoma. I yield for that purpose.

The PRESIDING OFFICER. Without objection, the editorial will be read.

The Chief Clerk read as follows:

[From the Raleigh (N. C.) News and Observer of March 4, 1932]

THAT MAN NORRIS

Senator GEORGE W. NORRIS, of Nebraska, has one more river to cross before he completes a remarkable trinity of major legislation at this session of Congress.

Behind him is the constitutional amendment ready for submission to the States, to put an end to the "lame-duck" sessions of Congress. Behind him, also, so far as the Senate is concerned, is the anti-injunction bill for which he conducted an 8-year campaign. Ahead of him is the Muscle Shoals measure committing the Government to the operation of the plant for the benefit of the American people.

Seven votes only were cast against the "lame-duck" amendment in the Senate and five only were registered against the anti-injunction bill. All of the five negative votes, it is significant, came from New England Senators.

And so again, NORRIS emerges as a personality above party, drawing support from progressives of both parties in his undeviating antagonism to reaction wherever it is manifest.

What manner of man is this who has always flouted political organization of the machine variety, who has spent most of his public life in a battle against bosses and against governmental control by the interested, who has found it neither necessary nor expedient to yield his principles to party preference, and who as often as not has been arrayed against the powers of his own party, without loss of prestige or confidence among his own constituency or popular following in the country at large?

Literally GEORGE NORRIS was born fighting. He had two alternatives: To fight or perish. Soon after he was born on an Ohio farm his father died. His only brother was killed in the War between the States. In the straightened condition of the family, he worked as a farm hand on neighboring farms, attended brief winter sessions of the rural school, and qualified himself for more fighting. He became a school-teacher but he was not content with the relatively larger degree of ease as a teacher. It was an opportunity to acquire the funds for college. He paid his way through the university. More fighting then as a private student of law.

In 1885, two years after he received his license to practice, NORRIS moved to Nebraska. He embraced the opportunity for public service. He served three times as prosecuting attorney, twice by appointment and once by election. Ten years later he was elected judge, served two terms of four years each, leaving the bench to take his place in the Fifty-eighth Congress.

NORRIS entered Congress as a Republican, and aside from his native independence, his pride in the integrity of his own mind, a readiness to do battle any time for a conviction, there was no suggestion of insurgency. Certainly, in the boss-ridden House there was then no room for insurgency and no hope.

Somebody with an eye for the dramatic has picked the day and the hour of this man's personal declaration of political independence. But such deep forces are not usually created and set running full power in a converting flash. It is interesting, however, as it reflects the machine that tempted GEORGE NORRIS, not with the rewards of conformity but with a new opportunity for battle in a good cause.

NORRIS, according to the romantic version of his evolution, was catapulted into insurgency by the withering rebuke of the Republican whip when, as a young though ambitious Member, he dared cast his vote as a lone Republican with the Democratic Members on some ridiculously trivial question.

But he did not lack for opportunities. Cannonism then running riot was a challenge that NORRIS could not forego. In the historic fight of 1910 he was in the front rank of the determined group which pledged itself to strip the Speakership of the House of the wide powers which made Uncle Joe Cannon the embodiment of legislative despotism.

NORRIS did not go to Congress for the novelty of the thing, for the fame of it, for the money, or the social prestige. Cannonism stood in the way of anything and everything he might strive for which did not have the machine blessing. He had learned to fight, to think, and to use the weapon of a remarkable oratory with telling effect. It is history that he won, and thereafter was virtually drafted by the people of Nebraska for the Senate, where he found companionship of a kindred mind in Robert M. La Follette, whose toga, as the titular head of insurgent Republicans, he inherited.

Yet, despite his unceasing opposition to party programs which ran counter to his conceptions of popular government, he arose to the chairmanship of the Senate Agriculture Committee and held that until voluntarily he decided to relinquish it. Moreover, he was not read out of his party, along with other insurgents, for his historic support of the La Follette cause. Directly after these associates were relieved of choice committee assignments in the name of conventional party practice, NORRIS showed his characteristic unconcern for party mandate by announcing that he would stump the State of Pennsylvania for Democratic William B. Wilson against William S. Vare.

This was a typical turn of the man who came to loggerheads with President Coolidge over Muscle Shoals, whose place in the esteem of the people of Nebraska is evidenced by the fact that in his campaign for reelection he found the Republican machine of his own State reinforced by the money and the questionable tactics of the national organization.

"It does not make any difference who or how many men run against NORRIS," said a prominent Democrat of Nebraska when opposition within his own party had resorted to the lowest form of political trickery to beat him. "He's unbeatable in Nebraska."

Holding now a position unique in American public life, certainly unique in party history, Senator NORRIS still goes about the business of shaking intrenched power and making government more directly responsive to the public will and the public good.

Such is the aim of the "lame-duck" amendment. Such was the purpose of the anti-injunction measure for which labor has struggled almost hopelessly through the years. That bill puts the stamp of approval—if any were needed—on the right of workingmen to organize for collective bargaining. At the same time it bulwarks that right by making unenforceable in United States courts a blood contract, exacted from men who must work or starve, binding them not to join an organization of their fellow workers, although the right of an employer to join an association of employers is unquestioned.

Moreover, the bill would curb the power of judges in contempt cases. Under it a judge can no longer in the secrecy of chambers, without a hearing, on ex parte evidence or no evidence at all, issue an injunction in behalf of an employer in a labor dispute. The power of contempt rules, the holy of holies of judicial arrogance, is attacked in its most vital spot. A judge, in accordance with the Norris bill, still has the necessary and the wise authority to punish for contempt committed in the presence of the court or near enough to the court to obstruct justice. He will have no power, if the measure becomes a law, to throw an editor or any other responsible critic in jail for exercising his inalienable right of free speech. The judge still may initiate contempt proceedings for such cause, but he can not sit as prosecutor, judge, and jury in the contempt case in which he is primarily interested.

Now remains Muscle Shoals. The hope of the people in this property of vast Government investments and potential worth rests largely in the leadership of Senator NORRIS. It isn't a new fight. It has dragged out through the years. Coolidge vetoed one bill. Hoover came to the White House publicly pledged to its operation by the Government for the benefit of farmers and power users. Any preelection purpose he might have had has been thwarted by powers which have spread their control over legislation during three Republican régimes.

Government operation of Muscle Shoals means cheaper power for the people. It means cheaper power for all the people, because in the face of its operation, divorced from the profit demands of the Power Trust's watered stock, the whole artificially inflated fabric of power rates will be exposed to a condemnation that will be quick and effective.

So we hear the Government must not go into business. Anything that Government may do in the interest of the whole people is injecting the Government in business or is damned as a dole. But we are learning a lot about business in Government and Government in business when one day the Government lends millions of dollars to the Wabash Railroad and the next day more millions to the Southern, all the while pouring a steady stream of warming gold into the frozen vaults of the banks.

Senator NORRIS is an authority on the sort of business that the Government can undertake with the blessings of the intrenched interests. He has come to close grips with it before. He has fought it unflinchingly. The hope that it may now be exposed for the hideous thing it is depends very largely upon his leadership.

His victories this week challenge him to the unfinished task of Muscle Shoals.

UNITED STATES VETERANS' HOSPITAL, LAKE CITY, FLA.

Mr. TRAMMELL. Mr. President, I send to the desk a splendid editorial from the Jacksonville (Fla.) Journal, of the 3d instant, indorsing the proposal for the enlarging of the facilities of the veterans' hospital located at Lake City, Fla., and ask that the editorial be printed in the RECORD and appropriately referred.

There being no objection, the editorial was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[From the Jacksonville (Fla.) Journal, March 3, 1932]

IDEAL LOCATION FOR A HOSPITAL

A proposal to enlarge United States Veterans' Hospital No. 63, at Lake City, by 200 beds is embodied in a bill introduced in the United States Senate by Senator PARK TRAMMELL and in the House by Representative R. A. GREEN. The bill provides for an expenditure of Federal funds not to exceed $800,000.

It would seem that this bill ought to go through without much opposition, if any. The need of the additional hospital facilities is admitted, as there are hundreds of veterans, it is reported, on the waiting list for hospitalization to which they are entitled but which can not be given them. Such a condition ought not to be allowed to continue.

The case in favor of the Lake City addition is strengthened considerably by reason of the fact that the American Legion, at its national convention, indorsed and urged it. Since the Legion is certainly not biased in favor of Florida but is only interested in the welfare of veterans who need treatment, this indorsement should go a long way toward getting the improvement. The Florida Legion convention last summer also voted its indorsement.

One of the principal reasons why Florida is considered most desirable for a soldiers' hospital is its equable climate. This is not only of prime importance as it affects the health and comfort of the patients, but it is important as affecting operating costs. The item of heating alone in such an institution is a very large one. In this climate this item would certainly be very low, as compared with that in any northern location.

No doubt these considerations accounted for the fact that Veterans' Hospital No. 63 was located at Lake City in the first place. The hospital unit now there has been a great success. It is reported to have the lowest per capita cost of all veterans' hospitals in the country and a fine record of success in treatment of the various illnesses.

Physicians everywhere are now stressing the advantages of sunlight and fresh air in the treatment of sick people. The fine climate of Lake City affords these vital necessities in abundance—winter and summer. The veterans themselves are especially eager to come to Florida, and reports are that there are some 300 now on the waiting list to get into the Lake City hospital.

Another advantage for the veterans in being in a Florida hospital is the availability of fresh fruits and vegetables. Hospitals specialize in these for invalid diets and use huge quantities of them. In Florida they are abundant and comparatively cheap.

It is to be hoped that all Florida's Representatives and Senators will push this proposal vigorously, and they have very good chances of success by reason of the natural advantages offered by Florida.

REPORTS OF COMMITTEES

Mr. SMOOT, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3342) to authorize the Secretary of War to secure for the United States title to certain private lands contiguous to and within the militia target range reservation, State of Utah, reported it with an amendment and submitted a report (No. 392) thereon.

He also, from the same committee to which was referred the bill (S. 681) providing for the sale of certain public land to the city of Provo, Utah, reported it with amendments and submitted a report (No. 399) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the resolution (S. Con. Res. 6) favoring the designation and appropriate observance of American Conservation Week, reported it without amendment and submitted a report (No. 393) thereon.

Mr. CUTTING, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3276) to amend the act entitled "An act to promote the production of sulphur upon the public domain within the State of Louisiana," approved April 17, 1926, reported it without amendment and submitted a report (No. 397) thereon.

Mr. WALSH of Massachusetts, from the Committee on Finance, to which were referred the following bills, submitted adverse reports thereon:

S. 697. An act to authorize reimbursement of Dr. B. W. Black, formerly a commissioned officer of the United States Public Health Service, for travel performed subsequent to June 7, 1924, under orders of the Secretary of the Treasury, issued prior to that date (Rept. No. 394);

S. 2190. An act to amend section 300 of the World War veterans' act, 1924, as amended (Rept. No. 395); and

S. 2528. An act to extend the benefits of the World War veterans' act, 1924, as amended, to John Melville (Rept. No. 396).

Mr. COUZENS, from the Committee on Interstate Commerce, to which was referred the joint resolution (H. J. Res. 252) to authorize the Interstate Commerce Commission to make an investigation as to the possibility of establishing a 6-hour day for railway employees, reported it without amendment and submitted a report (No. 398) thereon.

Mr. KING, from the Committee on the Judiciary, to which was referred the resolution (S. Res. 173) requesting information from the Attorney General relative to recent railroad mergers and the policy of the Department of Justice with respect thereto, reported it without amendment.

COMMITTEE SERVICE

Mr. McNARY. Mr. President, I move that the Senator from Pennsylvania [Mr. DAVIS] be relieved from further service on the Committee on Manufactures.

The VICE PRESIDENT. Without objection, that order will be made.

THE UNION MORTGAGE CO., OF CLEVELAND, OHIO

Mr. NORRIS. Mr. President, from the Committee on the Judiciary, I report back favorably without amendment the resolution (S. Res. 176) to investigate the action or inaction of the Department of Justice in the case of the Union Mortgage Co., of Cleveland, Ohio, for alleged fraudulent use of the mails, and inasmuch as the resolution provides for an expenditure of money from the contingent fund of the Senate, it should be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The PRESIDING OFFICER (Mr. FESS in the chair). The report will be so referred.

ENROLLED BILL PRESENTED

Mr. WATERMAN, from the Committee on Enrolled Bills, reported that on the 4th instant that committee presented to the President of the United States the enrolled bill (S.

3514) regulating the use of appropriations for the military and nonmilitary activities of the War Department.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHORTRIDGE:

A bill (S. 3951) for the relief of James Douglas Miller; to the Committee on Military Affairs.

A bill (S. 3952) granting a pension to Elbert Williams; to the Committee on Pensions.

By Mr. CUTTING:

A bill (S. 3953) to amend the act approved February 7, 1927, entitled "An act to promote the mining of potash on the public domain"; to the Committee on Public Lands and Surveys.

By Mr. McNARY:

A bill (S. 3954) providing for construction of south jetty Umpqua River; to the Committee on Commerce.

A bill (S. 3955) to amend section 2 of the United States warehouse act approved August 11, 1916; and

A bill (S. 3956) to amend section 202 of title 11 of the Federal farm loan act approved July 17, 1916, as amended; to the Committee on Agriculture and Forestry.

By Mr. NEELY:

A bill (S. 3957) for the relief of Charles F. Littlepage; to the Committee on Claims.

By Mr. ROBINSON of Indiana:

A bill (S. 3958) granting a pension to Lucinda J. Bright (with accompanying papers);

A bill (S. 3959) granting a pension to Mary B. Crumrine (with accompanying papers); and

A bill (S. 3960) granting a pension to Nora C. Icenogle (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 3961) granting an increase of pension to Kate O'Donnell Wood; to the Committee on Pensions.

By Mr. BROOKHART:

A bill (S. 3962) to provide for the construction of certain national highways; to the Committee on Agriculture and Forestry.

By Mr. McKELLAR:

A bill (S. 3963) granting a pension to Charles F. Eichwurtzle (with accompanying papers); and

A bill (S. 3964) granting a pension to David E. Goodwin (with accompanying papers); to the Committee on Pensions.

By Mr. STEPHENS:

A bill (S. 3965) for the relief of William Meeks Potts; to the Committee on Naval Affairs.

By Mr. SMOOT:

A bill (S. 3966) for the relief of Christensen Construction Co.; to the Committee on Claims.

A bill (S. 3967) granting a pension to Elsie Larsen (with accompanying papers); to the Committee on Pensions.

By Mr. ODDIE:

A bill (S. 3968) to provide for the citizenship of a child born of an American mother and an alien father; to the Committee on Immigration.

A bill (S. 3969) for altering and improving the Lahontan power plant (transformers and electric transmission lines on the Newlands reclamation project) in the State of Nevada; to the Committee on Irrigation and Reclamation.

A bill (S. 3970) for the relief of Thadeus Cherry; to the Committee on Military Affairs.

By Mr. FESS:

A bill (S. 3971) to establish a Federal guaranty and insurance corporation to protect bank depositors; to the Committee on Banking and Currency.

PRINTING OF ADDITIONAL COPIES OF CONSOLIDATED HEARINGS, "REVENUE REVISION, 1932"

The PRESIDING OFFICER. The Chair lays before the Senate a concurrent resolution messaged from the House of Representatives and calls the attention of the Senator from New Hampshire [Mr. MOSES] to it.

The Chief Clerk read the concurrent resolution (H. Con. Res. 27) relative to the printing of "Revenue Revision, 1932," as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the printing act approved March 1, 1907, the Committee on Ways and Means of the House of Representatives be, and is hereby, empowered to have printed 2,500 additional copies of the consolidated hearings held before the committee during the current session relative to "Revenue Revision, 1932."

Mr. MOSES. I move that the Senate concur in the concurrent resolution of the House.

The motion was agreed to.

SENDING OF UNSOLICITED MERCHANDISE THROUGH THE MAILS—AMENDMENT

Mr. GOLDSBOROUGH submitted an amendment intended to be proposed by him to the bill (S. 1663) to prohibit the sending of unsolicited merchandise through the mails, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

RECOMMITTAL OF A BILL

On motion of Mr. NORRIS, the bill (S. 941) relating to the review of cases tried in the district courts of the United States without a jury was ordered to be recommitted to the Committee on the Judiciary.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

S. 9575. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; to the Committee on Pensions.

H. R. 9699. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes; to the Committee on Appropriations.

CLAIMS OF AMERICAN NATIONALS AGAINST GERMANY

Mr. COPELAND submitted the following resolution (S. Res. 181), which was referred to the Committee on Foreign Relations:

Resolved, That the Secretary of State be, and he is hereby, directed to transmit to the agent of the United States, before the Mixed Claims Commission, United States and Germany, all claims and notices of claims of American nationals against the Government of Germany, under the treaty of Berlin of August 25, 1921, filed in the Department of State on or before the passage of this resolution.

That the agent of the United States, Mixed Claims Commission, United States and Germany, shall examine all of the claims and notices of claims filed in the agency of the United States and/or in the Department of State by American nationals against the Government of Germany, to determine the character and amount of such claims under the decisions of the Mixed Claims Commission, United States and Germany, heretofore rendered under the treaty of Berlin, of August 25, 1921, and the principles of international law applicable thereto.

That the agent of the United States, Mixed Claims Commission, United States and Germany, be, and is hereby, instructed to prepare and transmit within 60 days after the passage of this resolution a report setting forth as nearly as may be ascertained from the documents now on file the character and amount of the claims, and notices of claims, of American nationals against the Government of Germany, filed on or before the passage of this resolution.

ST. DAVID'S DAY—LEADING AMERICANS OF WELSH DESCENT

Mr. DAVIS. Mr. President, I have the pleasure of presenting to the Senate an address commemorating St. David's Day, March 1, by J. Charles Jones, of San Francisco, Calif., together with an article on leading Americans of Welsh descent, which I ask may be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, and it is as follows:

MEN OF OUR NATION—THE CYMRY

By J. Charles Jones, of San Francisco

The history of the Cambrian race is founded in antiquity—and while many nations have come, flourished greatly in their time, and thereafter entered into a positive decline, the accomplishments of that great nation of Britons have abided and shall abide even unto eternity.

This is because the race of Britons has been occupied not with the upbuilding and erection of great temples made of perishable marble but because their minds and hearts have been continuously directed toward the gaining and preservation of the civil and religious liberty of their nation.

What has been accomplished has stood as a noble example to the liberty-loving people of the entire world.

It is well to contemplate the majestic marble temples and structures of ancient Greece and Rome, but, oh, how far better to contemplate the actions of the princes, warriors, statesmen, and people of ancient Wales in their continuous struggle for liberty and freedom.

The principles of civil and religious liberty have attained their greatest degree of perfection in this land of America, and we find the substance of these principles dating back to an immemorial period and embodied in the ancient Cambrian laws of the early Britons. At all times these laws have stood for honesty, justice, mercy, and liberty. The laws of Wales never recognized the law of primogeniture, under which the honors and property were passed to the eldest son and the remainder of the family permitted to rest under injustice.

The Welsh never permitted their people to be harshly adjudged by a single man, but in their laws applied the sacred right of trial by jury.

The unchangeable quality of Welsh institutions may be considered in connection with the continuing quality of their language. As to the language of Wales, learned writers have long ago said: "This ancient language is, after the passage of over 4,000 years, preserved even to our time, a strange thing that so ancient a language should now be spoken by the Britons of Wales. These are the people who have the honor to preserve the language of the posterity of Gomer."

Christianity in its beginning, in Wales, came direct from the Holy Land and did not come intermediately through any other nation. By reason of this fact religious freedom has always been of a high quality in Wales, and it is well to know that the first Christian king of all Europe was a Briton.

The greatness of a nation depends not so much upon the large number of its people as upon the quality of their minds and hearts, and upon their will to fight on and on for human liberty—security of the body and freedom of the soul.

If the greatness of a nation depended upon the large number of powerful military legions which its king or emperor might be able to place upon the fields of battle, then would the nation of Alexander the Great have preserved its greatness of the time of Alexander. The principles of human liberty for which the Welsh have always fought are destined to continue forever, and as to the inspiration flowing therefrom no one is able to calculate its value or effect upon the other peoples of the earth, who have been engaged from time to time in their struggles for human liberty.

The Romans, Saxons, and Normans came from the Continent of Europe, but neither of those people brought into the island of Britain that great right of trial by jury, which had from time immemorial existed among the Welsh and among the ancient Britons.

Of what avail is it for the jurists of England to boast of the liberty guaranteed by their laws, unless they also acknowledge that the Welsh brought to them their right of trial by jury, without which no nation can rightfully claim to be in the enjoyment of liberty, free and unhampered?

In the early history of England there existed for a long time a conflict in the laws, and a continued struggle was seen between the system of laws, based upon Welsh law, which had been continued by Alfred the Great within the borders of England, and the system of laws which had come from continental Europe and which was based upon the laws of Justinian, but there was destined to be the final triumph of the principles which came from the ancient laws of Wales, and which constitute the principles of the common law of England to this day.

Magna Charta, that early portion of the constitution of Great Britain, at one and the same time guaranteed the liberty of Wales as well as of England. The principles of the laws of Wales and of the Magna Charta have been well and substantially reflected in the language of the American Declaration of Independence.

The laws of Wales, first compiled by the great lawgiver Dyfnwal Moelmud, living about 400 B. C., were translated into Latin for use in the boundaries of England, and were by the Saxon King caused to be translated into Saxon and thenceforth used as the common law of England.

It is not possible for any system of English laws to ignore the laws of ancient Wales, which went into the formation of the common law of England. These Welsh laws were carried over to speak the language of liberty unto what has become a great nation, and their body and substance came over later into these United States in the form of the Declaration of Independence, and in its Constitution, and in the form of its statutory law, which many in error believe has taken its form entirely from the preceding law of England, but which in reality has taken the spirit thereof from the laws of ancient Wales. And those laws of America are still continuing to guarantee equality of civil and religious liberty and to extend liberty in the matters of conscience, life, property, and human happiness. Under the laws of Wales land was held by the inhabitants in freehold tenure, and therefore there were no feudal retainers of an overlord, and thus it may with pride be said that in Wales there never at any time had been any serfs. Wales was no land in which serfdom might flourish or even gain a foothold.

How well the fine spirit of the free-born Welshman is shown by the following happening: When King James was visiting Chester he was met by a great number of horsemen, who formed a guard of honor. The weather was warm and the road dusty, and His Majesty was greatly inconvenienced by the crowd pressing around his coach, so he told one of his attendants to disperse them politely. The nobleman thereupon put his head out of the window and said: "It is the King's pleasure that all who are gentlemen should ride forward." Away they all rode as if for life, save one man. "And so, sir, you are not a gentleman, then?" observed the King. "Oh, yes, please, Your Majesty," was the reply, "but the horse, God help him, is not so good." "Every man is a gentleman in Wales," was the remark of His Majesty.

It was the inborn love of liberty which caused the large number of men of Welsh blood to give their support to the cause of liberty in America and their assistance as soldiers in the Army of Washington. In the Revolutionary Army and in the cause of human liberty Washington had the support of the following soldiers of Welsh blood: Generals Anthony Wayne, Isaac Shelby, Morgan Lewis, William R. Davie, Edward Stephens, Charles Lee, Richard Winn, Daniel Morgan, John Cadwallader, Andrew Lewis, Otho H. Williams, John Thomas, Joseph Williams, and James Reese. And with them in the Revolutionary Army were seven other men of Welsh blood holding the military command of colonel.

The last-mentioned were David Humphreys, Lambert Cadwallader, Richard Howell, Ethan Allen, Henry Lee, Thomas Marshall, and James Williams. It is thus seen that among the higher officers of the Revolutionary Army were 14 generals and 7 colonels, with, of course, others of lesser rank, some of them born in Wales and the others of Welsh blood. That distinguished jurist, Chief Justice John Marshall, and his father were both commissioned officers under Washington, and were with the American Army at Valley Forge.

At a later time Roger B. Taney was Chief Justice of the United States Supreme Court. He came from a Welsh family which had been located for some time in the United States. Charles Evans Hughes, who is of Welsh descent, has held the high office of Justice of the Supreme Court of the United States. David Davis, who was of Welsh descent and an honored friend of Abraham Lincoln, was at one time Justice of the Supreme Court of the United States. Of the men of Welsh blood who were associated in the framing of the American Constitution were Gouverneur Morris, William Few, and James Madison.

In the early American Navy were to be found Commodore Ezekiel Hopkins, of Rhode Island, and later other men of Welsh blood, as shown by their names—Commodores Rogers, Perry, Jacob Jones, and Ap Catesby Jones, and later our brave Admiral Sampson, the hero of the Battle of Santiago. Ezekiel Hopkins was first given a commission as brigadier general in the Revolutionary Army, and in December, 1775, he was by Congress commissioned as Commander in Chief of the American Navy.

And it appears that the American flag was first raised in California by Commodore Ap Catesby Jones. It was at a later period lowered, and thereafter a second time raised by Commodore Sloat.

Of that great band of patriots who signed the Declaration of Independence, 18 were of Welsh blood, and quite a number of these were born in Wales.

That noble character Thomas Jefferson took a most important position in contending for the rights of freedom as set forth in that great declaration. That charter of the rights of a free nation, which not only firmly and solemnly declared the principles of liberty within this Nation but also has stood forth as a guiding light to the people of other nations, was written by Thomas Jefferson, a man of Welsh blood. To Thomas Jefferson, more than to any other person, is due the abolition of all connection between the church and state in this Nation. The right of religious freedom and to worship according to one's own conscience was first established in America by Roger Williams, of Rhode Island, a Welshman, and the good example thereby set was soon thereafter followed in Maryland. The laws of Wales did not favor the right of primogeniture, and so with the beliefs which Thomas Jefferson had attained, and which were in unison with the political beliefs of his ancestors, he succeeded in procuring in Virginia the abolition of all laws in favor of the rights of primogeniture.

And the efforts of Thomas Jefferson were strong and of great avail in having the Constitution of the United States declare for the sound security of State rights, by the adoption of the amendatory language thereof, which reads: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

It is gratifying to note that in this Nation and at this day the entire population continue to give their strong adherence to all of the principles of government which were so strongly enunciated by Jefferson, and which were, as we have seen, but the pronouncement of Welsh justice as determined and fixed in the form of their ancient laws.

At the time of Oliver Cromwell one of the regicides was Gen. Thomas Harrison, a native of Wales. The name of Oliver Cromwell at his birth was Williams, his Welsh family name, and he was related to Roger Williams, the founder of Rhode Island, and who first declared for religious liberty in America. The name Cromwell was the name of his mother's family, and he took the name Cromwell in order to inherit certain property.

Several of the descendants of the first-named Gen. Thomas Harrison, the companion of Cromwell, were thereafter to become very prominent in the political history of the United States.

Two Presidents of the United States—William Henry Harrison and Benjamin Harrison of our day—were both descendants of Gen. Thomas Harrison, the regicide, and companion in arms of Oliver Cromwell. Gen. Benjamin F. Butler, who during our Civil

War was in high command of an army of the North, and later was Attorney General of the United States, was a lineal descendant on his mother's side of John Jones, who was another of the regicides who supported the commonwealth at the time of Cromwell.

Among the signers of the Declaration of Independence many are found to have been of Welsh birth or descent, nearly one-third of the total number of men who signed. Among those signers of the Declaration of Independence are found Samuel Adams and John Adams. The name John Adams appears among those of a number of Presidents of the United States who have been of Welsh blood. On behalf of Rhode Island Stephen Hopkins signed the declaration. From Connecticut William Williams gave his signature. Both of those men were of Welsh blood.

To the first Continental Congress New York sent four delegates to pledge the adherence of that great State, and three of these were of either Welsh birth or descent. Then appearing from Pennsylvania was that fine man, Robert Morris, who came from Wales when a child, and thereafter settled in Philadelphia. At the time of his election as a Member of the Continental Congress he was recognized as the ablest financier in the United States. Robert Morris freely and generously advanced to the sacred cause of the American Revolution his entire fortune, and with it supported the cause of American liberty.

Francis Hopkinson, of Welsh descent, became a lawyer of high standing. He was a Member of the Continental Congress from New Jersey. He is also known as the author of "Hail, Columbia," that song of America which so well gives voice to our national pride. Button Gwinnett, a native of Wales, was the delegate from Georgia to the Continental Congress. He also was a signer of the Declaration of Independence, and afterwards became Governor of Georgia. Another signer of the Declaration of Independence was Richard Henry Lee, of Welsh descent, who was also a Member of the Continental Congress, and who introduced therein the resolution which declared that the American colonies were free and independent. Soon thereafter he occupied the high office of United States Senator.

It is interesting to know that it took Thomas Jefferson, the author of the Declaration of Independence, but three weeks to draft and present that wonderful bill of rights, and it is further of interest to note that another man of Welsh blood, Gouverneur Morris, wrote out the first complete draft of the American Constitution.

And who, then, is able to measure the value or great worth of the services rendered by the learned John Marshall, who, as Chief Justice of the Supreme Court of the United States, aided by the noble ideals of human liberty attained by him by reason of his Welsh ancestry, was the first of the American judiciary to be called to the duty of wisely expounding and firmly establishing and clarifying the principles founded upon and declared in the American Constitution, and of the statutes of Congress then and thereafter enacted under it?

Daniel Webster was for 40 years the most brilliant personality in American political life. He was the greatest orator of his time and a great statesman. His masterly expositions of the American Constitution prepared the North to defend the Union at all costs. His imperishable sence, "Liberty and Union, now and forever, one and inseparable," became Lincoln's text. Daniel Webster, through his mother, was of Welsh blood.

In order to note how the principles of human liberty, now so firmly fixed by the Declaration of Independence and in the Constitution of the United States, reflect back and appear to have obtained their equitable quality from the laws and political principles of ancient Wales, attention should be given the fact that centuries ago Alfred the Great procured to be made for use with the laws of England a translation of the ancient laws of Dyfnwal Moelmud, King of Britain, and the laws of Marsia, Queen of Britain, and that those laws were translated from Welsh into Latin and thereafter into Saxon for such use. Thus we see that the spirit of the laws of ancient Wales has been reflected eastward into the boundaries of England, and thereafter westward into this great land of liberty.

On the walls of Rhuddlan Castle, which brings to mind the Statute of Rhuddlan—the first portion of the British constitution—there is engraved upon a huge stone of the castle the following declaration: "This fragment is the remains where King Edward the First held his Parliament, A. D. 1283, in which the Statute of Rhuddlan was enacted, securing to the Principality of Wales its judicial rights and independence."

The independence of Wales! What a noble declaration! A historian worthy of great respect has spoken of Henry VII, born in 1456, the first of the Welsh Kings of Tudor, as being "Henry the Seventh, a Welshman, leading a Welsh army, who had now become King of England." Does any Welshman claim, then, that the Welsh conquered the land within the boundaries of England? If the claim be that by the absorption of the kingly power through a change in the national blood of the ruler a nation becomes conquered, then the answer might be "yes." If the answer be "no," where, then, is the basis for any man to challenge the claim of the Welshman that Wales has never been conquered? Does not the stone of Rhuddlan declare the existence of the independence of Wales and declare the guaranty of its judicial rights?

Does not the Magna Charta declare that the liberties of Wales shall remain inviolate? Have not the Welsh at all times retained their language, their laws, and their nation against all vicissitudes? Has there been anything different from a mere joining of one state with another state, both guaranteeing the safety of each other in time of war, a matter in the political life of a nation with which we in America are perfectly familiar. Has not the greatest living authority upon such questions in Great Britain only recently declared the fact to be that the island of Great Britain is a portion of one of the greatest democracies on earth to-day?

How important in the development of the United States has been the railroad. No forts nor battleships were ever more important to this great Nation than the railroads as instruments of governmental administration and as a guaranty of national security in time of war, and of prosperity to the people in time of peace. The first railroad locomotive was the invention in America of Oliver Evans, a man of Welsh blood, and the first operating railroad, as railroads are now known, was constructed and placed in operation at Merthyr Tydvil, Glamorganshire, Wales, by Trevithick and Vivian. The plans for the locomotive to operate upon this railroad had theretofore been sent from America by the first named, Oliver Evans. At a period many years later George Stephenson, profiting by the demonstration of a successfully operating railroad constructed by those men, and by its example, built in England a railroad having a somewhat larger locomotive. America should be grateful, and doubtless is, to Oliver Evans and to Trevithick and Vivian, who pioneered and showed the way.

Brief reference may be made to the voyage of Prince Madoc and his brave companions toward the discovery of America at a time long antedating the voyage of Columbus. We may and do take pleasure, however, in contemplating the valuable services rendered by that early explorer, Meriwether Lewis, he of Welsh blood, who, accompanied by his companion Clark, sought out and aimed to make clear the unexplored portions of this country toward the great Northwest and Oregon. The work accomplished by this noted explorer had its value in operating toward a binding together with the eastern portion of the territory of this Nation of the far western portion, at a time when the result of such explorations operated as a factor of great political force toward rendering and causing this land to be included within the present vast boundaries of this Nation.

Who is it that is unfamiliar with the great African explorer, Henry Morton Stanley, who, when born in Wales, was given the name of John Rowlands, and thereafter, out of gratitude, assumed the name of his kind foster father? Stanley was the last explorer of the dark and hidden portions of this sphere.

Of the Presidents of the United States nine have been of Welsh ancestry—Jefferson, John Adams, Monroe, Madison, John Quincy Adams, William Henry Harrison, Lincoln, Garfield, and Benjamin Harrison. And in this day in the Cabinet of President Harding two men of Welsh ancestry hold high positions—Charles Evans Hughes, our Secretary of State, and James J. Davis, our Secretary of Labor.

Is it possible to know to what extent the mind of the great Shakespeare had gained much of its strength and vigor by reason of the Welsh blood which came to him through his Welsh grandmother, Alice Griffin? It is known that not only he had his Welsh blood but also enjoyed the pleasant companionship of his Welsh cousins.

From what other source does there come to us such beautiful stories of romance and chivalry as from the stories of King Arthur and his brave knights, and for how many centuries has that romantic history continued to furnish a never-ending storehouse from which the finest poets and dramatists of the Continent of Europe, and those of parts of Britain, have taken inspiration toward their finer literary efforts?

That grand poet John Milton was of Cambrian blood, through his Welsh mother, Sarah Castor.

When it became necessary that Napoleon be humbled and there was a call for a great soldier to break the sword of the French general and cast it into the dust, a man who carried in his veins Welsh blood was called for the accomplishment of that difficult undertaking. The able Duke of Wellington, on his mother's side, came from the Welsh family of Sir John Trevor.

During our Civil War the existence of the Union was threatened and the life of the Nation was in deadly peril. Time passed and the life of the British Empire was threatened by those great northern hordes which had theretofore threatened and accomplished the ruin and destruction of the ancient Roman Empire. In these later times, when each of those nations so greatly depended upon one particular strong heart and indomitable will to conquer, there was called a man of Welsh blood to bear aloft the sword of victory unto its glorious end. To the immortal Lincoln was intrusted the solemn duty of saving this great Republic and safeguarding the liberties of the Nation. And how well his Welsh blood added strength toward the noble qualities of firmness, charity, benevolence, and indomitable will to conquer. Long shall this Nation revere his memory and respect his great work.

Puny, indeed, was the power of the great Napoleon, and lacking in its permanent accomplishments, when compared with the power wielded by that greatest of all British Premiers when he who in his youth had been a Welsh boy of modest station in life was by a nation then in its most desperate peril called to bear aloft the sword of Britain and chosen to become the preserver of their liberties.

All acclaim to that true Welshman, David Lloyd George, he of absolutely unconquerable courage of heart and mind, and in character displaying the fine qualities of our Washington and Lincoln. He, that brave and gallant Welshman, who has saved the liberties of his beloved Welsh nation and at the same time the liberties of the confederated free nations bound up in the British Empire.

How well we are entitled to reflect upon the fine quality of good Welsh characteristics as they were shown by that brave prince Owen Glendower. The great Glendower showed the warm,

mystical, idealistic, and poetical side of the Welsh mind, and he loved the freedom of his Welsh mountains. In 1415, shortly before the Battle of Agincourt, and also after that battle, Henry V desired his commissioner to negotiate with those kinsmen close to Owen Glendower, with a view of the pacification of the Welsh leader and of his followers. But nothing came of it, for Glendower was resolved to live and die free rather than bow to any man. Shakespeare has beautifully said of him and of his character:

"In faith, he is a worthy gentleman,
Exceedingly well read, and profited
In strange concealments,
Valiant as a lion,
And wondrous affable, and as bountiful
As mines in India."

Not Greece nor Rome in their brightest or palmiest days had produced patriots more heroically devoted to the liberty of their country and the maintenance of their nation than were the men of Wales.

Cymru fu, Cymru fydd,
Tra mor, tra Brython.

[The foregoing, the Fairmount speech, was delivered by J. Charles Jones, at San Francisco, on St. David's Day, March 1, at a meeting of the Cymmrodorion Soicety.]

A well-known historian has given the following beautiful description of the Welsh as they appeared centuries ago:

"The Brythons, like the Gauls, were men of much physical beauty. Tall, clean-shaven, save for long moustaches, with clear red and white complexions and hair of yellow or golden brown, which they sometimes attempted to improve with dye, dressed in the characteristic Gallic breeches, with a bright-colored sleeved tunic and a woolen cloak, frequently of red or crimson, sometimes intricately decorated with a checkered pattern, and fastened at the throat with bronze or gold brooches of most beautiful design; with torques of gold about their necks and golden bracelets on their arms, the British warriors appeared indeed to belong to a noble race."

Centuries of warfare passed and peace then became more evident. The following has been written of the changed conditions in Wales:

"The castles have gone. No longer do men at arms walk the castle wards, or archers shape their arrows in the tower chambers; life no longer clings around the castle wall; princes no longer lead the Welsh to battle. But the Welsh nation is still a nation; the Welsh language is still a living means of intercourse; Welsh characteristics have proved stronger than the conqueror of Norman castles—time."

The Statute of Rhuddlan constitutes the first written portion of the constitution of Great Britain and is dated 1276, signed by the Prince of Wales on November 19 and by the King of England on November 20. It appears to have been a treaty by which two free nations, Wales and England, endeavored to unite into one government. Centuries of warfare followed thereafter; and when the final joining of those two free nations into Great Britain became physically a fact, the birth of Great Britain and of the constitution thereof each hark back to that day of the treaty at Rhuddlan Castle, at which time both Great Britain and its constitution first came into existence. These two important things had their first existence not in England but in the country of Wales.

The Welsh have an interesting saying: "He who would King of England be, must first be Prince of Wales."

At the Battle of Waterloo the two generals of the army of Great Britain in high command were General Picton and General Wellesley (later Duke of Wellington). General Picton was Welsh, having his home then in Wales, and the Duke of Wellington was of Welsh blood, through his mother, who came from the Welsh family of Sir John Trevor.

Among the signers of the Declaration of Independence being of Welsh blood were the following: Thomas Jefferson, Benjamin Harrison, Samuel Adams, John Adams, Francis Lewis, Stephen Hopkins, William Williams, Francis Hopkinson, John Morton, John Penn, Arthur Middleton, Button Gwinnett, Richard Henry Lee, Francis Lightfoot Lee, Lewis Morris, Robert Morris, William Floyd.

Maj. Gen. Charles Lee was a Welshman from Wales. From the family of Lee came Richard Henry Lee, Francis Lightfoot Lee, Arthur Lee, and "Lighthorse Harry" Lee. The last-named Lee was the father of Gen. Robert E. Lee, of the Civil War.

William Penn, the founder of Pennsylvania, came of a Welsh family. The name of his grandfather was John Tudor, who was also called John Penmynydd (top of the mountain). The first portion "Pen" of that name continued, and was passed along to his descendant, William Penn, of Pennsylvania.

William H. Seward, Secretary of State in the Cabinet of Lincoln during the Civil War, was of Welsh descent.

The first newspaper published in America (1679) was published by Benjamin Harris, a Welshman.

The two great American Universities, Yale and Harvard, were each founded by a man of Welsh blood. Yale was founded by the Welshman Elihu Yale, and Harvard by John Harvard, who was of Welsh descent.

Robert Morris advanced to the American Government as a loan money amounting to several millions, with which the expense of the Revolutionary War was borne. None of this money, which the Government has up to this time regarded as a permanent loan, has ever been repaid to Morris or his heirs, several of whom are now residing in this country.

President Monroe was of Welsh blood, through his mother.

President Madison was of Welsh blood, through his father.

The Welsh name Madison is equal to the Welsh name Matthews, which name also has the variants of Maddeson and Madison.

President Lincoln was of Welsh blood, through the family of his mother.

Many persons in the United States appear as descendants of Jonathan Edwards (born 1720), a Welshman then of high standing as a minister of the gospel in the United States. Of 1,394 of these descendants, 13 became university presidents; 123 became college and university professors; 32 became eminent authors; 96 became physicians; more than 200 became ministers of the gospel; 400 were successful business men; 1 became Vice President of the United States; and many others of them were mayors of large American cities, United States Senators and Congressmen, and officials in the Diplomatic Service of the United States.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. McKELLAR. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Tennessee.

Mr. McKELLAR. I offer an amendment to the pending bill and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 32 it is proposed to strike out lines 5 to 20, both inclusive, in the following words:

Barberry eradication: For the eradication of the common barberry and for applying such other methods of eradication and control of cereal rusts as in the judgment of the Secretary of Agriculture may be necessary, including the payment of such expenses and the employment of such persons and means, in the city af Washington and elsewhere, and cooperation with such authorities of the States concerned, organizations of growers, or individuals, as he may deem necessary to accomplish such purposes, $196,400: *Provided*, That $75,000 of this amount shall be available for expenditure only when an equal amount shall have been appropriated, subscribed, or contributed by States, counties, or local authorities, or by individuals or organizations for the accomplishment of such purposes: *Provided further*, That no part of the money herein appropriated shall be used to pay the cost or value of property injured or destroyed.

DEPORTATION OF ALIEN COMMUNISTS

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent that a letter from the Commissioner of Immigration of the Boston district dealing with the difficulties encountered by the immigration department in deporting alien communists be printed in the RECORD and referred to the Committee on the Judiciary.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE COMMISSIONER,
East Boston, Mass., March 2, 1932.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I am deeply interested in the bill introduced into the Congress known as H. R. 8549, to make it a crime to advocate or promote the overthrow or destruction of the Government of the United States by force or violence, and for other purposes.

The communists are very active in New England at the present time. Undoubtedly because we are so highly industrial they can reach thousands of workers in a comparatively small area. We have deported so many alien communists the leaders of the party have now issued instructions to all the comrades not to answer any question put to them by immigration officials. Consequently they now refuse to answer questions as to citizenship, place of birth, entry into the United States, or to give any information which will enable the immigration officials to determine whether or not they are aliens and subject to deportation. You can readily understand, therefore, how difficult it is to handle these cases. If we do secure sufficient evidence in regard to their communistic activities as to warrant deportation proceedings, the fact that they refuse to give us information as to place of birth defeats deportation.

Recently several alien communists under warrant of arrest have claimed they were born in Russia. Even though we doubt the truth of this statement we have no means of disproving it, and after warrant of deportation has been issued we are obliged to release them on their own recognizance, because having no diplomatic relations with Russia we are unable to deport them. This means that though we have proved they are working for the overthrow of our Government they are free to resume their commu-

nistic activities. I think you will agree with me that this is a very difficult and unsatisfactory situation.

In cases of this kind the bill known as H. R. 8549 would enable us to convict these alien communists of the crime set forth in this bill and send them to prison. It would remove them for the time being, at least, from the possibility of continuing their activities. Furthermore, it would enable us to take action against foreign-born communists who have become naturalized and are thereby beyond the jurisdiction of the deportation law.

I do not need to remind you of the growing menace of communism to our Nation. My work as commissioner for the New England district has shown me the seriousness of the situation. I feel very strongly that something must be done to counteract this movement if we are to preserve our Government and the ideals and institutions which have made our Nation the envy of the world.

I sincerely hope, therefore, that you will use your influence to secure the passage of H. R. 8549.

Sincerely yours,

ANNA C. TILLINGHAST,
Commissioner of Immigration, Boston District.

DEPORTATION—SUGGESTIONS TO WORKERS

(Issued by the International Labor Defense)

Aliens: An alien is a person who was not born in the United States and who has not become a naturalized citizen by obtaining citizenship papers.

Deportation not a punishment for crime: Deportation is a proceeding by the Department of Labor to return aliens from the United States to their native countries when the Government has declared them to be undesirable. The purpose of deportation proceedings is to send alien workers out of the United States, and not to jails within the country. Deportation is a weapon of the bosses to try to weaken the strength of the militant working class.

Don't talk when arrested: In any event, whether you are arrested with or without a warrant of arrest, do not answer any questions put to you by the inspector, except to give your name. Do not give the inspector your address. Do not give him any information as to the time, place, or manner in which you entered the United States.

Do not enter into any discussion with the inspector who arrests you. The Government seldom has much information about a worker when a deportation proceeding starts, but usually obtains enough information when a worker talks freely with an inspector. In many instances the alien worker has lost his case by loose talking before his hearing.

While you are in jail awaiting trial or serving sentence for a "criminal" offense an immigration inspector may visit you and ask you questions about your right to be in the country. Don't answer his questions.

Don't give information about other workers: The immigration inspector may attempt to obtain information from you about other alien workers. Do not give him any information about other workers or your union headquarters.

Refuse to answer such questions as: "Where did you obtain this literature?" "What do you know about him?"

Right to have lawyer: You are entitled to be represented by a lawyer. In deportation cases you should demand a lawyer. When he comes give him all the facts as well as any possible reasons that you may know for your arrest.

Deportation hearings are private: Deportation hearings are held in private. The only people present in the room are the commissioners, the stenographer, the alien, and the alien's lawyer. Workers are not present. The testimony is secret and is not given to the newspapers. Don't try to propagandize the Government officials at such a hearing. You will only be talking yourself into a swift deportation.

Party membership: If you are questioned concerning party membership or the character of any party, you should be guided by your party instructions.

Naturalization: Before applying for citizenship papers always consult your organizer, who will be furnished with additional information on this subject.

For more information write to International Labor Defense, Boston district (New England) office, 113 Dudley Street, room 6, Boston, Mass., or International Labor Defense, Rhode Island office, 150 Main Street, room 109, Pawtucket, R. I.

THE NEW YORK STOCK EXCHANGE

Mr. DILL. Mr. President, I ask to have printed in the RECORD and appropriately referred a letter by Charles Forney, addressed to the Committee on Banking and Currency of the Senate.

There being no objection, the letter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

To the honorable COMMITTEE ON BANKING AND CURRENCY,
Senate of the United States.

HONORABLE SIRS: This presentation relates to the practices of "New York Stock Exchange" and as being generally the practice of all stock exchanges.

I

The New York Stock Exchange as such is an abstraction and a name and not an entity. It owns no property, is not incorporated, is not a person nor a firm nor a corporation, and can neither sue nor be sued.

"New York Stock Exchange" is a name or an alias assumed by a group of 1,275 "members" and in law does not have the standing nor the responsibility of any tangible identifiable thing known to human conception.

The "members" are admitted to a room in New York City, and admittance or refusal of admittance to that room as may be dictated by a committee is the sole control and the only means available for enforcement of any dictum adopted by those in the room, and the ability to enter that room is what constitutes the person having that recognized ability a "member" of "New York Stock Exchange."

Being a "member of New York Stock Exchange" is worth from a past $600,000 for a "seat in that room" to a present about $175,000.

There is a list of the names of the persons deemed to have a right to enter that room, and the sole and only deprivation suffered by an offender is the striking of the offender's name from the list.

A person whose name has been stricken from the list does not lose his "seat in the room" but only the right to go into the room, and the "seat" can be and in practice is sold to some one else passed upon and approved by a committee appointed for that purpose.

There are no 1,275 men in the world who as to the machinery of their business and the operation thereof have to possess comparable mental agility, sagacity, and alertness as the price of continuance.

In ancient times in wrestling there were Greco-Roman rules and what was known to the vulgar as "che sara sara" and among the Normans as "chacun tire de son cote," or as we express it, "catch as catch can," or the "devil take the hindmost."

The New York Stock Exchange is operated "che sara sara," and this applies to the relation between the "members" as to each thereof and in turn with the public.

II

The building on which in New York is engraved "New York Stock Exchange" is owned, together with the fee to appurtenant real estate, by "New York Stock Exchange Building Co.," a New York corporation, whose president is Warren B. Nash.

"The New York Stock Exchange Safe Deposit Co." is a New York corporation whose president is E. H. H. Simmons.

Neither of these two corporations engages in any activity of interest to the Congress.

III

"The members" are dominated by 27 of their members headed by J. P. Morgan, and including Otto H. Kahn and others, who gave false testimony before the Senate Finance Committee under Senate Resolution 19, control being exercised through "influence" with the Federal reserve, five national banks in New York City having "deposits" of $4,053,101,608 and five trust companies organized under the law of New York having "deposits" of $3,664,190,000, whose loans to "members of New York Stock Exchange" alone make possible practices reviewed herein.

IV

Richard Whitney, "president" of "New York Stock Exchange," is an employee of and directed by J. P. Morgan & Co. and draws no salary from the exchange.

V

The law of 29 States is daily violated by men who are members of "New York Stock Exchange," but so thoroughly have the tentacles of the cancer penetrated into the executive departments of government under this Union that enforcement of law has ceased with relation thereto.

Twenty-nine States have by due enactment of so-called "blue sky acts" defined fraud in the sale of securities and have provided among other "penalties" that recission of a sale can be duly effected and that the seller must give back the money paid for a security so sold.

Yet when after the most painstaking labor the needle is found in the haystack there is no point to it because the violation becomes the violation of New York Stock Exchange and there is no entity which can sue or be sued. After filing suit and the assumption of jurisdiction by authority which believed it was pursuing something other than an alias and the issuance of an order to New York Stock Exchange to respond and answer all according to law the response is a nice long letter to Corporation Commission of Virginia signed Richard Whitney, president of New York Stock Exchange, stating that New York Stock Exchange can not appear because it does not exist. That does not quote Mr. Whitney, but the most tangible thing about the 4-page letter is that it was signed in ink and otherwise it is a masterpiece of words which by transmutation become converted to zero, and in effect might as well be in invisible ink.

It is not in the public interest to have laws in 29 States which are relied on by the public as rules of conduct, but which, in fact, are merely window dressing to cause the public to enter a "Che sara sara" contest guided by what it believes to be rules.

In any case the States have delegated to the United States their power to police their borders and prevent from outside the State violation of the law of the State through invasions, through the United States mails, the telegraph, the telephone, the wireless, and by airplanes, all under control of the United States.

The Associated Press and the New York Times openly scoff in Washington dispatches at there being any possibility of being able to muster enough votes for remedial legislation affecting said practice, and by innuendo imply and almost openly charge

that more than a majority of the Members of the Senate and of the House are under the spell of bribery exercised by "members" of the "exchange" and that so many Members of the Congress of the United States "play the market" as to make enactment of adequate remedial legislation impossible.

VI

Mr. Richard Whitney, acting as J. P. Morgan's mouthpiece, is reported to have stated before a House committee that he had been advised by counsel that pending measures under discussion at hearing before the House committee are unconstitutional.

VII

This from an aggregation of 1,275 men who under their aliases own no property, have no property rights, no vested rights, and under their aliases connive with lawyers to be without and above the law where possible and otherwise——otherwise.

The Constitution of the United States is an agreement by and among citizens of the United States to mutually observe rules of conduct and to mutually protect each other, and an abstraction not amenable to the observances has no earned right of protection.

Mr. Whitney's pronouncement, therefore, is the impudent pronouncement of lawless defiance announcing that if bribery, cajolement, artifice, fraud, and fraudulent misrepresentation cease to be potent to preserve lawless special privilege and law violation and evasion of law, then the law will be appealed to to sustain that which has failed otherwise to be sustained and has only been sustained in any case by evasion, bribery, cajolement, artifice, fraud, and fraudulent misrepresentation.

To say that over "selling" of shares or pretended sales of nonexistent stock pretended to be out of a given known quantity of shares is the same as selling wheat, the total quantity in existence not being sworn to by controlling authority, is to compare dissimilar circumstance.

There is no honesty in an attempt to place on comparable parity sales of wheat and sales of shares of stock, nor to justify the latter by the former.

That pretense falls further when it is considered that if it were known that wheat was being grown in Mars to be dumped onto the American market or to fall off into space according to the direction of the wind trading in wheat would be absolute gamble.

If it were not believed that the sworn-to statements of United States Steel Corporation as to the number of shares of its capital stock are true, then, of course, trading in United States Steel would be absolute gambling and legislation, if considered, would have to be according.

No one alleges the reported number of shares of stock is falsely reported in listing, and gambling in listed shares is denied.

VIII

Any person intelligently desiring to invest money in the shares of stock of a corporation would require certain information.

As a prerequisite to "listing" on New York Stock Exchange such information includes the number of shares into which the capital stock of a corporation is divided.

Assume Union Pacific Railroad has 100 miles of track, no debt, and 100 shares of stock, obviously there would be 1 share per mile of track, and an investor's judgment would be based accordingly.

It is begging the question to say no investor knows anything about the length of the railroad and bases purchase on earnings, in turn in part dependent on some facts which are considered.

Not even in shooting craps is it entirely "eeny meeny miny mo," and if transactions running into billions of dollars are alleged to be beyond even the calculations possible to permutations and combinations and were known so to be, then different remedial legislation would have to be considered than that based on vociferously repeated and generally accepted protestations.

To maintain (possibly only a fiction) a reasonable premise it must be assumed that trades on stock exchanges are premised on believed quantities.

IX

If the officials of Union Pacific Railroad increased the number of shares outstanding from 100 to 1,000 by merely signing additional certificates and fed out the additional shares to persons believing they were buying part of 100 shares and ignorant of the fact they were buying part of 1,000 shares, it would be fraudulent.

The appearance of the extra 900 shares, being a greater quantity in supply than required by demand, would depress the price.

By buying back the 900 shares (fed out at the price established by belief there were 100 shares) at the lower price, the profit accruing to the officials would be a dishonest and indefensible profit.

Following the argument of Mr. Richard Whitney, those officials would say the market price was too high and the issuance of the additional certificates was to cushion the market against a decline by holding the price down.

It is no defense to say the public makes the profit or takes the loss from a practice which results in hereafter-shown violation of existing law.

X

(1) No trades in stock on any exchange relate to other than shares of stock of corporations.

(2) Corporations are created and exist only by operation of law.

(3) Every authority creating a corporation prescribes the amount of capital stock and/or the number of shares thereof to be issued.

(4) All tax for the right to be a corporation and annual franchise tax is based and/or computed on the amount of capital stock and/or the number of shares thereof.

(5) No authority permits the issuance of certificates representing the ownership of shares of the capital stock to "bearer," and so to permit would defeat the requirement of law as to the giving of notice to stockholders of annual meetings and other notice of corporate proceedings.

(6) The United States and some States under the Union derive revenue from a tax on the transfer of ownership of stock and a tax on the income from stock.

For a corporation to issue "bearer" shares would prevent ascertainment of ownership against which tax returns can be checked and the tax on transfers would be legally avoidable.

XI

"Short sales" of stock, or over the amount of stock actually in existence is in evasion of matters related in 3, 4, 5, 6 of paragraph X hereof.

XII

For the four years 1928, 1929, 1930, 1931 the Government of the United States alone should have collected on stock transfers on a total of 3,432,931,700 shares transactions on New York Stock Exchange, or a total of $68,658,634, from stock transactions on New York Stock Exchange alone, to say nothing of the other 33 stock exchanges in the United States, whereas by the device known as "short selling" the United States Government was defrauded to an extent which can be ascertained by this committee, and the fraud on the revenue of the several States can similarly be ascertained.

The Bureau of Internal Revenue maintains a force of inspectors to check stock-transfer books and see that stamps are affixed which boots little and is a waste of money while transfers are made in avoidance of the books.

XIII

The fraud is effected by "members" of the New York Stock Exchange having a certificate issued in the name of a clerk, who signs his name on the back of the certificate. Such certificate then represents a "bearer" owned number of shares passing from hand to hand without transfer on the books of the issuing corporation. The tax is paid only on transfers shown on the books of the issuer.

"Bearer" shares when stolen impose a burden on the police department and increase the cost of government, and being "bearer" shares, encourage stealing, against which costly insurance is carried at the public's expense.

XIV

There are 33 "stock exchanges" in the United States, whose "members" similarly evade the payment of said tax, etc. A list of exchanges and their location is attached hereto as Exhibit A.

XV

For the consideration of this honorable committee there is presented herewith a list of 57 corporations.

Transactions reported as "sales" on New York Stock Exchange in 1931 show the ownership of these corporations changed hands severally from more than one in the year to every two weeks in the year.

There is almost as fast as property changed ownership in the celebrated English case of Jarndyce *v.* Jarndyce and would require a new rule in Shelly's case.

In the case of Bethlehem Steel Corporation, its entire capital stock is pretended to have changed hands twice in 1931, yet Mr. Grace was not disturbed by the new owners and Mr. Schwab retained the chairmanship of the board, and probably not even the office cat was disturbed out of its chair.

It may be news to the employees and to Mr. Swope, but according to the New York Stock Exchange, Westinghouse had a new set of owners every three months in 1931.

The purchasers of farm implements made by J. I. Case & Co. and sold on the installment plan to our sore-pressed farmers would have been puzzled had they known that a new group of owners had taken over and given up and another group gone in and taken charge of the business and the installment notes seven times in 1931.

The ink scarce could have been dry on notices of annual meeting of Worthington Pump & Machinery Corporation when they had to be rewritten to another group of owners, as that corporation had new owners every two weeks of 1931, according to New York Stock Exchange.

This presentation would be unduly burdened by a list of the corporations whose ownership changed less than 100 per cent during 1931 but more than 50 per cent.

If the farmers of the country swapped farms every two weeks, there would not be enough food produced in this country to feed even the 1,275 "members" of the New York Stock Exchange.

Transactions reported on New York Stock Exchange, 1931

Corporation named	Shares in capital	Transactions, 1931	Approximate times capital "transferred," 1931
Adams Express Co	156,000	994,396	6
Air Reduction Co	841,248	1,424,350	1¾
Alaska Juneau	1,499,700	7,116,700	5
Allied Chemical	2,401,329	3,749,820	1½

Transactions reported on New York Stock Exchange, 1931—Contd.

Corporation named	Shares in capital	Transactions, 1931	Approximate times capital "transferred," 1931
American & Foreign Power	1,657,560	10,457,600	6
American Rolling Mill	427,964	1,225,433	3
American Tobacco	402,424	2,030,900	5
Auburn Auto	195,234	5,909,820	30
Barnsdall	560,000	1,041,112	2
Bendix Aviation	2,097,603	2,755,600	1¼
Bethlehem Steel	3,200,000	6,857,472	2
Bohn Brass Co	352,418	513,865	1½
Borden Co	1,097,480	1,989,100	2
Briggs Manufacturing Co	2,000,225	2,996,800	1½
Byers (A. M.) Co	265,835	2,546,325	10
Case (J. I.) Co	1,949,600	13,777,300	7
Chrysler Corporation	4,414,892	9,503,750	2
Columbian Carbon	537,745	915,955	1¼
Commercial Solvents	2,529,996	2,777,806	1¼
Diamond Match Co	1,050,000	1,134,650	1
Electric Auto Lite	929,334	3,271,063	3½
Electric Power & Light Co	1,876,838	6,202,150	3½
Foster Wheeler	247,705	1,179,950	4
Fox Film	2,425,600	4,073,800	1½
Freeport Texas Co	729,844	990,100	1¼
General Asphalt	413,833	704,800	1½
Gillette Razors	2,308,769	2,857,977	1½
Gobel, Adolph	430,000	486,000	1¼
Gold Dust Soap	1,798,602	2,021,060	1¼
Houston Oil	100,000	791,600	8
Houston Oil, New	25,000	698,700	28
Hupp Motor Car	140,000	994,713	7
International Silver	6,642,508	7,117,422	1⅛
Johns-Manville	750,000	2,989,025	4
Kelvinator	1,182,000	1,428,400	1⅓
Kroger Grocery	1,830,870	1,951,414	1⅛
Loews (Inc.)	1,464,202	2,919,450	2
Lorillard Tobacco	1,909,061	3,245,660	2
McKeesport Tin Plate	500,000	1,592,650	3
Montgomery Ward	4,565,004	7,127,529	1½
Mullins Manufacturing Co	100,000	468,350	4½
National Power & Light Co	5,449,101	6,010,738	1¼
Paramount Publix Corporation	3,232,000	4,284,994	1¼
Radio Corporation	13,000,000	16,757,085	1¼
Remington-Rand	170,000	753,800	4
Seaboard Oil	1,244,000	2,347,000	2
Servel (Inc.)	1,749,000	2,026,500	1¼
Simmons Beds	1,133,000	1,162,000	1
United Air Craft	2,084,000	8,208,900	4
United Corporation	14,528,000	16,354,962	1¼
U. S. Ind. Alcohol	373,000	1,214,696	3½
United States Pipe Co	600,000	960,100	1½
United States Steel	8,702,000	19,186,781	2
Vanadium Corporation	378,000	6,987,250	19
Warner Pictures	3,801,000	7,342,262	2
Westinghouse Electric	2,589,000	10,466,659	4
Worthington Pump	129,000	3,138,900	24

XVII

Your petitioner moving respectfully takes the liberty of presenting for the consideration of this honorable committee the following:

"A bill to regulate the sale of any share of the capital stock of any corporation engaged in or whose product moves in interstate commerce and to prohibit any sale of any such share in excess of the number of shares of stock of such corporation as authorized by the articles of incorporation or charter of such corporation

"*Be it enacted, etc.*, That hereafter it shall be unlawful for any person within the United States or any place subject to the jurisdiction of the United States to sell, offer to sell, or quote a price as an offer to sell any share of the capital stock of any corporation engaged in or whose product moves in interstate commerce in excess of the number of shares of stock of such corporation as authorized by its articles of incorporation or charter.

"Any offer to sell a share of stock of such corporation for which duly issued certificate of ownership of such share is not in the possession of the person making such offer or on whose behalf such offer is made shall be conclusively presumed to be an offer in excess of such said number of shares.

"That hereafter it shall be unlawful to transfer by any device whatsoever ownership of a share of stock of such a corporation unless and until transfer of ownership thereof has been duly effected on the corporate records of the issuer corporation and payment of stock-transfer tax imposed by law has been duly effected.

"Any person violating or participating in violating the provisions of this act shall upon conviction thereof be fined not more than $10,000 or imprisoned for not more than five years or both.

"As used in this act the term 'person' includes individual, partnership, corporation, or association."

XVIII

For the convenience of this honorable committee your petitioner presents herewith and marked "Exhibit B," a list of the hereinbefore listed corporations showing the address of the general office thereof to which inquiry, as to the number of certificates issued in 1931 in transfers of ownership of shares of stock thereof and the number of shares total transferred in ownership on the books and the amount of tax paid on such transfer could be made.

Your petitioner, in respectful address, takes the liberty of offering the form of such inquiry to elicit the information to this honorable committee, as shown on Exhibit C hereof.

XIX

Fifty-seven issues totaled transactions of 227,183,130 shares, as against 349,582,282 shares in 1,167 issues.

Mr. Whitney claims the New York Stock Exchange would have to close if "short sales" in the 57 issues were discontinued.

The 1,275 brokers ought to be able to live off the $8,750,000 commissions from sales of 349,582,282 shares in supposedly bona fide transactions, being an average in commissions of $70,000 a year apiece on a total of 349,582,282 shares. Why do they think they earn more and for doing what for this country out of which they get their living and whose citizens afford protection to them?

The commissions would be reduced from $113,000 to $70,000 apiece by elimination of fictitious transactions is no argument against putting stamps on stock transfers as required by law nor an excuse for defrauding the United States Government.

XX

The functioning of New York Stock Exchange either is performance of a useful service in the public interest on which has become attached chicanery, fraud, and violation of law or the useful service is mere window dressing as a screen to cover rascality.

There can be no honest defense of chicanery, fraud, and violation of law, and if Mr. Richard Whitney or anyone else objects to the Congress moving in protection of the revenue of the Government of the United States such objections are in support of chicanery, fraud, and violation of law and should be appraised accordingly.

Defrauding the Government of revenue from transfer of ownership of shares of stock and deliberate evasion of law of 29 helpless States and violation of the corporation charter intended requirements of 48 States is indefensible under any honest intention.

All of which is respectfully submitted and consigned to this honorable committee.

CHARLES FORNEY,
Princess Anne County, Va.

March 2, 1932.

LEAGUE OF NATIONS' PROGRAM IN CHINA-JAPAN IMBROGLIO

Mr. WALSH of Montana. Mr. President, the proceedings of the most important session of the assembly of the League of Nations considering the Sino-Japanese imbroglio is reported in the New York Times of Saturday. I ask that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEAGUE LAYS DOWN A 3-POINT PROGRAM FOR SHANGHAI PEACE—ASSEMBLY VOTES UNANIMOUSLY CESSATION OF WAR, JAPANESE WITHDRAWAL, AND PARLEY—TOKYO'S STAND OVERRULED—CHINESE CHARGE 35,000 MORE SOLDIERS ARE LANDED FOR CONTINUATION OF DRIVE—SOVIET NOW FEARS ATTACK—MOSCOW NEWSPAPER SAYS OFFICIAL OF JAPAN URGED FIGHT—HOSTILITIES NEAR SIBERIAN FRONTIER

FAR EAST DEVELOPMENT

Geneva: The League of Nations assembly voted unanimously yesterday for a resolution calling on Japan and China to cease hostilities at Shanghai and to negotiate for the withdrawal of Japanese troops.

Shanghai: Chinese officials charged that the Japanese landed 35,000 more soldiers 25 miles northwest of Shanghai and were fighting at Taitsang. False reports of a Chinese victory brought a threat of a communist uprising.

Moscow: Izvestia, the soviet newspaper, revealed that troops on the Siberian border were being increased because of Japanese threats in Manchuria. A Tokyo official was alleged to have urged war on the soviet.

Manchuria: Chinese soldiers revolted against the new régime of Gen. Ma Chen-shan in Heilungkiang Province. Japanese troops advanced nearer to the Siberian frontier in pursuit of insurgents.

LEAGUE VOTES CALL FOR PEACE

By Clarence K. Streit

GENEVA, March 4.—The League of Nations Assembly, with Japan's agreement, voted unanimously by roll call to-night a resolution calling for the unconditional withdrawal of Japanese forces from the Shanghai area.

This clean-cut victory on what Japan had for four hours bitterly fought for as an "essential" point was dramatically won for the league by the courage of three men, and of these three men alone. Their names, in the order in which they went to battle, are Paul Hymans, Foreign Minister of Belgium and president of the assembly; Giuseppe Motta, President of Switzerland; and Edouard Benes, Foreign Minister of Czechoslovakia.

Things came to a showdown. When they did these leaders of three small European countries—two of them landlocked and another that has abolished its navy—won more from Japanese diplomacy than all the great naval powers have won from it in five months. They were vigorously applauded by the others.

To M. Hymans goes the credit of calling a spade a spade by declaring the resolution's verbiage really meant an unconditional

Japanese withdrawal and of forcing a showdown by appealing to the 50 member states to support him in this when Japan demanded certain conditions as essential.

SILENCE ANSWERS PLEA AT FIRST

To M. Motta belongs the credit of breaking the deathly silence that for a long moment was the assembly's answer to M. Hymans's imploring appeal. That silence was such that when M. Motta rose a storm of applause rose spontaneously from most of the diplomats, although they are trained never to applaud. Quivering with emotion, M. Motta spoke briefly and strongly. He not only reinforced M. Hymans, but he raised the league's standard still higher. He asked Naotako Sato, the Japanese delegate, to accept the resolution as it stood, warning him that the assembly now had the power to adopt it without Japan's consent. When M. Motta sat down the diplomats applauded even more than before. And men shook hands with their nearest Swiss friends and congratulated them on having such a President.

To M. Benes belongs the credit of immediately rising and unequivocally backing M. Motta.

ASSEMBLY AGAIN SILENT

How courageous and how strong these two had been was then driven home, for of all these who had applauded them not one rose to follow suit. That deathly silence settled down again. But in it Mr. Sato apparently decided that when the world heard of this the world would stand with Messrs. Hymans, Motta, and Benes, and not sit speechless, like its diplomats there in the hall. Mr. Sato broke the second silence to renounce Japan's amendment and to tell Mr. Motta he would accept, although 10 minutes earlier he had said Japan could not possibly accept the resolution as it stood.

Two men out of 50 had stood up and had sufficed to make not merely a majority but unanimity.

Then spoke a great power. Sir John Simon, Foreign Minister of Great Britain, suggested that this unanimous consent to the resolution might be expressed by another silence. But M. Motta had made a lead and he kept to it. He had had enough of silence. He insisted on a roll call. M. Hymans welcomed the motion and gave the nail another blow by abruptly adjourning the assembly's general commission, in which all this had happened, and reconvoking it immediately as a plenary assembly.

NATIONS ARE PLACED ON RECORD

There, by a roll call, he at once made every league member present put himself indubitably on record for or against the resolution. The South African Union gave the first yes. The alphabet made every great power take a position definitely before it came to Japan's turn. With increasing tension Germany and Britain—a slight hesitation drove home the importance of Sir John's yes—France and Italy repeated the yes. And then Japan also repeated.

Only one man spoke in that plenary assembly before the roll call, and it was what he said that gave the greatest meaning to every note that followed. It was Dr. W. W. Yen, the Chinese delegate, and what he said was that China accepted the resolution on the understanding that it referred only to a truce parley and not to a round table—as Japan had sought to interpret it—and also "with the understanding which has been so spendidly emphasized by Messrs. Motta and Benes that no condition should be attached to the withdrawal of troops occupying the territory of an invaded country. We consider that members of the league can not be expected or asked to pay a price for the enforcement of the right of being protected against foreign aggression, which is a right guaranteed to every member of the league by the covenant."

The Sino-Japanese conflict has been distinguished by several meetings tense with emotion, but none, perhaps, as deeply moving as to-day's. For four hours it rose steadily to the climax of that yes from Japan.

AMERICANS PRESENT AS SPECTATORS

In it the United States played the rôle of silent spectator. Its armament delegates were all there except Hugh Gibson and had ringside seats, along with Karl Radek and other members of the soviet delegation.

The assembly's general commission, in which all league members were represented, began its session in the league's new house of glass built for the disarmament conference, at 4.15, still faced with the same problem that confronted the assembly yesterday. Was the Shanghai war off, as the Japanese proclaimed, or still on, as the Chinese insisted? These contradictions must be ended, M. Hymans declared strongly at the outset, and he summoned Tsuneo Matsudaira to explain for Japan. Mr. Matsudaira handed in a telegram saying that only skirmishing was going on, and this would not alter the attitude of the Japanese army, which had no intention of resuming the battle or advancing beyond its present position, "unless the Chinese army makes a real offensive."

YEN DEMANDS NEUTRAL REPORTS

Doctor Yen jumped to his feet, saying: "We do not expect you to believe our story of what is happening, nor do you expect me to believe the Japanese story," and proposing that "the assembly request four admirals in Shanghai—the British, American, French, and Italian—to ascertain whether hostilities really have ceased, and that it authorize them to see to it that these hostilities do cease and remain ceased" until an armistice definitely is concluded in the presence of the four admirals.

Sir Eric Drummond, the secretary general of the league, then said he already had asked his Shanghai consular committee to rush a report on what was happening, and suggested that the powers with military or naval attachés there supplement this with their reports.

Sir John Simon, Joseph Paul-Boncour, and Massimo Pilotti accepted the latter plan for Britain, France, and Italy. It is quite different from Doctor Yen's proposal. It is a resurrection of the old arrangement in Manchuria, which there proved a slow and cumbersome way of providing the league with what driblets of information the big powers cared to give it. It really meant that the assembly would be dependent on Britain and France for military information, for Italy has never reported any to it nor has the United States.

JAPAN PLEDGES NO RESUMPTION

Mr. Matsudaira gave the task of defending Japan back to Mr. Sato. He assured the league, unqualifiedly, that "Japan never again would resume fighting which had been effectively ended by orders of the Japanese high command," and then admitted there still was fighting, but he "hoped" it was merely skirmishing. He welcomed Sir Eric's proposal, but thought the question of separating the combatants ought to be left to direct parleys between the two forces.

It was the old basic difference—China demanding the intervention of third parties and Japan seeking to prevent this.

Vehemently Doctor Yen returned to the charge "sorry to have to ask you to take your eyes off the mirage conjured up by the Japanese delegate" and turn them on three telegrams he had just received from the front. Bulletin No. 1 said Japanese transports were pouring troops into a place near where the Woosung Forts were. Bulletin No. 2 said Japan had landed 35,000 troops with tanks and cavalry 40 kilometers west of Shanghai, "twice as far as Japan asked us to retire," while eight more transports entered the Yangtse to-day and "severe fighting" continued.

PREDICTS NEW OFFENSIVE

Bulletin No. 3 said, "Our regiments defending Woosung were killed to the last man rather than surrender. Foreign eyewitnesses saw our peasants being forced by the Japanese at the bayonet's point to throw the corpses of our soldiers into the river." The Japanese landed troops to-day at Pootung to strike at the Hangchow region, and their officers "make no secret that they intend to take the entire region between Shanghai and Nanking."

"There is my information," said Doctor Yen, "and so I must insist that you authorize the admirals who are the highest neutral military officers at Shanghai to see to it that the fighting ceases and stays ended, for at best conflict is liable to break out at any time between armies that already have been fighting bitterly for three weeks, and the present cessation is unilateral, not guaranteed."

Mr. Sato started to explain away the arrival of the transports amid an outburst of laughter from the crowd. Their raison d'être had gone, he said, and they would be sent back, but when and "just exactly how that is to be done I am unable to say at present," for all this must be settled on the spot. He denied none of the things Doctor Yen had just reported.

It was too much for M. Hymans, who said Doctor Yen had so accentuated the painful uncertainty that they must at once get down to stopping further bloodshed. So he suspended the meeting for half an hour so the steering committee could lay a definite proposal before them.

The half hour stretched into an hour and a half while the steering committee sought to get the resolution so worded as to save the face of the league and Japan. The bell rang and the crowd pressed back into the hall, where the resolution was read. It "called upon," it "requested," it "recommended."

JAPAN OFFERS "MODIFICATION"

Mr. Sato rose. Japan accepted the first two points, but there was a "modification" which Japan wished to make to the third one. In the French text he used it to read the assembly "recommends that negotiations be entered into by the Chinese and Japanese representatives, with the assistance of the military, naval, and civilian authorities of the powers mentioned above, for the conclusion of arrangements which shall render definite the cessation of hostilities and regulate the method of withdrawal of the Japanese forces." After the word "hostilities" Japan would add "and regulate the conditions and details concerning the withdrawal of the Japanese forces and the future situation of the Chinese forces." Mr. Sato made it appear as a small drafting correction.

Here M. Hymans sounded the alarm. Speaking in a strong voice, he declared there was a "vast difference" between regulating the method of the withdrawal and regulation of the withdrawal. The resolution meant, therefore, the technical details of the withdrawal, whereas the word "condition" might imply political conditions, and therefore it altogether changed the meaning of the text.

JAPANESE ENVOY CASUAL

Mr. Sato came back smooth and persuasive. He said the word "conditions" might be changed as long as conditions assuring Japanese security were really attached to the withdrawal.

Finding himself unsupported, M. Hymans wavered momentarily. Now, he said, there was perhaps only "a shade of difference," for perhaps the resolution implied what Mr. Sato wanted.

Sir John Simon sought to pour oil on the waters. He pointed out that the English text did not contain the word "methods" of withdrawal and that Japan could accept the English text and she would get all she really wanted.

Mr. Sato saw no difference between the English and French texts.

"The latest events," he said, "have been such that we wish the resolution to give us satisfaction, at all events up to a certain point. We do not expect all of our demands to be accepted by the assembly, but we do desire the assembly to give us satisfaction on this point—a point which we consider essential."

At this tense moment Arthur Henderson, who had been sitting throughout the meeting shadowed in the corner of the "elders' bench" on the presidential dais, apparently decided that was no place for the president of the disarmament conference. He quietly left the platform while Mr. Sato continued insisting.

HYMANS APPEALS FOR SUPPORT

Then M. Hymans, feeling he was out on the end of a limb, reminded the assembly there were 50 sovereign states present and appealed to them, with imploring voice and eyes, to speak their minds. Everyone looked at his neighbor or the floor. A despairing shrug of the shoulder by M. Paul-Boncour seemed to indicate that the president of the council and representatives of France thought nothing could be done but give in. Then M. Motta arose. "This is a very grave moment," he began, "I would make an ardent appeal to M. Sato and make it to him as my friend to accept the resolution just as it is."

He agreed that there was no difference between the French and English texts—the word "method" might be dropped from the French, but that modified nothing. What the bureau had in mind, he went on, was "a kind of preliminary application of Article XV of the covenant," and that article, he stressed, allowed them to pass a valid resolution without the consent of the two parties involved, although he was anxious that they be "not merely judicially but morally and totally unanimous."

INVIOLABILITY OF PRINCIPLE STRESSED

He concluded:

"What this resolution says is this: The principle of withdrawal of the Japanese troops must not be brought into question. Japan has declared she is ready to effect this withdrawal. China has demanded it as her natural right. As soon as you put the word 'conditions' in place of the word 'methods' or add the word 'conditions' to the word 'methods,' you are bringing into question the principle of Japanese withdrawal. Now this is not possible. I ask you, then, to vote for the resolution just as it stands."

M. Benes, who sat beside M. Motta, rose and declared: "It is essential that we here, and public opinion throughout the world, especially in the Far East, should know exactly what is meant by this document," and agreed absolutely with M. Motta.

M. Sato, after taking exception to the idea that the assembly could pass the resolution over Japan's protest, ended by saying that in view of the interpretation of the resolution by M. Hymans, "we can accept the text."

The battle was won, but Sir John Simon rose to suggest that they eliminate the word "methods" from the French text, as M. Motta had remarked might be done, and then let silence give consent.

"Very well," said M. Hymans, firmly, "but let it be remembered that M. Motta also said this has not changed the meaning."

"And," chimed in M. Motta, "I want a vote taken by each member giving his opinion, and not merely by silence."

And so the vote was taken.

TEXT OF THE RESOLUTION

GENEVA, March 4.—The following resolution was adopted to-day by the League of Nations Assembly:

"This assembly, recalling suggestions made by the council on February 29 and without prejudice to other measures envisaged therein—

"1. Calls upon the Governments of China and Japan immediately to take the measures necessary to insure that orders which, as it has been informed, have been issued by the military commanders on both sides for cessation of hostilities shall be made effective.

"2. Requests that other powers which have special interests in the Shanghai area inform the assembly of the manner in which the invitation set out on the previous paragraph has been executed.

"3. Recommends that negotiations be entered into by Chinese and Japanese representatives, with the assistance of the military, naval, and civilian authorities of the powers mentioned above, for conclusion of arrangements which shall make definite the cessation of hostilities and regulate withdrawal of the Japanese forces.

"The assembly will be glad to be kept informed by the powers mentioned above as to the development of these negotiations."

SENATOR FROM ALABAMA

Mr. ROBINSON of Arkansas. Mr. President, I contemplate a statement which may take a few minutes. I will not ask the Senator from Oklahoma to yield if he prefers to proceed at this time.

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. THOMAS of Oklahoma. I yield.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator from Delaware [Mr. HASTINGS], who was in the Chamber a few moments ago and who probably has been called out temporarily, should have brought to his attention a matter which is of considerable interest to this body.

During the course of the last few months there has been much talk here and elsewhere of cooperation and of nonpartisan action touching emergency measures. It has always been the practice, in so far as I am informed, since the organization of the Senate of the United States, to treat contests over seats of Members of this body as affected by judicial consideration. No one who is familiar with the history of such controversies would claim that it has been possible always to free them from the influence of political bias or prejudice.

In the Birmingham Age-Herald of the 5th instant is an article from the pen of Mr. Russell Kent, which discusses a proceeding by the chairman of the subcommittee of the Committee on Privileges and Elections of the Senate, the Senator from Delaware [Mr. HASTINGS], which it is thought he might desire to affirm or discredit.

It is recalled that in the contest case of Heflin against BANKHEAD, what purported to be a report by the chairman of the subcommittee, the Senator from Delaware [Mr. HASTINGS], was published in the press before it had been submitted to the subcommittee. It was somewhat surprising to learn that before formal action was asked or sought by the subcommittee what may very properly be termed a political caucus was held in the home of the Senator from Delaware in which the advice of leaders of the regular faction, as we call it, was sought, and a decision reached which was subsequently, according to the press report to which I am referring, ratified by the subcommittee of the Committee on Privileges and Elections.

I will ask the privilege of reading a part of this article:

WASHINGTON, March 4.—The case of J. Thomas Heflin and his Republican friends against Senator JOHN H. BANKHEAD and Democrats of Alabama advanced farther on the political stage Friday when by a party vote of 3 to 2 the Senate subcommittee handling the Alabama senatorial contest voted approval of a recommendation that the election of 1930 be declared void because of irregularities. A minority report will be filed later contending BANKHEAD is entitled to retain his seat.

In voting approval of this recommendation, the three Republican members of the subcommittee, Senators HASTINGS, of Delaware, chairman; WATSON, of Indiana, Republican floor leader; and GLENN, of Illinois, merely ratified a decision reached at a secret meeting of Republican leaders of the Senate held last week at the apartment of HASTINGS.

At that meeting it is understood there were present a dozen of the Republican stalwarts. The entire matter was discussed in considerable detail, and Senator HASTINGS read to the gathering parts of his report, together with his recommendations, and it was agreed that the course therein should be followed.

Senator HASTINGS Friday confirmed to this correspondent the rumor that such a gathering had been held and that the report he submitted formally Friday was discussed and approved. He declined to name the list of guests beyond admitting that WATSON and GLENN were present, and said that there were "8 or 10 Republicans of the Senate" present.

HASTINGS said when asked by the writer about the rumored meeting that he had considered it desirable to lay the substance of his contemplated report in the Heflin-Bankhead case before some of his colleagues of the Senate and had invited them to his home for that purpose. Thus the action nominally taken by the Republican majority of the subcommittee Friday stands forth as a mere formal ratification of action agreed upon by them and other Republican Senators some days prior to the formal action and at a time when theoretically that part of the report dealing with oral testimony taken for the subcommittee in January at a hearing in Birmingham was in the hands of counsel for Senator BANKHEAD and former Senator Heflin for their comments before the report was to be completed.

The statement continues at some length. I do not choose to read the remainder of it.

The declaration contained in the article, which is supported in part at least by the facts, that the report framed by the chairman of the subcommittee was published before it had even been approved or considered by members of the subcommittee, is calculated to produce a conviction and conclusion that it is the policy of the subcommittee, and of the faction in the Senate which that subcommittee is presumed to represent, to determine the right to a seat in the Senate largely on the ground of partisan political advantage.

It is entirely true that Senators have the right to confer upon any subject that interests them, but it is rather sur-

prising to me that no member of the group which is commonly known as progressives was invited into the conference, and that only so-called stand-pat Republicans were permitted to enter the holy of holies in which the right of a Member of this body to retain his seat was secretly decided and agreed upon.

It would be a bad thing for the Senate, bad for every group in it, bad for Democrats, bad for progressives, and bad for stand-patters as we term them, if the practice is resorted to and the policy acquiesced in of settling on political considerations these question which by every rule of right and reason are quasi judicial. The time may come, it probably will come, when the majority which now sits on the other side of the Chamber will be transferred to this side of the Chamber. I wish to give assurance now that so long as I occupy a position of responsibility here the precedent sought to be established in the Heflin-Bankhead contest case will not be followed by this side of the Chamber.

Mr. HASTINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Delaware?

Mr. THOMAS of Oklahoma. Inasmuch as I yielded to the distinguished Senator from Arkansas [Mr. ROBINSON] I feel constrained to yield for a statement by the Senator from Delaware.

Mr. HASTINGS. Mr. President, in the first place, it seems to me that I ought to be permitted to invite any of my colleagues to my house for dinner without criticism. It also seems to me that I ought to be permitted to select my own company. I do not know how the distinguished Senator from Arkansas gets the impression that no progressives were invited and no Democrats were invited. I think he is assuming that to be true.

I do not know whether it is true or not, but it was generally rumored at the beginning of this Congress, when some question was being raised about whether opposition would be made to the present incumbent, the junior Senator from Alabama [Mr. BANKHEAD], taking his seat, that the Democrats under the leadership of the Senator from Arkansas held a conference with respect to it and all decided to vote to seat him regardless of what might ultimately be done.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. There is no authority whatever for that statement. The question of how Members on this side of the Chamber will vote in the contest case has never been discussed in a Democratic conference.

Mr. HASTINGS. All right. I am just reporting a rumor which the distinguished Senator says is untrue, and that ends that.

That has no reference to what I did with respect to this report. I submit that there was nothing improper in what I did. I have been working on this matter for more than a year. I had thrown on my desk 3,126 pages of testimony. It became my duty to analyze it. I analyzed the reports that were made by the supervisors of some two thousand and odd districts in the State of Alabama. I had collected all kinds of testimony with respect to violations of the law in Alabama. I had put that in the form of a report. Nobody had seen it. My associates on the subcommittee had not seen it and had not heard it. They had not done a great amount of work in connection with it.

I was not certain that during this investigation, talking to myself as one might say, I had not reached some false conclusion with respect to it. I was anxious to lay the whole matter before some persons on whose judgment I was willing to rely, to inquire of them whether or not in their judgment the facts disclosed by the report justified the conclusion which I reached. When I read it to them and gave them the facts I found that, without any dissenting vote or without any dissenting voice, they all agreed that the facts disclosed by that report were shocking facts, and that under it, without any appearance of partisanship, no person could read the report and reach any other conclusion than that which I reached. That was the only purpose of getting their opinion with respect to it, merely because I was not certain, because I had worked on it such a long time and because I had given so much attention to it, whether or not under all the circumstances it might have been possible for me to have reached a false conclusion. If there is anything improper about it, if the distinguished Senator on the other side of the aisle can make anything improper out of it, I am perfectly willing he should do so.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. HASTINGS. Certainly.

Mr. ROBINSON of Arkansas. The Senator has said that the fact that no Democrat or progressive Republican was invited to the conference was a mere assumption on my part, and there was a plain implication that the assumption was erroneous. I wonder if it would embarrass the Senator to tell us just exactly who was in the conference?

Mr. HASTINGS. I do not propose to give the names of either my men guests or my lady guests on that occasion, whether they were Members of the Senate or whether they were not. The reporter inquired of me about that, and I said to him that I wanted an opportunity to read the report to the members of the subcommittee and I asked others along with them.

Mr. BRATTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from New Mexico?

Mr. HASTINGS. Certainly.

Mr. BRATTON. The Senator will be good enough to say, will he not, that the three Republican members of the subcommittee were present and that neither of the Democratic members was present?

Mr. HASTINGS. That is correct.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

Mr. HASTINGS. Certainly.

Mr. ROBINSON of Arkansas. Will the Senator be good enough to tell us whether the lady members of the conference participated in the decision against Mr. BANKHEAD?

Mr. HASTINGS. No; there were none there.

Mr. ROBINSON of Arkansas. Oh, I think the Senator said a moment ago that there were.

Mr. HASTINGS. I do not propose to tell the Senator who were there.

Mr. ROBINSON of Arkansas. That is what I wished to find out. [Laughter.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 3132) to extend the times for the commencement and completion of the bridge of the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, across the Red River of the North on the boundary line between said States.

The message also announced that the House had passed the bill (S. 2985) granting the consent of Congress to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut created and existing under the provisions of special Act No. 496 of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge across the Connecticut River, with an amendment, in which it requested the concurrence of the Senate.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, the bill pending before the Senate is H. R. 7912, which proposes to make appropriations for the Department of Agriculture for the

fiscal year ending June 30, 1933, and for other purposes. The bill carries a total sum of $178,192,646.

Mr. President, that is a large sum of money. The question now arises, Whence are we to get the money with which to pay this enormous appropriation? The time that I shall occupy will be in support of a movement which was inaugurated last night, and more officially to-day, to try to bring money out of hoarding. I take it that this movement is for the particular purpose of providing the people with funds with which to pay taxes so that the people may have the money with which to pay this identical appropriation.

Mr. President, a few days ago I introduced a bill proposing to pay the veterans the full balance due them on their adjusted-service certificates. The amount due is approximately the same sum as this Congress has already made available through the Reconstruction Finance Corporation to the railroads, life insurance companies, banks, and other forms of corporate industry.

The plan of raising funds for adjustments with the veterans follows very closely the plan of financing industry. In order for the Reconstruction Finance Corporation to secure funds, we made a direct appropriation of $500,000,000. We did not have this money in the Treasury, so we had or will have to issue bonds to raise the cash. Then we authorized the corporation to issue $1,500,000,000 in bonds with which to raise additional money to relieve the needy industries. Neither the Government nor the corporation could or can sell long-term bonds advantageously, so we had to pass a special act in effect amending the Reconstruction Finance Corporation law and authorizing the depositing of bonds for the basis of credit and currency.

Mr. President, this Congress has already set the precedent of authorizing the issuance of bonds and the depositing of such bonds with the Federal reserve system as the basis for the issuance of credit and currency. In the preparation of the bill for payment to the veterans, I followed the precedent already set by this Congress. I did not seek to disguise my plan. I stated it boldly and frankly. The plan for financing the payment to the veterans is in effect identical with the plan for financing loans to industry. Instead of concealing from the public, through a maze of laws and the intricacies of finance, I provide for the issuance of bonds, the depositing of such bonds with the 12 Federal reserve banks, and the issuance by such banks of Federal reserve bank notes with which to pay the veterans.

The Washington Post, a widely read newspaper, recently devoted some space editorially to the pending bill. I ask to have printed in the RECORD at this point the editorial to which I refer.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Post, Friday, March 4, 1932]

A PROSPERITY MAGICIAN

A few months ago Senator THOMAS (Democrat) of Oklahoma would have been satisfied with an ingenuous plan for securing payment in full of the soldiers' bonus. But destiny urged him on. If he could make veterans happy and prosperous out of the largess of Uncle Sam, why should he not extend his beneficence to all Americans? He probed deeper into the mysteries of finance and has emerged with a plan designed not only to pay off the complete obligation of the Government to veterans but to restore the smile of prosperity to all the land.

Like all strokes of genius, the Senator's plan is simple. It would create $2,400,000,000 of what might be termed "prosperity" currency. Of course, Uncle Sam does not have that amount of ready cash available for payment to veterans, because the obligation is not due until 1945. But that does not deter the Senator from the "Sooner" State. He asks the Treasury to issue bonds equal in amount to the bonus obligation. These would be distributed to Federal reserve banks, each bank receiving enough to pay off the bonus certificates of veterans living in its territory. But the bonds would not be turned over to the veterans. They would be used as a basis for Federal reserve notes of equal amount, and this currency would be turned over to beneficiaries of the bonus.

The effect of this ingenuous measure would be to increase the money in circulation by $2,400,000,000. Senator THOMAS envisions a sudden spurt in business and agriculture. Hoarding would be abandoned and the country would march forward to a new era of prosperity.

The Senator from Oklahoma is unduly modest. Having brought forth this novel device for rejuvenating a depression-ridden world, why does he wish to confine its operation to the bonus? Why not issue bonds, transfer them to the Federal reserve banks for conversion into money, and wipe out the national debt of about $18,000,000,000? Surely the magic power of creating money out of nothing should not be reserved for veterans alone! Let Congress turn over the Bureau of Printing and Engraving to the distinguished Senator-economist from Oklahoma, with full authority to restore America to prosperous and happy times within 30 days.

Mr. THOMAS of Oklahoma. Mr. President, the editor of the article just read has portrayed the benefits and blessings of the suggested legislation much better than I could possibly do; hence I welcome the support of this strong administration journal.

The bill for the payment of the balance due the soldiers proposes to increase the amount of money in circulation. We must have more cash to supply the demands now being made. Petitions for money are coming from every direction. Only a few days ago Will Rogers observed:

You can't get a room in Washington; every hotel is jammed to the doors with bankers from all over America to get their "handout" from the Dawes commission.

And I have asked the following prominent men in America this question: "What group has been more responsible for this financial mess—the farmers? Labor? Manufacturers? Tradesmen, or who?" and every man, Henry Ford, Garner, Newt Baker, Borah, Curtis, and a real financier, Barney Baruch, and every one of 'em without a moment's hesitation said: "Why, the big bankers." Yet they have the honor of being the first group to go on the "dole" in America.

Mr. President, in answer to the alleged Post editorial, let me call attention to another Post editorial of date January 2, 1932. The first column leader was headed: "Turn Bonds into Money."

In the article I note the following sentences:

There is a stringency of money in circulation. The dollar has an abnormal value because of the scarcity of dollars.

"The country needs more dollars," says the Post.

Again I quote:

Section 4 of the Federal reserve act authorizes the reserve banks to deposit United States Government bonds with the circulating privilege and receive from the Comptroller of the Currency Federal reserve bank notes of the same par value as the bonds.

Congress is about to authorize the issuance of bonds to help make up the Treasury deficit. Why should not these bonds carry the circulating privilege and be exchanged for Federal reserve bank notes? The release of $1,000,000,000 in Federal reserve bank notes, secured by the equivalent in bonds, would release $20,000,000,000 of credit on a solid gold basis.

On January 2—scarcely 60 days ago—the Post writer was perfectly clear and logical in his reasoning. At that time he understood the situation confronting the country. His solution of our economic ills, in part, has already been put into effect.

The money to meet the dole to big bankers is being secured through the plan suggested by the Washington Post. Can it be possible that the prominent spokesman for the administration is willing to raise money through bonds to feed hungry industry but is opposed to using the same plan to raise money to meet a just, deserved, needed, and committed obligation to the protectors and defenders of our country?

Again I quote:

The Federal reserve act contemplates the issuance of Federal reserve bank notes secured by United States bonds in times of emergency. The emergency now exists. * * *

Yes; the emergency now exists.

The Congress has already declared that such emergency exists for the holders of bonds against the Federal land bank system; and an emergency exists for railways, for life-insurance companies, and for banks.

The bill I am sponsoring declares a like emergency in favor of the millions of our youth; an emergency in favor of soldiers called to the colors, commanded to cross the seas and to fight on foreign soil. Youth, the flower of America in 1917—veterans, maimed, gassed, diseased, ill, and unemployed in 1932.

Senators, contrast the boys who were sent away in 1917 with the multiplied thousands of veterans who, on this cold, bleak, icy day, are cold and hungry and who are wondering, hoping, and praying that the Government they gave their

all to defend and protect will not deny their petition now on file with the proper branch of their Government.

I ask permission to have printed at this point in my remarks the Washington Post editorial in full.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Post of Saturday, January 2, 1932]

TURN BONDS INTO MONEY

The amount of cash withdrawn from banks and hoarded by the people is estimated at $1,000,000,000. If this cash were in banks, it would furnish a basis of credit amounting to twenty times as much, or $20,000,000,000.

The total amount of money nominally in circulation is over $4,800,000,000, amounting to $38 per capita. The amount actually in circulation is much less. The people have withdrawn and hoarded immense sums from circulating money, as well as from banks. The amount hoarded is unknown, but it is conservatively estimated that the total is equivalent to the shrinkage of $40,000,000,000 of credit.

The value of stocks diminished $60,000,000,000 after the market crash in 1929, affecting 17,000,000 stockholders. Real estate and other property diminished in value. Much of the apparent loss was unreal, because of fictitious values, but there were real losses running into billions. Property is now undervalued, because of pessimism and loss of confidence. Much property will recover normal value when confidence is restored.

There is a stringency of money in circulation. The dollar has an abnormal value because of the scarcity of dollars. A dollar will buy $1.45 worth of commodities. It will buy ten times as much stock on the New York Stock Exchange as it could buy in 1929. It can buy 40 per cent more factory labor. Millions of citizens are unable to obtain these dollars at any price in exchange for labor.

The country needs more dollars—not inflated dollars but 100-cent gold value dollars.

Section 4 of the Federal reserve act authorizes the reserve banks to deposit United States Government bonds with the circulating privilege and receive from the Comptroller of the Currency Federal reserve bank notes of the same par value as the bonds.

Congress is about to authorize the issuance of bonds to help make up the Treasury deficit. Why should not these bonds carry the circulating privilege and be exchanged for Federal reserve bank notes? The release of $1,000,000,000 in Federal reserve bank notes, secured by the equivalent in bonds, would release $20,000,000,000 of credit on a solid gold basis.

At present there are no bonds with the circulating privilege available for deposit with the Comptroller of the Currency. Unless the circulating privilege is stipulated in the forthcoming issue the Treasury will still further draw upon the public money resources, which are already too scanty to do the country's business. With the bonds exchangeable for Federal reserve bank notes the Treasury could pay out these notes for Government expenditures and thus put new money in circulation, thereby releasing an immense amount of credit.

With the passing of the emergency the bonds and notes should be retired, as the dollar and commodity prices will have returned to normal and there will be no need of extra circulation.

The Federal reserve act contemplates the issuance of Federal reserve bank notes secured by United States bonds in times of emergency. The emergency now exists, and yet the relief provided for by law has not been granted by Congress.

Mr. THOMAS of Oklahoma. Mr. President, on last night I listened to a series of radio addresses made by the President, the Secretary of the Treasury, the president of the Reconstruction Finance Corporation, and the distinguished leader of the minority in the Senate. The burden of the series of addresses, as I interpreted them, was that some one has kidnaped our dollars and the present whereabouts of both the kidnapers and our dollars is unknown.

Because of the importance of this nation-wide movement to get money into circulation in order to save our people from further loss, I wish to call attention to some of the high points in the several addresses made last night. Let me quote first from the President:

The time has now arrived for a new offensive rally in the spirit that has made America great. The battle front to-day is against the hoarding of currency.

Again I quote from the President's address:

One hoarded dollar deprives some wage earner of at least some part of his pay. Multiply this simple example by nearly $1,500,000,000 of idle money now hidden in the country, and you may get somewhere near a true picture of the enemy of our national security that we vaguely call "hoarding." It strangles our daily life, increases unemployment, and sorely afflicts our farmers. No one will deny that if the vast sums of money hoarded in the country to-day could be brought into active circulation there would be a great lift to the whole of our economic progress.

Let me next call attention to a few sentences from the address delivered by the former presiding officer of this body, now president of the Reconstruction Finance Corporation, General Dawes. His address was a direct appeal to the people of the country. To them he said:

The money is yours. You had the right to draw it and you have the right and power to keep it in any form you please.

Again I quote:

With this $1,000,000,000 hoarded money back in the sound banks of our country as a basis of credit and increased purchasing power, the country should be assured of a return to prosperity in a reasonable time. As long as this currency is out of circulation we must remain as a people for an indefinite time under the terrible hardships of an unprecedented business, industrial, and commercial stagnation, with all its consequent human misery.

Quoting again from General Dawes:

If, therefore, you buy Government bonds to carry out the purposes of this national effort, pay for them in currency.

I next quote from the address delivered by the Secretary of the Treasury:

The measure of self-help which we are discussing this evening is simple and, if understood, obvious. It consists in restoring to active use the dollars that have been withdrawn from circulation.

The need for calling the existing situation to your attention has arisen because many of our citizens have taken the dollars which they command and placed them on the retired list. They have made of them idle dollars, which are of no service to the community and bring no return to their owners. As a result, we have suffered a vast credit contraction which, in turn, has adversely affected business and employment.

Again I quote from the address of the Secretary of the Treasury:

What I am referring to is the secreting of money in safe-deposit boxes or in socks or under mattresses or in a tin can, where it lies idle and ceases to work for its owner or anybody else.

Further the Secretary of the Treasury said:

Buried money, on the other hand, is so much paper or metal. It is inactive. It brings in no return. It does not grow. * * *

The Secretary made a plea for the return of the concealed and hidden dollars to active circulation. He even offered a ransom in the form of 2 per cent baby bonds due in one year. Then the Secretary made an appeal for the public to buy the bonds and to pay for them in cash, thus still further depleting the scant amount of actual money now permitted to be outside the Treasury.

I next desire to quote from the address delivered by the distinguished senior Senator from Arkansas [Mr. ROBINSON] as follows:

There is, however, one vital principle—

Says the Senator from Arkansas—

concerning which general, if not universal, concurrence may be had. It is that recovery can not be accomplished until the enormous volume of money that has been withdrawn from use and hoarded has been restored to circulation.

Again says the Senator from Arkansas [Mr. ROBINSON]—

Just as money was necessary to victory in 1918, so it is essential in the present economic war.

Mr. President, we have now been in session for more than three months. Remedy after remedy to end the depression has been and is being tried. To-day a new panacea is proposed and a new appeal is being made to the American people. This appeal is for more money—actual money, currency—and the basis of the appeal is that if more money can be placed in circulation the end of the depression will soon be an accomplished fact.

At this point let me call attention to the amount of actual money—gold, silver, and paper—now in circulation. The total amount of money outside the Treasury on January 31, 1932, was $5,641,205,046. This amount is classified as being in circulation. Five hundred million dollars are scattered throughout the world. One hundred million dollars are in Cuba. One and one-half billion dollars are hoarded. The banks are required by law to keep approximately $1,000,000,000 subject to the demands of depositors. This leaves

a balance of actual money outside the Treasury in the sum of approximately $2,651,000,000.

Let me also call attention to the fact that on January 31, 1932, we had on hand in circulation and in the Treasury the total sum of $9,378,002,702. This sum, when divided, shows that we had some five and a half billion dollars in circulation and some three and a half billion dollars retained in the Treasury.

Mr. President, the Comptroller of the Currency is under the jurisdiction of the Treasury Department. The Federal reserve system, managed by the Federal Reserve Board, is the direct agency of the Congress. The Treasury Department itself is only one branch of the Government. Hence, this record shows that the chief money hoarder is the Government of the United States.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Florida?

Mr. THOMAS of Oklahoma. I yield.

Mr. FLETCHER. I should like to ask the Senator if we could find some way of protecting depositors in the banks of the country, guaranteeing their deposits, if you like, or whatever one may choose to call the plan, if we could assure depositors that they are safe in putting their money in the banks, would not that do more to relieve the hoarding situation than almost anything else we could do?

Mr. THOMAS of Oklahoma. Mr. President, for many years efforts were made in the Congress to provide a national guaranty of bank deposits. For some reason the bill could not be passed. At the present time the bonding companies are unwilling to make bonds to guarantee deposits in the banks, and, for that reason, the banks are practically without power to guarantee to their customers the entire safety of their deposits. I agree with the Senator if that could be done, it would be influential at least in bringing from hoarding as much money as we have in circulation and placing that money in the banks for such use as the banks and the customers of the banks might care to make of it; but, Mr. President, I contend that if every dollar of money in America outside of the Treasury were to-day brought forth and placed on deposit even that sum would not nearly be sufficient to transact the business of the country under present conditions. The reason I make that statement is that in these times credit is frozen; credit is dead.

The banks are required by law to keep approximately $1,000,000,000 subject to the demands of depositors. This leaves a balance of actual money outside the Treasury in the sum of approximately $2,651,000,000. Let me call attention to the fact that on January 31, 1932, we had on hand, in circulation, and in the Treasury, the sum of nine billions. I gave those figures a moment ago. This sum, when divided, shows that we have some five and a half billions in circulation, and some three and a half billions still retained in the Treasury.

Mr. President, the Treasury Department itself is only one branch of the Government. Hence, this record shows that the chief money-hoarder is the Government of the United States.

At this point I ask to have read, for the information of the Senate, a resolution.

The VICE PRESIDENT. Without objection, the resolution will be read.

The resolution (S. Res. 182) was read, as follows:

Resolved, That the Federal Reserve Board be directed to advise the Senate what steps it has taken, or proposes to take, to meet the existing depression and consequent unemployment and low prices.

Mr. THOMAS of Oklahoma. I ask unanimous consent to have the resolution introduced, printed, and lie on the table.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. THOMAS of Oklahoma. Mr. President, perhaps some may deny that the Government itself is the chief hoarder of money. Some may suggest that we do not have the gold to support additional circulation. What are the facts?

On January 31, 1932, we had gold coin and bullion held by the Treasury, Federal reserve banks, and Federal reserve agents in the total sum of $4,415,914,085. Under existing law, currency must be supported by at least 40 per cent of gold; hence, the gold on hand is sufficient legally to support over eleven billions of 100-cent gold-value dollars.

We have the gold; we have the currency ready for issue; an emergency exists among the veterans; they have our acknowledged obligations; and in their behalf I thank the Washington Post for its services in suggesting a plan for the raising of money through bonds, for its interpretation of the effects upon business through a generous increase of circulation, and for its services in calling this bill to the attention of the country.

Mr. President, a few days ago one of the papers in New York City carried a signed article by Clinton W. Gilbert. The article was published on March 4 in the New York Evening Post. This article is in explanation of the bill for a like purpose now pending in the House of Representatives, introduced by Congressman PATMAN, of Texas. It likewise gives its interpretation of the bill introduced in this body by myself and which is now pending. I ask unanimous consent that this signed article be printed at this point in connection with my remarks.

The VICE PRESIDENT. Without objection, that order will be made.

The article is as follows:

THOMAS BILL PROVIDES FOR BOND ISSUES AND FEDERAL RESERVE NOTES

(By Clinton W. Gilbert, staff correspondent of Evening Post)

WASHINGTON, March 4.—Grave danger of a two and a half billion dollar inflation of the currency is involved in the bills pending in the House and Senate providing for the payment in full of the soldiers' bonus. It is estimated that if this legislation passes that it will cost the Government, according to the estimate of General Hines, head of the Veterans' Bureau, $2,600,000,000.

The Patman bill in the House does not tell where this money is coming from. It merely appropriates amounts necessary to carry out the plan of paying off the bonus in full. Presumably the bill contemplates the issue of greenbacks, irredeemable paper currency, to the amount of two and a half billion dollars.

RESERVE BANKS TO ABSORB IT

The Thomas bill in the Senate provides for two Government bond issues in an amount necessary to pay off the whole bonus. These bonds shall be distributed by the Administrator of Veterans' Affairs among the Federal reserve banks in proportion to the amount of bonus money that has to be paid in the various Federal reserve districts, and the Federal reserve banks are authorized to issue Federal reserve notes equal to the face value of the bonds received by them.

Thus the Federal reserve currency, which now has a 40 per cent gold reserve supporting it, is to be diluted by an infusion of two and a half billions of notes with no gold reserve back of them. This two and a half billions is just as much printing-press money as would be the greenbacks that Mr. PATMAN seems to have in mind.

An enormous demand for the passing of this legislation has sprung up, not merely from the ex-soldiers but also from country bankers and merchants. The House and Senate are being bombarded with letters and telegrams supporting the bill, the idea being that the inflation will start business booming everywhere. The country is being circularized with estimates based on the number of ex-soldiers residing in each place, of the amount of money that would be put in circulation in the individual localities.

FLOOD OF PAPER MONEY

A table is introduced in the CONGRESSIONAL RECORD showing the division of the $2,500,000,000 among the States. New York State would get $245,924,177 of this flood of paper money; Pennsylvania would receive $172,888,542. In a long table showing what each city would receive New York City is put down for $132,371,518 and Philadelphia for $35,900,796. The prospect of all these paper dollars makes the mouths of bankers and merchants water.

This plan is about twice as insidious as any bonus payment measure proposed before, and Congress has never been able to resist subsidies to the ex-soldiers.

The Patman bill will, no doubt, pass the House. If it is not reported out by the Ways and Means Committee it will be brought out by petition, as the prohibition amendment has just been. It may be held up for a few weeks, but it is sure to come up and be passed. And the Senate has never shown any greater powers of resistance to the soldiers' demand than the House has, so this latest plan to distribute money among the soldiers is likely to pass the Senate.

If it passes both Houses, it is, of course, to be expected that the President will veto it. But bonus measures in the past have been passed over the President's veto, and this one may be. Behind it is not only the strength of the veterans politically but the strong sentiment now existing and amply reflected in Congress for currency inflation.

Mr. THOMAS of Oklahoma. Mr. President, some may contend that these soldiers are not in need. When we first came to Washington in December, industry was in need—so much in need that we were held here during the first few days of this session until 10 o'clock one night to pass a bill in behalf of distressed and needy industry. Just a few nights before that we were held here until almost midnight to pass a bill in behalf of the people of foreign nations.

The information we have is that at this time there are 750,000 veterans unemployed. We have information that there are 800,000 veterans who are employed on part time. In the case of the money made available last winter the number of 2,454,741 of those veterans made application and were granted loans. That in itself is conclusive evidence that a very large number of the veterans of the country are in need of assistance.

At this point I wish to call the attention of the RECORD, and I hope a portion of the country, to an article that appeared in a paper in one of the far Western States. This article is entitled "Admirable Party Strategy." I regret that I am not speaking to more of the Members upon my own side of the aisle. I think they will be interested in this statement. If they are not to-day, they may be soon. I read:

To vigorously attack the effects of the depression and ignore the cause may restore confidence to a degree, but it can only mean disaster further on. For Democratic leadership to subscribe to a political truce in the face of conditions that demand immediate and remedial measures leaves the great mass of thinking people without a definite program. The situation would be ludicrous were it not so tragic to more than 20,000,000 Americans in actual need, and probably another 50,000,000 on the verge of bankruptcy.

Again I read:

For the first time since the war the Democrats have a majority in the lower House, and the Republican majority in the upper House is reduced to a minimum. The congressional elections of 1930, and more particularly the elections of 1931, were a mandate from the people. Congressional leadership knows that administration policies have been repudiated at the polls, and that those policies will not change with the transfer of Mellon. For Congress to ignore such a mandate in the interest of harmony—the swan song of favored interests—and declare a political truce as an "admirable party strategy" is to court the disfavor of an enlightened public conscience that expects definite action along definite and fundamental lines. The people want leadership that will address itself to the problem of ever-recurring panics of plenty. They will not be satisfied with an indorsement of policies already repudiated at the polls.

Mr. President, a few days ago the political party into which I was born, the party to which I hold and owe allegiance, the party which has honored me with membership in the Senate of the United States, held its convention in my State. The convention, by a unanimous vote, adopted a declaration of principles and policies.

Upon this platform the convention without a dissenting voice, indorsed our governor, William H. Murray, for the high office of President. Governor Murray approves of this platform. To-day he is facing the drifting snow and biting winds of the far Northwest in carrying his message to the people. Were he the Chief Executive of this Nation, the people would not be necessarily and unavoidably cold and hungry. Were he the President, the petitions of the millions of veterans would not be falling on deaf and unhearing ears.

Let me quote one plank from the Murray platform:

The Democratic Party, as a matter of common justice, favors paying speedily the remainder of the bonus due the veterans of the World War; and further, because these payments being paid in all parts of the country will prove an economic betterment to all classes of business and enterprises in all sections of the Republic.

Mr. President, in a few days hearings will start on Congressman PATMAN's bill in the House of Representatives. When those hearings start petitions signed by millions of ex-service men will be laid before that body. Demand is being made by these millions of ex-service men that they likewise be heard before the committees of the Senate. No doubt in a short time the bill to be passed by the House of Representatives will be presented in this body. If that should happen, I shall be one of those to insist upon a speedy consideration of that measure.

Mr. President, these soldier boys, three and a half million of them, seeing what is being done by this Congress, can not understand why it is that they themselves can not be heard. I prophesy that their petition will be heard before this Congress adjourns.

Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Schall
Austin	Cutting	Kean	Sheppard
Bailey	Dale	Kendrick	Shipstead
Bankhead	Davis	Keyes	Shortridge
Barbour	Dickinson	King	Smith
Barkley	Dill	Lewis	Smoot
Bingham	Fess	Logan	Steiwer
Black	Fletcher	McGill	Thomas, Idaho
Blaine	Frazier	McKellar	Thomas, Okla.
Borah	George	McNary	Townsend
Bratton	Glass	Metcalf	Trammell
Brookhart	Glenn	Morrison	Tydings
Broussard	Goldsborough	Moses	Vandenberg
Bulkley	Gore	Neely	Wagner
Bulow	Hale	Norbeck	Walcott
Byrnes	Harrison	Norris	Walsh, Mass.
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hawes	Oddie	Watson
Connally	Hayden	Patterson	White
Coolidge	Hebert	Pittman	
Copeland	Howell	Robinson, Ark.	
Costigan	Johnson	Robinson, Ind.	

The VICE PRESIDENT. Eighty-five Senators having answered to their names, there is a quorum present.

The question is on agreeing to the amendment offered by the senior Senator from Tennessee [Mr. MCKELLAR].

Mr. MCKELLAR. Mr. President, just a word. I have already discussed the amendments I have offered. The first one, relating to barberry eradication, is proposed to be inserted on page 32 of the bill where there is a provision for an appropriation this year of $196,400.

As I stated the other day, the department has done all it can do, really, about these matters. However, I want to read from the very excellent bulletin the department has issued about the barberry eradication. There seems to be great doubt as to whether the barberry has anything in the world to do with spreading the rust. I, myself, after reading the bulletin, have doubt about the matter. The bulletin states:

Farmers often wonder why grain is not always rusted when it is growing near barberry bushes. There are two principal reasons: (1) The weather conditions are not always favorable for the development of rust, and (2) there are different varieties of the stem-rust fungus.

Then, again, on page 19, it says:

Some of the other species and varieties of barberry, however, are not subject to stem rust. The Japanese barberry is the most popular of the ornamental kinds which never rust.

And so on.

And then on page 21:

The first survey is completed in all of the 13 North Central States except 1. A second and more intensive survey is in progress. Necessary resurveys for destroying sprouts and seedlings also are in progress. These resurveys will be conducted as frequently as necessary to prevent sprouts and seedlings from developing.

This activity is a perfectly useless one, and I hope the Senate will strike out the appropriation on page 32. I ask for the yeas and nays, which I hope the Senate will grant.

The yeas and nays were ordered.

Mr. COSTIGAN. Mr. President, before the roll is called, I ask permission to have read at the desk a letter of March 5, 1932, received by me from the Chief of the Bureau of Plant Industry, of the United States Department of Agriculture, together with tables accompanying the letter.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was read, as follows:

DEPARTMENT OF AGRICULTURE,
BUREAU OF PLANT INDUSTRY,
Washington, March 5, 1932.

Hon. EDWARD P. COSTIGAN,
United States Senate.

DEAR SENATOR COSTIGAN: With reference to your inquiry regarding the barberry eradication activities of this bureau, the work is aimed to reduce the heavy losses from epidemics of black-stem rust of wheat, oats, barley, and rye. The losses due to black-stem

rust of wheat are most severe in the spring-wheat growing territory, particularly of the Northern Great Plains, because the spring wheat matures later in the summer than the winter wheat and therefore is more susceptible to the ravages of the rust.

Cooperative activities in barberry eradication are under way with the following States: Colorado, Illinois, Indiana, Iowa, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, and Wyoming. In this area the rust overwinters on the leaves of the common barberry bushes and therefore through the eradication of these plants throughout this area very material reduction in rust losses of small grains are being effected.

From 1916 to 1920, inclusive, the average annual losses of wheat from black-stem rust were approximately 57,700,000 bushels; from 1920 to 1925, inclusive, approximately 17,870,000 bushels; and from 1926 to 1930, approximately 9,600,000 bushels. Barberry eradication activities began in 1918 and the decided reduction in the losses from stem rust of wheat are believed to be largely, if not entirely, due to the destruction of nearly 20,000,000 common barberry bushes, which prior to 1918 were scattered widely throughout the spring-wheat area.

The common barberry has become naturalized in this general region and spreads readily from seed so that bushes still remaining in the eradication area are not only potential centers for development of stem-rust epidemics but serve also to reseed fence rows, wood lots, and other uncultivated lands if they are still present or allowed to remain. Accordingly, the present plans in the barberry-eradication work are directed to locating the remaining bushes, particularly in the more concentrated grain-growing areas, to bring about as rapidly as possible the complete elimination of bushes of the common barberry throughout the spring-wheat regions.

In view of the urgent importance of economy in Federal expenditures very material reduction in the proposed amount for the coming fiscal year was recommended by the department in preparation of the Budget estimates for 1933. The amount expended in this project in 1931 was $361,992. The amount appropriated for 1932 was $377,140, but of this sum curtailments have been made sufficient to provide a saving of $77,140, leaving $300,000 available for the work of the current fiscal year. The appropriation bill now before Congress carries an amount of $200,000, a decrease of $177,140 in appropriation, but an actual curtailment of $100,000 in the funds proposed for the barberry-eradication project in the fiscal year 1933.

Very truly yours,

WM. A. TAYLOR,
Chief of Bureau.

The tables are as follows:

Average annual wheat losses in bushels, due to black stem rust for 5-year periods, by States; oats, barley, and rye are also damaged each year by black stem rust

State	5-year average		
	1916–1920	1921–1925	1926–1930 [1]
Colorado	88,000	406,000	15,000
Illinois	512,000	351,000	172,000
Indiana	471,000	90,000	62,000
Iowa	539,000	283,000	33,000
Michigan	831,600	297,000	209,000
Minnesota	12,623,000	2,282,000	2,969,000
Montana	646,000	2,318,000	9,000
Nebraska	3,379,000	322,000	74,000
North Dakota	26,316,000	8,564,000	4,482,000
Ohio	126,000	777,000	189,000
South Dakota	11,442,000	2,045,000	1,327,000
Wisconsin	730,000	132,000	52,000
Wyoming	(2)	(2)	16,000
Total	57,703,000	17,867,000	9,609,000

[1] Estimated. [2] No accurate estimate.

Barberry bushes and seedlings destroyed, 1918–1931, by States

State	Bushes	Seedlings	Total
Colorado	27,427	19,830	47,257
Illinois	412,843	2,184,563	2,597,406
Indiana	204,388	24,124	228,512
Iowa	832,828	216,858	1,049,686
Michigan	796,397	4,949,129	5,745,526
Minnesota	804,357	64,288	868,645
Montana	13,238	21,924	35,162
Nebraska	100,000	24,446	124,446
North Dakota	23,758	2,831	26,589
Ohio	420,687	1,872,929	2,293,616
South Dakota	61,774	29,306	91,080
Wisconsin	3,565,107	1,488,126	5,053,233
Wyoming	4,209	251	4,460
Total	7,267,013	10,898,605	18,165,618

Mr. McNARY. Mr. President, the amendment offered by the Senator from Tennessee is an attempt to destroy one of the major projects undertaken by the Department of Agriculture. The barberry is found prevalent in about 18 wheat-growing States, particularly those States from the Great Lakes to the Corn Belt States, and affects principally spring wheat. It not only causes a destruction of the crop, but renders unmarketable the wheat which is not wholly destroyed. The barberry is a host to a fungus which reaches the wheat and causes black stem rust. Whenever the barberry bush is destroyed there is a disappearance of black stem rust.

It is true the department has been working on this project since 1918. The diminution in the quantity and the extent of the loss since the work began is remarkable. From 1918 to 1926 the annual loss was about 60,000,000 bushels. During the last five years it has been less than 10,000,000 bushels annually. The department estimates that within a period of 10 years it will have completely under control this organism.

The reduction in this item is about 50 per cent over current law. Last year the department had $395,000. This year the amount carried in the bill, which is under the estimate of the Bureau of the Budget, is about $179,000, a decrease which is remarkable considering the importance and character of the work. If the farmers in the Corn Belt, the Great Lake States, and Southern States where wheat is raised, are to be denied this protection, it will add greatly to their cost of production and bring them more misery than they now have. It is surprising to me that one who has so long supported agriculture should be proposing an amendment to a major project which, if enacted into law, would destroy the effectiveness of the Department of Agriculture. I would suggest to the eminent Senator from Tennessee, in order to make short work of it and the remedy complete, that he simply propose an amendment to do away entirely with the Department of Agriculture. If we adopt his amendment, it critically and forcibly strikes at the foundation of this structure, the only one the agricultural people of the country have left, we might as well repeal the act and leave the farmer to his blighted state.

Of course, with that statement, I hope the amendment will not be accepted.

Mr. FRAZIER. Mr. President, there are probably some items in the bill that might well be stricken out without any particular harm to the farmers of the Nation, but this is one item I believe that should be left in the bill. North Dakota produces the largest amount of spring wheat of any of the States in the Union, and that is the type of wheat that is specially affected by this rust. The Agricultural Department has long advocated the eradication of the common barberry bush as a means of getting rid of the rust on spring wheat and some of the other spring grains.

We have in North Dakota, I believe, one of the best agricultural colleges in the United States in the way of doing real constructive work for the benefit of the farmer. We have some men who are well qualified for the work, who have experimented for years upon the barberry question, because it so largely affects the State of North Dakota. I remember in the year 1916 the weather turned to what seemed to be particularly favorable to rust for a few days in July, and our crop was practically destroyed by rust. Fields of wheat that were as good as one would want to see, merely because of the rust that came on and developed in a very few days were destroyed and much of the crop was not worth harvesting. We have done a great deal to eradicate the barberry bush in that State and adjoining States. The amount of rust has been lessened at least, and the men who have experimented through the agricultural college claim that it is the eradication of the barberry bush that has lessened the amount of rust throughout that section of the country.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Maryland?

Mr. FRAZIER. Certainly.

Mr. TYDINGS. As a matter of information, I would like to ask the Senator from North Dakota to what extent the

State of North Dakota appropriates money to eradicate the rust?

Mr. FRAZIER. I have not the figures at hand, but North Dakota has contributed to quite an extent during all these years, through the legislature and through the agricultural college, to the eradication of the barberry bush.

Mr. TYDINGS. Does the State put men in the field where the rust is prevalent and spend money to prevent its spread and growth?

Mr. FRAZIER. Yes. The State has spent a good deal of money and put men in the field to make a survey. Boys and young men from the agricultural college, under the direction of the agricultural college officials, make investigations and help in the removal and destruction of the barberry bushes wherever they are found.

Mr. TYDINGS. What proportion of the sum provided for the whole country would be allocated to North Dakota for this purpose, if the Senator can tell me?

Mr. FRAZIER. I can not answer the Senator's question. We produce more hard spring wheat than any other State in the Union, and while there is a surplus of wheat, yet we have never had a surplus of hard spring wheat.

Mr. TYDINGS. What is the total appropriation proposed to be made for this purpose?

Mr. McKELLAR. It is $196,400.

Mr. TYDINGS. The amount proposed to be appropriated is $196,400 and there are 18 States involved.

Mr. McKELLAR. But only $75,000 is for the joint purpose.

Mr. TYDINGS. Assuming that it is all to be used for that purpose——

Mr. McKELLAR. But it will not be.

Mr. TYDINGS. That would make about $10,000 per State. It has occurred to me that if the saving of grain runs into millions, as outlined here, the State itself would be wise in making the investment because the savings would be tenfold over the expenditures.

Mr. FRAZIER. The State has invested money in the eradication of the barberry bush for years and will continue to do so, but it is of such vital importance that it takes more than one State or more than the efforts of one State to bring about the necessary result.

Mr. TYDINGS. I realize, of course, that disease does not stop at the State boundary line. I can well see where the Federal Government might have to step in. But it occurred to me that the States directly reap the benefit of governmental aid and ought to pay a larger proportion of the cost of the work than they have been paying.

Mr. FRAZIER. All the other States reap a benefit also, because the hard spring wheat is needed in the production of good quality of flour. It is mixed with the so-called winter wheat to make a better quality of flour. Unless our hard spring wheat is protected in North Dakota and other States in that portion of the country, we will be compelled to import that kind of wheat from other countries.

Mr. TYDINGS. I believe that the action of the Federal Government should be concentrated along the boundary lines of the States where the disease takes on an interstate character, and that the States themselves for the most part ought to handle their internal war against this disease. It strikes me that the Federal Government is doing more than it can rightfully be called upon to do by taking over such a large amount of the cost of this campaign.

Over in my State of Maryland we have a lot of plant diseases, but we also appropriate a tremendous amount of money and have our own State officers go out and fight the disease. We have many peach orchards over there, and we have an entire force paid by the State which goes out wherever it may be needed to combat peach-orchard disease. We feel that having done that we should not be called upon to fight as well these diseases out in North Dakota, but that the Senator's State ought to pay its own way and the Federal Government should be concerned primarily only with the interstate character of the disease rather than the local character.

Mr. FRAZIER. With the price of wheat at from 40 to 60 cents a bushel, it is practically impossible for the State to finance these matters.

Mr. TYDINGS. The Senator also knows that we have an abundance of wheat which we can not sell. It strikes me, if this disease were unconfined and allowed to spread and destroy a lot of wheat, it would in the end help the price of wheat. We are really trying to grow more wheat than we can market, but by this campaign to prevent scales and diseases we are doing that which can only mean a decrease in the price that the farmer will get for his wheat.

Mr. FRAZIER. We have no surplus of the so-called hard spring wheat, and never have had.

Mr. TYDINGS. Leaving the spring wheat out of the question——

Mr. FRAZIER. If we did that, there would be no particular need for the eradication of the barberry bush.

Mr. TYDINGS. The more wheat we raise, the less it will bring. What we are trying to do is to raise more wheat in spite of the fact that we have already more wheat than we can possibly deal with. What is the sense in raising more wheat when we already have more wheat than we can use?

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. FRAZIER. Certainly.

Mr. SHIPSTEAD. May I say to the Senator from Maryland that this work was started in 1921, and it is estimated that it saved annually during the first five years about $20,000,000. It is to prevent rust, to kill the source of incubation of the spores that produce the rust. It is true that the rust spores would spread from one State to another, and if one State appropriates money to eliminate the incubation of the spores, they may come in from still another State.

Mr. TYDINGS. I realize that. May I ask the Senator from Oregon, if the Senator from North Dakota will permit, to what extent the States match this sum or help to bear the expense of this campaign?

Mr. McNARY. Mr. President, I think the contribution in some 18 States where this disease more or less occurs is about 25 to 30 per cent on the part of the States.

Mr. TYDINGS. Mr. President, if whoever has the floor will yield to me further——

The VICE PRESIDENT. The Senator from North Dakota has the floor. Does he yield further to the Senator from Maryland?

Mr. FRAZIER. Certainly.

Mr. TYDINGS. I think the States should pay a heavier percentage than 30 per cent. I understand some of the States pay only 25 per cent of the campaign carried on which is primarily for the benefit of a particular State. I also realize that the disease can not be stopped at State lines and that the Federal Government is in its proper sphere in trying to handle the problem as a whole; but I respectfully suggest that where the war is intrastate the bulk of the funds ought to come from the State rather than from the National Treasury.

Mr. FRAZIER. I want to say to the able Senator from Maryland that under the present situation, with wheat bringing the prices it has been during the last fall and winter, there is really not much argument for the raising of wheat at all. In fact, we are raising it at a loss. The more the farmer raises the more he loses. But we do not expect these conditions to continue to exist permanently. We hope they will not, at least; and therefore provision should be made to eradicate the barberry bush in order that better conditions for wheat growing may exist for the future.

Mr. TYDINGS. The Senator is very fair in his comment to say that, and that was the thing I was attempting to point out. I do not want to stand in the light of the farmer. I want to help him make more money in his particular enterprise. But with wheat as it is now it seems to me it is foolish to spend money to enable the farmer to produce more wheat.

Mr. WALSH of Montana. Mr. President, the Senator from North Dakota may be more accurately familiar than I with this matter, but it is my understanding that the rust is not a disease peculiar to spring wheat but that it affects all varieties. The spring-wheat crop is the great crop of the Senator's State, and perhaps that is why his attention is more particularly directed to it.

I inquire of the Senator from Oregon [Mr. McNARY] who has charge of the bill whether I am not correct in the contention that the black rust affects wheat of all varieties and is not confined alone to spring wheat?

Mr. McNARY. It attacks spring wheat, fall wheat, and winter wheat, but the spring wheat falls a more ready victim, because it matures later.

Mr. WALSH of Montana. Exactly.

Mr. McNARY. It also affects oats, rye, and barley, in fact, all cereal crops.

Mr. WALSH of Montana. I find by reference to the record that wheat is grown to a greater or less extent in practically every State of the Union, and the answer to the inquiry addressed to the Senator from North Dakota by the Senator from Maryland is given in the bill itself, because it provides that "$75,000 of this amount shall be available for expenditure only when an equal amount shall have been appropriated, subscribed, or contributed by States, counties," and so forth. So that $75,000 of the appropriation must be matched by the States.

Mr. BLAINE. Mr. President, as I understand, barberry rust is transmitted not only to cereal grains but—and in this respect I may be misinformed—it is regarded as a deadly menace to white pine. The United States Government has been spending considerable money in the past years on reforestation, and the States also have been expending considerable sums. Of course, if I am correct that the pollen or rust coming from the spores of the barberry is one of the enemies of white pine——

Mr. WALSH of Montana. Is the Senator not in error there? The host of the white-pine blister rust is the wild currant.

Mr. BLAINE. It is the wild currant. I rather assumed from what I had observed that the white pine was also afflicted with the rust.

Mr. McNARY. Mr. President, one clause of the bill relates to the eradication of the barberry bush and a different one to the white-pine blister rust. Both operate along the same general lines, and the spores being carried by insects,, birds, and the wind, cover great distances. Both spores have host plants, in one case the barberry and in the other the wild currant and gooseberry, but they are two separate organisms.

Mr. BLAINE. They are separate but they are both covered by the provision we are now considering, are they not?

Mr. McNARY. No; this item simply has to do with the barberry. There is another provision of equal importance that affects white-pine blister. The pending item has to do simply with a parasite that affects the cereal crops—oats, barley, rye, and wheat—that is raised in the spring, as well as wheat which is planted in the winter and fall, though wheat planted in the spring is more susceptible by reason of its later maturity. The spores that cause the rust in wheat are developed on the barberry.

Mr. BLAINE. Is there a provision in this bill with reference to the control of the white-pine blister?

Mr. McNARY. Yes; there is in the bill, but it is not under this particular clause.

Mr. BLAINE. I am glad to have that information; but it seems to me that identically the same principle is involved in this measure as with respect to white-pine blister.

Mr. McNARY. Exactly.

Mr. BLAINE. The point I was endeavoring to make was that this is, after all, an interstate problem, and, as with respect to other matters of similar character, the Federal Government ought to cooperate.

My attention has been called to the fact that the next paragraph has to do with the control of the white-pine blister rust, and quite a large appropriation is made for that purpose.

Mr. McKELLAR. Mr. President, will the Senator from Wisconsin yield to me?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Tennessee?

Mr. BLAINE. I yield the floor.

Mr. McKELLAR. I merely wish to ask the Senator in my own times are there many barberry bushes in his State?

Mr. BLAINE. There were a good many barberry bushes of the species that carried this rust in my State before there was complete cooperation between the State and the Federal Government. I understand now that those barberry bushes have largely been eradicated; not wholly so, but to a large extent.

Mr. McKELLAR. I am glad to know that barberry bushes are not now growing in the Senator's State, because I find from this bulletin that the total number of spores of barberry rust on one bush are 64,000,000,000—thirty-eight times the population of the world—and that there are barberry bushes probably in every State in the Union. That being so, how can the Government by the expenditure of $75,000, divided among 20 States—less than $4,000 to a State—hope to eradicate a pest of this kind?

Mr. BLAINE. Mr. President, will the Senator from Tennessee permit me to answer that question?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. McKELLAR. I yield.

Mr. BLAINE. In answer to the question as to how the Federal Government can eradicate all the barberry bushes with the limited appropriation made, I wish to suggest to him that, so far as my own State is concerned, with the State cooperation there has been developed a community cooperation, so that practically the entire State is interested in the eradication of the barberry of the particular species that causes damage. That is to a large extent the value of Federal cooperation. It seems to be everybody's business when the people of the State once become interested in it, and therefore much of the work of eradication is voluntarily done by those who have on their premises the particularly objectionable species of barberry and who know what that species is. I doubt if there are very many individuals in the United States, if their attention were called to the particular menacing barberry, who would not themselves eradicate the barberry, and when a barberry bush is once eradicated, of course no more spores come from that bush.

Mr. McKELLAR. That is exactly what I have maintained all the time—that all the appropriation that is necessary is for the publication of these pamphlets, these bulletins, because they show as well as can be shown the steps which should be taken to eradicate the pest. Surely the United States Government ought not to be called upon to send its agents out to grub up every barberry bush in the country. If they undertook to do it, the result would be that we would have, notwithstanding the proviso in the bill, an infinite number of claims for having destroyed valuable barberry bushes throughout the country.

Now let me show the Senate just what this pamphlet says:

> Two things should be clearly understood: (1) The red spores which can affect the wheat or other grains directly rarely live through the winter north of Texas; (2) the black or winter spores, which do live through the winter in the North, can not infect grains or grasses directly.

In other words, infection can take place only under special conditions, and one of those conditions is that the spores may be blown from the South into the great plains area. The Government can not prevent that; the Government ought not to be called upon to try to do so.

Here is an appropriation, on page 32 of this bill, of $196,400, and then there is a proviso that $75,000 of that amount shall be available when the States put up like sums. All the rest of the appropriation goes to the bureau here in Washington. I want to say to the Senator from Wisconsin and to other Senators from the rust-infected States that

$3,000 from the Government or $2,500 from the Government out of this $75,000 will enable very few barberry bushes to be pulled up. The appropriations for this bureau have been constantly going down in the last few years, three or four hundred thousand dollars having been appropriated last year and more than that the preceding year, and now the appropriation is cut down to $196,000; in other words, to barely enough to keep the bureau going. It is just one of those cases where the Government has done everything it can. When it has published the information in its bulletins it has done all that it can do to eradicate the barberry rust. It should not be expected to send its agents out all over the country to grub up these bushes, because just as we grub them up there are going to be Senators on the floor asking for reparation for having grubbed up barberry bushes.

So I hope this amendment will be adopted. I am not against anything that will help the farmers of the country; I am emphatically for anything that will help them; but this item is not designed to help the farmers, it is to help a bureaucracy here. See how that bureau comes into the fight? It gets the Secretary of Agriculture to write a letter here trying to uphold the interest of the bureaucrats who are running the bureau. Protest against the amendment does not come from the farmers, it comes from the bureaucrats here in Washington, who are framing the farmers.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Maryland?

Mr. McKELLAR. I yield.

Mr. TYDINGS. It seems to me that Congress will be placed in a very bad position if it spends several million dollars—at least $1,400,000—for the eradication of grasshoppers, when there are about eight and a half million people walking the streets unemployed who need food, clothing, and shelter. If money can be spared for things of this character it certainly is a strong argument why we ought to appropriate money for the necessities of human beings.

Mr. McKELLAR. Of course the Senator from Maryland is right. With eight million unemployed and with many hundreds of thousands hungry in this country an appropriation of this kind, it seems to me, is utterly indefensible. What we are doing is simply to appropriate this money for the benefit of a bureau in Washington and not for the benefit of the farmer.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Montana?

Mr. McKELLAR. I yield.

Mr. WALSH of Montana. I simply rise to inquire of the Senator his construction of the language of the particular item of the bill to which he addresses himself. I have given to it an interpretation quite different from that I understood the Senator to give to it. If I understand the Senator aright, he said that $75,000 of this amount is to be used for the eradication of the barberry bush out in the field and the remainder is for the upkeep of the bureau here in Washington.

Mr. McKELLAR. I said, substantially, that. Seventy-five thousand from one hundred and ninety-six thousand will leave one hundred and twenty-one thousand. My recollection is from examining the Budget estimate, and I will have it before me in just a moment——

Mr. WALSH of Montana. If the Senator is correct about that, I am with him. If seventy-five thousand of the amount is to be used for eradication of the barberry bush in the field, and one hundred and twenty-one thousand is to be used to maintain the bureau here in Washington, I would be disposed to vote with the Senator; but, that is not my construction of the provision.

Mr. McKELLAR. If the Senator will just wait a moment I will have the recommendation of the Bureau of the Budget as to the barberry item, which shows the salaries that are paid and the other expenses of the Washington office, which are not far from $121,000.

Mr. TYDINGS. While the Senator is looking up the item I think he will agree that because of the depression and the unemployment more human beings are suffering from disease to-day than ever before.

Mr. McKELLAR. Yes.

Mr. TYDINGS. If we have money to spend for the eradication of plant diseases, it certainly is more important to expend money on human beings.

Mr. McKELLAR. I agree with the Senator entirely.

Mr. TYDINGS. If we can not get money for both, we had better let the plants take care of themselves and devote that much money at least to taking care of the people.

Mr. McKELLAR. Temporarily, at any rate; but I want to say that out of the $121,000—I can not give the amount until I get the Budget estimate, and I have it not before me as yet——

Mr. DICKINSON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Iowa?

Mr. McKELLAR. Indeed, I do.

Mr. DICKINSON. About $35,000 of this sum is used in the bureau here.

Mr. McKELLAR. What page is the Senator referring to?

Mr. DICKINSON. I got these figures from Mr. Jump, the Budget officer of the department.

Mr. McKELLAR. We have the exact figures here under the agricultural bill and I will get them in just a moment. I had the place marked.

Mr. KING. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Utah.

Mr. KING. I did not understand the statement made by the Senator from Iowa.

Mr. DICKINSON. According to Mr. Jump, the Budget officer for the Department of Agriculture, $35,000 of this sum is used in the District of Columbia. The balance of it is used in the field.

Mr. WALSH of Montana. Mr. President——

Mr. McKELLAR. I yield to the Senator from Montana.

Mr. WALSH of Montana. I find it very difficult to conceive how $35,000 could possibly be used in the District of Columbia to administer an appropriation of $196,000.

Mr. DICKINSON. Mr. President, I want to suggest that there are two phases of work in connection with the barberry—one of them is the experimental phase, where they are trying to find resistant wheat that will not be affected by the rust, the other is the eradication in the field. The great majority of the amount used here in the District of Columbia is for the employment of the scientific personnel that has to do with searching out a rust-resistant type of wheat that is not affected by the barberry. The rest of the money is used simply for the organization in the various States of the personnel that go out and get in contact with the county agents and the State agricultural colleges that organize the forces to clear out and destroy the barberry bushes.

There is one other phase of this matter that I desire to suggest with reference to the suggestion of the Senator from Maryland [Mr. TYDINGS], and that is that nearly all of our barberries grow along the rivers, and the rivers are the borders of the various States in the Mississippi Valley. The Mississippi River divides the State of Wisconsin and the State of Minnesota. That is likewise true between Illinois and Iowa. There are about 14 States out there that are affected by barberry eradication. The part of the Government, now that it has proven its case with reference to the eradication of the barberry bush, is to cooperate and coordinate these States, and keep them working on this program.

I do not believe there has been an appropriation made for the Agricultural Department that has been more effective or proven more valuable than the barberry-eradication program. It has shown a gradual decrease in the loss from rust every year. In view of the fact that there seems to be doubt in the mind of the Senator from Tennessee with reference to the amount of spores that are produced by one

bush, I desire to suggest that out in a certain location in the State of North Dakota it was found that rust was gathering within 100 miles, and in the end it was all traced to an old barberry bush down in a woodlot along a creek. That was the cause of that loss, and its eradication remedied the thing the following year.

Mr. TYDINGS. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. TYDINGS. Is the Senator from Iowa able to make an estimate of how much wheat would be saved in dollars if all of this rust could be eradicated?

Mr. DICKINSON. I should not be able to do that, because it is an indeterminable amount. Last year the estimate was presumed to be 10,000,000 bushels of wheat. If it is worth 50 cents a bushel, the saving would be $5,000,000. If it is worth a dollar a bushel, the saving would be $10,000,000.

Mr. TYDINGS. It occurs to me that if 10,000,000 bushels more of wheat were thrown on the wheat market, it would depress the price still further.

Mr. DICKINSON. The Senator is not sincere in that. Let me show why.

Mr. TYDINGS. Yes; I am very sincere.

Mr. DICKINSON. If the farmer is raising wheat, he is dependent upon his crop for his livelihood. Otherwise he would join this great army of unemployed that the Senator has.

Mr. TYDINGS. If we drive down the price of his wheat so that he produces it and gets less for it than it costs him to produce it, we will certainly drive him into the army of occupants of the poorhouse, because he can not keep on engaging in agriculture so long as the return he gets for his produce is less than the cost of producing it. What I am trying to point out to the Senator is that every 10,000,000 bushels of wheat we throw on the market means that wheat brings that much less per bushel, and in the end we really hurt the wheat farmer more than we help him by this kind of legislation.

Mr. DICKINSON. Let me suggest to the Senator from Maryland that efficiency in production is what we want. I do not know where the price is going to go, as to whether or not the farmer will be able under ordinary circumstances to continue to produce wheat. I do know, however, that we ought at least to give the farmer a chance to produce wheat, and not insist here that he shall have to fight the barberry bush together with all of the other elements that he has to fight in order to produce wheat at all. Otherwise sometime some of these people down in Maryland will be wanting some wheat, and the Senator from Maryland will be wondering where they are going to get it.

Mr. TYDINGS. Mr. President, the Senator will concede, of course, that to-day a farmer can not sell his wheat at the cost of production.

Mr. DICKINSON. Oh, yes.

Mr. TYDINGS. That is true, is it not?

Mr. DICKINSON. Yes. Neither can the labor of Maryland be sold for the cost of production.

Mr. TYDINGS. Let us stick to wheat for a moment.

Mr. DICKINSON. Oh, no; the Senator does not want to do that. He is trying to apply to wheat an economic principle that is absolutely applicable to every other element in the country.

Mr. TYDINGS. Why, of course it is.

Mr. DICKINSON. If we are going to try to have the wheat farmer afflicted with all the pests that can be gathered together, then in a little while we will not have any wheat. Perhaps that is the end that the Senator wants to reach.

Mr. TYDINGS. I did not get much of a chance to proceed, Mr. President, because the Senator broke in and destroyed what I was going to say without even waiting to hear it.

If the Senator will give me his attention now, he admitted that a farmer can not sell his wheat to-day for the cost of production. He also admitted that if we could completely eradicate the rust it would result in about 10,000,000 more bushels of wheat a year being thrown on the market. By every law of logic and economics, 10,000,000 additional bushels of wheat thrown on the market means that much less per bushel that the farmer is going to get for his wheat. Furthermore, Congress has taxed the Maryland farmer already——

Mr. DICKINSON. I wonder how long it has been——

Mr. TYDINGS. Just a moment, just a moment.

Mr. DICKINSON (continuing). Since the Senator from Maryland took a primary course in economics?

Mr. TYDINGS. Just a moment; I had not finished. I did not interrupt the Senator from Iowa. Furthermore, Congress has already taxed the Maryland farmer for his proportionate contribution to this fund. Then more wheat is produced, and he is denied the increased price which less wheat production would bring to him. So he is penalized twice.

Furthermore, if this thing is so important to the people of Iowa, why do they not pay for it? Why do they come here to the Federal Government and ask the Maryland farmers to pay for it? We do not ask you to pay for diseases affecting the wheat over in our State. We have rusts and diseases and different sorts of things that apply to agricultural products. We are able to take care of ourselves; but we pay into the Federal Treasury a great deal more money than we get back from the Federal Treasury.

We have been supporting these States out there over and over again, and we have more unemployed in Maryland than there are in all of Iowa. We have more people in Baltimore City being put out of their homes because they are unable to pay their rent. We have thousands of people over there with no income, living on charity; yet the Senator comes along and wants us to pay taxes to go out and further depress the price of a commodity which he himself admits is already bringing less than the cost of producing it.

So we are going around in a circle, and getting nowhere. If Iowa wants to stamp out this disease, let her raise her own money and stamp it out.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. The Senator from Tennessee has the floor. Does he yield to the Senator from Oregon?

Mr. McKELLAR. I yield to the Senator from Oregon.

Mr. McNARY. I desire to cite a parallel comparison to my dear friend from Maryland.

For a number of years, ever since I have been on the Agricultural Committee, we have carried in the annual appropriation bill a very, very large amount to combat the chestnut bark blight, which was found originally in Maryland. Maryland and Virginia were particularly infected with it. The Government has spent in excess of $50,000,000 to endeavor to combat the chestnut-bark blight. Why tax the farmers of Oregon to pay for attempts to control the chestnut-bark blight in Maryland?

Mr. TYDINGS. I agree with the Senator; and if he will yield to me——

Mr. McNARY. I do not care a cent about it. I am very glad, in behalf of the good people of Oregon, to say that we were very happy indeed to be taxed to help out the good people of Maryland.

Mr. TYDINGS. First of all, the blight did not originate in Maryland. It originated in Pennsylvania. Secondly, if $50,000,000 has been spent on it, the Senator can not show me to-day a single, solitary chestnut tree that is standing in the State of Maryland; so that the $50,000,000 was absolutely wasted in so far as checking the blight was concerned. Every chestnut tree in Maryland died. They are standing there to-day in every woods you see; and if all the army of men who went out to stop the invasion of the chestnut blight could produce no better results than that, it is a very poor argument for appropriating this money to eradicate the barberry bush.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. McKELLAR. I yield.

Mr. FESS. The suggestion of the Senator from Maryland appeals to me and is along the line of the argument I have usually made; but I have had pointed out to me over and over that the reason why the destruction wrought by the chestnut blight became so complete was that we did not take it at the right time, when, if we had assaulted it, we might have controlled it.

Along that line I wish to say that I have voted to protect the peach trees against threatened rust, and the other fruit trees. We have voted to support embargoes against the importation of certain kinds of shrubs, the loss of which has been of great detriment to us; but we have done it as a penalty to ourselves to prevent further destruction. I agree with the Senator from Oregon. It strikes me that when it comes to protecting an article of food where there is a threatened blight, we are justified in taking the initial step quickly and not waiting until it gets beyond us.

Mr. TYDINGS. Mr. President, does the Senator know of any place in the United States where the attempt to check the spread of chestnut blight has been even in part successful?

Mr. FESS. I do not.

Mr. TYDINGS. As a matter of fact, even where the agents of the department have gone ahead of the blight, where they have anticipated its coming and spent millions of dollars to defeat it upon its arrival, the blight went right on through as if no action had been taken.

Mr. FESS. If the Senator please, I have gone through some of the mountains of Virginia and also West Virginia where I have seen what are called chestnut hills that are just like a woods of skeletons, standing as an object lesson of our impotency to prevent the very disastrous spread of the chestnut blight. I do not know how it could be prevented, but I think we ought not to refuse to do what seems to be possible.

Mr. TYDINGS. I should like to say to the Senator that I went through those chestnut woods last summer with a forester, and I am glad to report that notwithstanding the trees are dead, all around the base of each one of these trees new trees are growing up again. So that, although we will lose the benefit of having chestnut trees for some years, nature is doing much better for us than all the scientists of the Government have been able to do for us.

Mr. McNARY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Oregon?

Mr. McKELLAR. I do; but can we not go on with this particular matter?

Mr. McNARY. I merely want to make one correction of the Senator from Maryland. There is not a sprout on an infected chestnut tree that will ever make another tree. Where they have appeared they have invariably disappeared up to the seventh year. So I am very unhappy to inform the Senator that his prediction is quite contrary to the scientific knowledge of the department.

Mr. TYDINGS. Contrary to what the Senator from Oregon has observed, may I say that many of these new trees are already bearing chestnuts. As a matter of fact, I picked several chestnut burrs and examined the chestnuts in them, and they were uniform, normal chestnuts. The real test of a tree's growth is its power to produce its seed.

Mr. McKELLAR. Mr. President, the Senator from Montana [Mr. WALSH]—and I should like to have his attention for just a moment—made a very proper inquiry a moment ago, namely, what is being done with this $176,000 or what will be done with the $196,400 that is appropriated here. I have the Budget before me now, and shall be glad to let the Senate know what happened to it.

First, I want to call the attention of the Senator in charge of the bill to the fact that in 1930 there was appropriated for this bureau, on which he says the whole Department of Agriculture rests, the sum of $379,920. Next year the amount was reduced to $377,140, and this year the President and the Director of the Budget reduced it from $377,140 to $200,000. In other words, the President and the Budget Director cut this appropriation nearly in two.

Now, I want to show what becomes of the balance of it. The head of this bureau gets $5,000 out of the $196,000. The next two get $4,000 each. The next one gets $1,680. The next one gets $3,000. The next one gets $2,000. The next two get $1,950 each. The next four get $1,680 each, the next one $1,440, the next one $1,620, the next one $1,110, the next one $1,140, and the next one $1,080, or a total of 14 persons drawing $31,530 of this appropriation, and they are here in Washington. When we get into the field these positions are arranged for: Four at $3,425 each, 1 at $1,920, 5 at $1,752, 4 at $1,470, 1 at $1,440, and 15—I suppose they are the ones who pull up the barberry bushes—get $2,005, or a total of $61,770.

The total personal services out of this $196,000 amount to $125,740, according to this record.

Mr. WALSH of Montana. Mr. President, the Senator is now including everything. I suppose this is all paid to people who do the work, except what is to paid to the officers here in Washington.

Mr. McKELLAR. Oh, no.

Mr. WALSH of Montana. I would not object to paying people actually in the field doing the work a fair and reasonable compensation.

Mr. McKELLAR. Nor would I, if they were doing work which was of any benefit, but I call the attention of the Senator to the fact that there are millions of barberry bushes in this country, that they have already grubbed up 18,000,000 and have not made a start on it, stating that they are just at the beginning. Yet the President cut the appropriation in two.

Mr. WALSH of Montana. That is quite apart from the question I presented to the Senator; that is, as to the amount paid to those who sit in swivel chairs here.

Mr. McKELLAR. The sum of $31,530 is paid to those who sit here. That much of the appropriation is paid to them. I was about to come to what is paid to those who go out into the field, those whose traveling expenses are paid, taking $45,000 of this appropriation.

Mr. WALSH of Montana. But let me remark that the way to reach that is not to strike out the appropriation. The way to reach that is by cutting out the unnecessary people holding sinecures.

Mr. McKELLAR. That is not the way it is done. The money is appropriated in a lump sum and they allocate it to suit themselves.

Printing and engraving, $1,800.

Rents, $1,800.

Repairs and alterations, $3,450.

Equipment, $3,700.

Mr. WALSH of Montana. Mr. President, that can be easily reached by providing just exactly how much shall be paid in the District of Columbia.

Mr. McKELLAR. Mr. President, it seems to me that there is but one way in the world to deal with these unnecessary bureaus, these bureaus which are doing no good. They can not possibly do any good. The amount allotted to each State is $2,500, and what good could be done with $2,500 allotted to the whole State of Wisconsin for the purpose of eradicating the barberry bushes in that State, when on one bush 64,000,000,000 of these insects can be generated, and they can be generated from two to five times a year.

Mr. President, I ask for a vote on the amendment.

Mr. LOGAN. Mr. President, I do not care to make a speech, but I do want to make a few remarks about these amendments. I am going to vote for them, and I desire to state my reasons. My reasons go much deeper than the reasons expressed by those who are in favor of the amendment and those against them.

I think I have a right to assume that any appropriation which has been made by the Congress in the past, generally speaking, was for a useful purpose. The appropriation that was made to exterminate the barberry bush I am ready to admit was for a useful purpose. It probably has been wisely expended, and that is true of other appropriations which have been made.

Let Senators consider for a moment, however, that the expenses of government in the last few years have increased 500 per cent. A calamity came upon the people. The people will be able to adjust their own difficulties. In the course of time they will balance their budgets, and they will do it by cutting out some of the things they have enjoyed in the past. They will do without some of the things which are really useful to them. But I say in all sincerity that it is my humble belief that we will never bring prosperity again to this Nation, we will never bring happiness to this Nation, until we are able to reduce the expenses of government.

We have been talking a good deal about it in the newspapers, but we have not done anything about it. What little has been done has simply been nibbling around the edges. Such great reduction is needed, and so little will be made, that the little will afford no relief from the burdens which are imposed upon the people.

We must commence somewhere to reduce expenses. I know, because I have had some public service, covering probably 25 years, that the appropriations for any bureau can never be reduced without those reducing them being convinced that they are probably going to do harm. When a bureau is created, it immediately becomes a Frankenstein, and it is greater than its creator. That these bureaus can convince any Senator that it will do serious harm to reduce an appropriation I have no doubt, and I am not saying that it will not do harm. But when we take into consideration these questions we must balance one thing against the other, and find out whether more good will be accomplished by dispensing with an appropriation, or reducing it, than will be done by allowing it to be carried on.

Last night I heard speeches made over the radio by some of the leaders of the Nation on the question of hoarding which have been referred to to-day by Senators. I listened very attentively as the voices of those great men came over the air. But let me make this suggestion—that we will never be able to do anything about hoarding until we can restore the confidence of the people in their Government. They do not have confidence in their Government, either municipal, State, or National, at this time.

The result has been that they have taken their money and have hidden it away. The President has been crying for a long time, as the voice of one crying in the wilderness, for a reduction of expenditures in governmental affairs. The departments, the heads of which he appoints, pay no attention to him. The Senators belonging to his party, with the exception of a few of them, pay no attention to him.

Mr. KING. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. KING. May I say to my friend that I think if he will examine the budgets which have been prepared by the President of the United States, or under his direction, and which he has O. K'd and referred to the Senate for approval, he will find that they have called for larger appropriations than the Congress has been willing to make, five or six hundred million dollars more in the last few years.

His predecessor, Calvin Coolidge, obtained very wide approval upon the ground that he favored economy; but I may point out to my learned friend that during his term of service Congress refused to appropriate within several hundred million dollars of what he recommended. So that I am afraid that both Mr. Coolidge and Mr. Hoover are receiving eulogies—at least Mr. Hoover is—at the hands of the Senators, on the ground of economical recommendations, to which they are not entitled.

Mr. LOGAN. Mr. President, I am not eulogizing on the ground of recommendations but upon what has been stated time and again by the present President and by those of the past. I have no doubt that the President is sincere in his desire. But what can he do? He is surrounded by the heads of bureaus and the heads of departments, who, as I stated a while ago, control the Government and control the Congress as well. The trouble about it is that Congress authorizes the establishment of the bureaus, but instead of controlling their activities and making the appropriations, the heads of the bureaus come and control Congress, as well as the executive departments of the Government.

What I started to say was this: I do not know how much we may be able to reduce appropriations. I only know that sometime a Congress must have the courage to rise up and say, "We are going to reduce the expenses of government at least a billion dollars." That is what we ought to do. That is what we could do if we had the courage to do it. Of course, the bureaus will complain; but they never go out of existence; they never quit because their appropriations are cut down, and even if they did we would limp along some way without them until we could reinstate them under more favorable circumstances.

If Congress should say to the people of the United States that we really meant what we said when we suggested that appropriations should be reduced and that the expenses of government should be reduced we would have no difficulty about hoarding. The people would go into business, they would put their money back into the trades again. But, knowing what is going on, I do not blame them for seeking some nook where they can find shelter, because they are in danger unless sooner or later we do the things which are obviously necessary.

It is for these reasons, if I may be pardoned, that I shall vote for the amendments of the Senator from Tennessee—not that I think the work for which these appropriations are provided has not been well done, not that I think the work is unnecessary, but because I believe that we must call upon some one to make a sacrifice to save the Nation. I shall vote for those amendments and all others having substantially the same purposes in view.

Mr. COPELAND. Mr. President, I think any proposal to lessen the expenses of the Government must meet with favorable response in every heart, but it seems to me that the Senator from Tennessee is making a mistake when he asks for a test vote on an item which has to do with an essential food product of our people.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McKELLAR. I am not asking a test vote on this amendment particularly; I am simply bringing this up now because it is the first in order. As a matter of fact, and so that the Senate may understand that I have no desire except to be perfectly fair to all sections of our country, the next amendment I propose to offer is one to eradicate the appropriation for the control of the southern cattle tick, which applies peculiarly to the section of the country from which I come.

Mr. COPELAND. The Senator is unfortunate in his particular places of attack.

Mr. McKELLAR. That may be so.

Mr. COPELAND. We can not afford to take chances with those articles of food. The barberry bush, as I understand it, is capable of carrying a pest which infects the wheat supply. It would be an absurd thing, as I see it, to interfere with the activity of the scientific department in undertaking to stop a scourge which has in it the possibility of the destruction of a cereal which is the very fundamental food of the American people.

Mr. McKELLAR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Tennessee?

Mr. COPELAND. Certainly.

Mr. McKELLAR. I will say to the Senator that the record shows that these appropriations were begun in the year 1917 and have been continued year by year ever since, and that wheat production has increased virtually every year since.

Mr. COPELAND. That may be true; but attacking the pests which have to do with the destruction of our food supply is like attacking those pests or germs of epidemic which have to do with the health of the human family. I heard a little while ago discussion about the chestnut blight. My friend from Maryland [Mr. TYDINGS] spoke about the bushes that are growing up from the roots of the trees. On my farm during that blight we lost 130 magnificent chest-

nut trees, some of them 3 to 3½ feet in diameter. It is true that from the roots of them have sprung up some shrubs, but they die out in three or four years because the pest is still there. But the failure of the Government to deal with the chestnut blight is no reflection at all upon the Government in dealing with some other blight. It is a well-recognized fact that this particular blight is a serious and damaging thing to the wheat of our country.

I will gladly join the Senator from Tennessee in an attack upon those activities of government which are nonessential, but I think it would be a great mistake to put still greater burdens upon farmers of the country, who are already weighted down with burdens. If by making this appropriation we are doing something to preserve that important cereal crop, I judge it to be the duty of government to do what it can to go forward with the activity. So I hope the Senator will choose other particular activities of government upon which to make his fight instead of upon one which is so fundamentally important.

Mr. KING. Mr. President, from past experience I have learned that it is a thankless task to attempt to stem the tide of federalism or to keep the activities of the Federal Government within legitimate and constitutional bounds; indeed, efforts in that direction, no matter by whom made, are abortive; the tide of federalism sweeps on with increased momentum and power. It carries before it the citadels of individual rights, of local self-government and of powers and prerogatives belonging to the sovereign States. Federal departments, agencies, and bureaus are so powerfully intrenched that every effort to limit appropriations or to enforce economy meets with but little success. I might add that all executive departments and Federal agencies are fortified camps from which sally forth valiant warriors to defend intrenched bureaucracy and to oppose all who have the temerity to attack them.

Civil service may have advantages, but it has manifold defects. A compact organization of nearly a million civil-service employees holding office for life constitutes a formidable force to maintain the status quo against needed reforms and to contend for increased privileges and powers. It has been said by many critics of the civil-service system that it enchains the able, vigorous, and progressive and prevents them from accomplishing what their laudable ambitions and desire for public service inspires. Not infrequently civil-service employees have told me that they have been admonished by associates to not exert themselves as they had been doing but to moderate their activities. Within the civil service are tens of thousands of splendid, patriotic men and women who desire that their work shall be well done and that efficiency and economy shall characterize the public service. It must be admitted, however, that the increase in the number of Federal employees is too great and that the increase in Federal agencies and bureaucratic organizations has grown to an alarming degree.

President Coolidge when in office felt the resistless power of bureaucratic forces and, notwithstanding his efforts, was unable to effectuate needed administrative reforms. That he recognized the evils of bureaucracy is evidenced in his Williamsburg speech on May 15, 1926, where he said:

> * * * The Federal Government ought to resist the tendency to be loaded up with duties that the States should perform. It does not follow that, because something ought to be done, the National Government ought to do it. * * * Artificial propaganda, paid agitators, selfish interests, all impinge upon members of legislative bodies to force them to represent special elements rather than the great body of their constituency. * * * No method of procedure has ever been devised by which liberty could be divorced from local self-government. No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline. Of all forms of government, those administered by bureaus are about the least satisfactory to an enlightened and progressive people. Being irresponsible they become autocratic, and being autocratic they resist all development. Unless bureaucracy is constantly resisted it breaks down representative government and overwhelms democracy. It is the one element in our institutions that sets up the pretense of having authority over everybody and being responsible to nobody. (CONGRESSIONAL RECORD, May 17, 1926, p. 9490.)

President Coolidge recognized that the Federal Government was improperly if not illegally extending its jurisdiction, and that responsibilities and duties resting upon the States were being transferred from them to the National Government. Everyone familiar with the history of this Republic recognizes the increasing power of the National Government and the weakening of the authority of the sovereign States. We hear but little these days about sovereign States; they seem to be vanishing shadows. Students of the Constitution and of contemporaneous history are forced to the melancholy conclusion that the unitary form of government is in the ascendency and that the foundations of our dual form of government are being undermined. Amendments to the Constitution have been advocated which strip the States of sovereign authority, encroach upon their police powers, and interfere with their undoubted, inherent, and reserved rights.

It has been said by some that our conceptions of constitutional morality have been destroyed and that amendments to the Constitution are no longer needed to enable the Federal Government to engage in activities and embark upon policies which heretofore have been regarded as beyond its province and solely within the cognizance of the States. The contention is that the will of the people is controlling, and is not limited by the Constitution. The abdication by the States of any authority results in still further renunciations, and each act of betrayal of the rights of the States becomes a precedent for further disloyalty and dulls the conscience of the people in the consideration of political questions, particularly where the rights of individuals and the powers of the sovereign States are involved.

It is a trite remark that the lessons of history are soon forgotten. This is particularly true so far as they deal with nations, political institutions, and governmental questions. We read of the rise and fall of nations, and the opinions and judgments of competent historians and philosophers as to the causes of changes in governments and human institutions, but they are forgotten, and we follow the paths over which struggling humanity, with bruised feet has reached great heights and descended to tragic depths. We denounce despotism, bureaucracy, and concentrated power, but, forgetful of our denunciations, adopt policies and follow paths that lead to confusion and defeat.

May I again quote from Mr. Coolidge, who, in a Memorial Day speech in 1926, said:

> Demand has grown up for a greater concentration of powers in the Federal Government. If we will fairly consider it, we must conclude that the remedy would be worse than the disease. What we need is not more Federal Government but better local government. From every position of consistency with our system, more centralization ought to be avoided. The States would protest promptly enough anything savoring of Federal usurpation * * * Once the evasion of local responsibilities becomes a habit, there is no knowing how far the consequences may reach. Every step in such a progression will be unfortunate alike for States and Nation.

The increase in Federal activities, the multiplication of bureaus and Federal agencies have suffered no interruption as the years have gone by, but on the contrary have attained increased momentum. There are 10 departments of Government, with scores of bureaus and executive agencies, There are at least 150 bureaus and divisions, approximately 40 independent establishments, and a multitude of other executive agencies too numerous to mention and difficult to ascertain.

Bureaucracy is active in propagandizing the people for increased power and for the extension of Federal authority.

There is scarcely a gathering of any importance in the United States of a social, political, or business character, including chambers of commerce, civic organizations, Rotary, Kiwanis, and similar organizations, where there are not one or more, usually more, representatives of Federal departments and agencies ready to submit addresses and to show the necessity of Federal activities in connection with State concerns and the business of the country. They carry on a persistent propaganda and are largely responsible for developing sentiment resulting in demands for Federal appropriations far beyond what would be proper and fair and with respect to functions not within the legitimate province of the National Government. I know many instances where

demands for appropriations have been stimulated by propaganda of these paid employees of the Government. They are sent to these various gatherings to which I have referred, and their expenses are paid by the taxpayers of the United States. It would be interesting to know the aggregate amount expended by the Government in meeting the expenses of the army of propagandists, representatives, and agents and employees of the Federal Government in the United States as well as of those who do not confine their activities to the United States but traverse seas and carry on their work in far-distant lands.

Mr. Lawrence Sullivan, in a series of illuminating articles appearing in the February, March, and April (1931) numbers of the Atlantic Monthly, presents facts which should challenge the attention of the American people, and compel the reactionary and hard-shelled bureaucratic institutions to modify their course and introduce reforms and economies so imperatively needed. It is a matter of general knowledge that there are many unnecessary bureaus and Federal agencies, that their activities overlap, and that there is an enormous amount of duplication. Mr. Sullivan in his article in the February number states that there are more than 1,000,000 names on the Federal Government's pay roll. The Bureau of the Budget on the 30th of January of this year released a statement showing the number and total salaries of the civilian employees of the executive branches of the Government, and also the number in the military service. I might add that since the data from which the statement was compiled became available there have been a large number of additions to the Government pay roll, and several additional executive organizations have been created. This statement shows that the total number of civilian and military employees of the Government is 1,037,373, and their salaries for the current year amounted to $1,315,690,467.12.

The country was startled a few years ago when it was informed that the cost of the Government for two years was a billion dollars. The taxpayers are now compelled to pay more than $1,300,000,000 annually for the salaries of Federal employees. In addition to this stupendous sum an enormous budget of considerably more than $1,000,000,000 for pensions and the compensation of ex-service men has to be met. This does not include, of course, the payments made for adjusted compensation. I might add in passing that the amount paid to ex-service men since the war for compensation, insurance, hospitalization, and the expenses of the Veterans' Bureau has been more than $6,000,000,000.

In commenting upon the duplication of Federal bureaus, Mr. Sullivan states that in the early days of the Republic, only the customs agents of the Treasury were empowered to make arrests, whereas now there are more than 25 different grades of Federal police officers scattered through seven different departments. He adds that if the Federal organization had expanded since 1800, to keep in step with the increase of population, there would be on the civil-service rolls less than 2,000 names, instead of more than one-half a million, or if the Government Establishment had expanded 100 times as rapidly as the increase in population, there would be but 120,000 names on the civil-service list. Unfortunately, it has expanded more than 400 times in relation to population. The further interesting fact is disclosed that in 1820 there was 1 Federal employee for every 1,173 inhabitants, but in 1920 the ratio stood at 1 employee for every 118 inhabitants. In the decade between 1890 and 1900 the population increased 20.7 per cent, but the civil-service rolls increased by 54 per cent. It should be added, however, that there are tens of thousands of Federal employees whose names are not on the civil-service register. The same writer states that since 1920 the number of Federal employees classified and nonclassified has grown from 297,000 to 800,000, or at the rate of 1 Federal worker for every 85 in additional population.

Further interesting figures presented by Mr. Sullivan show that in 1850 the total expenditures of the Government were but $44,757,000, or $1.93 per capita, but for the fiscal year 1930 the expenditures were $4,710,377,376, equivalent to $38.42 for every man, woman, and child enumerated in the census for that year. In addition to the appropriations made, there were authorized appropriations totaling hundreds of millions of dollars. He refers to the extravagant appropriations for Federal buildings, and Senators have heard valid criticism of the unjustifiable cost of the new Commerce Department Building. I have been told that each room of this structure cost more than $5,000, making the cost per room unprecedentedly large. The Department of Agriculture, to which I shall refer later, has grown to such enormous and disfiguring proportions that the bill before us calls for nearly $200,000,000, and it is demanding a building to house its army of employees which will be larger, and doubtless more costly, than the Department of Commerce Building.

Mr. Sullivan strikes at bureaucracy in the following words:

> Wherever encountered, bureaucracy is always the same—governmental functions administered without human imagination, without flexibility, shamefully deficient in those qualities of ingenuity, accommodation, and energy so necessary to accomplishment of the work of the world. It is, however multitudinous or widely scattered its manifestations, that form of government which moves by the letter of hundreds, even thousands, of laws until administrative functions become ridiculously and inextricably involved—and then collapses. It is a form of institutional creeping paralysis, all the more insidious because it does not strike a staggering blow, like a heart attack, and thus summon the physician; but, instead, slowly devitalizes the body cells of the administrative organism in myriad divisions, bureaus, sections, and offices, until there remains only the emaciated hulk of the civil-service rolls, stimulated to a new lease on life every winter by the activities of the House and Senate Committees on Appropriations.

In the April number of the Atlantic Monthly Mr. Sullivan states that there was before Congress in 1924 a report of a committee which revealed that Government construction projects are initiated and supervised by no less than 25 separate agencies of the Government, 7 of which are in the Interior Department; 5 others are in the Department of Agriculture, 3 in the Department of Commerce, 3 in the Treasury Department, and the remainder scattered from the Panama Canal Office to the Bureau of Immigration. The same committee reported that marine charts are—

> Prepared daily by the Bureau of Navigation, Navy Department; Geodetic Survey, Commerce Department; and the Lake Survey, War Department. Twenty-four agencies are engaged in topographical surveys and mapping. Engineering research is carried on by 24 bureaus and offices. Fifteen divisions administer rivers and harbors projects.

These statements, impressive as they are, fail to reveal the numberless organizations of the Federal Government, the duplications, overlapping, and inefficient and archaic methods. No business organization could survive for any considerable length of time if it were to adopt the methods that are followed by the Federal Government in handling its affairs. No matter how often attention is challenged to the inefficiency of bureaucracy, the waste and extravagance of the Federal Government, the duplication of activities, changes are not made. Once a bureau or agency is established it becomes immortal.

Many organizations effected during the war still exist. The period of depression from which the people are suffering revives obsolete and unnecessary organizations and results in the creation of additional ones. More than 10,000 names have been added to the civil-service register during the past year, and perhaps a larger number not within the classified service. If this Congress responds to the clamor and demands of Federal organizations, the appropriations for the payment of Federal employees for the next fiscal year will exceed the stupendous sum to which I have called attention, which was appropriated for like purposes for the present fiscal year. Already there is a nation-wide propaganda, doubtless inspired by executive agencies, organized to prevent any reduction of salaries of Federal employees, as well as to prevent the abolition of useless bureaus and executive organizations. If Congress did its duty to the country, it would abolish scores of bureaus and executive agencies and separate from Government service several hundred thousand employees.

There is no business man of experience who is familiar with the administrative activities of the Government and its bureaus and organizations who will not admit that many bureaus and agencies could be abolished and hundreds of thousands of employees separated from the service, with resulting increased efficiency, to say nothing of the tens of millions of dollars that would be annually saved to the taxpayers of the United States.

Mr. Sullivan states that following the year 1890:

The mania for boards, commissions, and joint committees developed rapidly. Theodore Roosevelt's administration brought 19 new boards and 57 new commissions into being between 1901 and 1909. President Taft's four years recorded the launching of 13 additional commissions and 32 new boards.

Counting every sort of board, commission, committee, joint committee, and special delegation, 492 independent administrative and legislative agencies were created between March 4, 1901, the beginning of the Roosevelt era, and March 4, 1929, the end of Mr. Coolidge's administration.

Mr. Sullivan states that between the end of the Wilson administration and inauguration of President Hoover on March 4, 1929:

There were no less than 32 new boards and 62 new commissions created either by congressional resolution or by Presidential proclamation.

And that during the first two years of Mr. Hoover's term—

Seventeen commissions, committees, or boards were established—which compares with 46 new agencies set up during the last two years of Mr. Coolidge's administration.

It is unfortunate that the party in power did not remember the statement made by Mr. Hoover before the joint committee on reorganization on January 22, 1924, to the effect that—

Our industries and business are badgered to death for duplicate information by a host of noncoordinating agencies.

Mr. Hoover has upon various occasions expressed the view that there should be reorganization of Federal agencies, and it is to be hoped that before Congress adjourns the necessary measures will be adopted that will compel a reorganization of Federal agencies, bureaus, and departments, and to abolish scores of useless bureaus, commissions, and boards, with a resultant separation from the service of tens of thousands of unnecessary employees. And it is to be hoped that in enacting the necessary measures to accomplish these results, limitations will be put upon the Federal Government and Federal agencies so that they will not transcend constitutional limitations.

We must remember that the history of liberty is the history of limitation of governmental power—not the increase of it. When we resist, therefore, the concentration of power, we are resisting the process of death, because concentration of power is what always precedes the destruction of human liberties.

During the World War there was necessarily an increase in Federal activities and in the number of Federal employees, but with the return to peace-time conditions war organizations should have been abolished and their personnel discharged. Unfortunately, demobilization was opposed, and many thousands of persons are still Government employees.

The platform of the Republican Party in 1920 criticized the Democratic administration because it had "not demobilized the army of place holders," and because it "continued an arbitrary and inquisitorial control over the life of the people in time of peace and to carry confusion into industrial life." This was a criticism of the alleged failure of the Democratic Party, that had been in control of the Government during the World War, to abolish executive organizations created during the war, some of which were employed in the production of munitions and commodities essential to the prosecution of the war. The platform further condemned the Democratic Party because it had not "abolished departments and the army of place holders still mobilized."

It would be ludicrous if it were not do disappointing to compare the platform declarations of the Republican Party of 1920 with its policies after Mr. Harding became President. Its platform declared that the party would "end executive autocracy and restore to the people their constitutional government." The same platform condemned the Democratic Party because there had been "an increase subsequent to the armistice of 2,184 employees," but since the Republican Party has come into power there have been added to the pay roll tens of thousands of Federal employees."

Notwithstanding the Republicans in the same platform declared—

* * * The annual expenses of the Federal Government can be reduced hundreds of millions of dollars without impairing the efficiency of the public service—

there has been a constant increase in Federal appropriations and in the number of Federal employees; military costs of the Government during these years of peace have been greater than ever before except during the war, and all departments have expanded their authority and projected themselves into fields of individual endeavor and disturbed legitimate private enterprise. The expenses of the Government have risen to huge proportions and Federal employees have multiplied until they constitute a powerful army. Deficits have been created notwithstanding the heavy taxes imposed upon the people and searching inquiries are being made to find sources of taxation to prevent further deficits. The Republican platform pledged the party to a policy of rigid economy, to the better coordination of departmental activities, to the elimination of unnecessary officials and employees, and to the raising of the standard of individual efficiency. It also pledged the party to a—

Thorough investigation of the Federal departments and bureaus, with a view to securing consolidation, a more businesslike distribution of functions, the elimination of duplication, delays, and overlapping of work, and the establishment of an up-to-date and efficient administrative organization.

These are declarations made in 1920 by the Republican Party. It has controlled the executive and legislative branches of the Government ever since 1921, except that since December last the House of Representatives has had a narrow Democratic majority. In the face of these high-sounding platform declarations it must be a source of regret, if not humiliation, to sincere members of that great party when confronted with the record of unfulfilled pledges. There has been no organization or consolidation of departments and bureaus; no businesslike distribution of the functions of executive agencies. There are more duplications and overlapping in Federal agencies than ever before, and notwithstanding the enormous increase in the number of employees there is more waste and extravagance and less efficiency in administration than at any previous period.

It is not my purpose in calling attention to the platform of the Republican Party to criticize my Republican friends. They were in the grasp of a powerful Federal bureaucracy from which they seemed unable to extricate themselves. Moreover, the people—Republicans and Democrats alike—have demanded legislation not in harmony with the platform pledges referred to; they have opposed the abolition of Federal agencies and the separation of needless employees from Government pay rolls; they have appealed to Congress to enact measures which encroached upon the rights of the States, interfered with individual liberty, and augmented the authority of the Federal Government. The Democrats in and out of Congress have too often given support to these demands and failed to oppose measures which have resulted in strengthening the forces of bureaucracy and to devitalize the States. Both political parties, in my opinion, have failed to defend the States, protect individual rights, and maintain democratic institutions.

Mr. President, addressing myself to the bill before us, it is to be observed that when opposition is made to any particular item there are those who will defend the appropriation and urge that if reductions are to be made, other provisions in the bill must bear the reduction. The Senator from New York [Mr. COPELAND] in opposing the motion now before us, to strike out the item appropriating nearly $200,000 for "barberry eradication," suggested that the attack should be made upon other provisions of the bill. He referred, as

I recall, to the President, and his recommendations for authority to consolidate Federal organizations in the interest of economy. Undoubtedly there should be, as I have tried to say, consolidations and the abolition of many bureaus and Federal agencies.

I do not forget, however, that the Department of Commerce under the President increased its jurisdiction and authority to an amazing extent and obtained appropriations vastly in excess of what had formerly been made to meet the annual expenses of the same. In my opinion, no department in the Government has been more extravagant, if not wasteful, than the Department of Commerce. Perhaps I should except the Department of Agriculture and the War and Navy Departments. They have received appropriations largely in excess of all legitimate requirements. In my opinion, an appropriation of $750,000,000 to meet the ordinary expenses of the War and Navy Departments in times of peace can not be justified. We will soon have before us a bill calling for new naval construction, the ultimate cost of which will be substantially $1,000,000,000 and appropriation bills carrying more than $700,000,000 for the ordinary expenses of these two departments for the next fiscal year will soon be reported.

In my opinion, the agricultural bill before us should be reduced at least twenty or twenty-five million dollars, and the appropriations for the War and Navy Departments to meet the general expenses for the next fiscal year should not exceed $550,000,000. When we are confronted with a deficit for the present fiscal year amounting to approximately two and one-half billion dollars, it seems to me there should be a determined stand by Senators in opposition to the enormous appropriations recommended by the President of the United States in the Budget recently transmitted by him to the Congress. His Budget recommendations amount to $4,667,845,468 to meet the expenses for the next fiscal year.

It is obvious that without imposing additional heavy burdens of taxation upon the people the deficit for the next fiscal year, if the recommendations contained in the Budget are met, will exceed the deficit of two and one-half billion dollars for the current year. The Budget, of course, must be balanced. It can only be done by increasing taxes and reducing appropriations asked for by every department of the Government.

In my opinion, the appropriations for the next fiscal year should be $500,000,000 less than those for the present fiscal year. It is certain that the ordinary revenues for the coming fiscal year will be less by hundreds of millions of dollars than those for the fiscal year of 1931 and perhaps not greatly different from the revenues for the fiscal year ending June 30 of this year. No Senator can look with any degree of satisfaction upon a situation which requires increasing tax burdens. Only a most difficult situation justifies in a period of depression a policy calling for increased taxes. But it would be poor statesmanship not to provide revenue to meet the expenses of the Government. If that shall not be done, the national credit will be impaired, and that will react unfavorably upon the industries and business of the country. If Government bonds should fall below par, obviously other securities—State, municipal, corporation, or individual—would materially decline.

The smaller the appropriations made by Congress the lighter will be the burden, which, nevertheless, will be heavy, resting upon the taxpayers of the United States. I may add, however, that it will require not only wisdom but great ingenuity to frame a tax bill that will meet the situation and, which, though oppressive, can be borne by the people.

Mr. President, I have referred to the Agriculture Department as one which has been wasteful and extravagant. In my opinion its exactions and expenditures for a number of years last past call for condemnation. It has grown and expanded far beyond legitimate requirements. I recall that when I was in the House a few years ago its annual appropriations were approximately $5,000,000. In 1865 or 1866, when this department was organized, the appropriation was less than $300,000. By 1910 its expenditures were $17,136,736 and its employees numbered 12,480. In 1911, $20,000,000 were appropriated, not including appropriations for highways. There was an increase in the number of employees, and in 1912 the appropriations reached $22,403,000. In 1914, $24,000,000 were appropriated for the department. In 1915, $25,000,000, and in 1917, $30,000,000. In 1918 during the War period the department expended $62,000,000. Its activities were enlarged ostensibly to aid in the production of food supplies for our military forces, as well as those of our allies. In 1919, $49,000,000 were appropriated. In 1920, $50,000,000; in 1921, $47,000,000; in 1922, $54,000,000; in 1925, $60,000,000; in 1926, $58,000,000; in 1927, $71,000,000; in 1928, $69,000,000; in 1929, $84,000,000; in 1930, $88,000,000; in 1931, $134,000,000; and in 1932, approximately $110,000,000. I repeat, Mr. President, these enormous increases can not be justified. The personnel has increased until to-day there is an army of more than 28,000 persons serving in this department. The figures which I have given do not include appropriations for highways. The bill before us calls for nearly $200,000,000, more than $109,000,000 of which are to be expended solely for what is denominated the agricultural work of the department.

Mr. President, the depressed condition of agriculture has challenged the attention of Congress and has undoubtedly influenced committees dealing with agricultural questions to recommend legislation which it was believed would be helpful to the farmers of the United States. It is manifest that the deplorable condition of agriculture seriously affects all branches of industry. The prosperity of the Nation is largely dependent upon the prosperity of those who till the soil and produce the food supply of the people. In my opinion, however, the depressed condition of agriculture for the past few years has served as an excuse upon the part of many persons to exploit the farmers and to bring about additional Federal agencies ostensibly in the interest of agriculture, and to increase beyond all reason the number of employees in the department. There are many items in this bill that should be eliminated, and the expenditures of the department should be reduced to at least $75,000,000. If time permitted, I should like to examine in detail many items appearing in the pending bill and point out from the record how wasteful and unnecessary they are. I know, Mr. President, how impossible it is to successfully attack these items. The powerful hand of the Agricultural Department appears not only in Washington but throughout the country. Thousands of its employees and representatives in the various States oppose reductions, or any plan that contemplates the abolition of the agency or activity with which they are connected. I have received many letters protesting against the consolidation or abolition of bureaus or organizations, or a reduction in appropriations; indeed, many demands are made for increased appropriations in order that additional functions shall be performed by the department.

I recently read an excellent article by Mr. Merle Thorpe, editor of the Nation's Business, in which he discusses the rising costs of government and makes pertinent comment upon the same. He calls attention to the fact that in 1924 the legislative establishment of the Government expended only $14,000,000, but now $30,000,000.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. KING. I yield.

Mr. WALSH of Massachusetts. Before the Senator from Utah proceeds with his comments upon the address to which he has referred, will he inform the Senate whether he has obtained any reaction as to the attitude of the average man throughout the country toward the reduction of governmental expenses?

Mr. KING. Mr. President, I confess that I am somewhat bewildered by the contradictory reports brought to my attention.

Mr. WALSH of Massachusetts. Mr. President, will the Senator permit me to enlighten him about a very striking case that has been called to my attention?

Mr. KING. Certainly.

Mr. WALSH of Massachusetts. In one of the large factory towns of Massachusetts a town meeting was held a week ago to-day. Previous to the town meeting the finance committee of the town reduced the department estimates approximately 25 per cent. Great agitation prevailed in the town concerning the reduction of the expenses of the municipal government to a minimum. One week ago Monday night 1,500 voters, factory workers, small merchants, and private employees, many of them out of work, who heretofore have always voted for liberal salaries and increases in appropriation, crowded into the town meeting and swept aside the recommendation of their town officials and the finance board and voted sweeping reductions of 20 per cent in all salaries and all appropriations. So striking was the action of that meeting that the local newspaper, a copy of which I hold in my hand, reported the meeting under these headlines:

Voters cut 20 per cent from budget approved by finance committee.

Lacking leadership, annual town meeting reduces appropriations all out of reason and provides for future troubles.

Original town board requests cut 65 per cent.

I should like to read just a paragraph from the article itself. I quote as follows:

The annual town meeting held on Monday night resulted in an orgy of economy.

The finance committee, paring the budget to what it thought was the limit, and following last Thursday night's conference with department representatives issuing a supplemental reduction, saw the voters on motion to reduce its figures by 20 per cent. This followed action on an earlier article in the warrant by which salaries of elective officers were reduced 20 per cent.

It is not necessary to read further the details of the meeting. Here, however, was a determination upon the part of the voters to take the business of drastically reducing expenses of government into their own hands. So they crowded into that town hall, 1,500 of them, and demanded and brought about a sweeping reduction.

Personally I think those voters reflected the sentiment of the average citizen throughout the country to-day. In my opinion, the people of the United States are going to demand drastic reductions in expenses by the State and Federal Governments.

Mr. KING. Examples of the kind brought to our attention by the Senator are most encouraging. I wish they were more numerous. I regret that proper and appropriate pressure is not brought upon Congress to reduce appropriations and reorganize executive and administrative agencies so that they may function in a businesslike and proper manner. I have repeatedly stated that a taxpayers' strike might be expected and that the people might finally be aroused against the waste and extravagance and inefficiency not only of the Federal Government but of State and municipal governments. When it is recalled that the expenditures of the Federal and State Governments and their political subdivisions for the fiscal year 1932 exceed $13,000,000,000, one would expect that the people would organize for the purpose of compelling a reduction in expenditures, in order that the burdens of taxation might be lightened. Unfortunately, as I stated a few moments ago, before the Senator came into the Chamber, insistent demands are coming from some parts of the United States for increased appropriations by the Federal Government. My attention has been brought to the fact that in some localities where there have been demands for reductions in State and municipal taxes, and protests against any decrease in salaries of Federal employees, appeals have been forwarded to Congress for large appropriations, in some instances for purposes outside of the proper functions of the Federal Government. It is evident that there are many persons who desire Federal intervention in State, municipal, and individual affairs, and would welcome the extension of Federal paternalistic authority or an increasing socialistic development.

Perhaps the entire income of all the people of the United States for the present fiscal year will not exceed $60,000,000,000. With governmental expenditures approximating $13,000,000,000, it is obvious that the people are oppressed, and relief from the depression will be greatly delayed. I repeat that the proper course for the Federal Government and for States, counties, and cities is to cut appropriations to the lowest possible limit; to abolish unnecessary or duplicating agencies; introduce administrative reforms and practice the most rigid economy.

The wise and courageous course adopted by the British people is worthy of emulation. Confronted with a deficit, rich and poor alike united upon a policy of retrenchment and approved of increased taxes in order that the credit of their country might not be impaired.

Mr. WALSH of Massachusetts. Mr. President, I have been very much impressed with the unanimity of public sentiment in all the municipalities of my State, demanding and insisting upon just what the voters did in the town I have mentioned in the way of radical reduction in the expenses of government. In fact, the only place I observe where economies can not and dare not be accomplished is right here in the Congress of the United States.

Mr. KING. I am glad to learn of the wise and patriotic course pursued by the people of Massachusetts as stated by the Senator. His statement as to the situation in Washington, I am afraid, has support. Without being critical we have not been courageous enough in attacking Federal appropriations. It seems clear to me that the executive departments were too exorbitant in their demands for appropriations for the coming fiscal year. Their appeals to the Budget Bureau were far beyond all reason, and they resisted the suggestions made for valid and justifiable reductions. From time to time during the preparation of the Budget, statements were forthcoming from Executive authority claiming great credit for material and important reductions. When the Budget report was submitted it was apparent that the claims lacked validity. The executive department failed to present a proper budget, but on the contrary, it contained demands for at least $300,000,000 to $500,000,000 more than Congress should have been called upon to appropriate. The duty now rests upon Congress to slash and cut the Budget recommendations. This must be done in the interest of economy and efficient government and to maintain the honor and credit of the Republic.

Mr. McKELLAR. Mr. President——

Mr. KING. I yield to the Senator from Tennessee.

Mr. McKELLAR. I want to say that what the Senator from Massachusetts [Mr. WALSH] has said as to his experience with his constituents is exactly the same as my experience with my constituents. I think, without a single exception, every one who has written me on the subject of taxation—and many, many of them have—have supported a policy of economy.

Mr. KING. I return to Mr. Thorpe's statement to which I have referred:

The Department of Justice expended in 1924, $21,000,000. It is now expending $53,000,000. * * * In 1924 the Department of Commerce expended $21,000,000, now $49,000,000.

I might add that this remarkable increase was largely brought about in Mr. Hoover's administration of that department. The Agricultural Department in 1924 expended $121,000,000 and eight years later $330,000,000, a considerable portion of which, however, was for highways. The expenditures of the War Department have increased from $348,000,000 to $483,000,000 during the same period, and the Navy Department's expenses have increased from $332,000,000 to $378,000,000. The expenses of the Veterans' Bureau have been greatly increased.

My recollection is that for the present fiscal year they will amount to more than $900,000,000, not including more than $1,000,000,000 for adjusted compensation.

The Board of Tax Appeals, created only a few years ago, has increased its appropriation until its requirements are $650,000. The expenses of the Civil Service Commission have greatly increased until now they have reached $1,500,000. The expenses of the Employees' Compensation Commission have increased from $2,500,000 to $4,500,000, and the Board for Vocational Education, which expended $5,500,000 in 1924, received an appropriation of over $10,000,000 for 1932.

The Federal Farm Board, the creation of which is regarded as the chief triumph of the present administration, has expended no one knows how much, but its losses, it is believed, will exceed $250,000,000. Its expenses have been increased and demands are now being made by persons who have been the recipients of its favors that there be no reduction in the Budget to meet its operating expenses. I have received letters from various parts of the United States which bear the indicia of propaganda—and because of the similarity of language I am led to believe that they were more or less the product of a few minds—insisting that for operating expenses only $1,500,000 be appropriated for the Farm Board for the next fiscal year. There are many who believe that the Farm Board should be abolished and that its functions should be transferred to an appropriate bureau in the Agriculture Department. Representations have been made to me that the latter department has nearly 30,000 employees, many of whom live in the various States, and are familiar with the conditions of the farmers and the needs of agriculture.

It has been reported to me that an organization under the ægis of the Agriculture Department could more efficiently and more economically carry out the avowed purpose of the Farm Board act. Certain it is that much of the criticism leveled against the Farm Board, the Stabilization Corporation, and the Farmers National Grain Corporation is warranted. Mr. Legge, whose genius it was supposed would convert the Farm Board into a useful, safe, and sound organization, resigned, notwithstanding its deplorable condition, and when it had lost immense sums and was in a fair way to lose from two hundred to three hundred million dollars. Another member of the board, Mr. McKelvie, departed, but still the voice of criticism is heard throughout the land against the board's administration, and particularly against the enormous salaries paid to officials and to agents of subsidiaries of the board, or, if not its agents, should have been amenable to its control.

Returning to Mr. Thorpe's statement, the Interstate Commerce Commission in 1924 expended $5,000,000, now $9,000,000. May I interpolate that the Government appropriated a number of years ago a considerable sum to be expended in ascertaining the value of railroad properties. I regarded the measure as unwise. I think the first bill that I offered in the Senate when I came to this body in 1917, was a bill to repeal the act under which this appraisement was being carried forward. The claim was made that the work would be soon completed and that it would be unwise to abolish the organization when the end of its labors was in sight. Since then millions have been expended. I do not recall the total, but as I remember it is tens of millions of dollars. With changing conditions in transportation brought about in part by airplanes, trucks, and motor busses, it is apparent that railroad values have changed, some railroad lines have been abandoned, others will be, and that any values that railroads had 15 or 20 years ago form no criterion now, for the determination of values or for the fixing of freight and passenger rates.

Mr. Thorpe states that the Market News Service that cost only a few thousand dollars a year or two ago now costs $1,400,000. The Bureau of Plant Industry $2,500,000, now $5,500,000; the Forest Service costs have increased in a few years from $10,000,000 to $20,000,000. The Bureau of Foreign and Domestic Commerce, which a few years ago was operated for $2,000,000, now costs $5,000,000.

Mr. President, I opposed the creation of this bureau. I believe that our foreign activities should be under the State Department. We had a large and efficient Consular Service. There were men in the State Department, including, of course, those in the Consular Service, who had spent years in foreign countries and who were familiar with business conditions there prevailing. Many of them knew foreign languages. They had for years investigated business conditions and submitted annually more than 25,000 reports concerning business and economic conditions in the countries in which they served. These reports were brought to the attention of the public by the State Department and undoubtedly were of benefit to Americans engaged in foreign trade and commerce.

Mr. President, I protest against the enormous appropriations made for the Department of Commerce, and particularly for the Bureau of Foreign and Domestic Commerce. It is worthy of note that while we are spending not millions but tens of millions of dollars by way of subsidies to the shipping interests for the purpose, it is claimed, of promoting foreign trade, and are also spending millions of dollars in maintaining an expensive foreign service under the direction of the Department of Commerce, we enact tariff laws and promulgate restrictive regulations for the purpose of preventing trade and commerce with foreign nations. The Hawley Tariff Act contained rates higher than any act previously passed by an American Congress. It was an embargo upon thousands of commodities and imposed rates upon others that were so restrictive as to give to the domestic producer a substantial monopoly. Moreover, the Hawley Act created resentments and led to retaliatory measures, the effects, of which are daily becoming more apparent. Our exports, which for the two years 1919 and 1920 were approximately $16,000,000,000, have been reduced until for the fiscal year ending June 30 of this year they will be less than $3,000,000,000.

The aeronautical branch of the Department of Commerce spent last year, as I recall, more than $10,000,000, and the Bureau of Fisheries, which has not conserved the interests of the people in the fisheries of Alaska and along the Pacific coast, has increased its expenditures in the last four or five years from $1,300,000 to $3,000,000.

Mr. Thorpe states that the Department of Labor appropriations have increased from approximately "$4,000,000 in 1924 to more than $10,000,000 for the current year." The Employment Service, which was to have received but a modest amount for expenses, is now expending substantially a million dollars annually. The expenditures of the Interior Department have grown beyond all reason. I shall not discuss them now because that bill will be before us within a few days.

Quoting Mr. Thorpe:

> We have built up governmental machinery—State, local, and Federal—to a point where it costs $14,000,000,000 a year. To collect these taxes and to spend the money we have over 250,000 independent tax-gathering and tax-spending units in the United States to-day.

Mr. President, the applicants for positions in Government service, both State and National, are increasing, and tens of thousands of young men and women make earnest efforts to attach themselves to governmental organizations. Apropos of this statement I again quote from Mr. Thorpe:

> A former Cabinet member told me recently, half seriously: "I am raising my boy to be a Government employee. Not a clerk—that would limit his future. I want him to choose the work he does best. Should he show an aptitude for pedagogy or printing, operating barge lines or making bindery glue, running hotels or hospitals, farming, manufacturing or plumbing—in short, for any field of human endeavor—he will find the Government engaged in this work. For instance, should he go into the Post Office Department, he will not be limited to sorting and delivering mail. He may learn the express business, the insurance business, the savings-bank business, or he may learn to make locks or maps."
>
> BUREAUCRACY ITS OWN ADVERTISER
>
> "Should he choose the Navy, he need not wear a uniform and study navigation. The Navy has 48,000 civilian employees, working in many fields, from clothing manufacture to broadcasting.
>
> "Should he choose journalism, he will find that nearly every department and bureau has its publicity division, operating along the same lines as the commercial news service. The total output of these bureaus sometimes reaches 300,000 words a day."
>
> The farmer is told how to farm, the merchant is told how to manage a grocery store, the exporter is told how to pack goods for shipment overseas. We are instructed as to the mating habits of bullfrogs, the idiosyncrasies of oysters, and as to the operation of the lowly flytrap.
>
> Your tax on automobiles is needed to pay for these activities.

Not only the Federal Government, but the States, counties, and cities are greatly concerned in meeting these growing expenses. The heavy burdens of taxes do not meet the

mounting costs of government. The Federal Government before Congress adjourns will be owing probably $20,000,000,000, represented, in the main, by tax-exempt securities. The outstanding bonds of the States and their political subdivisions will be nearly $20,000,000,000. These enormous sums, evidenced by tax-exempt securities, constitute a drain upon the people; interest charges must be met as well as annual provision to meet sinking-fund requirements. Money that should be devoted to industrial development and to the construction of mills and plants and to furnish employment is withdrawn from circulation and locked up in tax-exempt securities.

Hon. JOSEPH BYRNS, chairman of the Appropriations Committee of the House of Representatives, in an article appearing in Current History for June, 1931, has presented figures that should not only challenge our attention but impress upon Congress the imperative necessity to reduce expenses and to balance the Federal Budget. He states that when Congress adjourned on the 4th of March, 1931, appropriations had passed the ten-billion mark for the first time in the history of the country, except in time of war. He states that during the first two years of President Hoover's administration appropriations for the Federal Government exceeded those made during the last two years of the Coolidge administration by $956,346,723.60. He further adds:

* * * The cost of government has risen so sharply during the last quarter of a century that taxpayers are beginning to wonder why and to ask if there is ever to be any easing of the tax load. * * * With the tax burden resting more heavily on the people, they are beginning to inquire why government must exact so much from them and whether they are getting 100 per cent value for their tax payments * * *.

He then quotes from an editorial as follows:

* * * Never in the history of the State has the public been so irate over the tax situation as at present. Any time you see a group talking together, you can depend on it that tax matters are getting an overhauling. It is getting so one shuns the morning paper for fear of reading about another tax proposal by the State legislature. There is just one ray of light in the whole picture—the fellow who pays no direct tax is learning that he pays taxes, after all, through the indirect tax. When that idea gets to the voter, we may expect an aroused citizenry to take a firm stand that taxes be lowered. * * *

He refers to the fact that the habit has developed of "holding Congress responsible for our spending orgy and of looking upon that body as the great national spendthrift." He then refers to the Federal Budget Bureau, created 10 years ago as an agency of the President for the purpose of reducing expenditures, and adds that—

* * * As things have turned out, however, it has been Congress and not the Budget Bureau that has trimmed the estimates. Despite the fact that appropriations by the Seventy-first Congress were approximately $10,250,000,000, they were $55,000,000 less than the sum the President and the Budget Bureau asked Congress to appropriate, and since the establishment of the Budget Bureau in the fiscal year 1923 its estimates, as approved by the President, have been reduced by Congress to the extent of $413,132,181.95. * * *

Much of the popularity of Mr. Coolidge grew out of the claim made for him that he effected economies and curbed the propensities of Congress to expend money. The fact is that the Budgets prepared during his administration received his approval, and he recommended that the appropriations therein called for be made by Congress. As stated by Representative BYRNS, Mr. Coolidge, as well as Mr. Hoover, have recommended larger appropriations than Congress was willing to make.

The fact is that demands of the executive departments have been in excess of their legitimate needs, and larger than Congress was willing to make. Mr. BYRNS states that the per capita cost of the Government in 1825 was but $3 and that there was no material increase for nearly a century. In 1890 the Federal expenditures were only $291,000,000, or $4.60 per capita, and the expenses of all the Government—Federal, State, and local—were $855,000,000, or $13.56 per capita. The average per capita expenditure for all the States in 1916 was $4.99, but in 1919 the State expenditures were 43 per cent greater than in 1915. In 1924 they were 165 per cent higher and for 1928, 219 per cent higher. He adds—

* * * With a population of 120,000,000 the per capita expenditure is about $42.50—

And adds—

* * * that if the present pace is maintained the cost of all government in the United States will be in excess of $30,000,000,000 for the next two years, or a per capita cost of about $125, or $625 for the average family of five. * * *

In the face of these facts Congress should resist the demands for Federal appropriations. One of the problems confronting Congress is to discover sources from which may be obtained revenue sufficient to meet the expenses of the Government, even when economically administered. There seems to be a misconception upon the part of the people as to the functions of the Federal Government; too many intelligent people regard the Treasury of the United States as a perennial fountain from which money flows to meet every appropriation bill enacted into law.

If the demands for appropriations were acceded to, it would be absolutely impossible to raise sufficient money, without confiscation, to meet the same. Already thoughtful people, whether rich or poor, are deeply concerned by reason of the enormous deficit of two and one-quarter or two and one-half billions of dollars for the current year and the certainty of as large or larger deficit for the next fiscal year unless taxes are materially increased. In periods of depression, if possible, there should be a reduction in taxes. Certainly the people are warranted in looking with apprehension and indeed with alarm upon an increase of burdens in periods such as those through which our country is now passing. Distressing as it is and oppressive as the results will be, Congress can not—it should not—adjourn until, by reducing expenses and imposing additional taxes, the Budget for the coming year will be balanced. Congress should reduce expenditures by at least $500,000,000. Even then additional revenues, amounting to hundreds of millions of dollars, will be required in order to avoid a deficit.

In the light of these facts Congress should reduce the Budget recommendations between three and four hundred million dollars. I think the reduction should be $500,000,000, and I shall be glad to vote in order that that goal may be reached.

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Couzens	Johnson	Robinson, Ind.
Bailey	Cutting	Jones	Schall
Bankhead	Dale	Kean	Sheppard
Barbour	Davis	Kendrick	Shipstead
Barkley	Dickinson	Keyes	Smith
Bingham	Dill	King	Smoot
Blaine	Fess	Lewis	Steiwer
Borah	Fletcher	Logan	Thomas, Idaho
Brookhart	Frazier	McGill	Townsend
Broussard	George	McKellar	Trammell
Bulow	Glenn	McNary	Tydings
Byrnes	Goldsborough	Moses	Vandenberg
Capper	Gore	Neely	Wagner
Carey	Hale	Norbeck	Walcott
Connally	Harrison	Norris	Walsh, Mass.
Coolidge	Hayden	Nye	Walsh, Mont.
Copeland	Hebert	Oddie	Watson
Costigan	Howell	Robinson, Ark.	White

The VICE PRESIDENT. Seventy-two Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Tennessee [Mr. McKELLAR], on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I do not know how he would vote on this question, so I must withhold my vote. If at liberty to vote, I would vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mrs.

CARAWAY]. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and vote "nay."

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. REED], which I transfer to the Senator from Missouri [Mr. HAWES], and vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence, not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. STEIWER (when his name was called). On this vote I have a pair with the senior Senator from New Mexico [Mr. BRATTON]. In his absence I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. THOMAS of Idaho (when his name was called). On this vote I have a pair with the junior Senator from Montana [Mr. WHEELER]. I understand that if present he would vote as I am going to vote, and therefore I am at liberty to vote. I vote "nay."

Mr. WAGNER (when his name was called). Upon this vote I am paired with the junior Senator from Missouri [Mr. PATTERSON]. I am informed that if he were present he would vote as I propose to vote. I therefore feel at liberty to vote and vote "nay."

The roll call was concluded.

Mr. JONES. I transfer my pair previously announced to the senior Senator from Wisconsin [Mr. LA FOLLETTE] and vote "nay."

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence I withhold my vote.

Mr. HEBERT. I have a general pair with the junior Senator from Louisiana [Mr. LONG]. In his absence I withhold my vote.

Mr. CAREY (after having voted in the negative). I have a pair with the junior Senator from Ohio [Mr. BULKLEY]. In his absence I withdraw my vote. If permitted to vote, I would vote "nay."

Mr. WALSH of Montana. My colleague the junior Senator from Montana [Mr. WHEELER] is unavoidably absent. If present, he would vote "nay."

Mr. TYDINGS (after having voted in the affirmative). I transfer my pair with the Senator from Rhode Island [Mr. METCALF] to the junior Senator from Illinois [Mr. LEWIS] and permit my vote to stand.

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from West Virginia [Mr. HATFIELD] with the Senator from North Carolina [Mr. MORRISON]; and

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. HULL].

Mr. SHEPPARD. I wish to announce that the following-named Senators are absent on official business:

The Senator from Arizona [Mr. ASHURST], the Senator from Ohio [Mr. BULKLEY], the Senator from Illinois [Mr. LEWIS], the Senator from New Mexico [Mr. BRATTON], the Senator from Virginia [Mr. GLASS], the Senator from Alabama [Mr. BLACK], the Senator from Nevada [Mr. PITTMAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from North Carolina [Mr. MORRISON].

The result was announced—yeas 20, nays 46, as follows:

YEAS—20

Bankhead	Dill	Harrison	Robinson, Ark.
Barkley	Fletcher	King	Trammell
Bulow	George	Logan	Tydings
Byrnes	Glenn	McKellar	Vandenberg
Coolidge	Gore	Moses	Walsh, Mass.

NAYS—46

Austin	Copeland	Goldsborough	McGill
Bailey	Costigan	Hale	McNary
Barbour	Couzens	Hayden	Neely
Blaine	Cutting	Howell	Norbeck
Borah	Dale	Johnson	Norris
Brookhart	Davis	Jones	Nye
Broussard	Dickinson	Kean	Oddie
Capper	Fess	Kendrick	Schall
Connally	Frazier	Keyes	Sheppard
Shipstead	Thomas, Idaho	Walcott	Watson
Smith	Townsend	Walsh, Mont.	White
Smoot	Wagner		

NOT VOTING—30

Ashurst	Harris	Long	Steiwer
Bingham	Hastings	Metcalf	Stephens
Black	Hatfield	Morrison	Swanson
Bratton	Hawes	Patterson	Thomas, Okla.
Bulkley	Hebert	Pittman	Waterman
Caraway	Hull	Reed	Wheeler
Carey	La Follette	Robinson, Ind.	
Glass	Lewis	Shortridge	

So Mr. MCKELLAR's amendment was rejected.

Mr. GORE. Mr. President, I desire to say that I voted for the last amendment with the feeling that it ought to be adopted and sent to conference, so that the item could be cut down. I think it ought not to be eliminated entirely, but I feel certain that a reduction could be made without impairing the service.

Mr. MCKELLAR. Mr. President, I offer the amendment which I send to the desk, and which I ask may be read.

The VICE PRESIDENT. Let the amendment be read for the information of the Senate.

The CHIEF CLERK. On page 24, beginning with line 23, the Senator from Tennessee moves to strike out all down to and through line 8, on page 25, as follows:

For all necessary expenses for the eradication of southern cattle ticks, $724,400: *Provided*, That no part of this appropriation shall be used for the purchase of animals or in the purchase of materials for or in the construction of dipping vats upon land not owned solely by the United States, except at fairs or expositions where the Department of Agriculture makes exhibits or demonstrations; nor shall any part of this appropriation be used in the purchase of materials or mixtures for use in dipping vats except in experimental or demonstration work carried on by the officials or agents of the Bureau of Animal Industry.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Tennessee.

Mr. MCKELLAR. Mr. President, the amendment proposes to strike out the provision on page 24, which reads:

For all necessary expenses for the eradication of southern cattle ticks, $724,400: *Provided*—

And so forth, the proviso relating to the use of the money.

I want to call attention to what the department has said about this matter:

The methods of eradication have been improved upon from time to time as new facts become known, and it may be stated that the methods have reached such a degree of perfection and have had such a wide, practical test that the question of how to eradicate ticks is no longer an essential part of the problem. The main part of the task is to have hearty, vigorous, and conscientious cooperation of the people. In other words, the work will progress just as rapidly as the people desire that it shall.

Now, listen to this sentence:

The Bureau of Animal Industry has received hundreds of letters from farmers and other interested persons, all residents of the southern territory which has been freed from ticks.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Tennessee.

Mr. MCKELLAR. Mr. President, I want to conclude just as soon as possible, but I think it is important to show something as to how this appropriation of $724,000 is spent.

There are 78 employees drawing $210,000 of the amount. I find here an item for traveling expenses of these employees amounting to $87,000, and I find a total of other expenditures of $150,810.

Mr. President, in this case splendid work has been done by the Government, but the work has been finished; the country is freed from the cattle tick, and there is no reason in the world for keeping this expensive bureau in the department. It is a willful waste of the people's money at such a time as this, when we are suffering from a great depression, and I hope the Senate will vote to strike out this provision.

Mr. WALSH of Montana. Mr. President, we have heard from the Senator from Tennessee as to the Southern section being freed of the tick. I should like to hear what other Senators from that section have to say about the matter. I understand the Senator from Tennessee now to say that the cattle tick has been totally eradicated?

Mr. McKELLAR. I quoted from the bulletin of the Department of Agriculture. I will read the extract again.

The Bureau of Animal Industry has received hundreds of letters from farmers and other interested persons, all residents of the Southern territory which has been freed from ticks.

Mr. WALSH of Montana. It seems exceedingly strange, if that is the case, that the Department of Agriculture would be asking for three-quarters of a million dollars in order to continue the work.

Mr. SMITH. Mr. President, I do not know to what extent the Southern section of the country is still infested with cattle ticks, but I do not believe that any other effort on the part of the Agricultural Department has been of more benefit to the country at large than has its effort to eradicate the cattle tick, resulting from its discovery of a method by which that could be done.

I live in the heart of the section that was infested with this deadly insect. I did not believe it was humanly possible, in view of the great numbers of ticks that appeared on individual animals, to eradicate the pests entirely, but agents of the department went down on my farm, and in three years they cleaned out every single tick, so that my cattle were just as clean as if they had come from a section of the country where the tick had never been known.

The particular tick is the species that carries what is known as the Texas fever. Now, my pasture and the pastures of my neighbors throughout that entire section are completely free of the pest. Before the work of eradication was undertaken it was unsafe to ship cattle into noninfested territory; the presence of the tick decreased the value of the cattle and made the animal unhealthy, and even in the case of animals which were immune from the fatal effects of the tick it lowered their vitality. That section, I repeat, has now been cleaned from that insect as though it had never existed; the tick has been eradicated. It is little short of a miracle.

I do not know what other sections of the country may be still infested, but I do say when it comes to dollars and cents in the form of raising meat for the market and producing healthy cattle in the sections that heretofore could only afford scrub cattle, that the value of the cattle has more than doubled and quadrupled.

Mr. BROUSSARD. Mr. President, may I ask the Senator from Tennessee whether the State of Tennessee is absolutely free from the cattle tick?

Mr. McKELLAR. So far as I know, it is.

Mr. BROUSSARD. Does the Senator know that to be the fact?

Mr. McKELLAR. I can not state positively about it, but I have heard no complaint whatever about the presence of the cattle tick, and I take the department's word for it. The department says that our section is freed from it. I know of no section of the country that is now infested with cattle ticks.

By the way, while I am on my feet, will the Senator allow me to say a word further?

Mr. BROUSSARD. Yes.

Mr. McKELLAR. The work done by the agents of the department is very simple. They show the farmers exactly how to dip their cattle, what material to use when the tick is present, and in that way clear the cattle of the tick. So there is no use in keeping this expensive bureau in Washington, appropriating $700,000, largely spent here in Washington, simply for the purpose of maintaining the bureau awaiting another plague to break out.

Mr. BROUSSARD. Mr. President, I am very sorry that the Senator from Tennessee proposes to strike out this provision. He is not, I fear, informed as to the facts, and does not even seem to be sure whether or not Tennessee is free from the tick. How can the State of Tennessee or the State of Louisiana or the State of Texas or the State of Arkansas take care of a situation of this kind when the cattle go into interstate commerce?

The Federal Government assists every State in maintaining the service, but the Government does not pay the expenses; it furnishes the inspectors. The States and the local communities have to put up the money to pay the expenses of erecting the vats and furnishing the fluid for dipping the cattle and to do everything else connected with the process. The Government's agents are present, however, to see that the cattle are free from the tick after having been dipped. One of the greatest boons that ever were enjoyed by the South was the Government attempt to eradicate the cattle tick. In some communities, including the State of Mississippi, after resisting for some years, the people cooperated fully with the Government and they now have the best cattle in the South. The same thing is true of other sections which have cooperated with the Federal Government. They are producing as good beef cattle and dairy cattle as can be found in that entire section.

Mr. McKELLAR. I inquire if there are any cattle ticks in the Senator's State?

Mr. BROUSSARD. There are plenty of them.

Mr. McKELLAR. Has the Senator's State ccoperated in the work of eradication?

Mr. BROUSSARD. My State cooperated for many years and then went backward, due to conditions which could not be prevented. Those who were in control did not approve of the work; they wanted to have a no-fence law so that growers might raise the cattle on the public domain and on other people's property. So the past few years we have gone back instead of progressing. But we need this work done, and I am surprised that the Senator from Tennessee should offer an amendment to strike out this provision which enables us in territory surrounding the State of the Senator from Tennessee to have something done that is much needed, and which, in fact, is the one benefit that we are receiving down there which is helping us to build up a cattle industry.

Mr. SMITH. Mr. President, will the Senator allow me to interrupt him?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from South Carolina?

Mr. BROUSSARD. I yield.

Mr. SMITH. The Government has in the field experts in the work of detecting whether or not the tick has been eradicated. They inspect the cattle in infested regions, and after tests by experts they are able to declare whether on a given farm or in a given section the tick has been eradicated. A mere amateur or tyro could not possibly know whether that work had been finally accomplished; cattle growers might proceed for a year or two using the process indicated by the Senator from Tennessee, then desist, and perhaps in a year or two their cattle would be as badly infested as they previously were. It is an expert business, just as is the elimination of the Stegomyia and the Anopheles mosquitoes. Science discovered among the numbers of ticks the particular one which carries the deadly fever, and they have eradicated it.

Mr. BROUSSARD. I thank the Senator. I wish to say to those who do not know anything about the tick that there are a number of varieties, but there is only one that transmits the Texas fever. A certificate from an inspector in the State of Tennessee would not be accepted by any other State in the Union. A cattle raiser could not ship a single head of stock out of the State of the Senator from Tennessee without a certificate from the United States inspector. That is the only way protection is afforded. In Louisiana we had no market, and even in Tennessee they had no market, for cattle until the work of eradicating these ticks was begun.

If the cattle growers in the State of Tennessee were benefited by sharing in the contributions of the Federal Government and their cattle are freed of the tick—and the Senator does not seem to be sure as to that, but no doubt the State used all the money available and duplicated the Federal appropriation—and we who have failed at it because of lack of cooperation of those in authority want to continue so as to finish the work, I do not see why one whose State has benefited should want to cut us off.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. BROUSSARD. I yield.

Mr. FLETCHER. I wish to state in this connection that we had a similar experience in Florida to that which the State of Louisiana has been going through. Some years ago when this work was started, and the suggestion was made that we had to eradicate the tick in order to have a better breed of cattle and develop the industry, there was considerable opposition to it. A great many cattle growers who had been feeding their cattle on the public lands and other lands objected to these steps being taken by the Government and to State cooperation; they fought it for a good many years; but finally practically every citizen in Florida, so far as I know, favored this eradication work, and it has done an immense amount of good. All the counties of the State, except about two or three, are now freed of the tick, and we created a new business by the development of the cattle industry; and throughout the whole South, where we have so many acres of what are known as cut-over lands, about all they can be devoted to is the raising of livestock. I quite agree with the Senator from Louisiana in advocating this item, and I am sorry the Senator from Tennessee takes the view that he does.

Mr. BROUSSARD. Mr. President, only recently I made inquiry of the department concerning this matter. In my town there was a desire to erect a dipping vat so that the cattle could be shipped out of the State. Cattle can not be shipped out on the certificate of a local inspector; it is necessary to have the certificate of a United States inspector. I applied for and obtained suggestions as to the type of vat that should be built, and was given the plans and specifications. The Government was not paying a cent for the work, the people of the town were erecting the vats, and all the Government did was to furnish a man to give the cattle growers a certificate, such as is given in cases where plants are shipped from this city to any State in the Union. That is all that is involved, and the money that is being spent for this purpose is, so far as I am told and so far as I know anything about it, most wisely spent for the relief and aid of the farmers; there is no question about that.

Mr. McNARY. Mr. President, this infestation originally embraced all the Southern States. Instead of being eradicated now, it is only partially eradicated. It is found in all these States in certain sections, including Tennessee. There is about 20 per cent of the country that is left uncleaned.

Mr. President, this tick infests the cattle and brings about what is called splenetic fever, which is tremendously injurious to the animal. The scheme employed to combat it is simply to employ veterinarians, pay their traveling expenses, and give them the serum with which to inoculate the cattle and also the dip in which they wash the carcass of the animal. Then the inspector looks at the infestation in the county. He takes each county as a unit; and when all the cattle having the tick which brings about this fever are cleaned, the county then gets a statement from the Department of Agriculture that there is no infestation left. That county then can freely ship its cattle from county to county into the various States. That is what is called the quarantine feature of this work.

If we should abandon now the work which has gone on for 20 years in the cleaning up of this infestation, which has caused a tremendous loss to the Southern States in the cattle industry, in a very short time the whole of the South again would have this infestation and in a short time the livestock industry in that country would probably be in a more crippled condition than has even been known.

It is again surprising to me that some one living in the South and in Tennessee, where this infestation at one time was rampant, should stand on the floor of the Senate and want to abolish this commendable work that has been handled so skillfully and has been of such great value to the people of the South.

Mr. SMITH. Mr. President, I should like to state to the Senate that a peculiarity about this insect is that when any animal that has reached adult age, or the calf of a cow that is immune, is poisoned by this tick it dies within 14 days. The cattle in the Southern States are immune from the fatal effects; but, if a carload of cattle from another section is shipped to any market and they are put in a yard where there are adult cattle that come from immune territory, whenever the tick poisons one of those nonimmune cattle it dies within 14 days; so that under those conditions we could not ship our cattle at all.

I remember that we purchased a thoroughbred cow and had her shipped down to our territory. We then did not know anything about the deadly effect of the cattle tick. We turned her in with our cattle and in 14 days, or about 2 weeks, she was dead from this terrible splenetic fever caused by being bitten by these ticks.

Mr. McKELLAR. There is no quarantine now against cattle in our part of the country.

Mr. SMITH. There is a quarantine from certain parts of the South for the reason that you can get a certificate that a certain territory within a State is immune, and the cattle from that territory can be shipped anywhere; but you can not ship from any territory in that section that has not been cleaned up by this process.

Mr. BROUSSARD. And then you must get a certificate that that county is clear.

Mr. SMITH. Certainly.

Mr. CONNALLY. Mr. President, I do not care to consume much of the time of the Senate; but, in response to the suggestion of the Senator from Montana, I desire to say just a word with reference to this work.

I have in my hand a copy of the House hearings, which show the attitude of the Department of Agriculture, and I want to quote very briefly from those hearings:

> The States generally expend larger sums in this work than the amount appropriated by the Federal Government. That has been true right from the beginning.
>
> * * * * * * *
>
> We are now 85 per cent through in tick eradication. The 1st of this December, 1931, we released 7 counties in Texas, 7 counties in Arkansas, and 7 counties in Florida, or a total of almost 17,000 square miles.

And, with reference to Louisiana:

> One parish in Louisiana was requarantined because of reinfestation with ticks.

That, no doubt, is because of the lack of cooperation which the Senator from Louisiana suggested.

The concluding clause in the statement of Doctor Mohler, who is the head of the Bureau of Animal Industry, is as follows:

> The State of Texas has been making more progress in the last 4 years than it did in 14 years before. These counties that I have just marked off in blue are the ones taken out of quarantine the 1st of this month, and the line above shows where the ticks were when we started this work.

This work has been making tremendous progress. The department will be through with it in a little while. The States spend a great deal more money on this work than the Federal Government, but the States can not quarantine against each other. The Federal Government establishes the quarantine, and the cattle are not allowed to pass the quarantine line except on the certificate of a Federal inspector. So, if this work is to go on at all effectively, this appropriation must be continued.

I am glad the ticks have been banished from Tennessee. I notice that the Department of Agriculture shows here that Tennessee had 42 counties, I believe, that were infested with ticks, and those 42 counties are now free. I am really amazed that the Senator from Tennessee should want to discontinue the work because, although Tennessee is free from the tick, unless it is destroyed in other sections it will be right back in Tennessee.

Mr. McKELLAR. Mr. President, the pamphlet I have here says that the entire southern country is free from these ticks. I have read it two or three times.

Mr. CONNALLY. Oh, no! Here is the testimony of Doctor Mohler. The Senator from Tennessee knows Doctor Mohler, of the Department of Agriculture.

Mr. McKELLAR. Of course.

Mr. CONNALLY. Doctor Mohler says they are 85 per cent free; and he gives a table in the House hearings showing the counties in the various States that are still infested.

This is a very useful work, and the Government will practically throw away the money that it has heretofore expended over a period of about 20 years, I believe, if it does not go ahead and make the eradication effective and thorough.

So I hope the Senator from Tennessee will not press this matter. He knows the blessings of freedom from ticks in his own State, and I hope he will not withhold those blessings from the rest of us. We are making progress. We are going to be in the same happy state as his own State if he will just let us alone for a little while longer.

Mr. McKELLAR. Mr. President, one word before we vote.

It will be found that these appropriations are just about the same from year to year. They have continued, year after year, for many, many, many years. This is one of the old bureaus in the Government, and it has done a good work. Its officials tell us that they have finished that work to the extent of 85 per cent. There may be a sporadic case here and there, but there is no reason in the world why the States can not take care of it.

The remarkable thing about this matter is that we are virtually expending as much for the remaining 15 per cent as we used to expend for the entire 100 per cent. We are keeping the same bureau and the same number of employees and the same expenses and travel pay of $85,000 a year to eradicate the cattle tick. It does seem to me that we have pursued this thing far enough.

From the other vote I judge that this vote is going to be in favor of the bureau. It just goes to prove that the Senate is not going to permit bureaus to be discontinued when they have once been established. Whenever the Federal Government establishes a bureau it is going to be continued. In some way the bureaus bring about enough votes to keep their appropriations going, and as long as appropriations are made the bureau is going to be continued.

There will be some excuse for the continuance of every one of the 27 or 28 useless bureaus that I discussed here last Friday. Some group of Senators in each section of the country will undertake to uphold those bureaus.

I have tried to be perfectly impartial about this matter. I first brought an amendment from the northern and western part of the country. Now I have brought this amendment from the southern part of the country. Both of these bureaus are useless. They ought to be abolished. We ought not to continue them. In this period of depression, as I have said before, with our Government $2,000,000,000 in the hole on running expenses, we ought not to keep these useless bureaus going on anywhere in the country—in my part of the country, in your part of the country, or in any other part of the country. We ought to abolish them. We can not cut down the expenses of the Government unless we do. We all know that; and I doubt if it is going to be possible for us to raise enough taxes to balance our Budget.

Talk about $1,200,000,000 balancing the Budget! It is all poppycock. We will be further in the hole next year than we are now if we raise $1,200,000,000 by additional taxes this year. We have spent $1,200,000,000 up to this good hour, and we have not appropriated a dollar for the running expenses of the Government, except some that we appropriated for deficiencies. We have already appropriated this year an additional $1,250,000,000. How are we going to balance the Budget with such extravagance as we have already shown?

We can not balance the Budget unless we cut down these expenses. I have sought out here and brought before the Senate the facts and figures showing that these are useless bureaus, that they are duplicating their work, that they ought to be cut out entirely or cut down almost entirely; but instead of accomplishing anything we find the Senate wedded to the bureaus.

I have no doubt that you Republicans will put in your platform next time, "Do away with bureaucracy! Reduce the bureaus of the Government!" You do not mean it. You have shown by your votes here to-day that you do not mean it. We Democrats for years have been talking about the useless bureaus of the Government. We have inveighed against bureaucracy; and yet, when it comes to a showdown, enough of us join with you to uphold the bureaus and keep them in the service of the Government. We do not mean what we say when we talk about bureaucracy in our party platforms. Several of these bureaus are useless bureaus.

My friend from Utah suggests that I offer an amendment cutting down this appropriation from $724,400 to $350,000. In order to test the Senate I am going to accept his amendment.

Mr. President, I desire to perfect my amendment before it is voted on by withdrawing the one I first offered, and offering a new amendment striking out the figures "$724,400" and inserting the figures "$350,000" for this bureau. That is ample for it.

The VICE PRESIDENT. Without objection, the order of the yeas and nays will be vacated, and the Senator from Tennessee will offer his new amendment.

Mr. McKELLAR. Very well. I do not think the yeas and nays have been ordered upon the matter; but I ask the Senate now to vote to cut down the appropriation. If they will not vote to strike it out when the department says that 85 per cent of the country that formerly was afflicted with this pest has been freed from it, surely the Senate ought to be willing to cut it down to $350,000.

Mr. BLAINE. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. McKELLAR. Yes; I yield.

Mr. BLAINE. In fixing the amount of $350,000, has the Senator taken into consideration whether or not that amount will carry out the essential work that may be necessary to eradicate these ticks?

Mr. McKELLAR. In my judgment, if $724,000 will look after the eradication in 100 per cent of the territory, $350,000 certainly ought to be enough to look after the eradication in the 15 per cent that is left. This matter is virtually under control. The State authorities could complete the work. The Government has shown in these bulletins just exactly what is to be done. It ought not to be required to send its experts to tell each farmer how to treat his cows in order to get rid of ticks.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Nebraska?

Mr. McKELLAR. I yield.

Mr. NORRIS. I desire to suggest to the Senator that it is not necessary for him to withdraw his amendment. His amendment proposing to strike out $724,000 and insert $350,000 is in order and will take precedence over the other amendment, because it is perfecting the text of the other one.

The VICE PRESIDENT. The Senator himself suggested changing the amendment.

Mr. McKELLAR. It has already been done. The change, striking out $724,000 and inserting $350,000, has already been permitted; so we will vote now on reducing the appropriation from $724,000 to $350,000.

Mr. NORRIS. The Senator could have done that.

Mr. McKELLAR. Of course it could have been done. It has been done. We might as well vote on it, and I ask for the yeas and nays.

Mr. GORE. Mr. President, I am not wedded to any particular bureau, and if I were I would obtain a divorce if the grounds were sufficient.

I shall agree with the Senator from Tennessee and any other Senator in an effort to eliminate useless expenditures or to reduce excessive expenditures. I also agree with him that the only way to economize is to reduce expenses. But I think this appropriation constitutes an exception. I say that for this reason: No single State can complete this service and be certain of its permanence. Infected cattle may be taken from one State to another, and the work that has been accomplished would, in that event, be undone. It must be consummated in all the States before any State can rely upon the permanence of the system.

I think the cattle tick and the malaria mosquito constitute two exceptions. Any service which a State can perform within its own borders, by its own efforts, and at its own expense, any such service which a State can consummate, I think, ought to be left to the State; and the people of the United States ought not to be taxed to carry out an improvement or a service which is purely local, and which the State itself has ample power to carry out and perfect.

That is not true with reference to the cattle tick, nor is it true with reference to the malaria mosquito. One State might do its duty, might exterminate the pests 100 per cent, and yet an infection, disregarding State lines, might cross over and render a complete loss the work which had previously been done.

I may say, and be pardoned for saying, that I think this work ought to be speeded up. When I was chairman of the Committee on Agriculture years ago, year after year I made an effort to secure a sufficient appropriation to consummate this work without delay. There is no economy in delay. A waste of time is a waste of money, and this is one appropriation which might well be increased so that this work could be completed once and for all. I say that with reference to this and with reference to any other pest which can not be conquered by one State alone. Every place where the tick persists is a plague spot from which the infection would spread.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. McKELLAR. Does not the Senator believe that if, instead of $724,000, we should make that $2,000,000 this year, this bureau would be back here next year asking for quite as much as they are asking for now?

Mr. GORE. Mr. President, I know that the dread of extinction is one of the deepest instincts in all department bureaus. They seem to be invested with immortality. I would like to see them exterminated when their work is done. I would like to see an amendment attached to this bill requiring the Secretary of Agriculture in his annual report to report the number of services which have been completed, and which can be discontinued in the future, and with respect to which appropriations can be discontinued, if such a novelty should ever arise in the course of departmental experience.

Mr. McKELLAR. Mr. President, I have been in the Congress for something like 21 years, and I think the Senator from Oklahoma came before I did. Has he ever known in all his experience, or even in his lifetime, of a bureau once established being discontinued?

Mr. GORE. No; I knew of a case once where one came very nearly being extinguished, but it was not.

Mr. BLAINE. Mr. President, I am in favor of preserving necessary and essential services the Government should render to agriculture and to all other undertakings. I am not a member of the Committee on Agriculture and Forestry, or of the Committee on Appropriations, and therefore I desire to ask the Senator from Oregon, if I may have his attention, how long the department has been engaged in the work of eradicating the southern cattle tick?

Mr. McNARY. I think some 20 years.

Mr. BLAINE. What have been the former appropriations, so far as the Senator recalls?

Mr. McNARY. Seven hundred and forty-three thousand dollars is the appropriation in the current law. The appropriation in this bill is $47,000 less than the amount carried in the current law. It is also less than the estimate of the Director of the Budget.

Mr. BLAINE. Has that appropriation been carried in the various appropriation bills for a number of years, or about that amount?

Mr. McNARY. I do not recall. Sometimes there is a diminution and sometimes there is an increase, but I think the general average has been about $700,000.

Mr. BLAINE. Then, it seems to me that the logic of the Senator from Tennessee on the point he has been endeavoring to emphasize is somewhat erroneous. As I recall, the Senator stated that 80 per cent of the area where southern cattle tick prevailed had been cleaned up.

Mr. McKELLAR. Eighty-five per cent.

Mr. BLAINE. And that only 15 per cent remain infested. It seems to me that, according to the Senator from Oregon, the department has been 20 years in eradicating the southern cattle tick, accepting the statement of the Senator, in 85 per cent of the area, and that activity has been going on a long time, and that if we cut the appropriation now it would simply mean that it will be many more years before we eradicate the southern cattle tick in the remainder of the area. Of course, the Senator appreciates that if they remain in one area they will very rapidly spread to other areas; and if we are going to get rid of the pest, I can see no other way than to carry out the services necessary to rid the country of the pest, and therefore it seems to me that $350,000 does not measure the cost of that essential service.

Mr. McKELLAR. Mr. President, if the Senator will yield to me, I will tell him how long the department has been engaged in this activity. The bureau has been engaged in this eradication activity since 1907. Therefore they have been at it 25 years, and they have spent $13,695,595, and in their bulletin they argue that they have cleared the country of the cattle tick except for sporadic appearances, and I judge that that is true. They claim that 85 per cent has been cleared; and I am quite sure that if we appropriate $724,000 now, at the end of 10 years they will say that a certain percentage of the country is still infested and we will still be appropriating these large sums.

Mr. BLAINE. Mr. President, I want to say to the Senator that from the comparison he is making between the eradication that has gone on for this number of years, with an area of 85 per cent cleared, and an area of 15 per cent where the pest still exists, it seems to me we can not eradicate the pest in one year with $350,000. I do not know whether it can be done in one year for the amount that is asked or not, but, at any rate, it seems to me that we are simply pinching the pennies in cases of this kind, and that we will be doomed to the expenditure of additional enormous sums to take care of the area that is already cleared because of the infestation that will be transmitted to that area.

Mr. CONNALLY. Mr. President, just one word in reply to the Senator from Tennessee. If this service is cut, the cut will have to go on the item of supervision. The department says this:

> The work is conducted under the provisions of the rules and regulations of the interested States, the Federal appropriation being expended largely in supervising the activities, thus insuring the application of eradication measures which will result in the elimination of the tick and warrant the release of the cleaned area.

If we cut this appropriation it will not only mean that we will cut the Federal activities but we will cut the activities of every State, because the States can not supervise the Federal portion of the law.

The quarantine is a Federal quarantine. The States can no regulate it, and if we cut down the supervisory appropriation, then we are going to seriously impair the work of the States.

We have invested in this project millions of dollars. To stop it now would mean an absolute surrender of all we have invested, and the reinfestation of States like that of the Senator from Tennessee.

The work has been completed in all but portions of four States. Originally there were eight States the cattle in which were infested. The ticks have been eradicated from

four of the States entirely, and from all of the remaining four except in some isolated areas.

While I sympathize with the Senator from Tennessee in his economy plea, it is not economy to throw away millions in order to save $250,000. It is not economy to stop a meritorious work because we are going to save a few dimes and a few nickels for the moment.

The senior Senator from Wyoming [Mr. KENDRICK], a distinguished cattleman, said to me to-day that no other act had ever been passed by Congress which had resulted in such great benefit to the livestock industry of the United States as this cattle-tick eradication, which has resulted in building up the quality of cattle and improved herds, getting rid of the old long horns. It has provided an increase for the national wealth and for the food supply, and it has been of national benefit. This is not local. The Senator from Tennessee knows the value of this service. He has had it in his own State. I ask the Senate to continue this appropriation.

Mr. GLENN. Mr. President, I do not care to refer particularly to this item. The few remarks I make will be general.

I do believe that the Senator from Tennessee [Mr. MCKELLAR], the Senator from Utah [Mr. KING], and the Senator from Kentucky [Mr. LOGAN], who have spoken this afternoon about the necessity for retrenchment in Federal expenditures, are worthy of commendation. I am not referring to this particular item. It does seem to me that the time has about come when this body must find some items in some appropriation bills, some activities of the Government, which can be curtailed.

I do not regard it as a partisan move at all. I do not believe it should be so looked upon. It is a matter of national integrity. The taxpayers, State, municipal, and Federal, are laboring under a crushing and ever-increasing burden. The growth of Federal activities has been tremendous and continues in these times of depression as rapidly as in times of prosperity.

The Department of Agriculture along with other departments of the Government have increased their jurisdiction and their activities manyfold. I believe that the time has come on both sides of the aisle when we must cooperate in an effort to reduce the burdens of Federal taxation. It may not come at this session of the Congress. We may not realize how intense is the feeling at home upon the subject. I want to say that before the close of the next session of the Congress it will be brought home to every one of us that this is one of the great issues before the American people. We have been worried here year after year about prohibition and the liquor situation, about the World Court and the international situation, about the tariff. I say that more people in America are thinking and talking to-night about increased taxation, about the ever-growing activities of the governmental bureaus and commissions, about the burdens which they are unable to meet at tax-paying times, than are thinking in the aggregate about the liquor problem, about the World Court problem, and about the tariff situation which has divided the parties for so many years. This, in my judgment, with the exception of the unemployment situation, which is so closely akin and related to it, is the livest issue in America to-day. Let us not deceive ourselves.

Mr. McKELLAR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Tennessee?

Mr. GLENN. I yield.

Mr. McKELLAR. I think the Senator is very largely right. I have just returned from my home in Tennessee. There are more people talking about excessive taxation and about unemployment than all the other governmental questions put together.

Mr. GLENN. There is no doubt about it. There is no question about it. They are going now to meet the tax collector in almost every State in the Union unable to pay the taxes on their property. There are taxpayers' strikes in Iowa, in Illinois, and in other States of the Union.

I do not desire to make an extended argument at this time, and I am not talking about the particular item of the bill now pending. I say the time is coming when we must meet this issue. There is only one way to meet it.

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Texas.

Mr. GLENN. I yield.

Mr. CONNALLY. The Senator comes from the State where all the great stockyards are located.

Mr. GLENN. I come from the State where many of them are located.

Mr. CONNALLY. Does not the Senator realize the value of this particular service?

Mr. GLENN. As I said, I am not criticizing this particular item, and I tried to make that clear.

I think the most popular thing, and perhaps the most worthy thing, that the President of the United States could do to-day would be to send out the word that there must be the most drastic curtailment in the activities of the Federal Government and the strictest economy in every department over which he has jurisdiction and control.

I repeat that, in my judgment, the time has come when we must take almost every item in every appropriation bill and say, "This must be subjected to the closest scrutiny." There will never be an item in any bill which will not be ably defended and about which there is not much argument for its justification. But the time is almost at hand, as I have said. If it does not come within the next three months before the adjournment of this session of the Congress it is certain to come at the next session of this body when we will find, I confidently predict, that the greatest issue of all will be the question of Federal economy, the abolishment and curtailment of the ever-growing, ever-increasing and ever-spreading activities of the Federal Government.

Mr. COUZENS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Michigan?

Mr. GLENN. Certainly.

Mr. COUZENS. I wonder if the Senator from Illinois voted for the $1,000,000 appropriation for the Chicago World's Fair which was contained in the bill now before the Senate?

Mr. GLENN. I supposed that question would be asked, of course. I did not vote for it. I was not present at the time.

Mr. COUZENS. The Senator did not approve of it?

Mr. GLENN. This inquiry is not original with the Senator from Michigan. The same question was asked the other day by the senior Senator from Georgia [Mr. HARRIS]. I never have said a word for that item in committee or on the floor, and my statement is in the RECORD.

Mr. COUZENS. What I was trying to ascertain is whether the Senator does not think it would be well to reconsider the action on that item and cut it out of the bill?

Mr. GLENN. If the Senator wants to ask for a reconsideration of that item, it is his privilege. He is simply trying to embarrass me about an item for which I have never spoken at all. The suggestion is not at all original with the Senator from Michigan, but came from the Senator from Georgia [Mr. HARRIS] in an evident attempt to embarrass me. The Senator may do or attempt to do with that million-dollar item just as he pleases. I have never spoken for it at any time or any place.

Mr. COUZENS. Of course the Senator from Michigan would do it if he chose without the consent of the Senator from Illinois.

Mr. GLENN. Of course he would, and especially if he thought it would embarrass at all the Senator from Illinois.

Mr. BROOKHART. Mr. President, the first time my attention was ever directed to the tick question was about 1896 in the Supreme Court of the United States. The issue there was a question of damages in a case that came up from the State of Texas, where one party was suing another for the inoculation of his cattle herd with ticks. As the argument of the case proceeded in the Supreme Court, finally one of the justices wakened over at the end of the bench and stopped the attorney in the course of his argu-

ment by inquiring, "Did those ticks fly?" Even the Supreme Court of the United States did not know whether ticks have wings, and I fear the Senator from Tennessee [Mr. MCKELLAR] does not know yet either.

So far as the ticks are concerned, I think they ought to be eradicated, although we do not have them in my State, and there will be no benefit to my State from this particular item of appropriation. But we will help to pay the taxes out of which the appropriation will be made. We do not pay much of a Federal tax out in Iowa. There are only 27,000 people in the whole 2,500,000 in Iowa who pay any income tax into the Treasury of the United States. In fact, the expenses of the United States are paid by the people who first tax the rest of the people of the country in excess profits.

During prosperous times our national income is about $90,000,000,000. In 1930 it was $71,000,000,000. Ninety billion dollars is $750 for each man, woman, and child in the United States, or about $3,750 for each family of five. Seventy-one billion dollars is $580 for each man, woman, and child in the United States, or about $2,900 for each family.

Then in 1931 the national income, on the estimate of the National Industries Conference Board, was $54,000,000,000. The question is, Who got that income? Where did that income go? Who levied that tax upon the people first to get that vast income? That is $442 for each man, woman, and child in the United States, or about $2,210 for each family. But it was not distributed in that way. The trouble is and the question in this country is not going to be so much what Federal taxes are, but it is going to be what the profiteering taxes are upon the people of the country. So far as the tax question on its merit is concerned, three-fourths of it is a State proposition. The Federal taxes are only about 25 per cent of all the taxes collected in the United States. That 25 per cent is collected from the people who ought to pay taxes.

The heaviest tax upon Iowa is levied by the city of Chicago and the city of New York in the profits that we must pay to those people through the various financial arrangements that take the earnings of our people away from our States. That is the issue with our people. We do not object to collecting back a portion of those taxes in order to distribute again in some way the wealth of the country back to where it belongs.

The big taxpayers who pay into the Treasury of the United States collect from the whole country all the time. The American Telephone & Telegraph Co. is reported in the newspapers to have earned more in profits in 1931 than in any year in all its history. So far as I am concerned, I am perfectly willing to tax that kind of activity to eradicate ticks or to fight any of the other calamities which the scientists of the Department of Agriculture are investigating.

Mr. NORRIS. Mr. President, I am not one of those who find fault with the Senator from Tennessee [Mr. MCKELLAR] or the Senators supporting him who are leading the fight to eradicate this item, although I do not agree with him and expect to vote against him. We can not disassociate his amendment from the general proposition that the Government is running behind and that in every possible way it ought to economize.

We realize that in bringing about that economy we will have to do a great many things that we do not want to do, both in the levying of taxes and in refusing to make appropriations. Nevertheless we ought to try to operate the Government the same as we would operate a great private business institution. If we were operating a business corporation entirely upon business principles, we would not always cut out appropriations even when temporarily our great corporation was running behind. It is not economy always to refuse to appropriate money. Sometimes the greatest economy can be brought about by doing things in times of depression that we do not do even in times of prosperity. If we knew now that prosperity had fled forever and that the depression was going to last indefinitely, we would do a lot of things that we would not do if we believed that the depression is temporary in its nature. I think most of us agree that eventually we will find ourselves in a situation that will convince us that the depression is not going to last always. We ought to be careful that we do not do something during the depression that is going to increase by a vast amount the taxes we will have to levy when prosperity returns.

The cattle-tick question is a national proposition. I am not sure that we will ever get rid of it.

I want to say to the Senator from Tennessee that, so far as I am concerned, I am not offering any assurance that when the work shall have been done 100 per cent throughout the country we can even then cease making the appropriation. The cattle tick still may be, and I am inclined to think it always will be, with us. We can reduce the appropriation after a while, no doubt, but would it be economy now to cut down the appropriation and cripple the work or stop it altogether?

If we did that, would we not live to see the day when we would regret it, because, as everyone knows, unless proper supervision is had, the cattle tick is going to spread? It knows no State boundaries; and the people all over the country are interested in this item; everyone, I think, who eats meat is interested in it. Unless we eradicate the cattle tick, or get it under complete control, it is likely to break out anywhere on account of cattle being shipped from one section of the country to another. Cattle are never shipped from Texas to New York or Nebraska or Minnesota but that there are people interested in that shipment at both ends of the line. The man to whom the cattle are shipped in some other State is just as much interested as is the man who ships the cattle from a Southern State. If, because of the presence of the tick, a grower can not ship his cattle from certain sections, his business is almost ruined. While the section of the country to which the cattle would otherwise be shipped may not be injured, the section from which the cattle would be shipped is damaged; and such a condition has a tendency to increase the price of meat to the consumer, no matter where he may live.

I think the Senator from Tennessee, in calling attention to this and other items, is doing an excellent work, even though we do not agree with him in what he thinks ought to be done in the case of this item or some other item.

Mr. BROUSSARD. Mr. President——

Mr. NORRIS. I yield to the Senator from Louisiana.

Mr. BROUSSARD. I wish to make a brief statement in line with the argument the Senator is making. A great many cattle on the Gulf coast, including the State of Louisiana, are shipped to his State, to Iowa, and to other States for grazing and feeding purposes before they reach the market. We can not ship those cattle unless they are inspected and certified by a Federal agent.

Mr. NORRIS. Yes; and the Federal Government, as I look at it, is the only instrumentality that can properly make the inspection.

Mr. BROUSSARD. Let me suggest further, suppose we were to ship cattle that were infected and they were placed with a herd in Nebraska or Iowa, what would be the result?

Mr. NORRIS. It would mean ruin to the herd in Iowa.

So, Mr. President, while everybody wants to be economical, it seems to me this is an item where we can not afford to cut down the appropriation. If the work of eradication which has been going on should be stopped—and the work will stop if this appropriation shall not be made—the spread of the cattle tick would be appalling; it would extend to all parts of the United States and do hundreds of millions of dollars of damage, beside making it more expensive and more difficult in the future to eradicate the pest when the work shall again be undertaken.

Nobody claims, so far as I have ever heard, that we ought not to do everything necessary to eradicate the cattle tick. The whole United States is interested in it, either directly or indirectly. I myself do not know of my own knowledge whether the amount proposed in the bill is sufficient; but as I look at it, employing business methods, the department would be able to use almost any reasonable amount of money, and the more money that was appropriated the further the work of eradication of the tick could go.

There are other items, in my judgment, as to which we can much better afford to be economical and to cut down appropriations than this item. I am not going to try now, Mr. President, to enumerate many of them that occur to me, but I shall have something to say about them when other appropriation bills come before the Senate. I hope, however, the Senate will not be misled by pleas of what I believe to be false economy and fail to appropriate for a work in which the whole country is interested and which can not be carried on by any other instrumentality except the Federal Government. It is perfectly apparent that no State could do this work, but the Federal Government doing it every State is bound by the Federal regulation, and the effect is that the regulation is obeyed by all the States, and the certificate of the inspector is sufficient, when properly given, to enable the people in one section to ship cattle to another section and to have it there received.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. CONNALLY. Along that line, is it not true that the Federal Government had finally to step in to do this work? If in the beginning of the tick infestation the Federal Government had not intervened, the cattle industry would have been killed?

Mr. NORRIS. If the Federal Government had remained out of the field, the tick would have covered the country and would have brought ruin to the cattle business; but, regardless of whether one raises cattle or not, he is interested in the item in some way. Everyone is interested in the cattle business; and there would have been absolute chaos if the Government had not stepped into this work. We can not afford to stop it, it seems to me, without there being offered any promise or suggestion that further effort to eradicate the tick will be unnecessary. We may have to continue the work always, and I am inclined to think, in some degree, that we shall be compelled to do so.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Tennessee.

The amendment was rejected.

Mr. McKELLAR. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 79, it is proposed to strike out lines 24 and 25, reading as follows:

For the control and prevention of spread of the gypsy and brown-tail moths, $577,880.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I understood the Senate was going to quit now for the afternoon.

CONNECTICUT RIVER BRIDGE

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2985) granting the consent of Congress to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut created and existing under the provisions of special Act No. 496 of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge across the Connecticut River, which was, on page 2, line 1, after the article "a," to insert "free highway."

Mr. BINGHAM. I ask unanimous consent that the Senate concur in the House amendment.

The PRESIDENT pro tempore. There being no objection, the amendment is concurred in.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. SMOOT, from the Committee on Finance, reported favorably the nomination of Carl Eastwood, of Le Sueur, Minn., to be collector of customs for customs collection district No. 35, with headquarters at Minneapolis, Minn., to fill an existing vacancy.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate a message from the President of the United States submitting a nomination in the Coast and Geodetic Survey, which was referred to the Committee on Commerce.

(For nomination this day received, see the end of Senate proceedings.)

RECESS

Mr. McNARY. I move that the Senate recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, March 8, 1932, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 7 (legislative day of March 2), 1932

COAST AND GEODETIC SURVEY

Jeremiah Streuther Morton, of Virginia, for promotion from aide (with relative rank of ensign in the Navy) to junior hydrographic and geodetic engineer (with relative rank of lieutenant, junior grade, in the Navy) in the Coast and Geodetic Survey, vice B. G. Jones, resigned.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 7, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, in the name of Thine only begotten Son we wait in Thy presence. In Him we have the one perfect example and rule of conduct. When our faith falters and we drift, when our vigilance ceases and we stumble, when temptation is nigh and we face an emergency, in Him we have a refuge. We thank Thee that He belongs to human necessity and to all mankind. He endured the awful night that we might become the children of the day. Sublime was His sorrow that we might have joy unspeakable and full of glory. Bless our country; break down all barriers of unholy and unpatriotic alliances; cast up the way that we shall be able to withstand the rage of malice, the spleen of social hate, and the tyranny of lawlessness. O God, our Father, save the Nation's lost child. Through Christ our Savior. Amen.

The Journal of the proceedings of Saturday, March 5, 1932, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On February 29, 1932:

H. R. 6347. An act for the relief of Neal D. Borum;

H. R. 8163. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Pecatonica River at Harrison, in Winnebago County, State of Illinois;

H. R. 8171. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Kankakee River at Momence, in Kankakee County, State of Illinois;

H. R. 8238. An act to extend the times for commencing and completing the construction of a free highway bridge across the Fox River at Algonquin, in McHenry County, State of Illinois;

H. R. 8250. An act granting authority to the Texas State Highway Commission to maintain and operate, as constructed, a free highway bridge across Trinity River between the counties of Navarro and Henderson, in the State of Texas;

H. R. 8324. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Byron, in Ogle County, State of Illinois; and

H. R. 8327. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across Rock River at Oregon, in Ogle County, State of Illinois.

On March 1, 1932:

H. R. 4145. An act for the relief of Thomas C. LaForge; and

H. R. 4150. An act authorizing issuance of patents in fee to Benjamin Spottedhorse and Horse Spottedhorse for certain lands.

On March 2, 1932:

H. R. 268. An act to excuse certain persons from residence upon homestead lands during 1929, 1930, 1931, and 1932 in the drought-stricken areas.

On March 3, 1932:

H. J. Res. 292. Joint resolution to authorize the Secretary of Agriculture to aid in the establishment of agricultural-credit corporations, and for other purposes.

On March 5, 1932:

H. R. 307. An act to approve Act No. 256 of the session laws of 1931 of the Territory of Hawaii, entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North Kona and South Kona, on the island and county of Hawaii, Territory of Hawaii."

TAX LEGISLATION

Mr. CRISP. Mr. Speaker, I desire to announce that by direction of the Committee on Ways and Means I have just introduced a tax bill, which is H. R. 10236. That releases it to the press. The Committee on Ways and Means will meet at 2 o'clock and make formal report of the bill.

Mr. TILSON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. TILSON. Is the bill introduced as a privileged bill?

Mr. CRISP. It is a privileged bill. When it is reported it will be reported from the floor.

Mr. TILSON. It has not been reported? It is simply introduced in the form in which it is expected to report it?

Mr. CRISP. It has not been reported. I am satisfied the committee will report it at 2 o'clock in the form in which it has been introduced.

CONTROL OF FLOODS ON MISSISSIPPI RIVER

Mr. POU, from the Committee on Rules, submitted the following privileged resolution (H. Res. 167) providing for the consideration of H. R. 4668, a bill to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," approved May 15, 1928, which was referred to the House Calendar and ordered printed:

House Resolution 167

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 4668, a bill "to amend the act entitled 'An act for the control of floods on the Mississippi River and its tributaries, and for other purposes,' approved May 15, 1928."

That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Flood Control, the bill shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill, and any amendments thereto to final passage, without intervening motion, except one motion to recommit.

THE KIDNAPING OF THE LINDBERGH BABY

Mr. NELSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. NELSON of Missouri. Mr. Speaker, my attention has been directed to a statement by the Secretary of Agriculture, who, in replying the Senator ROBINSON of Arkansas, finds fault with me. While my name is not mentioned, the Missouri member of the Cabinet refers by title to an extension of my own remarks in the RECORD on last Friday, when, having in mind the great sorrow that had come to the Lindbergh home and to the entire Nation, I received unanimous consent to insert a brief article from my own pen entitled "Babies and Daddies." It dealt not with baby bonds but with baby boys. In to-day's RECORD, I suspect, there will go copy of an address dealing with baby bonds. Nobody will object, yet the Nation is to-day more interested in baby boys, in one baby boy, than in all the baby bonds that the public can buy.

It is not my thought to at this time find fault with any act or statement of Secretary Hyde, for surely there are two subjects in the discussion of which politics should never enter—childhood and the church. Sincerely do I wish, however, that while the Congress is hoping for the speedy passage of a bill to provide proper punishment of kidnapers, if in fact there is any proper punishment, we might have had Mr. Hyde's complete cooperation rather than criticism of my work. With Senator PATTERSON, of Missouri, and Representative COCHRAN of Missouri leading the fight for this measure, I entertain, perhaps without warrant, the hope that the publication of my little article dealing with father and child love might help. If such is the case, if lads and dads here and there throughout our country are brought closer together, and if others are made to realize the cruelty of the crime of kidnaping, I shall feel amply repaid, despite any criticism from the Missouri member of the Cabinet.

I mentioned the fact that two Missourians, Members of the Senate and House, and representatives from the one State where kidnaping is a capital crime, are in the forefront of the fight for this long-needed legislation. There are other reasons why Missourians, especially, are deeply concerned. It was the plane *The Spirit of St. Louis* that took Col. Charles Lindbergh on his world-famous flight. The Jefferson Memorial Building in St. Louis now contains the most complete collection of Lindbergh trophies. Yes, and when there was born little Charles A. Lindbergh, jr., baby boy for whose safe return every creed and every church now unite in prayer, the home State of the father was given as Missouri.

I should not ask privilege to reply but for the fact that the criticism directed at me by Secretary Hyde leaves the reader in doubt as to the House Member referred to. I wish to take full responsibility. I know the feeling of the people of Missouri, the State where love of little folks has ever been finest and where fatherhood and motherhood have been exalted; State of Gene Field, poet of childhood. I repeat that mine and mine only is the mistake, if by inserting in the CONGRESSIONAL RECORD a reference to the finest of all partnerships—that of father and son—if referring to children instead of corporations, if by extension of remarks not purely political, I have erred.

But I do not believe that the finest sentiments of life are lacking in this House. I know they are not, and I want the Nation to know. All will be the better for that knowledge. It will create confidence when it is known that occasionally we pause to speak of those values not to be measured in money.

Not so many years ago a golden-locked lad came occasionally into this Chamber, so Members then serving have related, and sat by the side of his father, then a Member of this House. The years, not so many in number, went by, and the lad, yet a boy in appearance, but bravest of the brave, and unspoiled by the honors of the world, came again into this Chamber here to receive high honors from a people

proud of his accomplishments. Small wonder is it then that this House, that every Member, has sorrowed with Colonel and Mrs. Lindbergh in their days of indescribable distress.

Tears came to my eyes as I read from the pen of Will Rogers, who, like Charles Lindbergh, is world famous and loved by the home folks, a description of his most recent visit in the Lindbergh home, when the father, all forgetful of fame, got down on the floor and played with his little lad, just as many of us have played with ours.

I have said that sentiment is not dead in this House. I know it is not dead when I think of that Member who on a given day in each year, the anniversary of the going away of his little son, wears a flower in the lapel of his coat; I know sentiment is not dead when I think of the Member who has told me how, hoping to forget in part the grief that came with the passing of his boy, went at the suggestion of his physician around the world, only to come back and find that there are sorrows that time alone can heal; I know sentiment is not dead when I think of that colleague who for years has carried in his pocket a picture of the boy who went away to be with God; I know sentiment is not dead as I recall the devotion and faith of a father, a Member of this House, who, while enjoying a vacation with me on a Missouri lake last summer, learned of the accidental death of his son in a distant State; I know sentiment is not dead when I think of another Member, who for many years and until his aged mother's death, continued the beautiful custom of calling her over long-distance telephone each Sunday afternoon, and at a given hour; I know sentiment is not dead when I think of the grief of one of our own Missouri Members, who only a few days ago stood at the grave of his little grandson, a child he had idolized.

I would have the Nation know that those who have occupied the Speaker's chair, big as they have been, have not been too big to have hearts that are tender. I think of Speaker Champ Clark, big-hearted, beloved Missourian, whose passing was hastened, not by political defeat but by the death of a little grandson, his namesake. I recall the kindly good-by and the hearty good wishes for my own boy as uttered by genial Speaker Nicholas Longworth as at one Christmas time he was leaving the train in a Cincinnati suburb, while I continued on to my Missouri home. Especially happy am I to say that never has the Speaker's chair in this House been occupied by a more generous-hearted, more sympathetic, more human man than JACK GARNER. Proof of this came to me two weeks ago when I was called home by the illness of my own mother. Busy man as he is, the Speaker took time to write a brief letter, in which he expressed love for his own aged mother and the hope that my mother might recover.

Then I know that sentiment is not dead in this House so long as mothers are here. In fact, this sentiment is now stronger than ever before because of the presence of the honored women Members.

It must be that in their grief Colonel and Mrs. Lindbergh have found some satisfaction in the thought that they are not alone, that hearts everywhere beat with theirs, and that while the search for their own little son continues the Congress of the United States is pushing forward legislation designed to make for greater safety for other children. What would they not give to-day to have their child home again, to listen to childish prattle and feel again the tender touch of baby hands! How terrible must have been their sorrow throughout last night with its snow and storm.

I repeat that sentiment is not dead. If it were, we might as well strike from our coins the words "In God We Trust"; lower the flags from this Capitol Building; destroy the original copies of the Constitution of the United States and the Declaration of Independence in yonder Library of Congress; and close forever the gates of Mount Vernon, so that no American might again stand with uncovered head before the Tomb of Washington. For when ends sentiment, then will end the Republic.

If true that extension of my remarks in the RECORD cost $56.20—$56.20 in appreciation of childhood as contrasted with $2,000,000,000 in aid of corporations—I would answer that in all our land there is not one little lad who isn't worth more than that amount, an amount which Colonel Lindbergh would multiply a thousand times if it would but bring back his own precious boy.

FEDERAL KIDNAPING LAW

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech I delivered over the radio on Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a speech delivered over the Columbia Broadcasting System Thursday, March 3, 1932.

Ladies and gentleman of the radio audience, I am indebted to the Columbia Broadcasting system for this opportunity to explain the bill I have introduced making it a capital offense to kidnap a person and move, or cause to be moved, that person from the jurisdiction of the State wherein the person was kidnaped.

I can appreciate why some Members of Congress oppose the enactment of this bill because there is no Member who has more vigorously opposed the efforts to centralize power in the Federal Government than I have. However, we are confronted with a situation that the State police are unable to control, especially along the borders of a State. My own city, St. Louis, being situated on the river that bounds Missouri and Illinois, is an outstanding example.

The class of people engaged in kidnaping and holding citizens and children for ransom are experts in their line. They do not act upon the moment, but for weeks in advance they plan, they prepare, they go into every detail. The seizure of their victim, the selection of the place or places where the victim will be detained, the method to follow in collecting the ransom, as well as the final step of releasing their victim. Nothing is left undone. Every member has his or her part to play and seldom do they make mistakes.

The original States gave to the Federal Government the power to regulate commerce between the States. When a State is admitted to the Union that State agrees to be subject to the Constitution and among the provisions of the Constitution is the right of the Federal Government to regulate commerce. The police powers of the various States are limited to the boundaries of the individual States. In other words, the police of Missouri have no jurisdiction in the State of Illinois. The police of New York or Pennsylvania have no jurisdiction in New Jersey. Knowing this the kidnapers, say, for instance, in St. Louis, immediately upon seizing their victim drive across the Mississippi River to Illinois, for they know that the St. Louis police are powerless to act in that State.

The chief of police of St. Louis, Col. Joseph Gerk, recently testified before the Committee on the Judiciary of the House, and in his testimony he related how he could get no help from enforcement officers in other jurisdictions. He spoke of other States, in which States, he was reliably informed, kidnapers had assembled or were holding their victims. The chief of police did not make the charge, but one member of the committee went so far as to say that in some instances the kidnapers probably had corrupted certain State officers before they started on the job and, at its completion, rushed back to that locality with their victim, knowing that they would be protected. Where there is restriction of authority due to geographical boundaries there develops just such a situation as requires that certain powers now vested in the Government be used if it can be legally done.

Let us take the case of the child of Colonel Lindbergh that is to-day being discussed in every corner of the globe. Here is an instance where such a law as I am asking to be passed could be used most effectively. The child was kidnaped close to the New Jersey border line. Say the New Jersey State police are on the job and have information that the baby is being taken toward New York. They follow the trail, arrive at the State line, and there the jurisdiction of the New Jersey police ends. If we had a Federal law to cover kidnaping, a Department of Justice agent could be called upon to aid the police, and when the State line was reached he could proceed across the boundary, take the pursuing police with him, and follow the criminals. This because the Federal jurisdiction did not stop at the State line. As it is now the pursuing police must stop at the State line. They must contact the local authorities of the adjoining State, who would then take up the trail.

Early yesterday morning the President, through the Attorney General, placed Department of Justice agents at work on the Lindbergh case and instructed them to make every effort to apprehend the kidnapers. Everyone will applaud the action of the President, but I can tell you he acted without any authority of law. I seek to give that authority in my bill.

It is not always Colonel Lindbergh's child that is kidnaped. God knows I would never object to the President taking this action. I commend him even though he had no authority. But yesterday another child was kidnaped, this time in Ohio. What I seek to do is to assure every mother that her child will

be accorded the same attention from the Government of the United States as the President provided in the Lindbergh case.

Dear as this baby is to Mrs. Lindbergh, he is no dearer to her than any other child is to its mother, no matter how humble that mother's station may be.

Would you, who have seen the shadow of death to bring into this world your dear baby or babies, want brave officers stopped at State lines because of red tape, professional jealousy, or for any cause, or do you want a situation where State lines are no barriers? Do you want ferreted out that lowest of all criminals regardless in what State he or his foul companions seek refuge? Of course you do, and that is just what I am trying to do by my bill.

You also want to feel that your husband, your father, yes, even a wife or mother, will not be starved, beaten, possibly killed, because State lines are a barrier to the pursuit.

No one asks that the Federal Government take over the police work of the State; all that is asked that the Congress provide a way for the State police to accompany a Federal agent into an adjoining State so that the criminals may be apprehended. The Federal agent will be in control once the State boundary is crossed. He will have no jurisdiction if the victim remains within the border of the State.

Why, my friends, when the victim is in the hands of the kidnapers they dispatch letters through the United States mails, by special delivery or otherwise, demanding ransom and threatening to do bodily harm to the victim if their demands are not complied with. Think of it, using the United States mails to further their purpose. Why are they so brazen? Because, as I have stated, they are smart; they know there is no Federal law under which they could be prosecuted. They can threaten a juror or witness in a State court through the use of the mails, but are immune from punishment. They can write you a letter and say if you do not meet their demands they will kidnap your child or destroy your home with a bomb. You can have them arrested, but if they have not harmed you or your property they will be released because of the absence of a Federal law making it a felony to send a threatening letter through the mail. As the kidnapers use the mails, I introduced a bill to take care of that situation.

I am pleased to say a House committee reported my bill favorably Wednesday. It is going to become a law, and then if the mail is used for such purposes the sender of the threatening communication can be sent to the penitentiary for from 2 to 20 years and be fined from $1,000 to $5,000. When that bill becomes a law it will be of aid in apprehending kidnapers.

Several of the States have drastic kidnaping statutes, but what use are these statutes if the criminals get beyond the State lines. Of what use are these if New York, New Jersey, or your State can not bring witnesses from one State to another to testify and convict the kidnaper. We all know that the power of the State to compel the attendance of witnesses stops at its State line just as its police are stopped. My bill will take care of this. The criminal can be prosecuted under my bill at the place he seized the baby, the father, husband, mother, or whoever be the victim. He can also be prosecuted in any State he or they passed through in flight with his or their victim. Prosecution can be had at the place of kidnaping or the place of release, or any place between the two; and, best of all, witnesses can be compelled to attend and testify.

The intimidation of witnesses is another important factor. Even after apprehension it is known that friends of the criminals, criminals themselves, make life miserable for those who are to appear before the court. They are known to have subjected witnesses to torture, as one of the witnesses told the committee, such as lowering them down into water, shutting off their wind, showing them rags saturated with gasoline and sprinkling it on the floor, and threatening to put them into vats of lime if they submitted testimony that would injure those under indictment.

I say to you that if these criminals know that the Government will take a hand, and can take a hand, the fear of Uncle Sam will cause them to abandon this lowest of all crimes.

The peace and security of the citizen is guaranteed by the Constitution, and it is the duty of Congress to see that its citizens are secure from attacks of this character.

I predict that the crime wave that has swept the country for nearly 15 years, terminating, you might say, in the foulest of all crimes, that of kidnaping, will start descending from the peak now reached when my bill is enacted.

Never before in the history of our country have the people been so aroused as they are to-day.

As evidence of this I read a telegram just received from the Board of Education of St. Louis:

"The kidnaping of the infant child of Colonel Lindbergh has greatly increased the sense of uneasiness and horror that the country has frequently and increasingly experienced on account of kidnapings. Steps toward the eradication of this crime by the employment of all of the means within the power of the Federal and State Governments is therefore, in our judgment, a measure of paramount importance to our people. We accordingly heartily approve legislation that outlaws kidnaping in the eyes of the Federal law as well as that of the States. We express to you also the hope that the Congress, by accepting this view, will approve the legislation that you have proposed.

"BOARD OF EDUCATION,
"HENRY J. GERLING, *Superintendent.*"

I say when the time arrives that mothers fear to send their children to school, then the time has arrived when thoughts of State rights and centralization of power must be forgotten; then, I say, we must go back to the thought of preservation of the family, the foundation and unit of all government of all civilization.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that on to-morrow, after completion of business on the Speaker's desk, I be permitted to address the House for 30 minutes.

The SPEAKER. The gentleman from Illinois, Mr. RAINEY, and the gentleman from New York, Mr. SNELL, are both present. At the beginning of this session of Congress it was suggested by the Chair himself, and agreed to by the gentleman from Illinois, Mr. RAINEY, and the gentleman from New York, Mr. SNELL, that the better policy is that if Members desire to address the House they should ask unanimous consent on that day; that to ask unanimous consent to speak at some future date may complicate matters. I simply call that to the attention of the gentleman from Illinois, Mr. RAINEY, and the gentleman from New York, Mr. SNELL. It is the province of those gentlemen to conduct the affairs of the House as they see proper.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, I understand that on to-morrow the anti-injunction bill will be taken up; and, if that is so, I hope the gentleman from Alabama will withdraw his request, because there are four hours' general debate on the bill.

Mr. STEAGALL. Mr. Speaker, I will modify my request, although it is not entirely convenient to me. I ask unanimous consent that I be permitted to address the House to-day for 30 minutes. It is possible that I may be able to get along with less time, but I would like time to talk on a banking bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

BLANTON-LA GUARDIA RADIO DEBATE ON PROHIBITION

Mr. FINLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech delivered on last Saturday evening over the radio by the gentleman from Texas [Mr. BLANTON].

Mr. LaGUARDIA. Reserving the right to object, may I ask the gentleman from Kentucky what he intends to do with the other half of the speech? [Laughter.]

Mr. BLANTON. I ask unanimous consent that the remarks of Mr. LaGUARDIA be printed in connection with mine.

The SPEAKER. Is there objection?

There was no objection.

Mr. FINLEY. Mr. Speaker, in accord with unanimous consent granted me by the House of Representatives, I extend my remarks in the RECORD by incorporating the speeches made by Hon. THOMAS L. BLANTON, of Texas, and Hon. FIORELLO H. LaGUARDIA, of New York, last Saturday night over the national coast-to-coast hook-up of the Columbia Broadcasting system:

SPEECH OF HON. THOMAS L. BLANTON, OF TEXAS

Good evening, everybody: The eighteenth amendment is a legitimate part of our Federal Constitution. It is the result of 100 years of prayers, sacrifices, and uncompromising efforts on the part of the fathers and mothers of America. It was passed according to law. Only according to law can it ever be repealed.

In my 11 minutes I hope to convince drys that it should not be repealed. I can't convince wets. Only the omniscient, omnipresent, omnipotent Almighty God can change them.

Just preceding prohibition the United States Senate printed its committee's report in the CONGRESSIONAL RECORD on January 16, 1919, certifying that its Senate investigation of the liquor traffic clearly established that the brewers and distillers had furnished large sums of money to secretly control newspapers, periodicals, primaries, elections, political organizations, legislators, and National and State officials and in exacting preelection pledges from candidates; that the brewers had partly subsidized the public press and authors of recognized standing, had organized clubs, leagues, and corporations to execute their will, had coerced drys and boycotted unfriendly mercantile businesses.

Could there be a stronger indictment? Brewers did all that when they had saloons. They now are doing all that and more to bring back saloons. For inevitably any repeal or return to beer means the return of saloons. Where brewers formerly spent thousands lobbying they now spend millions. They are desperate. They maintain the most powerful, arrogant, expensive, domineering lobby known to history. With the daily help of such wet

organizations as the Association Opposed to the Prohibition Amendment, the Crusaders, the Constitutional Liberty League, the Moderation League, the Federation for Prohibition Reform, and many others, it unfairly attacks, threatens, abuses, ridicules, misrepresents, and attempts to brow-beat and intimidate every dry who dares to oppose it.

President Hoover spent $500,000 on his Wickersham Commission. After months of exhaustive investigation it agreed upon four decisive conclusions, namely:

(1) The commission is opposed to repeal of the eighteenth amendment.

(2) The commission is opposed to the restoration in any manner of the legalized saloon.

(3) The commission is opposed to the Federal or State governments, as such, going into the liquor business.

(4) The commission is opposed to the proposal to modify the national prohibition act so as to permit manufacture and sale of light wines and beer.

Only Monte Lemann did not sign the conclusions. Even he said he did not favor nullification, or leaving the matter to Congress. He said no improvement would result from an amendment permitting light wines and beer, for if the liquor were not intoxicating it would not satisfy. The 10 who signed the conclusions embraced such outstanding Americans as George W. Wickersham, former Attorney General of the United States; Newton D. Baker, former Secretary of War; Judge William S. Kenyon, former United States Senator; and Ada L. Comstock, president of Radcliffe College.

My personal friend, Major LAGUARDIA, who despite his wet views I consider one of the most valuable men in the House, can't by the wave of his hand brush aside the 4 conclusions signed by 10 out of 11 members of the Wickersham Commission, which constitute an unanswerable argument against repeal or return to beer.

The so-called tax expediency of raising revenue is foolish. At most it would be a mere drop in the bucket. Conditions in the liquor countries of Great Britain, France, Germany, and Mexico are far worse than our own. Revenue from liquor tax hasn't helped them. But if liquor taxes would produce a hundred billion dollars annually, it wouldn't balance the loss and ruin that follow in the wake of saloons.

It is said that prohibitionists are religious fanatics. I now quote from the world's greatest agnostic, Robert G. Ingersoll, who while saloons existed said:

"I believe that from the time alcohol issues from the coiled and poisonous worm in the distillery until it empties into the hell of death, dishonor, and crime it demoralizes everything that touches it from its source to its end.

"No one can contemplate the object without prejudice against the liquor crime. All we have to do is to think of the wrecks on either bank of the stream of death, of the suicides, of the insanity, of the poverty, of the ignorance, of the destitution, of the little children tugging at the faded and withered breasts of weeping and despairing mothers, of the wives asking for bread, of the men of genius it has wrecked, and man struggling with imaginary serpents. I believe every thoughtful man is prejudiced against this damned stuff that is called alcohol.

"It cuts down youth in its vigor, manhood in its strength, and age in its weakness. It breaks the father's heart, bereaves the doting mother, extinguishes natural affections, erases conjugal love, blots out filial attachments, blights parental hope, and brings down mourning age in sorrow to the grave. Alcohol produces weakness, not strength; sickness, not health; death, not life. It makes wives widows, children orphans, fathers fiends, and all of them paupers and beggars. It feeds rheumatism, nurses gout, invites cholera, imparts pestilence, and embraces consumption.

"Alcohol covers the land with idleness, misery, and crime. It fills our jails, almshouses, and asylums. It engenders controversy, fosters quarrel, and cherishes riots. It crowds our penitentiaries and furnishes victims for the scaffold. It is the lifeblood of the gambler, the element of the burglar, the prop of the highwayman, and the support of the midnight incendiary.

"It countenances the liar, respects the thief, esteems the blasphemer. It violates obligations, reverences fraud, and honors infamy. It defames benevolence, hates love, scorns virtue, slanders innocence.

"Alcohol incites the father to butcher his helpless offspring, helps the husband to massacre his wife, and the children to grind the parricidal ax. It burns up man, consumes women, detests life, curses God, and despises heaven. It suborns witnesses, nurses perjury, defiles the jury box, and stains the judicial ermine. It degrades the citizen, debases the legislature, dishonors the statesman, and disarms the patriot.

"Alcohol brings shame, not honor; terror, not safety; despair, not hope; misery, not happiness—and with the malevolence of a fiend it calmly surveys its frightful desolation and, unsatisfied with havoc, it poisons felicity, kills peace, ruins morals, blights confidence, slays reputations, and wipes out national honor—then curses the world and laughs at its ruin.

"Alcohol does all that and more—it murders the soul. It is the sum of all villainies, the father of all crimes, the mother of abominations, the devil's best friend, and God's worst enemy."

Ingersoll thus indicted this poisonous serpent, yet the Linthisum-Beck bill seeks to resuscitate it, restore its poisonous fangs, and legalize this deadly enemy to civilization. It must not be.

Wets shed crocodile tears over the army of bootleggers who have been arrested and punished. I want them to visualize the horde of millions of men, women, and little helpless children whom alcohol has cursed, ruined, and damned eternally.

In Wednesday's press Henry H. Curran, president of the Association Against the Prohibition Amendment, which daily stacks our desks with wet propaganda, announced that his organization would support wets and defeat drys. The Crusaders likewise threatened.

May I ask, Just what are the drys in the United States going to do about it? Our heartstrings have been wrung with the mother's appeal of Anne Lindbergh for her boy to be given only what she wants him to have. What her boy is to her, just that much is every other American boy to his mother. They have the inherent right to demand that alcohol by law shall not be given their sons. Whither are we drifting? Isn't it about time that fathers and mothers should awake? Isn't it about time for them to again put on their armor? The enemy is again before us. Let the bugle sound. Heads up! Eyes front!

This repeal measure must be defeated March 14. It can be defeated if fathers and mothers everywhere will ask their Congressman to vote against it and assure them of their gratitude. I have been ridiculed, harassed, and threatened for making a dry fight. If it causes political defeat, I accept my medicine. With respect to candidate or party, I happen to remember: For what does it profiteth if you gain the whole world and lose your soul?

SPEECH OF HON. FIORELLO H. LA GUARDIA, OF NEW YORK

You have just heard the Hon. THOMAS L. BLANTON, who is a sincere dry and the outstanding champion of the cause in the House of Representatives. He is always forceful, but always fair.

Prohibition, after 12 years' trial, does not present a question of liquor but one of law and order.

The only way to know whether or not the majority of the American people are for or against prohibition is to give them an opportunity to express themselves on the issue. The only way to give the American people this opportunity is to provide for a constitutional amendment. Congress has before it in the House of Representatives a resolution on the question of prohibition to be submitted to the several States. The so-called Beck-Linthicum resolution will come before the House on March 14. The first vote will be whether or not the House will consider the resolution. That requires a majority vote. If the House decides in the affirmative, the next vote will be on the resolution, which will require a two-thirds vote. It would then go to the Senate. If it is passed there by a two-thirds vote, it is submitted to the several States for ratification by State conventions. That means that each State would elect delegates to a State convention on that issue and that issue alone. If the conventions of three-fourths of the States ratify this resolution, it would then become a part of the Constitution. This is the only way that our Constitution can be amended.

The resolution does three things: (1) Repeals the eighteenth amendment; (2) places the regulation of the traffic of liquor under the jurisdiction of the Federal Government; and (3) permits each State to decide for itself; fully protects States that desire to be dry. In fact, States sincerely desiring to be dry will have a great deal more protection under the system proposed in this constitutional amendment than they have to-day, or had even before prohibition. The sponsors seeking a repeal of prohibition have no desire to force liquor on any State that desires to be dry. This is quite in contrast to existing conditions where a few small States are forcing the continuance of prohibition on a great many of the larger States. It is too late now to argue the theoretical benefits of prohibition. That was quite proper before nation-wide prohibition was tried. At that time the hope was expressed that national prohibition would bring about nation-wide sobriety and ban forever the use of liquor. We have had 12 years' experience with national prohibition. There can be no honest difference of opinion as to existing facts.

The universal disregard of the law, the hundreds of thousands of speak-easies, the thousands and thousands of illicit stills, the enormous traffic in liquor, its presence in the homes, at parties, in the offices, in clubs, on the links, at conventions, and everywhere where men and women gather is so prominent and open as to make further comment unnecessary. The thousands of cases of violations of the law and the thousands of cases of convictions, of which the drys boast, are not indicative of the success of the law, but of its failure. Of course, all laws are violated; that is nothing new. In 1930, according to the boast of the Prohibition Department, 63,177 arrests were made by the Federal officials for violation of the law and no less than 30,108 persons received jail sentences, averaging 224 days each, or a total of 14,151,648 days in jail, or 38,771 years of imprisonment in addition to 36,341 persons being fined, with total fines of $5,606,326.

Now, assuming that the department's record is so high as to have arrested 1 in every 20 violators of the liquor law—and the average, of course, is nearer one in a thousand—even on this ridiculously low assumed average it indicates that over 1,263,000 people were actively engaged in violating the prohibition laws. These persons are in business and violating the law because of the demand for the liquor they sell. That being so, as small a list of customers as anyone desires to choose for each person so engaged will indicate that the market for liquor is enormous, in quantity as well as in number of customers. If prohibition had been a success in the 12 years it has been tried out, there would be no demand for liquor. If there were no demand for liquor there would not be the thousands and thousands of cases of violation of the law.

Prohibition has artificially created a crime that can not possibly be committed, in so far as the sale of liquor goes, unless for every

ounce sold there is some one on the other end of the bar or on the receiving end of the bottle. The amount of liquor consumed in the United States requires an organized industry of the largest magnitude. Its turnover runs into hundreds of millions of dollars. Let us not conceal actual conditions and real facts in considering this problem. This enormous traffic could not possibly be carried on without the knowledge, if not the connivance, of public officials—Federal, State, county, and local. Such a condition is demoralizing to good government. This enormous industry is now in the hands and under control of a criminal element. Some are natural criminals, others are criminals so made by the law. Every country trying prohibition has had the same experience. This proves that customs and the appetites and morals of people can not be legislated. Every country that has tried prohibition has repealed it except the United States.

Before prohibition the traffic in liquor was under Government control. It is now under the control of the machine gun. The Federal Government is spending over $70,000,000 annually in an attempted enforcement, including the Prohibition Unit, the Industrial Alcohol Bureau, the Coast Guard, the border patrol, courts, and penal institutions, and is seemingly helpless and ineffective.

I leave it to every listener and fair-minded person whether the millions we are spending and the hundreds of millions of dollars spent since the enactment of prohibition have brought about even a semblance of enforcement. At the same time over $500,000,000 of taxes which should go into the Treasury of the United States are now going into the pockets of the racketeers. The United States Government has a deficit, while the racketeers are operated with a surplus. The United States Government has the law and the bootleggers have the liquor monopoly. Every effort has been made by the sponsors of prohibition to force this law on the people of the United States. Its enforcement has been tried under four different bureaus. In addition to creating a naval police, with cruisers and cannons, such as has never been seen in the history of the world, all that has been accomplished is increased cost to the taxpayers and several international complications.

We are confronted with a condition and not with a theory. It is no longer a question whether prohibition might be good, because we have had the opportunity of observing it for 12 years. We know it has been a complete failure. We have learned that it is not a question of temperance, because prohibition has not been conducive to temperance. The best test of the success of prohibition is to take the children who were from 8 to 15 years of age 12 years ago, when prohibition went into effect, and who to-day are from 20 to 27 years old. If prohibition had been a success this group of our citizenry would have no desire, no taste for liquor, and if that were so there could be no argument against prohibition. It is this very group of our citizenry between the ages of 21 and 27, who have grown up with prohibition, that know all about it and are strong for its repeal.

There can be no honest criticism or even opposition to the program of the so-called wets to resubmit to the American people the reconsideration of the eighteenth amendment. All that we ask is to have the people express themselves in each State as to whether or not they desire to continue under prohibition as now enforced, or whether or not they believe that liquor should be taxed and that it should be under Government control. If the people of any State desire to be dry, they would have a constitutional right to so provide. The difference under our proposed amendment to the Constitution and the existing eighteenth amendment is simply this: That the Constitution will be so amended that no American citizen will be compelled to take a drink against his will and the Constitution will be obeyed and respected. Under the existing eighteenth amendment all American citizens are prohibited from taking a drink, regardless of their desire, and most of them disregard or ignore the Constitution. If it was proper to submit this question to the American people before we knew how nation-wide prohibition would work out, I submit that, in all fairness, it is proper that we submit this question now, after 12 years, when we know what prohibition means.

CLOSING SPEECH OF CONGRESSMAN BLANTON

The radio audience has just listened to the smartest "wet" in the United States. In spite of his wet views, I deem my friend Major LAGUARDIA one of the smartest men in the United States Congress.

In one breath he tells us that the law is unenforceable and in the next breath he asserts that in 1930 Federal officials arrested over 63,000 violators, of whom over 30,000 received jail sentences averaging over 224 days each, and that over 36,000 other persons were fined total fines of $5,600,000. His admissions prove that the law is being enforced, even though it is not enforced so well as we might wish.

Just how are Major LAGUARDIA, a Republican leader, and other Republicans, going to get around the mandate of their party when they vote for repeal on March 14. Their Republican platform after citing George Washington and Abraham Lincoln about the sacred obligation to obey and enforce the Federal Constitution, referred to the eighteenth amendment, and said:

"The Republican Party pledges itself and its nominees to the observance and vigorous enforcement of this provision of the Constitution."

Both Major LAGUARDIA and Mr. BECK are "nominees" of the said Republican Party, and are bound by its mandate, until it has another convention and writes a different platform.

And just so Mr. LINTHICUM and I are bound, for in the 1928 convention at Houston, after properly rebuking the Republican Party for failing properly to enforce the eighteenth amendment, the Democratic Party placed in its platform this plank:

"Speaking for the national democracy, this convention pledges the party and its nominees to an honest enforcement of the eighteenth amendment and all other provisions of the Federal Constitution and all laws enacted pursuant thereto."

As we, BECK and LINTHICUM, LAGUARDIA and BLANTON, have thus bound ourselves by party pledges, just so shall we remain bound. I thank you.

FEDERAL RESERVE SYSTEM

The SPEAKER. The gentleman from Alabama [Mr. STEAGALL] is recognized for 30 minutes.

Mr. STEAGALL. Mr. Speaker, I had not intended to submit my request to speak at this hour, and I find myself without some of the papers and some of the figures and information which I had expected to use in connection with what I desire to say. I shall ask that I be not required to follow strict rules in correcting my remarks, so that I may include some figures that I may not attempt to use off-hand.

Mr. BANKHEAD. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BANKHEAD. Will my colleague also request that he be not interrupted until he can make his main speech?

Mr. STEAGALL. I will add that I hope Members will not interrupt me until I can cover the main points that I wish to discuss, but I shall be glad to yield before I conclude.

A great deal is being said with reference to hoarding and to the hiding of currency due to the difficulties that have come upon the banking system of the country. I have on my desk a bill which I expect to introduce this afternoon and which it was my purpose to have introduced before discussing it. I offer it for consideration and for the criticism of Members of the House who are interested.

The figures disclose that of the thousands of bank failures from which the country has suffered in recent years, and especially during the past two years, something like four-fifths of the failures have occurred among small banks.

We find ourselves in the distress that results from the closing of thousands of banks, and we are in a situation, as far as the national banking system is concerned, where people are no longer willing to invest their money in the capital of banks. Nobody wants to risk money in the capital stock of national banks, one important reason being that an investor in such capital is always afraid of the double liability resting upon stockholders. Worse than that, we are advised upon the highest authority that $2,000,000,000 are now idle and in hiding, because the citizens of the country are afraid to trust their money on deposit in banks.

This situation is one of profound concern to the people of the Nation and to all who are charged with official governmental responsibility. I do not believe we shall witness a revival and recovery of business so long as this condition continues. We passed the Reconstruction Finance Corporation bill to afford temporary relief. We passed the recent bill liberalizing Federal reserve bank credit to meet the temporary emergency. Both will help; but we shall fail in our duty unless we find and furnish an adequate remedy along permanent lines.

The breaking down of our smaller banks did not just happen. It has been brought about as the result of conditions, in part, which nobody could have foreseen or did foresee, but also in part by the unwise, unnecessary, and unjustified strangling processes that have been turned on through the operation of law and through the administration of the Federal reserve system and the larger banks of the country. [Applause.]

I want to review very briefly some of the difficulties under which the smaller banks have labored during recent years. Prior to the passage of the Federal reserve law banks which carried their balances with their city correspondent banks were permitted to collect an interest return on those deposits. Under the Federal reserve law balances carried with the Federal reserve banks do not pay any return to their member banks. Prior to the passage of the Federal reserve law, banks—and I am speaking now mainly from the standpoint of the smaller banks of the country—were permitted to charge for the service rendered by them in remitting

checks drawn upon time. The Federal reserve banks attempted to take away that right from all member banks. The better thought and the better legal judgment upon the proposition was that the Federal reserve banks were without authority to exact that service at the hands of their member banks without remuneration. The banks in many instances declined to render the service without pay.

It happened in some cases that the Federal reserve banks would accumulate a large number of checks and send them out by express, and in some instances that were called to the attention of the Banking and Currency Committee of the House they were sent out by two men with Winchesters, in automobiles, and laid on the windows of small banks and the cash demanded of them at one time.

While that controversy was on we had a bill that was sent over to the Senate from the House. The bill was sent to conference. The gentleman from Pennsylvania [Mr. McFADDEN], who is here now, offered a resolution in the House to instruct the conferees to agree to an amendment of the Senate, which provided that nothing in the Federal reserve law should be construed to authorize the Federal reserve banks to practice that hardship upon their member banks—the requirement that member banks should render the service of remitting checks without charge. The House adopted a conference report which, and as it turned out as later interpreted, nullified the instructions the House had given its conferees.

So we found ourselves in a situation where the Federal reserve banks had specific authority to require that service at the hands of the small banks of the country without compensation. These banks had been realizing substantial sums for this service.

The small-bank officials will tell you, if you will ask them, that they were enabled very often out of the charges for remitting checks to meet the overhead operating expenses of their banks. Prior to the Federal reserve law banks that are now members were accustomed to collect interest on deposits or balances kept with correspondent banks. Federal reserve banks pay member banks nothing on such deposits.

I might go along for some time before I should be able to review fully the difficulties of the smaller banks that have grown out of the exactions and requirements that have proven destructive.

Let me hasten, however, to refer to the measure which I am introducing to-day. The bill provides that no national bank shall be chartered with a capital of less than $50,000 and a surplus amounting to 10 per cent of the capital. That is intended to cure what has been regarded by many well-informed persons as an unsound provision of the national banking law, and which has resulted in the organization of too many banks not properly equipped in point of capital to justify taking over the deposits of a community, often many times the amount of the capital of the banks. Under the bill stockholders would be relieved of the double liability now imposed upon them. Of course, this would only apply to banks hereafter organized.

The bill further provides that member banks of the Federal reserve system shall be permitted to make a reasonable charge, not exceeding one-tenth of 1 per cent, for the service rendered by them in remitting checks.

The bill provides that half of the earnings of the Federal reserve system accruing after paying the 6 per cent return on the capital of their member banks and setting aside the 10 per cent required under the law for creating a surplus fund shall be returned to the member banks on the basis of their capital stock. [Applause.]

This legislation is now favored by many of the Federal reserve bank officials and by many men in the banking world who have heretofore been against its passage.

I have introduced such a bill for 10 years or longer session after session, and I call your attention to the fact that the directors of the Boston Federal Reserve Bank at their last meeting prior to the death of Governor Harding indorsed that bill. I think it will now be welcomed on every hand.

I wish to discuss now what I regard as the most important feature of the bill, and that is the provision which is designed to afford a guaranty system for deposits in banks that are members of the Federal reserve system. [Applause.]

In that connection I will say that session after session for 10 years I have introduced a bill requiring the Federal Reserve Board, under their own rules and regulations, to set aside and use the earnings of the Federal reserve system for the accumulation of a fund out of which to pay depositors in member banks that become insolvent.

Let me say in that connection that the original Federal reserve law, as it passed the Senate, embraced a provision for setting aside a portion of the earnings of the Federal reserve banks for the purpose of guaranteeing deposits in member banks. That provision went out of the bill in conference, and it went out upon one argument, and one argument alone. The argument was that the Federal reserve system was not to become a money-making institution, and would not accumulate sufficient earnings to carry the burden imposed by a requirement for guaranteeing deposits in member banks.

I do not criticize anybody who held the view that it was not wise to have the Federal reserve banks undertake this service at the outset, but it turns out that the opponents of this provision were mistaken in their contention and in their views of the matter. The records show that the Federal reserve banks have made net profits of more than one-half billion dollars since the system was inaugurated. To be exact, the figures show these profits to be $526,176,231 down to 1931. They have paid into the Federal Treasury $167,000,000 as a franchise tax, which they did not owe.

The provision for paying a franchise tax was simply put in as an automatic piece of machinery by which to take over any profits that might be accumulated above the dividends to be paid and the surplus fund provided for in the law. After paying the franchise tax they have now something like $275,000,000 of surplus.

This enormous net profit has been made by these banks above expenditures on buildings and in personnel and in various activities with which the House is familiar and which have been the subject of discussion and criticism in Congress from time to time since the passage of the Federal reserve law.

Let me say this: The Federal reserve system of banks has made in one year, repeatedly, more than $50,000,000 of net earnings.

Now, could they have carried the burden imposed by the Senate amendment requiring that the system take care of deposits in insolvent banks? Could they? Let us see. The records show that from the time of the enactment of the national banking law down to the year 1925, a period of over 60 years, the total net losses of depositors in national banks were about $45,000,000. Something like three-quarters of a million dollars annually would have paid the losses to depositors in member banks for the first 60 years of the operation of the national banking law of this country.

The figures show that the total losses to depositors in national banks and in all member banks from the foundation of the national system down to 1930 amount to only $82,000,000.

Since 1930 we have had an unprecedented wave of bank failures. It is not possible that the net losses to depositors in banks that are members of the Federal reserve system could amount to more than 25 or 50 per cent of the total deposits. This is putting it in its worst possible light. Calculated over a period of years the losses of depositors is not enormous. They are surprisingly trivial.

Mr. HARLAN. Will the gentleman yield for a question at that point?

Mr. STEAGALL. Let me proceed a little further, and then I shall be pleased to yield.

The bill which I have prepared provides for the creation of a board to consist of the Secretary of the Treasury and the Comptroller of the Currency and three members to be appointed by the President and confirmed by the Senate,

who shall take over the liquidation of banks that are declared insolvent.

The board is authorized to use the fund of $167,000,000 that has been paid into the Treasury of the United States in the form of a franchise tax by the Federal reserve banks.

And I may say in this connection that this money, in good conscience, in common honesty, belongs now to the banks, out of which it was made. That is where that fund properly belongs. [Applause.]

The bill provides for the use of this fund of $167,000,000, and it provides for taking over by the board of the $150,000,000 of the surplus now in the hands of the 12 Federal reserve banks. In addition to this, provision is made for an assessment of an additional $200,000,000 upon the deposits of member banks, pro rating it so that time deposits pay their proportion in accordance with the amount of such deposits as related to demand deposits.

Under this provision the board would have $517,000,000 with which to begin its operations, and, strictly speaking, fairly interpreted, not one dollar of that fund comes out of the Treasury of the United States. All of it is money made by the Federal reserve system and some of it out of banks that have found themselves unable to carry on under adverse conditions because of scant earnings.

The bill does not provide for a fund in excess of the amount that has been earned down to this hour by the Federal reserve banks out of their member banks. So that under the bill the banks are carrying their own burden, discharging their own obligations, and discharging an obligation that common honesty suggests they ought to discharge. This money was made out of member banks and the assets of member banks rest upon their deposits. That is where the banks get their money.

Now, the bill provides that when a bank becomes insolvent and is certified by the Comptroller of the Currency to the board as an insolvent institution the board takes it over for liquidation. Of course, the board would avail itself of the experience and good judgment of the comptroller and his force of trained officials.

First, the board would appoint one man, the stockholders would appoint one man, the depositors would appoint another, as a committee to examine the assets of the bank, determine their value, and to estimate the possible loss of the depositors of the bank. The board would be allowed 30 days for this appraisal, and then 60 days from the time the bank is closed the board would make a payment to the depositors. Under the provisions of the bill, the first payment would be not less than 50 per cent of all individual deposits that do not exceed $1,000. On all other deposits they would pay only 25 per cent, except where 25 per cent amounts to less than $500, and in that case they would pay depositors the amount of $500.

Six months later the board is required to pay not less than an additional amount of 25 per cent to general depositors, and the remaining 50 per cent due depositors whose individual deposits do not exceed $1,000. Six months later the board is required to pay an additional 25 per cent to all depositors. After the expiration of an additional six months the board would pay all depositors in full and take over whatever assets that might remain. Such assets would be disposed of for the benefit of the guaranty fund.

Now, the record shows that this fund would be sufficient.

It is inconceivable that it would not be sufficient to pay off the depositors of any ordinary bank that might be placed in liquidation.

But somebody says, "Oh, you will have a big bank failure, and you will not be able to take care of it." First, 60 days is allowed before the board pays anything. During that time, if necessary, the board can sell off some of the liquid assets, and collect some of their bills. Banks always have some cash on hand, so at the end of 60 days they have available cash and liquid assets to meet the initial installment. At the end of 6 months—which gives 8 months from the time a bank closes—the board is required to pay a second installment, and so again the board may wait 6 months to pay the third installment and again 6 months to pay the fourth installment; so if the board finds it advisable they may wait 20 months to make the final payment to depositors.

Now, somebody says that this bank guaranty will not work, that it has been tried in several States and it failed. Let me say that the man who makes that argument has never given much thought to the subject. That is the answer I desire to make to that argument because nobody can seriously contend that the failure of a few State banks in one State, depending on the vicissitudes of business in one State with a few small State banks with limited resources to carry on a successful guaranty system, bears any proper relation to the ability of the great Federal reserve system of this country to render such a service——

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama may have 10 minutes more.

The SPEAKER. Without objection, it is so ordered.

Mr. STEAGALL. The fact is that the guaranty plan in the States that tried it has not fallen down so completely as many have been made to believe; those efforts have not proven so unfortunate as we have been told.

There are more people in the United States interested in this legislation to-day than some of us realize. Do not think that the people do not know what is the matter with our banking system. They understand that citizens have reached the point where they are afraid to risk deposits in banks. Take the men in this House who are interested. I see my good friend, Mr. MCCLINTIC of Oklahoma, a Member long interested, and other able Members. Those most interested in this subject and most favorable to legislation of this kind are from States that have tried guaranty plans. They are the strongest advocates of a guaranty system to be found in this House. Several of these gentlemen have introduced bills on the subject.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes; in a moment. The failure of some of these States to maintain a successful system does not answer the question of whether the great Federal reserve system of this country with its vast resources can do it, when the records show that they can, and when in all fairness and common honesty they ought to be made to do it. They should be required to do it, because they made these enormous profits out of their member banks, and the assets of member banks rest upon deposits of the citizenship of the communities where these banks are located. I yield to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. I have introduced a bill that goes to the root of this evil and that will correct it. The bill requires every bank to guarantee its own individual deposits. That will restore confidence, and I challenge the attention of the Banking and Currency Committee and the Members of this House to that plan. We guarantee now city funds and State funds and school funds and all other kinds of public funds. Why not make each bank stand on its bottom and guarantee deposits up to a certain amount? In my bill I put it at 25 per cent of the individual deposits. That will reach the evil and will restore confidence and bring the money out of hiding.

Mr. STEAGALL. The gentleman has made a suggestion the purpose of which I heartily approve. I will say, however, that, in my judgment, the individual banks of the country can not carry the burden. It is not possible. Many of them have found it difficult already to remain open and keep in a state that will enable them to respond to the demands of their depositors. If you require the small individual bank now struggling against adverse conditions which exist to-day to guarantee its own deposits, you will find many of them unable to afford the guaranty, and when they can not, and others do, banks that could not give the guaranty would find themselves in such a situation that they would soon lose the confidence of the depositing public completely and have to close their doors.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. LAGUARDIA. When the word goes out this afternoon that the chairman of the Banking and Currency Committee of the House of Representatives has announced that he has introduced a bill and that the committee will consider its provisions to guarantee depositors of banks, it will do more to stop hoarding than all of the appeals made to-day by officials, directly and indirectly, can possibly do. [Applause.]

Mr. STRONG of Kansas. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. STRONG of Kansas. I understand the gentleman's bill has just been introduced.

Mr. STEAGALL. I am introducing the bill to-day.

Mr. STRONG of Kansas. Does the guaranty of deposits go so far as to guarantee deposits in small State banks?

Mr. STEAGALL. Oh, no.

Mr. STRONG of Kansas. Well, will not this kind of a bill destroy some of the small State banks? Will not it put them out of business if their deposits are not guaranteed?

Mr. STEAGALL. No.

Mr. STRONG of Kansas. I would like to have the gentleman think about that.

Mr. STEAGALL. I shall be glad to answer the gentleman's question, and if he is solicitous for a system that will embrace State banks I will join hands with him if he will get the support for it that he should be able to get to enable us to enact it into law. But we can make progress only by degrees, and we have not jurisdiction over State banks. All we can do is first to set up a common-sense system for the National banks and State banks that are members of the Federal reserve system, and when we do it, it will be only a question of time before State banks will find themselves in a situation where business prudence and common-sense management demand that they put themselves on a basis of equality with their competitors in the Federal reserve system. They will be thronging the Federal reserve system of this country asking for admission, and the law provides that all shall be admitted whose admission would make it advantageous to the Federal reserve system to have them as members.

Mr. STRONG of Kansas. I agree; but in the meantime I do not want to see the State banks fail.

Mr. SHALLENBERGER. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. SHALLENBERGER. I came in just as the gentleman was addressing the House.

Mr. STEAGALL. I knew of the gentleman's deep interest in this matter and of his thorough understanding of the problem. I appreciate his efforts in that connection. When I came into the House to-day I asked permission to address the House on this subject to-morrow. The suggestion was made that there was other business of an urgent nature on the calendar to-morrow and that I should make my request as of to-day in order to get time. That is the only reason I did not notify the gentleman and many others here who are interested in this subject, so that they could all be here when I began.

Mr. SHALLENBERGER. I have a bill before the gentleman's committee, as has the gentleman from New York [Mr. LAGUARDIA], and we are asking for a hearing. I am, of course, glad to have the gentleman take this matter up. I delivered a speech on the subject. From all over the country, from almost every State in the Union, I have had letters in response to that speech from bankers, showing their intense interest in this matter.

I congratulate the House and I congratulate the committee, and I shall support the bill.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. McCLINTIC of Oklahoma. Can the gentleman assure the House that hearings will be held on his bill in the very near future?

Mr. STEAGALL. It is my purpose and intention to make the suggestion to the Committee on Banking and Currency that at the earliest day possible we shall begin consideration of the bill.

[Here the gavel fell.]

Mr. McCLINTIC of Oklahoma. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama be allowed to proceed for five additional minutes.

The SPEAKER. Is there objection?

Ther was no objection.

Mr. McCLINTIC of Oklahoma. I am in hearty accord. I do not believe we can pass any other measure that will more quickly restore confidence of depositors in banks. I had this in mind when I introduced such a bill many, many years ago, and it was said to be the first bill ever introduced relating to this subject.

Mr. STEAGALL. In my judgment—and I have given a great deal of thought to this subject, and I have heard it discussed often by many men of splendid ability, both for and against—it is idle to talk to the people of this country about putting their money in banks in the present state of fear entertained by the public. Any banker who goes to another banker to obtain funds, even for 30 days, with a specific purpose in mind and a specific date on which it is to be returned, is confronted with a demand that he put up two or three or four or five times the amount he desires to borrow in securities before the banker will trust his fellow banker for 15 days or 90 days with the funds of that bank. I read in the paper this morning where a member of the Reconstruction Finance Corporation Board addressed the people of the country and urged them to trust the banks, to put their money in the banks so that the money might get into useful activities and into pursuits that will tend to revive business and to restore normal conditions in commerce and industry; but that very gentleman to-day—and I am not criticizing him, for that is his duty—when an application for an emergency loan comes before that board will be demanding collateral security from three to five times the amount loaned that is sound and adequate before he will loan one dollar to the bank.

Yet we talk to the citizenship of the country about placing their money into banks in order to prevent hoarding. The truth of the matter is the banks are doing the hoarding. I do not censure them. The officials should remember their obligations to their depositors. They are in a situation where they should not be blamed. It is all that is left for them to do. They dare not turn their money and liquid assets into business activities at a time like this. Let citizens know that when they place their earnings in banks that are supervised by the Government; in banks that bear on their doors the words "national bank," "member of the Federal reserve system," "Government depository"—banks above which floats the flag of the United States; that they will be able to get them back upon demand; that they may trust the deposit slip of such an institution as they would a Government bond. When we do that we will stop hoarding, and when we stop hoarding we shall have started on the road that leads to a revival and recovery of business in this country. [Applause.]

CERTIFICATE OF ELECTION

The SPEAKER laid before the House the following communication, which was read:

WASHINGTON, D. C., *March 7, 1932.*

Hon. JOHN N. GARNER,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: From the Governor of the State of Georgia I have received the certificate of election, in due form of law, of Hon. W. CARLTON MOBLEY, as a Representative elect to the Seventy-second Congress to fill the vacancy in the sixth congressional district of that State caused by the death of Hon. Samuel Rutherford.

Yours very truly,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

MUD RIVER, A NONNAVIGABLE STREAM

The SPEAKER. This is Consent Calendar day.

The Clerk will call the first bill on the Consent Calendar.

The Clerk called the first bill on the Consent Calendar, H. R. 5865, declaring the Mud River in the State of Kentucky a nonnavigable stream.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CHEVY CHASE CIRCLE

The Clerk called the next bill on the Consent Calendar, H. J. Res. 152, for the improvement of Chevy Chase Circle with a fountain and appropriate landscape treatment.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I have received some complaints on this bill, which I am looking into, and I ask unanimous consent that it be passed over without prejudice.

Mr. BOYLAN. Our colleague is absent on account of work connected with the Bicentennial Commission, but I do not know of any objection to the bill.

Mr. LAGUARDIA. I have some objections, and I want to talk them over with the gentleman from New York.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. LAGUARDIA]?

There was no objection.

AMENDING NATIONAL PROHIBITION ACT

The Clerk called the next bill on the Consent Calendar, H. R. 258, to amend sections 22 and 39, Title II, of the national prohibition act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, I object.

Mr. BOYLAN. Mr. Speaker, I object.

Mr. FITZPATRICK. Mr. Speaker, I object.

PORTRAIT OF FORMER PRESIDENT CALVIN COOLIDGE

The Clerk called the next business on the Consent Calendar, S. J. Res. 75, authorizing the Joint Committee on the Library to procure an oil portrait of former President Calvin Coolidge.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

Mrs. KAHN. Mr. Speaker, reserving the right to object, I would like to offer an amendment to that resolution, that the work be done by an American artist.

Mr. LAGUARDIA. Will the gentleman from Illinois accept that amendment?

Mr. KELLER. Oh, yes.

The SPEAKER. Permission to consider the joint resolution has not yet been given. The time for offering amendment has not arrived.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, unless the amendment is accepted, I shall object.

Mr. LUCE. It will not be.

Mr. LAGUARDIA. Mr. Speaker, the gentleman from Massachusetts, former chairman of the committee, states that the amendment would not be accepted. Therefore I shall object.

Mrs. KAHN. Mr. Speaker, I would like the amendment to go into the RECORD, if possible.

Mr. LAGUARDIA. Reservation of objection has been made. The gentlewoman from California offers an amendment which provides that this work should be done by an American artist.

Mrs. KAHN. A citizen of the United States. It seems to me there is entirely too much of that kind of work being done by foreign artists. We have just as good American portrait painters in this country. Mr. Speaker, I ask unanimous consent that the amendment which I desire to offer to this joint resolution may be read for the information of the House.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the amendment for the information of the House, as follows:

Amendment offered by Mrs. KAHN: In line 6, strike out the period, insert a comma and the words: "*Provided*, The artist so engaged be a citizen of the United States."

The SPEAKER. Is there objection to the present consideration of the joint resolution, with the inclusion of the amendment offered by the lady from California?

Mr. KELLER. Mr. Speaker, I have just received a telegram from the gentleman from Kentucky [Mr. GILBERT], the chairman of this committee, saying he has been hurt in an automobile accident, not seriously but painfully, and that is the reason he could not come here this afternoon. He asked me to take charge of these bills, and in view of this old discussion, as I understand it to be, I ask the lady from California and the gentleman from New York to permit this joint resolution to be passed over without prejudice until Mr. GILBERT'S return.

The SPEAKER. Is there objection?

There was no objection.

WITHDRAWALS OF PUBLIC LANDS

The Clerk called the next bill, H. R. 8087, authorizing the Secretary of the Interior to vacate withdrawals of public lands under the reclamation law, with reservation of rights, ways, and easements.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this is a most important bill. The Committee on the Public Lands will have the call in a week or so, and therefore I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

BRIDGES ACROSS THE FOX RIVER

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the next two bridge bills on the calendar, H. R. 8236, granting the consent of Congress to the State of Illinois to reconstruct a free highway bridge across the Fox River at Geneva, in Kane County, State of Illinois, and H. R. 8237, granting the consent of Congress to the State of Illinois to construct a free highway bridge across the Fox River, 5½ miles south of McHenry, in McHenry County, State of Illinois, be passed over without prejudice.

The SPEAKER pro tempore (Mr. BANKHEAD). The gentleman from Wisconsin asks unanimous consent that the next two bills on the calendar be passed over without prejudice. Is there objection?

There was no objection.

AMENDMENT OF THE COMPENSATION ACT

The Clerk called the next bill H. R. 92, to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I wish to inquire of the author of the bill as to the maximum pension paid to any disabled volunteer soldier by reason of disabilities which are similar to disabilities suffered by those who are in civilian employment?

Mr. BURDICK. I can not say officially, but I think it is $90.

Mr. LAGUARDIA. In addition he gets his allowance. He gets about $150, I think.

Mr. BROWNING. One hundred and fifty dollars, and $200 for a double permanent disability.

Mr. LAGUARDIA. Then he will get his insurance?

Mr. STAFFORD. The insurance feature is out of the question entirely. This only relates to the compensation and where he has a disability that requires the constant attendance of another person.

Mr. LAGUARDIA. He would get $230.

Mr. BROWNING. If he has a double total disability.

Mr. STAFFORD. I notice from the reading of the report that the chairwoman of the Compensation Commission was not desirous of taking the responsibility that would be conferred on the Compensation Commission under the authorization in the bill when introduced. A reading of her letter leads me to believe that she did not want to assume the responsibility of determining when these unfortunates require the services of an attendant.

Mr. BURDICK. I do not so read it.

Mr. STAFFORD. The very purpose of her amendment is to excuse the commission—and they have not so much to do—from the responsibility of ascertaining when this additional $50 allowance should be given. She says in her letter of three years ago—nearly four years now:

> The difficulty in providing an additional sum for those who need an attendant is that a majority of persons totally disabled will believe that they are entitled to an allowance if the law is not definite and specific as to the classes of cases covered. It may be readily admitted that a person who is totally blind, or a person who has lost both hands, or one who is paralyzed so as not to be able to walk, is in actual need of constant aid and assistance in order to be properly taken care of. When it comes to conditions which involve total disability, but the injured one is usually able to care for himself, it would be difficult to determine to what extent, if any, the service of an attendant is necessary.

Mr. BURDICK. That is a criticism of the first bill I put in. Then they suggested an amendment, which I have recently introduced.

Mr. STAFFORD. They suggested an amendment for the sole purpose of being relieved of the responsibility of determining the cases where an actual attendant is necessary in certain described cases.

Mr. LAGUARDIA. Oh, no.

Mr. BURDICK. Yes; that is true.

Mr. STAFFORD. The author of the bill agrees with me. I have read the bill very carefully and the gentleman from Rhode Island [Mr. BURDICK], who has given this bill much study, agrees with my contention.

Mr. BURDICK. Absolutely.

Mr. BLANTON. Is this a sham battle that is going on here?

Mr. STAFFORD. Oh, no; far from it. We are trying to get information.

So the gentleman's committee, to harmonize the views of the chairwoman of the commission, wishes to grant this $50 to these specially designated classes and then also carry out the original intendment to grant it to others where they think it is necessary.

Mr. LAGUARDIA. Let the RECORD show that the bill does not designate any classes at all.

Mr. BLANTON. Mr. Speaker, I reserve the right to object, for the purpose of calling attention to the fact that the Congress of the United States has not yet passed the Patman bill, being H. R. 1, which is to require this Government to pay off at once, and in cash, the adjusted-compensation certificates that it justly owes the ex-service men of our Nation. This is a debt of honor. And it must be paid. And we who are dependable friends of the men who carried our flag to France are not going to let this Congress adjourn until this debt is paid.

Many of these World War veterans are in dire need. Many are about to lose their homes. Many are in serious distress. The wives and little children of many are suffering. Their problem should appeal to every Representative here. We must quit talking about helping them, and pass this bill to pay the debt due them, which is all they want. They are not asking for a dole. They are asking the Government to pay its just debt to them that has been owing since the Armistice was signed on November 11, 1918.

This Congress supported President Hoover in his moratorium gift of $250,000,000 to foreign countries. I voted against it, because I believe in helping Americans first. This Congress supported President Hoover in his program of voting $2,000,000,000 to help "busted" railroads and "busted" big business. I voted against it, because I did not believe that it would materially help the American people, and I was unwilling to saddle upon them that additional tremendous debt.

This Congress voted to support President Hoover in giving an additional $125,000,000 to Federal Land Banks. I voted against it, because these Federal land banks, and joint-stock land banks, are daily demanding their pound of flesh from farmers and are foreclosing their mortgages against farms, suing farmers hundreds of miles away from their homes, and dispossessing them, and turning their wives and little children out in the cold without a roof to cover their heads, and I shall never vote to give them another cent, but stand ready to vote to repeal the acts that created them and force them to liquidate, and stop them from robbing farmers, for the farms which these land banks are taking away from farmers are worth several times the amount of their mortgages. They have taken judgments against these farmers for their debt, for 10 per cent attorneys fees, for costs of foreclosure, and big sheriff's fees, which preclude the farmer from ever redeeming his farm. I am one Representative who is going to make an uncompromising fight here to redress this terrible wrong. These Shylocks must stop taking farms from farmers. They must stop robbing them in this depression and crisis.

There is no good reason why this Government should not pay this debt of honor to our veterans of the World War. The Secretary of the Treasury has just had his $900,000,000 2 per cent loan oversubscribed, which shows that we can borrow money at a low rate of interest, and we have already paid over $3,000,000,000 on our Government debts ahead of our debt-paying program, and we can draw on this reserve, so to speak, in paying off these adjusted-compensation certificates.

And, until decisive steps are taken to pay these certificates in cash to our ex-service men, I am going to object to the passage of such bills as the one now up for consideration. It should not pass until we have paid this debt of honor to our World War veterans. Hence, Mr. Speaker, I object.

Mr. LAGUARDIA. Will the gentleman withhold his objection?

Mr. BLANTON. I am making this objection as a protest on the inaction of the House in failing this far to get up and pass the Patman bill, H. R. 1, which must be passed before we adjourn. I object.

The SPEAKER pro tempore. Objection is heard.

BRIDGE ACROSS THE RED RIVER OF THE NORTH

The Clerk called the next bill on the Consent Calendar, H. R. 7916, to extend the times for the commencement and completion of the bridge of the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, across the Red River of the North on the boundary line between said States.

Mr. JENKINS. Mr. Speaker, reserving the right to object, the author of this bill, the gentleman from Minnesota [Mr. SELVIG], was here a few moments ago and canvassed the situation and left word with me to notify him to be here. The gentleman wants to substitute the Senate bill for the House bill. I wonder if I would be asking too much if I requested that this bill be passed over temporarily.

Mr. STAFFORD. If the gentleman wishes the Senate bill substituted, and it is an identical or similar bill, why not make the request? It is a minor bridge bill, and there is no objection to the bill.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 3132) be substituted for the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

There being no objection, the Clerk read the Senate bill, as follows:

> *Be it enacted, etc.*, That the times for commencing and completing the construction of a bridge authorized by act of Congress approved July 1, 1922, and revived and reenacted by an act of Congress approved March 3, 1931, granting the consent of Congress to the county of Norman and the town and village of Halstad in said county, in the State of Minnesota, and the county of Traill

and the town of Herberg in said county, in the State of North Dakota, to construct, maintain, and operate a bridge and approaches thereto across the Red River of the North at or near the section line between sections 24 and 25, township 145 north, range 49 west, fifth principal meridian, on the boundary line between Minnesota and North Dakota, are hereby extended one and three years, respectively, from March 3, 1932.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

MANAGEMENT OF INDIAN COUNTRY

The Clerk called the next bill on the Consent Calendar, H. R. 8178, to transfer certain jurisdiction from the War Department in the management of Indian country.

Mr. GOSS. Mr. Speaker, reserving the right to object, I did not see anything in the report on this bill in the way of a letter from the War Department.

Mr. STAFFORD. Will my colleague yield?

Mr. GOSS. I yield.

Mr. STAFFORD. The gentleman will note from the letter of the Secretary of the Interior that when this law was originally passed these Indian reservations were under the jurisdiction of the War Department.

Mr. GOSS. I read that.

Mr. STAFFORD. Since then the jurisdiction has been transferred to the Interior Department. What objection can there be under these circumstances?

Mr. GOSS. I did not know whether there was any or not. That is what I was inquiring about.

Mr. STAFFORD. I can not see where there can be any objection.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

BRIDGE ACROSS THE OHIO RIVER IN ILLINOIS

The Clerk called the next bill on the Consent Calendar, H. R. 8247, to extend the times for commencing and completing the construction of a bridge across the Ohio River at Mound City, Ill.

Mr. LAGUARDIA. I object, Mr. Speaker.

BRIDGE ACROSS THE CONNECTICUT RIVER

The Clerk read the next bill on the Consent Calendar, H. R. 8510, granting the consent of Congress to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut, created and existing under the provisions of Special Act No. 496, of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge across the Connecticut River.

Mr. LONERGAN. Mr. Speaker, I ask unanimous consent to substitute an identical bill, S. 2985, for the House bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut created and existing under the provisions of special Act No. 496 of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge and approaches thereto across the Connecticut River, at a point suitable to the interests of navigation, between Hartford and East Hartford, Conn., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. LONERGAN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, line 1, after the words "operate a" insert the words "free highway."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed.

A motion by Mr. LONERGAN to reconsider was laid on the table.

The House bill was laid on the table.

COEUR D'ALENE AND ST. JOE NATIONAL FORESTS

The Clerk read the next bill on the Consent Calendar, H. R. 6658, for the inclusion of certain lands in the Coeur d'Alene and St. Joe National Forests, State of Idaho, and for other purposes.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Without objection, it is so ordered.

NORTHERN PACIFIC HALIBUT FISHERY

The Clerk read the next bill on the Consent Calendar, H. R. 8084, for the protection of the northern Pacific halibut fishery.

Mr. LAGUARDIA. Mr. Speaker, I am not quite ready on this bill, and I would like to have it go over.

Mr. DAVIS. Mr. Speaker, this bill has been on the calendar since February 10. I have never heard an objection from any source. It is recommended by the Secretary of State and by the Commissioner of Fisheries, and it is simply to carry into effect a convention which has been ratified between the United States and the Dominion of Canada for the protection of the halibut fishery in the northern Pacific. As it stands now there is no law in force, because the act of 1924, enacted in pursuance of the 1923 convention, expired on the adoption of the new convention. So there is now no law of the United States which is necessary for the protection of the halibut fishery.

Mr. STAFFORD. Let me say to the gentleman from New York that I have examined the bill and the report, and I believe there are urgent reasons, as stated by the gentleman from Tennessee, for the immediate passage of this bill.

Mr. LAGUARDIA. I am not ready at present, and I ask that it be passed over for the present.

Mr. STAFFORD. With the understanding that it may be returned to later in the day?

Mr. LAGUARDIA. Yes.

The SPEAKER. Without objection, the bill will be passed over.

There was no objection.

EXTENSION OF IMPROVEMENTS ON WEST SIDE OF GEORGIA AVENUE

The Clerk read the next bill on the Consent Calendar, H. R. 361, to provide for the extension of improvements on the west side of Georgia Avenue, north of Princeton Place, in the District of Columbia, and for other purposes.

Mr. LAGUARDIA. Reserving the right to object, does this recede or extend the building line? If it extends it, what provision is being made to take care of it?

Mr. McCLINTIC of Oklahoma. The object is to allow the owner to extend his property 3.64 feet, so that all lots will have a uniform frontage. The city commissioners have approved this, and it only affects 3.64 feet.

Mr. STAFFORD. The report shows that this favored property owner wishes to obtain preferential consideration because the adjoining owner has extended his line 3 feet beyond the property line.

Mr. McCLINTIC of Oklahoma. No; the owner of the property at one time gave the land to the city. The city afterwards found out that they did not need it, so the only way he can get it back is by legislation of this kind. In other words, it applies to a frontage of 3.64 feet and in no way affects the remainder of the property.

Mr. STAFFORD. The gentleman states that the adjoining property owner has a right to extend the building line 3 feet?

Mr. McCLINTIC of Oklahoma. The adjoining property owner did not give the land to the city.

Mr. STAFFORD. If we grant this privilege to this property owner, how will it affect the property owners on the other side of him?

Mr. McCLINTIC of Oklahoma. It makes them all even.

Mr. STAFFORD. This will be the only one interested in the extension?

Mr. McCLINTIC of Oklahoma. All that I know of. In other words, the block can not be even without this legislation.

Mr. STAFFORD. This will not induce property owners on either side to come to Congress and ask further extensions in their behalf?

Mr. McCLINTIC of Oklahoma. Oh, no.

Mr. STAFFORD. And there will be no break in the building line?

Mr. McCLINTIC of Oklahoma. Oh, no.

Mrs. NORTON. I have some very interesting photographs that will make that very plain.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the owner of lot 14, square 2897, in the District of Columbia be, and said owner is hereby, authorized to use for building purposes a strip of land in front of said lot 14, square 2897, so that the front face of the front wall of the building or improvements so erected shall be in a direct line with the front face of the front wall of the building immediately north thereof located on lot 835, square 2897, said strip herein authorized to be used and occupied being described as follows: Beginning for the same at the northeast corner of lot 14, square 2897, and running thence with the extension of the northerly line of said lot 14, easterly 3.64 feet; thence southerly 24.45 feet to a point in the extension of the northerly line of Princeton Place, 60 feet wide; thence with said extension westerly 3.52 feet to the southeast corner of said lot 14; thence with the easterly line of said lot 14 northerly 25 feet to the point of beginning: *Provided*, That the piece or parcel of land herein described shall be occupied, used, and owned by the owner of said lot 14, square 2397, its successors and assigns, subject to any and all assessments and general and special taxes which may be levied or charged thereon the same in all respects as other private property in the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

"FIGHTING SHIP"

The next business on the Consent Calendar was the bill (H. R. 8874) to amend section 14 of the shipping act, 1916 (U. S. C., title 46, sec. 812), as amended by section 20 of the merchant marine act, 1920 (U. S. C., title 46, sec. 842).

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that the bill be passed without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BULWINKLE. Mr. Speaker, I object.

Mr. LAGUARDIA. Then I object to the bill.

Mr. BOYLAN. Then I object to the bill.

Mr. DAVIS. Mr. Speaker, will the gentleman reserve his objection?

Mr. BOYLAN. I asked unanimous consent that it be passed over without prejudice.

Mr. BULWINKLE. I objected to that request, but I am perfectly willing to reserve it.

Mr. DAVIS. Mr. Speaker, of course, it is the privilege of gentlemen to object to the consideration of this bill, and of that I am not complaining, but I want to make an explanation of the bill in the light of the large amount of very misleading propaganda that has been put out against it. The bill simply clarifies the definition of a "fighting ship." There has been legislation against a "fighting ship" by the leading maritime nations of the earth for a very long period. That is for the protection of their own merchant marines. The specific reason for this particular bill was a practice of the following kind which had grown up: Foreign ships engaged in the North Atlantic trade would operate during the spring and summer and fall in that trade, and then in the winter, when the trade was slack, they would draw off their regular runs and engage in competition with American lines between American and West Indian ports. In other words, they would come in and pick off the cream from the regularly established American lines which were operating American ships in this service the year round, during the slack season as well as the flush season. The result is that all of the foreign shipping interests are fighting this legislation just as they always fight legislation in the interest of the American merchant marine.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. DAVIS. Yes.

Mr. LAGUARDIA. The gentleman knows that I have stood with him in every attempt to successfully fight foreign competition, but is it not true that under this new law there is a provision that complaint can be made where there is a "fighting ship," and in that way have the matter adjudicated.

Mr. DAVIS. Yes; it is the law now, but this bill simply clarifies the definition of a "fighting ship" and the manner in which a procedure may be had against a fighting ship. So far as the legislation itself is concerned, it is not new to this country, and it is not new to other countries. Some countries go very much farther. For instance, a citizen of Italy can not sail from an Italian port or go into an Italian port except upon an Italian ship. Other nations have various measures that go infinitely farther than this bill or any other American bill for the protection of our merchant marine. It is just a question of whether or not we want an American merchant marine or do not want it. If we do not want it, and we want to rely upon foreign ships in peace times and consequently in war times, then let us defeat all these measures at the behest of the foreign shipping interests. I have some of their propaganda. They have stirred up the cotton shippers by misrepresenting the facts; they are telling them that this will hurt them in their shipments of cotton. Since we have established American lines out of the Gulf and other American ports, everybody familiar with the situation knows that American shippers are getting much better rates than they got before, and since 1920, when the merchant marine act was passed, American shippers have been saved hundreds and hundreds of millions of dollars in ocean cargo rates. That will continue if we maintain competition between American lines and foreign lines. Foreign ship lines are in their own rate conferences.

The only man who appeared against this bill was the representative of a foreign conference. He admitted upon cross-examination that all of the lines in that conference were foreign lines. He said that there had been one American line in it. That is the source of the opposition. So far as the cotton business is concerned, what will result if the foreign lines are permitted to put in "fighting ships" and destroy our American lines and put them out of business? We will then have to revert to the situation we had before, and we would be dependent absolutely upon foreign lines, and while there may be temporary advantage in rates to shippers while that cutthroat competition is going on, yet when they destroy the American lines then they will put the rates back up in their agreements as they did before and the shippers will be subject to them and their will absolutely and have to pay whatever rates they charge, just as they had to pay before. That is the situation in a nutshell.

The SPEAKER pro tempore. The time of the gentleman from Tennessee has expired. Is there objection?

Mr. BOYLAN. Mr. Speaker, I object.

Mr. BULWINKLE. Mr. Speaker, I object.

Mr. WEST. I object.

AMENDING SECTION 8 OF ACT OF JUNE 19, 1886, AS AMENDED

The Clerk called the next bill on the Consent Calendar, H. R. 8875, to amend section 8 of the act of June 19, 1886, as amended by section 2 of the act of February 17, 1898 (U. S. C., title 46, sec. 289).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PROTECTION OF NORTHERN PACIFIC HALIBUT FISHERY

Mr. DAVIS. Mr. Speaker, I ask unanimous consent, in accordance with the understanding recently had, that we may return to the bill (H. R. 8084) for the protection of the northern Pacific halibut fishery.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.,

SHORT TITLE

SECTION 1. That this act may be cited as the Northern Pacific halibut act.

DEFINITION OF TERMS

SEC. 2. For the purposes of this act "close season" shall mean the period from the 1st day of November in any year to the 15th day of February in the next following year, both days inclusive, unless this period or any part thereof shall be opened to fishing by regulation of the International Fisheries Commission, as empowered by the provisions of the convention for the preservation of the halibut fishery of Northern Pacific Ocean and Bering Sea, signed on behalf of the United States of America and the Dominion of Canada May 9, 1930, or any other close season hereafter established by the International Fisheries Commission in accordance with the provisions of that convention; "territorial waters of the United States" shall mean the waters contiguous to the western coast of the United States and the waters contiguous to the southern and western coasts of Alaska; "territorial waters of Canada" shall mean the waters contiguous to the western coast of Canada; and "convention waters" shall mean the territorial waters of the United States, the territorial waters of Canada, and the high seas, including Bering Sea, extending westerly from the limits of the territorial waters of the United States and of Canada.

FISHING UNLAWFUL; WHEN

SEC. 3. It shall be unlawful for any person to fish for, or catch, or attempt to catch, any halibut (Hippoglossus) at any time in any of the territorial waters of the United States closed to fishing under the provisions of the above-mentioned convention or by any regulations adopted in pursuance thereof, or under the provisions of this act, or for any national or inhabitant of the United States to fish for, or catch, or attempt to catch, any halibut at any time in any of the convention waters so closed to fishing, or to violate any regulations established pursuant to the authority of the convention. The unintentional catching of halibut, when legally fishing for other species of fish, shall not constitute a violation of this act if such halibut shall be used for food by the crew of the vessel catching the same or be landed and immediately delivered to any official duly authorized by the Secretary of Commerce of the United States to accept delivery, or delivered to the proper authorities of the Dominion of Canada. The halibut delivered to any official of the United States pursuant to the provisions of this section shall be sold to the highest bidder for cash, and the proceeds therefrom, exclusive of necessary expenses in connection therewith, shall be covered into the Treasury of the United States.

UNLAWFUL PORT USE; DEPARTURES

SEC. 4. No person, firm, or corporation shall use any port of or place in the United States to furnish, prepare, or outfit any vessel, boat, or other craft intended to be used in violation of the convention for the preservation of the halibut fishery or in violation of this act, nor shall any person permit, or cause to be permitted, any vessel, boat, or other craft intended to be used in violation of the said convention or of this act to depart from any port of or place in the United States.

UNLAWFUL PORT ENTRY; POSSESSION

SEC. 5. It shall be unlawful for any vessel, boat, or other craft having on board any halibut caught contrary to any of the provisions of the said convention or of this act to enter any port or place in the United States, or for any vessel, boat, or other craft to enter any such port or place while upon or in the prosecution of any voyage during which the vessel, boat, or other craft fished or was used in fishing for halibut in convention waters closed to fishing. It shall be unlawful for any person knowingly to have in his possession in any port of or place in the United States or in any territorial water of the United States any halibut unlawfully caught under the provisions of the said convention or of this act. It shall also be unlawful for any person to land in any port of or place in the United States halibut caught in convention waters during any period closed to fishing.

PENALTY

SEC. 6. Any person violating any of the provisions of the said convention or of this act shall be fined not less than $100 nor more than $1,000 or imprisoned not more than one year, or both.

PATROLS; SEARCHES

SEC. 7. The President shall cause a patrol of naval or other public vessels designated by him to be maintained in such places and waters as to him shall seem expedient for enforcing the said convention and this act, and any officer of any vessel engaged in such service, and any other officers designated by the President, may stop, board, and search any vessel, boat, or other craft in the territorial waters of the United States and any vessel, boat, or other craft of the United States on the high seas when suspected of having violated or being about to violate any of the provisions of the said convention or of this act.

CANADIAN VESSELS AND NATIONALS

SEC. 8. Every national or inhabitant and every vessel, boat, or other craft of Canada found violating the said convention or this act shall be delivered as soon as practicable to an authorized official of Canada at the nearest point to the place of seizure or elsewhere as the officials of the United States seizing the same and the authorized officials of Canada may agree upon, and the witnesses and proof necessary to the prosecution of said persons and vessels of Canada shall be furnished with reasonable promptitude to the authorities of Canada having jurisdiction thereof.

SEIZURE AND FORFEITURE

SEC. 9. Every vessel, boat, or craft, employed in any manner in violating any of the provisions of the said convention or of this act shall be seized by any collector, surveyor, inspector, officer of a revenue cutter, or person specified in section 7 hereof, and except as provided in section 8 hereof, every such vessel, boat, or craft, including its tackle, apparel, furniture, cargo, and stores, shall be forfeited to the United States by proper proceedings in any court of the United States in Alaska, California, Oregon, or Washington.

FISHERIES COMMISSION EXEMPTION

SEC. 10. None of the inhibitions contained in this act shall apply to the International Fisheries Commission when engaged in any scientific investigation.

DURATION OF ACT

SEC. 11. This act shall take effect immediately and shall continue in force until the termination of the convention signed by the United States and the Dominion of Canada, on May 9, 1930, for the preservation of the halibut fishery of the northern Pacific Ocean and Bering Sea.

With the following committee amendment:

Page 6, line 9, strike out the words "any court of the United States in Alaska, California, Oregon, or Washington," and insert: "the district court of the United States, including the United States district courts of Alaska, in the judicial district in which the violation is alleged to have occurred; or in the United States district court in the nearest judicial district within the United States, if the violation is alleged to have occurred outside the territorial waters of the United States."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

SWEARING IN OF A MEMBER

Mr. CRISP. Mr. Speaker, with very great pleasure I present to the House its baby Member in years, Hon. W. CARLTON MOBLEY, of Georgia, who is 25 years and 3 months old to-day. While the baby Member in years, yet in knowledge and ability and experience, he is far from it. He was elected to succeed Hon. Samuel Rutherford, recently deceased.

His commission has been filed and he is ready to take the oath of office. [Applause.]

Hon W. CARLTON MOBLEY appeared at the well of the House and took the oath of office as prescribed by law.

IMMIGRATION LAWS WITH RESPECT TO SINGERS AND CHORISTERS

The Clerk called the next bill on the Consent Calendar, H. R. 8978, to clarify the application of the contract-labor provisions of the immigration laws to singers and choristers.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

Mr. DICKSTEIN. Will the gentleman withhold his objection for a moment?

Mr. STAFFORD. I will withhold it.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for five minutes on this bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, this bill is a restriction measure. This bill will simply prevent a group of bootleggers operating for the benefit of the operas, from bringing in a number of singers and choristers to the United States to fill the places of American choristers and singers, thereby destroying opportunity for American labor and destroying the livelihood of hundreds of American families.

I will ask the gentleman who asked to put this bill over, to listen to this story and perhaps he will not object.

Mr. STAFFORD. I am listening to the gentleman.

Mr. DICKSTEIN. The Chicago Opera Co. has imported over a hundred singers and choristers, and has deprived a hundred American citizens of their places. One reason is that they could get labor cheaper. Secondly, they seem to like foreign names much better than the names of American families, even though the American can sing just as well as the foreign talent.

Under the present law, immigration has been restricted in such a way that families of American citizens still remain separated, but a gap has been left open for the admission of choristers, movie stars, and musicians, through certain exceptions placed in the law.

Mr. GREEN. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. GREEN. Is it not a fact, too, that in America we have just as good or just as fine and even superior talent to this foreign talent?

Mr. DICKSTEIN. That is one time I agree with the gentleman.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. LAGUARDIA. I wish to point out to the gentleman who sponsored this bill that I fear it is too broad under the exception whereby it is provided that he has distinguished merit and ability as a chorister. I would strike out the word "chorister," because I would like to point out to the gentleman that they will get around that in this way: They will train them for certain operas on the other side, and they will say that these choristers are distinguished choristers. I would suggest to the gentleman striking out the word "chorister" from the exemption entirely.

Mr. DICKSTEIN. What would the gentleman suggest instead of that?

Mr. LAGUARDIA. I would say that he is of distinguished merit and ability as a solo singer. Then you would absolutely cut out the choristers. That is what I am afraid of.

Mr. DICKSTEIN. May I proceed and further call the attention of the House to the fact that under the act of 1917, in the case of a person who seeks to come to this country for the purpose of doing work, some one must, in the first instance, petition the Department of Labor to waive the contract-labor provision of the immigration law? If this bill is enacted, that will be necessary in the case of an alien singer or an alien chorister. But the law of 1917 makes an exception for artists, professional actors, singers, and certain others whereby they do not have to apply to the Department of Labor for the waiving of contract labor. Therefore all they have to do is to say that they are an artist or an actor or a singer and immediately they come in. After they are in here—and they are brought here by these groups of opera companies—their time is extended for months and years, and, as a result of these extensions to these foreign individuals, there are hundreds of American families who are in serious financial distress because American singers or American choristers are thrown out of work who are able to do even better work than these foreign singers.

There was an open gap in the immigration law, where we have separated American families, but we are allowing singers and actors and musicians to come into this country by the hundreds. It is about time that this matter was called to the attention of the House, and I ask that I may have your support in bringing out this bill and thereby giving an opportunity to American families that have in their circle American citizens who are singers or who are choristers—who can compete with any foreigner in the line of singing—enabling them to have their jobs back. At present they are starving, because there are 100 or 150 of these alien singers who are taking up their jobs. That is all this bill seeks to do.

May I particularly call the attention of the gentleman from New York [Mr. LAGUARDIA] to the following observation:

Section 2 of this bill seeks only to place a reasonable limitation as to which "alien singers" and as to which "alien choristers" may properly claim exemption from the contract-labor provisions of the immigration laws. Only such "alien singers" or "alien choristers" may claim to be "artists" or "singers" or "professional actors" as are able to establish that: First, their professional engagements in the United States are of such a character requiring superior talent; and, second, they are able to meet those requirements for superior talent because they are "singers" or "choristers" of distinguished merit and ability as such. This provision is a distinct benefit to outstanding personalities and will not deprive the United States of real artists or singers having genuine established ability.

Testimony presented to the committee by representatives of American choral organizations indicated the grand opera chorister is not in fact an artist at all. All he needs is his voice to get any kind of a job, whereas a genuine artist or a distinguished professional singer must undergo a higher education in music. The majority of choristers in this foreign element learned their stuff just as do bricklayers or tailors—they work six days a week, receive wages on Saturday, and punch a time clock just as do manual workers in factories. During the past few years certain managers have imported these foreign elements under the exemption clause, claiming they are artists, paying these choristers certain agreed-to compensation, and then collecting back certain percentages of the salary of these so-called artists. Why should this be permitted to continue when these same managers refuse work to our own citizens having families starving and subjected to public effort to relieve their distress?

Let me say in closing that this bill will not deprive the United States of the enjoyment afforded by the public or private performances of distinguished singers or choristers from abroad who have the trained ability and talent to contribute to our genuine enjoyment and uplift. But the provisions of this bill will keep out pseudoartists whose primary object is the money they can earn at the expense of our American citizens of equal or superior ability.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Speaker, I renew my request that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. SNELL. Will the gentleman from Illinois [Mr. RAINEY] explain what is expected to be considered during the balance of the week?

Mr. RAINEY. To-morrow we have the anti-injunction bill. If we get through with that in a reasonable time, we might then go on with the Private Calendar. The next day is Calendar Wednesday. On Thursday we expect to take up the tax bill, and subordinate every other measure until we get it through, so far as the rules will permit. At the present time this Government is running behind $3,400,000 every day, and we are anxious to get the provisions of that bill in operation as soon as we can. The bill provides that the manufacturers' sales tax shall go into operation 30 days after the approval of the President and that the excise taxes shall go into effect 15 days thereafter. So the sooner we get it into operation the better it will be for the country, and I am assured that the Senate will at the earliest possible moment bring the bill to the floor of the Senate.

Mr. SNELL. I think the gentleman is entirely right as far as the tax bill is concerned, that we should take it up at once and stick to it until we finish it.

Mr. HASTINGS. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. HASTINGS. Was the tax bill reported to-day?

Mr. RAINEY. It will be reported to-day at 2 o'clock. I was assured copies of the bill would be available by 1 o'clock, but they say they are not available.

Mr. SNELL. The gentleman from Georgia [Mr. CRISP] said they would be available when he introduced the bill.

Mr. RAINEY. But they tell me they are not available. Of course, that is not our fault.

BRIDGE ACROSS OHIO RIVER

The Clerk called the next bill, H. R. 7897, to extend the times for commencing and completing the construction of a bridge across the Ohio River approximately midway between the cities of Owensboro, Ky., and Rockport, Ind.

Mr. LAGUARDIA. Mr. Speaker, I object.

IMPROVEMENT OF INLAND WATERWAYS FROM NORFOLK TO BEAUFORT INLET

The Clerk called the next bill, H. R. 6184, for the improvement of the inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice so that I may have further time to study its provision.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MEN GIVE UP THEIR LIVES IN THE COAST GUARD SERVICE

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to proceed out of order for five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, last night during the terrific blizzard at Atlantic City some members of the Coast Guard crews gave up their lives for their country.

As reported by Chief Boatswain (L.) Irwin B. Steele, fifth district, over the telephone from Atlantic City, 10.15 a. m. Monday, March 7, 1932:

Yesterday the wind began to breeze in the morning. At 2 p. m. was blowing 66 miles. At 1 p. m. Mr. Turner, in charge Atlantic City station, received word that there were three fishermen out. He proceeded to sea in the *CG–2301*. It is thought that he ran about 5 or 6 miles and seeing nothing returned. After he had returned he learned that two of these boats had beached and the crews were saved (this is a fact). The skiff *L–5085* was in distress 10 miles offshore, and the fishing smack *Helen* took her crew off and landed on the beach at Sacramento Avenue, Atlantic City. The skiff afterwards came ashore in Atlantic City.

On learning that the American gas screw *Anna* was still out, Mr. Turner got in touch with the officer in charge, Great Egg station, when both proceeded to sea, officer in charge, Atlantic City station, out of Absecon Inlet, and officer in charge, Great Egg station, from his station. What I am telling you now is learned from Mr. Turner, officer in charge, Atlantic City station, at the hospital. When about 2 miles offshore the motor in the *CG–2301* went dead. She took a sea and capsized immediately. They hung on to the bottom of this boat for a period of approximately 90 minutes, then drifted in with the wind, still bottom up. They finally were washed off and drifted under the Steel Pier, Atlantic City, where civilians threw lifebuoys to them, and it has been told by civilians that Surfman Garton got one of these buoys and was about halfway up on the pier when he became exhausted and fell into the sea and was lost. Nothing was seen of Garton or Livingston after that. Turner was finally washed ashore, aided by his own swimming.

Between 4.30 and 5 p. m. (Sunday) some one telephoned the station and said that the picket boat *CG–2301* had capsized. The station crew immediate rushed to the Atlantic City boathouse, where Boatswain's Mate (Second Class) (L.) Rhodes and Machinist's Mate (Second Class) Graham and Surfman Barnett manned the power surfboat and proceeded to sea.

In this connection let me say to you that this man William Graham comes from my district and is a son of two humble people, a farmer and his wife, and David Barnett was a North Carolinian, a resident of Congressman LINDSAY WARREN's district, and it is this connection that I want to pay tribute to heroism where tribute is due. They gave up their lives for their country and in its service.

On the way out of Absecon Inlet they met the lifeboat from Great Egg. The lifeboat from Great Egg rounded to and after clearing their carburetor up proceeded after them to sea. Boatswain (L.) Turner, of the Great Egg station, states that when the surfboat was opposite Heinz's Pier she was seen to jump in the air, pitch-poling, as he thought. That was the last that the Great Egg lifeboat saw of the surfboat. Surfman Salter, of the Atlantic City station, was on Heinz's Pier at the time, and claims that he watched the surfboat for a period of 10 minutes after that. That was the last seen or heard from the surfboat. Boatswain (L.) Turner after cruising around for considerable period in the lifeboat thought he could be of no further assistance to anybody and he put in at Atlantic City boathouse, where he stayed until Monday morning (this morning) just after daylight, when he proceeded to sea again in company with Boatswain (L.) Elwood Butler and C. M. B. (L.) Charles Wright. They proceeded to sea between 4 and 5 miles in the Great Egg lifeboat, when the boat and men became iced up and it was thought dangerous to proceed further. They returned to the Atlantic City boathouse at 9.30 Monday morning (this morning), where they stayed a few minutes, and are now endeavoring to assist the gas screw *Anna*. They are out at the time of this conversation (10.25 a. m.).

Names of men missing: *CG–2301*, Harold Livingston, surfman; William Garton, surfman. Motor surfboat *Atlantic City, No. 2889*, Marvin E. Rhodes, B. M. 2c. (L.); William Graham, Mo. M. M. 2c. (L.); David Barnett, surfman.

The picket boat is coming ashore in pieces all the way from the Steel Pier to Ventnor. Nothing whatever is coming ashore from the power surfboat.

The New York division of the Coast Guard are patrolling the area on lookout for bodies or the surfboat. Commander McLean, base 9, is standing by as soon as weather permits to undertake patrol with airplane. There is still blowing a gale at Atlantic City, possibly 60 miles.

Thus these men go down in the sea, men who have done their duty by their country in the great service of the Coast Guard of the United States of America. [Applause.]

UNITED STATES DISTRICT COURT AT ROCKINGHAM, N. C.

The Clerk called the next bill, H. R. 6456, to release the city of Rockingham, N. C., from the obligation of providing at its own expense a place for holding United States district court.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the proviso in the fifth paragraph of section 98 of the Judicial Code, as amended, is hereby amended to read as follows: "*Provided*, That the city of Winston-Salem shall provide and furnish at its own expense a suitable and convenient place for holding the district court."

With the following committee amendments:

Line 4, after the word "amended," insert the following: "(Sec. 179, Title 28, U. S. C.)."

Line 5, after the word "the," strike out the balance of the line and also lines 6 and 7 and insert in lieu thereof the following: "cities of Winston-Salem and Rockingham shall each provide and furnish at its own expense a suitable and convenient place for holding the district court until Federal buildings containing quarters for the courts are erected as such places."

Amend the title of the bill so as to read: "A bill to amend section 98 of the Judicial Code, as amended."

The SPEAKER pro tempore (Mr. BROWNING). The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended.

IMMIGRATION

The Clerk called the next bill, H. R. 8174, to exempt from the quota fathers and mothers over 60 years of age of United States citizens.

Mr. JENKINS. Mr. Speaker, reserving the right to object, I wish to state with reference to this bill that it is a bill that will lay down the bars. It is an immigration bill that will lay down the bars, and the reason I use that phrase is because it is a common phrase employed by restrictionists who on many occasions have made the statement that they are not in favor of any provision that lays

down the bars. I do not want to go into an extensive discussion of this proposition——

Mr. DICKSTEIN. Mr. Speaker, a parliamentary inquiry. The gentleman has not been allowed any time to speak on the bill.

Mr. GREEN. Mr. Speaker, I object to the consideration of the bill.

BRIDGE ACROSS THE MISSOURI RIVER AT RANDOLPH, MO.

The Clerk read the next bill on the Consent Calendar, H. R. 8072, to extend the times for commencing and completing construction of a bridge across the Missouri River at or near Randolph, Mo.

Mr. LAGUARDIA. Reserving the right to object, and I would not object if he would consent for an amendment providing for a railroad bridge. But otherwise I shall be constrained to object.

Mr. STAFFORD. I believed the original enactment practically provided for a railroad bridge.

Mr. LAGUARDIA. A railroad bridge or a combined bridge?

Mr. STAFFORD. It says in section 2 that it is to construct, maintain, and operate such bridge and the necessary approaches thereto as a railroad bridge for the passage of railway trains or street cars, or both, or as a highway bridge for the passage of pedestrians, animals, and vehicles. It is sponsored by the Kansas City Southern Railway Co., and shortens the distance of the leading railroads entering Kansas City by a distance of 2 miles. I do not think the major purpose is to have it used as a vehicle bridge; but if the construction can be so arranged that it is economical from an investment standpoint to have it used as a vehicular bridge also, the gentleman would not object to having it used as a railroad and vehicular bridge.

Mr. LAGUARDIA. It takes more than a bridge bill to get the railroads to comply with this law.

Mr. STAFFORD. Let me say that I represent a trust estate having a few shares of stock in the Kansas City Railroad, and at the time the deceased testator died the stock was worth over a hundred dollars, and to-day it is worth $12. The railroad is in no position, like other western railroads, to secure money in these depressed times to build new railroad bridges.

Mr. LAGUARDIA. The Secretary of Agriculture says that it is the view of the department that a private highway toll bridge should not be constructed at this point and recommends against the enactment of the bill unless the authorization is revised to eliminate that part of it relating to the construction of a highway bridge or a combined highway and railroad bridge, and for that reason I shall object.

Mr. BURTNESS. Will the gentleman withhold that for a minute?

Mr. LAGUARDIA. Yes.

Mr. BURTNESS. Will the gentleman let it go over without prejudice so that the gentleman from South Carolina and the gentleman from Missouri can be present when it is taken up at some other time?

Mr. LAGUARDIA. I have no objection to that.

Mr. BURTNESS. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

NONIMMIGRANT STATUS OF CERTAIN ALIENS

The Clerk read the next bill on the Consent Calendar, H. R. 8766, to amend the sixth exception in section 3 of the immigration act of 1924, with reference to nonimmigrant status of certain aliens.

Mr. JENKINS. Mr. Speaker, in view that other immigration bills have gone over, I ask that this be passed without prejudice.

Mr. DICKSTEIN. I object to that, Mr. Speaker.

Mr. JENKINS. I object to the bill.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to be allowed to speak out of order for five minutes on the bill H. R. 8174, page 43.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. JENKINS. I shall object, Mr. Speaker, unless I be given five minutes to reply.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. JENKINS. I object.

Mr. LAGUARDIA. Mr. Speaker, I want to say that all requests for speeches hereafter on any subject not pertaining to the bill under consideration will be objected to, as we want to get along with the bills on the calendar.

DIVISION OF THE WATERS OF THE BIG HORN RIVER

The Clerk read the next bill on the calendar, H. R. 7914, granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Big Horn River.

Mr. STAFFORD. Reserving the right to object, will the author of the bill explain the necessity for this legislation and whether it involves a water-power proposition?

Mr. LEAVITT. The bill was first introduced with regard to the Big Horn River only. There were some proposals there which involved a possible power development and flood control, and the irrigation of lands on the Crow Indian Reservation.

The river rises in Wyoming, and it was thought as a matter of good judgment, while the Army engineers were completing their report on the engineering features and other preliminaries were being gone through, that the States might come to an agreement as to the allocation and division of the waters.

Mr. STAFFORD. Is this a boundary stream or does the Yellowstone flow through the two States?

Mr. LEAVITT. It rises in Wyoming and crosses the boundary into Montana. The Big Horn River flows into the Yellowstone. Because there are some other projects under discussion that involve other tributaries of the Yellowstone it was considered advisable to include the entire Yellowstone while the compact was being made and thus settle the entire question at one time.

Mr. STAFFORD. Wherein is this stream different from any other navigable stream subject to the Federal Power Commission?

Mr. LEAVITT. Under the law in both Wyoming and Montana water rights are acquired by prior use. The lower parts of this stream are in Montana, but they rise in Wyoming. In order to avoid any possible dispute as to water rights between the citizens of the two States we are following here the usual practice of having a compact entered into between the States, to be ratified by Congress. That agreement will determine what water is the property of the citizens of Montana and what water is the property of the citizens of Wyoming.

Mr. STAFFORD. Will the enactment of this measure supersede the authority conferred upon the Federal Power Commission?

Mr. LEAVITT. It has nothing to do with that.

Mr. LAGUARDIA. Do I understand that the purpose of the bill is only as to the division and use of the water as water?

Mr. LEAVITT. Yes.

Mr. LAGUARDIA. Not for power purposes?

Mr. LEAVITT. No.

Mr. LAGUARDIA. Is the gentleman going to press the committee amendment?

Mr. LEAVITT. Yes.

Mr. STAFFORD. I understand the gentleman to say that there are power projects contemplated on these respective streams?

Mr. LEAVITT. Yes. This bill, however, has nothing to do with the use of water for power purposes.

Mr. STAFFORD. I recall reading during the summer a decision by the Supreme Court affecting the Colorado River. If my memory serves me right, I think there was an allocation of water in connection with it.

Mr. LEAVITT. Following a compact between the various States.

Mr. STAFFORD. The question was whether that stream was navigable, and whether the Federal Power Commission had jurisdiction over it. Because of that, I do not wish to have any legislation passed by unanimous consent which will supersede control by the Federal Power Commission.

Mr. LEAVITT. This supersedes nothing. The Power Commission has authority over the Big Horn because the canyon is on an Indian reservation, regardless of its being navigable.

Mr. STAFFORD. The Federal Power Commission has control of the Tennessee River, regardless of whether it covers the national domain or not.

Mr. LAGUARDIA. The compact has to be approved by the Congress.

Mr. STAFFORD. With the assurance that there is nothing here which supersedes the authority now vested in the Federal Power Commission, I withdraw the reservation of objection.

Mr. LEAVITT. I can give the gentleman that assurance.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That consent of Congress is hereby given to the States of Montana and Wyoming to negotiate and enter into a compact or agreement not later than January 1, 1936, providing for an equitable division and apportionment between the States of the water supply of the Big Horn River and of the streams tributary thereto, upon condition that two suitable persons, who shall be appointed by the President of the United States, one from the Department of the Interior and one from the War Department, shall participate in said negotiations as the representatives of the United States and shall make report to Congress of the proceedings and of any compact or agreement entered into: *Provided*, That any such compact or agreement shall not be binding or obligatory upon either of the parties thereto unless and until the same shall have been approved by the legislature of each of said States and by the Congress of the United States.

With the following committee amendments:

Page 1, line 7, strike out the words "Big Horn" and insert "Yellowstone."

Page 1, line 9, strike out the word "two" and insert "one," and the word "persons" and insert the word "person."

Page 2, lines 1 and 2, strike out the words "one from the Department of the Interior and one from the War Department."

The committee amendments were agreed to.

Mr. LEAVITT. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. LEAVITT: Page 2, line 3, after the word "the" strike out the word "representatives" and insert in lieu thereof the word "representative."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River."

A motion to reconsider the vote by which the bill was passed was laid on the table.

EXAMINATION OF EDISTO RIVER, S. C.

The next business on the Consent Calendar was the bill (H. R. 3951) to provide a preliminary examination of the Edisto River and its branches, South and North Edisto, S. C., with a view to a control of its floods.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. BANKHEAD). Is there objection?

Mr. LAGUARDIA. Mr. Speaker, I object. This requires three objections.

The SPEAKER pro tempore. Are there any other objectors to the consideration of the bill? (After a pause.) The Chair hears none, and the Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Edisto River and its branches, South and North Edisto, S. C., with a view to control of its floods in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC DEFENDER FOR CANAL ZONE

The next business on the Consent Calendar was the bill (H. R. 7513) to provide for the appointment of a public defender for the Canal Zone.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, the only matter I had in mind was whether or not $1,200 would be sufficient to take care of that position. If I can get some information about that it will be helpful to me the next time this bill is presented.

Mr. LEA. I can give the gentleman the information, if that is the point.

Mr. STAFFORD. I withhold my request that this bill go over so that the gentleman from California may make that explanation.

Mr. LEA. All the authorities agree that this $1,200 recommendation is sufficient.

Mr. LAGUARDIA. Well, I pity his client.

Mr. LEA. There are only five or six attorneys in the Canal Zone who are qualified to be appointed for the defense of these men. At the present time they defend these men without any compensation whatever.

Mr. LAGUARDIA. I think the idea is good, and I think it has been successful in the gentleman's State. I understand there is something like this in California.

Mr. LEA. We have them in some counties in California, but it is not a full-time job.

Mr. STAFFORD. As I understand, the criminal code that is recommended by the committee is fashioned after the procedure in California.

Mr. LEA. It is; yes.

Mr. STAFFORD. The gentleman states that in California there is a public defender to represent criminals in cases similar to this?

Mr. LEA. In some counties; yes. It is optional with the counties whether they have a defender or not.

Mr. STAFFORD. Mr. Speaker, with the information that has been furnished by the gentleman from California, I withdraw my request to have this bill passed over.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Governor of the Panama Canal shall appoint a duly qualified member of the bar of the Canal Zone as a public defender, whose duty it shall be to represent, in the district court of the Canal Zone, any person charged with the commission of a crime within the original jurisdiction of said court who is unable to employ counsel for his defense.

SEC. 2. The public defender shall receive a salary of $1,200 per year, together with such of the privileges of a Canal Zone employee as the governor may grant.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CANAL ZONE POSTAL SERVICE

The Clerk called the next bill on the Consent Calendar, H. R. 7514, in relation to the Canal Zone postal service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Reserving the right to object, my only objection to this bill is that under existing law we use United States stamps with a surcharge "Panama Canal" or whatever it is. Under the bill proposed it would provide for a

different issue of stamps. I do not believe that is quite necessary.

Mr. LEA. The stamps will be selected by the Governor of Panama.

Mr. STAFFORD. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. STAFFORD. I have not visited the canal since 1909 or 1910. At that time there was a distinctive Canal Zone stamp. Whether it has been changed in recent years I do not know.

Mr. LEA. That has been changed. Under the original provision a 40 per cent bonus was given to the Republic of Panama, but that has been eliminated by agreement, and since then the postal service has been bringing in a surplus each of the last five years, with one exception.

Mr. STAFFORD. So all the revenues arising from the Canal Zone go into the Canal Zone treasury?

Mr. LEA. They do.

Mr. STAFFORD. For the support of the postal service and the government of the Canal Zone?

Mr. LEA. Yes.

Mr. JENKINS. Will the gentleman yield?

Mr. LEA. I yield.

Mr. JENKINS. I notice on the second page of the report there is a letter written by the distinguished Postmaster General. He does not quite agree with the position taken by the committee. He does not object strenuously, but he makes a suggestion. If the gentleman will turn to that, I would like to call attention to it.

Mr. LEA. Yes. He recommends that the service be placed in charge of the Postmaster General at Washington.

Mr. JENKINS. Is that all his report indicates? It strikes me he makes a comparison with the postal conditions in other of our insular possessions, and suggests that this should be on the same basis. Is that not right?

Mr. LEA. Of course, theoretically that would seem to be the logical contention, but as long as the service there is entirely satisfactory and is making a profit and nobody desires to change it who is familiar with it, we thought it was better to leave it alone.

Mr. JENKINS. Then there is no sharp controversy at all with the Postmaster General?

Mr. LEA. Not at all.

Mr. STAFFORD. Not only that, but here is an operating agency of the Government which requires support. All the revenues go to the support of that operating agency down there.

Mr. LAGUARDIA. Still reserving the right to object, my inquiry has not yet been answered. Why the necessity of authorizing a new issue of stamps?

Mr. LEA. This simply authorizes the governor to select the stamps. There is no point about a particular stamp required. It is simply general authority for the governor to provide stamps.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the postal service of the Canal Zone shall be governed by such of the laws, rules, and regulations of the Postal Service of the United States as are not inapplicable to the conditions existing in the Canal Zone, and the Governor of the Panama Canal is authorized to establish new post offices or discontinue those already established, to provide such rules and regulations as are necessary for the operation of the service, to appoint the personnel thereof, and to prescribe the postage stamps and other stamped paper which shall be used in such service: *Provided, however*, That the expenses of operating the Canal Zone postal service shall be defrayed, so far as possible, from the revenue derived therefrom, the use of which for that purpose is hereby authorized.

SEC. 2. That deposit money orders issued in the Canal Zone in lieu of postal savings certificates in accordance with rules and regulations heretofore established by the President, or that may hereafter be established by him, shall bear interest at a rate not exceeding 3 per cent per annum.

SEC. 3. That the interest received from the Canal Zone money-order funds deposited in banks under Canal Zone regulations shall be available to pay the interest on deposit money orders authorized by the preceding section. Such interest, which shall form a part of the postal revenues, shall also be available to pay the losses which are chargeable to the Canal Zone postal service.

SEC. 4. That all other laws for the operation of the Canal Zone postal service, excepting section 43a of the Penal Code of the Canal Zone, are hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

AMENDING SECTIONS 7, 8, AND 9 OF PANAMA CANAL ACT

The Clerk called the next bill on the Consent Calendar, H. R. 7523, to amend sections 7, 8, and 9 of the Panama Canal act, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill is of considerable extent. There are other bills following, some 20 or more. I think it would be well and instructive to the House if the gentleman who is reporting these bills [Mr. LEA] would give some preliminary statement as to what these various bills purpose.

The subcommittee, of which the gentleman is chairman, has given a tremendous amount of time to the consideration of these codifications, and I think it would be informing to the House now to have the gentleman take 10 or 15 minutes in explaining them, and we would save a lot of time, and the gentleman could explain just what is purposed by these various bills.

Mr. JENKINS. Mr. Speaker, I had the same idea in mind. I think the gentleman from California [Mr. LEA] has 25 bills on this calendar and they cover a great variety of subjects. I think the gentleman should be given all the time he desires to explain the bills.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from California may proceed for 20 minutes.

The SPEAKER pro tempore. Is there objection?

Mr. DICKSTEIN. Mr. Speaker, I object.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from California may proceed for 10 minutes to explain the bills.

The SPEAKER pro tempore. Is there objection?

Mr. DICKSTEIN. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, I shall not object to this bill, but I want the RECORD to show that I did not scrutinize this particular bill and therefore I want to be absolved of that responsibility.

Mr. LEA. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LEA. Mr. Speaker, in 1928 Congress authorized the President to secure a revision and codification of all the laws of Panama. The President was given complete authority to carry out that revision. He was authorized to employ a professional codifier and all the assistants necessary for that purpose. The professional codifier was secured from the West Publishing Co. He was selected entirely on the basis of his experience and competency for that work. The law authorized the Governor of the Panama Canal to call upon the district judge in Panama and the district attorney there to cooperate with this professional codifier. They spent about 15 months in revising and codifying the laws. In addition to that, the governor appointed a committee of eight, six of whom were lawyers, to make a study of these proposed revisions and codifications. Their work came to the Interstate and Foreign Commerce Committee last year. Mr. Denison, of Illinois, was chairman of the subcommittee. A great deal of attention was given to the subject, and the committee eventually unanimously reported the 26 bills that are before you to-day.

I want to call your attention to the situation in the Panama Canal Zone to show the necessity of what is proposed here: The Panama Canal Zone is not a Territory under the Constitution. The ordinary rules of the Constitution are the rules of Panama only so far as established by acts of Congress.

When the United States secured possession of the zone in 1904 the only law they had was the law of Colombia. The Napoleonic Code, which had been transported from Europe to Chile and from Chile to Colombia, became the general law in this zone. Congress passed an act giving the President legislative power over the zone. No other legislative body, other than the Isthmian Canal Commission, has ever been created for the Canal Zone. It is a Territory without a legislative body. It has a court, of course, and peace officers.

Mr. LAGUARDIA. What is its population?

Mr. LEA. There are about 40,000 people in the Canal Zone to-day. At the present time 20,000 of the people there are aliens, mostly West Indians and Panamans; 10,000 of them are soldiers and 10,000 of them are American citizens, civilians in the employ of the Government, together with the members of the families of the employees of the Government. They constitute the sole population of Panama.

There is no private ownership of real estate and we have only one court of record, two magistrate courts, and, of course, an appeal system. An appeal from the magistrate courts to the district court and from the district court to the circuit court at New Orleans.

This particular bill deals with the judiciary of the zone.

When the Panama Canal Commission was appointed in 1904 it was given legislative jurisdiction which it exercised until 1912. During the same period the President made a number of orders which had the force of law in the zone, and Congress from time to time ever since has passed acts which have become laws in the zone. In 1912 the legislative power was taken from the Isthmian Canal Commission, but the Presidents, under different administrations, exercised the power of making orders which have had the force of law in the zone. Now it develops that many orders made by different Presidents were without legal authority. In a number of instances they were without any authority to impose penalties for the violation of the laws they proclaimed.

So we have great necessity for revising the laws of the zone. It is a small territory, not much bigger than an ordinary county in the United States, yet it must have practically a complete system of law.

At the present time their laws come from many complicated and confusing sources.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 15 additional minutes or so much thereof as he may desire to use.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent that the gentleman from California may be permitted to proceed for 15 additional minutes, or so much thereof as he desires to use. Is there objection?

There was no objection.

Mr. LEA. As to the sources of the laws in the zone, in the first place, the President made an order keeping in effect a large body of the law that had been inherited from Colombia. Two or three years later they adopted a code of civil procedure as transported from California, but not the original code of California, but as it had been transported from other sources. Then a portion of the penal code was adopted, but not the Penal Code of California, but as it had been transported from Hawaii and Porto Rico. They still maintained the old Colombian Civil Code in the practice of the Panama Canal Zone. Therefore, lawyers and judges have had the difficulty of trying to apply the civil procedure of the United States to the civil code that was inherited from Napoleon's day in Europe. Some of those laws that belonged to Colombia have not been translated into English at the present time.

I do not name that particular circumstance as an important one, but it indicates the confusion that exists in the zone to-day. One result has been that in order to render judgment in many civil cases the judges have had to develop an undue amount of judge-made law and render decisions not based upon statutory enactment.

There was no common law in the Canal Zone. The Napoleonic Code, from which the zone inherited its laws, was entirely statutory, with certain exceptions that are not in harmony with what we know as the common law in the United States.

So 26 bills are now presented here for the purpose of revising the laws of Panama.

Mr. EATON of Colorado. Will the gentleman yield there?

Mr. LEA. Yes.

Mr. EATON of Colorado. Is not the government down there practically a military government rather than a civil government?

Mr. LEA. No; it is not. We have the Governor of the Panama Canal, who is a civilian and who has charge of the operation of the canal. The operation of the canal is the big thing in the Canal Zone. He is the important man, from an executive standpoint; but the courts are entirely free, for all practical purposes, of the Governor of the Canal Zone. The district court there is practically as free as a district court in the United States except the judge is appointed for only a 4-year term.

Mr. EATON of Colorado. Are not the only people in the Canal Zone the employees of the Government and a few outsiders who are permitted to be there by the governor of the zone, who is a military officer?

Mr. LEA. That is true, but there are a great many sailors that stop in the zone temporarily, and there are 10,000 soldiers and then there are 20,000 of these aliens.

Mr. EATON of Colorado. All subject to military law?

Mr. LEA. Oh, no; it is civil law. It is not a military government, it is a civil government controlled by law as given by Congress through its laws, or Executive orders of the President made by the authority of Congress, or orders made by the Isthmian Canal Commission.

Mr. BARBOUR. Will the gentleman yield?

Mr. LEA. Yes.

Mr. BARBOUR. The military operations in the Canal Zone are entirely separate and distinct from the civil government there.

Mr. LEA. That is true. Of course, the military organization is important, but it is a military organization and is subordinate to the civil government.

Mr. JENKINS. Will the gentleman yield for a question?

Mr. LEA. Yes.

Mr. JENKINS. I am much interested in this bill because it relates to the judiciary and I would like to ask the gentleman for my own information whether there is any other insular possession or any possession over which we have any control whatever where the committee that deals with the organic law deals also with the judiciary, or is it true that in all other cases all judicial questions go to our Judiciary Committee?

Mr. LEA. So far as I am aware, and I may be in error about the matter, this is an exception, but the Interstate and Foreign Commerce Committee has jurisdiction of everything that relates to the Canal Zone.

The authority given to the President was to revise and codify the laws. The 26 bills presented to Congress to-day are for the purpose of revising the laws, preliminary to the codification that is expected to follow. The substantive changes that are expected to be made in the law are embodied in these 26 bills, and they are presented with the purpose that after the substantive law is enacted, then the sections will be numbered and classified, and we will come here with a codification bill which makes no changes whatever in the substantive law.

Most of these measures are routine in character. I do not mean by this statement they are not important, but they pertain mostly to routine matters of government.

The particular bill that is presented here relates to the judiciary in the Panama Canal Zone. The judicial system of the Panama Canal consists of two magistrate courts and two district courts served by one district judge. We offer legislation here that affects the courts in a material way.

In reference to the magistrate courts, at the present time they have jurisdiction of very trivial criminal matters in most cases, but they also have jurisdiction of matters involving city ordinances and the possession and right to personal property.

It may occur that a case involving thousands of dollars, where personal property is in controversy, may be within the jurisdiction of the magistrate's courts. These courts should not properly exercise such jurisdiction, and we propose to take that jurisdiction and give it to the district court, because it properly belongs to a higher court.

We propose to slightly extend the criminal jurisdiction of the magistrates by giving them jurisdiction where the penalty is not more than 30 days in jail or $100 fine. There are no jury trials in the magistrate courts.

Then we propose to give the district court jurisdiction to try all criminal cases above the jurisdiction of the magistrate courts, and we propose to give a right of appeal to the circuit court of the United States at New Orleans for every case in which the district court has original trial jurisdiction. This broadens the present right of appeal.

Mr. JENKINS. Will the gentleman yield?

Mr. LEA. Yes.

Mr. JENKINS. I have not read the report on this point, but has this measure met with the approval of the Attorney General and the Department of Justice?

Mr. LEA. Yes; the Attorney General——

Mr. STAFFORD. The Attorney General, in his reply to the chairman of the committee, has stated that it is a matter that he is not interested in and one that does not pertain to his department, and he dismisses it in a willy-nilly way.

Mr. LEA. Yes; he does not attempt to pass upon that, but the judge down there and the bar association have made a rather extensive study of this problem since last year.

Mr. JENKINS. To what branch of the Government does the gentleman's committee appeal for information and statistics with reference to these judicial matters?

Mr. LEA. Our information is primarily through the Governor of the Panama Canal Zone, and the reports are referred to the Secretary of War, and in this particular instance to the Attorney General.

Mr. STAFFORD. Will the gentleman yield?

Mr. LEA. I will.

Mr. STAFFORD. It was my high privilege, back 20 years ago, to serve on the Committee on Interstate and Foreign Commerce when the bill providing for the jurisdiction of the Canal Zone was under consideration. I remember that our committee hesitated and proceeded very slowly in throwing additional burdens on the appellate jurisdiction of the circuit court of appeals in New Orleans.

Now the gentleman states that the proposed legislation would confer on the circuit court of appeals at New Orleans all appellate power in these matters where the district court had original jurisdiction. How extensive is the jurisdiction? The gentleman does not wish to impose too much work on the circuit court of appeals at New Orleans.

Mr. LEA. Practically everything that you would regard as an important case. The minimum limit at the present time requires $1,000 to give the right to appeal.

Mr. STAFFORD. Every person in the Canal Zone in any wise litigious would take advantage of it. The gentleman does not wish to help them stay the hand of justice by granting them the right to appeal to the circuit court of appeals in minor cases.

Mr. LEA. The question the committee had that gave us most concern was giving the right of appeal in cases between $300 and $1,000.

Mr. RAYBURN. Will the gentleman yield?

Mr. LEA. I yield.

Mr. RAYBURN. There may not be as many appeals as the gentleman from Wisconsin fears, because they do not have the constituents.

Mr. STAFFORD. In the State of Wisconsin we are striving to bring about a reduction in litigation. We have courts in my State which have jurisdiction of $2,000, with the right of appeal to the circuit court, but if there is any evidence whatever that supports the finding of the lower court the circuit court on appeal will not revise it. Now, here you have a little justice court case from $300 to $1,000 tried by the district court, and you grant the right of appeal to the circuit court of appeals. I do not like that feature.

Mr. LEA. I had the same reaction as the gentleman from Wisconsin, but we find precedents for this in the district courts of Hawaii and Porto Rico. This broad right to appeal is given from the courts in Hawaii and Porto Rico.

Mr. STAFFORD. But Hawaii and Porto Rico have other courts beside the municipal and district courts.

Mr. LEA. They have corresponding courts.

Mr. STAFFORD. I question whether you will find in the Judicial Code authority in cases in Hawaii involving less than $1,000 with the right of appeal to the Circuit Court of Appeals in San Francisco.

Mr. GREENWOOD. I think, unless there was great merit in the case, a litigant would not appeal to the court of appeals in New Orleans.

Mr. STAFFORD. The gentleman is young in his professional experience. The gentleman has not run across these litigious cusses that keep on fighting and fighting in order to embarrass and needlessly delay an ultimate decision.

Mr. GREENWOOD. I was simply pointing out the absurdity of a man's going a thousand miles to appeal a case that involves only a thousand dollars.

Mr. STAFFORD. I knew an attorney in my home State who was continually coming to the Supreme Court here on certiorari in many minor cases.

Mr. GREENWOOD. Well, the gentleman has some queer clients.

Mr. STAFFORD. He was not a client of mine.

Mr. LAGUARDIA. There has been a good deal of trouble in the Panama Zone, and a year ago I had a big file on my desk in regard to it. It occurred to me that the trouble is with the administration of justice in the courts and the prosecution of criminal cases. It always happens that way when you put it in the hands of soldiers. Now, we are codifying the law, and it seems to me it would have been a good thing to turn it over to the Department of Justice, where it belongs.

Mr. LEA. Mr. Speaker, in connection with that, the governor and, I believe, the Secretary of War, at least the governor, has agreed on the plan of transferring it to the supervision of the Department of Justice.

Mr. LAGUARDIA. He has?

Mr. LEA. Yes. Not by law, but by the power already existing in the hands of the President to transfer this control to whatever department he sees fit.

Mr. LAGUARDIA. That ought to be done.

Mr. LEA. There is another point that I wish to call to the attention of the gentleman from Wisconsin [Mr. STAFFORD]. I am in harmony with the theory he advances, but there is a condition in Panama where we ought to try to produce a more wholesome situation.

One phase of it has been this one court of important jurisdiction in the zone has been under a suspicion that he has been under the domination of the governor. That is not so true now as under different officers in earlier years. We have a large group of laborers, and they are the principal persons affected so far as American citizens are concerned; and I am convinced from what I have learned of the situation that it is important to make that court just as respectable as we can, and one way to do it is to relieve him from the charge of arbitrary rulings by leaving the way open for disappointed litigants to go to the circuit court in the United States. This is an isolated court, with the danger of concentrated and arbitrary use of power. In this one case I think we ought to give a liberal right of appeal, although I would not be in favor of an equally liberal right in the United States.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that his time be extended for five minutes more.

The SPEAKER pro tempore. Is there objection?

Mr. DICKSTEIN. Mr. Speaker, reserving the right to object, I desire to present a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DICKSTEIN. After all this discussion goes on, which may take hours, are all the bills going to be voted upon as one, or do they have to be taken up separately?

The SPEAKER pro tempore. We are on the Consent Calendar, and as each bill is called any Member has the right to object to its consideration. The bills will have to be taken up singly and individually in their order. Is there objection to the request of the gentleman from Wisconsin that the time of the gentleman from California be extended for five minutes?

There was no objection.

Mr. LEA. Mr. Speaker, I have no desire to consume time, but I think this discussion will save much time in the consideration of the remaining bills.

Mr. STAFFORD. I note the amendment found on page 9 of the report which authorizes the President to appoint a special district judge in case of the incapacity of the sitting district judge, and which authorizes the special district judge to receive the same rate of compensation and same mileage and per diem as that paid to the district judge. What is encompassed in that "same mileage and per diem" provided for in this amendment? Under existing practice I believe the district judge when he goes outside of his home district receives an allowance of $10 per day and perhaps mileage allowance. Is it the purpose to authorize this special district judge to have certain mileage allowance to go from his home, say, in New York City, down to the Canal Zone, stay there a couple of weeks, and receive $10 a day during his absence from New York City? Is the Canal Zone going to be a mecca for judges to rest while the permanent district judge is taking a vacation in the Temperate Zone?

Mr. LEA. I am sorry, but I can not tell the gentleman the amount of the fee. I know the general circumstances. The law gives the present judge a vacation of 60 days each year, and the necessity for this provision is to cover that lapse due to the absence of the present judge. The present judge has been taking this vacation without substituting other judges in recent years, as I understand it.

Mr. BALDRIGE. Mr. Speaker, will the gentleman yield?

Mr. LEA. Yes.

Mr. BALDRIGE. Outside of additional judicial machinery, is there much new substantive law throughout all of these bills or is it merely a codification of the present law?

Mr. LEA. It is mostly a revision, and it involves routine matters almost entirely, although some of them are important. This legislation is substantially routine. Everybody down there who is interested—the governor, the committee of eight, the revision committee, the bar association, and the labor organizations—have all agreed, notwithstanding that some of them do not get all they want in these bills, that they desire that they go through rather than have delay.

Mr. BALDRIGE. Are there any new additional blue laws?

Mr. LEA. No. We have followed the general policy of eliminating the minimum sentence, placing a maximum, and leaving the penalty to the discretion of the judge within the maximum limit.

Mr. GREENWOOD. The district judge, United States marshal, and the district attorney are all appointed by the President, the same as they are in the States?

Mr. LEA. They are under this plan.

Mr. GREENWOOD. Is the salary the same for the Canal Zone as for those same officers in the district courts here?

Mr. LEA. No; the salaries are fixed by the President.

Mr. GREENWOOD. Not fixed by the act?

Mr. LEA. No.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

To amend sections 7, 8, and 9 of the Panama Canal act, as amended

Be it enacted, etc., That section 7 of the Panama Canal act of August 24, 1912, as amended, is hereby amended to read as follows:

"SEC. 7. That the Governor of the Panama Canal shall, in connection with the operation of such canal, have official control and jurisdiction over the Canal Zone and shall perform all duties in connection with the civil government of the Canal Zone, which is to be held, treated, and governed as an adjunct of such Panama Canal. Unless in this act otherwise provided, all existing laws of the Canal Zone referring to the civil governor or the civil administration of the Canal Zone shall be applicable to the Governor of the Panama Canal, who shall perform all such executive and administrative duties required by existing law.

"The President is authorized to determine or cause to be determined what towns shall exist in the Canal Zone, and subdivide and from time to time resubdivide said Canal Zone into subdivisions, to be designated by name or number, so that there shall be situated one town in each subdivision, and the boundaries of each subdivision shall be clearly defined.

"In each town there shall be a magistrate's court with exclusive original jurisdiction coextensive with the subdivision in which it is situated of all civil cases in which the principal sum claimed does not exceed $300, and all criminal cases wherein the punishment that may be imposed shall not exceed a fine of $100, or imprisonment for 30 days, or both, and all actions involving the forcible entry and detainer of real estate.

"Such magistrates' courts shall also hold preliminary hearings in all charges of felony and in charges of misdemeanor in which the punishment that may be imposed is beyond the jurisdiction herein granted to the magistrates' courts, where such charges of felony or misdemeanor are begun by complaint filed in such magistrates' courts, and commit or bail in bailable cases to the district court.

"A sufficient number of magistrates and constables, who must be citizens of the United States, and other employees necessary to conduct the business of such courts, shall be appointed by the President or by his authority for terms of four years and until their successors are appointed and qualified, and the compensation of such persons shall be fixed by the President, or by his authority.

"Before assuming office the magistrates and constables shall take and subscribe on oath of office before a notary public of the Canal Zone to the effect that they will faithfully and impartially discharge the duties of their respective offices.

"The rules governing said courts and prescribing the duties of said magistrates and constables, oaths, and bonds, the times and places of holding such courts, the disposition of fines, costs, and forfeitures shall be established by order of the President.

"The Governor may grant pardons and reprieves and remit fines and forfeitures for offenses against the laws of the Canal Zone and reprieves for offenses against the laws of the United States until the decision of the President is made known thereon.

"The Governor of the Panama Canal shall appoint all notaries public, prescribe their powers and duties, their official seal, and the fees to be charged and collected by them.

"Appeals from the judgments and rulings of the magistrates' courts to the district court are authorized in all civil and criminal cases."

With the following committee amendments:

Pages 2 and 3, lines 25 and 1, strike out "where such charges of felony or misdemeanor are begun by complaint filed in such magistrates' courts" and page 3, line 2, after the word "court" insert a semicolon and the following: "but this provision shall not deprive the district attorney of the right to present an information to the court after a defendant has been discharged by a magistrate court."

The SPEAKER pro tempore. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word, to call special attention to the limitation of jurisdiction that the committee has placed upon the magistrate's court, which throws open to district court jurisdiction all cases involving $300 and over.

I may say that back in the early beginnings of my practice we had justice courts in the city of Milwaukee, and grave abuses arose in the trial of cases in justice court which required retrial in the circuit court. Later our legislature, to correct this evil, created a civil court with jurisdiction up to $2,000 that superseded the justice courts.

By this bill the jurisdiction of magistrates is limited to $300. In harmony with that suggestion, you have provided that the original jurisdiction of the district court shall begin with $300. Has the gentleman given any consideration to increasing that amount so that we will not burden the district court with the trial of minor civil cases, which are really justice court cases?

Mr. LEA. We rather increased the jurisdiction of the magistrate's court as to crimes.

Mr. STAFFORD. I am not considering crimes. I am considering civil cases entirely, where you have prescribed $300 as a maximum.

Mr. LEA. We, of course, did not reduce that amount. That is the existing law.

Mr. STAFFORD. But I was trying to ascertain whether the gentleman's committee gave any consideration to increasing it to $1,000 or $500.

Mr. BURTNESS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. BURTNESS. Of course, in the Panama Canal Zone the civil litigation is comparatively minor. There is not any business down there except business conducted by the Government.

Mr. STAFFORD. But the gentleman was not in the Chamber when I was criticizing the proposal that all original jurisdiction which the magistrate court has is subject to review on appeal before the circuit court of appeals.

Mr. BURTNESS. I understand. I was in the Chamber at the time, sitting just in front of the gentleman. The fact is that the civil business is relatively minor as compared with the criminal work down there.

Mr. STAFFORD. But why do we restrict it to $300? Unless the committee desires, I do not wish to offer an amendment.

Mr. LEA. Of course, the magistrate's court is not a court of record, and $300 is a parity to the California law, from which this is probably taken.

Mr. STAFFORD. If the subcommittee which has had this in charge is satisfied, I shall not offer to raise the amount, but I think the amount should be raised to $500, and that could be consistently done without doing injustice to the litigants. You would thereby relieve the district courts of this minor litigation.

Mr. LEA. One hundred or two hundred dollars would not make a great deal of difference. I would not have any objection to the gentleman offering such an amendment if he desires.

Mr. HOCH. I would have no objection to it.

Mr. STAFFORD. Mr. Speaker, then I offer an amendment, on page 2, line 16, to strike out "300" and insert "500."

Mr. LAGUARDIA. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. LAGUARDIA. Is that original jurisdiction or appeal jurisdiction?

Mr. STAFFORD. In the magistrate's court they will have jurisdiction up to $500, and in the district court their jurisdiction would be from $500 up.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 2, line 16, strike out "300" and insert in lieu thereof "500."

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. That section 8 of the Panama Canal act, as amended, is hereby amended to read as follows:

"SEC. 8. There shall be in the Canal Zone one district court, to be known and designated as the United States District Court for the District of the Canal Zone. There shall be two divisions of said district court, one including Balboa and the other including Cristobal, and the boundaries of the divisions shall be determined by the President.

"There shall be one district judge of the said district; provided that the President may appoint a special district judge to act, when necessary, during the absence of the district judge from the Canal Zone or during any period of disability or disqualification from sickness, or otherwise to discharge his duties, and such special district judge shall receive the same rate of compensation and the same mileage and per diem as is paid to the district judge. Terms of the district court shall be held in the Balboa and Cristobal divisions at such times as the judge may designate by order.

"The rules of said district court shall be prescribed by the district judge.

"The said district court shall have jurisdiction of:

"All criminal cases wherein the punishment that may be imposed exceeds a fine of $100 or 30 days' imprisonment, or both;

"All cases in equity;

"All cases in admiralty;

"All cases of divorce and annulment of marriage;

"All cases at law involving principal sums exceeding $300;

"All appeals from judgments rendered in the magistrates' courts;

"All cases and proceedings involving laws of the United States applicable to the Canal Zone;

"All other matters and proceedings wherein jurisdiction is conferred by the codes of law and procedure of the Canal Zone;

"In addition to the jurisdiction now specifically conferred on it by certain acts of Congress, the said court shall have jurisdiction of offenses under the criminal laws of the United States when such offenses are committed upon the high seas beyond the territorial limits of the Canal Zone, on vessels belonging in whole or in part to the United States, or any citizen thereof or any corporation created by or under the laws of the United States or of any State, Territory, or District thereof, and the offenders are found in the Canal Zone or are brought into the Canal Zone after the commission of the offense: *Provided*, That this provision shall not be construed to deprive the district courts of the United States of any jurisdiction now provided by law. The procedure and practice in such cases shall be the same as in other criminal cases tried under the laws of the Canal Zone.

"The jurisdiction in admiralty herein conferred upon the district judge and the district court shall be the same as is exercised by the United States district judges and the United States district courts, and the practice and procedure shall be the same as in the United States district courts.

"The judge of the district court shall provide for the selection, summoning, and serving of jurors from among the citizens of the United States subject to jury duty to serve in the division of the district in which such jurors reside, and a jury shall be had in any civil or criminal case originating in the said court on the demand of either party, subject to such limitations as may be contained in any codes which may hereafter be enacted for the Canal Zone. Any citizen of the United States who is employed by the Panama Canal or the Panama Railroad Co. within the Canal Zone, and who resides in a residence owned by the Panama Canal or Panama Railroad Co. in territory contiguous to the Canal Zone shall, for the purpose of this subdivision, be deemed to reside in the division nearest his place of residence. Jurors who are employed by the Panama Canal or the Panama Railroad Co. shall receive their full pay for time attending court and shall not receive any other compensation from the court for their attendance as jurors. Any juror who is not an employee of the Panama Canal or the Panama Railroad Co. shall be allowed a jury fee of $5 per diem during the time of his attendance.

"The said district judge shall receive the same salary as is allowed to United States district judges, and when holding court away from home shall be allowed the same mileage and per diem as is allowed to United States district judges.

"The district judge shall appoint the clerk of the district court and the President may authorize the appointment of such deputy clerk or deputy clerks and clerical assistants to the judge and the clerk as he shall deem necessary; and all of such officials and employees shall receive such compensation as the President shall prescribe.

"When no special judge has been appointed and the district judge is absent from the Canal Zone and is in the United States or any of the Territories or possessions thereof, he may make in the place where he is any order or orders which in his discretion may be necessary, and which could have been made in chambers on the Canal Zone, notwithstanding the fact that such order or orders were made by him out side of the jurisdiction of said court. Any such order so made shall have the same force and effect as though made in chambers on the Canal Zone.

"Whenever any such order is made as provided in this section the judge shall forward the same to the clerk of the court by mail. He shall also communicate the substance of such order to the clerk of the court by radio or other means, and upon the receipt of such message the clerk of the court shall proceed to have the same carried into effect as fully as though such procedure were had on a written order made by the judge in chambers.

"The judge shall make such rules respecting such radio procedure, including the fixing and the payment of the cost thereof, as may, in his discretion, be necessary.

"There shall be a district attorney for the Canal Zone, whose compensation shall be fixed by the President.

"It shall be the duty of the district attorney to conduct all legal proceedings, civil and criminal, for the Government of the United States and for the government of the Canal Zone, and it shall also be his duty to advise the Governor of the Panama Canal, upon request of the latter, on matters pertaining to the office of the governor.

"The district attorney shall be allowed such assistant district attorneys, clerks, and other employees as the President may authorize, and all of such officials and employees shall receive such compensation as the President shall prescribe.

"There shall be a marshal of the said district whose compensation shall be fixed by the President. The said marshal shall be allowed such deputy marshals as the President may authorize, and such deputies shall receive such compensation as the President shall prescribe.

"It shall be the duty of said marshal to attend the district court when sitting and to execute throughout the district all lawful precepts directed to him and issued under the authority of the United States or of the government of the Canal Zone, except process returnable to the magistrates courts; and he shall have power to command all necessary assistance in the execution of his duty. He shall perform such other duties, not inconsistent with law, as may be prescribed from time to time by the President.

"The district judge, the district attorney, and the marshal shall be appointed by the President, as heretofore, by and with the advice and consent of the Senate, for terms of four years each. They shall continue to discharge the duties of their respective offices, unless sooner removed by the President, until their successors shall be appointed and qualify in their stead. During their term of office they shall reside within the Canal Zone, and shall be allowed 60 days' leave of absence each year, with pay, under such regulations as the President may from time to time prescribe."

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Page 5, line 11, strike out "$300" and insert "$500."

Mr. LAGUARDIA. This would not prevent a civil case involving $500 or $400 going to the district court, would it?

Mr. STAFFORD. Yes.

Mr. LAGUARDIA. The jurisdiction is not changed?

Mr. STAFFORD. Making the minimum jurisdiction of the district court $500 instead of $300.

Mr. LAGUARDIA. There are no jury trials in the magistrate court?

Mr. STAFFORD. No.

Mr. LEA. But there would be a right of appeal to the district court.

The SPEAKER pro tempore. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. That section 9 of the Panama Canal act, as amended, is hereby amended to read as follows:

"SEC. 9. The Circuit Court of Appeals of the Fifth Circuit of the United States shall have jurisdiction to review, revise, modify, reverse, or affirm the final judgments and decrees of the said district court, and to render such judgments as in the opinion of the said appellate court should have been rendered by the trial court in all actions and proceedings in which the Constitution or any statute, treaty, title, right, or privilege of the United States is involved, and in cases in which the value in controversy exceeds $1,000, to be ascertained by the oath of either party or by other competent evidence, and also in criminal cases wherein the punishment that may be imposed is imprisonment for one year or more; and also in civil and criminal cases in which the jurisdiction of the trial court is in issue, but whenever any such case is not otherwise reviewable in said appellate court the question of jurisdiction alone shall be reviewable by said appellate court. And such appellate jurisdiction, subject to the right of review by the Supreme Court of the United States as in other cases authorized by law, may be exercised by said Circuit Court of Appeals in the same manner, under the same regulations, and by the same procedure as nearly as practicable as is done in reviewing the final judgments and decrees of the district courts of the United States.

"Cases pending in the said Circuit Court of Appeals at the time of the passage of this act shall not be affected hereby, but the same shall be disposed of as though this act had not been enacted.

"That it shall not be necessary in the district court to exercise separately the law and equity jurisdiction vested in said court."

With the following committee amendment:

Beginning on page 10, line 16, after the word "all," strike out the remainder of the line and all of lines 17, 18, 19, 20, 21, 22, 23, 24, and 25, and on page 11 strike out lines 1 and 2 and insert "cases whereof original trial jurisdiction is in the district court."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PROHIBITION OF GAMBLING IN THE CANAL ZONE

The Clerk called the next bill, H. R. 7498, to amend Act No. 4 of the Isthmian Canal Commission, entitled "An act to prohibit gambling in the Canal Zone, Isthmus of Panama, and to provide for the punishment of violations thereof, and for other purposes," enacted August 22, 1904.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I wish to inquire of the gentleman having the bill in charge whether the committee considered any saving clause as to prosecutions and trials that are pending when this law supersedes the provisions that are stricken out.

Mr. LEA. Not in this bill; but there is a provision to the effect that the present prosecutions can maintain their status.

Mr. STAFFORD. So that has been taken care of.

Mr. LEA. Yes.

Mr. STAFFORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Act No. 4 of the Isthmian Canal Commission, enacted August 22, 1904, is hereby amended to read as follows:

"Every person who conducts and carries on, or causes to be conducted or carried on, either as owner, agent, or employee, whether for gain or a chance for gain by deducting a percentage either of the profits or of the stake being hazarded, any game of faro, monte, roulette, lansquenet, rouge-et-noir, ronde, tan, fan-tan, studhorse poker, poker, seven-and-a-half, twenty-one, hokey-pokey, or any other game, for money, checks, credit, or other representative of value; and

"Every person who has in his possession or under his control, either as owner, agent, employee, or otherwise, or who permits to be placed, maintained, or kept in any room, space, inclosure, or building owned, leased, or occupied by him, or under his management or control, any slot or card machine, contrivance, appliance, or mechanical device, upon the result of action of which money or other valuable thing is staked or hazarded, and which is operated or played by placing or depositing therein any coins, checks, slugs, or other articles or device, or in any other manner and by means whereof, or as a result of the operation of which, any merchandise, money, representative or articles of value, checks, or token, redeemable in, or exchangeable for, money or any other things of value; and

"Every person who has in his possession or under his control, or who permits to be placed, maintained, or kept in any room, space, or inclosure or building owned, leased, or occupied by him, or under his control or management, any device or game on which any money or other valuable thing is staked or hazarded, and as a result said money or valuable thing may be won or lost;

"Shall upon conviction be punished by a fine of not more than $5,000 or by imprisonment in jail not exceeding one year, or both such fine and imprisonment."

With the following committee amendment:

On page 3, in line 4, strike out the sign and figures "$5,000" and insert in lieu thereof the sign and figures "$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

THE KIDNAPING OF THE LINDBERGH BABY

Mr. FULBRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the kidnaping of the Lindbergh baby by inserting an editorial from the St. Louis Star.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD by inserting an editorial from the St. Louis Star. Is there objection?

There was no objection.

Mr. FULBRIGHT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the St. Louis Star:

[From the St. Louis Star, March 3, 1932]

THIS MAN-BRED MONSTER

Homer told in the Odyssey how all ships passing the cave of the sea monster Scylla had six oarsmen snatched from the seats and devoured, one by each of the six heads of the awful creature. Chance decided who should be taken. They were victims of the supernatural cruelty that planted such a demon in the sea, and had to give their lives that their fellows might be spared.

The American people have bred a monster—organized crime—and it is taking its toll from those who pass. No power, divine or devilish, planted this monster among us. It is of our own creating, nourishing, and training. Nobody knows who will be its victim tomorrow; to-day it holds the baby son of the Lindberghs in its horrible maw.

This baby was stolen from its cradle just after the Attorney General of the United States, William D. Mitchell, had finished telling a congressional committee that he was opposed to a Federal law making it a crime to transport a kidnaped person across a State line. He was opposed because, he said, it would take special officers to enforce it. Out upon such reasoning! It is false to begin with, and reflects ignorance of this crime itself, of its

amazing development, and the means employed to evade pursuit and thwart prosecution. The first and immediate effect of the Lindbergh kidnaping should be to send the Patterson-Cochran antikidnaping bill through Congress.

But what about Scylla itself—the monster, organized crime—which reaches out and takes daily toll in life and property from the people who bred it?

Shall Scylla remain alive to slay and devour?

The damnable crime committed in New Jersey should jolt the American people out of their lethargy and create a fierce and overruling determination to wipe organized crime out of the United States.

How?

By striking at the forces protecting it, chief of which is our legal system

Criminal law in the United States is as out of date as a blunderbuss on a 35,000-ton battleship. A trial is a battle of wits between lawyers trying to obey or evade rules that were has-beens in the days of Queen Elizabeth.

Criminals go into court to-day represented by lawyers who every bar association president knows should be in the penitentiary. Perjury, intimidation of witnesses, and absurd technicalities sanctioned by the courts form the fundamentals of defense in criminal trials; and every attempt at reform is blocked by lawyers.

Crime will rule the United States until racketeering is driven out of the legal profession.

Crime will rule the United States until politicians who protect crime and share its profits are driven out of office.

Crime will rule the United States until the people decide that it shall not.

The Lindbergh baby could have been left unguarded and safe in England, France, Germany, Italy, Yugoslavia, Finland, Russia, Brazil, South Africa, Japan. It would have been safer in the African Congo, Patagonia, or the interior of China than on the outskirts of New York.

There are vast communities in Europe where crime is utterly unknown, where not a single theft occurs from one year's end to the next, where no man living remembers a murder. In all the annals of the American Colonies there is just one recorded instance of highway robbery. To what depths have we sunk!

Poverty, the slums, the deadly perverted training of boys in the streets of our cities, the false heroics of crime fostered by a maudlin civilization, the criminal-training school of the penitentiary—these give birth to crime and nourish it.

But it is the disgraceful system of American jurisprudence that makes it flourish.

Why should lawyers who love justice and truth and honor sit idly by and let their profession be made a hissing and a byword and the law a cloak for thieves? Why should the people tolerate this monstrous anachronism of the law, knowing that it loads them with fear and misery?

Whenever the lawyers in Congress and on the bench and in legislatures and in bar associations say the word, the American legal system will be cut as clean of crime as a surgeon cuts a tumor-ridden body.

When the law no longer furnishes shelter for thieves, thieves will no longer take shelter under it.

When the law offers no aid to rascals, rascals will cease to practice law.

And that will mark the end of the American reign of terror.

Poverty, the street gang, the penitentiary, corrupt politics, the antiquated law, the crooked lawyer—these are the six heads of Scylla, and the last three are within reach of the sword. Strike them off and sear the stump. Organized crime has terrorized this Nation too long.

SUPPRESSION OF LOTTERIES IN THE CANAL ZONE

The Clerk called the next bill (H. R. 7499) to amend Act No. 3 of the Isthmian Canal Commission relating to the suppression of lotteries in the Canal Zone, enacted August 22, 1904.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, may I call the attention of the gentleman from California to the fact that lotteries are quite an institution in the Republic of Panama. I am sure the gentleman is aware of that.

Mr. LEA. That is true.

Mr. LAGUARDIA. The government runs the lottery there if I am not mistaken.

Mr. LEA. That is true.

Mr. LAGUARDIA. Of course, we have banned lotteries in this country for a great many years, but it struck me that the penalties here provided are rather high, considering the habits of the people down there and the proximity of the Republic of Panama, where, I believe, there is only the division of a street, on one side being the Republic of Panama and on the other side the Canal Zone. Are not the penalties provided here too high?

Mr. LEA. We have reduced these penalties. We have tried to harmonize these with those provided in the other antigambling laws. The gentleman will notice we have reduced this from $5,000 to $1,000 as the maximum fine. There is very little trouble in the zone about lotteries, because they have got to buy their lottery tickets, if they buy them at all, in the Republic of Panama.

Mr. LAGUARDIA. But if lottery tickets are found in their possession within the Canal Zone, that would be a crime under this law.

Mr. LEA. Exactly; but, as I have said, there is very little trouble in the Canal Zone, and we have harmonized the penalties and reduced the penalties.

Mr. LAGUARDIA. The intent is to prevent the establishment of a lottery system in the zone?

Mr. LEA. Yes.

Mr. LAGUARDIA. And the penalties here fixed are simply the maximum penalties?

Mr. LEA. That is all.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of Act Canal Commission No. 3, August 22, 1904, is hereby amended to read as follows:

"If any person or persons shall establish, set on foot, carry on, promote, make, or draw, publicly or privately, within said Canal Zone, any lottery, policy-lottery, gift concert, or similar enterprise of any description, by whatever name, style, or title the same may be designated or known; or if any person or persons shall by such ways and means expose, set aside or offer for sale any house or houses, lands or real estate, or any goods or chattels, cash or written evidences of debt, or certificates of claims, or any thing or things of value or tokens thereof whatever; every person so offending shall be fined in any sum not exceeding $1,000 or imprisoned in the penitentiary not to exceed five years, or both, for the first offense; and for the second or subsequent offense by both fine and imprisonment."

SEC. 2. That section 4 of Act Canal Commission No. 3, August 22, 1904, is hereby amended to read as follows:

"SEC. 4. If any person or persons within said Canal Zone, shall vend, sell, barter, or dispose of any lottery ticket, or tickets, order or orders, device or devices, of any kind, for, or representing any number of shares, or any interest in any lottery, or scheme of chance, or shall be concerned in any wise in any lottery or scheme of chance, by acting as owner or agent in said Canal Zone, for or on behalf of any lottery or scheme of chance, to be drawn, paid, or carried on, either outside of or within said Canal Zone, every such person shall be fined in any sum not exceeding $500, or be imprisoned in the penitentiary not exceeding two years, or both, at the discretion of the court, and for the second or subsequent offense be punished by both fine and imprisonment."

SEC. 3. That section 5 of Act Canal Commission No. 3, August 22, 1904, is hereby amended to read as follows:

"SEC. 5. Whoever shall by printing, writing, or in any other way publish an account of any lottery, or scheme of chance of any kind or description to be carried on, held, or drawn, either outside of or within the said Canal Zone, stating when or where any lottery or scheme of chance by whatever name, style, or title the same may be denominated or known, is to be drawn, for the prizes therein or any of them, or any information in relation to said drawing or prizes or any of them, of the price of the ticket, show, or chance therein, or where any ticket may be obtained or in any way aiding or assisting in the same, or in anywise giving publicity to such lottery or scheme of chance, shall be fined in any sum not exceeding $500, or be imprisoned in the penitentiary not exceeding two years, or both, at the discretion of the court."

SEC. 4. That section 6 of Act Canal Commission No. 3, August 22, 1904, is hereby amended to read as follows:

"SEC. 6. Whoever shall cause to be brought within the said Canal Zone, from abroad, for the purpose of disposing of the same, or depositing the same therein, for the purpose of having them disposed of within said Canal Zone, any papers, certificates, or instruments purporting to be or to represent a ticket, chance, share, or interest in or dependent upon the event of a lottery, policy-lottery, gift concert, or other enterprise offering prizes dependent upon lot or chance; or shall cause any advertisement of any such lottery, policy-lottery, gift concert, or other enterprise offering prizes dependent upon lot or chance to be brought within the said Canal Zone, or deposited in or circulated in said Canal Zone, shall be punished for the first offense by a fine of not more than $500 or by imprisonment in the penitentiary not more than two years, or both, in the discretion of the court; and for the second and subsequent offenses, by both fine and imprisonment."

SEC. 5. That sections 7, 8, and 9 of Act Canal Commission No. 3, August 22, 1904, be, and they are hereby, repealed.

SEC. 6. That section 10 of Act Canal Commission No. 3, August 22, 1904, is hereby amended to read as follows:

"SEC. 10. The governor may issue a permit for conducting a raffle or gift enterprise whenever it shall appear to him after proper investigation that the gross proceeds of said enterprise are

to be used for charitable purposes, and when such permit shall have been issued by the governor the preceding sections of this act shall not apply."

With the following committee amendments:

On page 2, line 4, after the word "things," insert the word "of."

Page 2, line 6, strike out the words "the penitentiary" and insert the word "jail."

Page 2, line 6, at the end of the line, strike out the words "five years" and insert in lieu thereof the words "one year."

Page 2, line 21, strike out "$500" and insert "$1,000."

In line 22, strike out the words "the penitentiary" and insert the word "jail."

In line 23, strike out the words "two years" and insert the words "one year."

Page 3, line 16, strike out "$500" and insert "$1,000."

At the end of line 16, strike out the words "the penitentiary" and insert the word "jail."

Page 3, line 17, strike out the words "two years" and insert the words "one year."

Page 4, line 10, strike out "$500" and insert "$1,000."

Page 4, line 10, strike out the words "the penitentiary" and insert the word "jail."

Page 4, line 11, strike out the words "two years" and insert the words "one year."

Page 4, line 12, strike out the word "and" and insert the word "for."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

PROHIBITION OF FIGHTS BETWEEN BULLS, DOGS, OR COCKS

The Clerk called the next bill, H. R. 7500, to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks.

There being no objection, the bill was read, as follows:

Be it enacted, etc., That section 1 of the Executive order of August 4, 1911, is hereby amended to read as follows:

"SECTION 1. Any person who sets on foot, instigates, promotes, or carries on any fights between cocks or other birds, or any dog fight, or bull fight, or fight between other animals; or who does any act as assistant, umpire, or principal in furtherance of any fight between any such animals shall be punished by a fine not to exceed $50 or by imprisonment in jail not to exceed 30 days, or by both such fine and imprisonment, in the discretion of the court."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

PREVENTION OF FIRE-HUNTING AT NIGHT

The Clerk called the next bill, H. R. 7501, to prevent, in the Canal Zone, fire-hunting at night and hunting by means of a spring or trap, and to repeal the Executive orders of September 8, 1909, and January 27, 1914.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, there are several bills on the calendar following this one which are similar in character. The purpose of enacting them into law is because of the invalidity of certain Executive orders.

Mr. LEA. Yes.

Mr. LAGUARDIA. That being so, why does not the gentleman provide in these bills for the repeal of the Executive orders if the orders were invalid?

Mr. LEA. We are enacting substantive law the same as the presidential orders. We repeal the presidential orders and then the law becomes absolute.

Mr. LAGUARDIA. But the order was invalid because of lack of power to issue the order.

Mr. LEA. It is being more or less observed, but in many instances it is the opinion of the lawyers that the penalties prescribed are illegal.

Mr. LAGUARDIA. It seems to me if the purpose of the bill is to write a proper method law, as we are now doing by the enactment of these bills into law, because of the doubtful validity of an Executive order, the Executive order should not be repealed in this manner if it were null and void ab initio.

Mr. HOCH. If the gentleman will yield, it seems to me as long as there is any doubt about the Executive order, it is a good thing to get it off the books, so there will not be any doubt about it. If you were to repeal it ab initio, of course, that would raise a very serious question, and I am sure you would not want to do that.

Mr. LAGUARDIA. No; I would not refer to them in the bill at all. I would strike out section 2.

Mr. HOCH. Then you would substitute this for an Executive order which may or may not be invalid. There is some doubt about the matter in some cases. Why should we not repeal this doubtful order so it will no longer be around to clutter up the books?

Mr. LAGUARDIA. Especially, if proceedings have been had under it.

Mr. LEA. When the codifier came along he would not kick it out on the ground it was unconstitutional, but would embody it in the codification.

Mr. HASTINGS. It can not possibly do any harm, anyway.

Mr. LAGUARDIA. No; it can not do any harm.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That every person who shall hunt at night, between the hours of sunset and sunrise, with the aid or use of a lantern, torch, bonfire, or other artificial light, or who shall hunt by the use of a gun or other firearm intended to be discharged by any animal or bird, by means of a spring or trap, or other similar mechanical device, shall be guilty of a misdemeanor.

The penalties imposed by this act shall be in addition to the punishments authorized by the law against carrying arms without a permit.

SEC. 2. That the Executive order of September 8, 1909, amending section 454 of the Penal Code of the Canal Zone, and the Executive order of January 27, 1914, numbered 1884, be, and they are hereby, repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

USE OF ARMS IN THE CANAL ZONE

The Clerk called the next bill, H. R. 7502, to regulate the carrying and keeping of arms in the Canal Zone.

There being no objection, the Clerk read the bill, as follows:

A bill to regulate the carrying and keeping of arms in the Canal Zone

Be it enacted, etc., That it shall be unlawful for anyone to carry on or about his person any firearm or any dirk, dagger, or other knife, or other weapon, manufactured or sold for the purpose of offense or defense, or any slung shot, air gun, sword cane, blackjack, or any knuckles made of metal or other hard substance.

SEC. 2. That the preceding section shall not apply to a person engaged in the military or naval service of the United States, or as a peace officer or officer authorized to execute judicial process of the United States or the Canal Zone, or in carrying mail or in the collection or custody of funds of the United States or the Canal Zone, while such officers or persons are engaged in the performance of their respective duties; nor to a member of a gun or pistol club organized for the promotion of target practice, a certified copy of the constitution and by-laws of which have been approved by the Governor of the Panama Canal and filed with the chief of the police and fire division, when such member is going to or from a target range or is engaged in practice at the target range. A certificate of membership in the gun or pistol club shall be issued by the organization and approved by the chief of police and fire division, which shall entitle the holder to carry firearms as is provided in this section.

Neither shall the preceding section apply to any person authorized to have or carry arms by permit granted under the terms of this act.

SEC. 3. That the Governor of the Panama Canal may authorize the granting of permits to have and carry arms, as follows:

1. To hunt upon the public lands of the Canal Zone or upon lands occupied by private persons, when authorized by the latter.

2. To have arms in residences, offices, business places, and plantations and to watchmen or overseers of plantations, factories, warehouses, docks, or piers. Applications for such permits shall be made to the Governor of the Panama Canal, and shall contain the full name, residence, and occupation of the applicant; and if the applicant is a minor it shall not be granted without the consent of his parent or guardian; but no permit shall be granted to a minor under 15 years of age.

3. To carry arms in private aircraft for hunting or protection of crew or cargo.

SEC. 4. That when an application is granted by the governor for a permit to hunt, he shall indorse his approval thereon and file the application, and he shall cause a permit to be issued to the applicant, upon his payment of a fee of $1.

Hunting permits issued by virtue of this act will allow the holder thereof to have, carry, and use firearms in the area or areas

prescribed by the Governor of the Panama Canal, and on the conditions imposed by him under such general or special rules and regulations as he may issue from time to time. And the governor is hereby empowered to designate the area or areas of the Canal Zone in which hunting is permitted, and the class of arms that may be used in hunting in such areas; and no hunting shall be allowed outside of the areas so designated by him. And the Governor of the Panama Canal may, in such general or special rules and regulations, impose such other conditions in respect to hunting as he may deem necessary in the interests of public order and to prevent injury to persons or property.

A permit granted under this section shall run for the fiscal year in which it is issued, and it may be revoked at any time for cause by the Governor of the Panama Canal.

SEC. 5. That permits heretofore issued by authority of law, to have and use firearms, shall not be affected by this act, but such permit shall continue in force until the expiration of the period for which they were issued.

SEC. 6. That anyone not authorized by this act, who carries on or about his person any of the prohibited arms mentioned in section 1 of this act, or who hunts or engages in hunting without first obtaining the permit provided for in this act, or who after obtaining such permit engages in hunting in violation of the provisions of this act or any rule or regulation established by the governor hereunder, shall be guilty of a misdemeanor.

SEC. 7. That penalties for the infringement of this act shall be in addition to such punishment as may be imposed upon the offending person for any other offense that he may have committed in connection with the carrying or using of arms in violation of this act.

SEC. 8. That sections 449 to 460 of the Penal Code of the Canal Zone, and the Executive orders of December 1, 1909, November 3, 1911, November 7, 1913, and March 6, 1920, and all other laws in conflict herewith, are hereby repealed.

With the following committee amendment:

Page 4, line 11, strike out the word "permit" and insert "permits."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

LABORERS OF THE ISTHMIAN CANAL COMMISSION AND THE PANAMA RAILROAD

The Clerk called the next bill, H. R. 7503, to repeal the Executive order of November 23, 1909, making the enticing of laborers from the Isthmian Canal Commission or the Panama Railroad a misdemeanor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Executive order of November 23, 1909, making the enticing of laborers from the Isthmian Canal Commission or the Panama Railroad a misdemeanor be, and it is hereby, repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FUGITIVES FROM JUSTICE IN THE CANAL ZONE

The Clerk called the next bill, H. R. 7504, to provide for the extradition of fugitives from the justice of the Republic of Panama who seek refuge in the Canal Zone.

Mr. STAFFORD. Mr. Speaker, I reserve the right to object for the purpose of inquiring how general is the practice of fugitives from justice from the Republic of Panama seeking refuge in the Canal Zone.

Mr. LEA. It is common.

Mr. STAFFORD. Is there no existing procedure whereby the Canal Zone authorities can return the fugitives from justice from the Republic to its authorities?

Mr. LEA. It is the common practice to return them, but much doubt has been raised as to whether or not the law justifies the practice. So this bill is to regulate what is already being done.

Mr. STAFFORD. Mr. Speaker, I withdraw the reservation of objection.

There being no objection, the Clerk read the bill, as follows:

A bill to provide for the extradition of fugitives from justice of the Republic of Panama who seek refuge in the Canal Zone

Be it enacted, etc., That all persons who have been condemned, prosecuted, or accused before the courts of the Republic of Panama as authors or accomplices of crimes, transgressions, or offenses against the laws of said Republic, who seek refuge in the Canal Zone, shall be, upon apprehension, taken into custody by the authorities of the Canal Zone and delivered to the authorities of the Republic of Panama, upon the demand of the Government of that Republic and compliance with the procedure hereinafter prescribed.

SEC. 2. That the government of the Canal Zone is at liberty to decline compliance with a demand of the Government of the Republic of Panama for the arrest and delivery to the authorities of said Republic of a fugitive from the justice of the Republic of Panama when said fugitive is a citizen of the United States. The discretion hereby reserved shall be exercised by the Governor of the Panama Canal.

SEC. 3. If the person whose arrest and delivery is demanded should be accused of or under sentence for any crime, transgression, or offense committed in the Canal Zone, he shall not be delivered to the authorities of the Republic of Panama until he has been acquitted, pardoned, or undergone his sentence pursuant to the provisions of the laws of the Canal Zone.

SEC. 4. If, in the course of the proceedings in the courts of the Republic of Panama in the case to which the arrest and delivery appertain, it should appear that probable cause exists for believing the delinquent guilty of another and graver offense against the laws of the Republic of Panama than that which gave rise to the request for his apprehension and delivery, the Government of that Republic may prosecute said fugitive for such other offense after notice to that effect to the government of the Canal Zone.

SEC. 5. The demand for the arrest and delivery of a fugitive from the justice of the Republic of Panama, pursuant to the terms of this act, will be complied with when made in writing and signed by the Secretary of Foreign Relations of the Republic of Panama, or by his direction, and presented to the Governor of the Panama Canal. If the demand is for a condemned and fugitive criminal, it must be accompanied by a duly certified copy of sentence pronounced by a court of competent jurisdiction, and, as far as possible, a description of the fugitive sought to be reclaimed.

SEC. 6. In case of urgency, where there are reasonable grounds for fearing that the fugitive may avoid apprehension, his detention may be asked for by telegraph. The arrest and detention shall be accomplished in the manner and by the officials prescribed by the laws of the Canal Zone, and detentions authorized by this act shall not continue longer than 15 days, during which the procedure for securing the delivery of said fugitive to the authorities of the Republic of Panama shall be completed.

SEC. 7. For the purpose of accomplishing the delivery of the fugitives apprehended and delivered in pursuance of this act the Republic of Panama may send its agent or agents duly authorized to receive said fugitive into the territory of the Canal Zone, but said agent's action and authority shall be limited to receiving such fugitive at the point of departure for return to the Republic of Panama and, at the moment of departure and thenceforth, to exercise the necessary vigilance and restraint to prevent escape of the person in custody.

SEC. 8. It is hereby made the duty of the authorities of the Canal Zone on the line of transit to provide the person or persons charged with the conveyance of such fugitives so delivered with all the means necessary to prevent escape and to remove all unlawful obstacles that may hinder or delay the return of such fugitives to the territory of the Republic of Panama.

SEC. 9. All papers and other objects found in the possession of the fugitive at the time of his detention that refer to the crime, transgression, or offense of which the fugitive is accused or convicted shall be delivered to the Government of the Republic of Panama. These papers and objects must be restored after the conclusion of the case if there are third parties who assert a right to or over them. The authorities of the government of the Canal Zone may provisionally retain said objects and papers so long as they are required for use as evidence in some other case pending or contemplated in the courts of the Canal Zone, whether such case be related or not to the case wherein the demand for the apprehension and return of the fugitive originated.

SEC. 10. The expense of capture, detention, and transportation of a fugitive from the justice of the Republic of Panama shall be paid by that Republic, but such expenses shall not include compensation for the services of the judiciary, military, or police authorities of the government of the Canal Zone.

With the following committee amendments:

Page 4, lines 4 and 5, strike out the word "exercise" and substitute therefor the word "exercising," and at the end of line 5 insert the word "the" so that the last clause of section 7 will read "to exercising the necessary vigilance and restraint to prevent the escape of the person in custody."

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PROTECTION OF BIRDS IN THEIR NESTS

The Clerk read the next bill on the Consent Calendar, H. R. 7505, to provide for the protection of birds in their nests in the Canal Zone.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Governor of the Panama Canal is hereby empowered and directed to make suitable regulations, from time to time, for the protection of birds and their nests within the Canal Zone, and to prescribe the form and manner in

which birds may be hunted therein and the kinds of birds that may be hunted and that shall not be molested.

SEC. 2. That it shall be unlawful for any person to hunt, trap, capture, willfully disturb, or kill any bird of any kind whatever, or to take the eggs of any bird, within the Canal Zone, except in the form and manner permitted by the regulations provided for by this act.

SEC. 3. That a violation of any of the regulations established under this act shall be punished by a fine of not more than $100 or by imprisonment in jail for not more than 30 days for each offense.

Mr. LAGUARDIA. Mr. Speaker, section 1 provides "that the Governor of the Panama Canal is hereby empowered and directed to make suitable regulations from time to time." It occurs to me that the law should direct the publication of suitable regulations. I think you should provide for the publication, otherwise there might possibly be a governor who would make regulations and have no publication at all—perhaps make nothing but typewritten copies, and the public would not have the information.

Mr. LEA. I see no objection to it.

Mr. LAGUARDIA. I think all authority for making regulations should also contain a provision for publication.

Mr. THATCHER. I think that is a good suggestion, and it should be made in the Canal Zone Record.

Mr. STAFFORD. Would that be a justification for the continuance of the Record?

Mr. THATCHER. I do not know about that. It would be one justification.

Mr. LAGUARDIA. Mr. Speaker, I move the following amendment: On page 1, line 4, after the word "make" insert "and publish."

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 4, after the word "make" insert "and publish."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

REPEAL OF AN ORDINANCE ENACTED BY THE ISTHMIAN CANAL COMMISSION, AUGUST 5, 1911

The Clerk read the next bill on the Consent Calendar, H. R. 7506, to repeal an ordinance enacted by the Isthmian Canal Commission, August 5, 1911, and approved by the Secretary of War August 22, 1911, establishing market regulations for the Canal Zone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the ordinance enacted by the Isthmian Canal Commission on August 5, 1911, and approved by the Secretary of War on August 22, 1911, establishing market regulations for the Canal Zone be, and it is hereby, repealed.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

RADIO EQUIPMENT ON OCEAN-GOING VESSELS

The Clerk read the next bill on the Consent Calendar, H. R. 7507, to regulate radio equipment on ocean-going vessels using the ports of the Canal Zone.

The SPEAKER pro tempore. Is there objection?

Mr. DAVIS. Reserving the right to object, this bill provides that ocean-going vessels carrying 50 or more persons shall be equipped with an efficient apparatus for radio communication. I want to ask why it was provided in the bill that the regulations shall not apply to vessels plying between the Canal Zone ports and ports less than 200 miles therefrom?

Mr. LEA. The object was to accommodate the ocean-going traffic.

Mr. DAVIS. But the bill does not apply to any vessel except the ocean-going vessels, and, of course, the requirement for a radio is for safety of life. It occurs to me that there would be good reason for requiring it on a vessel that goes 100 or 200 miles from the zone.

Mr. LEA. Perhaps the real reason is that the existing law and the practice does not apply to those vessels.

Mr. DAVIS. It looks like it might be in the interest of some line. I wanted to know if the gentleman knew why the exception was put in?

Mr. LEA. No; I do not.

Mr. DAVIS. A vessel could get into distress in a much less distance than 200 miles from the zone.

Mr. LEA. When it went into effect it was not intended to cover vessels in the local traffic.

Mr. DAVIS. Any traffic that goes 200 miles away from the Canal Zone would be into other countries.

Mr. LEA. They would be exempt.

Mr. DAVIS. And the one that goes 100 or 200 miles would necessarily go to foreign countries.

Mr. LEA. Being engaged in the problem of revision only, we did not take up the question the gentleman suggests. We accepted the law as it is.

Mr. DAVIS. I shall not object to the bill, but I wondered why the distinction was made.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That it shall be unlawful for any ocean-going vessel carrying 50 or more persons, including passengers and crew, to leave or attempt to leave any port of the Canal Zone unless such vessel shall be equipped with an efficient apparatus for radio communication, in good working order, in charge of a person skilled in the use of such apparatus, which apparatus shall be capable of transmitting and receiving messages for a distance of at least 100 miles, night or day. This requirement shall not apply to vessels merely transiting the canal or to vessels plying between Canal Zone ports and ports less than 200 miles therefrom.

SEC. 2. That any vessel leaving or attempting to leave a Canal Zone port not equipped as required by section 1 of this act shall be liable to a fine not to exceed $5,000, and each such departure or attempted departure shall constitute a separate offense. Fines shall be recovered in the district court of the Canal Zone, and the amount so recovered shall be a lien upon such vessel, and it may be seized and sold to satisfy same, as well as all costs of the court proceedings.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

INSPECTION OF VESSELS NAVIGATING CANAL ZONE WATERS

The next business on the Consent Calendar was the bill (H. R. 7508) to provide for the inspection of vessels navigating Canal Zone waters.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DAVIS. Mr. Speaker, I reserve the right to object. Why is it that in section 9 it is provided that vessels under 65 feet in length, before carrying passengers for hire in the Canal Zone waters, shall obtain a certificate from the Canal Zone authorities to engage in this business, and no such requirement is made as to vessels in excess of 65 feet in length?

Mr. LEA. I could not tell you why. This is the present law.

Mr. DAVIS. I beg the gentleman's pardon, but it is not the present Executive order. The present Executive order in section 9 provides that vessels before carrying passengers for hire in the Canal Zone waters shall obtain a certificate from Canal Zone authorities engaged in this business. This insertion of the limitation to "vessels under 65 feet in length" is an amendment to existing regulations offered by the committee in this bill.

Mr. HOCH. Mr. Speaker, I think the gentleman will find that the present law uses the word "small" before the word "vessels." The only change is to strike out the word "small" and to insert the words "under 65 feet in length." That particular paragraph in the present law is evidently enacted to cover only small vessels.

Mr. DAVIS. Why is it that a certificate is required only as to small vessels carrying passengers. There would naturally be much more reason for a vessel carrying a larger number of passengers being required to obtain a certificate than there would for a small one. For instance, it is a matter of safety of life and it is provided in the bill

that such certificate shall specify the number of passengers and life preservers and fire-fighting apparatus which the vessel may carry, and that such vessel shall be subject to annual inspection and the certificate referred to shall be granted for one year only, and so forth. I can not conceive of any good reason why such a certificate should be required as to small vessels under 65 feet in length and not be required as to larger vessels that would doubtless carry a larger number of passengers and perhaps go a longer distance out to sea.

Mr. LEA. I was not of the impression that that is the fact. Of course, one main object of this is to provide for this inspection. Frequently vessels passing through the canal want this inspection to protect their insurance. The particular restriction the gentleman refers to is as to small vessels that would not be included in the transoceanic shipments.

Mr. HOCH. And reading the rest of the law, it provides very broad powers with reference to all vessels.

Mr. DAVIS. But there are so many exceptions that it is difficult to determine to just what particular vessels they apply to. I just noted that distinction, which it occurred to me was without merit.

Mr. HOCH. I take it there is no complaint about that, or else that question would have been raised; and I have no doubt as a matter of fact that all vessels do have to meet those requirements.

Mr. THATCHER. All vessels have to be inspected in the Canal Zone waters.

Mr. LEA. Certain exceptions are provided in section 1 and section 5 covers other vessels. Those the gentleman refers to include small vessels.

Mr. DAVIS. But section 1 says all vessels navigating the waters of the Canal Zone, except public vessels of all nations and private vessels merely transiting the canal, shall be subject to annual inspection of hulls, boilers, machinery, equipment, and passenger accommodations. This section 9 is a different proposition. It deals with the subject of life preservers and fire-fighting apparatus. It may be that there are no vessels over 65 feet in length, but if there are it should certainly apply to them.

Mr. LEA. Does not section 5 cover that?

Mr. DAVIS. Of course, I have no interest in this matter except the same interest that the gentleman has in this legislation.

We all know from experience that it frequently happens that somebody, perhaps without knowledge of the members of committees, will succeed in some way in having some exception made in the interest of some class. I do not know, regardless of any provisions in these other sections, why that should not apply to all ships.

Mr. STAFFORD. Will the gentleman yield?

Mr. DAVIS. I yield.

Mr. STAFFORD. Has the gentleman from Tennessee observed the existing regulations as found on page 3 of the report? As I read the proposed section 9, it seeks to give control to the canal authorities over pleasure craft, which operate perhaps on Gatun Lake, that are not required to have their hulls and boilers inspected before they are privileged to operate if they are under 65 feet in length. They must obtain a certificate because they are carrying passengers, and the real purpose is to give the canal authorities some jurisdiction over that character of motor-propelled vessel so that it will not ply ad libitum on Gatun Lake or through the canal.

Mr. HOCH. As has already been stated, there is no attempt here to change substantive law. Section 9 is precisely the regulation that now exists, except to change the word "small" and insert the words "under 65 feet in length." It is simply a description in order to make it more definite as to what they mean by "small vessels." I confess I do not know why, in this particular section, the same provision should not apply to all vessels, but as a practical matter I have no doubt it does. The committee considering this matter did not attempt to go into any changes in substantive law except where they were called to our attention by those who have been preparing for this codification. That is the reason we did not go into all of those questions which the gentleman raises.

Mr. DAVIS. But Congress is asked to ratify Executive orders, which were doubtless issued by some subordinate official without knowledge of the President, because the President can not give attention to those matters, and reasons for those orders should be looked into. For instance, admittedly under section 9 a vessel 66 feet long would not have to get a certificate.

Mr. STAFFORD. Will the gentleman yield?

Mr. DAVIS. I yield.

Mr. STAFFORD. I think if the gentleman will examine section 7, he will find that such a vessel would be obliged to have a certificate. "Registered, certificated, and numbered." I read section 7:

> Other than public vessels of the United States or of the Republic of Panama, small vessels propelled in whole or in part by machinery shall be required to be registered, certificated, and numbered, and to display the numbers assigned in a conspicuous place in prescribed form. Such vessels shall not be operated except by an operator holding a license to operate, issued after examination by the board of local inspectors, and approval of such examination by the marine superintendent or such other officer of the Panama Canal as may be designated by the governor.

I am strengthened in my position, expressed a moment ago, that section 9 seeks to cover pleasure craft that are operated perhaps by an outboard motor, that are not required to be operated by a licensed operator, as covered by section 7.

Mr. LEA. These small boats are operated on Gatun Lake and, of course, they pass into the canal. So that there should be a provision covering that class of boats. If we take sections 7 and 5 together, I think we have everything.

Mr. DAVIS. But section 7 specifically excludes vessels of the United States or of the Republic of Panama of any size.

Mr. STAFFORD. Public vessels?

Mr. DAVIS. Public vessels.

Mr. STAFFORD. That does not mean privately owned vessels. That refers to vessels owned by the United States or by the Republic of Panama?

Mr. THATCHER. Owned and operated, such as revenue vessels, men-of-war, cruisers, and vessels of that sort.

Mr. STAFFORD. Vessels attached to a squadron; no matter how large or small.

Mr. DAVIS. Suppose that a vessel 70 feet or 100 feet long wants to operate in the Canal Zone waters—if we adopt this there is nothing to prevent it.

Mr. THATCHER. I think existing law would perhaps cover those larger vessels. That is my impression.

Mr. LEA. Why are they not covered by section 5?

Mr. THATCHER. I think the existing law would cover those larger vessels.

Mr. DAVIS. I do not know where it is. It is not in here.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

> *Be it enacted, etc.*, That all vessels navigating the waters of the Canal Zone, except public vessels of all nations, and private vessels merely transiting the canal, shall be subject to an annual inspection of hulls, boilers, machinery, equipment, and passenger accommodations; and the governor is hereby authorized to prescribe regulations concerning such inspection, provided that such regulations shall, as nearly as practicable, conform to the laws and regulations governing the Steamboat Inspection Service of the United States.
>
> SEC. 2. A foreign vessel of a country which has inspection laws approximating those of the United States, having an unexpired certificate of inspection duly issued by the authorities of the said country, shall not be subjected to an inspection other than that necessary to determine if the vessel, boilers, and life-saving equipment are as stated in the certificate of inspection; but no such certificate of inspection shall be accepted as evidence of lawful inspection unless like privileges are granted to vessels of the United States under the laws of the country to which such vessel belongs.
>
> SEC. 3. When the board of local inspectors of the Panama Canal approves a vessel and its equipment, a certificate of inspection, in triplicate, will be issued by the canal authorities, two copies of which shall be displayed in conspicuous places in the vessel where they are most likely to be observed by passengers and others, and there kept at all times framed under glass.

SEC. 4. Should the board of local inspectors not approve the vessel or its equipment, a certificate of inspection will be refused, and the board of local inspectors will make a statement in writing giving the reason for failure to approve, filing such statement in the records of the board, and giving a copy thereof to the owner, agent, or master of the vessel.

SEC. 5. Any vessel, other than those excepted in section 1 of this act, that navigates the waters of the Canal Zone without having an unexpired certificate of inspection issued by the canal authorities or by the Steamboat Inspection Service of the United States, or an unexpired certificate accepted by the canal authorities under section 2 of this act, shall be subject to a fine not exceeding $1,000; and whenever any passenger is received on board a vessel not having certified copies of the certificate of inspection placed and kept as required by section 3 of this act, or whenever passengers are received on board a vessel in excess of the number authorized by said certificates of inspection, such vessel shall be liable to a fine not exceeding $100 for each passenger so received. Fines shall be recovered in the district court of the Canal Zone, and the amount so recovered shall be a lien upon such vessel, and it may be seized and sold to satisfy same, as well as the costs of the court proceedings.

SEC. 6. In case a vessel holding an unexpired certificate issued by the canal authorities shall change its condition as to hull, boilers, machinery, equipment, or accommodations for passengers in such manner as not to conform to the regulations under which such certificate was issued, the board of local inspectors is authorized to make an inspection and to recommend revocation of the certificate of inspection, and upon approval of such recommendation by the marine superintendent, or such other officer of the Panama Canal as may be designated by the governor, a notice of revocation will be issued to the owner, agent, or master of the vessel; and after such notice of revocation the navigating of Canal Zone waters by such vessel shall subject it to the penalty prescribed by section 5 of this act.

SEC. 7. Other than public vessels of the United States or of the Republic of Panama, small vessels propelled in whole or in part by machinery shall be required to be registered, certificated, and numbered, and to display the numbers assigned in a conspicuous place in prescribed form. Such vessels shall not be operated except by an operator holding a license to operate, issued after examination by the board of local inspectors, and approval of such examination by the marine superintendent or such other officer of the Panama Canal as may be designated by the governor.

SEC. 8. Small vessels not propelled in whole or in part by machinery shall be registered and numbered, and when numbers have been assigned they shall be displayed in a conspicuous place in prescribed form.

SEC. 9. Vessels under 65 feet in length, before carrying passengers for hire in the Canal Zone waters, shall obtain a certificate from the Canal Zone authorities to engage in this business, and such certificate shall specify the number of passengers and life preservers and the fire-fighting apparatus which the vessel must carry. Such vessels shall be subject to annual inspection, and the certificate referred to will be granted for one year only. Small vessels carrying passengers without having first obtained a certificate from the canal authorities, or carrying passengers in excess of the number authorized by such certificate, shall be liable to a fine not exceeding $100 for each passenger so carried.

With the following committee amendments:

Page 2, line 7, strike out the word "not" and insert in lieu thereof "no."

Page 3, line 12, strike out the word "certificates" and insert in lieu thereof "certificate."

The committee amendments were agreed to.

Mr. THATCHER. Mr. Speaker, I move to strike out the last word.

Regarding these various bills, I am wondering why they were not incorporated in a general revision like the penal code or these larger measures that are more comprehensive?

Mr. LEA. The committee this year followed the practice of the committee in the last Congress. These same bills were reported in the same general way last year. We accepted that same program.

Mr. THATCHER. It seems to me it would be a more convenient method if they had all been included in a single compilation.

Mr. LEA. There was room for argument about that, but we adopted this program, and I think now it is the best way available.

Mr. THATCHER. Of course, they will be ultimately published in a single volume so that they can all be included in one cover.

Mr. LEA. Yes; they will all be codified in one general uniform volume number.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

AUTHORIZATION FOR CERTAIN OFFICIALS OF THE CANAL ZONE TO ADMINISTER OATHS

The Clerk called the next bill (H. R. 7509) to authorize certain officials of the Canal Zone to administer oaths and to summon witnesses to testify in matters within the jurisdiction of such officials.

There being no objection, the bill was read as follows:

Be it enacted, etc., That members of the board of local inspectors, customs officers, quarantine officers, and admeasurers, appointed by the Governor of the Panama Canal, are hereby authorized to administer oaths for the purpose of certifying the correctness of official papers.

SEC. 2. That members of the board of local inspectors, customs officers, quarantine officers, and admeasurers are hereby authorized to summon witnesses to testify in matters within the jurisdiction of said officials, and to require the production of books and papers necessary thereto. The district court of the Canal Zone is hereby authorized to issue processes, at the request of the designated canal officials, to compel the attendance of witnesses and the production of books and papers, and to punish for contempt of court any who refuse to obey such processes, or who refuse to be sworn or to answer any material or proper question after being duly sworn.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DEPORTATION OF PERSONS FROM THE CANAL ZONE

The Clerk called the next bill, H. R. 7510, to punish persons deported from the Canal Zone who return thereto.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, when a person returns to the Canal Zone after being deported and is again deportable, I do not see why we ought to feed him and keep him for two years. It seems to me a maximum penalty of six months would serve all purposes and act as much of a deterrent as anything else. I do not see any reason for keeping a man in jail for two years if you are then going to deport him.

Mr. LEA. This permits the deportation of a man who has had a permit to return if for any reason he should not be there.

Mr. LAGUARDIA. I am talking about his imprisonment.

Mr. LEA. One of the main purposes of the Canal Zone is the protection of the canal as a part of our national defense. If any undesirable characters are found to be there and they have no business there it is better to have far-reaching powers.

Mr. LAGUARDIA. Perhaps I do not make myself clear. When a man comes back to the zone who has been deported, and it is found he should not be there, you are going to deport him again, and I say what is the use of keeping him in jail for two years when if we should keep him in jail for six months it would serve the same purpose?

Mr. STAFFORD. It is to prevent such a man from coming back the third time. If he comes back a second time and is deported and then comes back a third time it may be that grave suspicion attaches to him and there is ground for belief that he is there for spying purposes. So if you let him go the second time he will come back the third time. If you keep him in jail he will not come back and get the information which he might wish to get for some other country.

Mr. THATCHER. And if you do not have a proper maximum penalty he is apt to come back.

Mr. STAFFORD. The judge may give him a punishment of a day or two; but if he is the wrong kind of a man, he may give him two years.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That any person who, after having served a sentence of imprisonment in the Canal Zone and after being deported therefrom, voluntarily returns to the Canal Zone shall be deemed guilty of a felony and punished by imprisonment in the penitentiary for a term of not more than two years, and upon the completion of his sentence he shall be removed from the Canal Zone in accordance with the laws and orders relating to deportation. A voluntary entry into the Canal Zone for any purpose shall

be sufficient to constitute a return to the zone within the meaning of this act: *Provided, however*, That in a case of necessity the Governor of the Panama Canal, in his discretion, may grant a permit to any such person to return to the Canal Zone temporarily, but should he remain in the Canal Zone after the time specified in the permit he shall be deemed guilty of a violation of this act and punished as herein provided.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

OPERATION OF STREET-RAILWAY CARS AT CROSSINGS IN THE CANAL ZONE

The Clerk called the next bill, H. R. 7511, to regulate the operation of street-railway cars at crossings in the Canal Zone.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I want to say to the gentleman from California that in codifying these laws I think we are putting on a lot of petty regulations and giving them the dignity of law. It seems to me that simple police regulations would accomplish the purposes of this bill.

Mr. LEA. There is no legislative authority there, and whether the law was made by the President or by Congress it would be a part of the law of the Canal Zone, and therefore it is necessary to codify all laws.

Mr. LAGUARDIA. To me codification has always meant the simplification of the laws and getting rid of obsolete and unnecessary laws. It seems to me we are going into small details when by act of Congress we provide that a motorman shall sound his bell.

Mr. LEA. There is no other source of legislation.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That it shall be unlawful for a motorman or any person in control of a street-railway car to run same over or upon any street crossing, road crossing, or street-railway crossing in the Canal Zone at a speed of more 12 miles per hour and without commencing to sound gong, horn, or whistle when at least 100 feet from said crossing, and continuing to sound same until the crossing has been passed.

SEC. 2. That it shall be unlawful for a motorman or any person in control of a street-railway car to run same over or upon any railroad crossing in the Canal Zone without bringing the car to a full stop at least 10 feet from nearest rail, and without ascertaining from a view of the railroad track made either by himself or by the conductor that the crossing may be safely passed.

SEC. 3. That a violation of any of the provisions of this act shall be punished by a fine of not more than $100, or imprisonment in jail for not more than 30 days, or by both such fine and imprisonment, in the discretion of the court.

With the following committee amendment:

Page 1, line 3, at the end of the line, after the word "any," insert the word "other."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

AMENDMENT OF THE PANAMA CANAL ACT

The Clerk called the next bill, H. R. 7512, to amend section 5 of the Panama Canal act.

There being no objection, the bill was read, as follows:

Be it enacted, etc., That that portion of section 5 of the Panama Canal act, approved August 24, 1912, which reads: "The President is authorized to make and from time to time amend regulations governing the operation of the Panama Canal, and the passage and control of vessels through the same or any part thereof, including the locks and approaches thereto, and all rules and regulations affecting pilots and pilotage in the canal or the approaches thereto through the adjacent waters" be, and it is hereby, amended to read as follows:

"The President is authorized to make, and from time to time amend, regulations governing the operation of the Panama Canal; the passage and control of vessels through the same or any part thereof, including the locks and approaches thereto; pilots and pilotage in the canal or the approaches thereto through the adjacent waters; the navigation of the harbors and other waters of the Canal Zone, including the inspection of vessels navigating such waters and the licensing of officers of such vessels.

"Any person violating any of the provisions of the rules and regulations established hereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $100, or by imprisonment in jail not exceeding 30 days, or by both such fine and imprisonment."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CUSTOMS SERVICE IN THE CANAL ZONE

The Clerk called the next bill, H. R. 7515, to provide for the establishment of a customs service in the Canal Zone, and other matters.

There being no objection, the bill was read, as follows:

Be it enacted, etc., That the Governor of the Panama Canal shall have control for customs purposes over all articles, including passengers' baggage, introduced into the Canal Zone, and he is authorized to establish rules and regulations governing the entry and importation of goods into said zone, the disposal of goods brought into the Canal Zone in violation of such regulations, and to alter and amend such rules and regulations from time to time.

SEC. 2. That general powers of search, seizure, and arrest are hereby conferred upon customs officers in the Canal Zone, including deputy shipping commissioners and boarding officers when performing customs duties. In the exercise of these powers customs officers are authorized to enter any building, other than dwelling houses, to stop vessels and vehicles, and to search vessels, vehicles, and their contents; and to stop and search persons and any packages carried by them. Such right of entry, stopping, search, seizure, and arrest shall be exercised only when there are reasonable grounds for suspecting violations of the customs rules and regulations authorized hereunder or of the United States applicable in the Canal Zone.

SEC 3. That it shall be unlawful to enter or import, or attempt to enter or import, any articles or merchandise into the Canal Zone until the entry or importation of such articles or merchandise has been approved by the proper officers of the Canal Zone, and that it shall further be unlawful to pass, or attempt to pass, any false, forged, or fraudulent invoice or bill or other paper, for the purpose of securing the entry or importation into the Canal Zone of any articles or merchandise in violation of the rules and regulations to be promulgated in pursuance of the authority contained in the first section of this act, and any article brought into or obtained in the Canal Zone in violation of such regulations may be seized and held, and, unless within a period of 30 days from the date of seizure such articles are entered in conformity to the rules and regulations to be promulgated by the governor, they may be confiscated and disposed of as provided in such rules and regulations. Any person violating the provisions of this section or any of the rules and regulations authorized hereunder shall, upon conviction, be punished by a fine not exceeding $100, or by imprisonment in jail not exceeding 90 days, or by both such fine and imprisonment.

SEC. 4. That if any vessel arriving at the Canal Zone from any port, other than a port in the Canal Zone or the Republic of Panama, is found to have on board merchandise not manifested, the master of such vessel shall be liable to a penalty equal in amount to the value of the merchandise not manifested, and all such merchandise belonging to or consigned to or for the officers or crew of the vessel shall be forfeited: *Provided, however*, That such penalty shall not be imposed if it is made to appear to the customs officers, or to the court in which the trial is held, that no part of the cargo has been unloaded, except as accounted for in the master's report, and that the errors and omissions in the manifest were made without fraud or collusion; and in such case the master may be allowed to correct his manifest by means of a postentry. A permit shall not be granted to unload any such merchandise so omitted from the manifest before postentry or addition to report of manifest has been made.

SEC. 5. That if sea stores are found on board of a vessel from any port, other than a port in the Canal Zone or the Republic of Panama, which are not specified in the list furnished the boarding officer, or if a greater quantity of such articles is found than that specified in such list, or if any of such articles are landed without a permit being first obtained from the customs officer for that purpose, all of such articles omitted from the list or manifest, or so landed, shall be seized and forfeited, and the master of the vessel shall be liable to a penalty treble the value of the articles so omitted or landed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

DOMESTIC ANIMALS IN CANAL ZONE

The Clerk called the next bill on the Consent Calendar, H. R. 7516, in relation to the keeping and impounding of domestic animals in the Canal Zone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Governor of the Panama Canal is hereby authorized to make, and from time to time amend, regu-

lations governing the keeping of domestic animals within the Canal Zone, and prescribing where and under what conditions domestic animals may be permitted to be at large, and when, where, and under what conditions such domestic animals shall be confined. Such regulations shall provide for the impounding of animals; the charges to be paid for the impounding and care of such animals, if claimed by the owner; the disposition of unclaimed animals; and the disposition of the proceeds of the sale of such unclaimed animals, if sold.

SEC. 2. Any person violating any provision of the regulations established under section 1 of this act shall be deemed guilty of a misdemeanor and upon conviction shall be punished accordingly.

SEC. 3. The ordinance enacted by the Isthmian Canal Commission at the one hundred and forty-fifth meeting, July 18, 1908, approved by the Secretary of War August 12, 1908, providing for the muzzling and impounding of dogs, and the ordinance enacted by the Isthmian Canal Commission August 5, 1911, approved by the Secretary of War August 22, 1911, providing for the impounding of stray animals, are hereby repealed.

Mr. LAGUARDIA. Mr. Speaker, I offer an amendment. On page 1, line 4, after the word "make," insert the words "and publish." This is the same amendment I offered before.

Mr. LEA. Mr. Speaker, I think that is a good amendment.

The SPEAKER pro tempore. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 1, line 4, after the word "make," insert the words "and publish."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

TRANSPORTATION OF LIQUORS UNDER SEAL THROUGH THE CANAL ZONE

The Clerk called the next bill on the calendar, H. R. 7517, to provide for the transportation of liquors under seal through the Canal Zone.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, the difficulty we have been having in the Canal Zone is that vessels go through the canal, stop at either end, and sailors and passengers walk into Panama City where liquor is offefed for sale openly, of course, because it is not against the law in the Republic of Panama. They take it, intending to go to their ships with it, and in passing from one side of the street to the other arrests are made and people are fined. Manifestly, there ought to be some common sense in the administration of law where you have a situation such as we have in the Canal Zone.

Mr. LEA. Of course, to do that you would have to repeal the provision of the Volstead Act that applies to the Canal Zone. All we do here is to permit the liquor to be transported across the canal the same as the present national prohibition act permits it to be transported through the canal and on the railroad.

Mr. LAGUARDIA. It seems to me there ought to be some common sense injected into the administration of the law where you have some one walking from the Republic of Panama across the street to one of our own ships or a foreign ship.

Mr. BLANTON. The gentleman from New York had better be satisfied with what he is getting in this bill.

Mr. LAGUARDIA. I am just calling attention to this so as not to make ourselves ridiculous in the eyes of the whole world.

Mr. DYER. The purpose of the entire prohibition law is ridiculous.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 20 of the national prohibition act is hereby amended by adding after the proviso therein the following additional proviso: "*And provided further*, That this section shall not apply to the transportation of liquor, under seal, to or from points in the Republic of Panama over the highways or waterways of the Canal Zone under regulations to be prescribed by the President, when such liquor is not destined for use or consumption in the Canal Zone."

With the following committee amendment:

Strike out all of lines 7, 8, 9, and 10, on page 1, and insert "in transit to and from points outside of the Canal Zone over the highways or waterways of the Canal Zone under regulations to be prescribed by the President, when such liquor is not destined for use or for consumption or final delivery in the Canal Zone."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PRIVILEGES, RULES, AND REGULATIONS FOR CANAL ZONE

The Clerk called the next bill on the calendar (H. R. 7518) to amend an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, I would suggest that we let this bill go over. I would like to work out an amendment with the gentleman from California [Mr. LEA]. I think the giving of a license to practice medicine and then letting an executive prescribe the requirements is too broad.

Mr. BLANTON. Will the gentleman withhold that a moment?

Mr. LAGUARDIA. Certainly.

Mr. BLANTON. Mr. Speaker, I reserve the right to object, and ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, our distinguished colleague from California [Mr. LEA] has to-day passed 21 different bills, all introduced by himself. He had the warm support of every one of his colleagues, on both the Democratic and Republican sides of the aisle, and there was not a vote cast against any of his bills. This indicates the universal popularity of our friend from California in the House of Representatives.

Many of the 21 bills our colleague passed to-day are bills of importance. I could not let that fact pass without saying a few words in commendation of the splendid work our colleague has done.

I came to this House at the same time my good friend from California began serving here—in the Sixty-fifth Congress. I have felt it a distinct honor to have served with him ever since. I believe I speak the sentiment of the House when I say that he has the respect and high regard and friendship of every man in the House. [Applause.]

Coming from the great State on our western coast, he is a native of California, born in that State, attended the public schools in that State, attended Stanford University, and for 10 years he was the able district prosecuting attorney of his State. He was President of the District Attorneys' Association of California, and the remarkable thing about his present service is that he happens to be the only Democrat from California serving in the House of Representatives. That speaks well for him.

I hope he has company from California in the next Congress, without wishing any Republican colleagues from California any harm. [Laughter.]

This will be his twenty-second bill passed to-day if our good friend from New York [Mr. LAGUARDIA] does not object to it. Now, there are three other bills on the calendar introduced by our friend from California, which I hope the gentleman will not call up, for some of them are bills of extensive length, one of 550 pages and another of 570 pages.

Mr. LEA. I am afraid the gentleman has broken my resistance. [Laughter.]

Mr. BLANTON. There may be some corrections that ought to be made in them, and it will give us a better chance to check up and go over them, if he will not call them up to-day.

Mr. LEA. I have understood that some Members wanted time to look them over.

Mr. THATCHER. I want to say to the gentleman that I concur in that hope, because the bills are so extensive and cover so many subjects that I think we ought to have more time to look them over.

Mr. BLANTON. When one Member can pass 21 bills through the House with the gentleman from New York, Mr. LAGUARDIA, and the gentleman from Wisconsin, Mr. STAFFORD, present, he is doing awfully good work in one day. [Laughter.]

Mr. LAGUARDIA. Will not the gentleman let this bill go over?

Mr. LEA. I am willing to let it go over.

The SPEAKER pro tempore. Is there objection to the bill going over without prejudice?

There was no objection.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the next four bills on the calendar be passed over without prejudice.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent that the next four bills on the calendar be passed over without prejudice. Is there objection?

There was no objection.

ACCEPTING THE STATUE OF GEN. JOHN SEVIER

The Clerk read the next resolution on the Consent Calendar, House Concurrent Resolution 14, accepting the statue of Gen. John Sevier, presented by the State of Tennessee, to be placed in Statuary Hall.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved, etc., That the statue of Gen. John Sevier, presented by the State of Tennessee and placed in Statuary Hall, is accepted in the name of the United States, and that the thanks of Congress be tendered said State for the contribution of the statue of this eminent man, illustrious for his distinguished service as a pioneer patriot of said State.

Resolved further, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the governor of Tennessee.

The concurrent resolution was agreed to.

SALE OF WRITINGS OF GEORGE WASHINGTON

The next business on the Consent Calendar was the bill (S. 1861) authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GOSS. Mr. Speaker, reserving the right to object, can anyone inform us what the expense involved here is?

Mr. LAGUARDIA. I think there is no additional expense. I think the original act provided for some $157,975. I do not think there is any additional act.

Mr. TILSON. Mr. Speaker, the gentleman is correct. There is no additional expense. In fact, it is expected to get the entire amount appropriated back, and more, too.

Mr. STAFFORD. Will the gentleman explain just what is the purpose of the change involved in the Senate bill under consideration?

Mr. TILSON. I do not know that I am able to explain it fully, for this is a Senate bill, and I did not see it till it appeared on the Consent Calendar to-day; but as I understand, it was necessary to make the proposed change in the original act in order that the disposition of these sets might be arranged for now and the volumes distributed as fast as they are printed. It is evident that if arrangements for their disposal be made during the bicentennial year it will be better than to wait until they are all printed, which may be three or four years from now, before disposing of them.

Mr. STAFFORD. As I understood the reading of the report, the main purpose is to compel the libraries that under existing law are given the right to purchase sets at $50 to exercise that option by July 1 of this year, so that the commission would know how many copies would be available for distribution while the spirit is running at white heat.

Mr. TILSON. The gentleman is correct. Until it is known how many sets will be bought by libraries at $50 per set the commission will not know how many sets are to be sold to the public nor for what price. It is for the purpose of enabling the commission to dispose of the remaining sets now while they may be disposed of to the best advantage.

Mr. STAFFORD. Are there any other changes?

Mr. LAGUARDIA. There is one more provision under this act that a complete set will be furnished to Members of the present Congress.

Mr. STAFFORD. I remember that provision. That is to make it secure that those now serving in Congress will have a complete set even though they are defeated in November of this year.

Mr. TILSON. It is intended to have it so that the Members of the Seventy-second Congress, which is the bicentennial Congress, may be assured of having a complete set of this monumental work.

Mr. GOSS. Mr. Speaker, I withdraw the reservation of objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to enable the George Washington Bicentennial Commission to carry out and give effect to certain approved plans," approved February 21, 1930, is amended by striking out all preceding the last sentence therein and inserting in lieu thereof the following:

"That the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington, established by the joint resolution entitled 'Joint resolution authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington,' approved December 2, 1924 (hereinafter referred to as the commission), is authorized and directed to prepare, as a congressional memorial to George Washington, a definitive edition of all his essential writings, public and private (excluding the diaries), including personal letters from the original manuscripts or first prints, and the general orders, at a cost not to exceed $56,000 for preparation of the manuscript. Such definitive edition shall be printed and bound at the Government Printing Office and shall be in about the same form as the already published diaries of George Washington and shall consist of 25 volumes, more or less. There shall be 3,000 sets of such edition, 2,000 of which shall be sold by the Superintendent of Documents (1) at a cost of $50 per set for sets sold to such public libraries and institutions and societies of learning as shall order the same not later than July 1, 1932, and (2) the remainder of the 2,000 sets, at a cost equal (together with the receipts from the sets sold to such libraries, institutions, and societies) to the total cost under this section of preparing the manuscript and printing and binding the entire edition. The commission shall, upon the publication of each volume of the remaining 1,000 sets, distribute copies of each such volume as follows: Two each to the President, the library of the Senate, and the library of the House of Representatives; 25 to the Library of Congress; 1 to each member of the Cabinet; 1 each to the Vice President and the Speaker of the House of Representatives; 1 to each Senator, Representative in Congress, Delegate, and Resident Commissioner; 1 each to the Secretary of the Senate and the Clerk of the House of Representatives; and 1 to each member and officer of the commission. Every such recipient eligible to receive any volume or volumes of such writings at any time prior to the issue of the final volume (but not later than December 31, 1935) shall be entitled to receive a complete set of such writings. The remaining sets, if any, shall be distributed as the commission directs, including such number of sets as may be necessary for foreign exchange. The usual number for congressional distribution and for depository libraries shall not be printed."

SEC. 2. Section 1 of such act of February 21, 1930, is further amended by adding at the end thereof the following new paragraph:

"The 1,000 extra copies (heretofore privately printed) of the first volume of such writings shall be considered to have been authorized by the commission and the commission may accept a donation of such extra copies for distribution for reviews, advertising, and for such other promotional purposes as it may deem advisable. If the commission shall direct the Superintendent of Documents to sell any such extra copies of the first volume, he shall offer the same for sale at a cost per copy equal to the cost per copy of the first volume as computed under clause (2) of the third sentence of this section. Such extra copies shall be the only copies of any volume of the set distributed or sold separately."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SUPPLIES FOR POST OFFICE DEPARTMENT

The next bill on the Consent Calendar was the bill (H. R. 5612) to limit the purchases of the Post Office Department, so far as possible, to articles of the growth, production, or manufacture of the United States.

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

WATERTON-GLACIER INTERNATIONAL PEACE PARK

The next business on the Consent Calendar was the bill (H. R. 4752) for establishment of the Waterton-Glacier International Peace Park.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. JENKINS. Mr. Speaker, I reserve the right to object, though I shall not do so. I make the reservation of objection simply to put into the RECORD what I think is beautiful language, which is highly complimentary to our distinguished friend and colleague, the gentleman from Montana [Mr. LEAVITT], who sponsors the bill. I think the language ought to be incorporated in the RECORD:

> There is no area in America more replete with beauty of the highest order than that comprised within these two national parks. Tremendous mountains with carved cerques, in which the snows and glaciers of countless ages are encompassed, innumerable lakes, each a gem of its kind, canyons of that character described by Robert Service when he speaks of "canyons plumb full of hush"; these are the describable features of this region. But it has about it something indescribable. Perhaps the imminent presence which broods over it and which is universally felt may best be described as peace.

Mr. STAFFORD. Mr. Speaker, I reserve the right to object, to inquire of the author of the bill whether the bill in its language is broad enough to provide for the National Government using appropriations for the purpose of improvements in the parks across the border.

Mr. LEAVITT. Oh, no; it is not. It especially provides that this Government shall take care of the Glacier Park side. I have a statement here from the Canadian Government to the effect that they will take similar steps on their side of the border.

Mr. STAFFORD. I am not so concerned about what the Canadian Government may do. I am concerned with the phraseology of existing law as to whether it would bear a construction that would authorize the department of public parks or any other activity of the Government to build roads in Canada proper. From my reading of the bill it seemed that one of the main objectives was to build highways on our side as a convenient means to allow tourists from this side to go into Canada.

The gentleman well knows that there is a strong trend in various parts of the country, in New York, for instance, to cross the border into Canada because of the difference in our regulations with respect to liquor control. Should we be a party to providing easy access to those persons on this side who wish to satisfy their thrist, in order to go to Canada, into Alberta? I am serious in this position as to whether we shall accommodate persons with liberal ideas who have a thirst to quench, in order that they may be provided with easy highways to cross the border and indulge their taste in hotels or chalets, or whatever you wish to call them, on the Canadian side of this park.

Mr. LEAVITT. Of course, there is nothing in this bill and nothing in the intention of the bill that leads in that direction at all.

Mr. STAFFORD. But is not the main purpose to provide interconnecting highways?

Mr. LEAVITT. No. The main purpose of this bill, and the only purpose of this bill, grows out of the fact that Glacier National Park in Montana and Waterton Lakes National Park in Canada join to form one great scenic area. They are really one great park; and it is perhaps the supreme place along the border that can be dedicated to commemorate the long-existing friendship and spirit of good will between the two nations.

They are visited by thousands of people, not only the people of these two nations but the people of the world. The character of the country is such that the meaning of this enactment of Congress, which is to be followed by similar action on the part of the Canadian Government, will impress those who go there with this high purpose. It will become a great monument to the idea of international peace and good will.

Mr. STAFFORD. Is there not going to be some harmony of effort toward improving the highways so as to make it interchangeable?

Mr. LEAVITT. There is already a fine highway that leads from one of these parks to the other.

Mr. STAFFORD. Is that popularly traversed?

Mr. LEAVITT. It is. I have always hoped they have gone up to see the magnificent scenery and get inspiration from that.

Mr. STAFFORD. Is that highway detrimental to the patronage of those who take lodgement in the hotels on the American side of the border?

Mr. LEAVITT. Well, some of the travel may be for that purpose. I very much hoped that this bill, which has had the consideration of the State Department of Canada, would be handled on the floor without any reference to anything except the purposes for which it is intended.

Mr. STAFFORD. I am directing my inquiries in good faith. I did not know there was a highway there.

Mr. LEAVITT. There is a highway.

Mr. STAFFORD. Of course, if this bill will not militate in any way against hotels located in Glacier Park, I will not interpose any objection.

Mr. LEAVITT. The hotels in the two parks are carried on by exactly the same people, so that the two parks now are handled as one great area. The circulation of the people of our country and the people of the other country is mutual.

Mr. STAFFORD. What is the advantage to be gained by this joint venture?

Mr. LEAVITT. Its purpose has been well expressed by a recent editorial of the Manchester Union, printed in New Hampshire, that it is a fine gesture of good will between the two countries.

Mr. STAFFORD. What is the real purpose to be attained by this merger of activities?

Mr. LEAVITT. It is a sentimental reason. It grew out of a joint meeting between some Rotarians in Montana and Alberta at Waterton Lakes last summer, in which it appeared to them it would be a fine thing to express the good will that was exemplified in their joint meeting.

Mr. STAFFORD. Then it is not intended to have any general supervision by the respective forces of Canada and America?

Mr. LEAVITT. Oh, no. It is to be dedicated by the international Rotarians from all countries who will be on their way to the international meeting at Seattle this coming summer.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. THATCHER. Reserving the right to object, and I will not object, how much is involved in the Waterton Lakes National Park?

Mr. LEAVITT. Two hundred and twenty square miles in the Waterton Lakes National Park and 1,500 square miles in the Glacier National Park.

Mr. THATCHER. It is the same type of scenery?

Mr. LEAVITT. It is the same type of scenery. It is cut through by the international boundary. Waterton Lakes itself is divided by the international boundary.

Mr. THATCHER. The enactment of this measure will not entail any additional cost on our Government in the matter of administration or maintenance of the glacier section of the park?

Mr. LEAVITT. No, sir.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

> *Be it enacted, etc.*, That for the purpose of permanently commemorating the long-existing relationship of peace and good will existing between the people and Governments of Canada and the United States and upon the enactment by the proper authority of the Canadian Government of a similar provision respecting the Waterton Lakes National Park in the Provinces of Alberta and

British Columbia and upon the proclamation of the President of the United States, who is hereby authorized to issue such a proclamation, the Glacier National Park in the State of Montana shall become a part of an international park to be known as the Waterton-Glacier International Peace Park.

SEC. 2. For purposes of administration and support by appropriations that part of the said Waterton-Glacier International Peace Park within the territory of the United States shall be designated as the Glacier National Park section of the Waterton-Glacier International Peace Park.

With the following committee amendments:

Page 2, line 5, after the word "administration," insert "promotion, development," and in line 9, after the word "Park," strike out "section of the Waterton-Glacier International Peace Park."

The committee amendments were agreed to.

Mr. LEAVITT. Mr. Speaker, I wish to offer an amendment to the bill. I am informed that none of this Waterton Lakes National Park is in British Columbia. I wish to offer an amendment, on page 1, line 9, to strike out the words "and British Columbia," and at the beginning of the line change the word "provinces" to "province."

The SPEAKER pro tempore. The gentleman from Montana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LEAVITT: On page 1, line 8, strike out the word "Provinces" and insert in lieu thereof the word "Province"; in line 9, strike out the words "and British Columbia."

The amendments were agreed to.

Mr. STAFFORD. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. STAFFORD. It has been suggested by the gentleman from Kentucky, in view of the fact that there will be but one park on the border where it will represent the feeling of amity and good will that has existed for over 100 years between this country and Great Britain, that the name should merely be the International Peace Park. Has the gentleman given any consideration to such a suggestion rather than the Waterton-Glacier International Peace Park?

Mr. LEAVITT. I do not believe that should be done for the reason that the inclusion of the two names rather locates the park. I am sorry the gentleman from North Dakota [Mr. BURTNESS] is not here, because he could tell the gentleman of some plans that have been made with reference to an international garden and some other proposals in other places. So we would hardly wish to monopolize the name by having it called the International Peace Park, unless that were insisted upon.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Montana.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LEAVITT. Mr. Speaker, a recent editorial of the Manchester Union, that great New Hampshire journal, expresses the purposes of this bill and the sentiment behind it. I include that editorial in my remarks, as follows:

[Manchester (N. H.) Union, February 27, 1932]

ANOTHER FRIENDLY GESTURE

At a time when national jealousies and conflicts are multiplying all over the world, the plan sponsored on both sides of the line to unite the Glacier National Park in Montana with the Waterton Lakes National Park in Canada has a particularly pleasing flavor. It is understood that a bill with this object in view will be introduced during the present session of Congress, to be followed by a similar action at Ottawa. The park will thereafter be a unit so far as its service to the public is concerned, although each country will continue to administer its own section.

This plan symbolizes the unique relation that exists between the American and Canadian peoples. Fundamentally, this relation is based on the fact that the two peoples are, to a large extent, racially similar, that they are free from traditional grudges, and that their economic interests largely supplement each other. Yet despite this fact, delicate issues continually arise which are a cause of estrangement between neighboring states elsewhere, and they are invariably adjusted in an amicable manner. Imagine, if you will, two nations in Europe agreeing to obliterate a section of their national boundary for the purpose of merging two national parks into an international preserve to be equally at the service of the citizens of each.

In the report I made on this measure, under the authority of the Committee on the Public Lands, I said:

The purpose of this bill is to establish an enduring monument of nature to the long-existing relationship of peace and good will between the people and Governments of Canada and the United States. The State Department of the United States Government has communicated with the State Department of the Canadian Government and has received a reply to the effect that this proposal meets with the approval of the Canadian Government and stating that upon enactment of this legislation to designate Glacier National Park as the United States section of the proposed Waterton-Glacier International Peace Park, suitable action will be taken by that Government to designate the Waterton Lakes National Park as the Canadian section.

Glacier National Park in Montana and Waterton Lakes National Park in Alberta and British Columbia, in Canada, are in reality a single great scenic area of unsurpassed glory. So closely are they linked that Waterton Lake, which gives its name to the Canadian park, is divided by the international boundary line.

There is no area in America more replete with beauty of the highest order than that comprised within these two national parks. Tremendous mountains with carved cirques in which the snows and glaciers of countless ages are encompassed, innumerable lakes, each a gem of its kind, canyons of that character described by Robert Service when he speaks of "canyons plumb full of hush"—these are the describable features of this region. But it has about it something indescribable. Perhaps the imminent presence which broods over it and which is universally felt may best be described as peace.

The region itself gave rise to the thought behind the movement to combine these two parks of Canada and the United States into one international park, dedicated as a monument to the peace and good will which have for so many generations existed between the two peoples. It first took form at a meeting of Rotarians from Montana and Alberta held at Waterton Lakes last year.

The measure does not contemplate any change in the handling of the two parks. The one will still be the Waterton Lakes National Park and the other Glacier National Park in so far as administration is concerned. Undoubtedly the working out of road and trail improvements in the future would have more fully in mind the international significance of the two. People of all nations visiting the one would be compelled by the very thought and intention of the proposal to visit the other.

The result would be the creation of a monument to international good will which, it is hoped, will become as eternal as the mountains of the international park.

When this bill was referred to the Secretary of the Interior for report he presented it to the State Department in order to ascertain the attitude of the Canadian Government toward such a proposal. The reply of the Canadian Government is expressed in a letter dated February 12. I present that letter:

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA,
Ottawa, February 12, 1932.

No. 21.

SIR: I have the honor to acknowledge your note No. 368 of the January 27, 1932, transmitting a copy of H. R. 4752, a bill for the establishment of the Waterton-Glacier International Peace Park, and to state that in the event of the action which is proposed in the bill being taken by the appropriate authorities in the United States, the Canadian Government will have pleasure in recommending the necessary steps to provide that the Waterton Lakes National Park shall become a part of an international park to be known as the Waterton-Glacier International Peace Park.

I have the honor to be, sir,

Your obedient servant,

O. D. SKELTON,
For Secretary of State for External Affairs.

This measure has also the warm approval of our Secretary of the Interior and the director of our national parks.

An international dedication is to take place on June 18. Rotarians from various nations will stop on their way to their international convention in Seattle. This entire movement will give form and substance to an idea of good will among people such as will powerfully influence the thought of mankind.

AMENDMENT TO THE ACT CODIFYING LAWS RELATING TO THE JUDICIARY

The Clerk called the next bill, H. R. 9259, to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187).

There being no objection, the bill was read, as follows:

Be it enacted, etc., That section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187) be amended to read as follows:

"SEC. 106. The State of South Dakota shall constitute one judicial district, to be known as the district of South Dakota. The territory embraced on the 1st day of January, 1932, in the counties of Aurora, Beadle, Bon Homme, Brookings, Brule, Charles Mix, Clay, Davison, Douglas, Gregory, Hanson, Hutchinson, Kingsbury, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, Sanborn, Turner, Union, and Yankton, and in the Yankton Indian Reservation, shall constitute the southern division of said district; the territory embraced on the date last mentioned in the counties of Brown, Campbell, Clark, Codington, Corson, Day, Deuel, Edmunds, Grant, Hamlin, McPherson, Marshall, Roberts, Spink, and Walworth, and in the particular territory set apart and reserved for the use and benefit of the Sisseton and Wahpeton Bands of the Sioux Tribe of Indians, and known as the Lake Traverse Reservation, and in that portion of the Standing Rock Indian Reservation lying in South Dakota, shall constitute the northern division; the territory embraced on the date last mentioned in the counties of Armstrong, Buffalo, Dewey, Faulk, Haakon, Hand, Hughes, Hyde, Jackson, Jerauld, Jones, Lyman, Potter, Stanley, Sully, and Ziebach, and in the Cheyenne River, Lower Brule, and Crow Creek Indian Reservations, shall constitute the central division; and the territory embraced on the date last mentioned in the counties of Bennett, Butte, Custer, Fall River, Harding, Lawrence, Meade, Mellette, Pennington, Perkins, Shannon, Todd, Tripp, Washabaugh, and Washington, and in the Rosebud and Pine Ridge Indian Reservations, shall constitute the western division. Terms of the district court for the southern division shall be held at Sioux Falls on the third Tuesday in March and the third Tuesday in October; for the northern division, at Aberdeen on the third Tuesday in April and the second Tuesday in November; for the central division, at Pierre on the second Tuesday in May and the first Tuesday in October; and for the western division, at Deadwood on the first Tuesday in June and the first Tuesday in September. The clerk of the district court shall maintain an office in charge of himself or a deputy at Sioux Falls, at Pierre, at Aberdeen, and at Deadwood, which shall be kept open for the transaction of the business of the court."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. STAFFORD. Mr. Speaker, we have made considerable progress on this calendar to-day. Although there are several bridge bills remaining on the calendar, I make the point of no quorum. I think we have done a good day's work.

The SPEAKER. Will the gentleman withhold his motion?

Mr. STAFFORD. I will.

WAR POLICIES COMMISSION (H. DOC. NO. 264)

The SPEAKER laid before the House the following message from the President, which was read, and, together with the accompanying papers, referred to the Committee on the Judiciary and ordered printed:

To the Congress of the United States:

In accordance with the provisions of Public Resolution No. 98, approved June 27, 1930, creating the War Policies Commission, and Public Resolution No. 2, approved December 21, 1931, extending the time for the submission of its recommendation, I transmit herewith the final recommendations of the commission.

HERBERT HOOVER.

THE WHITE HOUSE, *March 7, 1932.*

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to—

Mr. MURPHY (at the request of Mr. CABLE), on account of sickness.

Mr. COOPER of Ohio (at the request of Mr. MOORE of Ohio), indefinitely, on account of illness.

APPROPRIATIONS FOR TREASURY AND POST OFFICE DEPARTMENTS

Mr. THATCHER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain extracts from the hearings on the Treasury and Post Office Departments appropriation bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. THATCHER. Mr. Speaker, we hear much criticism in this and the other Chamber of the Congress, and we read much criticism in the press, and hear much in the country at large to the effect that the President and the executive departments of the Government are failing to meet their duty in this hour of stress by reducing more substantially the costs of the Federal Government.

I fully agree with the proposition that the President and the various heads of the governmental activities of the Nation should use every power at their command to effect this reduction. They tell us that they are doing this, but point out that they are limited in their efforts in this direction by the fact that the Congress itself has enacted various measures during the past few years, beginning with the World War period, which provide for the creation of new bureaus, offices, and activities; and that they, the executive officers of the Government, must undertake to carry out the will of Congress by discharging the functions thus imposed upon them and must make application to Congress for the necessary funds for this purpose. This is eminently true, and I wish to emphasize the point.

As a member of the Appropriations Committee I know that the committee from year to year has been cutting below the Budget estimates. During the time in which the Budget law has been in effect, commencing in 1921, several hundred millions of dollars have been cut from the estimates of the Budget by the House Appropriations Committee and by the Congress. Apparently, these cuts have been made without serious impairment of the service and do not constitute any serious criticism of the Budget system. On the whole, the system has worked well, and I believe it to be indispensable. Our committee, however, has gone as far as it believes it could appropriately go if the activities of the various departments of government, and the various boards and bureaus and the multiplied activities authorized by the Congress itself, are to be carried on in an appropriate manner.

I believe that most of these new offices, bureaus, and activities have been created as much through the initiation of the Congress itself as through that of the Chief Executive. In any event, the responsibility is of joint character, and we in Congress are not in a position to criticize the executive branch of the Government in presenting to Congress, from year to year, the estimates for appropriations needed for carrying on the work of the various bureaus, boards, offices, and operations thus created, except to the extent which they may be excessive. I have never been very much in favor of the establishment of independent offices and bureaus. As a general principle, I have thought that added activities of the Government should be placed under the supervision of the various Cabinet officials. However, special pleas in special cases have been sufficient to bring about the establishment of many independent bureaus and governmental activities, with the result that there have been created very expensive administrative overhead and personnel, also much duplication of effort. In the Congress, I may add, we are too much inclined to create, in one session, new boards and bureaus, and then, in the next, to tear them down. If we impose impossible tasks, how can we expect successful results?

If the President should fail or refuse to submit to Congress estimates for appropriations for the various governmental activities, or for any of them perhaps, we would hear, within or without this body, just as violent criticism because of this failure. It must be borne in mind that the President and the Bureau of the Budget submit to Congress no estimate for an appropriation except under authority of legislation enacted by Congress. So we should be perfectly fair in dealing with these matters. Let us not censure the administrative officials for that which we ourselves, the legislative arm, may be responsible.

It is, of course, the duty of the executive branch to submit recommendations for consolidations or abolishments of governmental boards, bureaus, offices, and activities wherever possible. On the other hand, it is the duty of the Congress itself, through its legislative committees, to initiate legislation designed to effect such consolidation or abolish-

ments. My own view is and has always been that the executive and legislative branches should fully coordinate and cooperate in this work. The responsibility for this method of retrenchment is, in fact, of a joint character, resting on both the legislative and executive branches. So long as these enactments remain in full force and effect, the President must make the necessary appointments to fill the offices involved and the necessary machinery must be set up through Executive action. Thereupon there must be submitted to the Congress by the President the estimates required for the activities thus authorized.

Certainly, if the Congress did not authorize, and thereby direct, the carrying on of the various activities of government, there would not come to the Congress any estimates therefor. To the extent, of course, that the President approves the legislation involved, he shares in the responsibility for the resulting expenditures. So much for this phase of the matter.

I very much doubt the wisdom of vertical or lump-sum cuts in the appropriation bills. I believe that every cut should be based on thoughtful consideration and addressed to specific items, so that the absolutely necessary functions of government may not be seriously crippled or impaired. The subject is one that deserves the most thoughtful scrutiny lest in our endeavor to retrench we may do more harm than good. I earnestly favor the curtailment and consolidation of governmental activities to the greatest possible extent, and I also favor the abolishment of certain other activities. Each case, however, should be considered upon its own merits. One department of government or one activity might sustain, without any material detriment to the country, a very substantial cut in operating funds; whereas another activity of higher beneficial purposes might be practically destroyed by any substantial withholding of funds. It seems to me that arbitrary or lump-sum cuts from the totals of appropriation bills are more or less blind in character and, if made, put upon the executive offices of the Government a task of tremendous difficulty.

The House Appropriations Committee has followed the practice of making its reductions under specific heads or items and not from the total of the bill without regard to special items.

It is to be hoped that the various committees, special and otherwise, authorized by the present Congress to investigate these subjects may speedily evolve wise and practical plans for bringing about the enactment of the necessary legislation to eliminate unnecessary offices and activities and bring the cost of government, in these times of stress, to the minimum. I am sure that the House Appropriations Committee will be very glad to cooperate in this work in every way possible. The record of this committee I believe fully justifies this observation. We are in the midst of a war-time emergency in a peace-time period, and it must be dealt with as such. Any fair and just diagnosis of the situation must give recognition to the fact that the World War, with its $45,000,000,000 cost to us, has brought upon our people its inevitably sad and tragic aftermath.

AIR MAIL

And, now, Mr. Speaker, I desire to add something to what I have already said in general debate on this bill on the subject of air mail.

As a member of the subcommittee conducting the hearings upon and formulating the Treasury-Post Office Departments appropriations bill, I have been very much struck with the fact that while nearly every activity and enterprise has been suffering a loss of business, the air mail service has grown. It illustrates that aviation has come to stay. In general I believe the air mail set-ups have been wise; and they should become more and more self-supporting as time goes on. Accordingly, as the commercial operations and returns increase, the expense to the Government of air mail operations should decrease. The Postmaster General, in the course of the hearings on the 1933 bill for the Post Office Department, has expressed the belief that the air mail service within a few years should be on a parity with the Railway Mail Service so far as the cost of operation may be concerned.

DOMESTIC AIR MAIL

For the fiscal year 1931 the amount expended for the domestic air mail service was $16,942,454.39, with estimated revenues of $6,210,344.86.

This difference of $10,732,109.53 represents what may be termed a subvention or subsidy paid by the Government to the contracting operators for the purpose of having this air mail service performed and for building up the aviation interests of the country. Unless the cost of the air mail service may be reduced within a few years in the manner indicated, the payment by the Government of the subventions involved would certainly be without justification.

As a matter of information, and under leave accorded me, I now include certain portions of the hearings on the 1933 bill already referred to.

First, inclusion is made of a table, setting forth the names of operators, routes, mileages, and rates of pay of the domestic air mail service.

Air mail service

Air mail route No.	Name of operator	Designation of route	Present mileage of route	Trip	Rates by trips	
					Amount now paid per mile	Space authorized
						Cubic feet
1	Colonial Air Transport (Inc.).	Boston, Mass., via Hartford, Conn., to New York, N. Y.	200	2y	$0.65	18.7
				1a	.65	18.7
				3j	.57	25
				3y	.80	18.7
				2j	.57	25
2	American Airways (Inc.).	Chicago, Ill., via Springfield and Peoria, Ill., to St. Louis, Mo.	523	1a	.635	18.7
				2a	.715	18.7
				3a	.565	18.7
				1a	.565	18.7
				4a	.565	18.7
				4a	.635	18.7
3	National Air Transport (Inc.).	Chicago, Ill., via certain designated points, to Dallas and Fort Worth, Tex.	1,048	2a	.72	47
				2a	.58	18.7
				3a	.58	18.7
				2a	.72	47
				8a	.64	18.7
				9a	.64	18.7
				10a	.43	6.3
				1a	.43	6.3
4	Western Air Express (Inc.).	Salt Lake City, Utah, via Las Vegas, Nev., to Los Angeles, Calif.	782	1a	.43	6.3
				2a	.43	6.3
5	Varney Air Lines (Inc.).	Elko, Nev., via Boise, Idaho, to Pasco, Wash.	1,017	2a	.57	18.7
				6a	.73	25
				6a	.685	18.7
				1a	.72	18.7
				5a	.73	25
				5a	.685	18.7
8	Pacific Air Transport.	Seattle, Wash., via certain designated points, to Los Angeles, Calif.	1,238	14a	.43	6.3
				15a	.43	6.3
				16a	.725	18.7
				16a	.785	47
				17a	.785	47
				17a	.725	18.7
				18a	.675	18.7
				19a	.675	18.7
9	Northwest Airways (Inc.).	Chicago, Ill., via Milwaukee and La Crosse, Wis., to St. Paul-Minneapolis, Minn.	1,620	2a	.59	18.7
				4a	.62	25
				4a	.51	18.7
				6a	.49	18.7
				6a	.55	18.7
				6a	.52	18.7
				6a	.56	18.7
				8a	.425	18.7
				1a	.62	25
				1a	.51	18.7
				3a	.425	18.7
				5a	.59	18.7
				7a	.55	18.7
				7a	.56	18.7
				7a	.52	18.7
				7a	.49	18.7
11	Pennsylvania Air Lines (Inc.).	Cleveland, Ohio, via Youngstown, Ohio, and McKeesport, Pa., to Pittsburgh, Pa.	326	1j	.39	6.3
				2j	.39	6.3
				3a	.39	6.3
				4a	.39	6.3
				5a	.39	6.3
				6a	.39	6.3
12	Western Air Express (Inc.).	Cheyenne, Wyo., via Denver and Colorado Springs, Colo., to Pueblo, Colo.	771	1a	.66	18.7
				1a	.515	18.7
				2a	.515	18.7
				2a	.66	18.7
				3a	.51	18.7
				4a	.66	18.7
				5a	.515	18.7
				6a	.515	18.7

Air mail service—Continued

Air mail route No.	Name of operator	Designation of route	Present mileage of route	Trip	Rates by trips: Amount now paid per mile	Rates by trips: Space authorized
						Cubic feet
17	National Air Transport (Inc.).	New York, N. Y., via Cleveland, Ohio, to Chicago, Ill.	736	1a	$0.66	25
				2a	.71	47
				3a	.71	47
				4a	.66	25
				5by	.75	85
				6a	.69	62.5
				7a	.69	62.5
				8by	.75	85
				9a	.43	6.3
				10a	.43	6.3
18	Boeing Air Transport (Inc.).	Chicago, Ill., via certain designated points, to San Francisco, Calif.	2,027	1a	.72	47
				1a	.81	18.7
				2a	.66	18.7
				2a	.87	47
				3a	.785	47
				3a	.585	25
				4a	.785	47
				4a	.825	78
				5a	.675	78
				5a	.785	47
				6a	.735	25
				6a	.635	47
				3a	.37	6.3
				6a	.37	6.3
A. 19	Eastern Air Transport (Inc.).	New York, N. Y., via certain designated points to Atlanta, Ga.	2,254	1j	.55	18.7
				2a	.63	47
				3a	.43	25
				4a	.58	25
				5a	.63	47
				6j	.55	18.7
				7a	.43	6.3
				7a	.43	6.3
				8a	.43	6.3
				8a	.43	6.3
				13a	.57	25
				14a	.57	25
				15a	.43	6.3
				16a	.43	6.3
				17a	.43	6.3
				17a	.43	6.3
				18a	.43	6.3
				18a	.43	6.3
				19a	.39	6.3
				20a	.39	6.3
				21a	.43	6.3
				22a	.43	6.3
				23a	.43	6.3
				24a	.43	6.3
20	American Airways (Inc.).	Albany, N. Y., via certain designated points, to Cleveland, Ohio	1,793	4a	.805	18.7
				1a	.655	18.7
				1a	.64	18.7
				1a	.725	18.7
				1a	.795	18.7
				3b	.61	18.7
				3a	.79	18.7
				3a	.64	18.7
				3a	.62	18.7
				2a	.77	18.7
				4a	.64	18.7
				2b	.61	18.7
				4a	.72	18.7
				4a	.64	18.7
				2a	(1)	
21	Texas Air Transport (Inc.).	Dallas and Fort Worth, via Houston, to Galveston, Tex.	333	1a	.49	18.7
				2a	.49	18.7
22	----do----	Dallas, via Waco, Austin, and San Antonio, to Laredo, Tex.	547	1a	.565	18.7
				2a	.565	18.7
23	American Airways (Inc.).	Atlanta, Ga., via Birmingham and Mobile, Ala., to New Orleans, La.	488	1a	.455	18.7
				2a	.405	18.7
24	Embry-Riddle Co.	Chicago, Ill., via Indianapolis, Ind., to Cincinnati, Ohio.	274	1a	.565	18.7
				2a	.545	18.7
				3a	.545	18.7
				4a	.715	18.7
26	National Parks Airways (Inc.).	Great Falls, Mont., via certain designated points, to Salt Lake City, Utah.	509	1a	.505	18.7
				2a	.655	18.7
				4a	.505	18.7
				3a	.505	18.7
27	Trans-American Airlines Corporation.	Bay City, Mich., via certain designated points, to Chicago, Ill.	1,337	1j	.595	18.7
				3j	.465	18.7
				5b	.615	18.7
				5b	.595	18.7
				7a	.57	18.7
				9j	.57	18.7
				11j	.55	18.7
				15j	.39	6.3
				17y	.39	6.3
				19a	.39	6.3
				21a	.39	6.3
				25a	.39	6.3
				27a	.39	6.3
				29a	.39	6.3
				2j	.445	18.7
				4j	.465	18.7
				6b	.445	18.7
				6b	.465	18.7

[1] Gratuitous.

Air mail service—Continued

Air mail route No.	Name of operator	Designation of route	Present mileage of route	Trip	Rates by trips: Amount now paid per mile	Rates by trips: Space authorized
						Cubic feet
27	Trans-American Airlines Corporation—Contd.	Bay City, Mich., via certain designated points, to Chicago, Ill.—Con.		8a	$0.57	18.7
				10j	.57	18.7
				12j	.40	18.7
				14j	.39	6.3
				16a	.39	6.3
				18a	.39	6.3
				20y	.39	6.3
				24a	.39	6.3
				26a	.39	6.3
				28a	.39	6.3
29	American Airways (Inc.).	New Orleans, La., via Beaumont, to Houston, Tex.	325	2a	.41	18.7
				1a	.41	18.7
30	----do----	Chicago, Ill., via certain designated points, to Atlanta, Ga.	1,208	1a	.485	18.7
				2a	.635	18.7
	United States Airways (Inc.).	Kansas City to Denver		3a	.59	18.7
				4a	.59	18.7
				11a	.555	18.7
				11a	.53	18.7
				12a	.555	18.7
				12a	.53	18.7
				13a	.645	18.7
				14a	.645	18.7
				22a	.39	6.3
				21a	.39	6.3
33	Western Air Express (Inc.), American Airways (Inc.).	Atlanta, Ga., via certain designated points, to Los Angeles, Calif.	3,052	(2)	.79	47
					.79	47
					.79	47
					.79	47
					.805	47
					.805	47
					.775	47
					.775	47
					.88	47
					.88	47
					.88	47
					.88	47
34	Transcontinental & Western Air (Inc.).	New York, N. Y., via certain designated points to Los Angeles, Calif.	3,339	1a	.73	47
				1a	.85	47
				3a	.85	47
				3a	.73	47
				5a	.39	25
				2a	.88	47
				2a	.85	47
				4a	.70	47
				4a	.73	47
				6a	.39	25

[2] El Paso-Albuquerque, Albuquerque-El Paso, Amarillo-Fort Worth, Fort Worth-Amarillo, New Orleans-Memphis, Memphis-New Orleans, Big Spring-San Antonio, San Antonio-Big Spring, Dallas-Los Angeles, Los Angeles-Dallas, Atlanta-Fort Worth, Fort Worth-Atlanta.

Next there is included the following self-explanatory table set forth in these hearings:

Statement of the miles flown in the air mail service

	Fiscal years			
	1929	1930	1931	1932
July	653,883	1,200,080	1,478,267	2,603,847
August	731,714	1,308,186	1,481,066	2,869,562
September	749,156	1,243,819	1,412,738	2,763,289
October	784,663	1,303,938	1,544,009	2,820,526
November	731,027	1,222,201	1,562,895	2,466,802
December	894,311	1,056,728	1,706,619	2,461,643
January	795,203	1,103,357	1,770,405	
February	778,329	1,096,591	1,583,579	
March	912,760	1,250,968	1,809,554	
April	889,397	1,309,240	2,194,536	
May	1,139,735	1,392,439	2,346,991	
June	1,152,243	1,391,021	2,491,192	
Total	10,212,511	14,939,468	21,381,852	

The amount carried in the bill for the domestic air service for 1933 is $19,000,000. The amount asked for by the Post Office Department and now urged as being necessary to maintain that service under the present set-up, with night flying on the newly lighted routes, is $20,000,000. Unless the department is able to exact absorption by the operating companies of this $1,000,000 of difference the domestic air mail operations will suffer. The Budget estimate was $19,000,000, and this total was written into the 1933 bill, which has passed the House and is now before the Senate for action.

FOREIGN AIR MAIL

The bill carries the total of $7,000,000 for foreign air mail service. This is the same amount as was appropriated for the fiscal year 1932, the current year. The contracts for this foreign service are of different character from those for the domestic air mail; they are not flexible in their terms, as are those of domestic character. Nearly all of our foreign air mail contracts are with Latin America and the West Indian islands. In these regions there is active competition between the aviation interests of the United States and those of certain European countries. The extracts now taken from the testimony before the subcommittee of Mr. J. T. Trippe, president of the Pan American Airways, one of the companies engaged in our foreign air mail service, may be of interest. This company finances and maintains 20,000 miles of air service.

Mr. TRIPPE. * * * I would like to cover briefly the position in South America in 1928. At that time the only American air service was that between Florida and Cuba. I have a map here which will show to the committee the extent of the foreign air mail service, subsidized by European governments, that was in existence at that time. The French were operating along the east coast of South America, and were organizing services along the north coast of South America, as well as extensions to Patagonia and to Asuncion. The Germans were also operating along the east coast of South America, the company being the Kondor, a subsidiary of the powerful German Lufthansa. The French company was the Aeropostale, backed by the French Government with large subsidies.

At that time Congress became interested in this situation, seeing the activity of foreign aviation interests, and enacted the foreign air mail act, which permitted the Post Office Department to advertise for services to other points in Latin America. During the next few years various mail contracts were advertised. On the west coast the contract was awarded to Pan American-Grace Airways, which is partly owned by Pan-American Airways and partly by the Grace Steamship interests. The other contracts were awarded to Pan American Airways.

* * * * * * *

When we commenced service between Florida and Cuba our capital was $500,000, all of which was privately subscribed. Today it is in excess of $18,000,000.

Mr. THATCHER. Paid-in capital?

Mr. TRIPPE. Paid-in capital.

Many different interests in the American aviation industry are stockholders in Pan American; various others directly interested in the company include business men and firms engaged in Latin American commerce. Interests identified with most of the steamship lines operating to South America are also interested in Pan American. Included among these are the A. G. W. I. steamship lines, the Munson Line on the east coast, and the Grace Line on the west coast, the latter being part owner of Pan American-Grace Airways.

There are no bankers, as such, connected with the company. I refer to "bankers" in the ordinary sense of the word. There have been no commissions ever paid for the raising of any capital in our company. There has been no promotion stock issued. In fact, when it has been necessary to secure loans—and it has been—to carry this system during the past years, we have been able to secure money from the banks only through personal indorsements of myself and certain of our other directors.

Our technical adviser is Colonel Lindbergh. He joined the company just after he completed his flight around the so-called Lindbergh circle in the Caribbean area. At that time he saw, also, what aviation would do for Latin America—what it would do to build up American good will in that territory as well as to extend our trade. I have personally witnessed several of the receptions that have been tendered Colonel Lindbergh when he opened certain of our mail routes, and I may say without fear of contradiction that he is as much admired in all of these countries as he is here in the United States. I believe he has been of great help in overcoming anti-American propaganda that has been developed in these countries by our trade rivals. He is truly a real "good-will ambassador" of the American people.

As to our compensation from the United States Post Office Department: We receive for our various contracts an average of $1.89 per mile for carrying the mails. Our contracts require that we carry from 800 to 1,000 pounds of mail. In South America the contracts held by the French company, Aeropostale, provide for a return to them of $3.30 per mile.

Mr. ARNOLD. That $1.89 that you refer to is $1.89 per mile?

Mr. TRIPPE. One dollar and eighty-nine cents per mile; yes, sir.

Mr. THATCHER. You would be permitted to receive $2, but the Postmaster General has scaled it to $1.89.

Mr. TRIPPE. On the west coast of South America the line held by Pan American-Grace Airways was bid in at $1.80 per mile. On the second trip which they received last year, the company agreed with the Postmaster General to operate at $1.60 per mile. The average of all these services is now $1.89 per mile, as against the $3.30 per mile figure for all the French services in Latin America.

* * * * * * *

Mr. TRIPPE. This map [indicating] will show the entire Pan American system routes. They are shown in blue. We operate from Brownsville to the Canal Zone, from Brownsville to Mexico City, from Miami to Salvador, where connection is made with the Central American route; we fly from Miami to the Canal Zone by way of Kingston and Barranquilla, Colombia, involving an overwater flight of over 500 miles. We fly along the east coast of South America to Buenos Aires, and through Pan American-Grace Airways, from the Canal Zone down the west coast of South America, across the Andes.

Mr. THATCHER. It is a 7-day trip from Montevideo to Miami, on the west coast?

Mr. TRIPPE. Yes, sir.

Mr. THATCHER. What is the time required for the flight up the east coast from Buenos Aires to Miami?

Mr. TRIPPE. The east-coast schedule is eight days, but that service embraces Rio de Janeiro and other Brazilian cities.

Mr. THATCHER. I thought the west coast was a shorter route.

Mr. TRIPPE. The west coast is seven days. The east coast is eight days.

* * * * * * *

Mr. TRIPPE. In the foreign field the contractor must provide his own airways, his radio aids to aerial navigation, his weather service, his intermediate airports, and other similar facilities which in the domestic field are supplied by the Department of Commerce.

The CHAIRMAN. That makes it a little more trying on the operators, does it not?

Mr. TRIPPE. That makes it more expensive for the operators, sir.

We have in operation more than 60 ground radio stations, which supply complete information to aircraft at all times, and the airways that we have provided, we think, are entirely adequate for the service. The regularity maintained over the system last year, according to the Post Office Department figures, was 99.62 per cent.

Mr. THATCHER. You have never had a fatality in the air, have you?

Mr. TRIPPE. We have not, sir, during the past two and a half years' service in Latin America since the initial development beyond Cuba.

Mr. THATCHER. From your standpoint, under present conditions, at present rates, and with the present increase of postal revenues, how long will it take for this service to be self-supporting?

Mr. TRIPPE. Well, sir, with the return to normal times, and using the index of the rate of increase during the past two years, we feel that the service will return to the department all or substantially all it costs to maintain the service within the next four or five years. That income, of course, is actual dollars to the Government net to the Post Office Department at Washington, and it includes any loss incurred in transferring funds from those countries whose currency is now depreciated. There are many other indirect advantages from this foreign service.

ADVANTAGES OF FOREIGN AIR MAIL SERVICE

The CHAIRMAN. Suppose you tell us what they are.

Mr. TRIPPE. I could best come to that if I would be permitted by the committee to make a short statement off the record.

The CHAIRMAN. Very well; you may proceed without interruption. What appeals to me most strongly is the possibility of the development of commerce and the good will to which you have referred.

Mr. TRIPPE. From the commercial viewpoint, these figures show the fact that the future important market for United States trade is South America. The 1930 figures of the Department of Commerce show that the trade between the United States and South America was $771,000,000, and the trade between Europe and South America was $1,532,000,000. The United States' proportion of South America's total world trade in 1930 was only 27 per cent; the European proportion was 52 per cent, the balance having been made up in Asia, Africa, and elsewhere.

The east-coast proportion of South American total world trade is 66 per cent, the west-coast proportion is 19 per cent, and the north-coast proportion is 15 per cent.

Those figures clearly show the fact that the east coast is the chief commercial area so far as world trade with South America is concerned, and it is on that coast that Europe is getting a greater proportion of trade than is the United States. It is on that coast also that we are faced with major European competition from both the French and the Germans, who are paralleling our air service throughout the whole east-coast area from Natal to Buenos Aires.

Mr. THATCHER. Is it not true that there ought to be a greater frequency than once a week on the east coast?

Mr. TRIPPE. Yes, sir. We are confident of the fact that if a second trip should be authorized the returns to this Government would be increased by over $400,000 a year.

We arrive at this conclusion from the actual results that followed the increase in frequency on the west-coast service from once to twice per week.

MONEY RETURN TO GOVERNMENT ON FOREIGN AIR MAIL

I want to emphasize, Mr. Chairman, the fact that not only have we built up good will in these foreign countries but also we are aiding United States trade. Furthermore, I have some charts here which graphically show that this Government is getting back a substantial sum in actual money from the air mail.

This chart [indicating] shows on the left, by years, the revenue of our Post Office Department in American gold dollars. As you know, many of the currencies in Latin America are greatly depreciated, and that fact has greatly retarded the growth of the mails. In fact, in some of the larger countries, such as Argentina and Brazil, exchange is off about 50 per cent. But notwithstand-

ing the unfavorable economic conditions in these countries and the fact that even first-class mail to Latin America has been greatly reduced in volume, the air mail revenue to this Government has greatly increased.

Mr. THATCHER. Can you give us the figures?

Mr. TRIPPE. In 1929 the figure was $223,000.

Mr. THATCHER. Received by the United States?

Mr. TRIPPE. Received by the United States Post Office Department.

Mr. THATCHER. For the carriage of air mail?

Mr. TRIPPE. For the carriage of air mail to and from Latin American countries.

In 1930 the figure was $823,000; in 1931 the figure was $1,432,000.

The graph at this side [indicating] indicates the revenue developed by the French company. Of course, that revenue is retained for the company's own account, and does not revert to the French Government.

* * * * * * *

UNITED STATES TRADE WITH LATIN AMERICA

In 1930, in spite of generally unfavorable business conditions, the United States trade with Latin American countries and colonies served by the United States foreign air mail system was nearly $1,500,000,000.

Although the United States was able to secure 56 per cent of the $1,200,000,000 world trade of Mexico, the West Indies, and Central America in 1930, we were able to secure only 27 per cent of South America's much larger world trade of $2,852,000,000, while Europe secured 52.6 per cent of this latter trade.

Based on the 1930 figures, which are much lower than normal, every 5 per cent gained by the United States in its proportion of South America's world trade would increase the foreign trade of the United States by $140,000,000.

The principal United States business interests engaged in trade with South America are on record that the United States air service is a vital factor in the retention of existing trade and the building up of additional trade with South America. As you know, there are two well-organized air lines, subsidized by Germany and France, respectively, connecting South America with Europe. American air service is necessary to enable American business to meet the advantages in time afforded to European competitors by these European lines.

The increasing value of the service to American trade is exemplified by the figures showing its rapidly increasing use, even in the face of depressed economic conditions.

Pounds of air mail transported:	
1928	68,400
1929	241,500
1930	453,500
Number of passengers transported:	
1928	1,184
1929	14,983
1930	34,717

NOTE.—While the final figures for 1931 are not yet available, they will show a substantial increase over the preceding year.

With this progress in a time of unfavorable conditions, it is obvious that under normal conditions the annual percentage of growth would have been and in the future will be substantially greater. It naturally follows that the more the service is patronized because of its trade benefits, the greater becomes the return revenue to the United States Government and the lower the net cost of maintaining the service.

HOUR OF MEETING

Mr. BANKHEAD. Mr. Speaker, as I recall, under a former unanimous-consent agreement, the House meets tomorrow at 11 o'clock a. m.?

The SPEAKER. The gentleman is correct.

PRIVATE CALENDAR

Mr. RAINEY. Mr. Speaker, after consultation with the minority leader I desire to propound this unanimous-consent request. I ask unanimous consent that on Wednesday it may be in order to move that the House take a recess until 8 o'clock p. m., and that between the hours of 8 o'clock and 10.30 o'clock p. m. it shall be in order to consider bills on the Private Calendar, beginning with Calendar No. 144.

Mr. SNELL. Unobjected-to bills?

Mr. RAINEY. Yes.

The SPEAKER. Is there objection?

There was no objection.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER. Without objection, the Chair will designate the gentleman from Alabama [Mr. BANKHEAD] to act as Speaker pro tempore on Wednesday evening during the consideration of the Private Calendar.

There was no objection.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5064. An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5064. An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p. m.) the House adjourned until to-morrow, Tuesday, March 8, 1932, at 11 o'clock a. m.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Tuesday, March 8, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(10 a. m.)

Public works administration (H. R. 6665 and H. R. 6670).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

General legislation.

COMMITTEE ON THE DISTRICT OF COLUMBIA—SUBCOMMITTEE ON INSURANCE AND BANKING

(10.30 a. m.)

Bill requiring certain insurance corporations to maintain their principal offices and places of business in the District of Columbia (H. R. 8991).

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

Depressed value of silver (H. Res. 72).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

Bills dealing with general suspension, restriction, further restriction, and prohibition of immigration into the United States.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

470. A letter from the clerk of the Court of Claims of the United States, transmitting a list of cases dismissed by the court for nonprosecution January 4, 1932, which cases were referred to this court by resolution of the House of Representatives under the act of March 3, 1911, known as the Judicial Code; to the Committee on Claims.

471. A letter from the clerk of the Court of Claims of the United States, transmitting special findings of fact and opinion of the court by Williams, judge, and of the memorandum filed by the court overruling the defendant's motion for new trial; to the Committee on Claims.

472. A letter from the Acting Secretary of Commerce, transmitting a draft of a proposed bill to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United

States; to the Committee on Merchant Marine, Radio, and Fisheries.

473. A letter from the Secretary of War, transmitting a report dated March 3, 1932, from the Chief of Engineers, United States Army, on preliminary examination of inland waterway from Port Everglades to Caloosahatchee River, Fla.; to the Committee on Rivers and Harbors.

474. A letter from the Secretary of the Navy, transmitting a statement of the cost of alterations and repairs on the *California State* to fit that ship out as a nautical school ship; to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. POU: Committee on Rules. H. Res. 167. A resolution providing for the consideration of H. R. 4668, a bill to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," approved May 15, 1928; without amendment (Rept. No. 706). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 1780. A bill for the relief of the legal guardian of Nick Vasilzevic; with amendment (Rept. No. 707). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CRISP: A bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes; to the Committee on Ways and Means.

By Mrs. NORTON (by request of the Commissioners of the District of Columbia): A bill (H. R. 10237) to authorize the Commissioners of the District of Columbia to close certain alleys and set aside land owned by the District of Columbia for alley purposes; to the Committee on the District of Columbia.

By Mr. LEAVITT: A bill (H. R. 10238) creating a reimbursable fund to be used for special medical and surgical work among the Indians of the Fort Peck Indian Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H. R. 10239) to provide funds for cooperation with the school board at Polar, Mont., in completion of the high-school building there to be available to Indian children of the Fort Peck Indian Reservation; to the Committee on Indian Affairs.

Also, a bill (H. R. 10240) authorizing development of the Missouri River unit of the Fort Peck Indian irrigation project, and for other purposes; to the Committee on Indian Affairs.

By Mr. STEAGALL: A bill (H. R. 10241) to amend the national banking act and the Federal reserve act, and to provide a guaranty fund for depositors in national banks; to the Committee on Banking and Currency.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 10242) to provide for the creating of a national depositors' guaranty fund in each Federal reserve district, to be used for the protection of depositors in national banks and trust companies, and authorizing the Comptroller of the Currency to have supervision over the same; to the Committee on Banking and Currency.

By Mr. SUMNERS of Texas: A bill (H. R. 10243) granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes; to the Committee on the Judiciary.

By Mr. KENDALL: A bill (H. R. 10244) fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 10245) to provide emergency reductions in the payments of salaries or other pay by the United States; to the Committee on Expenditures in the Executive Departments.

By Mr. MEAD: A bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders; to the Committee on the Post Office and Post Roads.

By Mr. KELLY of Pennsylvania: A bill (H. R. 10247) prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. POU: Resolution (H. Res. 167) providing for the consideration of H. R. 4668, a bill to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," approved May 15, 1928; to the Committee on Rules.

By Mr. GAVAGAN: Joint resolution (H. J. Res. 323) directing the President of the United States of America to proclaim March 5 of each year Crispus Attucks Memorial Day for the observance and commemoration of the death of Crispus Attucks; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER: A bill (H. R. 10248) granting a pension to James E. Tierney; to the Committee on Pensions.

By Mr. BULWINKLE: A bill (H. R. 10249) for the relief of Joseph B. Ray; to the Committee on Military Affairs.

By Mr. CELLER (by request): A bill (H. R. 10250) to incorporate the Marine Corps League; to the Committee on the Judiciary.

By Mr. COOKE: A bill (H. R. 10251) granting a pension to Bernhard Anna, jr.; to the Committee on Pensions.

Also, a bill (H. R. 10252) for the relief of John C. Bush; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 10253) granting an increase of pension to L. Georgia D. Crane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10254) granting a pension to Charles O. Johnson; to the Committee on Pensions.

By Mr. DICKINSON: A bill (H. R. 10255) granting a pension to Nannie J. George; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H. R. 10256) granting the use of certain lands to the city of New Bedford, Mass., for a public park, and for other purposes; to the Committee on Military Affairs.

By Mr. HAWLEY: A bill (H. R. 10257) for the relief of Thomas M. Hopkins; to the Committee on Claims.

Also, a bill (H. R. 10258) for the relief of George Parker; to the Committee on Claims.

By Mr. KLEBERG: A bill (H. R. 10259) for the relief of Emma R. H. Taggart; to the Committee on Foreign Affairs.

By Mr. LINTHICUM: A bill (H. R. 10260) for the relief of Joseph Chapman, husband, and J. Henry Chapman and Roberta L. Chapman, children, of Annie Chapman; to the Committee on Claims.

By Mr. McLEOD: A bill (H. R. 10261) for the relief of Edward Ray Sloan; to the Committee on Claims.

By Mr. MAPES: A bill (H. R. 10262) granting an increase of pension to Louisa Griffin; to the Committee on Invalid Pensions.

By Mr. MILLIGAN: A bill (H. R. 10263) granting a pension to Sarah C. Burnett; to the Committee on Invalid Pensions.

By Mr. MOUSER: A bill (H. R. 10264) granting an increase of pension to Almeda B. Trone; to the Committee on Invalid Pensions.

By Mr. NELSON of Maine: A bill (H. R. 10265) for the relief of Edwin A. Pettegrow; to the Committee on Claims.

Also, a bill (H. R. 10266) for the relief of H. H. Mitchell; to the Committee on Claims.

By Mr. PARKER of New York: A bill (H. R. 10267) granting an increase of pension to Ernestine Green; to the Committee on Invalid Pensions.

By Mr. ROBINSON: A bill (H. R. 10268) granting an increase of pension to Harriett A. Fairman; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 10269) granting a pension to Emma B. Rowe; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 10270) granting an increase of pension to Lucinda Luse; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 10271) to authorize the Secretary of Agriculture to adjust claims to so-called Olmstead lands in the State of North Carolina; to the Committee on the Judiciary.

By Mr. WELSH of Pennsylvania: A bill (H. R. 10272) for the relief of William H. Jaeger; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3779. By Mr. ANDREWS of New York: Petition of 19 citizens of the fortieth congressional district, urging defeat of any such unjust and discriminating legislation as the proposed Federal gasoline tax; to the Committee on Ways and Means.

3780. By Mr. BLAND: Resolutions of the Totuskey Baptist Church, Totuskey, Va., opposing resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures, and urging adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3781. Also, resolutions of the Bethany Baptist Church, Callao, Va., opposing resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures, and urging adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3782. Also, resolutions of the Woman's Christian Temperance Union of Callao, Va., opposing resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures, and urging adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3783. By Mr. CLAGUE: Petition of Mrs. O. B. Sparks, of Redwood Falls, Minn., and 237 others, opposing any measure for modification, resubmission to the States, or repeal of the prohibition laws; to the Committee on the Judiciary.

3784. By Mr. BRUNNER: Resolution of Hollis Post, No. 2247, opposing reduction of armed forces and elimination of military training; to the Committee on Appropriations.

3785. By Mr. CROWTHER: Petition of Group 262 of the Polish National Alliance of the United States, located at Schenectady, N. Y., urging enaction of House Joint Resolution 144; to the Committee on the Judiciary.

3786. Also, petition of residents of Hamilton County, N. Y., opposing enaction of House bill 8092; to the Committee on World War Veterans' Legislation.

3787. Also, petition of Group 878 of the Polish National Alliance of the United States, Schenectady, N. Y., urging enaction of House Joint Resolution 144; to the Committee on the Judiciary.

3788. Also, petition of Group 1685 of the Polish National Alliance of the United States, located at Schenectady, N. Y., urging enaction of House Joint Resolution 144; to the Committee on the Judiciary.

3789. By Mr. CULLEN: Petition of the community councils of the city of New York, going on record as favoring the enactment by Congress of House bill 8765, entitled "A bill to protect labor in its old age," and indorsing the principle that the Federal Government participate with the States and Territories in old-age pension relief; to the Committee on Labor.

3790. By Mr. CURRY: Petition of citizens of Sacramento, Calif., opposing the modification, resubmission, or repeal of the prohibition law; to the Committee on the Judiciary.

3791. Also, petition of citizens of Stockton, Calif., protesting against the proposed Sunday closing legislation; to the Committee on the District of Columbia.

3792. Also, petition of Alaska Fishermen's Union, opposing the sales tax on canned salmon; to the Committee on Ways and Means.

3793. By Mr. DEROUEN: Petition of the Wesley Woman's Bible Class, First Methodist Episcopal Church South, of Lake Charles, La., urging maintenance of the prohibition law and its enforcement, and protesting against any measure looking toward the modification of the eighteenth amendment; to the Committee on the Judiciary.

3794. By Mr. EVANS of California: Petition signed by approximately 69 persons, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3795. Also, petition signed by approximately 130 persons, desiring that there be no resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3796. By Mr. GRISWOLD: Petition of W. King and 23 other citizens of New Castle and Anderson, Ind., protesting against the enactment of House bill 8092 for compulsory Sunday observance; to the Committee on the District of Columbia.

3797. Also, petition of Harold J. Foss and 19 other citizens of Logansport, Ind., protesting against the enactment of House bill 8092 for compulsory Sunday observance; to the Committee on the District of Columbia.

3798. Also, petition of Charles Aucreman and 23 other residents of Hartford City, Ind., protesting against the enactment of House bill 8092 for compulsory Sunday observance; to the Committee on the District of Columbia.

3799. Also, petition of J. Mattix and 20 other citizens of New Castle, Ind., protesting against the enactment of House bill 8092 for compulsory Sunday observance; to the Committee on the District of Columbia.

3800. Also, petition of Pearl Clark and 33 other citizens of northern Indiana, protesting against the amendment of the prohibition law, and urging the strict enforcement of this law; to the Committee on the Judiciary.

3801. By Mr. JOHNSON of Missouri: Petition of Mrs. James Mason and others, opposing House bill 8092; to the Committee on the District of Columbia.

3802. By Mr. JOHNSON of Texas: Petition of the officers and directors of Texas Livestock Marketing Association, protesting against reduction in appropriations for Federal Farm Board; to the Committee on Appropriations.

3803. By Mr. KELLER: Petition of the Woman's Missionary Society of the Methodist Episcopal Church of Baldwin, Ill., opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures; to the Committee on the Judiciary.

3804. By Mr. LINDSAY: Petition of the Propeller Club of the United States, port of Pittsburgh, opposing the passage of House bills 6665 and 6670; to the Committee on Rivers and Harbors.

3805. Also, petition of Machine Stone Workers, Rubbers, and Helpers of New York and vicinity, Local No. 5, favoring the Norris injunction bill, S. 935; to the Committee on the Judiciary.

3806. Also, petition of Richey, Browne & Donald, Maspeth, N. Y., opposing the passage of the Norris injunction bill, S. 935; to the Committee on the Judiciary.

3807. Also, petition of American Fruit and Vegetable Shippers Association of Chicago, favoring reduction of Government expenditures; to the Committee on Appropriations.

3808. Also, petition of New York State Farm Bureau Federation, protesting against the increase tax on gasoline; to the Committee on Ways and Means.

3809. Also, petition of the community councils of the greater city of New York, favoring the passage of House bill 8765; to the Committee on Labor.

3810. Also, petition of New York Local Union, No. 119, International Brotherhood of Bookbinders, favoring the passage of the Romjue bill, H. R. 8576; to the Committee on Ways and Means.

3811. By Mr. LUCE: Petition of the secretary of the Massachusetts Young People's Branch and general secretary of the Newton Young People's Branch of the Woman's Christian Temperance Union, West Newton, Mass., relating to prohibition law and the eighteenth amendment; to the Committee on the Judiciary.

3812. By Mr. LUDLOW: Petition of citizens of Indianapolis, Ind., protesting against the passage of House bill 8092, the Sunday observance bill; to the Committee on the District of Columbia.

3813. Also, petition of citizens of Indianapolis, Ind., protesting against the passage of House bill 8092, the Sunday observance bill; to the Committee on the District of Columbia.

3814. By Mr. McSWAIN: Petition of the Legislature of the State of South Carolina, memorializing Congress to enact suitable legislation authorizing and empowering the Federal reserve banks of the United States to discount short-term notes that may be issued by a State or any subdivision thereof; to the Committee on Banking and Currency.

3815. Also, petition of the Legislature of the State of South Carolina, memorializing Congress against a Federal tax on gasoline; to the Committee on Ways and Means.

3816. By Mr. O'CONNOR: Resolutions of the Association of One Hundred Per Cent United States Women, urging passage of House bill 8549; to the Committee on the Judiciary.

3817. Also, resolutions of the parliament of community councils of the city of New York, urging passage of House bill 8765 to provide old-age pensions; to the Committee on Labor.

3818. By Mr. REED of New York: Petition of residents of Belmont, Wellsville, Bolivar, and Olean, N. Y., protesting against the passage of Senate bill 1202; to the Committee on the District of Columbia.

3819. By Mr. RUDD: Petition of Ramond T. Rich, director American Committee on the Far Eastern Crisis, initiated by President A. Lawrence Lowell, and signatories to the Lowell petition from various cities and towns in the United States; to the Committee on Foreign Affairs.

3820. Also, petition of New York Local Union, No. 119, International Brotherhood of Bookbinders, favoring the Romjue bill, H. R. 8567; to the Committee on Ways and Means.

3821. Also, petition of the Propeller Club of the United States, port of Pittsburgh, opposing the passage of House bills 6665 and 6670; to the Committee on Rivers and Harbors.

3822. Also, petition of American Fruit and Vegetable Shippers' Association, Chicago, Ill., favoring substantial and immediate reduction of Government expenditures; to the Committee on Expenditures in the Executive Departments.

3823. Also, petition of Chamber of Commerce of the State of New York, favoring reduction in public expenditures as well as increased taxes in order to balance the Budget; to the Committee on Ways and Means.

3824. Also, petition of Chamber of Commerce of the State of New York, referring to the New York Barge Canal, a national waterway; to the Committee on Rivers and Harbors.

3825. Also, petition of New York State Farm Bureau Federation, Ithaca, N. Y., opposing a Federal tax on gasoline; to the Committee on Ways and Means.

3826. Also, petition of Richey, Browne & Donald, Maspeth, N. Y., opposing the Norris injunction bill, S. 935; to the Committee on the Judiciary.

3827. Also, petition of New York Joint Land Bank, opposing the passage of the Hare bill; to the Committee on Banking and Currency.

3828. Also, petition of the community councils of the Greater City of New York, favoring the passage of House bill 8765, to protect labor in its old age; to the Committee on Labor.

3829. By Mr. SWING: Petition of 65 citizens of Riverside, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3830. Also, petition of 116 citizens of San Diego, Calif., protesting against compulsory Sunday observance legislation; to the Committee on the District of Columbia.

3831. By Mr. TEMPLE: Petition of Larry Puglia, manager Opera House and Eclipse Theaters, Waynesburg, Pa., supporting certain amendments to the Vestal bill; to the Committee on Patents.

3832. By Mr. WEAVER: Petition of citizens of Marion, N. C., protesting against Sunday observance law; to the Committee on the District of Columbia.

3833. By the SPEAKER: Petition of Paul Howland, chairman committee on jurisprudence and law reform, American Bar Association, opposing all anti-injunction legislation decreasing the power of the Federal courts and limiting their jurisdiction; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 8, 1932

(Legislative day of Wednesday, March 2, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 1861) authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 361. An act to provide for the extension of improvements on the west side of Georgia Avenue, north of Princeton Place, in the District of Columbia, and for other purposes;

H. R. 3951. An act to provide a preliminary examination of the Edisto River and its branches, South and North Edisto, S. C., with a view to the control of its floods;

H. R. 4752. An act for establishment of the Waterton-Glacier International Peace Park;

H. R. 6456. An act to amend section 98 of the Judicial Code, as amended;

H. R. 7498. An act to amend Act No. 4 of the Isthmian Canal Commission entitled "An act to prohibit gambling in the Canal Zone, Isthmus of Panama, and to provide for the punishment of violations thereof, and for other purposes," enacted August 22, 1904;

H. R. 7499. An act to amend Act No. 3 of the Isthmian Canal Commission relating to the suppression of lotteries in the Canal Zone, enacted August 22, 1904;

H. R. 7500. An act to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks;

H. R. 7501. An act to prevent, in the Canal Zone, fire-hunting at night and hunting by means of a spring or trap, and to repeal the Executive orders of September 8, 1909, and January 27, 1914;

H. R. 7502. An act to regulate the carrying and keeping of arms in the Canal Zone;

H. R. 7503. An act to repeal the Executive order of November 23, 1909, making the enticing of laborers from the Isthmian Canal Commission or the Panama Railroad a misdemeanor;

H. R. 7504. An act to provide for the extradition of fugitives from the justice of the Republic of Panama who seek refuge in the Canal Zone;

H. R. 7505. An act to provide for the protection of birds and their nests in the Canal Zone;

H. R. 7506. An act to repeal an ordinance enacted by the Isthmian Canal Commission August 5, 1911, and approved by the Secretary of War August 22, 1911, establishing market regulations for the Canal Zone;

H. R. 7507. An act to regulate radio equipment on ocean-going vessels using the ports of the Canal Zone;

H. R. 7508. An act to provide for the inspection of vessels navigating Canal Zone waters;

H. R. 7509. An act to authorize certain officials of the Canal Zone to administer oaths and to summon witnesses to testify in matters within the jurisdiction of such officials;

H. R. 7510. An act to punish persons deported from the Canal Zone who return thereto;

H. R. 7511. An act to regulate the operation of street-railway cars at crossings in the Canal Zone;

H. R. 7512. An act to amend section 5 of the Panama Canal act;

H. R. 7513. An act to provide for the appointment of a public defender for the Canal Zone;

H. R. 7514. An act in relation to the Canal Zone postal service;

H. R. 7515. An act to provide for the establishment of a customs service in the Canal Zone, and other matters;

H. R. 7516. An act in relation to the keeping and impounding of domestic animals in the Canal Zone;

H. R. 7517. An act to provide for the transportation of liquors under seal through the Canal Zone;

H. R. 7523. An act to amend sections 7, 8, and 9 of the Panama Canal act, as amended;

H. R. 7914. An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River;

H. R. 8084. An act for the protection of the northern Pacific halibut fishery; and

H. R. 9259. An act to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187).

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 14) accepting the statue of Gen. John Sevier, presented by the State of Tennessee, to be placed in Statuary Hall, in which it requested the concurrence of the Senate.

NOTIFICATION TO THE PRESIDENT

Mr. SMOOT. Mr. President, more than a week ago Mr. James H. Douglas, jr., was confirmed by the Senate as Assistant Secretary of the Treasury. He is now in the Treasury Department performing the duties of his office every day. We have had only one executive session since that time. I ask that the rule prohibiting the return to the President of confirmed nominations until after two executive sessions have been held be waived in this case.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified of the confirmation of Mr. Douglas.

CALL OF THE ROLL

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Coolidge	Hawes	Neely
Austin	Copeland	Hayden	Norbeck
Bailey	Costigan	Hebert	Norris
Bankhead	Couzens	Howell	Nye
Barbour	Cutting	Johnson	Oddie
Barkley	Dale	Jones	Patterson
Bingham	Davis	Kean	Pittman
Black	Dickinson	Kendrick	Reed
Blaine	Dill	Keyes	Robinson, Ark.
Borah	Fess	King	Robinson, Ind.
Bratton	Fletcher	La Follette	Schall
Brookhart	Frazier	Lewis	Sheppard
Broussard	George	Logan	Shipstead
Bulkley	Glass	McGill	Shortridge
Bulow	Glenn	McKellar	Smith
Byrnes	Goldsborough	McNary	Smoot
Capper	Gore	Metcalf	Steiwer
Carey	Hale	Morrison	Thomas, Idaho
Connally	Harrison	Moses	Thomas, Okla.
Townsend	Vandenberg	Walsh, Mont.	Wheeler
Trammell	Wagner	Waterman	White
Tydings	Walcott	Watson	

Mr. McKELLAR. The junior Senator from Tennessee [Mr. HULL] is detained on account of illness. This announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. SHEPPARD. I desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily out of the city.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

PREVENTION OF COLLISIONS UPON CERTAIN HARBORS AND INLAND WATERS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States, which, with the accompanying paper, was referred to the Committee on Commerce.

CASES DISMISSED BY THE COURT OF CLAIMS

The VICE PRESIDENT laid before the Senate two letters from the Assistant Clerk of the Court of Claims, transmitting lists of cases dismissed by that court for nonprosecution January 4, 1932, which cases were referred to the court by resolutions of the Senate, pursuant to law, which, with the accompanying papers, were referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the board of supervisors of the city and county of San Francisco, Calif., opposing any reductions in the appropriations for the Regular Army, national rifle matches, training for reserve officers, the Reserve Officers' Training Corps, summer training camps, the citizens' military training camps, and National Guard drill and rifle practice, which were referred to the Committee on Appropriations.

He also laid before the Senate a letter from J. H. Foltz, of the Agricultural Protective Mutual Insurance Co., Topeka, Kans., relative to the bill (S. 3793) to aid in determining the practicability of crop insurance, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by farmers of Amherst and Nelson Counties, Va., assembled at Amherst C. H., Va., protesting against the passage of legislation to hamper or transfer the work now being done by the Federal Farm Board in the promotion of cooperative distribution of farm products, which was referred to the Committee on Agriculture and Forestry.

Mr. TYDINGS presented a resolution adopted by the Bar Association of Anne Arundel County, Md., favoring the ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

Mr. FRAZIER presented the petition of W. J. Servis, of Dickinson, and 63 other citizens of the State of North Dakota, praying for the passage of legislation known as the railway employees' pension bill, which was referred to the Committee on Interstate Commerce.

Mr. BLAINE presented resolutions adopted by the Woman's Christian Temperance Unions of Hillsboro and Waupun, Wis., protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. SHEPPARD presented a memorial, in the form of a resolution, of 17 members of the Woman's Foreign Missionary Society of the San Juan Methodist Episcopal Church, of

San Juan, Tex., remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

He also presented a memorial, in the form of a resolution, of 315 women, being citizens of Edinburg, Tex., remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

Mr. BARBOUR presented a resolution adopted by the State Highway Commission of New Jersey, favoring the making of emergency appropriations for highway construction work, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the College Club, of Jersey City, N. J., favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Fleet Reserve Association, Branch No. 30, at Lakewood, N. J., favoring the passage of the so-called Vinson naval construction bill, which was referred to the Committee on Naval Affairs.

He also presented a memorial of sundry citizens of Rutherford, N. J., remonstrating against passage of legislation to reduce the pay of letter carriers, which was referred to the Committee on Post Offices and Post Roads.

He also presented a letter in the nature of a memorial from sundry citizens of Westfield, N. J., remonstrating against the passage of the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties, which was ordered to lie on the table.

He also presented petitions of members of the Alpha Phi Club, the Alpha Gamma Club, the Beta Gamma Club, the Phi Gamma Club, the Tres Signæ Club, the Ogtaa Club, the O. F. C. Club, the N. R. C. Club, the Paratus Club, and the Sorores Club, all of the Young Women's Christian Association of Newark, N. J., praying for the passage of the bill (S. 572) to provide that the United States shall cooperate with the States in promoting the general health of the rural population of the United States and the welfare and hygiene of mothers and children, and also the bill (S. 2687) to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes, which were referred to the Committee on Commerce.

REPORTS OF COMMITTEES

Mr. ODDIE, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3154) authorizing the conveyance of certain lands to the city of Fallon, Nev., reported it with amendments and submitted a report (No. 400) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 3584) to require all insurance corporations formed under the provisions of Chapter XVIII of the Code of Law of the District of Columbia to maintain their principal offices and places of business within the District of Columbia, and for other purposes, reported it with amendments and submitted a report (No. 401) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 7) for the amendment of the acts of February 2, 1903, and March 3, 1905, as amended, to allow the States to quarantine against the shipment thereto, therein, or through of livestock, including poultry, from a State or Territory or portion thereof where a livestock or poultry disease is found to exist, which is not covered by regulatory action of the Department of Agriculture, and for other purposes, reported it with amendments and submitted a report (No. 402) thereon.

He also, from the same committee, to which was referred the bill (S. 2290) for the conservation of rainfall in the United States, reported it without amendment and submitted a report (No. 403) thereon.

ENROLLED JOINT RESOLUTION PRESENTED

Mr. WATERMAN, from the Committee on Enrolled Bills, reported that on the 7th instant that committee presented to the President of the United States the enrolled joint resolution (S. J. Res. 110) authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress.

EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 3972) for the relief of Alva D. McGuire, jr.; to the Committee on Claims.

By Mr. GOLDSBOROUGH:

A bill (S. 3973) to extend the benefits of the employees' liability act of September 7, 1916, to Otis Gee, a former employee of the Chemical Warfare Service, Edgewood Arsenal, Md.; to the Committee on Claims.

By Mr. BARKLEY:

A bill (S. 3974) granting an increase of pension to William M. Miller; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3975) granting a pension to Ed S. Green (with accompanying papers); to the Committee on Pensions.

A bill (S. 3976) for the relief of Ellen B. Christian; to the Committee on Finance.

By Mr. REED:

A bill (S. 3977) for the relief of Theodore Lyons; to the Committee on Military Affairs.

A bill (S. 3978) to establish the status of civilian employees of the Army Transport and Harbor Boat Services during the World War (with accompanying papers); to the Committee on Civil Service.

By Mr. METCALF:

A bill (S. 3979) granting an increase of pension to Annie Monkhouse (with accompanying papers); and

A bill (S. 3980) granting an increase of pension to Martha W. Howland (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 3981) for the relief of H. B. Van Brunt; to the Committee on Claims.

A bill (S. 3982) to provide increases of retired pay for officers of the Navy and Marine Corps retired for disability resulting from injury incurred in line of duty in time of war; to the Committee on Naval Affairs.

By Mr. CAPPER:

A bill (S. 3983) granting an increase of pension to John C. Denbo (with accompanying papers); to the Committee on Pensions.

By Mr. BLACK:

A bill (S. 3984) for the relief of W. H. Key and the estate of James R. Wilson; to the Committee on Claims.

By Mr. DILL:

A bill (S. 3985) to amend and consolidate the acts respecting copyrights; to the Committee on Patents.

By Mr. THOMAS of Oklahoma:

A bill (S. 3986) for the relief of Patrick J. Mulkaren; to the Committee on Public Lands and Surveys.

By Mr. TYDINGS:

A bill (S. 3987) for the relief of Guy R. Fellers; to the Committee on Military Affairs.

A bill (S. 3988) for the relief of Lawrence Sheldon Cosgrove;

A bill (S. 3989) for the relief of Carroll M. Welling; and

A bill (S. 3990) for the relief of Strevig A. Zendgraf; to the Committee on Naval Affairs.

By Mr. SHEPPARD:

A bill (S. 3991) granting a pension to Mary L. Robinson (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER (by request):

A bill (S. 3992) amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes; and

A bill (S. 3993) to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians; to the Committee on Indian Affairs.

By Mr. WAGNER:

A bill (S. 3994) for the relief of the heirs of Edward P. Frank, deceased; to the Committee on Claims.

A bill (S. 3995) for the relief of Samuel Diamond; to the Committee on Finance.

By Mr. WHEELER:

A bill (S. 3996) granting an increase of pension to Robert Hackett (with accompanying papers); to the Committee on Pensions.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. FRAZIER submitted amendments intended to be proposed by him to House bill 8397, the Interior Department appropriation bill, which were ordered to lie on the table and to be printed, as follows:

On page 18, line 21, strike out "$140,000" and insert in lieu thereof "$113,000."

On page 28, line 18, after the word "act," insert the following: "*Provided further*, That no part of this appropriation shall be available for the extension of canals or ditches in connection with the Michaud division."

On page 54, line 18, strike out the figures "$1,507,480" and insert in lieu thereof "$1,498,980."

On page 55, in line 3, after the word "activity," insert the following: "*Provided further*, That no part of the money appropriated in this act shall be used for the payment of the salary or expenses of Herbert J. Hagerman, designated as special commissioner to negotiate with Indians, or under any other designation."

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 361. An act to provide for the extension of improvements on the west side of Georgia Avenue, north of Princeton Place, in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H. R. 4752. An act for establishment of the Waterton-Glacier International Peace Park; to the Committee on Public Lands and Surveys.

H. R. 7914. An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River; to the Committee on Irrigation and Reclamation.

H. R. 3951. An act to provide a preliminary examination of the Edisto River and its branches, South and North Edisto, S. C., with a view to the control of its floods; and

H. R. 8084. An act for the protection of the northern Pacific halibut fishery; to the Committee on Commerce.

H. R. 6456. An act to amend section 98 of the Judicial Code, as amended; and

H. R. 9259. An act to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187); to the Committee on the Judiciary.

H. R. 7498. An act to amend Act No. 4 of the Isthmian Canal Commission, entitled "An act to prohibit gambling in the Canal Zone, Isthmus of Panama, and to provide for the punishment of violations thereof, and for other purposes," enacted August 22, 1904;

H. R. 7499. An act to amend Act No. 3 of the Isthmian Canal Commission relating to the suppression of lotteries in the Canal Zone, enacted August 22, 1904;

H. R. 7500. An act to amend an Executive order promulgated August 4, 1911, prohibiting promotion of fights between bulls, dogs, or cocks;

H. R. 7501. An act to prevent, in the Canal Zone, fire-hunting at night and hunting by means of a spring or trap, and to repeal the Executive orders of September 8, 1909, and January 27, 1914;

H. R. 7502. An act to regulate the carrying and keeping of arms in the Canal Zone;

H. R. 7503. An act to repeal the Executive order of November 23, 1909, making the enticing of laborers from the Isthmian Canal Commission or the Panama Railroad a misdemeanor;

H. R. 7504. An act to provide for the extradition of fugitives from the justice of the Republic of Panama who seek refuge in the Canal Zone;

H. R. 7505. An act to provide for the protection of birds and their nests in the Canal Zone;

H. R. 7506. An act to repeal an ordinance enacted by the Isthmian Canal Commission August 5, 1911, and approved by the Secretary of War August 22, 1911, establishing market regulations for the Canal Zone;

H. R. 7507. An act to regulate radio equipment on ocean-going vessels using the ports of the Canal Zone;

H. R. 7508. An act to provide for the inspection of vessels navigating Canal Zone waters;

H. R. 7509. An act to authorize certain officials of the Canal Zone to administer oaths and to summon witnesses to testify in matters within the jurisdiction of such officials;

H. R. 7510. An act to punish persons deported from the Canal Zone who return thereto;

H. R. 7511. An act to regulate the operation of street-railway cars at crossings in the Canal Zone;

H. R. 7512. An act to amend section 5 of the Panama Canal act;

H. R. 7513. An act to provide for the appointment of a public defender for the Canal Zone;

H. R. 7514. An act in relation to the Canal Zone postal service;

H. R. 7515. An act to provide for the establishment of a customs service in the Canal Zone, and other matters;

H. R. 7516. An act in relation to the keeping and impounding of domestic animals in the Canal Zone;

H. R. 7517. An act to provide for the transportation of liquors under seal through the Canal Zone; and

H. R. 7523. An act to amend sections 7, 8, and 9 of the Panama Canal act, as amended; to the Committee on Interoceanic Canals.

PRINTING OF PROCEEDINGS AT THE UNVEILING OF STATUE OF JEFFERSON DAVIS IN STATUARY HALL

Mr. HARRISON submitted the following concurrent resolution (S. Con. Res. 19), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound 15,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the acceptance of the statue of Jefferson Davis, presented by the State of Mississippi, of which 1,000 shall be for the Senate and 2,500 for the use of the House of Representatives, and the remaining 11,500 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Mississippi.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

PROPOSED REPEAL OR MODIFICATION OF THE EIGHTEENTH AMENDMENT

Mr. LEWIS submitted the following resolution (S. Res. 183), which was ordered to lie on the table:

Resolved, That it is the sense of the Senate that:

(1) The amendment to the Constitution of the United States designated as the eighteenth amendment be repealed or modified to the extent necessary to allow complete control by the States of the manufacture, distribution, and transportation of spirituous beverages and authorize the States by proper legislation to provide the content and qualifications of the beverage and any limitations of sale and distribution as will make and establish such form of temperance or commerce in connection with spirituous liquors in beverages containing alcohol as each State shall decide and elect to adopt as the policy of that State;

(2) The repeal, qualification, or limitation of the eighteenth amendment shall provide for the States the privilege of transmitting to local governments of the State, to wit: Cities or counties, such authority of police control or privilege of levying and collecting revenue from the disposition in commerce of spirituous liquors

in such manner as the State shall provide by law through its legislature; and

(3) It is hereby reserved that the States shall have the right by State referendum or public vote in each local government within the State to authorize the disposition of the spirituous liquor by the local governments within the State, such as city or county, as the law of the State may provide, together with privilege of the local governments to license and collect revenue from such licensing as the State may provide.

MESSAGE FROM THE PRESIDENT—APPROVAL OF A PUBLIC RESOLUTION

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on March 7, 1932, the President approved and signed the joint resolution (S. J. Res. 110) authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for relief of distress.

STATISTICS OF UNEMPLOYMENT IN THE UNITED STATES

Mr. BINGHAM. Mr. President, I have been endeavoring to secure figures with regard to unemployment throughout the United States, and I have here a letter from the Secretary of Commerce giving the latest estimates of the Department of Commerce with regard to that subject, for which I ask unanimous consent to have printed in the RECORD, together with the tables attached thereto.

I should like particularly to call attention to Table II, in which the Secretary of Commerce compares the distribution of the population by States with the distribution of unemployment by States so far as the department has been able to determine it; and also to call attention to the fact that there are only four States in which the percentage of unemployment is largely more than their percentage of total population, and that in most of the States the percentage of unemployment is about the same as the percentage of population with regard to the total population of the United States. I have been asked to state the names of the four States whose percentage of unemployment varies from their percentage of total population, and I will say that they are the large States of New York, Pennsylvania, Illinois, and Michigan.

The VICE PRESIDENT. Without objection, the letter, together with the tables attached thereto, presented by the Senator from Connecticut will be printed in the RECORD.

The letter and tables are as follows:

MARCH 7, 1932.

Hon. HIRAM BINGHAM,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In accordance with your request, I am inclosing a memorandum which will give you most of the information you requested.

As indicated in this memorandum, it is impossible to state with any accuracy what the probable distribution of unemployed is among States at the present time, as there has been no enumeration of unemployment on a state-wide basis made since April, 1930. It seems probable, however, that so far as the relative severity of unemployment among the States is concerned, it is not greatly different than in April, 1930, with the likelihood that the increase of unemployment since that date has been most pronounced in those States in which unemployment at that time was already most severe.

I believe you will be particularly interested in the tabulation showing the distribution of relief expenditures for the first quarter of 1931, as compared with population and severity of unemployment in the different States.

If there is any further information you would like to have, please do not hesitate to call upon us.

Very truly yours,

R. P. LAMONT,
Secretary of Commerce.

MARCH 7, 1932.

To the Secretary.
From J. F. Dewhurst.
Subject: Senator Bingham's request for information on unemployment and relief expenditures.

The attached tabulations contain information which will give a partial answer to Senator BINGHAM'S request.

Table I shows the distribution of population and of the number of unemployed in Classes A and B among the States, according to the census of population and the census of occupations made in April, 1930.

Table II shows the percentage distribution of population and of unemployed (Classes A and B) compared with the estimated distribution of total relief expenditures in the first quarter of 1931. The last column is based upon Special Report—Relief Expenditures by Governmental and Private Organizations, by the Bureau of the Census. As these reports were not entirely complete, rough estimates have been made for the counties in each State for which relief expenditures were not reported.

Table III shows the percentage of gainful workers unemployed in Classes A and B in each State, compared with the per capita relief expenditures in the first quarter of 1931, and the relief expenditures per unemployed worker in the same period.

Table IV shows a comparison of relief expenditures and unemployment in two groups of States, viz: (1) The 12 States (exclusive of Rhode Island, for which data were not available) having the largest percentage of unemployment in April, 1930, and (2) the 12 States having the smallest percentage in April, 1930.

The summarized data for this last table, together with similar information for the United States as a whole, are shown below:

	United States	12 States with greatest unemployment	12 States with least unemployment
Population, April, 1930	122,775,046	59,441,377	22,405,630
Gainfully occupied, 1930	48,832,589	24,707,677	8,494,263
Unemployed, classes A and B	3,187,647	2,066,928	263,505
Per cent unemployed	6.5	8.4	3.1
Relief, expenditures, estimated (first quarter, 1931)	$80,297,562	$56,290,797	$6,321,399
Relief expenditures per capita (first quarter, 1931)	$0.65	$0.95	$0.28
Relief expenditures per unemployed worker (classes A and B)	$25.19	$27.23	$23.99

There is apparently a rough correspondence in the amount of relief expended in the first quarter of 1931 and the severity of unemployment in these two groups of States, thus the States with the least unemployment, having an average of 3.1 per cent, had per capita relief expenditures of 28 cents, while those having the greatest unemployment, with an average of 8.4 per cent, had per capita relief expenditures of 95 cents. The relief expenditures per unemployed worker show only a small difference between the two groups of States.

There are no current statistics to make it possible to give an exact quantitative measurement of the amount of unemployment in each State at the present time, as no comprehensive statistics have been collected since April, 1930. My own judgment is, however, that the increase in unemployment which has occurred since the time of the census has fallen most heavily in those States in which unemployment was shown to be most severe in April, 1930. In other words, if the States were ranked according to the severity of unemployment existing in each, my belief is that the ranking would be much the same as at the time of the census, but that the disparity or "spread" between those States with the lowest percentage of unemployment and those with the largest percentage would be greater now than in April, 1930.

This conclusion is based upon an examination of the distribution of unemployment as reported in the census of 1930 and a study of the employment indexes published by the Bureau of Labor Statistics. The States in which the percentage of gainfully occupied in classes A and B combined was greatest were also those States which are predominantly industrial in character, and it is precisely from these occupations, i. e., manufacturing, mining, and construction, as well as railroads, that the largest numbers have been laid off since April, 1930. The increase in unemployment has been relatively less severe in the more widely distributed mercantile and service occupations and in agriculture, so that it would seem that the nonindustrial States have experienced a somewhat less pronounced increase of unemployment.

Another factor which would tend to cause a relatively greater increase of unemployment in the States which already had a large percentage of unemployment in April, 1930, is that these States, such as Michigan, Illinois, Massachusetts, Pennsylvania, Rhode Island, New York, etc., are largely urban in character, with large cities into which the casual unemployed labor from the rural sections tends to drift in midwinter. Of course, this is merely stating what is generally recognized by students of the subject—that unemployment is largely an industrial and urban phenomenon.

J. FREDERIC DEWHURST,
Chief, Division of Economic Research.

TABLE I.—*Distribution of population and number of unemployed*

State	Population		Unemployed—Classes A and B	
	Number	Per cent of total April, 1930	Number	Per cent of total, April, 1930
Total	122,775,046	100.0	3,187,647	100.0
Alabama	2,646,248	2.2	29,992	.9
Arizona	435,573	.4	9,523	.3
Arkansas	1,854,482	1.5	18,351	.6
California	5,677,251	4.6	189,859	6.0
Colorado	1,035,791	.8	30,198	.9
Connecticut	1,606,903	1.3	50,809	1.6
Delaware	238,380	.2	3,913	.1
District of Columbia	486,869	.4	10,675	.3

TABLE I.—*Distribution of population and number of unemployed*—Continued

State	Population		Unemployed—Classes A and B	
	Number	Per cent of total April, 1930	Number	Per cent of total, April, 1930
Florida	1,468,211	1.2	38,751	1.2
Georgia	2,908,506	2.4	39,622	1.2
Idaho	445,032	.4	7,469	.2
Illinois	7,630,654	6.2	282,851	8.9
Indiana	3,238,503	2.6	86,379	2.7
Iowa	2,470,939	2.0	31,523	1.0
Kansas	1,880,999	1.5	28,162	.9
Kentucky	2,614,589	2.1	42,270	1.3
Louisiana	2,101,593	1.7	39,396	1.2
Maine	797,423	.6	21,060	.7
Maryland	1,631,526	1.3	31,636	1.0
Massachusetts	4,249,614	3.5	161,394	5.1
Michigan	4,842,325	3.9	196,988	6.2
Minnesota	2,563,953	2.1	55,213	1.7
Mississippi	2,009,821	1.6	15,493	.5
Missouri	3,629,367	3.0	81,397	2.6
Montana	537,606	.4	15,007	.5
Nebraska	1,377,963	1.1	19,070	.6
Nevada	91,058	.1	3,164	.1
New Hampshire	465,293	.4	13,531	.4
New Jersey	4,041,334	3.3	140,302	4.4
New Mexico	423,317	.3	6,573	.2
New York	12,588,066	10.3	428,015	13.4
North Carolina	3,170,276	2.6	44,122	1.4
North Dakota	680,845	.6	7,475	.2
Ohio	6,646,697	5.4	214,566	6.7
Oklahoma	2,396,040	2.0	45,358	1.4
Oregon	953,786	.8	31,447	1.0
Pennsylvania	9,631,350	7.8	325,492	10.2
Rhode Island	687,497	.6	36,127	1.1
South Carolina	1,738,765	1.4	19,247	.6
South Dakota	692,849	.6	4,512	.1
Tennessee	2,616,556	2.1	30,185	.9
Texas	5,824,715	4.7	95,263	3.0
Utah	507,847	.4	10,959	.3
Vermont	359,611	.3	8,202	.3
Virginia	2,421,851	2.0	35,359	1.1
Washington	1,563,396	1.3	46,437	1.5
West Virginia	1,729,205	1.4	35,334	1.1
Wisconsin	2,939,006	2.4	64,076	2.0
Wyoming	225,565	.2	4,900	.2

TABLE II.—*Per cent of total*

State	Distribution of population, April, 1930	Distribution of unemployed, classes A and B, April 1930	Estimated distribution of total relief expenditures, first quarter 1931
Total	100.0	100.0	100.0
Alabama	2.2	.9	.6
Arizona	.4	.3	.2
Arkansas	1.5	.6	2.4
California	4.6	6.0	5.4
Colorado	.8	.9	.5
Connecticut	1.3	1.6	2.3
Delaware	.2	.1	.3
District of Columbia	.4	.3	.2
Florida	1.2	1.2	.3
Georgia	2.4	1.2	.4
Idaho	.4	.2	.1
Illinois	6.2	8.9	6.5
Indiana	2.6	2.7	2.8
Iowa	2.0	1.0	1.2
Kansas	1.5	.9	.8
Kentucky	2.1	1.3	1.5
Louisiana	1.7	1.2	1.1
Maine	.6	.7	.3
Maryland	1.3	1.0	.6
Massachusetts	3.5	5.1	7.9
Michigan	3.9	6.2	11.2
Minnesota	2.1	1.7	1.4
Mississippi	1.6	.5	.5
Missouri	3.0	2.6	2.0
Montana	.4	.5	.4
Nebraska	1.1	.6	.4
Nevada	.1	.1	.1
New Hampshire	.4	.4	.4
New Jersey	3.3	4.4	2.6
New Mexico	.3	.2	.04
New York	10.3	13.4	20.6
North Carolina	2.6	1.4	.5
North Dakota	.6	.2	.4
Ohio	5.4	6.7	5.3
Oklahoma	2.0	1.4	2.9
Oregon	.8	1.0	.8
Pennsylvania	7.8	10.2	6.8
Rhode Island	.6	1.1	.4
South Carolina	1.4	.6	.1
South Dakota	.6	.1	.3
Tennessee	2.1	.9	.8
Texas	4.7	3.0	1.6
Utah	.4	.3	.3
Vermont	.3	.3	.2
Virginia	2.0	1.1	.5
Washington	1.3	1.5	1.0
West Virginia	1.4	1.1	.6
Wisconsin	2.4	2.0	2.8
Wyoming	.2	.2	.1

TABLE III.—*Per cent of gainful workers unemployed*

State	Per cent unemployment of gainful workers, classes A and B, April, 1930	Estimated per capita relief expenditures, first quarter 1931	Estimated relief of expenditures per unemployed worker, first quarter 1931
Alabama	2.9	$0.17	$14.93
Arizona	5.8	.29	13.34
Arkansas	2.7	1.04	105.29
California	7.6	.76	22.67
Colorado	7.5	.40	13.76
Connecticut	7.5	1.14	36.05
Delaware	4.0	.88	53.45
District of Columbia	4.4	.39	17.69
Florida	6.5	.16	5.93
Georgia	3.4	.12	8.45
Idaho	4.6	.24	14.31
Illinois	8.9	.69	18.55
Indiana	6.9	.70	26.08
Iowa	3.5	.38	30.03
Kansas	4.1	.32	21.44
Kentucky	4.7	.46	28.54
Louisiana	4.8	.41	22.09
Maine	6.8	.27	10.37
Maryland	4.7	.29	14.91
Massachusetts	8.9	1.49	39.11
Michigan	10.2	1.85	45.45
Minnesota	5.6	.44	20.59
Mississippi	1.8	.21	27.68
Missouri	5.6	.44	19.48
Montana	6.9	.58	20.78
Nebraska	3.8	.24	17.29
Nevada	7.4	.49	14.07
New Hampshire	7.0	.64	21.89
New Jersey	8.2	.51	14.65
New Mexico	4.6	.08	5.31
New York	7.7	1.31	38.61
North Carolina	3.9	.13	9.44
North Dakota	3.1	.43	38.94
Ohio	8.2	.64	19.87
Oklahoma	5.5	.97	51.09
Oregon	7.7	.65	19.64
Pennsylvania	8.7	.57	16.76
Rhode Island	12.2	.52	9.96
South Carolina	2.8	.05	4.60
South Dakota	1.8	.35	53.49
Tennessee	3.2	.25	21.67
Texas	4.3	.22	13.39
Utah	6.4	.51	23.47
Vermont	5.8	.37	16.23
Virginia	4.0	.16	10.85
Washington	7.0	.49	16.43
West Virginia	6.2	.27	13.36
Wisconsin	5.7	.77	35.52
Wyoming	5.3	.32	14.95

TABLE IV.—*Comparison of relief expenditures and unemployment*

	Per cent unemployment, classes A and B, 1930, of gainful workers	Population, 1930	Total relief expenditures,[1] first quarter, 1931	Per capita relief expenditures,[1] first quarter, 1931	Unemployment, classes A and B (number)	Relief expenditures per unemployed worker,[1] first quarter, 1931
Michigan	10.2	4,842,325	$8,953,339	$1.85	196,988	$45.45
Massachusetts	8.9	4,249,614	6,311,569	1.49	161,394	39.11
Illinois	8.9	7,630,654	5,247,048	.69	282,851	18.55
Pennsylvania	8.8	9,631,350	5,456,367	.57	325,492	16.76
Ohio	8.2	6,646,697	4,262,595	.64	214,566	19.87
New Jersey	8.2	4,041,334	2,055,198	.51	140,302	14.65
New York	7.7	12,588,066	16,525,019	1.31	428,015	38.61
Oregon	7.7	953,786	617,560	.65	31,447	19.64
California	7.6	5,677,251	4,303,424	.76	189,859	22.67
Connecticut	7.5	1,606,903	1,831,487	1.14	50,809	36.05
Colorado	7.5	1,035,791	415,429	.40	30,198	13.76
Montana	6.9	537,606	311,762	.58	15,007	20.78
Total	8.4	59,441,377	56,290,797	.95	2,066,928	27.23
Total (excluding estimates for counties not reporting)	8.4	59,441,377	53,902,904	.91	2,066,928	26.08

[1] Estimates for counties not reporting have been included.

TABLE IV.—*Comparison of relief expenditures and unemployment*—Continued

	Per cent unemployment, classes A and B, 1930, of gainful workers	Population, 1930	Total relief expenditures,[1] first quarter, 1931	Per capita relief expenditures,[1] first quarter, 1931	Unemployment, classes A and B (number)	Relief expenditures per unemployed worker,[1] first quarter, 1931
South Dakota	1.8	692,849	$241,332	$0.35	4,512	$53.49
Mississippi	1.8	2,009,821	428,777	.21	15,493	27.68
Arkansas	2.7	1,854,482	1,932,249	1.04	18,351	105.29
South Carolina	2.8	1,738,765	88,500	.05	19,247	4.60
Alabama	2.9	2,646,248	448,585	.17	29,992	14.96
Tennessee	3.2	2,616,556	654,250	.25	30,185	21.67
North Dakota	3.1	680,845	291,076	.43	7,475	38.94
Georgia	3.4	2,908,506	334,785	.12	39,622	8.45
Iowa	3.5	2,470,939	946,685	.38	31,523	30.03
Nebraska	3.8	1,377,963	329,686	.24	19,070	17.29
North Carolina	3.9	3,170,276	416,332	.13	44,122	9.44
Delaware	4.0	238,380	209,142	.88	3,913	53.45
Total	3.1	22,405,630	6,321,399	.28	263,505	23.99
Total (excluding estimates for counties not reporting)	3.1	22,405,630	4,881,279	.22	263,505	18.52

Mr. BINGHAM. Mr. President, the national secretary of the Reserve Officers' Association of the United States has called my attention to an effort to deceive officers in connection with an appropriation bill, which I should like to take just a moment to explain to the Senate.

The national secretary has sent me an undated letter which was sent out by the Aero Digest. It is postmarked New York, March 4. In it the publisher of Aero Digest says that the deficiency appropriation bill is now before the Congress, that an appropriation of $100,000 was approved by the Senate to furnish additional flying for reserve officers and that Aero Digest intends to keep up the fight until it shall pass the House. The letter is as follows:

In a recent letter we told you of our plans in cooperation with General Fechet in an endeavor to secure additional appropriations in order that the Air Corps Reserve might have more flying time.

Well, the battle's now on, and we are pleased to report that after the first skirmish, a deficiency appropriation of $100,000 was approved by the Senate subcommittee and later passed by the Appropriations Committee as a whole, after a severe fight against it on the floor led by Senator DICKINSON, of Iowa, it won by a vote of 35 to 28; and from available private information, we are convinced the bill will pass the House of Representatives. This will mean $100,000 more flying time for the balance of the fiscal year.

We intend to keep up this fight until the Air Reserve secures what they are entitled to in the way of legislation and appropriations. This, of course, costs money—lots of it—and remember Aero Digest is paying the bill. We want your suggestions and cooperation. The Senator and Congressman that are elected from your State pay more attention to one word from you—a voter—than all of the testimony presented before the committee in Washington.

In our last letter, we offered you a special price of $2 for a year's subscription. The response from the Air Reserve was most gratifying. However, in checking the list we find your name missing. It will take a lot of 2-buck subscriptions to finance this job. We know you want to do your share. You can do it now by signing the inclosed card and returning it to us. No postage is required, but do it now.

Sincerely, FRANK A. TICHENOR, *Publisher.*

The national secretary of the Reserve Officers' Association writes me as follows:

As you are aware, the amendment to H. R. 6660 was lost on January 28, 1932. Paragraph 2 of the letter was a gross misstatement of the fact on the day the letter was mailed (March 4, 1932) and, further, the statement contained in paragraph 3 that "Aero Digest is paying the bill" is misleading. The letter is being used as a means to obtain subscriptions for the Aero Digest under the plea that the magazine is waging a successful fight in a cause that was definitely lost over a month before the letter was mailed.

The interest of our association is primarily that of protecting unknowing Air Reserve officers from contributing or taking subscriptions to lend financial aid to a cause which is now beyond financial assistance.

The facts are that the officers of the Reserve Officers' Association, which initiated this hundred thousand dollar appropriation, appeared before the Senate Committee on Appropriations, both in person and by letter, and helped carry it through the Senate. None of the persons connected with Aero Digest appeared before the committee to urge the passage of this appropriation. The credit for the effort to secure the appropriation should go to the Reserve Officers' Association. It is unfortunate that the House of Representatives did not see fit to agree with the Senate in this regard. These facts should be known to all reserve flying officers.

ACCEPTANCE OF STATUE OF GEN. JOHN SEVIER PRESENTED BY THE STATE OF TENNESSEE

The PRESIDENT pro tempore. The Chair lays before the Senate a concurrent resolution from the House of Representatives, which will be read.

The legislative clerk read the concurrent resolution (H. Con. Res. 14), as follows:

Resolved by the House of Representatives (the Senate concurring), That the statue of Gen. John Sevier, presented by the State of Tennessee and placed in Statuary Hall, is accepted in the name of the United States, and that the thanks of Congress be tendered said State for the contribution of the statue of this eminent man, illustrious for his distinguished service as a pioneer patriot of said State.

Resolved further, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of Tennessee.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the concurrent resolution be considered at this time and agreed to.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The PRESIDENT pro tempore. Without objection, Senate Concurrent Resolution No. 8, accepting the statue of Gen. John Sevier, presented by the State of Tennessee, to be placed in Statuary Hall, introduced by the senior Senator from Tennessee [Mr. McKELLAR] and now on the Table Calendar, will be taken from the table and indefinitely postponed.

TELEVISION AND GOVERNMENT RADIO PROGRAM SPONSORSHIP

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "The Future of Television," prepared by the National Association of Broadcasters, under date of March 5, and also another article entitled "Government Program Sponsorship," likewise prepared by the National Association of Broadcasters.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE FUTURE OF TELEVISION

(By National Association of Broadcasters)

The Radio Manufacturers Association to-day (Saturday) issued a formal statement summarizing the present status and predicting the future of television. The present status of television is summarized as follows:

"First. For scanning, mechanical features using rotating parts are in wide use and offer a most practical means of securing passable television pictures.

"Second. A direct pick-up system which has come to the front rapidly this year is that of the camera idea. This system can be used for television pick-up in a lighted studio, for outdoor pick-up, etc.

"Third. A great deal of successful development has been made with the cathode-ray tube system for transmission and reception. This system has proven technically sound and shows the greatest possibility. Its chief difficulties are in the production of large quantities of these systems at a reasonable cost.

"Fourth. The television broadcast transmission spectrum allows only for five channels, namely, 2,000–2,100 kilocycles, 2,100–2,200 kilocycles, 2,200–2,300 kilocycles, 2,750–2,850 kilocycles, and 2,850–2,950 kilocycles. This frequency spectrum for television is not adequate for good picture transmission on account of the very wide side band frequency necessary for picture detail, so in addition to these bands, on the extreme short waves 5–7 meters, frequencies from 35,000 to 80,000 kilocycles have been requested for television service. Most of the present transmitters are operating in the first-mentioned bands, but a few operate in the neighborhood of 46,000 to 48,000 kilocycles.

"Fifth. The reception of television has been possible by tuning with either a superheterodyne or tuned radio frequency receiver designed for television reception. Synchronized sound very often accompanies the picture transmission, and it is common practice to receive the voice transmission on the standard broadcast receiver. This required two receivers for receiving synchronized sound and picture transmission. In the television receivers mechanical scanning and cathode ray electrical scanning have been

employed. The cathode-ray type of scanning has been capable of excellent results and shows great possibilities for further development.

"Sixth. With the present economics of broadcasting it has been impossible to secure much data on the entertaining value of subjects that can be broadcast due to the cost in presenting programs. The Federal Radio Commission has up to the present time considered television only experimental and will grant no commercial rights. This means that all broadcasting must be done for the experimental value only and no paid programs can be transmitted by television. This ruling has made impossible the receipt of any money in staging television programs. With commercial rights granted by the Federal Government the problem will still be complicated as to whether advertisers will continue to assume the increased costs that television must impose for its successful operation, or whether the public can satisfactorily be taxed to bear this burden."

Television's future is summarized in the statement, as follows:

"First. Greater detail should be obtained in received picture.

"Second. Television transmission pick-up equipment should be portable and as easily used as present-day sound-picture pick-up equipment.

"Third. Transmitting systems must be evolved which will have a satisfactory and reliable service range.

"Fourth. Receivers as simple in operation as our present radio receivers must be designed and built at a reasonable cost.

"Fifth. Quiet and satisfactorily illuminated picture equipment for the home must be designed and built at a reasonable cost.

"Regardless of the present problems that confront the industry there has been enough work done to justify some predictions which can be conscientiously made. With the development of the new short-wave channels at frequencies higher than 35,000,000 cycles reliable transmission of television can be predicted. Ample room for an adequate number of transmitting stations can be visualized in this short-wave region. It is perfectly conceivable that a sight and sound service can be worked out to be received on a single receiver with a simplified tuning and control mechanism.

"As never before, the new art of television is going to require the rigid and sure hand of a governing body to set up the standards for both transmission and reception. Surely no body is better suited for this task than the Radio Manufacturers Association, which embraces both transmitting and reception. Surely no body is better suited for this task than the Radio Manufacturers Association, which embraces both transmitting and receiving set manufacturers. Because of this situation television presents a real challenge to the RMA, which, if accepted, can and will bring new prosperity to its members but only if this challenge is correctly and courageously met by the entire cooperation of its members."

GOVERNMENT PROGRAM SPONSORSHIP

(By National Association of Broadcasters)

A warning to the radio industry that it must beware of the campaign for Government ownership is contained in a letter written by Arthur V. May, of Van Sant, Dugdale & Corner (Inc.), New York, and published in the current issue of Advertising and Selling. "Hands off radio—and the listener's pocketbook" is the slogan advocated by the writer. The letter follows:

"If Government controls radio: We have a striking example of the weakness of Government control of broadcasting in that august body known as the B. B. C. (British Broadcasting Co.).

"Programs are all 'sponsored' by the government. It has its different boards of censors. Nothing that smells like 'commercialism' can possibly get over the ether. You can imagine the monotony of entertainment when all radio programs are sponsored by the one concern, no matter how brilliant may be some of the programs. Picture in your minds, if you will, the state of domestic affairs if every program in America conformed to a pattern. If 80 per cent of the programs were classical music. If 10 per cent were comic, according to the sense of humor of the board of censors. If 10 per cent were dull lecturers. If anything of controversial nature were prohibited. Government sponsorship would not only punish the advertisers but the public as well. True, in England the serious programs are oftentimes rendered by the best talent. True, they have the privilege of listening to the world's greatest authors, scientists, travelers. But radio without variety is lost on the ears of a nation. Variety is the spice of radio entertainment. That is why radio is such a success in this country, despite many inappropriate and sometimes dull programs now put over the ether by advertisers who should know better. Government control means nothing but dullness, monotony (or better still, may we say static?) all the time.

"Who pays for radio under government control? The answer is, so far as England is concerned, the already overtaxed radio owner. He pays his yearly tax, and that supports the industry. Along with this taxation come the official snoopers, an extra cost to the taxpayer. These snoopers are supposed to look for aerials and check up with the home owners as to whether they are dodging the tax or not. Should the owner have an indoor aerial, then it is the job of the telephone man to call, and while ostensibly inspecting the phone he snoops around to see whether there is a radio or not. For the telephone, you must be told, is also under government control through the post office. American tourists will tell in very colorful terms how efficient it is.

"If this sort of thing can happen under the control of the most respected government in the world—a government free from graft, a government that has the respect of every citizen, regardless of what party is in office—think what will happen in America should the United States Government have control of the radio industry! The handling of the 'noble experiment' gives one a pretty good idea as to what will happen. Political parsons will choose our programs for us. Single-tracked politicians will use the air for selfish ends. There will be no freedom of speech, no variety of entertainment. Taxation will go on the up and up. More juggling of public funds. More—well, why go further?

"The radio industry must beware of this pending disaster. It must retain the support of the people of America by giving more and better entertainment and less commercialism. It must start some strenuous propaganda against such an awful pass as Government control. Let it use as its slogan: 'Hands off radio—and the listeners' pocketbook.'"

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the Senator from Tennessee [Mr. McKELLAR].

Mr. McKELLAR. Mr. President, the Senator from Oregon [Mr. McNARY] and I are endeavoring to make some arrangements with reference to these amendments. I hope that we may be indulged for a few moments if some other amendment to the bill may be considered in the meantime.

Mr. McNARY. Mr. President, in view of the statement of the Senator from Tennessee and the arrangements we are apparently about to enter into in regard to some of his amendments, and knowing that other amendments are to be proposed, I suggest that some other amendment may be now considered. I believe the junior Senator from Utah [Mr. KING] has a motion pending to reconsider the vote by which the Senate agreed to the grasshopper item.

Mr. KING. Mr. President, the Senator from Maryland [Mr. TYDINGS] intends to speak on that motion, and he has been called from the Chamber momentarily. However, there is another matter to which I wish to make brief reference at this time.

Mr. McNARY. Very well.

Mr. KING. Mr. President, yesterday I invited attention to some of the items of expense carried in the bill and also to the number of employees in the Department of Agriculture. I have a letter from the Secretary of Agriculture, Mr. Hyde, which contains a list of the numbers of employees and the grades in which they are found. I desire to place in the RECORD some of the data contained in the Secretary's letter.

My recollection is that the figures which I presented yesterday, showing approximately 28,000 permanent employees in the department, and supported by the data which I have here, although the number of employees is not totaled. The list furnished me by the Secretary shows that in the departmental service in Washington there are 449 employees whose salaries range from $1,800 to $1,900 and 702 employees in the field service whose compensation is the same. There are 279 employees in the departmental service stationed in Washington whose compensation is between $1,900 and $2,000. There are 309 employees receiving the same salaries in the field service. There are 195 in Washington whose salaries are between $2,000 and $2,100 and 1,680 whose salaries are the same who are employed in the field service. In the departmental service there are 192 employees with salaries between $2,100 and $2,200 and 965 in the field service whose compensation is the same. In Washington there are 93 employees whose salaries are from $2,200 to $2,300 and 395 serving in the field. The employees in Washington whose salaries range between $2,300 and $2,400 are 112 and those employed in the field number 394. There are 73 persons employed in the department whose salaries are $2,400 to $2,500 and 326 employed in the field whose salaries are within the same limits.

The number of employees in Washington whose salaries are between $2,500 and $2,600 is 82 and those in the field number 267. The number of employees in Washington whose salaries range between $2,600 and $2,700 is 183 and the number in the field is 446. There are 81 employees in Washington whose salaries are from $2,700 to $2,800 and the number in the field in the same grade is 294. Those whose

salaries are from $2,800 to $2,900 and who are employed in Washington is 74 and those employed in the field of the same grade is 777. There are 66 employees in Washington whose salaries range from $2,900 to $3,000 and 324 engaged in field service. Forty-four employees in Washington receive between $3,000 and $3,100 annual compensation and 218 whose compensation is the same are engaged in field service. Twenty-four employees serving in Washington receive from $3,100 to $3,200 and in the field service there are 155 within the same grade. There are 163 employees in Washington whose salaries are between $3,200 and $3,300 and 313 in the same grade engaged in the field service. Eighty-four employees serving in Washington receive salaries amounting to between $3,300 and $3,400 and there are 203 of the same grade serving in the field. Fifty-six persons within the District of Columbia receive from $3,400 to $3,500; in the field the number in the same grade is 156. There are 39 employees in Washington whose salaries are from $3,500 to $3,600 and 130 in the field service drawing the same compensation. Twenty-four persons are employed in Washington whose salaries are from $2,600 to $3,700 and 117 drawing the same salaries are engaged in field service.

The number of employees in Washington whose salaries range between $3,700 and $3,800 is 27, while the number of persons in the field in the same grade is 74. There are 112 employees in Washington whose salaries are from $3,800 to $3,900, and 195 in the same grade engaged in field service. There are 33 persons whose salaries are from $4,000 to $4,100 who are serving in Washington and 106 serving in the field. Two in Washington receive salaries between $4,100 and $4,200 and eight are in the field. Twenty-one persons are employed in Washington whose salaries are from $4,200 to $4,400, and 50 in the same grade are in the field service. Eight persons whose salaries range from $4,400 to $4,600 are in Washington and 28 are in the field. There are 176 persons drawing compensation of between $4,600 and $4,800 per annum, and 265 in the same grade in the field service. There are 119 employees in Washington whose salaries are from $4,800 to $5,000, and 101 in the same grade doing field-service work. There are 40 whose salaries are between $5,100 and $5,200 serving in Washington and 57 serving in the field. Twenty-two persons receive salaries between $5,200 and $5,400 in Washington and 19 who are serving in the field. Fourteen persons are employed in Washington whose salaries are between $5,400 and $5,600, and four in the field in the same grade. Sixty-nine persons employed in Washington receive salaries from $5,600 to $5,800, and 33 persons in the field service in the same grade. Twenty-seven persons employed in Washington receive from $5,800 to $6,000 per annum each, and 19 serve in the same grade in the field. Fifty employees receive salaries from $6,000 to $6,500 who are serving in Washington, and 33 serve in the field in the same grade. Five persons in Washington receive from $6,500 to $7,000, and two in the field receive like salaries. Seven persons in Washington receive $7,000 to $7,500 compensation. Two in Washington receive $15,000 each, and one in the field service $7,500. Nine in Washington receive from $8,000 to $8,500 each, and three in the field receive the same compensation. Two employees serving in Washington are paid from $8,500 to $9,000 each. Four receive from $9,000 to $10,000 each, and one receives $15,000.

The so-called temporary employees, shown by the list furnished me by the Secretary, number approximately 125,000, and the compensation paid them is more than $13,000,000.

My understanding is that most of the temporary employees are not within the classified service. I have not inquired as to the authority possessed by the Secretary of Agriculture or his subordinates to employ this vast army labeled "temporary."

Yesterday I called attention to the fact that 96 persons were sent last summer by the Department of Agriculture into the congressional district of Hon. HAMILTON FISH, one of the Congressmen from New York. They claimed they were there to discover and destroy corn borers. They remained there for months, but Mr. FISH told me that there were no corn borers and communicated with the Department of Agriculture and attempted to secure the removal of this large number of Federal employees. They remained for a considerable length of time. Other parts of the United States have been visited by officials and employees of the Department of Agriculture where there was no greater reason for their presence than that which existed in the congressional district of Mr. FISH. It is safe to say that millions have been wasted by the Department of Agriculture in these needless and improper visitations.

We have heard considerable discussion concerning the mythical Mediterranean fly, which the Department of Agriculture claimed was to be found in Florida and menaced its trees, fruits, and vegetation. Nearly $7,000,000 were expended by the Department of Agriculture in Florida when there was no reason or justification for the same. Unfortunately, trees, shrubs, and plants were destroyed and the Government of the United States may be called upon to pay millions of dollars for the devastation wrought by the army of employees whose operations were directed by the Department of Agriculture. Frequent reference has been made to the fact that a substantial citizen of Florida posted a notice and gave great publicity to the same in which he promised to pay $1,000 to any person who would discover within the State of Florida a single Mediterranean fly. If there had been any Mediterranean flies in Florida, certainly one would have been found and the reward of $1,000 would have been claimed; but the authentic records are that none was found and the reward was never claimed. One loses confidence in the officials of the Agricultural Department—and particularly in the so-called scientists of the department—when examples such as the ones just referred to are brought to our attention.

Mr. President, in my opinion, many of the items in the pending bill can not be justified. The appropriation carried by the bill is entirely too large and should be materially reduced. It is only a few years ago when the appropriations for the Department of Agriculture were less than $4,000,000. This bill carries nearly $200,000,000. The demands of the executive departments are constantly increasing. It seems there is no limit to their ambition and to their exactions. With more than a million Federal employees we are confronted with demands for more than $1,300,000,000 to pay the salaries of this vast army of Federal employees. More bureaus, more Federal agencies, more employees, larger appropriations—and thus the chapters are written from year to year in the book of Federal activities.

Mr. President, I protest against the extravagant waste and inefficiency of the departments and agencies of the Federal Government. I know that all protests will be in vain and that efforts to reduce expenses will prove futile. The power of bureaucracy is increasing; the authority of the Federal Government is expanding; the cost of the National Government has become almost intolerable, and yet the executive departments demand more power, larger appropriations, and an increasing number of Federal employees.

EXHIBITION OF PORTRAITS OF WASHINGTON AND OTHERS IN CORCORAN ART GALLERY

Mr. FESS. Mr. President, I should like to have the attention of Senators for just a moment while I call attention to an exhibit in the Corcoran Art Gallery, here in Washington, which embraces the greatest collection of portraits of George Washington and of his contemporaries that has ever been assembled at any one place, and which, of course, will not likely ever again be duplicated here or elsewhere.

This exhibit was arranged by the Bicentennial Commission, of which the Vice President is an honored member, in order to direct attention of Americans of the present day to the life and achievements of Washington. The exhibit occupies four rooms in the famous Corcoran Gallery, and there will be found on the walls about 160 different portraits, 50 of them being of Washington, and 2 or 3 of Martha Washington. The remainder are portraits of men and women prominent in the Revolutionary era.

There is one portrait in this collection by Sir Joshua Reynolds which, of course, is noteworthy. People would go

a long distance to see any piece of work which that great artist produced. There is a portrait of Mrs. James Monroe by Benjamin West, admittedly one of the greatest portrait painters the Western Hemisphere has produced. It is a surprise to every person to have his attention called to so many portraits of Washington which were painted by the great American artist, Gilbert Stuart, and which now hang on the walls of this famous art gallery. There are also 10 other portraits painted by Gilbert Stuart of Jefferson, Madison, Hamilton, and other contemporaries of Washington.

The Rembrandt Peale portrait that ordinarily hangs in the Vice President's room is there; but there are 10 or more portraits of Washington that were painted by Rembrandt Peale's father, Charles Willson Peale, and 9 others of men other than Washington. The famous portrait of Washington's family by Edward Savage is there.

Then there are seven or eight portraits by Sharples. There are portraits by Thomas Sully and Lawrence Sully. The famous portrait of Patrick Henry by Lawrence Sully is there. The portrait of John Marshall by Robert Sully and Martin's portrait of John Marshall, which hangs in the Supreme Court room, are there. It is the most remarkable collection ever assembled of Washingtonia, the times of Washington.

I undertook to view with some care all of the portraits, but it is absolutely impossible for anyone to do so adequately unless he has plenty of time and there are few people in the gallery, in order that he may study them as he would like. The portraits will be there for the period of nine months, except those that have been brought from the Capitol. We are hoping to have those back before that time, but the others will remain there for the period of the nine months' celebration.

I am calling attention to this collection for this reason: It is an amazing thing to all of us that Washington was a figure who would justify the high art of Gilbert Stuart, of Charles Willson Peale, of his brother, James Peale, and of Rembrandt Peale, the son of Charles Willson. These were among the great artists of that time, and in looking over some of the copies recently coming to my notice I was amazed to know the different situations Washington had occupied which were regarded as sufficiently important to be the subject of paintings—the signing of the Constitution, Washington's retreat at Long Island, entrance of the American Army into New York, Washington and Lafayette at Valley Forge, Washington at Princeton, Washington crossing the Delaware, Washington introducing Rochambeau at Mount Vernon, Washington resigning his commission, Washington taking his leave of his officers, the surrender of Burgoyne at Saratoga, the surrender of Cornwallis at Yorktown, Washington rebuking Lee at Monmouth, Washington's Cabinet, and inauguration of Washington, and so forth. I think there are about 20 scenes displaying his leadership, and probably a dozen more not connected with his official character which were the subject of the brush of men like Charles Willson Peale, Gilbert Stuart, John Trumbull, Rembrandt Peale, James Sharples, John Ramage, Edward Savage, the Sullys, West, Reynolds, and other eminent artists. Other portraits are the marriage of Washington, Lafayette visiting Washington at Mount Vernon, Washington on his farm at Mount Vernon, Washington's mission to the Ohio, and so forth.

I do not want this valuable collection to be overlooked; and I am making this suggestion to-day in the Senate Chamber in order that not only Senators but others who are within hearing of my voice, and those who will read the RECORD, may know what a very unusual collection we have been able to assemble here in Washington, and which is the best source for the study of the life and times of Washington.

The portrait committee of the Bicentennial Association is composed of Mrs. McCook Knox, of this city, chairman; F. Lammot Belin; Mrs. William Corcoran Eustis; Mantle Fielding; Mrs. Rose Gouverneur Hoes, I think a granddaughter of James Monroe, or at least a descendant; George B. McClellan; John Hill Morgan; Duncan Phillips; and Alexander Wilbourne Weddell. These people were responsible, under the direction of the commission, for assembling this very remarkable collection of portraits; and I hope at some time within the nine months every Senator will use the opportunity of viewing this wonderful collection of rare paintings by great artists of that day of this great man, an opportunity which should not be lost to any American citizen who appreciates the value of the influence of Washington.

Mr. REED. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Pennsylvania?

Mr. FESS. I yield to the Senator.

Mr. REED. Am I correct in understanding that the group that have made this collection have served without compensation or salary?

Mr. FESS. The Senator is correct.

Mr. REED. I think we ought to be very grateful to them.

Mr. FESS. It is a great service that has been rendered. They have not only done that but they have gotten out a catalogue in which they have given the history of each picture, the painter, where the picture is now located, and where it has been. For example, the famous picture known as the Lansdowne picture of Washington, that is owned to-day by the Rosebery family, was sent here from London.

I can not overestimate the value of the work that has been done; and I think, probably, aside from the educational efforts in the school stimulated by the commission, this art collection, in a sense, is the most effective piece of work in connection with the bicentennial activities of this all-year celebration.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

Mr. McKELLAR. Mr. President, the Senator from Oregon [Mr. McNARY] and I have agreed upon certain reductions, so far as we are able to agree on them; and I hope the Senate will indorse them.

I desire to change the amendment that is now pending for the prevention of the spread of the gypsy and browntail moths. I withdraw the amendment I have already offered to strike out that item, and in lieu thereof I offer the following amendment:

On page 79, line 25, strike out the figures "$577,880" and substitute therefor the figures "$400,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee, as modified.

The amendment, as modified, was agreed to.

Mr. McKELLAR. On page 26, in line 22, under the same circumstances, I move to strike out the figures "$466,380" and insert in lieu thereof the figures "$400,000."

Mr. SMITH. What page is that?

Mr. McKELLAR. Page 26—for investigating the disease of hog cholera.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

Mr. McNARY. Mr. President, I think it well that I make a very brief statement in connection with my conferences had and understanding arrived at with the Senator from Tennessee so far as it may be deemed essential by the Senate.

The Senator has 26 amendments pending, all looking toward diminution in the aggregate appropriations made for specific projects carried under the Department of Agriculture. We have looked over eight or nine of those bearing the larger totals and have agreed that a 15 per cent reduction might be had by the Senate if concurred in by the membership present. We will take the amendments to conference, for the purpose of considering a reduction or restoration of the amounts agreed upon by the House.

So, to meet this situation, in order that we may have something liquid in the nature of determining whether we

shall take the lower figure or the higher figure as the bill passed the House, I have consented, with the approval of the Senate, to accept that reduction in some of these major projects that we may have them in conference. I hope this will meet with the agreement and accord of the Members of the Senate.

Mr. SMITH. Mr. President, this particular amendment is somewhat in the nature of the one that came up with regard to the cattle tick.

I do not think there is a farmer in this country who does not realize the inestimable benefit that comes from the research of the Government and its development of an antitoxin for the disease of hog cholera. The Government experts have perfected a serum which will prevent a herd of hogs from having the cholera, and also a serum which will make them, when properly treated, entirely immune from this disease for the remainder of their lives. When one understands the incalculable destruction wrought by this disease to the swine industry of the country, I think this is a very modest sum to carry on this valuable work throughout the country for the preservation of the meat and lard supply.

This disease does its work, and does it immediately. It is spread throughout the country by the animals themselves, and by the vultures and the other carrion-eating birds. It breaks out in localities where it can not be quarantined against. It perhaps is the most fatal disease to which animals are subject. This is one item that ought to be preserved, because I myself can testify to the beneficial results of the Government's work in this connection, as observed in my own farming section.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

On a division, the amendment was rejected.

Mr. McKELLAR. Mr. President, on page 33, under the same circumstances that I have just related and that have been related by the Senator from Oregon, I move to strike out, in line 9, under "blister-rust control," the figures "$469,997" and to insert in lieu thereof the figures "$400,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On the same page, in line 15, under the item "botany," I move to strike out "$52,060" and insert "$42,060."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On page 35, in line 19, under "foreign plant introduction," I move to strike out the figures "$203,325" and substitute "$175,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On page 37, under "horticultural crops and diseases," in line 2, I move to strike out "$1,431,560" and to insert "$1,200,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On page 38, line 7, under "phony peach eradication," I move to strike out the figures "$82,150" and insert "$50,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On the same page, page 38, line 25, under "rubber, fiber, and other tropical plants," I move to strike out "$113,932" and substitute "$75,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. Again, on page 53, in line 8, under the item "Color investigations," I move to strike out "$90,160" and insert "$75,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On page 56, under the section of "fruit and shade tree insects," in line 9, I move to strike out "$447,645" and insert "$400,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On page 57, in line 7, under the section dealing with cotton insects, I move to strike out "$272,820" and insert "$200,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On the same page, page 57, under "taxonomy and interrelations of insects," in line 15, I move to strike out "$234,930" and insert "$200,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. On page 79, under the item for control of spread of the pink boll worm, in line 16, strike out "$430,400" and insert "$375,000."

The amendment was agreed to.

Mr. McKELLAR. On page 80, line 4, under the item for control of spread of Japanese beetle, to strike out "$375,000" and to insert in lieu thereof "$350,000."

The VICE PRESIDENT. It will be necessary to reconsider the vote whereby the committee amendment was agreed to. Is there objection to reconsideration? The Chair hears none, and the vote by which the committee amendment was agreed to is reconsidered, and the question is on agreeing to the amendment proposed by the Senator from Tennessee to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McKELLAR. That completes the amendments I have offered.

Mr. GEORGE. Mr. President, I offer the amendment which I send to the desk, to be inserted at the appropriate place.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Georgia offers the following amendment: On page 85, after line 13, to insert:

AGRICULTURAL CREDIT CORPORATIONS

For carrying into effect the provisions of Public Resolution No. 11, Seventy-second Congress, approved March 3, 1932, there is hereby appropriated $10,000,000, to be immediately available, of which amount not to exceed 2 per cent shall be available for expenses of administration, including the appointment of persons and means in the District of Columbia and elsewhere, printing, purchase of law books and books of reference, and other necessary expenses.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McNARY. Mr. President, the junior Senator from Utah [Mr. KING] has pending a proposal. I do not know whether he desires to press it or not.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Utah to reconsider the vote whereby the amendment in regard to the appropriation for the control of grasshoppers was agreed to.

Mr. McNARY. As Senators who are championing the proposal are temporarily out of the Chamber, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Black	Bulow	Costigan
Austin	Blaine	Byrnes	Couzens
Bailey	Borah	Capper	Cutting
Bankhead	Bratton	Carey	Dale
Barbour	Brookhart	Connally	Davis
Barkley	Broussard	Coolidge	Dickinson
Bingham	Bulkley	Copeland	Dill

Fess	Jones	Norbeck	Steiwer
Fletcher	Kean	Norris	Thomas, Idaho
Frazier	Kendrick	Nye	Thomas, Okla.
George	Keyes	Oddie	Townsend
Glass	King	Patterson	Trammell
Glenn	La Follette	Pittman	Tydings
Goldsborough	Lewis	Reed	Vandenberg
Gore	Logan	Robinson, Ark.	Wagner
Hale	McGill	Robinson, Ind.	Walcott
Harrison	McKellar	Schall	Walsh, Mont.
Hawes	McNary	Sheppard	Waterman
Hayden	Metcalf	Shipstead	Watson
Hebert	Morrison	Shortridge	Wheeler
Howell	Moses	Smith	White
Johnson	Neely	Smoot	

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, there is a quorum present.

Mr. McNARY. Mr. President, I ask that the pending question be stated.

The PRESIDENT pro tempore. The question is on agreeing to the motion proposed by the Senator from Utah to reconsider the vote whereby the so-called grasshopper item, page 85, line 14, was agreed to.

Mr. KING. Mr. President, I ask the Senator from Oregon whether, unless there is objection to a reconsideration, the amendment may not be allowed to come before the Senate for such action as it may see fit to take?

Mr. McNARY. Mr. President, the Senator from South Dakota [Mr. NORBECK] has just entered the Chamber, and I prefer that the query of the Senator from Utah be addressed to him.

Mr. KING. I have no desire, of course, to prevent proper debate. I was just asking the Senator in charge of the bill whether there would be any objection to unanimous consent to proceed to the consideration of this item.

Mr. NORBECK. The grasshopper appropriation?

Mr. KING. Yes.

Mr. NORBECK. I would do anything to accommodate the Senator from Utah, but he would not expect me to agree to that.

Mr. KING. It is obvious that the Senator does not agree to everything I ask him, then.

The PRESIDENT pro tempore. The question is upon the motion proposed by the Senator from Utah to reconsider the vote whereby the Senate agreed to the amendment of the committee on page 85, line 14, the grasshopper item.

Mr. TYDINGS obtained the floor.

Mr. NORBECK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from South Dakota?

Mr. TYDINGS. I yield.

Mr. NORBECK. This matter was discussed a little the other day, but some Senators are now present who were not here at that time.

An unexpected plague of grasshoppers spread over the country and devastated large areas. One can drive a hundred miles in the northwestern section of the country without seeing any sign of a crop.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORBECK. In just a moment I will answer any questions to the best of my ability.

Mr. TYDINGS. Mr. President, I yielded for a question, but as I have the floor I hope the Senator will withhold his remarks and not make a speech in my time. I shall not be long.

Mr. NORBECK. I beg the Senator's pardon. I did not understand he was on the floor to make a speech. If he is, I want to listen to his speech.

Mr. TYDINGS. May I ask the Senator whether he would consent to an amendment cutting down this appropriation to $1,000,000?

Mr. NORBECK. I rose to answer the Senator from Utah. The department has said that it will take $3,000,000 to handle this matter, and they are proposing to appropriate a little less than that. That is their own statement, which appears in the record. It is a good deal like destroying any other pest; if part of it is to be left to breed the next year, the destruction is hardly worth while. The idea is to get after them and destroy them.

Mr. TYDINGS. May I say to the Senator that it is also true that this appropriation is bottomed upon an estimate of the number of grasshoppers which will come into being this spring, and, as I understand the matter, the experts of the Department of Agriculture have said that this sum will not be needed if we have some bad weather.

Mr. NORBECK. The Senator is mistaken in that. The appropriation is based upon the estimate of the number of acres infested which have to be covered, it being realized full well that there may be a 90 per cent hatch or a 10 per cent hatch, but that it takes about the same amount of poison to spread over the land affected.

Mr. McKELLAR. Mr. President, if the Senator from Maryland will permit me, I would like to ask the Senator from South Dakota whether out in the grasshopper section of the country there has been the same cold weather we have had here in Washington the last day or two. Will not all those grasshoppers which the Senator said the other day had been hatched be killed by the extreme cold and ice?

Mr. NORBECK. Mr. President, the Senator misunderstood me the other day. When I spoke about the number of eggs to the square foot, and so on, I stated that it was too early for them to hatch. If they had been hatched, and then the bad weather had come on immediately, it would have been very destructive; but they were not hatched.

Mr. McKELLAR. The other day the Senator said that a great many had already been hatched.

Mr. NORBECK. No; I said they were there. The Senator was asking whether they were there or not. I said they were there in egg form, but the eggs had not hatched yet.

Mr. TYDINGS. Mr. President, I do not doubt that there is need for some effort to curtail the grasshopper plague in the States referred to, but we are not in normal times now. Yesterday in the city of Detroit four people were killed and 60 wounded in a food riot participated in by those desiring to get work. Already our Federal Government has a deficit of about $2,000,000,000, and every dollar we appropriate means that much more in taxation.

It does seem to me that $1,400,000 appropriated for grasshopper relief at this time is in the nature of extravagance. I would like to vote for some appropriation to help curtail or minimize the effect of the grasshopper blight in these States, but certainly we have not $1,400,000 now to expend for that purpose.

When the new tax bill comes before Congress it will be found to be very burdensome. People are having difficulty in making ends meet now. These appropriations may be fine in normal times, when we are prosperous and able to stand them, but I do not think we can stand them now.

Business, individuals, agriculture, all lines of industry, are all finding it very hard to carry on, and yet we are going to tax the people more than we would have to tax them because of these large appropriations.

I do not know how many grasshoppers there are, but assuming that there are 10,000,000 grasshoppers to be hatched this spring, that means 1 cent per grasshopper, if this appropriation goes through. Congress has already held that it does not feel like making appropriations out of the Treasury to help people who are subject to disease because of unemployment, because of lack of nourishment, because of lack of food, because of lack of shelter, but we are asked to appropriate a cent apiece for 10,000,000 grasshoppers.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Nebraska?

Mr. TYDINGS. Certainly.

Mr. NORRIS. I confess to the Senator that I do not know whether all this money is necessary or not. I think it is necessarily somewhat of a guess; but that we will need some of it, I have not a particle of doubt. Neither have I any doubt that the Senator's estimate of the number of grasshoppers that are going to be there to contend with is

clearly erroneous. Again I probably can not do any better than he can in a guess, but my guess is that the number will be in the billions. There is no question that it will be in the billions instead of the millions.

Mr. TYDINGS. I believe the Senator is right. I think if a grasshopper plague happens again, as we all fear it may, perhaps the number will be in the billions.

Mr. NORRIS. There are two kinds of grasshoppers, both of which do a great deal of damage. One kind is the grasshoppers that are born in the very place where they do the damage. They are not so destructive as the grasshopper that is migratory. When the latter kind come, in the course of a few hours every living plant is destroyed. They come in great swarms to such an extent that they hide the sun like a cloud; the sun can not be seen through them.

However, to be fair with the Senator the appropriation, as I understand it, is not intended to meet that kind of an emergency. I do not believe we could make any appropriation that would do that because we never know when those grasshoppers are coming and we do not know just where they will stop. They will cover a large territory in the morning, eat everything that is there that can be eaten, and probably leave before night. Whence they come and where they go seems to be only a matter of conjecture. It would be wrong, however, to say that the appropriation is intended to meet that kind of an emergency. It is not so intended. I do not know how we could meet it. It may never happen again, but it has happened in large portions of the West covering entire counties. It is more destructive than a hailstorm, more destructive than a cyclone, because it does not leave standing a single thing that can be eaten. It destroys everything and does it in the course of a day or so.

The grasshoppers this item is intended to eradicate are very destructive in some communities in some years when everything is favorable to them, but do not go so far as the other calamity. They may destroy a crop completely. Then there will be no wheat crop, not a bushel of wheat on a thousand acres. The grasshoppers may leave some straw, but that is about all. The corn crop is sometimes destroyed in the same way. Those grasshoppers are hatched in the very locality where they do the damage. I suppose it is impossible to say now, if we had a locality infested with them, where as the Senator from South Dakota said the eggs are very thick, where billions are apt to be hatched out, and where there had been a heavy frost, whether this remedy would have destroyed most of them.

Mr. TYDINGS. One thought I had in mind in asking the Senator from South Dakota if he would not consent to some reduction in the item was that where money has been appropriated for purposes of this kind I do not believe there ever has been, or if so, very rarely an unexpended balance that went back into the Treasury. The thought I had in mind was not to minimize the importance of the appropriation, but it looked to me so large, $1,450,000, that it seemed to me if we cut it down somewhat, perhaps the work would be done more efficiently with less money than it would be done with an appropriation of this magnitude. I also thought that even though only $1,000,000 were needed, if we should appropriate $1,450,000, it would in all probability all be spent, particularly in a campaign year. I want to have the money used for grasshopper purposes and not for other purposes.

I do not doubt for a moment that a good case can be made out to justify some appropriation for the purpose, but I submit to the Senator from South Dakota—and it is not pleasant for me to oppose anything that he wants—that $1,450,000 for the eradication of a pest of this kind in a single year is a very, very large sum of money. We are not in normal times. The Ways and Means Committee in the House has had a very difficult task to bring in a tax bill that would not put such a burden upon the American people that they could not bear it with the depression such as it is. Every dollar that we can save at this end of the Capitol means that much less of a deficit or that much less taxation.

It is very hard for many of our cities to make ends meet. I do not want to pit the country against the cities. They are both entitled to fair treatment. But in our big cities the community funds are being dissipated very rapidly. In many of the cities people are living in houses because of the kindness of landlords. In other cases the community fund is called upon to pay the rent in order that the people may have a bare shelter over their heads. Now, to spend money in cases like this, to increase the deficit and increase the amount of new taxation which we will have to place upon the people, is something that we should go about doing very, very reluctantly. I would not stand in the way of an adequate appropriation, but $1,000,000 is a lot of money. One million dollars is a tremendous sum of money in times like this. Does not the Senator from South Dakota feel that with $1,000,000, with the increased efficiency which should be brought about in its application in times like these, as much can be done, generally speaking, as for $1,450,000?

I do not want to stand in the way of giving the Senator protection from the grasshopper pest out in his community, but how can we vote such terrific sums for purposes of this kind when people are storming the gates of industrial establishments crying for work and demanding food and shelter? We ought to reduce to a minimum all appropriations of this kind. If we do not do it, we are going to be called upon to vote for new taxation upon the poor and the masses in the form of a sales tax which will be necessary because we have not been provident enough in passing upon appropriations for the eradication of these pests and diseases. I appeal to the Senator to try to meet us halfway, those of us who want to go along with him in the matter, and not ask for this very large appropriation at this time.

Mr. NORBECK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from South Dakota?

Mr. TYDINGS. Certainly.

Mr. NORBECK. The Senator asks me to go half way. That is the way we have gone and that is why the proposition is here on this basis. We are going halfway. The department has said it will cost $3,000,000 to exterminate the grasshopper pest. They are of the opinion that there is no use exterminating this pest on one-half of the acreage and letting the remainder of the acreage go untouched.

Mr. TYDINGS. Without reflecting on the men who made up the estimate, most of them have jobs for life at very good salaries. They are very much interested in the single purpose of their work, namely, the killing off and eradication of all the scales and pests and diseases which affect plant life. It occurs to me that those men have asked for this large appropriation without due regard to the general situation. I think they are so anxious to kill off these pests that quite often in their desire to accomplish their main objective they lose all sense of the need for money for other purposes.

After all, this estimate comes to us from men who are primarily concerned in this work. It is not as if all of us understood it and got a detached estimate which would fit into the whole picture of the entire country, but we are getting the estimate from men who are devoting their lives to this one phase of human activity—the eradication of plant disease. I can not believe that $1,500,000 is necessary to do this work.

Mr. NORBECK. A much smaller sum would have done it last year, of course, before the grasshoppers got spread over such a large area. Probably a much smaller amount will be required this year than if they were to increase and spread again over an increasingly large area. The estimates are based on the available experience. A real effort made at extermination here and there is successful in some places and not in other places where the work got started later. In view of the general situation and realizing the condition of the Treasury, it was agreed that the Government should put up only one-half of the entire amount deemed necessary for this work.

Mr. TYDINGS. Let me say to the Senator that I realize that, already having given ground in the matter of the

amount demanded, he would be reluctant to give more ground; but let me point out to him the fact that this one appropriation alone will cost each man, woman, and child in the country a penny. When we add to that penny the other pennies for the other plant provisions contained in the bill, we soon have 5 cents for each man, woman, and child in the country. While that is small, those pennies which are added one to the other pretty soon mean a dollar for each man, woman, and child in the country. Then the Ways and Means Committee in the House and the Finance Committee in the Senate have got to raise that dollar by taxation. It is only a pittance, this penny from each man, woman, and child in the country, but it is the combination of the pennies that makes government extravagant.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Florida?

Mr. TYDINGS. Certainly.

Mr. FLETCHER. Getting right down to practical conditions, I would like to inquire whether this is a year-round operation, or whether the work is to be done during certain months of the year?

Mr. NORBECK. It is done within a very limited period in the spring of the year.

Mr. FLETCHER. The question is whether or not $3,000,000 can be efficiently and economically spent within that time. In other words, it will take a tremendous number of men and a tremendous amount of work to use up $3,000,000 during the spring months.

Mr. NORBECK. Not when the Senator considers the number of States involved, which have to be taken care of. The Senator must remember that this is not limited to the State of South Dakota.

Mr. FLETCHER. How many States are involved?

Mr. NORBECK. There are 5 or 6 or 7 where the grasshoppers got started last year. It is estimated that only a part of these will be involved this year. I assure the Senator that only a small part of the appropriation goes to my State.

Mr. FLETCHER. I understand; but there is $1,450,000 to be contributed by the Federal Government, and the States are to pay just as much, which means a total of almost $3,000,000. What occurs to me is whether $3,000,000 can be efficiently and economically spent during these few months by any department of the Government. I do not care how many people are engaged in the work, that is quite an undertaking.

Mr. NORBECK. The Senator agrees with me that unless we cover the entire area with poison, we have not accomplished so much good.

Mr. FLETCHER. Is it the poison that costs so much?

Mr. NORBECK. It is estimated that the poison will cost one-half and the work of spreading it the other half. That is approximately the estimate.

Mr. TYDINGS. The States furnish the labor to spread it, and the Government furnishes the poison.

Mr. FLETCHER. A great many people can be employed for that amount of money and an enormous amount of poison can be bought for that amount of money.

Mr. NORBECK. The word " enormous " does not cover it. This matter has been computed on the acreage basis and the departments know what it will take. No one realizes better than I do that adding 5 cents per capita to the already heavy burdens of the people is a hard thing to do, but I believe that a year ago when it was proposed to give back $216,000,000 of income taxes that had already been credited on the books of the big income-tax payers there was no protest. They had collected it from the consumer all along the whole line, and the Senate voted to give back that $216,000,000, which is almost $2 per capita. Where did we hear any protest about that? When we talk about 5 cents per capita and it applies to the great agricultural Northwest, then we hear the arguments in protest.

Mr. TYDINGS. Of course, I was not responsible for the return of that money.

Mr. NORBECK. How did the Senator vote on that question?

Mr. TYDINGS. I believe we had no record vote; but if we had had such a vote, I should have voted for it, assuming the taxes to have been erroneously paid. As I understand the matter, I do not doubt that in cases the line might have been very closely drawn, but that bill came before us upon the report of the Treasury Department that these taxes had been paid in error.

Mr. NORBECK. The Senator is talking about refunds. I am talking about rebates. Aside from refunds it was voted that the tax reduction should be retroactive, and of that amount $216,000,000 were returned to the taxpayers. I think the Senator is in error as to there not being a record vote. I think a record vote was had.

Mr. TYDINGS. If there was a record vote, I think I would be recorded as voting to reduce taxation. That is what I am trying to do now—to prevent the reimposition of those taxes which we took off at the last session. However, I do not want to get into that field.

Mr. NORBECK. The Senator realizes that the taxes had already been collected from the consuming and producing public at the time when the rebate was given. This rebate was just giving so much money back to those who had big profits from their business. It was simply a gift.

Mr. TYDINGS. Let me say to the Senator from South Dakota that there are a number of Senators on both sides of the aisle who want him to have this appropriation, but what I am trying——

Mr. NORBECK. Do not make it personal, because it covers a number of States. I am speaking for only one State.

Mr. TYDINGS. The States, we will say, that are afflicted by this pest; but does not the Senator feel that $1,450,000 at a time like this for the eradication of the grasshopper is rather an unusually large appropriation?

Mr. NORBECK. The condition which exists in the States affected is a very unusual one. I will admit that.

Mr. TYDINGS. I should like to vote for some lesser sum; and I was hoping the Senator would agree to take a million dollars and save $450,000 to the Federal Treasury.

Mr. NORBECK. It might not be a saving; it might turn out to be an unwise thing to do. As I have said to the Senator, if this work had been done last year, it could have been done for much less money, because since then the pest has spread over a large area.

Mr. TYDINGS. I will say to the Senator that if only a million dollars are needed, and a million and a half dollars are appropriated, it will all be expended. The Senator knows that as well as I do.

Mr. NORBECK. I do not agree to that at all, although I will admit that the departments generally spend all the appropriations we give them.

Mr. TYDINGS. If they have so much with which to do the work, they base their whole plan upon its complete expenditure.

I am not going to detain the Senate further. The Senator seems reluctant to give any ground at all. May I ask him if he would accept a million and a quarter dollars?

Mr. NORBECK. The Agricultural Department estimates the cost to be $3,000,000. The appropriation in question is less than half that.

The Senator surely realizes the reduced earning power of agriculture for the last 11 or 12 years has made it impossible for the farmer to meet such an unusual situation. While a prosperous condition existed for many years through the industrial section, the farmer's earnings vanished, property values went down, banks failed, credit was a thing of the past.

The people of the Northwest do not like charity. They do not like to have Government help. They are like every other people; they prefer to be independent and help themselves. This they have done for a half century. They would continue to do it if they had not been robbed of their birthright.

The interference with economic law has robbed the farmer of his just dues. He has ceased to be a good customer of the factory, with the result that the factories are now shutting

down. Unemployment is found in the cities, and both business and labor are beginning to wonder what the cause is. No one is so blind as he who does not want to see. This trouble has been coming on for a nearly a dozen years; the full force of it is just now striking us. The agricultural problem has come home to the city population; it is now felt in New York, Philadelphia, Boston, and other cities.

Mr. TYDINGS. Mr. President, the Senator, I know, will be fair enough to concede that every dollar of new taxation that we put on the people in the form of a sales tax means that the resources of the Northwest and other parts of the country will be curtailed just that much.

Mr. NORBECK. I agree with that.

Mr. TYDINGS. Because there will be that much less purchasing power; it will be a relative proposition.

Mr. NORBECK. I agree that we can not have national prosperity until we restore the earning power of the average family. I am one of those who believe that the destruction of the earning power of the farmer is what stopped the factory and made trouble in the cities.

Mr. TYDINGS. Let me say to the Senator, taking the small State of Maryland, for example, if he will look it over he will find that half its people live in cities and the other half live in the country. We have a farming industry in that State in which 50 per cent of our people are engaged.

Mr. NORBECK. I know that; and I recall when the Senator's former colleague complained about farmers of the Northwest asking the Government for help; but I call attention to the fact that the Legislature of Maryland was the first legislature in the United States to call on Congress to straighten out the agricultural problem. The appeal did not come from South Dakota; it came from Maryland.

Mr. TYDINGS. That is true. We saw what was coming and tried to help the Senator's section, as we are trying to do again to-day by cutting down this appropriation from a million and a half dollars to a lower sum that is more in line with conditions in these times.

Mr. NORBECK. There is just one thing that we can not afford and that is this depression.

Mr. TYDINGS. I certainly hope this appropriation will be decreased to some extent. In times like these to make an appropriation of $1,450,000 for grasshopper eradication, while people are hungry, while in our big cities industrial plants are stormed and lives are lost and many are injured, and the Congress refuses to take any part in lending aid to the States for human beings, I think unwise. It strikes me as unsound to lend aid of this character, to the extent of a million and a half dollars, at a time when everybody is having a great deal of difficulty in making ends meet.

I should like to vote for some appropriation to keep this pest in check, but to appropriate on such a broad scale as provided in the bill seems to me both unsound and unwise.

Mr. SHIPSTEAD. Mr. President, I sympathize very much with Members of the Congress who are trying to keep down appropriations, and it is very difficult to vote for any appropriation. Having canceled so many of the debts of foreign governments we are called upon to raise $500,000,000 a year to pay the interest on the debts thus canceled. That sum, together with the $500,000,000 which was voted to help the banks and the railroads, and the $250,000,000 which, through the moratorium, was voted to aid the banks of London and New York, makes a total added to the Budget this year of $1,250,000,000. That is a tremendous sum of money in these days—more than a billion dollars—a thousand times this item. But having spent $1,250,000,000 on a lot of people who do not produce anything, it seems to me that we can spend a million and a half dollars to protect some of the producers who produce the wealth of the country. If we do not protect the agricultural interests which produce the wealth, then we will soon have no wealth on which to base appropriations to take care of the other people whom we have taken care of. So I hope that the motion to reconsider the vote whereby the amendment was adopted will be defeated.

The PRESIDENT pro tempore. The Chair understands the Senator from Utah [Mr. KING] first to ask unanimous consent for a reconsideration of the vote whereby the amendment was agreed to. Is there objection?

Mr. NORBECK. I object.

The PRESIDENT pro tempore. Objection being made, the Senator from Utah, having given notice of a motion to reconsider, the question is on the motion proposed by the Senator from Utah.

Mr. KING. Mr. President, I had hoped my genial friend from South Dakota would have consented to the request which I made. Not having done so, it compels, of course, a vote. It was my purpose, if the Senator had consented, to move to amend the item by striking out "$1,450,000" and inserting in lieu thereof "$1,000,000"; and, if the motion to reconsider prevails, I shall follow that motion with a motion to amend along the line just indicated. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Robinson, Ind.
Austin	Cutting	Kendrick	Schall
Bailey	Dale	Keyes	Sheppard
Bankhead	Davis	King	Shipstead
Barbour	Dickinson	La Follette	Shortridge
Barkley	Dill	Lewis	Smith
Bingham	Fess	Logan	Smoot
Black	Fletcher	McGill	Steiwer
Blaine	Frazier	McKellar	Thomas, Idaho
Borah	George	McNary	Thomas, Okla.
Bratton	Glass	Metcalf	Townsend
Brookhart	Glenn	Morrison	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walcott
Capper	Hawes	Nye	Walsh, Mont.
Carey	Hayden	Oddie	Waterman
Connally	Hebert	Patterson	Watson
Coolidge	Howell	Pittman	Wheeler
Copeland	Johnson	Reed	White
Costigan	Jones	Robinson, Ark.	

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. ASHURST. Mr. President, I shall be willing to vote for the motion to reconsider in order to insure a complete debate. Such is usually my policy, and particularly so when the Senator from Utah [Mr. KING] desires a reconsideration, although I shall vote against reducing the amount.

I have listened with interest and admiration to the remarks of the Senator from Maryland [Mr. TYDINGS], and likewise to the remarks of the Senator from Utah [Mr. KING]. In my judgment—and I am not in a humor this morning to distribute bouquets—the country needs more men in public life like Senators KING and TYDINGS, although I do not agree with them on this particular item. I believe that they have misconceived the vast importance of this particular subject.

Mr. President, only the most optimistic person, only the person who has rainbow tints in his spectacles, feels assured that mankind instead of insects shall inherit the earth. It is indeed a wide-open question as to whether mankind or the insects shall inherit this earth. There are over 4,000,000 different kinds of insects in the world, and they are all the open, aggressive competitors of mankind for the world's food supply. During all the ages, one of the marvels of this world has been the complexity, the ingenuity of insect life. Those who have given study to the subject will reach the conclusion that I do not overstate the matter when I say that it is quite uncertain, biologically, whether mankind or the insect shall ultimately survive.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Utah?

Mr. ASHURST. I do.

Mr. KING. I think perhaps there may be something in what the Senator has said; and yet, with the Senator's broad knowledge, especially of biology and cognate questions, he

knows that nature balances things pretty well, and that if we did not destroy the birds and other destructive forces which nature creates, the insects that we are combating now would be destroyed by the forces which nature provides. We are unbalancing, we are producing disequilibrium, when nature works for the purpose of maintaining an equilibrium for the preservation of life and for biological development.

Mr. ASHURST. Mr. President, in all my experience I have never encountered in public life an intellect that is more truly a philosophical one than that of the learned Senator from Utah [Mr. KING]. I say this without any intent to blow upon him the incense of flattery. I have talked with him in private and have debated with him in public, and he is correct in his conclusion that if and when we disturb the balance of nature, she will repay; she will exact her compensation. Nature gives warning, indeed, but she strikes the blow first and gives the warning later. That is the way she imposes her penalties. It is harsh but is her inexorable law. In this case, perchance the penalty is the grasshopper. The destruction somewhere of the birds which fed upon these insects may have led to the enormous number of these insects. When Frederick the Great was asked what produced a certain plague of insects, he replied, "The scarcity of birds."

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Nebraska?

Mr. ASHURST. I do.

Mr. NORRIS. When the Senator speaks of the grasshopper I should like to tell him, if he will permit me, a little incident that happened to one of my neighbors who was trying to grow an orchard.

Mr. ASHURST. I yield for that purpose.

Mr. NORRIS. The orchard was being destroyed by grasshoppers; so this neighbor built a chicken-tight fence around his orchard and brought a large number of turkeys and put them in there. If the Senator has had any experience in raising turkeys, he realizes that a turkey can eat as much as a pig; but it was not long after he had those turkeys in the orchard before every turkey would duck his head every time a grasshopper came anywhere in the vicinity. [Laughter.]

Mr. ASHURST. Mr. President, I congratulate the Senator from Nebraska who has demonstrated to the Senate and the country that whilst he is a profound lawyer he is capable also of brilliant and rippling humor upon occasion. The subject of grasshoppers easily leads to jocose remarks.

Mr. President, the Senator from Maryland [Mr. TYDINGS] is quite correct in his statement that the people are now very heavily taxed. That is unfortunately true. Taxes constitute one of the burdens that civilization must bear. If somebody will discover a plan or remedy whereby we may go through this life without being heavily taxed, I shall cheerfully subscribe to the dissemination of his propaganda. I sometimes marvel at the patience of the taxpayers themselves that they should so uncomplainingly make so many sacrifices and deny to themselves in so many instances the privileges, rights, reposes, and opulences of civilization in order to meet and satisfy the ever-present taxgatherer.

The hearts and the purposes of the American people are sound and patriotic; doubtless the people feel that taxes are part of the common plan of civilization and that we must pay for all this complexity of life that we brought upon our race.

He is a real statesman and a brave man who now tries to lessen the load of taxes.

I hope Senators will forgive me for the obtuse, or the cheap pun, rather, of saying that this speech, if noted at all, may go down in history as my "bug speech." I hope Senators will not think me obsessed when I say I am of opinion that the question of insect life, the question of "bugs," is more important and more vital than we are inclined to consider.

The danger from certain insect invasions is acutely emphasized by reason of the automobile and the airplane. An insect may alight upon an airplane wing in Mexico or Cuba, for instance, and in a few hours it is in the interior of the United States. These insect pests are not, as a rule, indigenous to our country.

Most of them came from foreign countries. Let us see whence they came. The cotton boll weevil is from Mexico, coming, according to theory, in egg form. The corn borer is from Europe. The gypsy moth is from Japan. The Mediterranean fruit fly was landed in Florida from some point in the West Indies; and I might go on at some length reciting what experts have said as to whence these insect pests came.

To give an illustration—and I shall be brief—of the endurance, the vitality, of these insects, let it be remembered that you can take the boll weevil himself and immerse him in water and he will survive 21 days under water.

As to whether or not $1,000,000 or $1,400,000 will be sufficient for this particular purpose I do not know. I do not know that the speech I am now making will be agreed to by my constituents; but I feel so keenly that I am willing, on such an important subject, to transcend the views of my own constituents.

Mr. SMITH. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from South Carolina?

Mr. ASHURST. Yes.

Mr. SMITH. In such a matter as deciding what are the best methods of combating these insects, who, in the Senator's opinion, is best qualified to tell us what is necessary?

Mr. ASHURST. If I want to know how to farm, I might go to the Senator from South Carolina [Mr. SMITH] to learn. Then, strangely enough, if I wish to know the derivation of words, I might go to that same Senator—the farmer-scholar. If I seek legal advice, I shall probably be found sitting at the feet of the learned Senator from Nebraska [Mr. NORRIS], the chairman of our Judiciary Committee; and so on. I go usually to those who are especially equipped to deal with a particular subject when I require information on that particular subject.

Mr. SMITH. Who, in this case, are the experts of our Agricultural Department?

Mr. ASHURST. I consult the entomologists when I want to learn something about insect life.

Mr. SMITH. The point I desire to call to the Senator's attention is this: We are spending millions of dollars on the department that we have set up to watch the development of these pests and to experiment as to the best manner of their control. None of us are qualified to say how much money it will take. None of us are qualified to say just what are the chemicals in combination that may be applied to save these threatened and doomed homes in the West. Why should we come here, after we have set up these people and appropriated so much money, and impeach our own departments and set our opinion against their opinion, when we know nothing about the matter, and when they, as honest American citizens, are charged with the responsibility of doing the best that is possible for the situation?

Mr. ASHURST. Mr. President, to conclude, I wish it distinctly understood that I am in sympathy with movements to reduce expenditures and thereby reduce taxation. I am not qualified to say precisely whether a million or a million four hundred thousand dollars may be necessary for this purpose; but the latter amount has been reported from the Senate Committee on Appropriations. While I listened, and not without instruction and profit, to the able speech of the Senator from Maryland [Mr. TYDINGS] respecting this subject, I feel now that my vote should be cast in such a way as to preclude the possibility of a doubt and thus save food supplies from the ravages of these grasshopper pests.

So far as I know, in my own State we have never been seriously disturbed by grasshoppers; but our agriculturists, and especially our sheep growers and cattle raisers, have been ever since I can remember, and are now, disturbed by a pest. It belongs to the animal, not the vegetable, kingdom. It is called the prairie dog. It has none of the noble qualities of the domestic dog. The prairie-dog family is

capable of unimaginable fecundity. It breeds enormously. One prairie dog will consume or destroy more grass in a week than will two bullocks.

Mr. BINGHAM. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Connecticut?

Mr. ASHURST. I do.

Mr. BINGHAM. Does the Senator intend to ask an additional appropriation for poisoned bran for prairie dogs?

Mr. ASHURST. I had hoped that my remarks were rather above any idea of securing, by reason of this speech, any appropriation for my own State. I am not seeking any. I have not asked any. I am speaking only from the general viewpoint.

The Department of Agriculture has made some headway in combating the prairie-dog pests.

Mr. BINGHAM. Mr. President, I thought the Senator from Arizona was going to say that in view of the fact that all this poison might not be needed for grasshoppers, he might like to have what was left over for the prairie dogs.

Mr. ASHURST. Oh, no, Mr. President; I do not want "left overs" from any bill, person, or institution. I never ask for "left overs." I want the original thing in the original package and not a "left over."

Mr. BINGHAM. No one will dispute that, and I am sure that the Senator from Arizona can be trusted to look after the prairie dogs and the unfortunate citizens of Arizona who have to spend their time battling with them morning, noon, and night. I only wish that he had put in the necessary funds to aid in this noble battle against the prairie dogs.

Mr. President, I made a few remarks the other day with regard to the facts that while we were running behind at the rate of $8,000,000 a day we had casually that afternoon voted $1,450,000 "to feed poison bran to unborn grasshoppers." Since then I have received a very interesting letter from Judge Van Buren Perry, judge of the circuit, fifth judicial circuit, Aberdeen, S. Dak., which is so interesting and the pictures accompanying it so striking that I am going to read a paragraph from the letter. Judge Perry says:

> This plague, which last year devastated an area greater than all New England, is more destructive than flood, more appalling than fire, and more ravaging and heart-rending than pestilence. The loss from flood is usually healed within a year; prairie and forest fire is rarely so widespread and usually puts a merciful, quick end to the suffering of its victims; pestilence seldom affects both man and beast and usually leaves many survivors; but grasshoppers in swarms, in a temporarily impoverished agricultural community, leave both man and beast to starve, and lay eggs for a repetition next year.
>
> In case you do not know how utterly they destroy all vegetation, I inclose two photographs which I took last fall in central South Dakota, showing the remains of cornfields which were shoulder and head high a few weeks before the invasion. These fields were nearly 100 miles apart and are typical of all that lay between. Every spear of vegetation, including weeds and thistles, was destroyed.
>
> Before these grasshoppers themselves starved, each female laid tens of thousands of eggs to hatch this spring. Even though a kind Providence should provide climatic conditions adverse to hatching, that hatch would produce enough hoppers to cover your entire State a foot deep. The weather most unfavorable to hatching has never destroyed the whole hatch. The use of poisoned bran is the most effective prevention known, and the cost is prohibitive to practically all farmers.

Mr. President, after looking at these very extraordinary pictures and reading this letter from Judge Perry, I feel like apologizing for the remark I made the other day. I thought I knew something about grasshoppers. We certainly are not free from them in my section of the country, but we have never had anything like this, and I feel sure that if the citizens of my State were able to see these pictures of the country that has been devastated by those insects, they would not object to an additional burden of taxation to try to prevent such a devastation during the coming year.

I shall vote for the motion of the Senator from Utah to reconsider the vote by which the amendment was agreed to, because the Senator has stated that in case there is a reconsideration, he will move that the amount be made $1,000,000. If reconsideration of the vote meant striking out the item entirely, I should vote against it but in view of the Senator's intention to move the amount to be made $1,000,000, and in view of the fact that we are uncertain as to the amount which may be actually needed, and my willingness, in case a further amount is needed, to put it in a deficiency bill later on, I shall vote for the motion of the Senator from Utah. But I shall be very glad indeed to aid in giving some adequate relief to people who suffered this truly terrible devastation during the past year.

Mr. NYE. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. NYE. As one coming from one of the States which has been injured in no uncertain way by the grasshopper, and a territory that is further threatened this year, I can not help expressing my appreciation of the splendid attitude which the Senator from Connecticut has just voiced. But I am forced to ask him why, if he considers that this fight that is to be made on the grasshopper is worth $1,000,000, it is not worth $1,450,000. If it is considered that this greater amount is the amount required more adequately to cope with the situation, why does the Senator insist upon a reduction in the amount?

Mr. BINGHAM. Mr. President, the Senator from North Dakota the other day succeeded in having stricken from the bill a provision that was put in at the time the Budget estimate was received, if my memory serves me correctly—and the Senator from Oregon will correct me if I am not correct—the provision that none of the money should be used for providing poisoned bran to counties which were able to purchase it themselves, but only to counties which had no funds with which to purchase it. My recollection is that that provision was in the recommendation of the Budget.

The Senator from North Dakota making the plea that this might lead counties to say that they were hard up, and that perhaps they were bankrupt for the time being, and ought to be stricken out, led the Senate to strike the provision out.

I am glad to say to the Senator from North Dakota that if he will have reconsidered the vote by which that was stricken out, so that the appropriation shall apply only to counties which really can not afford to buy their own poisoned bran, I shall be glad to vote for the full amount, with the understanding that only the part is used which is actually needed.

Mr. NYE. Mr. President, if the proposal made by the Senator from Connecticut were to be accepted, we would have in the Northwest section of the country a situation which would find some counties which, though able to afford a measure of relief themselves, nevertheless would refrain from any participation in a prevention program, while neighboring counties, which might not be able to qualify and could show that they were not able to finance such a battle themselves, would go ahead with their fight against the grasshopper, and yet as the result of it all nothing would be accomplished, by reason of the fact that among them was a county which was not making any fight at all. For that reason it was felt that the provision in this appropriation bill should be such that all counties in a given area would be putting forth the same effort to accomplish the end of this pest or to hold it at a minimum, at least. Certainly I could not for a moment agree to a reconsideration of the particular feature, because I think its purpose was so important as to have merited the consideration which the Senate gave it only a few days ago.

Mr. BROOKHART. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. BROOKHART. I would like to ask the Senator whether he can name any county in the Northwest, in any of those States, which is really able to fight a grasshopper pest, or any other kind of a pest, right now?

Mr. NYE. Mr. President, I doubt the ability of counties to carry on at this particular time. But more than that, I doubt the ability of the Secretary of Agriculture to sit down and determine what counties are able and what counties are not able to carry on that sort of a fight themselves. In

other words, the Secretary of Agriculture would virtually be in a position of asking each county to file a pauper's affidavit before any help would be available to it.

Mr. BROOKHART. Is it not a fact that in all of those counties in all the States of the Northwest there are long lists of delinquent taxes on file, even tax rebellions going on in several of those States against tax sales at this time?

Mr. NYE. That is true, Mr. President, and I think that at no time in the history of that section of the country have delinquent taxes been as great as they are now.

Mr. BROOKHART. When the question, in the reducing of taxes, is the question of reducing taxes on the country at large, which is able to pay, or reducing them in the localities which are not able to pay.

Mr. NYE. That is largely true.

Mr. SMITH. Mr. President, if the Government undertakes to exterminate this pest, does it not seem practicable or advisable for it to try to determine what counties might or might not be able to pay? Suppose in instances there should be a mistake, and a county were not able, and therefore did not use the same precaution or the same method of extermination which the Government used, there would be enough of the insects breeding within that locality to nullify all that had been done.

Mr. NYE. Precisely so; and a great injustice would thereby be done in those counties where serious effort had been made to accomplish extermination.

Mr. SMITH. Mr. President, I am not going to discuss this question, because I am in full sympathy with those who suffer and are threatened with a disaster unspeakable which comes from the ravages of this insect. But I want just to call the attention of my colleagues to the fact that when not an insect, not a natural cause, but a purely speculative cause threatened nonproducers, not men who add a dollar to the wealth of this country but those who simply manipulate the dollars of this country, when they were threatened with some loss in the value of their securities we did not hesitate to make arrangements for the appropriation of $2,000,000,000 and went further still in another bill and provided that certain laws should be so modified that certain securities should become eligible for discount, in order to increase the facilities by which business could be carried on. But here we are carping over an appropriation of a million and a half dollars to try to save the homes of those who have nothing but their crops to depend on for a livelihood; and when this pest comes, it is not a drop in the value of certain stocks and bonds and securities, it is the wiping out of the hope of even a modest living.

We stand here and question the wisdom of saving a vast territory of our country from threatened destruction of the hopes, of the homes, and the means of support of the inhabitants who live meagerly enough, God knows, when there is no grasshopper, who have little enough of the comforts of life and none of the luxuries; yet because they are not organized to make themselves felt at election time we stand here in the cowardly attitude of leaving this vast army who feed and clothe and shoe us to the mercy of both the natural and the artificial disasters which threaten.

Mr. President, I am going to vote against a reconsideration. Perhaps I did wrong in voting for the bill appropriating $2,000,000,000. It must be remembered that in the consideration of that bill I offered an amendment to appropriate $200,000,000 to help those who feed us to be taken from the roads and the streets and put where they might earn a living. They have no place where they can borrow. They have no security to guarantee a loan, except the current crop which they propose to produce. Here on the floor of the Senate my amendment was beaten down to $50,000,000, while the Senate voted to give $2,000,000,000 to those who do not produce one dollar of real wealth in this country. The conferees on that measure so worded it as to make possible the adoption of my original amendment, and yet now, with the crops being planted, the money which we appropriated has not yet reached them. We have appropriated $2,000,000,000 to guarantee that the coupon cutters may make a crop, but we can only spare $50,000,000 to the grasscutters of the country.

No, Mr. President; I am going to vote to try to save the farmer from the unspeakable menace of this dread insect in the West. I am going to vote for every dollar deemed necessary by those whom we charged with the responsibility of finding out how much is necessary and what in their judgment can be done to relieve these people from the dreaded insects and the unspeakable conditions under which they are living. I am not here to question how much it will take because I do not know, but I shall joyfully and gladly vote for an adequate appropriation to bring some ray of hope and some security to those who have thus been beleaguered by this pest.

Mr. GORE. Mr. President, the Senator from South Carolina [Mr. SMITH] seems to confuse the grasscutters and the grasshoppers with the bulls and the bears, if one may judge by his current comment. I had a letter the other day from an old friend of mine in Charles Mix County, S. Dak., stating that the livestock and even the poultry is dying from starvation as a result of the grasshopper pest. I do not know how substantial the proposed provision is, but if it promises substantial results I think the doubt ought to be resolved in favor of action and protection and prevention. Of course, any one infected county would be a plague spot from which the pest might enter neighboring counties. For that reason I am inclined to sustain the contention made by the Senator from South Dakota [Mr. NORBECK].

Mr. TYDINGS. Mr. President, my good friend from South Carolina [Mr. SMITH], who is very much interested in agriculture and is probably as good a friend as the farmer has in the Senate, has just pointed out that we ought to take the advice of the Department of Agriculture. Let me suggest to him that it was only about six months ago that the Department of Agriculture was advocating the plowing under of every third row of cotton.

Mr. SMITH. Oh, Mr. President, the Senator is mistaken. That was done by the wonderful Farm Board which we created. Thank God, the Department of Agriculture has sense enough not to recommend a thing of that kind. Do not make that charge against the Department of Agriculture.

Mr. TYDINGS. So far as I know, the Department of Agriculture has said, through the lips of its Secretary, that the acreage planted ought to be curtailed in the interest of agriculture. In many States recently the legislature has been called upon to pass upon a proposal to limit the planting of cotton because there was so much cotton that there was no market for it. The Department of Agriculture for some time past has advocated less acreage in all crops. Secretary of Agriculture Hyde has made a number of public addresses incorporating that idea, and yet here we are with an appropriation whose purpose is to produce more crops per acre. Where is the logic in any proposal such as those two divergent views would seem to present?

Mr. NYE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from North Dakota?

Mr. TYDINGS. I yield.

Mr. NYE. I wish the Senator from Maryland could more clearly understand what area is infested by the grasshopper and what wheat we are trying to save from the grasshopper. It is the hard spring wheat. There is not one bushel of surplus of hard spring wheat produced in the country.

Mr. TYDINGS. I would interrupt the Senator long enough to observe that the Senator from Nebraska [Mr. NORRIS] himself pointed out just a moment ago that these grasshoppers have attacked orchards; that in the very short while they put turkeys in the orchards behind fences to eat the grasshoppers, and that the grasshoppers came into the orchard so rapidly that the turkeys were kept busy dodging the flying grasshoppers. It is not only hard spring wheat that is involved, because we know over in Maryland, for example, that the grasshoppers attack all kinds of agricultural products.

Mr. NYE. I merely wanted to have the attention of the Senator called to the fact that the center of attack is in the hard spring wheat belt.

Mr. TYDINGS. I think that is correct. I did not mean to reflect upon the Senator from South Carolina [Mr. SMITH] in my statement, because I say sincerely that I believe not a man in this body is any more sincerely and genuinely interested in helping the agriculturists of the country than he is. I was simply pointing out that the announced policy of the Department of Agriculture has been to advise the farmers time and time again that there is too much wheat and too much cotton and too much corn produced and that the way to better prices is by curtailment of the crop.

Mr. SMITH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from South Carolina?

Mr. TYDINGS. Certainly.

Mr. SMITH. There is all the difference in the world between curtailment and utter destruction, not only of wheat but everything else on the premises. The two things are not parallel at all. I might be perfectly willing to curtail my cotton crop, but I do not want this pest to come in there and curtail it by eating up all the corn, oats, rye, barley, orchards, and everything else. I would like to have construction rather than destruction. The difference between the ravages of the grasshopper and orderly and sensible reduction is the difference between utter destruction and practical reduction.

Mr. TYDINGS. As I see the situation, what has happened in the industrial cities has happened on the farms. For a long while we appropriated millions and millions and millions of dollars dedicated to the single purpose of making two stalks grow where one had formerly grown. The idea was production. We industrialized agriculture to that extent. We sent to the farms all kinds of machinery and we have produced an abundance and a superabundance of everything that mankind consumes in the way of food.

Mr. BROOKHART. Mr. President, will the Senator yield?

Mr. TYDINGS. Please let me finish my statement, and then I will yield to the Senator.

We have gone on doing that. What has been the result? We finally were faced with this problem, and from the Treasury of the United States $500,000,000 was appropriated in an effort to drive upward or to stabilize the prices. What has that effort resulted in accomplishing? I am told that if the Farm Board were to liquidate its holdings to-day, of the $500,000,000 appropriated to its use about $300,000,000 probably would find its way back into the Treasury and that $200,000,000 is gone beyond recall.

Furthermore, what is the effect of it? If it had worked out as intended, every farmer would have planted more next year than he planted this year. The result would have been further to increase production and thereby drive the man into bankruptcy and force his property to be sold for unpaid taxes. We are stabilizing the price, if at all, for agricultural products at less than the cost of production. What difference does it make if a man is forced to spend 10 cents to raise a bushel of produce which he sells for 9 cents? If we stabilize it at 9 cents, it does him no good whatever.

I now yield to the Senator from Iowa.

Mr. BROOKHART. The Senator is criticizing the Department of Agriculture for trying to make agriculture profitable and the Farm Board for trying to handle the surplus crop production, so I take it the Senator's method of restoring prosperity to the farmer would be to develop the grasshopper, the boll weevil, and the corn borer.

Mr. TYDINGS. I do not know that that is an accurate statement, but I may say that it is more sound than many of the theories for helping agriculture which I have heard advanced by some of our Iowa citizens.

Just what is the situation? We know there is a deficit in the Federal Treasury of about $2,000,000,000. We know there is more food in the country than there is demand for food or ability to buy and consume. We know that $500,000,000 appropriated to assist in the marketing of these food products has been wasted or lost to the extent of at least one-half of it in the effort so to do. We know that a new tax bill is going to be introduced levying a sales tax and increasing income taxes and inheritance taxes and all kinds of taxes. Yet we come here, in the face of this depression, and propose to appropriate $1,500,000 to kill off grasshoppers, when, in my judgment, half of that sum would work out substantially the same results, assuming that the plan was impregnated with reasonable administrative efficiency.

At any rate, if the plan works—and let us hope it does—and the grasshoppers are eradicated, it means more and more produce thrown on the market. It seems to me the average farmer in most of these so-called epidemics is well able to handle the matter just about as capably as the Federal Government can. If he is interested in bringing his crop into being he would buy the poison and put it out on the infested areas himself. Certainly, if he sits idly by and sees the grasshoppers multiply, he should not then come to the Federal Government and ask for appropriations on such a scale as this.

We know there has never been an appropriation of this kind which has been completely expended. We all know the system. Let us assume that all of the $1,450,000 is appropriated and only $1,200,000 is expended by next September, when the campaign would draw to a close for seasonal reasons. Politicians find out there is $250,000 of the appropriation which has not been spent, and they immediately suggest Bill Jones and Tom Smith to fill local jobs until the last dollar of it is taken from the Federal Treasury.

Mr. McKELLAR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Tennessee?

Mr. TYDINGS. Certainly.

Mr. McKELLAR. In regard to the methods by which the grasshoppers can be destroyed, the bulletin itself gives four. One of those is the destruction of their eggs by fall plowing or disking or harrowing. That is recommended where practicable. Of course, that is the very best method to be employed. If the farmers decline to do that, if they decline to take such steps, why should the Federal Government be called upon to make these enormous appropriations year after year, and especially when no man can tell six months ahead of time whether we are going to have a grasshopper plague or not? Nobody can tell when that is going to happen.

Mr. NORBECK. I invite the attention of the Senator from Tennessee to the fact that the Department of Agriculture does not claim that fall plowing brings about complete extermination, but that the poison would have to be put out on the ground anyway.

Mr. McKELLAR. It is given as one of the four methods they recommend for dealing with the grasshopper. Of course, it requires cooperation of the community and we do not know whether we will get that or not.

Mr. TYDINGS. Let us follow the ramification of the expenditure through to its logical conclusion. We all know the interest rate on money borrowed by private concerns is directly related to the interest rate upon Government borrowing. If the Government pays 3 per cent to borrow its money, a railroad with a first-class bond issue would probably have to pay 5 per cent for its borrowing. If the Government rate is advanced to 4 per cent, the railroad would have to pay 6 per cent. If the Government rate goes up to 5 per cent, the railroad would probably have to pay 7 per cent. By these appropriations, small in themselves, but large in amount when added together, we force the Government to borrow more and more money, and thereby increase the interest rate for Government borrowings, which, reflected upon business borrowings, makes a higher interest return inevitable. All we are doing by these expenditures, beyond a needed extent, is directly to curtail in final result the borrowing power of the business interests of this country.

Mr. President, as I have said over and over again, I do not want to stand in the way of a reasonable attempt on the part of the Federal Government to eradicate this pest, but for an enterprise of this kind to appropriate $1,450,000 in times like these, with people hungry, with eight and a half million men unemployed, with 20,000,000 people dependent upon the unemployed, is little short of silly. I hope that the motion to reconsider will be adopted and that we may have an opportunity to offer some amendment to reduce this sum to such a figure as that it may be comprehended.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Iowa?

Mr. TYDINGS. I yield.

Mr. BROOKHART. The Senator seems to be for tax reduction. I want to ask if he is in favor of the new $1,000,000,000 shipbuilding program for the Navy?

Mr. TYDINGS. I have not seen the $1,000,000,000 shipbuilding program for the Navy, but I am in favor of voting appropriations to make our Navy second to none in the world until the time when disarmament on a greater scale is realized.

Mr. BROOKHART. Does the Senator think such a program will increase taxes?

Mr. TYDINGS. Certainly it will.

Mr. BROOKHART. And yet, after it shall have been built, should war come, such a Navy will not be fit even to fight grasshoppers.

Mr. TYDINGS. I know that a hundred battleships will end war victoriously twice as fast as 50 battleships will end it, and, for that matter, ten times as fast, and I am not going to sit here and see the United States with no Navy while all around us there is a ring of steel. I am not like the ostrich that sticks his head in the sand and sees nothing that goes on around him and thinks he is safe because of that silly attitude.

The VICE PRESIDENT. The question is on the motion of the Senator from Utah.

Mr. McKELLAR. Mr. President, before we vote I want to read a very short statement from a Government bulletin in regard to grasshoppers. I read as follows:

On of the main points brought out in this study is the important rôle that temperature plays in the development of this insect. The time of hatching in the spring and the subsequent seasonal development are based on this factor. From year to year the abundance of this grasshopper can be more or less reliably foretold if a careful record of weather conditions during egg laying and hatching periods has been kept. Early spring hatches, caused by unusually high temperatures before May 1, when followed, as is often the case, by periods of cold, inclement weather, are unfavorable to this pest.

I digress here long enough to say that we have had that exact condition. We have had a very warm winter, the most unusually warm winter, I suppose, that perhaps the country has ever experienced; and if there is any egg hatching from warmth in the wintertime I have no doubt the Senator from South Dakota was correct the other day when he said that the eggs have already begun to be hatched. That was, of course, because of the warm weather. Recently there has been unparalleled cold weather all through that section of the country. We are just appropriating this money on a guess. Congress will be in session in May; it will be in session in June; and if there is a reason for combating grasshoppers at that time the matter can be brought before Congress. Unless we know something about the situation, there is no use appropriating this money in advance just on a guess that there may be grasshoppers this year.

The period of the first instar is the critical time, as the grasshopper in its subsequent instars is more hardy. Delayed hatching, due to late springs, often causes late damage by grasshoppers in sections where least expected. This was the case in eastern Montana during the summer of 1927. Here it was believed that there would be no damage from grasshoppers that summer, as few or none were to be seen during June. Little or no attention was therefore paid to the situation. The season, however, was late, and the eggs did not hatch until a month or so after the usual time. The farmers were not aware of the fact that a rather serious outbreak was in progress until considerable damage had been done. Their idea was that, since no grasshoppers had hatched by June 1, there would be no damage. It cost one farmer 60 acres of good certified seed alfalfa because he was not aware of the situation and did not maintain his usual vigilance. A knowledge of what to expect and where to look is more than half the battle in grasshopper control.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Nebraska?

Mr. McKELLAR. I yield.

Mr. NORRIS. Will the Senator inform us from what he is reading?

Mr. McKELLAR. I am reading from a bulletin of the Department of Agriculture, as I said in the beginning.

Mr. NORRIS. Is that bulletin prepared by one of the department's officials in Washington?

Mr. McKELLAR. The bulletin bears the caption "Technical Bulletin No. 190, July, 1930, United States Department of Agriculture."

Mr. NORRIS. Does the Senator believe it to be accurate?

Mr. McKELLAR. I do not know anything about it.

Mr. NORRIS. The Senator would not read us anything he himself did not believe to be true, would he?

Mr. McKELLAR. I am reading it for the purpose of showing that when we turn this money over to the department we turn it over on a guess, and a very doubtful guess at that. The bulletin indicates that even the department officials who are going to spend the money are guessing about it.

Mr. NORRIS. I am not complaining about that at all; but I wanted to get the source of the Senator's information, and obtain his judgment as to whether he is giving us something he himself believes, and why he is trying to use it as evidence if he does not believe it. If he does believe it, then I wish he would answer himself in the various speeches he has made against maintaining bureaus here that are no good.

Mr. McKELLAR. I am opposed to maintaining bureaus that are no good.

Mr. NORRIS. But the Senator is using the arguments he gets from these bureaus to convince us of the facts.

Mr. McKELLAR. Oh, no; quite the contrary; the Senator misunderstands why I am reading this pamphlet. My judgment is that everything that can be discovered about the grasshopper in the Senator's section of the country, or in any other section of the country, has already substantially been discovered.

Mr. NORRIS. How?

Mr. McKELLAR. The department has set forth exactly how this pest may be exterminated.

Mr. NORRIS. I understand that.

Mr. McKELLAR. If the farmers can get this bulletin, and from it learn how practically to manage and control the pest or the plague when it comes, what is the use of our spending money to send out there agents who are unfamiliar with that section of the country probably, unless they are appointed from the locality—and frequently when they are appointed from the locality they are not experts? Why should the Federal Government, after telling the farmers by these bulletins exactly how to control this plague, be called upon to spend additional money to send agents there to force them to accept the kind of control which the department has already suggested? We are going to do in this case probably just exactly what we have done in Florida in regard to the Mediterranean fruit fly. We sent Government agents down there who destroyed orange groves, some of them by poison, some by digging them up, and some by other means, and now the representatives from Florida in the Senate—and very properly so—say that these groves were destroyed improperly and the Government ought to pay for the groves thus destroyed. If the Government sends its agents to Nebraska, for instance, or to South Dakota, or to any other State, and puts poison on crops and destroys crops as well as grasshoppers, I am not so sure but that the Government, in good conscience, ought to make it good and pay for it, and I have no doubt the Senator from South Dakota would think so, too, and offer an amendment to the next appropriation bill for that purpose.

Mr. NORBECK. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from South Dakota?

Mr. McKELLAR. I yield.

Mr. NORBECK. I merely want to say that if the Senator will read the conditions of the appropriation he will find the Government is protected against that sort of thing.

Mr. McKELLAR. I know that any law which Congress may pass can be repealed by the next Congress. Of course it is provided the Government shall not be responsible for damage to crops; but if the Senator from South Dakota were to come here next spring and tell us that during the preceding summer the agents of the Government, in order to get rid of grasshoppers, had destroyed large crops by improperly poisoning the ground on which the crops were growing, I have no doubt it would be a very appealing statement that he would make, and no doubt the Senate and probably the House of Congress would heed the appeal. We always do it; we have done it in the past and we will do it again. We will make it good to these farmers. It is not right for the Government to go there and put poison on their fields and destroy their crops without paying for the damage. That is precisely what has been done in Florida.

We spent $6,000,000 in an attempt to find the Mediterranean fruit fly that no human being has ever seen in Florida. The agents of the Government went down into Florida and dug up orange groves, and those whose orange groves they dug up have sent claims here against the Government. There was an amendment offered by one of the Senators from Florida, representing in a legislative way his constituents, to compensate the orchardists who are now making claims against the Government for the destruction of their groves in an attempt to eradicate the Mediterranean fruit fly. I can see that there is some ground for such claims. Suppose I am the owner of an orange grove in Florida and Government agents, without my request, come down there and dig up my orange grove in the pursuit of a fly which no human being has ever seen. I am not so sure but that I would be entitled to reparation.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Florida?

Mr. McKELLAR. I yield.

Mr. FLETCHER. The Senator alludes to the Mediterranean fruit-fly campaign in Florida?

Mr. McKELLAR. Yes.

Mr. FLETCHER. I do not agree with him—although a good many people do—that there never were any such flies there. The department established the fact that that fly was there, and also claimed and asserted at the time—and have repeated since—that the most dangerous pest that ever infected the fruit of the country is the Mediterranean fruit fly. It is a terrible menace to the fruit industry generally, not only to citrus fruits but to other fruits and vegetables, as they claim. The State plant board and the State authorities and the people generally cooperated with the department in Washington in the effort to exterminate that fly as a great pest, a great menace to the fruit industry of the whole country, extending as far as California and other remote sections. So they instituted a quarantine against it and they took charge of the eradication work.

As a result of that work of eradication, I do not think any orange groves were actually dug up, as the Senator expresses it.

Mr. McKELLAR. Yes, sir; some of them were dug up.

Mr. FLETCHER. I know that some trees were dug up—guavas and that sort of thing—but undoubtedly fruit in groves that had no infestation was destroyed. Fruit growing miles away from the infestation was absolutely destroyed, and then the Government experts instituted a quarantine so as to prohibit the marketing of the fruit. They extended that quarantine to what they called hosts—vegetables and wild stuff in the woods—and they conducted a campaign with reference to that. They never found the fly in any vegetables, although they did find flies, as they claimed and as they apparently demonstrated fully, because I saw flies in cages down there. I never saw any out in the open.

Mr. McKELLAR. The ones the Senator saw were dead flies, though.

Mr. FLETCHER. No; they were live flies. The Government agents were experimenting with them to see what they would do to grapefruit and oranges and other fruit and vegetables. They claimed that the peppers and tomatoes and beans and peas and that sort of thing were all hosts of this fly, but they never found any flies in any of these vegetables at any time.

I think that was a mistake; but the experts claimed that the vegetables were hosts, and had to be disposed of, and they prohibited the marketing of these vegetables. Florida is a great winter-vegetable-producing section; and the people who produced these vegetables were prohibited from marketing them, and the Government experts ordered the vegetables destroyed. I think they made mistakes in this work of eradication. I do not say that they did it maliciously, of course; but they made some mistakes, and people suffered tremendous losses—losses of their whole vegetable crops.

Under the provision of our Constitution that private property can not be taken without compensation, somebody ought to pay for those losses. They will not amount to a very great deal, perhaps; but the people who suffered the losses were terribly distressed and impoverished by that action, and they lost their crops in orange groves that were miles away from any infested area; but the crops were seized and the oranges were buried. Long trenches were dug and the oranges were dumped in these trenches and lime was put on the oranges and they were covered over and absolutely destroyed.

Mistakes were made, and I think there are some just claims for damages against the Government by reason of those mistakes. Where a man had a crop of vegetables, for instance, growing, and they actually reached the marketing stage, I do not claim that he would be entitled to recover from the Government the profits that he might have made on that crop. That, perhaps, would be speculative and remote; but he certainly ought to have the cost of his fertilizer, the cost of his labor, and the actual out-of-pocket money that he spent in producing that crop. I think there is no escape from that; and that is all these people have claimed or pretended to claim, so far as I understand.

The effort made the other day was to obtain a survey by the Government respecting these losses growing out of the work of eradication—not incidental losses, not speculative losses, but actual losses growing out of the work of eradication. The object was to have the department itself make that survey, and to determine whether or not there are any just claims, and what their nature is, and also what are the elements of damage that might be considered by the department. The whole purpose of the amendment offered the other day was to obtain this survey—not to make an appropriation for the damage, not to prescribe what the damage might be, but simply to have them make a survey and report to us what, if anything, these people were entitled to compensation for.

That was the whole effort. The amendment was defeated. A bill is being reported to-day from the Committee on Agriculture and Forestry covering that matter to some extent. I think it is pretty badly emasculated, so far as I can understand. The report is not in yet; but a survey probably will be provided in which the Department of Agriculture itself will determine what the losses were, as far as it can, and report them.

That is the situation with reference to the Mediterranean fruit fly in Florida. I give the department credit for having done a great work in eradicating this fly. I have always stood with the department and tried to support them in everything they did, and let them guide and direct and supervise and control the whole operation; and they did eradicate the Mediterranean fruit fly. The campaign there lasted for some 18 months. I think the fly was discovered in April of 1929, and in November of 1930 they raised the quarantine and declared the fly gone, and I think it has gone.

I have heard of no outbreaks at all since then. I think the department did a wonderful work in totally eradicating that fly; but they had a lot of inexperienced people handling it, and they made mistakes, and caused some people unnecessary and total loss of their crops.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Nebraska?

Mr. McKELLAR. Yes, I yield; though I should like to say a word or two.

Mr. NORRIS. If agreeable to the Senator, he can make the same suggestion in regard to what I say that he wants to make in regard to the Senator from Florida, and kill two birds with one stone. I am one bird, and the Senator from Florida is the other bird.

Mr. McKELLAR. I am not differing with the Senator from Florida.

Mr. NORRIS. I desire to call attention to the fact that in all experimentation the things narrated by the Senator from Florida are liable to happen. When we are experimenting to try to find a method of killing a pest, to find a method of improving cultivation or raising a crop or raising fruit or anything of that kind, we never expect that every experiment tried will be successful. It never was true. It never will be true. When the Senator speaks of the destruction of crops and fruit and trees, it does not follow that those who destroyed them were doing wrong. It does not follow that it was not necessary in making their experiments. When they discovered what the truth was, probably if they had it to do over again they could have done differently and made many improvements, of course.

The Senator from Tennessee knows that in the Muscle Shoals bill that we put through here so often there is an elaborate plan for experimentation with the idea of cheapening the production of fertilizer for everybody; and there is a provision in the bill for leasing tracts of land so that the experiment can be carried on upon a large scale. The bill provides that the officials of the Government can lease tracts of land, or can furnish experimental fertilizer to farmers in the vicinity or elsewhere to experiment on their farms on a large scale; and provision is made that in case the experiment results in loss to the farmer who submits his land or his crop to this experiment, he shall be paid for the loss; and why not?

If the Government agents have taken oranges or other fruit off the trees, as the Senator says, and buried them in their efforts to find a way to exterminate this fly, of course the owners ought to be recompensed. Of course the Government ought to pay the damages. The payment comes out of taxes, it is true. In other words, all the people pay for the failures that always result in experimentation and, of course, much of this money will be lost. In any experiment, no matter what it may be, money will be lost; and the reason why the Government can afford to make these experiments rather than private parties who are engaged in an industry is because the result of the experiment, if it is successful, benefits everybody. Therefore, everybody ought to contribute something to the experiment. Again, the person engaged in the business or occupation with which the experiment is being made may not be financially able to conduct the experiment, because he realizes that it may be a failure to start with, and may never be successful.

We have that to face in every experiment that we undertake; but when we look over the field of development and improvement that has come about by virtue of experiments, especially through provisions in the agricultural bill for the last 25 years, we see wonderful benefits that have come not to the farmers alone but to everybody else—to everybody that consumes the product of the farmers. That is the reason why it is necessary for the Government to expend money in making these experiments.

Mr. FLETCHER. Mr. President——

Mr. McKELLAR. Mr. President, I am not inclined to disagree at all with the reasoning of the Senator from Florida or the Senator from Nebraska. So far as I am concerned, I think that where the Government destroys a citizen's property he ought to be recompensed for it. I have no quarrel at all on that score. What I complain of is the action of Congress in making the appropriations out of which these troubles grow.

The Senator from Florida—whom we all love and esteem and for whom we have the greatest respect—will not himself say that he ever really saw a Mediterranean fruit fly. The record shows that, so far as it is possible to know, no one in this country ever saw a Mediterranean fruit fly. Then I say, if there never was a Mediterranean fruit fly here, or if no one ever saw one here, Congress made a great mistake in spending $7,000,000 of the people's money in trying to exterminate a pest that did not exist.

So I say that when it comes to grasshoppers, especially at a time when we have 8,000,000 people unemployed and when hundreds of thousands, probably, are without proper food and clothing in this country, we ought not to be expending $1,450,000 to eradicate a pest when we do not know whether there is going to be one or not. Congress will be in session if one comes, and if it does come it takes three weeks for the grasshoppers to generate; and if we find that they are there, we will have ample time to combat them when they come.

Mr. NORBECK. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from South Dakota?

Mr. McKELLAR. Just one minute. I say that under those circumstances we ought not to be spending this large amount of money on a prospective grasshopper invasion, when we have no right to expect one at this time.

I yield to the Senator from South Dakota.

Mr. NORBECK. The Senator says it takes three weeks for grasshoppers to hatch.

Mr. McKELLAR. I do not know. I just read the statement from this bulletin.

Mr. NORBECK. I will ask the Senator how long it takes to pass an appropriation bill.

Mr. McKELLAR. I have known emergency bills to pass in two hours in this body. I have known them to pass in less than half an hour in this body. When Senators come and show that there is an emergency in their own States I have known these appropriations to be made almost immediately. There is not a particle of trouble about it. Here we are appropriating for grasshoppers the enormous sum of $1,450,000, and we ought not to do it.

The VICE PRESIDENT. The question is on the motion to reconsider.

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Sheppard
Barbour	Dickinson	King	Shipstead
Barkley	Dill	La Follette	Smith
Bingham	Fess	Logan	Smoot
Blaine	Fletcher	McGill	Thomas, Idaho
Borah	Frazier	McKellar	Thomas, Okla.
Brookhart	Glass	McNary	Townsend
Broussard	Glenn	Metcalf	Tydings
Bulkley	Goldsborough	Morrison	Vandenberg
Bulow	Gore	Neely	Wagner
Byrnes	Hale	Norbeck	Walcott
Capper	Harrison	Norris	Walsh, Mont.
Carey	Hayden	Nye	Watson
Connally	Hebert	Oddie	Wheeler
Coolidge	Howell	Patterson	
Copeland	Johnson	Reed	

The VICE PRESIDENT. Seventy-four Senators having answered to their names; there is a quorum present.

Mr. KING. Mr. President, a number of Senators have returned to the Chamber since I made a very brief statement a few moments ago, namely, that if the motion to reconsider prevails, as I hope it may, I shall move to amend the amendment which has been offered by the committee to strike out $1,450,000, for grasshoppers, and to insert in lieu thereof $1,000,000.

The VICE PRESIDENT. The question is on agreeing to the motion made by the junior Senator from Utah [Mr. KING] to reconsider the vote by which the amendment of the committee providing for grasshopper control, beginning on page 85, in line 14, was agreed to.

Mr. KING. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HEBERT (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. LONG]. In his absence I withhold my vote.

Mr. JONES (when his name was called). I am paired with the senior Senator from Virginia [Mr. SWANSON], and in his absence I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mrs. CARAWAY], which I transfer to the senior Senator from Colorado [Mr. WATERMAN], and vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a pair with the junior Senator from Mississippi [Mr. STEPHENS], and in his absence I withhold my vote.

Mr. STEIWER (when his name was called). On this vote I am paired with the senior Senator from New Mexico [Mr. BRATTON]. In his absence, not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. HULL];

The Senator from West Virginia [Mr. HATFIELD] with the Senator from North Carolina [Mr. MORRISON];

The Senator from New Jersey [Mr. KEAN] with the Senator from Colorado [Mr. COSTIGAN];

The Senator from Maine [Mr. WHITE] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from North Dakota [Mr. FRAZIER] with the Senator from Missouri [Mr. HAWES].

Mr. SHEPPARD. I desire to announce that the Senator from Nevada [Mr. PITTMAN], the Senator from Missouri [Mr. HAWES], the Senator from Florida [Mr. TRAMMELL], and the Senator from North Carolina [Mr. MORRISON] are detained from the Senate on official business.

Mr. COUZENS. I am paired with the senior Senator from Alabama [Mr. BLACK]. Not knowing how he would vote on this question if present, I withhold my vote.

Mr. CUTTING (after having voted in the negative). Mr. President, has the senior Senator from Massachusetts [Mr. WALSH] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. CUTTING. I have a pair with the senior Senator from Massachusetts on this question, and I therefore withdraw my vote.

Mr. BANKHEAD. I desire to announce that my colleague the senior Senator from Alabama [Mr. BLACK] is detained from the Senate by illness in his family.

The result was announced—yeas 20, nays 45, as follows:

YEAS—20

Austin	Bulkley	Harrison	Moses
Bankhead	Byrnes	King	Reed
Barbour	Coolidge	Logan	Robinson, Ark.
Bingham	Dill	McKellar	Tydings
Borah	Glenn	Metcalf	Vandenberg

NAYS—45

Barkley	Fess	McGill	Smoot
Blaine	Fletcher	McNary	Thomas, Idaho
Brookhart	Glass	Neely	Thomas, Okla.
Broussard	Goldsborough	Norbeck	Townsend
Bulow	Gore	Norris	Wagner
Capper	Hale	Nye	Walcott
Carey	Hayden	Oddie	Walsh, Mont.
Connally	Howell	Patterson	Watson
Copeland	Johnson	Schall	Wheeler
Dale	Kendrick	Sheppard	
Davis	Keyes	Shipstead	
Dickinson	La Follette	Smith	

NOT VOTING—31

Ashurst	Frazier	Jones	Steiwer
Bailey	George	Kean	Stephens
Black	Harris	Lewis	Swanson
Bratton	Hastings	Long	Trammell
Caraway	Hatfield	Morrison	Walsh, Mass.
Costigan	Hawes	Pittman	Waterman
Couzens	Hebert	Robinson, Ind.	White
Cutting	Hull	Shortridge	

So the Senate refused to reconsider the vote by which the amendment was agreed to.

Mr. KING. Mr. President, there are so many evidences of the desire upon the part of Senators for economy, judging by the speeches which are made in which we emphasize economy, and so little evidence in favor of our desire to have economy, that I am tempted to submit one more motion.

I move that the bill be recommitted to the Committee on Appropriations with instructions that they reduce the aggregate appropriation $10,000,000 and report the bill back to the Senate.

The VICE PRESIDENT. The question is on agreeing to the motion to recommit.

The motion to recommit was rejected.

Mr. McKELLAR. Mr. President, as a part of the argument presented in the debate for the abolishment of bureaus I ask that there be printed in the RECORD as a part of my remarks an article written by Josephus Daniels on March 6, published in the Raleigh (N. C.) News and Observer entitled "Congress Should Abolish Boards and Commissions." I ask that it be inserted at this point in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the Raleigh (N. C.) News and Observer of March 6, 1932]

CONGRESS SHOULD ABOLISH BOARDS AND COMMISSIONS—THESE INDEPENDENT GROUPS, IN PRACTICE RESPONSIBLE TO NOBODY, HAVE LONG BEEN THE MOST EXPENSIVE GOVERNMENTAL AGENCIES AND THE MOST RECKLESS SPENDERS

By Josephus Daniels

It looks like the Democratic House is determined to abolish all the boards and commissions which crowd on each other's heels in Washington. There was a time when all public agencies were carried on under one of the regular departments of Government, presided over by a member of the Cabinet. This insured that all public business of an executive nature would come before the constitutional clearing house—the Cabinet. Then there sprung up independent bureaus and commissions and boards galore, having no connection whatever with any real executive responsible to anybody unless a committee of Congress should stumble on to looking into how it was run. And when it did so it usually found extravagant salaries and wide-open expense accounts and much more waste of money than under any regular department.

WIPE 'EM ALL OUT

I am not exactly familiar with the House program, but if I had a voice I would say: "Wipe out every independent board and bureau and commission heretofore authorized." The duties of those that are valuable could and should be conferred upon some existing department where a member of the Cabinet could let its operations be considered in the Cabinet meeting clearing house. For example, the Veterans' Bureau should absorb the Pension Bureau and its great duties come under the Secretary of the Interior. It should have been there from the beginning. The Farm Board should function under the Department of Agriculture, and so on. There isn't a board or commission doing anything worth while that could not be done as well or better under one of the regular departments.

AND CHEAPER, TOO

This transfer would reduce expenses, too. A survey of all the independent agencies in Washington in the past 20 years would disclose that they have been the most expensive governmental agencies and the most reckless spenders. Take the Shipping Board, for instance. If it had been under the direction of the Secretary of the Navy, as Mr. Wilson and Mr. McAdoo desired, but which proposition the Republicans defeated after a costly filibuster, all the construction talent and ability of the Navy could have been drawn upon without cost. Many millions of dollars would have been saved the taxpayers by such arrangement. As it was, from the beginning to now, it has been a very expensive agency.

THERE ARE FIVE NAVIES

Under the present absurd arrangement Uncle Sam spends his money to enjoy the luxuries of five navies. One is the Navy under the Secretary of the Navy. The Treasury has a big floating, and sometimes fighting fleet in the Coast Guard. The Department of Commerce has a big fleet to look after lighthouses and surveys and the like. The War Department has its own big ships to transport soldiers. The Labor Department has its navy to enforce immigration laws. Other departments probably have ships for special

purposes. Each has its separate organization, maintenance, and repair forces, and they are as independent as if they belonged to separate nations. Unity would save lots of money.

ON THE RIGHT TRACK

Speaker GARNER and his associates are on the right track in getting rid of boards and commissions and securing economy by uniting departments. If well done it will save millions and promote efficiency. The chief thing that stands in the way is that up to date Congress has done nothing to reduce its own expenses or compensation. Reforms must begin with themselves.

LONG, WOODEN, AND NARROW

Of course, like all Presidents, Mr. Wilson upon occasion did appoint boards and commissions, particularly during the war. But in times of peace he uttered a phrase which Speaker GARNER and the other Congressmen might well use in the reform they are now engaged in bringing about. A member of the Cabinet suggested that a board be appointed for a certain purpose. Mr. Wilson said, "No. My experience is that all boards are long, wooden, and narrow."

The VICE PRESIDENT. The bill is before the Senate and open to further amendment.

Mr. CONNALLY. Mr. President, I offer the following amendment.

The VICE PRESIDENT. The Senator from Texas proposes an amendment, which will be reported.

The LEGISLATIVE CLERK. On page 26, line 13, the Senator from Texas proposes to strike out "$422,950" and insert "$432,950," so as to read:

Diseases of animals: For all necessary expenses for scientific investigations of diseases of animals, including the construction of necessary buildings at Beltsville, Md., the maintenance and improvement of the bureau experiment station at Bethesda, Md., and the necessary alterations of buildings thereon, and the necessary expenses for investigations of tuberculin, serums, antitoxins, and analogous products, $432,950: *Provided*, That of said sum $100,000 may be used for researches concerning the cause, modes of spread, and methods of treatment and prevention of the disease of contagious abortion of animals.

Mr. CONNALLY. Mr. President, I congratulate the Senate on its wisdom in adhering to the appropriations for the destruction of pests which endanger agriculture and livestock. The Department of Agriculture has been making investigations with reference to a poisonous plant which is very prevalent in a number of States, called bitterweed. On account of the drought over a very large area in the last few years, the spread of this poisonous plant has been very decided. The department testifies that drought favors it. Sheep die when they eat bitterweed. In my State thousands upon thousands of sheep have been killed within the past two years. I quote briefly from the testimony of a representative of the Department of Agriculture before the House Appropriations Committee. Doctor Mohler, chief of the bureau, there testified:

The bitterweed situation is most acute over an area of 4,000,000 acres, more than one-third of which, as a result of drought and overgrazing is almost completely taken with the bitterweed. The losses resulting from the plant probably aggregate several hundred thousand dollars annually and both the area involved and the total financial loss will increase unless some method for its control is found.

The bureau has already made: (1) Preliminary studies of the effects of the plant on domestic animals, (2) a general survey of the infested area, and (3) has started a chemical study of the plant.

I shall not quote more of the testimony. The bureau asked the Department of Agriculture for an allocation for this work, but on account of the pressure it was not included in the appropriation bill as it passed the House. The department wants the money. My own State has established, at public expense, a laboratory and maintains a staff for the study of such problems. This small appropriation of $10,000 is merely provided to carry on the cooperative work with the States.

Mr. MCNARY. Mr. President, I am willing to submit the item to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

Mr. BROOKHART. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. Let the amendment be reported for the information of the Senate.

The LEGISLATIVE CLERK. On page 65, line 5, strike out "$100,000,000" and in lieu thereof insert "$125,000,000," so as to read:

FEDERAL-AID HIGHWAY SYSTEM

For carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916 (39 Stat., pp. 355–359), and all acts amendatory thereof and supplementary thereto, to be expended in accordance with the provisions of said act, as amended, including not to exceed $733,100 for departmental personal services in the District of Columbia, $125,000,000, to be immediately available and to remain available until expended—

And so forth.

Mr. BROOKHART. Mr. President, I offer this amendment increasing the appropriation for roads in the amount of $125,000,000 in the interest of tax reduction. The tax-reduction argument that goes on in the Senate does not ever explain how taxes are to be reduced. I want to reduce the taxes of the States. The States are now paying three-fourths of governmental expenses in the United States. The Federal expenses are only about one-fourth. Upon the road question we started in the beginning with a proposal from the Federal Government that it would pay 50-50 in the building of hard-surfaced roads. We started out upon that basis. But we had not gone very far until the big taxpayers of the United States who pay the Federal taxes objected to the program.

How many of those taxpayers are there? There are about 2,500,000 of them in the United States who pay income taxes. I do not claim that my amendment will reduce their taxes. It will increase their taxes by $25,000,000. But there are 120,000,000 other folks in the United States, and it will reduce their taxes by that same amount of $25,000,000. I am interested in reducing the taxes of the 120,000,000 rather than the 2,500,000. In my own State, out of the 2,500,000 people in the whole State, there are only 27,000 whose taxes will be increased by this amendment. The taxes of the others will be decreased.

As I said, the Government started on this road proposition to pay fifty-fifty of the cost of hard-road construction. After we had proceeded a little while the big taxpayers, this small number I have mentioned, the 2,500,000 in the country, the 27,000 in my own State, organized road-booster associations. Those booster associations boosted for gasoline taxes and county bonds and State bonds and things of that kind until they enormously increased the taxes and the expenses on the people generally in all the States. The result was an enormous increase in those expenses for the States, but no increase in Federal expenses. They never came to Congress and asked an increased Federal appropriation so the Federal Government would keep up its 50 per cent of the road construction.

I want to put in the RECORD a reference to two tables that show this to be the fact. They were presented day before yesterday by Mr. MacDonald, of the Bureau of Public Roads, to the Interstate Commerce Committee. On page 11 of his statement is a showing that since 1921 and up to 1929 the States expended for highways $6,084,000,000. That was for primary hard roads only. That does not include nearly $6,000,000,000 for secondary roads. Those primary roads were all post roads; they were all military roads; they were all interstate roads; and even some of the secondary roads were used for those purposes. The Federal Government contributed nothing to those secondary roads and contributed only $728,000,000 out of the $6,084,000,000 to the primary roads. In other words, from 1921 to 1929 the Federal Government paid only 13.9 per cent of the hard-road construction cost in the United States. The Federal Government, which started out to pay 50 per cent and keep down the State taxes accordingly, fell away from its duty and paid only 13.9 per cent.

On page 12 of this statement is another table showing the State highway funds available for expenditure in 1930. These were the latest figures presented. I find that the total expenditure is $1,136,000,000, which the States spent on hard roads only, and almost that much more on secondary

roads. How much will the Federal Government contribute to this $1,136,000,000? It will be only $92,000,000, or 8.1 per cent. That is the way the Federal Government is keeping up its 50 per cent share of the hard-road construction cost. The road-booster associations have fooled the country and fooled the Congress about this matter.

Senators talk about the reduction of taxes, when in fact they are increasing the taxes on their people at home, and increasing them enormously, because three-fourths of all the taxes of the country are State and local taxes and only one-fourth of them national taxes. The gross income of the country was $54,000,000,000 in 1931. Practically all of the net income went to the 2,500,000 big taxpayers in the United States who pay the Federal income taxes. The people at large in the United States paid no income tax to the Federal Government, because they had no income in 1930.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. BROOKHART. I yield.

Mr. McKELLAR. If the Senator's amendment is adopted it will mean that the States will have to tax themselves at least $25,000,000 additional. I imagine the Senator knows that a bill has passed the House already, and has been reported favorably by the Committee on Post Offices and Post Roads of the Senate, providing for the appropriation of about $137,000,000, which will not require the States to put up a like amount. It seems to me the Senator could accomplish what he wants by voting for that bill rather than by offering an amendment to the pending bill which will require the States to put up a like sum.

Mr. BROOKHART. Mr. President, if my amendment is adopted I shall certainly then move an amendment that will waive that provision requiring the States to put up $25,000,000 to match it. The Federal Government paid only 8.1 per cent of the road construction cost in 1930. Therefore that requirement ought to be waived, and that will be done if we adopt the policy which I am here announcing.

With reference to the bill which the Senator from Tennessee mentioned, I have not examined it in detail as yet, but as I understand it provides a loan to the States. While they do not have to put up the money now, yet in a few years it will be deducted from the Federal road allowance. I ask the Senator from Tennessee if that is not correct?

Mr. McKELLAR. The bill provides that $120,000,000 shall go to the States and that they shall not be required to match it.

Mr. BROOKHART. I have not examined that bill, but I understand that ultimately the amount would be deducted from the Federal aid to the States, making it a sort of loan. Is not that correct?

Mr. McKELLAR. Yes.

Mr. ROBINSON of Arkansas. Yes; that is correct.

Mr. BROOKHART. Then I am against the bill.

Here is an expenditure of $1,136,000,000 on hard roads. The Federal Government, under the policy which it itself inaugurated, owes half of that to the States. It is only appropriating $100,000,000 in the pending bill, and then under another bill there is proposed a loan of $135,000,000 more. The Federal Government ought to pay $550,000,000 and more, on road-construction work in order to keep its pledge, and not only to keep its pledge but to pay what it owes on the merits of the proposition.

Every one of these roads is an interstate road carrying an enormous volume of interstate business, a volume even heavier perhaps than the intrastate business; every one of these roads is a post road; every one of these roads is a military road; and so their construction and operation involve Federal functions; and yet the Congress has allowed a lot of road boosters to go out and boost the taxes on their neighbors at home, to boost the taxes on the men who elected them to the House and to the Senate, and then they come to the floor of Congress and talk about reducing taxes, when that reduction is for the two and a half million big-income earners of the country and not upon the people who elected them.

Mr. President, I ask unanimous consent to insert in the RECORD at this point the two tables which I mentioned, because I desire serious consideration of this proposition by the Senate. I think it has been overlooked; I think we ought to give it real consideration before the present session shall end.

The VICE PRESIDENT. Without objection, the tables will be printed in the RECORD.

The tables referred to are as follows:

Expenditures for State highways, 1921–1929

	Amount	Per cent
a. General property taxes, direct appropriations, and miscellaneous	$808, 416, 433	15.5
b. Federal aid	728, 531, 941	13.9
c. Motor taxes	3, 677, 503, 633	70.5
Total taxes	5, 214, 452, 007	100
d. Bonds	870, 344, 537	
Total available for expenditure	6, 084, 796, 544	

State-highway funds available for expenditure, 1930

	Amount	Percentage of current income	Percentage of total funds available for expenditure
1. State tax and appropriation from State treasury	$43, 317, 991	4.7	3.8
2. Special motor taxes: a. Motor-vehicle fees, $289,801,738—41.3 per cent; b. Gas tax, $411,109,446—58.7 per cent	700, 911, 184	76.7	61.7
3. Miscellaneous income	17, 083, 821	1.9	1.5
4. Federal aid	92, 462, 836	10.1	8.1
5. Transfers from local units	60, 609, 297	6.6	5.3
Total current income	914, 385, 129	100.0	
6. Bonds	222, 288, 308		19.6
Total funds available for expenditure	1, 136, 673, 437		100.0

Mr. McNARY. Mr. President, I have always been one of those who advocated proper contributions by the Federal Government in aid of the highway system in cooperation with the States; and I regret that I feel impelled to oppose the amendment offered by the Senator from Iowa.

Mr. President, the current law appropriates $125,000,000 for Federal aid in the construction of highways. When the Director of the Budget considered the item this year he made a deduction of $16,000,000 on account of an $80,000,000 advance made to the States in 1930. That advance was made upon a 5-year program of reimbursement. Hence the $16,000,000 necessarily deducted from the $125,000,000 in the current law left $109,000,000, and the House committee, after considering the item, further reduced it $9,000,000 below the Budget estimate, making available $100,000,000. That was approved by the Senate committee and is now in the bill. That is the situation as it affects the Federal contribution to the highway system.

If the Senator from Iowa desires to go further in this matter, it will be proper for him when the bill calling for an appropriation of $135,000,000 is reached on the calendar to propose an amendment to that bill. The Committee on Post Offices and Post Roads of the Senate recently considered a bill which was passed by the House more than a week ago providing for this large sum. That bill is now on the Senate calendar. It is a legislative proposal in the nature of an authorization. It should stand on its own merits. The amount proposed is reimbursable to the Government, as in the case of the advance of $80,000,000 made in 1930. It is quite dissimilar, Mr. President, to the appropriation carried in this bill, which is a contribution outright to the States. Therefore it is impossible to confuse the two different measures.

The Senator will have his opportunity to present squarely the matter which he now seeks to present by this amend-

ment. So, for that reason, Mr. President, and in view of the fact that the amendment proposes to appropriate an amount in excess of the estimate of the Budget and does not come with the recommendation of a standing or select committee, I invoke the rule and make the point of order against it.

Mr. BROOKHART. Mr. President, perhaps the suggestion of the Senator from Oregon is well made, and it may be more appropriate to present an amendment such as this to the bill to which he has referred.

The VICE PRESIDENT. The Chair sustains the point of order made by the Senator from Oregon. If there be no further amendments, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. McNARY. I ask unanimous consent that the Secretary be permitted to make all necessary corrections, and I desire to offer one further amendment.

The VICE PRESIDENT. Without objection, the Secretary is authorized to make the necessary corrections.

The amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 12, line 2, it is proposed to strike out "Alaska, Hawaii, Porto Rico, and the Island of Guam" and to insert in lieu thereof "Hawaii and Porto Rico."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The bill is still before the Senate and open to amendment. If there be no further amendment, the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. I move that the Senate proceed to the consideration of House bill 8397, being the Interior Department appropriation bill.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. SMOOT. I ask unanimous consent that the formal reading of the bill may be dispensed with, and that it be read for amendment, the committee amendments to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The legislative clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the subhead "Contingent expenses, Department of the Interior," on page 4, line 3, after the word "of," to strike out "one" and insert "two," and in the same line, after the words "passenger carrying," to strike out "vehicle" and insert "vehicles," so as to read:

For contingent expenses of the office of the Secretary and the bureaus and offices of the department; furniture, carpets, ice, lumber, hardware, dry goods, advertising, telegraphing, telephone service, including personal services of temporary or emergency telephone operators; street-car fares for use of messengers not exceeding $150; expressage, diagrams, awnings, filing devices, typewriters, adding and addressing machines and other labor-saving devices, including the repair, exchange, and maintenance thereof; constructing model and other cases and furniture; postage stamps to prepay postage on foreign mail and for special-delivery and air mail stamps for use in the United States; traveling expenses, including necessary expenses of inspectors; fuel and light; examination of estimates for appropriations in the field for any bureau, office, or service of the department; not exceeding $500 shall be available for the payment of damages caused to private property by department motor vehicles; purchase and exchange of motor trucks, motor cycles, and bicycles, maintenance, repair, and operation of two motor-propelled passenger-carrying vehicles and motor trucks, motor cycles, and bicycles to be used only for official purposes.

The amendment was agreed to.

The next amendment was, on page 5, line 13, after the name "Office of Education," to strike out "$2,000" and insert "$1,800," and in line 14, after the name "Bureau of Reclamation," to strike out "$2,000" and insert "$1,800," so as to make the paragraph read:

For the purchase or exchange of professional and scientific books, law and medical books, and books to complete broken sets, periodicals, directories, and other books of reference relating to the business of the department, $500, and in addition there is hereby made available from any appropriations made for any bureau or office of the department not to exceed the following respective sums: Indian Service, $500; Office of Education, $1,800; Bureau of Reclamation, $1,800; Geological Survey, $3,000; National Park Service, $1,000; General Land Office, $500.

The amendment was agreed to.

The next amendment was, under the subhead "Expenses of Indian commissioners," on page 6, line 3, before the word "of," to strike out "$14,100" and insert "$11,800," and in the same line, after the word "exceed," to strike out "$9,000" and insert "$6,700," so as to read:

For expenses of the Board of Indian Commissioners, $11,800, of which amount not to exceed $6,700 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "General Land Office, general expenses," on page 7, line 11, after the name "Secretary of the Interior," to strike out "$500,000" and insert "$600,000," so as to read:

Surveying of public lands: For surveys and resurveys of public lands, examination of surveys heretofore made and reported to be defective or fraudulent, inspecting mineral deposits, coal fields, and timber districts, making fragmentary surveys, and such other surveys or examinations as may be required for identification of lands for purposes of evidence in any suit or proceeding in behalf of the United States, under the supervision of the Commissioner of the General Land Office and direction of the Secretary of the Interior, $600,000, including not to exceed $7,000 for the purchase, exchange, operation, and maintenance of motor-propelled passenger-carrying vehicles.

The amendment was agreed to.

The next amendment was, on page 9, line 8, after the word "hereunder," to strike out "$450,000" and insert "$465,000," so as to read:

Depredations on public timber, protecting public lands, and settlement of claims for swamp land and swamp-land indemnity: For protecting timber on the public lands, and for the more efficient execution of the law and rules relating to the cutting thereof; protecting public lands from illegal and fraudulent entry or appropriation, adjusting claims for swamp lands and indemnity for swamp lands; and traveling expenses of agents and others employed hereunder, $465,000, including not exceeding $35,000 for the purchase, exchange, operation, and maintenance of motor-propelled passenger-carrying vehicles and motor boats for the use of agents and others employed in the field service and including $60,000 for prevention and fighting of forest and other fires on the public lands, to be available for this and no other purpose, and to be expended under the direction of the commissioner.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Indian Affairs, general expenses," on page 10, line 20, after the word "supplies," to strike out "$650,000" and insert "$700,000," so as to read:

For expenses necessary to the purchase of goods and supplies for the Indian Service, including inspection, pay of necessary employees, and all other expenses connected therewith, including advertising, storage, and transportation of Indian goods and supplies, $700,000: *Provided*, That no part of this appropriation shall be used in payment for any services except bill therefor is rendered within one year from the time the service is performed.

The amendment was agreed to.

The next amendment was, under the subhead "Indian Lands," on page 15, line 19, after the words "sum of," to strike out "$112,435.33" and insert "$167,937.35," and in line 23, after the figures "$13,130.56," to insert a semicolon and "Nambe, supplemental, $1.40; San Ildefonso, supplemental, $73.27; Laguna, $33,566.47, which may be expended for the purchase of land, irrigation, drainage, and other improvements, and the purchase of equipment for the benefit of the Laguna Pueblo Indians; San Felipe, supplemental, $21,860.88, which, together with the unexpended balance of the original award for this pueblo, may be expended for the purchase of land, irrigation, drainage, and other improve-

ments, and the purchase of equipment for the benefit of the San Felipe Pueblo Indians," so as to read:

For carrying out the provisions of the act of June 7, 1924 (43 Stat. 636), to quiet title in Pueblo Indian lands, New Mexico, and in settlement for damages for lands and water rights lost to the Indians of the pueblos as recommended in the respective reports of the Pueblo Lands Board thereon, the sum of $167,937.35, as follows:

Santa Clara, supplemental, $27,154.87; Picuris, supplemental, $15,625.69; Pojoaque, $51,679.79; Pojoaque, supplemental, $4,844.42; Cochiti, supplemental, $13,130.56; Nambe, supplemental, $1.40; San Ildefonso, supplemental, $73.27; Laguna, $33,566.47, which may be expended for the purchase of land, irrigation, drainage, and other improvements, and the purchase of equipment for the benefit of the Laguna Pueblo Indians; San Felipe, supplemental, $21,860.88, which, together with the unexpended balance of the original award for this pueblo, may be expended for the purchase of land, irrigation, drainage, and other improvements, and the purchase of equipment for the benefit of the San Felipe Pueblo Indians.

The amendment was agreed to.

The next amendment was, under the subhead "Industrial assistance and advancement," on page 20, line 5, after the word "purposes," to strike out "$75,000" and insert "$95,000," so as to read:

For transfer to the Geological Survey for expenditures to be made in inspecting mines and examining mineral deposits on Indian lands and in supervising mining operations on restricted, tribal, and allotted Indian lands leased under the provisions of the acts of February 28, 1891 (26 Stat. 795), May 27, 1908 (35 Stat. 312), March 3, 1909 (U. S. C., title 25, sec. 396), and other acts authorizing the leasing of such lands for mining purposes, $95,000.

Mr. ROBINSON of Arkansas. What is the occasion for that increase in the appropriation?

Mr. SMOOT. This item is to provide—

For transfer to the Geological Survey for expenditures to be made in inspecting mines and examining mineral deposits on Indian lands—

And so forth.

I can read a justification of it quicker than I can explain the item in detail.

Mr. ROBINSON of Arkansas. Very well.

Mr. SMOOT. I read as follows:

The Budget estimate was in the same amount as the 1932 appropriation. A reduction of $20,000 for 1933 will affect adversely the royalty income of the Indians by an amount estimated by the Geological Survey at not less than $50,000. An increase in waste of oil and gas resources on Indian lands amounting to several hundred thousand dollars will also result.

Mr. ROBINSON of Arkansas. Mr. President, that is an interesting statement, but it is merely a declaration of fact; it does not seem to me to be conclusive of the argument at all. I do not know whether the increase of $25,000 carried in this item is indispensable to the proper administration of the service, but it is noted that the Senate committee raised the appropriation, "For transfer to the Geological Survey for expenditures to be made in inspecting mines and examining mineral deposits on Indian lands and in supervising mining operations on restricted, tribal, and allotted Indian land leased under the provisions of the acts of February 28, 1891, * * * and other acts authorizing the leasing of such lands for mining purposes," from $75,000 to $95,000.

The sum of $75,000 was carried in the bill when it came to the Senate; the Senate committee has increased the appropriation to $95,000; and the statement is made that the failure to include the $95,000 necessarily will result in the loss of large sums to the Indians.

I think the justification ought to be in more detail and that there ought to be some facts stated that will enable the Senate to reach a conclusion as to whether or not this $95,000 item is necessary.

Mr. SMOOT. Mr. President, this is the testimony that was adduced before the committee regarding this item:

Mr. DODD. The next item is on page 19, line 18.

This is an item that deals with the supervision of mining operations on leased Indian lands.

Senator THOMAS. In what States?

Mr. DODD. That is carried on in——

Senator THOMAS. Just from memory.

Mr. DODD. In Oklahoma, Montana, Wyoming, Arizona, Colorado, New Mexico, and Utah.

Senator THOMAS. Just what does the survey accomplish under this appropriation?

Mr. DODD. In Oklahoma and Wyoming that would cover oil and gas principally.

Senator THOMAS. Arizona?

Mr. DODD. Arizona would be coal principally.

Senator THOMAS. Colorado?

Mr. DODD. Colorado would be coal.

Senator THOMAS. New Mexico?

Mr. DODD. In New Mexico there would be coal and oil and gas.

Senator THOMAS. Do you have any copper on Indian lands in any of these States?

Mr. DODD. There is copper in Arizona, though I do not believe that is on Indian land. This appropriation applies to other minerals that may be involved.

Lead and zinc on the Quapaw in Oklahoma; oil and gas in Oklahoma, among the Five Civilized Tribes, the Kiowa, Comanche, and Apache Reservations, and the Cheyenne and Arapahoe Agency.

Senator SMOOT. You think, then, that $95,000 is absolutely necessary?

Mr. DODD. The $95,000 is the lowest possible minimum on which we can operate that service. If that amount is not allowed it will result in very heavy losses to Indians, based on the statement from the Geological Survey. They tell us that the losses would be no less than $50,000 in royalty income, and a loss of several hundred thousand will result in the actual wastage of oil and gas and other mineral resources.

Then the witness goes on to the next item.

Mr. ROBINSON of Arkansas. Unquestionably the representative of the department took the position that $95,000 is the necessary amount. However, it may be pointed out that $75,000 was authorized by the bill as it passed the House of Representatives, and it does not seem to me that the mere statement that loss will result if the exact amount of $95,000 is not appropriated is anything more than a conclusion.

Mr. SMOOT. A similar amount, $95,000, was appropriated the year before.

Mr. ROBINSON of Arkansas. And therefore, never so long as time runs, can they get along with less.

Mr. SMOOT. No.

Mr. ROBINSON of Arkansas. I am not going to raise further objection. Of course, the amendment will go to conference, and I presume the conferees will work it out, but there will be found just exactly the same kind of a justification for every estimate that is submitted, and it is impossible to reduce the Budget if we accept as conclusive the statements of employees or officers of the department that the exact amounts asked for are required and are indispensable.

Mr. SMOOT. In my opinion, the sum of $95,000 will save to the Indians more than the $20,000 increase which the Senate committee has recommended in the appropriation over that contained in the House bill. The committee has only given the bureau what was provided last year, and this work is going on all the time.

Mr. ROBINSON of Arkansas. Did the committee look into the details of the work done last year under that heading?

Mr. SMOOT. I can give the Senator in just a moment what they are.

There were expenditures as follows: Billings, Mont., $230; Casper, Wyo., $4,270; Denver, Colo., $2,690; Salt Lake City, Utah, $440; McAlester, Okla., $8,620; Miami, Okla., $12,570; Muskogee, Okla., $50,940; purchase of automobiles, $1,060; Washington contingent, $11,080.

Those were the expenditures for the last year from this appropriation.

Mr. KING. Mr. President, I am going to ask my colleague to pass over the item until to-morrow morning. I should like to look into it and make a further investigation in regard to some of the alleged expenditures in Oklahoma. The Senator from Oklahoma [Mr. THOMAS] is not here at the moment.

Mr. SMOOT. I am quite sure, so far as the Senator from Oklahoma is concerned, that he agreed to the amendment. I will say to my colleague that he was a member of the subcommittee.

Mr. KING. I think it will not delay the proceedings if my colleague will let the matter go over. I shall investigate it this evening, and if I find that it is satisfactory I

shall consent to take it up the first thing to-morrow morning.

Mr. SMOOT. I call my colleague's attention to page 278 of the House hearings, where every detail of the expenditure of the money is given, and the reasons for the increase in the House appropriation are given.

Mr. HARRISON. Mr. President, may I ask the Senator from Utah a question?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. Yes.

Mr. HARRISON. Of course, those of us who are not on the Appropriations Committee find it impossible to know what goes on with reference to all these items. We just have to accept the bill as it comes to the floor of the Senate; and then, if we have the time and can do it, the fight is waged here.

Some of us very strongly hoped that some of these appropriations might be cut down at this time. We have talked about doing it, and I know that the sentiments of the Senator from Utah have been along that line. I have heard him speak on the subject, and I know that he feels that way about the matter; that is to say, I feel that he feels that way about it.

Mr. SMOOT. I assure the Senator that I do.

Mr. HARRISON. But the thing that bothers me is this: Here is the Interior Department appropriation bill. The Senator, I presume, is chairman of the subcommittee having this matter in charge.

Mr. SMOOT. Yes; I am.

Mr. HARRISON. I notice in the report that the bill as it passed the House of Representatives carried a total appropriation of $50,446,000, and that the Senate committee has put on items here and there and everywhere until it has added to the bill that passed the House $4,424,000, and that the bill as reported to the Senate carries the amazing total of $54,870,754.

It is inconceivable to me that the Senator from Utah should favor all of these increases. He has been trying to retrench, because he will have to handle here shortly a tax bill carrying an annual increase in taxation of $1,100,000,000; and he appreciates the enormous task that is going to rest upon his shoulders then. The Senator certainly was not for all of these increases.

Mr. SMOOT. Mr. President, I want to tell the Senator just what the items are, and then I will explain to him exactly why they went in.

Two million dollars of the increase was for the Boulder Canyon project. The House appropriated $8,000,000 for that purpose; and Doctor Mead came before the committee and stated that at least $4,000,000 over and above what we reported would have to be appropriated before the end of this year, and it would be carried in the deficiency appropriation bill. What I wanted was to carry just what the House had in the bill, $8,000,000; but the estimate was for $10,000,000, and the committee thought they might just as well give the $10,000,000, because then the next appropriation bill would have to carry only $6,000,000 instead of $8,000,000. It will not make a cent of difference in the appropriations in the end, before this session is over.

Mr. HARRISON. Mr. President, I want largely to follow the Senator. The Senator believes that we can cut that amount from the House appropriation, does he?

Mr. SMOOT. I believe that that could be done and nobody at all would be hurt, and so does Doctor Mead think so; but I desire also to say that if the amount is cut out here it will have to be included in the deficiency appropriation bill, because contracts have been let upon Boulder Dam to take the full amount of $16,000,000. It is a question of either putting it in the regular bill here or including $2,000,000 more in the deficiency bill; and I thought the House acted wisely in making the amount $8,000,000, because our deficiency bill will be passed before the $8,000,000 can be expended.

Mr. HARRISON. Of course, we ought to save every cent we can with a view to avoiding unnecessary taxation in the forthcoming tax bill.

Mr. SMOOT. I want to say to the Senator that if we were going to save a single dollar by failing to increase this item, I never would have consented to its increase.

Mr. HARRISON. I understand that the Senator did not consent to it. He fought it; he opposed it; but the others overpowered him, I imagine. The Senator does not want to say that. He is modest; but I imagine that is the picture.

Mr. SMOOT. The committee voted to put in the amount. I think I have stated the situation, and I think the Senator from Nevada [Mr. ODDIE] will corroborate me.

Mr. ODDIE. Mr. President, I had much to do with having the $10,000,000 restored. I offered the amendment which provided for it, and had a contest in regard to it in the committee.

Mr. SMOOT. And a little feeling.

Mr. ODDIE. I requested certain information from the manager of the Six Companies, which has the contract, which is to the effect that if this sum of $8,000,000 is carried in the bill it will mean throwing out of employment half of the men working at Boulder Canyon Dam, virtually 1,500 men, 35 per cent of whom are ex-service men.

Mr. President, we have seen deficiency bills fall by the wayside. We can not guarantee that the House will include the additional sums which are necessary in the deficiency bill. I believe that the proper place for this item is in the regular appropriation bill, where it can be fought out, and where the cards can be put squarely on the table. It is better to face the issue to-day in a square way than to leave it to some hypothetical consideration in a deficiency bill. I think it is most important that this $10,000,000 item be retained in the bill. It will at least insure that part of the money that will be needed will be provided.

Mr. KING. Mr. President, may I make an inquiry of my friend?

Mr. ODDIE. Yes.

Mr. KING. The Senator referred to contracts which had been made. Do those contracts call for the payment to the contractors of $10,000,000 before the adjournment of Congress? Indeed, is there any obligation upon the part of the Government to pay in excess of $8,000,000 between now and the time when Congress will meet in December?

Mr. ODDIE. The work is paid for on a basis worked out between the Interior Department and the contractors. The work done each month is measured up, and the payment is made on a certain schedule. If only $8,000,000 is retained in the bill, it will mean that the contractors will soon find themselves without money and will have to slow down on the work. The representative of the Department of the Interior, Doctor Mead, stated that if this amount of $10,000,000 is put in the bill the department can make its plans with more security and more ease of mind. It will be assured that enough money will be provided to carry on the work for a short time.

Mr. SMOOT. Mr. President, I repeat that what is done in this respect does not make one cent of difference as to the appropriations that will ultimately be made within this Congress.

The next item is the Vale project, Oregon; continuation of construction, $674,000. That is to complete the Vale project. The two Senators from Oregon came before the subcommittee. If the appropriation is not made, it will delay the completion of that project for a full year. It was so stated by officials of the department, and we put in the amount. I do not know why the House did not do it. There are settlers upon that project now waiting for this work to be done; and if this amount will complete it, the project will be ready for settlers to carry on their farming this very year. Without it, they can not do so. Therefore the Appropriations Committee thought it was better to appropriate the amount and let the project be finished.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. Yes.

Mr. KING. My colleague stated, as I understood him, that there are farmers or settlers there.

Mr. SMOOT. Settlers.

Mr. KING. I understood that this appropriation was for the construction of the dam, and I was curious to know——

Mr. SMOOT. This is for the continuation of construction of the Vale project. There is a dam in connection with it; but I think, and I am quite sure the Senator from Oregon will corroborate me, that the greater part of the dam is finished, and this is to provide the laterals that must be constructed before the settlers can even use the land.

Mr. KING. This is not the Boulder Dam project?

Mr. SMOOT. Oh, no; this is in Oregon. It is one of the reclamation projects that we have on foot, and this is to complete it.

Mr. SMITH. Mr. President, do I understand that if the amount that the Senate committee has recommended should be added to the appropriation, it will complete the Oregon project?

Mr. SMOOT. It will complete that project.

Mr. SMITH. That will end it so far as appropriations are concerned?

Mr. SMOOT. That will end it.

Mr. KING. Mr. President, let me ask my colleague one other question. Is it a fact that there is an irrigation project in Oregon the completion of which will cost $10,000,000 more?

Mr. SMOOT. Congress has not acted upon that at all. There is talk of a project there that will cost a great deal more than that; but that is not in this bill at all.

Mr. KING. What is this $10,000,000 for?

Mr. SMOOT. Does the Senator refer to the $674,000? There is not a cent of appropriation for that purpose. This is for the Vale project, which is virtually completed. Many of the settlers are there now; and with this appropriation that project will be completed, so that the settlers there can make a crop this year.

The other item, Mr. President, is the Yakima project in Washington; continuation of construction, $500,000.

Mr. HARRISON. Mr. President, let me ask the Senator a question in that connection. There are two of these projects. One is in Oregon and the other is in Washington?

Mr. SMOOT. That is right.

Mr. HARRISON. Which one has been started?

Mr. SMOOT. Both of them have been started. In fact, both of them are very nearly completed.

Mr. HARRISON. Which one is the more nearly completed?

Mr. SMOOT. I think the Vale project is, perhaps.

Mr. HARRISON. How much was appropriated last year for the Oregon project?

Mr. SMOOT. I think $150,000, as I remember.

Mr. HARRISON. One hundred and fifty thousand dollars last year, and how much the year before?

Mr. SMOOT. Perhaps a little more than that, or around that sum, Mr. President.

Mr. HARRISON. Why did it take $150,000 last year and about that amount the year before, while this year it takes six hundred and seventy-odd thousand dollars?

Mr. SMOOT. The amount involved here is $500,000. This is the Yakima project.

Mr. HARRISON. I understood the Senator to say that $674,000 is required.

Mr. SMOOT. That is for the Vale project, in Oregon.

Mr. HARRISON. That is what I mean. In the case of a project which last year took just $150,000 and the year before that about $150,000, does the Senator think that at this particular time, when things are so depressed and money is so hard to get and it is so hard to pay taxes and we have such a difficult job ahead of us, we should be asked to appropriate $674,000?

Mr. SMOOT. Mr President, we shall have to appropriate this money. This is to be paid back, of course.

Mr. HARRISON. Does not the Senator think it would be better to let it go over for a year?

Mr. SMOOT. No; if this amount will complete the project, I think it would not only be a good thing for the people of Washington and Oregon, but it would give men employment there at this particular time, and not only that but it would provide water for the settlers who are ready now to make their homes on the project.

Mr. HARRISON. The same argument could be applied to every authorization which has been made by Congress to do a piece of public work. There are innumerable authorizations. If the argument which the Senator has made is good, then we ought to appropriate to carry out every authorization by law.

Mr. SMOOT. I want to call the Senator's attention to the fact that this money is to come out of the reclamation fund. That fund now contains the money to pay it. Of course, it is true that the Government of the United States will have to raise it, but it is to come out of that fund.

Mr. HARRISON. Have we not been putting off, giving the people on reclamation projects a longer time to pay back the money advanced by the Government?

Mr. SMOOT. This project is not completed. In my own State there is the Strawberry project, which has been completed for a long time. In fact, I suppose the people on that project have made about 15 payments.

Mr. HARRISON. Then we pass a law giving them more time. In other words, after we appropriate the money and the project is completed, then we are going to give them more time to pay the money back.

Mr. SMOOT. This is to come from the reclamation fund. This is not money belonging to the Treasury of the United States.

Mr. HARRISON. But the Senator realizes that in balancing the Budget, if this item goes on one side of the ledger, we have to balance it with some taxes.

Mr. SMOOT. Of course, a bank has so much in deposits, and if a dollar is taken out of the deposits the responsibility of the bank is just that much less. So it is in the case of these two projects.

Mr. HARRISON. Was the Senate committee unanimous in regard to this Vale project?

Mr. SMOOT. I think they were.

Mr. HARRISON. They all voted for it?

Mr. SMOOT. They all voted for it.

Mr. HARRISON. And they all voted for the Washington project?

Mr. SMOOT. They did.

Mr. HARRISON. There was no division at all?

Mr. SMOOT. None whatever.

Mr. HARRISON. Even though the House thought they should not make this appropriation at this time, the Senate Committee on Appropriations, without respect to its membership, all voted for it. I suppose they looked into the benign countenance of the chairman of the Committee on Appropriations, the Senator from Washington [Mr. JONES], and said they could not oppose it.

Mr. McKELLAR. Mr. President, I think the Senator from Utah will do me the justice of saying that I was not present when this bill was reported. I was necessarily absent in Tennessee. I want to say that if I had been present I would have voted against this amendment in the committee, and I will vote against it now. There is no misunderstanding about it.

Mr. SMOOT. There is no misunderstanding on the part of the members of the committee. We know the Senator's attitude.

Mr. HARRISON. What amendment is now pending?

The PRESIDENT pro tempore. The amendment on page 20, line 4.

Mr. HARRISON. Is that the Oregon proposition?

The PRESIDENT pro tempore. It is not.

Mr. SMOOT. This relates to the Indian Bureau. It is another matter.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the committee was on page 20, line 12, where the committee proposed to strike out "$382,000" and to insert in lieu thereof "$407,000."

Mr. ROBINSON of Arkansas. That is an increase of $25,000. I think the reason for the increase should be stated.

Mr. SMOOT. I will state it, Mr. President. This is what the department says:

Five years ago we obtained an initial appropriation of $25,000 for the purpose of obtaining agricultural employees of the extension type to do work on Indian reservations. Successive increases of $25,000 have been granted, and we have proceeded on the assumption that these increases would be requested each successive year until such time as we have an agricultural extension agent on each Indian reservation where conditions warrant such employment or in the case of two or more small reservations, one agent for the combined work. Large expenditures are being made in carrying forward the educational and health programs among the Indians, but the program for development of the Indian in the home has not until the last two or three years received any special attention. We are frequently called upon to provide subsistence supplies for able-bodied Indians who have allotments of land but make no effort to produce even subsistence crops therefrom. Until such time as we educate the Indians to utilize their allotments for the purpose of raising subsistence in quantities sufficient to supply the needs of their families, the charge against the Federal Treasury for aid to Indians is going to be heavy. The reduction in this item postpones the placing of extension agents on other reservations where they are sorely needed at this time and likewise delays the time when Indians of these reservations will begin to utilize their own lands to better advantage. We urgently recommend that this $25,000 be restored.

Mr. ROBINSON of Arkansas. Mr. President, it appears that five years ago this item began with an appropriation of $25,000 and now it has been augmented to $382,000 in the bill as it passed the House, and was raised by the Senate committee to $407,000.

I am wondering in all sincerity whether it is possible, once an expenditure has ever been incurred, once an organization is ever established, to limit or to reduce it. Of course, in the abstract, one can justify very large expenditures for purposes like that comprehended in this paragraph. We are being beseiged daily now for appropriations for new purposes running into the hundreds of millions of dollars, and almost every one of the causes for appropriations suggested is in itself meritorious.

If the Senate committee and the Senate wish to pursue the policy of expanding and enlarging these appropriations for which there is argument, appropriations which may very properly be expended in time of abundance of revenues, I do not see how we are ever to accomplish the balancing of the Budget.

Mr. SMOOT. Mr. President, the $25,000 is to provide extension agents on other reservations. There is no question about the fact that the money which has already been expended for these agents, who have helped the Indians, who have taught them how to cultivate their lands and to look after their interests, has been a wise expenditure.

Mr. ROBINSON of Arkansas. I just made the statement that in my judgment the purposes of the appropriation are valid and commendable, but how much was expended for this same purpose last year?

Mr. SMOOT. Three hundred and eighty-two thousand dollars.

Mr. ROBINSON of Arkansas. We are actually raising the appropriation for last year on this account from $382,000 to $407,000.

Mr. SMOOT. Twenty-five thousand dollars.

Mr. ROBINSON of Arkansas. I do not know that it would do any good to attempt to stop this process, but at some time it must stop. There is now an enormous deficit in the revenues, and for the years 1931, 1932, and 1933, the deficit is going to exceed $6,000,000,000, less such new revenues as we raise.

Mr. SMOOT. I agree with every word the Senator says. The only question now is to decide upon the policy. If the policy shall be not to increase the number of these extension agents, then the $382,000 is ample; but if we are going to do for the Indians now as we have done in the past for other tribes, the result of which activity has been next to marvelous, the $25,000 will be necessary.

Mr. ROBINSON of Arkansas. We have done plenty to the Indians; there is no doubt about that.

The House item carries the amount that was appropriated last year. The question is, Is it necessary, is it unavoidable that this appropriation be increased? The same arguments, in varying degrees, can support, I have not the slightest doubt, every item of increase in this bill, and numerous other items which will be offered before the bill is finally disposed of.

Mr. SMOOT. So far as I am personally concerned, I think that if we are to make any additional appropriations at all, they ought to be made for taking care of our wards, the Indians of this country. The $25,000 asked for is for the very purpose for which money has been expended in the past up to $382,000, and it has been demonstrated beyond the question of a doubt that there could not have been a better expenditure for the Indians than the expenditure of this money for the purposes for which it was appropriated.

Mr. ROBINSON of Arkansas. We increased the appropriation for this purpose from $25,000, as it was five years ago, to $382,000 last year. Now the Senator from Utah insists that it is essential to the life and happiness of the Indians that the additional $25,000 be granted.

Mr. KENDRICK. Mr. President, the purpose of the appropriation is not stated here. Is it intended that this additional amount shall be used in the employment of agents similar to county agents?

Mr. SMOOT. Extension agents. In the past we have appropriated $382,000.

Mr. ROBINSON of Arkansas. Mr. President, if I may be permitted to state, the language itself ought to be considered in determining what this money is going to be used for. The language making the appropriation is, "For the purpose of developing agriculture and stock raising among the Indians, including necessary personnel, traveling and other expenses, and purchase of supplies and equipment, $407,000," as reported by the committee, "of which not to exceed $15,000 may be used to conduct agricultural experiments and demonstrations on Indian school or agency farms and to maintain a supply of suitable plants or seed for issue to Indians."

The Senator from Utah, throughout his statement, has been representing and maintaining that this large sum of $407,000 is designed for the purpose of maintaining demonstration agents on Indian farms, when, as a matter of fact, by the express language of the bill only $15,000 of the entire $407,000 may be used for experiments and demonstrations.

Mr. KENDRICK. Mr. President, it has been my privilege to observe in a direct way the work of these county agents, as we might very well term them. They are serving the same purpose among the Indians that our county agents are serving in our farming districts.

My observation leads me to say that if we were to strike out every other item in the bill we ought to retain this item. Just now the administration is making an unusual effort to secure agents of a high class to teach the Indians to farm, and I am ready here and now to guarantee results if they are permitted to proceed along this line.

Mr. ROBINSON of Arkansas. Mr. President ,there is no proposal to strike out the item. The question is, Shall the amount be increased over that of last year by $25,000?

Mr. KENDRICK. It is my conviction that unless this item is carried according to the estimate it will be necessary to limit the number of men employed without regard to the need for them. Is that true, I ask the Senator from Utah?

Mr. SMOOT. If the increase is not made, all we can do is to carry on the work as it was carried on up to this year.

Mr. KENDRICK. With a limited number of men?

Mr. SMOOT. Yes. This is an extension of the identical work which has been done with other tribes of Indians. The work in the past has demonstrated beyond a question of a doubt the value of the work, not only to our Government but to the Indians themselves, and the purpose of the amendment is to extend the work to other Indians who have not these agents among them to-day.

Mr. KENDRICK. Mr. President, it is certain that in the past capable men have not been employed to direct the farming of the Indians, and that in itself, more than any other thing, has been responsible for the failure of the Indians to cultivate their lands. Under the present arrangement an unusually capable lot of young men out of colleges have been employed, and the plan is to go forward with that work.

Mr. SMOOT. That is the object of the amendment.

Mr. WHEELER. Mr. President, let me say just a word, and I would like to have the attention of the Senator from Arkansas. I call his attention to the fact that there is a necessity for increasing this appropriation. In the first place, we can not tell from this item how much of it is going to be used for buying stock and how much of it for personnel.

A subcommittee of the Committee on Indian Affairs visited practically every one of these Indian reservations. We found them simply loaded down with a lot of useless employees, with a lot of so-called "farmers" who were absolutely unnecessary. In fact, I have here and intend to offer an amendment, when we come to the Flathead Indian Reservation item, dealing with that one reservation. I have had a letter from the president of the Flathead Tribal Council in which he protests that these farmers are not needed; that they are not doing any good as farmers; and that the Indians feel that they ought not to be required to pay for a lot of special officers on the reservation who are of no benefit whatever to them.

As I said, we went to every one of those reservations and found a lot of men employed as farmers where the Indians testified time and time again that not one of them had ever visited an Indian home. Down in Oklahoma in one instance we called upon the Indians and asked how many times such a farmer had ever visted them. There was a great room full of Indians to whom the question was propounded and not one said that a farmer had ever visited an Indian home. The same thing was true in many instances as to the field nurses upon the reservation. They had not visited the Indian homes at all or done any of the things for which we appropriate money. I submit as a matter of fact there is more waste of money in the Indian Bureau than in almost any other bureau in the city of Washington.

While I am on the subject, let me call further attention to what is occurring on the Klamath Reservation out in Oregon, because I happen to have the figures here with reference to it. Here is the pay roll on that Indian reservation. For the month of July it was $9,865; for the month of August, $10,335; for the month of September, $13,000 in round numbers; and for October, $14,000 in round numbers.

Mr. McKELLAR. From what page is the Senator reading?

Mr. WHEELER. I am reading from the hearings of the Subcommittee on Indian Affairs. In 10 months on that Indian reservation in Oregon they spent for salaries alone $137,673. That money was coming out of the Indian funds. The Klamath Indians have come to Washington time after time and protested against the extravagance of the Indian Bureau. They testified that practically all the money they get from timber, or a large proportion of it, is being used to pay for useless employees.

We went to one Indian reservation, let me say to the Senator from Utah, where the superintendent told me they had 13 scalers. I said, "How many scalers do you really need upon the reservation?" He said only three. They had houses for them and they were employed, 13 in number. When I asked the assistant commissioner why that was, he said it was because of the fact that they expected the timber business to pick up, and said, "We are trying to keep our organization together."

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Montana yield to the Senator from Arkansas?

Mr. WHEELER. Certainly.

Mr. ROBINSON of Arkansas. Does not the Senator think that the fact that the cost of the service has increased from $25,000 five years ago to $407,000 at the present time is, in itself, an indication that it might be possible to stop the increase, for a time at least?

Mr. WHEELER. I think there is no doubt about it at all. I think, as a matter of fact, the Indian Bureau personnel ought to be slashed on every reservation in the United States.

Mr. SMOOT. Mr. President, the Senator was speaking of the Indian reservation in Oregon. They have there the finest timber in all the West. There is no better timber than that which they have. The very people the Senator speaks about there are employed for the purpose of working in that timber. He may think that one man should do all that work.

Mr. WHEELER. I do not think anything of the kind. I know what the situation is because I have visited the reservation, and the Senator from Utah never has.

Mr. SMOOT. No, I never have; but I know the amount of work that is involved, and I know that one man could not do it.

Mr. WHEELER. I do not contend that one man need to do it, but let me call the attention of the Senate to the number of Forest Service men employed on these reservations. I am reading from a list which was presented to me. There is a forest examiner, another forest examiner, three forest rangers, a junior forest ranger, an assistant forester, a forest assistant, a forest car, and another forest car. Then there are six scalers, a senior forest ranger, a forest supervisor, four more scalers, another senior forest ranger, and another senior forest ranger. I submit that there are more employees in the Forest Service there than any lumber company in the Northwest has for similar operations. The expense of all those employees is coming out of the pockets of the Indians who own the timber and who have come down here to Washington time after time complaining because of the fact that they are loaded down with a lot of expensive employees who are utterly useless.

What is true upon the Klamath Reservation is true upon the Apache Indian Reservation down in the Southwest, I think in New Mexico or Arizona. It is likewise true on what is known as the White Mountain Reservation. There we find exactly the same condition. If Senators will examine the items relating to the Klamath Reservation and go through the testimony, they will be astounded.

I called attention to the fact that they had temporary scalers, two more temporary scalers, line riders, and so forth, and I named them all and asked if they were all on the pay roll. The chief clerk said they were. He gave me the names of six men in the employ of the Indian Service for the purpose of liquor suppression and control of the liquor traffic on the reservation. Their pay comes out of the pockets of the Indians. Some of the reservations where the Government has to pay all the expenses are not supplied with men of this kind, but where the cost comes out of the Indian funds they are loaded down in that way.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Tennessee?

Mr. WHEELER. I yield.

Mr. McKELLAR. Before the Senator leaves the subject of the Klamath Indians I want to invite his attention to a remarkable situation there. They are one of the wealthiest tribes of Indians in the country. I believe the Osages come first and then the Klamath Indians next. The reason why they are wealthy is because of their timber in that wonderful country.

On that Klamath Indian Reservation in Oregon the Government has 23 employees. I asked about those who were in charge of the reservation. They all have titles and they all get good salaries. Virtually all of them get travel pay for going from one part of the reservation to another. In addition to that most of them get their food. When the question was asked of the agent of the Government, he said: "This comes out of the Indian funds; it does not come out

of the Government," as though that settled the whole matter. In my judgment, these 23 men are simply living on the fat of the Indians' profits.

If the Senator will bear with me for a moment, I want to illustrate my point by reading briefly from the hearings:

Senator JONES. Are some of the civil-service employees furnished with their board?
Mr. CRAWFORD. Yes, sir.
Senator JONES. And lodging?
Mr. CRAWFORD. When in travel status.
Senator MCKELLAR. How many are there?
Mr. CRAWFORD. I would say most all of the scalers.
Senator MCKELLAR. How many scalers are there?
Mr. SCATTERGOOD. We have just cut down the force there. We have laid off about 10 in the last 10 days.
Senator MCKELLAR. Is that the fact; is he telling us the facts about the scalers going around that same reservation from place to place, that they are paid their board bills?
Mr. SCATTERGOOD. I do not think so. It is news to me if they are.

Apparently he did not know, but here is the statement of an Indian who is interested in this income from the timberlands, in which he states specifically that these men are getting their board as well as their lodging.

I am not going into the proof at this time any further than to say that every one of these 23 employees, it developed, had an automobile and was driving around the reservation and elsewhere that he might want to go, furnished for the most part by the Government at the expense of the Indians. All the expense was paid out of the Indians' funds. It is unfair and unjust to the Indians. I understand the Senator from North Dakota [Mr. FRAZIER] has an amendment relating to this matter, and when it is presented it certainly ought to be adopted. These men ought to be told that they are trustees of the Indian funds and that they must deal with them as such.

Mr. WHEELER. I thank the Senator very much. I asked some further questions of the chief clerk. The chief clerk, as a matter of fact, was unable to tell me very much what is going on in the office. I said:

You have 29 men, according to this statement you have furnished me, in beetle-control work. Is that correct?

He said it was. Twenty-nine men in beetle-control work! Just think of it!

Mr. ROBINSON of Arkansas. On one reservation?

Mr. WHEELER. Yes; and their pay all coming out of the Indian funds. I called attention to the fact of the large number of scalers they had. I do not know how many Senators know what scalers are, but the scaling of timber is something that any man can do provided he has had any experience in a lumber camp at all.

In the lumber camps in my own State there may be found innumerable men, some of whom can hardly read or write, but who have grown up in the lumber business and know that business. However, in the Indian Service, mind you, Mr. President, the Indians are not given work as scalers. An Indian who grows up in the lumber business knows how to scale lumber just as well as an expert from some school knows how to do it, and oftentimes much better; and yet, as I say, not one of the Indians was given this kind of employment. All such employees had to be under the civil service; they all had to be, as we were told, men who had graduated from some school. The superintendent would tell you that no Indian could do this kind of work.

I tried a case for the Government of the United States against the Great Northern Railroad Co. on one occasion, and practically all we used in the way of experts were experienced lumbermen who started in as scalers and who practically had no education at all.

According to the statement, it seems that 25 men were employed in beetle-control work. One day, when Indians were doing that kind of work, some little fellow who was brought out there from one of the eastern colleges "fired" all the Indians who were working on the reservation because of the fact that he said he could not get along with them and they could not do the work; and yet all the Indians had to do was to scrape the bark off the trees.

This is just a sample of what will be found on practically all the Indian reservations. I have appealed to the superintendent, I have appealed to the Commissioner of Indian Affairs time and time again, and said to them that, in view of the circumstances, the Congress ought to cut the appropriations for the carrying on of the Indian agencies in half. In my judgment, we could cut them even more than that; and particularly we could cut out of the appropriation practically all the items providing for the employment of farmers upon the reservations because of the fact that they are practically useless so far as the Indians are concerned. I challenge the Senator from Utah to point out on any reservation in the United States of America a case where a single one of the instructing farmers employed on such reservation is actually doing anything for the benefit of the Indians in the way of showing them how to farm.

Mr. SMOOT. Mr. President, that challenge is easily made; but while I have not at the moment the reference to the particular reservations, I challenge the statement the Senator makes.

Mr. WHEELER. Very well. I want to say that in conjunction with the subcommittee I visited practically every one of these reservations. We called upon the farmers and ascertained the conditions; and further I wish to say that the bureau itself can not show where the farmers have been teaching the Indians how to farm. The Indians are conducting their farming operations in the same primitive way as in the past. We have been appropriating money for farmers to instruct the Indians in the science of agriculture for a long period of time, but still the Indians are carrying on their farming operations in practically the same primitive way that they employed when we started to introduce this work.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Wyoming?

Mr. WHEELER. I yield.

Mr. KENDRICK. I should like to ask the Senator from Montana whether his statement applies with equal force to the new men who have been employed by the present Commissioner of Indian Affairs to instruct the Indians in agriculture?

Mr. WHEELER. I will say to the Senator that thus far on any Indian reservation that the committee visited—and we visited practically all of them—we did not find a single farmer who was actually doing anything in the way of showing the individual Indian how to carry on farming operations.

Mr. KENDRICK. The only reservation on which I have had an opportunity directly to observe the effect of the change in administration is the Shoshone and Arapahoe Reservation in my own State. It was my privilege to come in contact with the work of the man who has recently, during the year, been stationed at that reservation to instruct the Indians on that reservation in agriculture. I met him there. He was from the State of Utah, he had just come from college there, and there is no question in the world as to the headway he was making with those Indians. Of course, there are other reservations in other States where different conditions may prevail; but if the same type of man was placed on all the Indian reservations, real results would be obtained, just as the county agents obtain results for the farmers in agricultural communities.

Mr. WHEELER. Mr. President, I am indeed glad to hear the Senator's statement that the new farmer who has been employed on the reservation to which he refers has been doing something for the Indians. The committee visited reservations in Wisconsin, we visited them in North Dakota, we visited them in South Dakota, we visited them in Montana, we visited them all through the Southwest, and invariably the Indians told us, and the farmers themselves admitted under oath, that those employed to instruct them in agriculture were not doing so, but, as a matter of fact, were acting as subagents and performing work of that kind. They have not been instructing the Indians how to carry on their farming operations.

Mr. KENDRICK. Mr. President, I believe the Senator will recall that he has heard me say that the farming operations on Indian reservations in the past and the farmers who were directing those operations were utterly hopeless, and that the instructors were as incompetent a group of men as I have ever seen in the Government service. But, from talking with the officials of the Bureau of Indian Affairs, I have learned and believe that they are planning and intending, as fast as possible, to supplant the present force with competent men who can and will teach the Indians, and it is on that account that I favor the increase in this particular item.

Mr. WHEELER. I will say to the Senator from Wyoming that I know he is interested in the Indians just exactly as much as I am, and frankly I had supposed at one time that the farmers, in view of the money that we are appropriating for their employment, were actually teaching the Indians how to farm.

Mr. SMOOT. Mr. President, I will take the time, when the Senator has concluded his remarks, to tell the Senate the changes which have been made under the reorganization which has taken place since, perhaps, the Senator was on the Indian reservations.

Mr. WHEELER. The Senator can hardly tell me how conditions have changed since I was on some of the reservations, because it was only last spring that, in connection with the subcommittee, I visited the Indian reservations in the southwest and practically all other Indian reservations, and we found exactly the same conditions as I have described.

Let me say to the Senator from Utah that I know the Indian Bureau gets out a lot of fine documents; it employs publicity agents to write magazine articles to tell the people of the country about what they are doing for the Indians; but when one goes out to the Indian reservations and sees the way those Indians are living, in poverty and beggary, and then sees how the employees are riding around in high-class automobiles, and from their efforts the Indians are getting no benefit, it just makes one's blood curdle to think that we are appropriating thousands and thousands of dollars, in fact, millions of dollars, to maintain a bureau from which the Indians are getting no benefit.

I am not at all sure, Mr. President, but that if we had abolished the Indian Bureau altogether the Indians throughout the United States would have been much better off to-day than they are now by the maintenance of the Indian Bureau and the expenditure of all the money we have appropriated for it.

Mr. SMOOT. Such a statement as that seems to me almost ridiculous.

Mr. WHEELER. It may seem ridiculous to the Senator from Utah.

Mr. SMOOT. I say it seems ridiculous in view of the facts. If the Indian were left alone to deal with the white man, with no one between him and the white man, what would he have left?

Mr. WHEELER. What has he left to-day on any of the reservations? His timber has been taken away from him; his oil has been taken away from him; practically every asset that he had has been taken away from him; and they have been taken away under the sanction of the Indian Bureau. All the Indian has to-day, in most instances, is a heavy indebtedness against the land that he possesses. What have the Indians on the Flathead Reservation got to-day? What has the Indian upon any reservation got to-day except a lot of encumbered land?

Mr. McKELLAR. Mr. President, will the Senator yield, in order that I may give him a concrete example of how the agents are treating the Indians?

Mr. WHEELER. I yield.

Mr. McKELLAR. I quote from page 193 of the hearings before the Senate committee, as follows:

Senator SMOOT. Just a minute, Senator. He says their regular work. Do you know whether there is any employee of the Government, such as a scaler, we will say, now, that goes out in the daytime and tends to his work, and then comes back home at night, where he is receiving extra compensation for board?

Mr. CRAWFORD. No; not that day.

Senator SMOOT. Then, what do you mean? Now, when does he receive it, and where does he go when he does receive it?

Mr. CRAWFORD. For example, I will point that out here. Mr. Silvers is the check scaler. He draws $2,120 a year, and goes around checking on the different logging camps.

He does not go off of the reservation. He is paid $2,120 a year for his work in checking up on logs that have been scaled, to find out what the condition is; he is furnished with an automobile, gas, and oil, and when he goes from one lumber camp to another, his board is paid.

Here is a concrete example of a scaler who was employed to scale timber growing on an Indian reservation. He draws $2,120 a year salary; he draws an automobile and all the expenses of running that automobile, and then, in addition, he draws his food. I do not believe the general public would fleece the Indians as this agent, who was sent there for the protection of the Indians, is doing.

Mr. SMOOT. The Senator from Tennessee says the employee referred to "draws his automobile." How could he get around from one section to the other without an automobile?

Mr. McKELLAR. I do not know; I suppose nobody could do so.

Mr. SMOOT. Of course, he could not. The Government furnishes him an automobile because of the fact that it is necessary.

Mr. McKELLAR. The extract I read refers to an employee going over the reservation. It had nothing to do with his going around a State. The testimony was that merely one reservation was involved.

Mr. SMOOT. I did not say "State"; I said reservation; and Indian reservations are larger than counties. One can not walk through a county and back home in a day. The employee never draws any compensation for food or for board and lodging unless he is away from home. If he is able to come back home, he does not draw it, exactly as is stated in the hearings.

Mr. WHEELER. But the Senator knows, if he knows anything about the lumber business at all, that it is not necessary to employ as scalers men who are expert foresters, who are graduates of schools and colleges. That work ought to be given to the Indians upon the reservations where they are competent Indians to do the work. Upon the Klamath Reservation the Indians have grown up in the timber business, and yet upon that reservation there is hardly one of them who is employed in that work, so far as I know at the present time, but scalers from the outside are being paid $2,100 a year when there are Indians who are thoroughly competent to do the work. Yet they are going hungry and can not get any work to do upon the reservation.

The Senator can stand upon the floor of the Senate and defend the Indian Bureau all he wants to; he can read the figures and the fantastic stories which they send out and in which they tell about what they are doing for the Indians on the reservations; but if the Senator will go out and actually see for himself the conditions in which the Indians are living and then compare those conditions with the way the white employees are living and the salaries they are drawing upon those reservations, he will be in a position where he can come down on the floor of the Senate and tell us some facts and not take the glowing stories that are told by the Indian Bureau for the benefit of the Senate or are told by their publicity agents, whose articles are written for the magazines in order to boost their stock with some of the people living in the East, who think that they know more about how to run Indian reservations than do the people of the West.

Mr. SMOOT. Mr. President, I would just as lief take the word of a representative of the bureau, as the Senator calls him, or of a man who is directing the affairs of a reservation, as I would the word of Mr. Crawford or that of Mr. Collier.

Mr. WHEELER. I have no doubt that the Senator would prefer to take the word of any of the employees on the reservations and who are interested financially in holding on to their jobs and building up a great bureau.

Mr. SMOOT. Not at all.

Mr. WHEELER. But let me say to the Senator that the superintendent of the White Mountain Reservation told me that they had, as I recall, 13 scalers there, and when I asked him, "What are you doing with 13 scalers at the present

time?" he said he did not need them. When I said to him, "Why do you not tell the superintendent of the reservation or the assistant commissioner?" he did not want to tell him because of the fact that in some instances the Indians are afraid to point out what the actual needs are, because that is in a different department. This is in the forestry department, and the forestry department of the Indian Service is an expensive luxury for these Indians.

Mr. SMOOT. Mr. President, suppose a man did tell the facts. Does the Senator think that if he told the facts and an investigation were made of the matter and the committee verified these facts they would not support him in the statement?

Mr. WHEELER. Not at all.

Mr. SMOOT. Well, I say I would.

Mr. WHEELER. I say to the Senator from Utah that the department did not support this man in the matter, because when I called it to their attention they said they "wanted to keep their organization together." They want to continue to pay from $1,800 to $2,100 each, taking the money out of the pockets of the Indians, to keep nine white men employed at the expense of these Indians, who are going half starved and half naked. Is that what the Senator would support?

Mr. SMOOT. No, Mr. President.

Mr. WHEELER. Is that what the Senator calls justice to the Indians?

Mr. SMOOT. That is not what I stated. The Senator from Montana speaks as if there were just a few sections of land in this reservation. As a matter of fact, some of the best timber in the United States is in the reservation. It covers an area miles and miles and miles long and miles and miles and miles wide.

Mr. WHEELER. How much timber have they?

Mr. SMOOT. It is covered with timber that is unequaled in the United States; and I am quite sure that those who are interested in the welfare of the Indian and his future would not do a thing on that reservation that would in any way jeopardize the interests of the Indian.

The Senator from Montana may think otherwise. We had testimony by Mr. Crawford otherwise, but Mr. Crawford is here every year. He tells the same story every year, and when we call it to the attention of the department the department says it is not true.

Mr. WHEELER. I do not care what the department says. The Assistant Commissioner of Indian Affairs was with this committee. He sat there and heard the testimony; and I said to him then, as I am saying it on the floor of the Senate, that there is not the slightest excuse for that bureau keeping the long list of employees that it has on that reservation. If the Senator himself would go out there with his subcommittee and listen to the testimony given by these people as to the number of employees upon the Klamath Reservation, I do not believe the Senator would entertain the views that he does.

The Senator says Mr. Crawford comes down here every year; and that is true. He has come down here protesting time and time again. What chance has anybody who comes before the subcommittee, of which the Senator is chairman, when it has its hearings? The Senator listens solely to the bureau and to the members of the bureau.

Mr. SMOOT. No; I do not.

Mr. WHEELER. The poor Indian who comes down here, who seldom has enough money to come down here, and can not come down here unless the department O. K's it, gets short shrift when he goes before the Senator's subcommittee, and the department is listened to.

Mr. SMOOT. Mr. President——

Mr. WHEELER. You are letting these people rob the Indians, and it is about time that it was stopped.

Mr. SMOOT. The Senator from Montana makes a charge that is not the fact. So far as the subcommittee of which I am chairman is concerned, Mr. Crawford could have one day or two days if he wanted to. He never was asked to desist in any statement he wanted to make. He can come at any time he desires. He is listened to by the committee. He is given more time than even the heads of the departments.

Mr. WHEELER. Yes; but his testimony is ignored.

Mr. SMOOT. His testimony is not ignored at all. The committee weighs the testimony and does the best it can, just as the House committee did.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. Yes; I yield.

Mr. KING. When Mr. Crawford came last year with a certificate from the Klamath Indians—and they are among the most progressive and intelligent of the Indians—to represent them and to speak for them, some of the Indian Bureau officials in Washington did all they could to undermine him. They communicated with representatives of the bureau who were on the reservation and induced them to create a rump organization for the purpose of discrediting Mr. Crawford and securing his recall. They failed in their improper and reprehensible purpose. May I add that I am in agreement with the views expressed by my friend from Montana. I agree with him that the Indian Bureau and the Government have failed in their duty to the Indians, who are worse off to-day than they were when Mr. Scattergood and Mr. Rhoads came to power in the Indian Bureau.

The Indians complained against their predecessors, but hoped that with the new régime, in view of the promises which were made by Secretary Wilbur, important and needed reforms would be made. But they have been sorely disappointed, and to-day there is more starvation and more poverty among the Indians than ever before. Some Indians have told me that they would welcome a return of Mr. Burke and Mr. Meritt.

Mr. WHEELER. Mr. President, the Senator said that the Klamath Indians have miles and miles and miles of timber. They have about 5,000,000,000 feet of uncut timber. That is what they have.

Mr. SMOOT. That is the largest standing timber of the kind anywhere in the United States.

Mr. WHEELER. Of that particular kind of timber, yes; but I will venture the assertion that there is not any lumbering company in the United States that owns the same amount of timber that has anywhere near the same number of employees, foresters, forest supervisors, and undersupervisors that they have on the Klamath Reservation.

I know perfectly well, Mr. President, that there is not in the State of Montana, the State of Utah, the State of Oregon, the State of Washington, or any other place, a tract of timber controlled and operated by a private concern where they have the high-priced supervisors and subsupervisors that they have upon the Klamath Reservation.

I admit that they need some supervisors there, but I say that they do not begin to need the number of men they have upon that reservation to run it; and you can not find an expert outside of the Forestry Department, perhaps, or the Indian forestry department, or some bureau of the Government, who will say that all those men are necessary. You can not find an unbiased lumberman in the United States to-day who will go out there and examine their operations and say that they need that number of employees upon that Indian reservation.

What the bureau is doing to-day is just outrageous. They say, "But we must do it, because we must keep our organization together." Is that what the lumber companies are doing? Senators talk about teaching the Indians how to run their business efficiently. Is that teaching them how to run their business efficiently? It is building up a great organization and a great bureau that is simply taking the money away from these Indians.

On the Flathead Reservation the matter is a comparatively small one; but the Indians on the Flathead Reservation simply say that these farmers out there are of no use to them. Is it necessary to have six men engaged in suppressing the liquor traffic on the Klamath Reservation, to be paid out of the Indian fund?

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. ROBINSON of Arkansas. The Senator several times has referred to the apparently excessive number of enforcement officers on that particular reservation. Did the committee, or the Senator for the committee, go into the question of the actual services performed by these various employees, or undertake to do so?

Mr. WHEELER. Yes; we went into it, and as far as the committee could see there has been very little lessening of the liquor traffic among those Indians. I have forgotten now the exact number of Indians upon the Klamath Reservation, and I do not know how it compares with the Flathead Reservation or some of the other Indian reservations; but on some of the other reservations, with approximately the same number of Indians, where the expense is paid by the Government, they have no enforcement officers at all.

Mr. ROBINSON of Arkansas. Has the Senator figures available to disclose the area of the Klamath Reservation?

Mr. WHEELER. I have not it right here in this report, but I can turn to it in a moment.

Mr. McKELLAR. Mr. President, my recollection is that it is about the size of a small county—about 20 miles.

Mr. SMOOT. I thought I had it here; but there are over a million acres in the Klamath Reservation.

Mr. WHEELER. Yes; over a million acres.

Mr. SMOOT. I do not remember the exact figures, but there are over a million acres there.

Mr. President, referring to this matter of prohibition enforcement, in the House hearings, on page 637, Mr. Murphy made this statement:

> At this point I would like to ask Mr. Crawford if he would advocate doing away with the officers of the law on the Klamath Reservation in view of the answer just made to my question by Mr. Dodd.
>
> Mr. CRAWFORD. No, sir. I don't believe we should do away with law and order. I think we should maintain law and order. I believe we should protect our reservation and carry out the law on the reservation, but I don't think we should have to carry out the law in the incorporated towns within the reservation.

And they are not doing that.

Mr. WHEELER. They are not doing it?

Mr. SMOOT. No; not in the towns within the reservation. That is what he said.

Mr. WHEELER. No; he says he does not think they should be forced to do it.

Mr. SMOOT. That is what I said.

Mr. WHEELER. But the Senator says they are not doing it.

Mr. SMOOT. No; I read his statement, which is:

> But I don't think we should have to carry out the law in the incorporated towns within the reservation, where these officers hang out and spend most of their time. I don't believe we should spend money to go off the reservation to carry out the prohibition law.

Mr. WHEELER. Yes.

Mr. SMOOT. Does the Senator say that that is the case?

Mr. WHEELER. I do say that that is the case.

Mr. SMOOT. That the officers go off the reservation for that purpose?

Mr. WHEELER. Yes. The Senator smiles; but I say to the Senator that the testimony taken there showed that these officers did go off the reservation to enforce the law in these neighboring towns.

Mr. SMOOT. That was where somebody belonging on the reservation was off in a neighboring town.

Mr. WHEELER. That was where the Indians went off the reservation, and the officers spent their time, as the Indians said they did, off the reservation.

Mr. SMOOT. Yes; to take care of the Indian who was off there, violating the law.

Mr. WHEELER. Yes; but let me call the attention of the Senator to the situation in South Dakota, where the superintendent on one of the South Dakota reservations said that there was a bootlegger under every sagebrush, and there was not any attempt to enforce the law. When we tried to get the department to send an officer down there, they did not send him; but when the money was coming out of the Indians' pockets they had six of them lying around.

Because these Indians happen to be almost the richest tribe in the United States to-day, particularly in the Northwest, the bureau officials are just loading them up with a tremendously big pay roll. One hundred and thirty-seven thousand dollars in 10 months is coming out of the pockets of the Indians to support the pay roll of white bureaucrats who are receiving all the way from four or five thousand dollars annually down to two thousand, while many of the Indians out there are in a beggarly condition.

The Senator from Utah can defend that if he desires to do so, but I say it is an injustice to those Indians. The expenses on the Klamath Reservation ought to be cut to the very bone.

The Senator talks about teaching the Indians something. The Indians of the Klamath Reservation are among the highest type of Indians in the United States, and the best educated. I venture the assertion that if they were given their way, and ran that reservation for themselves, they would run it better and more economically than it is being run by the department at the present time.

Mr. TRAMMELL. Mr. President, I should like to ascertain from the chairman of the subcommittee what amount of the total appropriation we are now considering is provided for assistance of the Seminole Indians of Florida. We have been dealing with the educational and agricultural feature, and so forth; and we have about 600 Seminole Indians in my State.

Mr. SMOOT. Mr. President, I can not answer the question, because the matter has not been presented to the committee, and I have no evidence on the subject at hand. More than likely I could find out, if the Senator desires.

Mr. TRAMMELL. Does not the committee, in passing on these items, require the departments to submit detailed statements covering the amounts of money they are asking for?

Mr. SMOOT. The detailed statement in this case, I think, would go to the House with the estimate; but I have not seen it. It may be that it is my fault that I do not have it.

Mr. TRAMMELL. I am just trying to ascertain what is being done for the Seminole Indians of Florida. I have brought up that subject on the floor of the Senate on other occasions. I have discussed it somewhat with members of the Indian Affairs Committee. The chairman of that committee, I believe, visited in my State last year. We have been getting a little pitiful sum of $10,000 or $15,000 a year to take care of those poor unfortunate Indians in my State, and I want some provision made for them. I want some generosity and fairness and justice extended to them, the same as is extended to Indians in the rest of the country. I am trying to look the matter up. If no provision has been made and it becomes necessary for me to offer an amendment to provide that a certain part of this appropriation be spent in behalf of the Seminole Indians, I want to have the amendment agreed to.

Mr. SMOOT. I notice in the report that the Indians are included under the consolidated Utes; I do not know why. I find the item "Florida, Seminole." The total is $15,393.87. In other words, the support of the administration is $10,351.82; agent's building, $398.94; conservation of health, $3,795.54; Indian school support, $847.15. I think those amounts total $15,393.87.

Mr. TRAMMELL. I think that is very inadequate for 600 Indians. Two-thirds of that, possibly 90 per cent, is used for salaries to the agent and other employees and for office rent. Very little of it goes to the actual benefit of the Indians, other than that they have the supervision, so called, of an Indian agent. I really think we ought to make some provision of a more substantial nature in this bill to care for the Seminole Indians of Florida. During these times of depression and the practical closing of the market for their products, otter hides, alligator hides, and other articles they sell upon the market, I am told that they are having a terrible struggle to get the actual necessities of life, that there is really considerable suffering among the Indians located in that part of the country.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. TRAMMELL. I yield.

Mr. THOMAS of Oklahoma. I was a member of the committee which visited Florida. We found that the five or six hundred Indians in Florida are not considered to be under the jurisdiction of the department. The secretary, when he came before our committee, made the statement that his department was not hunting any more Indians, that they had more under their jurisdiction than they preferred to keep, and that the Indians not now under the jurisdiction of the department they do not want to bring back under the department.

That applies to the Florida Indians. They are not considered to be under the jurisdiction of the department, and the department does not want them under its jurisdiction. The fact is that they have a reservation in Florida of approximately 160 acres of land. On that reservation there is a residence in which is a temporary agent. Across the road is a very small school building, and near the school building several small houses of frame construction, very cheaply built. The Government does maintain the school, and when we were there we saw probably 8 or 10 Indian children in the school. The Indian families which patronize the school live in these small houses. The department does not consider that the Seminoles of Florida are really under the jurisdiction of the department, and not only that but they refuse to consider that they will be under the department.

Mr. TRAMMELL. Mr. President, Congress has control of that matter, and I know of no reason in the world why they should not be under the jurisdiction of the department if they are not. It is a great piece of injustice not to have them under the jurisdiction of the Indian Bureau.

Mr. SMOOT. Has there not been objection on their part to coming under the jurisdiction of the Government?

Mr. TRAMMELL. I do not think there has been any objection. Of course, they are like the Indians most everywhere else; they do not particularly court the idea of education or improved farming methods, or anything of that sort.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

Mr. TRAMMELL. I yield.

Mr. THOMAS of Oklahoma. There are three groups among the Indians of Florida. There is one group among them which, if it learns that a Federal official is coming to Florida to see the Indians, begins to move. They will not treat with the Federal officials, and if anyone should raise a flag where this particular group of Indians is, they immediately leave that section. They will not live near the flag, nor will they confer with anyone who represents the Government. Hatred for the Government has been born and bred into them, and they can not get it out.

On the other hand, there is another group which is willing to come under the jurisdiction of and to confer with their Government, and those two groups are deadly enemies. There is still a third group, which I do not care to discuss at the present time.

Mr. FRAZIER. Mr. President, I have four amendments to offer to the pending measure, which I ask to have printed.

The PRESIDENT pro tempore. The amendments will be printed and lie upon the table.

WAR POLICIES COMMISSION

Mr. VANDENBERG. Mr. President, yesterday I submitted a resolution (S. Res. 180) in behalf of the Senator from Arkansas [Mr. ROBINSON], the Senator from Pennsylvania [Mr. REED], the Senator from Virginia [Mr. SWANSON], and myself, the purport of which is simply to refer the report of the War Policies Commission to the Treasury Department for its recommendations.

The junior Senator from Utah [Mr. KING] and the junior Senator from Indiana [Mr. ROBINSON] objected to the consideration of the resolution. Both have withdrawn their objections. It is important that the report should be back here before the tax bill is reported, and I ask for the present consideration of the resolution.

There being no objection, the resolution was read and agreed to, as follows:

Resolved, That the report of the War Policies Commission, in which is recommended the application in time of war of a 95 per cent tax on all incomes of corporations and of individuals in excess of the prior 3-year average income, be referred to the Secretary of the Treasury for a prompt expression of his detailed recommendations and opinions.

RAILROAD MERGER

Mr. KING. Mr. President, I was authorized by unanimous vote of the Committee on the Judiciary to report a resolution relating to certain mergers of railroads, which I did a day or two ago, and I ask for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 173), as follows:

Whereas it has been asserted within the last few days by the chairman of the legislative committee of the Interstate Commerce Commission, in his official capacity, that through the formation of holding companies and otherwise numerous combinations of parallel and competing railroads engaged in interstate commerce have recently been made, without authority of law, and particularly without first obtaining the approval of the Interstate Commerce Commission, as provided in section 5 of the interstate commerce act; and

Whereas the same authority has stated that there have apparently been deliberate attempts, by means of such combinations, to evade, anticipate, and forestall action by the Interstate Commerce Commission, and to restrict and impede said commission in the free and effective exercise of its lawful powers; and

Whereas it is a matter of common knowledge that in furtherance of the acts aforesaid large quantities of stocks and bonds in such holding companies and other corporations have been marketed and sold to private investors throughout the United States at prices far in excess of any present or prospective value, thus occasioning enormous losses to the purchasers thereof; and

Whereas a number of said combinations of railroads have been expressly declared by the commission to be in violation of law; and

Whereas there is now pending before the Interstate Commerce Commission an application of four railroad corporations in the eastern section of the United States which, if approved, would explicitly condone these violations of law and render the commission powerless to exercise its independent judgment as to the public interest in the consolidation of railroads in such territory: Now, therefore, be it

Resolved, That the Attorney General of the United States be requested to inform the Senate as soon as practicable (1) whether such transactions constitute contracts, combinations, or conspiracies in restraint of trade or commerce among the several States or attempts to monopolize or restrain such commerce, in violation of the act of Congress of July 2, 1890, as amended, commonly called the antitrust act; (2) in what respect, if any, such transactions differ from the operations condemned by the Supreme Court of the United States in the so-called Northern Securities case (193 U. S. 197); and (3) what steps, if any, have been taken or are contemplated by the Department of Justice for the enforcement in these instances of the antitrust laws.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was agreed to.

The preamble was agreed to.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate a message from the President of the United States submitting a nomination for the Federal Farm Loan Board, which was referred to the Committee on Banking and Currency.

(For nomination this day received, see the end of Senate proceedings.)

ADJOURNMENT

Mr. McNARY. I move that the Senate adjourn, the adjournment being until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p. m.) adjourned until to-morrow, Wednesday, March 9, 1932, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 8 (legislative day of March 2), 1932

MEMBER OF THE FEDERAL FARM LOAN BOARD

Vulosko Vaiden, of Farmville, Va., to be a member of the Federal Farm Loan Board for the unexpired term of eight years, expiring August 6, 1932, in place of George R. Cooksey, resigned.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 8, 1932

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

It is a good thing to give thanks unto the Lord, O most high. Out of our grateful hearts let us fulfill our tasks. O King eternal, whose right is to reign and whose throne from everlasting to everlasting, make our hearts Thy empire, a kingdom cleansed and purified. Do Thou enlarge the bounds of the invisible world to us. Grant that everywhere and at all times we may believe that all things work together for good to them that love the Lord. So enter our lives that we may rejoice in infirmity, in temptation, and in trial, and help us toward that final joy in which the memory of all trouble, all tears, and all heartaches have vanished forever. Almighty God, help us to lift up a standard for the people; enable us to rally the elements of society that have been badly discouraged in their battle with adversity and tell them that the conflict is not lost. May the note of victory be sounded forth in the name and in the strength of our Jehovah Father. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 14. Concurrent resolution accepting the statue of Gen. John Sevier, presented by the State of Tennessee, to be placed in Statuary Hall; and

H. Con. Res. 27. Concurrent resolution relative to the printing of "Revenue Revision, 1932."

The message also announced that the Senate had agreed to the amendment of the House to the bill (S. 2985) entitled "An act granting the consent of Congress to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut created and existing under the provisions of Special Act No. 496 of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge across the Connecticut River."

The message also announced that the Vice President had appointed Mr. SMOOT and Mr. HARRISON members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Treasury Department.

THE REVENUE BILL

Mr. CRISP, from the Committee on Ways and Means, submitted a privileged report on the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes (Rept. No. 708), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. CRISP. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Speaker, the report on the bill H. R. 10236, the revenue bill, will go to the Printing Office for printing and will not be available to the press or to any Members of the House to-day. The report will be available to-morrow morning for each Member of the House and for the press.

The report is a long one. We are seeking to describe in detail every provision of the bill, and I am sure that if the press, the country, and the Members of the House will read the report they will have full knowledge of the bill.

It is my intention, by direction of the Committee on Ways and Means, to move to take up this bill in the House for consideration next Thursday.

TAXATION

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing two resolutions passed by the Legislature of the State of New York. These petitions are addressed to the Congress of the United States and deal with taxation matters.

Mr. DYER. Mr. Speaker, reserving the right to object, I want to ask the gentleman from New York if he also has the resolution adopted by the Legislature of the State of New York petitioning Congress to repeal the eighteenth amendment?

Mr. SNELL. That resolution has not come to me; and if it does, I shall ask to put it in the RECORD.

Mr. DYER. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

STATE OF NEW YORK,
IN SENATE,
Albany, February 29, 1932.

By Mr. MASTICK:

Resolved (if the Assembly concur), That the Legislature of the State of New York hereby memorializes and petitions the Congress of the United States to enact legislation amending section 5219 of the United States revised statutes in such manner that, as so amended, it will (a) relieve the several States of the necessity of imposing a tax upon savings and loan associations of the purely mutual type, being a tax which under present conditions the State must impose if it is not to endanger the validity of the tax on national banks, and (b) to grant the State freedom to tax national banks as businesses to the same extent and in the same manner as it taxes other businesses, to tax the property of national banks to the same extent and in the same manner as it taxes other property, and to tax the shareholders in national banks on their property or income to the same extent and in the same manner as it taxes shareholders in other corporations on their property or their income.

Resolved, That a copy of this resolution be transmitted to the Clerk of the House of Representatives and the Secretary of the United States Senate, and to each Member of Congress elected from the State of New York.

By order of the senate.

A. MINER WELLMAN, *Clerk.*

In assembly, February 29, 1932. Concurred in without amendment, by order of the assembly, Fred W. Hammond, clerk.

STATE OF NEW YORK,
IN SENATE,
Albany, February 29, 1932.

(By Mr. Mastick)

Resolved (if the assembly concur), That the Legislature of the State of New York hereby memorializes and petitions the Congress of the United States to enact legislation providing for substantial increase in the rates of the Federal estate tax and for the continuance in force, with respect to any increases in the Federal estate tax, of the present law which permits credits against the Federal tax for State death duties paid to the extent of 80 per cent of the Federal tax.

Resolved, That a copy of this resolution be transmitted to the Clerk of the House of Representatives and the Secretary of the United States Senate and to each Member of Congress elected from the State of New York.

By order of the senate.

A. MINER WELLMAN, *Clerk.*

In assembly, February 29, 1932, concurred in without amendment. By order of the assembly. Fred W. Hammond, clerk.

COMPULSORY USE OF PARACHUTES BY AIR TRANSPORTATION COMPANIES

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of parachutes on airplanes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, no one can ride in an Army or Navy airplane unless he wears a parachute, but no one uses a parachute on commercial airplanes. The many deaths and casualties of passengers and pilots of the planes of commercial transportation companies must indeed give us pause and compel us to ask the question, Why is it not compulsory for airplane common carriers to provide parachutes?

Apparently the transport operators have made a definite agreement among themselves not to go into the expense of providing parachutes, and they are vigorously opposed to my bill, introduced this day, forcing them to provide parachutes for every passenger and every pilot.

From 1919 until the end of 1931 over 700 persons saved their lives by parachute jumps from Army planes. On January 15, 1923, general order known as Circular No. 6 was issued, forbidding any Army pilot to take up a passenger or go up in a plane not equipped with parachutes. The Navy followed almost immediately.

Since that time the military services of England, Canada, Australia, New Zealand, Sweden, Norway, Denmark, Poland, Italy, France, Germany, Latvia, Czechoslovakia, Jugoslavia, Greece, Japan, Rumania, Siam, and the Soviet Union, as well as several other countries, including many of South America, have adopted them. Wise civilian flyers, trained in the military traditions of aviation, nearly always wear them. Their use on the part of pilots flying the air mail in this country (without passengers) is mandatory, and the lives of several of them have been saved.

The wise passenger should think of fire hazard, motor failure, structural weakness, propeller breakage, fog, high wind, collision, lack of fuel, and control failure, and demand parachutes before he rides in any plane. Ships at sea are compelled to provide life preservers and other devices for the saving of human life. The commercial operator of airplanes will argue that parachutes will scare away passengers. In answer I might say that parachutes can be put in planes much more unobtrusively than life preservers or lifeboats on a steamship, yet one never heard of ocean-going traffic being scared off because of these contrivances. Just as on ocean-going ships there are fire drills and life-preserver drills, so there could be parachute drills on commercial planes.

I have traveled on Army planes and have always worn a parachute. Every time I get into a commercial plane I have to conquer my fears. I would, indeed, feel more comfortable with a parachute strapped onto me.

Of course, great expense would be incurred. Planes would either have to be larger or fewer passengers carried, but where life is at stake there should be no question of expenditure. The transport lines will have to face this issue some day; they may as well face it now. Undoubtedly, the great football coach, Rockne, and his companions could have been saved if parachutes had been provided. As Will Rogers remarked, "The Army can't be wrong all the time."

My bill for parachutes, H. R. 8823, is as follows:

A bill for compulsory use of parachutes by airplane common carriers, and penalties for violations thereof

Be it enacted, etc., That no person shall operate as a common carrier of persons or property by aircraft in interstate commerce without providing for each pilot and each passenger carried by such aircraft on all flights a parachute properly adjusted and ready for instant use (except in lighter-than-air craft, where the duties of the individual are such that this is impracticable).

SEC. 2. The term "person," as used in this act, shall include partnerships, associations, or corporations, as well as an individual.

SEC. 3. The term "interstate commerce" means commerce between any places in a State, Territory, or the District of Columbia, and any place outside thereof, or between points within the same State or Territory or the District of Columbia, or through any place outside thereof.

SEC. 4. Any person who violates any provision of this act shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than 30 days, or both.

LIMITATION OF INJUNCTIONS

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 166.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 5315, a bill to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

That after general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be controlled by the chairman and ranking minority member of the Committee on the Judiciary, and to be equally divided between those favoring the bill and those opposing it, the bill shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. O'CONNOR. Mr. Speaker, does the gentleman from Michigan desire some time?

Mr. MICHENER. We would like the usual 30 minutes on this side.

Mr. O'CONNOR. Mr. Speaker, I yield the gentleman from Michigan 30 minutes.

Mr. Speaker, I yield myself 10 minutes and ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, a few years ago one would never have seriously believed that a bill curtailing the powers of Federal courts in granting injunctions in labor disputes would come before the House of Representatives assured of passage after having been passed almost unanimously by the other body.

Such is progress in a democracy. Many proposals but a few years ago considered radical and paternalistic are accepted to-day by all political parties as worthy and beneficial to the progress of our Government.

I congratulate the distinguished gentleman from New York [Mr. LAGUARDIA] in his advocacy of H. R. 5315, and I congratulate the distinguished senior Senator from Minnesota for his earnest work for years in behalf of this measure. Yes; I said Minnesota, not Nebraska, because the anti-injunction bill was first introduced in the Senate and again year after year by Senator SHIPSTEAD, who deserves credit alongside the gentleman from New York. For five years the bill has been before the Senate and the House. Lengthy hearings have been held year after year.

I shall not occupy the few minutes I have yielded to myself in complete analysis of this important piece of legislation. The rule under consideration provides for four hours' general debate which, while it sounds like a long time, may not be ample to fully explain this somewhat intricate measure.

Briefly, the bill deals with two major subjects:

First. The granting by the Federal courts of injunctions in labor disputes. It of course has no application to or control over State courts. Eleven States have already adopted somewhat similar anti-injunction bills.

Second. The bill also declares the "yellow-dog" contract void and against public policy.

It is generally admitted that the granting of injunctions by our Federal judges in labor disputes has developed into a scandalous abuse of judicial process.

The 1928 national conventions of both political parties denounced the abuse and promised remedial legislation.

The Democratic platform said:

We believe that injunctions in labor disputes have in some instances been abused and have given rise to a serious question for legislation.

The Republican platform said, in part:

We recognize that legislative and other investigations have shown the existence of grave abuse in the issuance of injunctions in labor disputes.

The untrammeled right of workers to organize and act jointly in matters affecting their wages and welfare has been recognized by all courts, including the Supreme Court of the

United States, as necessary to meet the concentration of employing power.

If a worker is prohibited from exercising some control over the conditions of his employment, he is in a state of peonage.

Chief Justice Taft in the case of American Foundries *v.* Tri-City Council (257 U. S. 184, 209) said:

> Labor unions * * * were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. * * * The right to combine for such a lawful purpose has in many years not been denied by any court.

Chief Justice Hughes said in the case of Texas & New Orleans Railroad Co. against Brotherhood of Railway and Steamship Clerks, decided May 26, 1930:

> The legality of collective action on the part of employees in order to safeguard their proper interests is not to be disputed.

The "strike" has been recognized by our highest court as a lawful agency in the economic disputes between employee and employer.

This bill proposes to limit the jurisdiction of the Federal courts in labor disputes. That Congress has such power over the Federal district courts and the Federal circuit courts of appeal follows from the power of Congress to create or abolish those courts.

This was held in the case of Myers *v.* United States (272 U. S. 52, 130) and other cases.

Contrary to the belief of some people, this bill does not attempt to take away from the Federal courts all power to restrain unlawful acts or acts of fraud or violence in labor disputes.

The bill, section 2, declares it to be the public policy of the United States that the employee shall have a free opportunity in lawfully dealing with his employer, that he shall have "full freedom of association, self-organization, and designation of representatives of his own choosing," and "shall be free from the interference, restraint, or coercion of employers." * * *

Among the many abuses of the issuance of injunctions in labor disputes has been forbidding the unions to pay any strike benefits to the strikers; forbidding any person, whether a member of the union or not, to give any aid or assistance to the strikers. Often the injunctions have gone so far as to forbid attorneys to advise the strikers as to their rights even in proceedings to dispossess the strikers from their homes. Again some injunctions have prohibited the strikers from giving any publicity to the existence of the strike or the reasons for it or their justification of it. Such prohibitions are, of course, outrageous violations of the right of "free speech."

Yet there has been no legislative law for these extraordinary decrees of our courts. This judge-made law has developed in the past 40 years. The judges have themselves made the law and have themselves enforced the penalties for the violation of the laws made by them.

Such an uncivilized and tyrannical procedure can not possibly be longer endured. It is because of this development of law made on the bench that our Federal courts have lost a great deal of respect.

In fact, I hope this measure is but one step that Congress will take to regulate the jurisdiction of the Federal courts.

I never have been able to understand the real necessity for the inferior Federal courts. I have always been opposed to their existence as unnecessary. I believe they have no place in our democratic form of government, of course, except the Supreme Court of the United States. I believe that every issue that comes into the inferior Federal courts could be tried in the State courts.

I have often said that the Federal courts obtain jurisdiction by fraud, not fraud on the part of the court but on the part of the litigants. Take practically every matter that comes into the Federal courts, whether because of alleged diverse citizenship or on other grounds, every one could as well be tried in the State courts, and in most instances the acquisition of jurisdiction is ground in fraud, fabricated and manufactured to avoid the State courts and get into the Federal court for ulterior purposes.

Mr. BECK. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BECK. The gentleman does not mean to say that where there is an issue in controversy as to the construction of the Constitution of the United States or any statute of the United States, that invoking the jurisdiction of the Federal courts on that ground is a fraud?

Mr. O'CONNOR. I said cases in the Federal and district courts and the circuit courts of appeals. I said I would maintain the Supreme Court of the United States, which handles those questions, and many of which questions can go direct to that court.

Mr. BECK. Is not my friend ignoring the fact that the Supreme Court of the United States, except in a few isolated instances, has no original jurisdiction, and, therefore, if there be no inferior courts the Constitution of the United States would often have no construction or possibility of application in the Federal court?

Mr. O'CONNOR. There is no obligation on the Congress to organize the inferior Federal courts; and when it did organize them, it furnished them with such jurisdiction as it saw fit. I maintain those matters could properly be relegated to the Supreme Court.

Mr. HUDDLESTON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. HUDDLESTON. Appeals lie from the supreme courts of the States in all cases involving Federal questions?

Mr. O'CONNOR. I do so understand, if I recall correctly.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. BLANTON. The gentleman has control of the entire hour. He has yielded 30 minutes to his colleague from Michigan [Mr. MICHENER], who is, like the gentleman, in favor of the bill. I am wondering whether in fairness of debate, under the rules governing all parliamentary bodies, the gentleman is going to yield some of this hour to those of us who are against the bill?

Mr. MICHENER. That is on the rule, and not on the merits of the bill.

Mr. BLANTON. Oh, yes; it is on the rule, but the gentleman from New York [Mr. O'CONNOR] is arguing the merits of the bill.

Mr. O'CONNOR. Mr. Speaker, I refuse to yield to a dialogue.

Mr. BLANTON. Would not the gentleman yield me some time? I am against the bill and the rule.

Mr. O'CONNOR. No.

Mr. BLANTON. That settles that.

Mr. O'CONNOR. I refuse to yield; and in answer to what was not a question, let me state that at the insistent request of the gentleman from Texas [Mr. BLANTON] I drafted a rule which I brought in here, which is different from most rules in that it specifically gives two hours of the time to those opposed to the bill. Most rules give the committee all of the time, but this rule gives two hours to the opposition. So great is the gluttony of the gentleman from Texas for punishment that apparently the two hours are not sufficient for him. I do not know anybody else who is opposed to the bill. I imagine that he will have the whole two hours to himself.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. No. The bill also—section 6, which, like the other section of the bill, applies alike to organizations of employees as well as employers—remedies a grossly unfair practice that has grown up of holding officers and members of unions liable for damages for the acts of other members without proof of participation or direction or ratification of such acts. The bill merely requires actual proof of such participation, direction, or ratification before the officers or other members can be held liable. If this be a change in the "law of agency," as some claim, it is at most a change in the rule of evidence in civil cases only, a power well recognized as lodging in Congress. See Bailey *v.* Alabama (219 U. S. 238).

One of the big features of the bill is that no restraining order can be granted, except in exceptional cases, without notice to the defendant and a hearing in open court of the testimony of sworn witnesses on both sides.

Section 7 also provides that before issuing an injunction against defendants' alleged unlawful acts the court must find—

That the public officers charged with the duty to protect claimant's property have failed or are unable to furnish adequate protection.

Surely the court should not exercise police power if the constituted authorities are willing and able to perform that function.

There are, however, exceptional cases in which the Federal courts may issue a temporary restraining order without notice, if necessary to prevent irreparable injury to property. The court must first, however, take testimony under oath rather than by affidavit, and such an order is effective for only five days.

Section 8 of the bill might be called the "clean-hands" provision of the measure. That section provides that a complainant shall not be entitled to an injunction if he has not complied with any contract or obligation on his part or has not made every reasonable effort to settle the dispute by the available methods of arbitration or mediation. Surely, this fundamental principle of equity that "he who seeks justice must do justice" should apply in labor disputes as well as in other judicial controversies.

The bill also provides for a speedy appeal to either party and a preference in the appellate courts.

Another outstanding and progressive feature of the bill is the granting of a speedy and public trial by jury to a person charged with contempt of court, not committed in the court's presence or proximity. For centuries the English courts have granted jury trials for criminal contempt, while in our courts the practice has grown up during the last century to have such important trials before a judge alone, when, in fact, they are criminal offenses carrying confinement in prison for a term within the discretion of the judge who was offended. In the Clayton Act Congress granted the right to trial by jury in contempt cases and the Supreme Court in Michaelson *v.* United States (266 U. S. 42) unanimously sustained the constitutionality of that provision.

There is also a provision in the bill that the person charged with contempt may demand his trial before a different judge from the one of whom he is charged to be in contempt. No one can reasonably complain that the complainant, the one offended, should not sit in judgment on the offender!

The necessity for this legislation, however, arises from the fact that the provisions of the Clayton Act have not been construed broadly enough by our courts to cover the general situation as to labor disputes as this bill does.

Now, Mr. Speaker, we come to what I believe to be one of the greatest and most far-reaching provisions of the bill—the death knell of the "yellow-dog" contract.

Many injunctions issued in labor disputes have been founded on an alleged violation by the employee of the provisions of such a "yellow-dog" contract.

The "yellow-dog" contract usually requires the worker to agree not to join a union, or if he is already a member, to leave the same; that his employer may fire him without notice, but that he can not leave without notice to the employer. Such contracts also usually provide that all conditions of labor, hours, and so forth, are entirely within the determination of the employer. Under such a contract the worker practically enters into "involuntary servitude."

It seems strange to many people that there should be any need of legislation to make such un-American contracts unenforceable, but many Federal courts have enforced them. On the other hand, one would think that any person, let alone a judge, would agree with the many eminent jurists who have maintained for years that such contracts were illegal and void, because—

First. They are obviously contrary to public policy, because under their terms the employee enters into practical peonage.

Second. There is no consideration to the employee entering into the contract, and no mutuality of consideration between the employer and employee, and

Third. The employee practically signs the contract under coercion. To say he has a free choice overlooks the fact that he must work to live and support his family. By necessity, he is at the mercy of the work-offering agency in his community.

Mr. Speaker, this bill contains a new Declaration of Independence. It declares to the world that the "yellow-dog" contract is "contrary to the public policy of the United States, shall not be enforceable, and shall not afford any basis for granting of legal or equitable relief by any court of the United States."

It is a happy day, indeed, when with the passage of this far-reaching and progressive measure, that resounding declaration of liberty, can go out to our people. [Applause.]

Mr. MICHENER. Mr. Speaker, I am going to support this bill as amended by the committee, with an amendment which I hope to offer, which has been submitted to the gentleman from New York [Mr. LAGUARDIA], the proponent of the bill, and which I believe will be accepted by those who are deeply concerned in the enactment of this legislation. But, understand me, I am not going to vote for this bill for the reasons given by my friend from New York [Mr. O'CONNOR]. He would abolish the Federal court. He hates the Federal courts. He has proclaimed his position on this floor time and time again. I believe in the Federal courts, I believe in the necessity for the Federal courts, and in voting for this legislation I believe I am voting to strengthen the Federal courts in the minds of the American people. The courts of the United States are our bulwark, and they are never going to be destroyed by the gentleman from New York. If the courts of the United States are ever destroyed, they are going to be destroyed because they destroy themselves.

Unfortunately we have had a few injunctions issued which should not have been issued, and in some of these instances the injunctions have been so ridiculous that there has been a feeling of repulsion against the Federal courts in general. These specific cases have been broadcast throughout the length and breadth of the land until in many sections there is a general feeling against all Federal courts. This legislation is not needed to protect against the many but to protect against the few.

This type of legislation has been before Congress for 14 years. To my personal knowledge this bill is the lineal descendant of the Shipstead bill, which was introduced in the Seventieth Congress. I could not agree with the terms of that bill. I opposed it in the committee as did a majority of the committee. However, the present bill is entirely different. It contains some provisions with which I am not in sympathy, yet it has seldom been my pleasure to vote for a piece of legislation which suited me in every particular. This legislation will give to organized labor the protection to which it feels it is entitled. In my judgment, it will do no injury to the employer. It deals entirely with disputes between employer and employee in labor matters only. Be it remembered that this bill does not attempt to legislate concerning Government employees. I do not believe that the enactment of this bill into law will take away from the Federal Government any rights which it has under existing law, to seek and obtain injunctive relief where the same is necessary for the functioning of the Government.

In the section of the country from which I come we have very little use for Federal injunctions in labor disputes. This bill in no way legislates in reference to State courts. The powers of those courts are left undisturbed, and so far as this legislation is concerned a State court is at liberty to issue any type of an injunction which is permitted in the State where the court has jurisdiction.

I dislike very much to find it necessary to curb the ancient and honorable power of our equity courts. Yet we must realize that it is sometimes essential to provide against the human frailties of possible well-meaning judges, and let us not forget that we are dealing entirely with the jurisdiction in equity, and are not imposing any limitation on the law side of the court.

I disapprove very much of placing a declaration of policy in our statute laws. Federal statutes should not be cluttered up with stump speeches or reasons why the law was enacted. These are matters for debate on the floor of the House, and for the report of the committees. However, we have already established the precedent and have made a declaration of policy in the Sherman Antitrust Act, in the Clayton Act, in the Farm Board act, and in some other acts. Therefore there is a precedent for this feature of the bill, and the proponents of the measure were very insistent upon the inclusion of this declaration of policy, and the majority of the Committee on the Judiciary yielded in this regard.

Often when legislation of this type is being considered, less attention is given to the legislation than to the prejudice for or against organized labor. There are certain interests in the country whose representatives in Washington at least feel called upon to oppose any legislation sponsored by organized labor; and on the other hand, certain representatives of organized labor seem to find it necessary to oppose with all their might and main all legislation suggested by industry and the employer class. It seems too bad that this is the case, and it is wholesome to observe that the day is fast approaching when the rights of both capital and labor are being recognized, and that agreement instead of war is the order of the day. This legislation is not, in my judgment, inimical to the best interests of all our people or any group of our people, and on the other hand will guarantee to the employer and the employee the right to attain the legitimate purposes of their respective organizations without interfering with the rights of others. A careful reading of this bill is necessary to understand its full import.

I am sure that I have never been considered as radical and I surely believe in the perpetuity of our courts, and I do not believe that in supporting this bill I am forsaking my previous position in regard to these matters.

Let me say to my very conservative friends that the mere fact that organized labor is supporting this measure is not sufficient cause for you to oppose it. It is not the radical labor leader nor the radical hater of organized labor that is going to control on the floor of the House in the end. It is the broad-minded, thinking man, who recognizes the virtues and faults in either labor or capital. Personally, I believe in organized labor. Capital is organized, and labor should have the right to organize and should be protected in lawful organization. I am opposed to strikes and do not believe that this is a bill to authorize strikes. Using the word "strike" in its common acceptation, men should have the right to work or cease working, yet they should have no right to interfere with others. Whether or not organized labor is undesirable depends, of course, upon its leadership. I hold no brief for the American Federation of Labor, but I do hold a brief for them in one particular at least, and that is so far as their activities with reference to communists are concerned. The American Federation of Labor has done more than any other group or class of our people in maintaining peace and order during this depression. It has fought communism at every turn of the road, when, as a matter of fact, organized labor would have been the ideal vehicle to carry communism to our people, and without this restraining influence no one knows what our political and social situation might be to-day. I congratulate the American Federation of Labor. [Applause.]

I believe that there will be very little opposition to this bill, and with the amendment to which I have referred placed in the bill I am satisfied that the purposes of the authors of the bill will be realized and that the employer and the public will be protected.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. O'CONNOR. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I do not know of any piece of legislation that has been proposed during my 15 years' experience in the House of Representatives that will give me more personal pleasure to support than the bill now presented by the Committee on the Judiciary.

As an old-fashioned country lawyer, I think I have inherited as much as any man reverence and respect for our judicial system, for all of its splendid precedents, and all of its high purposes; but I have had occasion in that experience that I have referred to, as well as in my observation of the public press, to recall many instances in the judicial history of our country within the last 25 years when it has become apparent that some of the Federal judges, clothed with a little brief authority, seem to have forgotten absolutely the fundamental essence and sacrament of our judicial system in some of the injunctions they have imposed against organized labor.

As I conceive it, if there is anything fundamental in our political institutions, it is love of liberty, liberty of conscience, liberty of speech, liberty of religion, and, above all, liberty of action.

It will be recalled, certainly within recent years, that in a number of instances not all but a few of the members of the Federal judiciary have issued injunctions which absolutely outraged every decent conception of the principles to which I have just referred.

As I understand, as has been well expressed here, this bill does not undertake to invade the jurisdiction of any of our State courts. It does not undertake to withdraw from the Federal judiciary any of its functions of equity, but it merely imposes conditions upon them and restraints upon them with reference to the issuance of injunctions in labor disputes.

I think the bill is a well-considered bill. I think it detracts nothing from the dignity and high purpose of our Federal judiciary, but, on the contrary, I think it gives to the men who toil, the men in overalls, the men who out of their own conception of their rights organize themselves for the purpose of protecting their own interests and of improving their working conditions, undertaking to stabilize their wages upon a decent basis, rights which those judicial tyrants can not invade. [Applause.]

I am glad that my party, certainly within the last quarter of a century, has taken the lead in undertaking to protect the interests of labor. [Applause.] I am glad it was a distinguished son of Alabama, Judge Henry D. Clayton, who was the author of the present law which we are seeking to strengthen by enactment of this legislation. I am glad it was under a Democratic administration that the Department of Labor was organized with a seat in the President's Cabinet. I am glad it was under Democratic auspices that we first recognized the humanity and justice of a limitation upon the hours of labor for those who toil upon the railroads of this country. Our party established the Children's Bureau in the Department of Labor for the purpose of legitimately undertaking to protect the interests of the childhood of America. Although the question that is now presented is not a partisan question, I am glad to know that the party to which I owe my fealty has taken its proper leadership in these great humanitarian questions. [Applause.]

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. DYER]. [Applause.]

Mr. DYER. Mr. Speaker, this legislation is a radical departure. There is no denying that fact, but, in my judgment, and in the judgment of the Committee on the Judiciary, it is a necessary departure because of conditions which have grown up in this country in the last few years, particularly with reference to the "yellow-dog" contract and other injunctive proceedings as carried on by certain of the Federal judges, which make it necessary for the Congress to declare for the United States a policy affecting American labor.

I am very proud of the judiciary of the United States. I think it is one of the finest bodies of men, upon the whole, that any country has ever had; but in the last few years, during the period of time I have been a Member of this House, there has been a great increase in the number of judges of the United States district courts. When I came

here there were 93 judges of the district courts of the United States. To-day there are 144.

Now, gentlemen, of necessity and of sound common sense, it can not be said otherwise than that the President in appointing this large number of judges has here and there made a serious mistake. It is not due in all respects to the Executive, whether it was President Wilson, President Taft, President Coolidge, or President Hoover. Some of the judges that have been appointed are absolutely without question unfit judicially and otherwise to pass upon matters affecting human rights, as they have demonstrated by the issuance of very arbitrary and unjust injunctions. This has come about, as I have said, through the appointment of a great many judges. This applies to only a few of these judges and this is not a criticism of the whole judiciary. This proposed legislation is only made necessary in order to establish for this Government and for this country a policy and a notice to these judges and others who may come to deal with matters of this kind that human rights are the first consideration of the judicial power, and that all things conceded, the rights of men engaged in labor of any calling shall not be interfered with unless it is evident and shown by substantial proof that these men are going to do things which will destroy private property and cause serious trouble.

We do not propose to protect any organization of men in the violation of law. We do not propose to protect them for the purpose of intimidating or using violence in any form; but we do say that injunctions shall not be issued unless it is established to the satisfaction of the courts in the first instance, at the time of the issuance of temporary restraining orders, that they are going to violate the law or cause serious trouble.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. DYER. Then we say in this proposed legislation that after this temporary restraining order is issued it shall be in force only for five days and then there must be a hearing had upon its merits. I doubt whether or not that should remain as it is. I have an amendment to offer to that and to several other sections of the bill which are for the purpose of making the legislation what, in my judgment, those who sponsored it want it to be. I shall present those amendments at the proper time. The one with reference to the five days is to the effect that if circumstances are such that the court can not hear the matter within the five days it may be continued. If the court is engaged in the trial of some other important matters or there is some reason why the matter can not be taken up within the five days, then upon good and sufficient proof to the court it may be continued for a few days more. In other words, Mr. Speaker, we want to enact this legislation, because it is for the best interests of the people, but we do not want it to be understood that it is an attack upon our judiciary. Those who make that charge are in heart and soul opposed to the judiciary all along the line. I am not opposed to the judiciary, but I do believe that for the cure of the evils that have grown up and the injustices that have been done by a few inefficient and incompetent judges in this and other matters we ought to make the change we are proposing.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, this rule provides for the consideration of legislation that has for many years been pending before the Congress and which I am glad to see has come to a favorable consummation.

The bill undertakes to define the equity powers of the Federal courts with reference to injunctions in labor disputes.

It is a well-known fact that for a great many years there have been certain Federal judges who have had a tendency to reach out and broaden their powers on the equity side of the court. Their powers of law have been pretty well defined, but the equity jurisdiction has been largely a matter of conscience. We inherited the equity jurisdiction from the English courts, and the Congress has not attempted by statutes, neither has the Constitution undertaken, of course, to define these equity powers. So it has been left largely as a matter of conscience with the judge, which is a very unreliable and unjust standard by which to proceed.

We think our Government changed the theory of government in that we did not recognize the divine right of kings or the divine right of any man to be the ruler of other men. When this power is left to the conscience of one man, without defining his jurisdiction, it becomes a dangerous power.

This bill will not destroy confidence in the Federal courts. It will merely limit some of the unjust and tyrannical powers assumed by certain judges and bring them in line with the general thought and judgment of the courts, and in this way will build up greater confidence in the court instead of destroying confidence in the court.

This bill undertakes to define a public policy with reference to the attitude of labor unions or a man having membership in a labor union. A labor union or a membership in a labor union is not of itself criminal, per se, and we believe, as most people believe, that most labor unions are organizations for mutual benefit and progress and that a laboring man ought to have as full and complete right to join a labor union as a man whose capital is invested has to join an association or corporation with his fellows to consider their mutual interests.

We think unions are essential to the progress of labor and there should be mutuality and recognition by industry of the right of men to join labor unions and bargain collectively.

So there has been a general condemnation of what is known as the "yellow-dog" contract, which denies a laborer the privilege of belonging to a union, or if he already belongs to a union before he can have employment, that he shall withdraw from such affiliation.

I believe these contracts are invalid on three grounds. In the first place, I think there is no consideration extending to the laboring man, who may be a member of a union, to deny him the right of such membership. Second, I think the "yellow-dog" contract is void because of the coercion that is placed upon the man in order that he may have employment to support himself and his family that he shall deny himself the privilege of joining his fellow members for mutual benefit and progress. Third, I think this contract ought to be condemned on the ground of public policy because it is not for the welfare of the people or the welfare of the community in which it is enforced.

Not all Federal judges have undertaken to enforce these contracts or usurp equity power in the issuing of injunctions denying such privileges. Only a few have arrogated unto themselves these autocratic powers. They are the ones to be limited and controlled by this proposed law.

This legislation is the outgrowth of historical study and experience in the matter of handling labor disputes, and I think the time has come when industry must recognize the right of labor to have unions and to deal with the members of the union collectively and bargain with them collectively so that there may be mutuality and equality on both sides of any controversy that may arise between capital and labor.

Mr. LEWIS. Will the gentleman yield for a question?

Mr. GREENWOOD. Yes.

Mr. LEWIS. In the gentleman's study of this subject has he ascertained whether in the British courts a similar use has been made of injunctions in labor affairs?

Mr. GREENWOOD. I have only slightly studied that question. It is my opinion, however, that jurisdiction of the equity powers of the English courts has been well defined by decision and precedent for 100 years in labor matters. The English judges have not assumed to go to the extent of using the power on the equity side of the court as they have in this country, and I think the time has come when there ought to be a proper definition of this jurisdiction in equity dealing with injunctions.

Mr. LEWIS. Would it be true then to say that the labor injunction originated in the United States, and without any statute authorizing it, as a matter of beginning?

Mr. GREENWOOD. I think that is true. Injunctions have gone far beyond the extent to which they are used in England, and I think the time has come, in order that there may be some common procedure within the bounds of reason and justice, for the Congress, which is the only body that has power to define the jurisdiction of the inferior Federal courts, meaning by that expression the Federal courts below the Supreme Court, ought to lay down a definite policy, and this bill undertakes to do that in the very first sections, as a matter of public policy, dealing with such questions arising in labor disputes.

It is surprising how far these restraining orders and injunctions have been extended. You would hardly believe that there would be injunctions issued that would deny the members of labor unions who are strikers, having the benefit of dues or of reserves made up of their funds which have been collected by contributions, and denying the officers of a union extending such benefit to their members in distress because such members are out on strike. There have been Federal judges who have denied the public the extending of assistance to families of workmen who are in distress because the head of the family had joined his coworkers in a strike. They have forbidden workers the constitutional right even to confer with each other on common questions and problems arising out of their employment. They were not allowed to appeal in possession suits where they lived in a company dwelling house, and have been dispossessed in a justice of the peace court and prevented from having a proper appeal to a higher court to decide such questions of possession. By injunctions the regular procedure in suits of law have thus been set aside. They were not allowed to assemble and discuss mutual questions with respect to employment and conditions of labor. There have been injunctions that have been issued denying them the right to meet in their churches and sing hymns and join together in worship, because these places were in close proximity to the property or to the industry where a strike had occurred. One Federal judge enjoined the singing by strikers of the good old hymn "Onward Christian Soldiers."

They have gone far beyond the American idea of justice and equality, in denying the workingman the same privileges that are given to people on the outside who do not belong to a union and who are not employed. If the Constitution means anything in the matter of freedom of speech, it should be applied just as fully to men who belong to a union, and just as fully when they are out on a strike as on any other occasion.

I say that such injunctions have reached the point where they are indefensible, and the Congress ought to undertake to define this jurisdiction in order that the constitutional rights and privileges of men who labor and belong to unions may not be in any way infringed.

Most of these cases can be tried in the criminal side of the court and there is no desire and no provision in this bill in any way to hinder the administration of the criminal law. If men are guilty of crime they should have the full right and privilege of a trial by jury. They should have the full right of consideration of the crime by a grand jury, and the right to be proceeded against by indictment.

A man who is charged with crime should have the full protection and privileges thrown around him by the Constitution. No man, though he be a Federal judge, has anything attached to him in sanctity that he should be the prosecuting officer, jury, and the judge all in one.

Abraham Lincoln is quoted as saying that "no man is good enough to rule another, and that applies to ancient kings as well as to modern kings." The full right of trial by jury in criminal cases should not be taken away because some judge is attempting to be judge, prosecuting attorney, and jury in issuing an injunction against some act that does not occur in his presence. I want all the rights of the court protected in contempt cases, where the act is in the presence of the court and is actually in contempt of the court, but I do not believe that the judge should apply criminal laws on the equity side on the theory that contempt has been committed of an order issued that he should not have issued in the first place.

Mr. GREENWOOD. Some Federal judges have issued injunctions against people outside furnishing supplies to these people in distress.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from Maine [Mr. NELSON].

Mr. NELSON of Maine. Mr. Speaker and Members of the House, for 10 years I have cast a rather conservative vote in this House, but I welcome this rule and this legislation, liberal though it may be, because I believe that it represents a tardy step in securing justice for organized labor, because it outlaws the unconscionable "yellow-dog" contract which has destroyed the power of collective bargaining by taking advantage of the necessities of poverty and that has formed the basis of injunctive proceedings that have become intolerable and un-American, in many cases reducing the workers to a state of economic slavery.

Organized labor deserves better than all this. At the close of the year 1931 one of the reviews of the year issued from Wall Street went so far as to say that—

> The outstanding fact of 1931 was the statesmanship of American labor.

With a wage deflation never before witnessed in the history of this country, labor kept its pledge given at the White House conference. It has maintained industrial peace during this period of violent readjustment. At the recent conference between railway workers and railway officials happily concluded at Chicago we saw a new chapter written in the economic history of the country, when 20 railway unions, with a membership of 1,500,000 men, making sacrifices and concessions for the common good, peacefully surrendered $200,000,000 in wages.

I am much in sympathy with the social and economic philosophies and ideals of organized labor in the United States. That interest has been quickened and strengthened by comparatively recent experiences.

There was a time, not so many months ago, when the rising tide of communism had occasioned serious disturbances in many foreign countries, and seemed, perhaps, to threaten the beliefs and loyalties that hold together our western civilization. You Members of Congress, in your wisdom, appointed a committee to investigate the activities of radicals in this country. And what did we find? We found that for years, unknown to us here, radicals had been active in the United States seeking to undermine our institutions, and that it was organized labor that had been, and then was, patriotically and uncompromisingly bearing the great burden of the communist attack in this country; that they constituted the great bulwark of defense against the potential dangers of communism in America.

We found that the Red International of Labor Unions of Moscow had here in the United States as its American section the Trade Union Unity League, presided over by William Z. Foster, representing practically all the great basic industries, with revolutionary labor unions scattered throughout the country, led by aliens, fighting and discrediting the legitimate unions in every possible way, advocating direct action and the overthrow of our American Government by force and violence. This is the same Trade Union Unity League and the same William Z. Foster referred to in the morning's news as being concerned in that bloody riot yesterday at the Ford plant in Dearborn.

In the report which I filed as a result of that investigation I made this statement, which I believe is pertinent to the present problem and deserves your thoughtful consideration:

> No one who has made a study of the communist movement in this country can fail to realize the great debt that America owes to organized labor for the universality with which it has rejected and fought against the insidious propaganda of the communist. Certainly they deserve our every consideration and support. In our fight against communism we can have no more effective ally

than the 3,000,000 patriotic citizens comprising the American Federation of Labor and the 300,000 comprising the United Mine Workers of America. Labor has a constitutional right to organize, to bargain collectively, to protect its own interests. To deny that right is to weaken our defense against radical thought in this country. Better that American labor be organized in legitimate unions, led by American citizens, supporting our American institutions, than that embittered workers be forced into revolutionary unions, led by officers of the Third International, and seeking the destruction of all things American.

Information gathered during that investigation led me to hate the "yellow-dog" contract, hate it as the one thing that breeds more communistic thought in America than anything else in our national life. Only in moments of despair do the specious theories of the communist make appeal to the American workman. Give him justice and he will be immune to the allurements of reckless radicalism. Give him justice and you can not muster a corporal's guard of communists from the ranks of organized labor in America.

For 14 years economic forces have blocked the passage of this legislation, but I believe that it has behind it to-day the imponderable force of a public opinion that will no longer be denied. Let us adopt this rule and pass this legislation, thereby assuring the great masses of our working people that here in this House privilege has no place, justice is being done, and the old ideals of democracy still survive. [Applause.]

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Speaker, I think there are few thoughtful men to-day who, having been sworn as Members of the Federal Congress, would lift their voices in opposition to the legislation provided for under the pending rule. It is very clear to me that if the provisions of the Clayton Act, as originally written, had not been abused, we should never have been called upon to consider this so-called anti-injunction bill of the present day.

In my State we do not have the troubles from strikes that have been experienced by many other States in the Union. I think anybody from Maine who speaks in behalf of this legislation may not with justification be accused of catering to any faction. So far as I know, at least it is true within my recollection, none of our Federal courts in Maine has ever been called upon to issue a labor injunction. Therefore, so far as I am concerned, sponsorship of this legislation grows out of sympathy for all classes of people affected, and is born of a desire that justice shall be meted out to all, irrespective of social status.

Considering its record during the troublous days in which we now find ourselves, I think we ought to be very proud of organized labor. I have often wondered how any organization whose members were facing the hardships of these recent days, could have conducted itself more patriotically and with a broader spirit of tolerance than have the millions who make up organized labor in the United States.

I think the House bill is a great improvement over the bill which originated in the Senate. I refer particularly to the change written into the first lines of section 11. It did seem to me that the Senate bill, which would guarantee the right of trial by jury in all contempt cases arising out of all kinds of injunction proceedings is too broad, and that when we shall have provided the right of trial by jury in contempt cases for all injunction proceedings arising out of labor disputes we shall have accomplished what we set out to accomplish. Therefore, I commend the committee of the House for having inserted this language which we find in section 11, viz, the words, "arising under this act in which." This language accomplishes a desirable end. It confines the right of jury trial in contempt cases for violations of injunctions to labor disputes.

The next problem that troubles me is that which arises under subsection (e) of section 4, in which men giving publicity to the existence of a strike, and so forth, shall not be subject to an injunction. I understand the gentleman from Michigan [Mr. MICHENER] is to offer an amendment by adding the words "threat or intimidation." Surely when strikers use threats to promote their strike they ought to be enjoined.

The SPEAKER. The time of the gentleman from Maine has expired.

Mr. MICHENER. Mr. Speaker, I yield two additional minutes to the gentleman from Maine.

Mr. BEEDY. I wish the committee might agree upon a definition of the word "intimidation." The courts have differed as to what constitutes intimidation. In American Foundries *v.* Tri-City Council (257 U. S.) the court said that the name "picket" of itself indicated "a militant purpose and appeared inconsistent with peaceable persuasion." Certainly such an interpretation is unjustifiable, and the use of pickets without threats or intimidation is no ground for the issuance of an injunction. However, anybody on strike who threatens an American citizen or who intimidates him ought to be subject to an injunction.

But what is intimidation? I think we might all agree that any conduct which is intended to arouse fear or apprehension of violence is an intimidation. Such conduct in the course of a strike surely justifies the issuance of an injunction. I would like to know if my friend the gentleman from New York [Mr. LAGUARDIA] would not agree that conduct intended to arouse fear or apprehension of violence is a reasonable definition of "intimidation"?

Mr. LAGUARDIA. As the gentleman and I understand it, we would have no trouble about it, but I call the gentleman's attention to some decisions. What I fear is that the word "intimidation" may be used or abused or misused by some of the judges, but if it is so defined as to carry out the intent which the gentleman describes, I would see no objection to it.

Mr. BEEDY. That is my idea exactly.

This proposed legislation is a step forward. It will prove to be a strong deterrent to the spread of radical thought, it will tend to "establish justice, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity." [Applause.]

The SPEAKER. The time of the gentleman from Maine has again expired.

Mr. MICHENER. Mr. Speaker, I yield one minute to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I simply want to make a suggestion. I was delighted to hear from the gentleman from Alabama [Mr. BANKHEAD] that this is a Democratic doctrine. On my next visit to the textile mills of the South I hope I will be able to find that they are encouraging collective bargaining and that they will welcome organizers of labor unions and live up to the doctrine which they apparently indorse to-day. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5315) to amend the Judicial Code, with Mr. CONNERY in the chair.

The Clerk read the title of the bill.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. BLANTON. Mr. Chairman, reserving the right to object, if the gentleman from Texas will couple with that request a request that the bill at this juncture be printed in the RECORD, I shall not object, but the bill should go into the RECORD so that the RECORD will show exactly what kind of a measure we have before us. I shall object unless the gentleman asks that the bill be printed at this place. If the bill is read, as the rules require, it will be printed in the RECORD. And by requiring it to be read, I can thus force it to be printed in the RECORD.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with, but that the bill be printed in the RECORD at this place.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The bill referred to is as follows:

Be it enacted, etc., That no court of the United States, as herein defined, shall have jurisdiction to issue any restraining order or temporary or permanent injunction in a case involving or growing out of a labor dispute, except in strict conformity with the provisions of this act; nor shall any such restraining order of temporary or permanent injunction be issued contrary to the public policy declared in this act.

SEC. 2. In the interpretation of this act and in determining the jurisdiction and authority of the courts of the United States, as such jurisdiction and authority are herein defined and limited, the public policy of the United States is hereby declared as follows:

Whereas under prevailing economic conditions, developed with the aid of governmental authority for owners of property to organize in the corporate and other forms of ownership association, the individual unorganized worker is commonly helpless to exercise actual liberty of contract and to protect his freedom of labor, and thereby to obtain acceptable terms and conditions of employment, wherefore it is necessary that he have full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment, and that he shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; therefore, the following definitions of, and limitations upon, the jurisdiction and authority of the courts of the United States are hereby enacted.

SEC. 3. Any undertaking or promise, such as is described in this section, or any other undertaking or promise in conflict with the public policy declared in section 2 of this act, is hereby declared to be contrary to the public policy of the United States, shall not be enforceable, and shall not afford any basis for the granting of legal or equitable relief by any court of the United States, including specifically the following:

Every undertaking or promise hereafter made, whether written or oral, express or implied, constituting or contained in any contract or agreement of hiring or employment between any individual, firm, company, association, or corporation, and any employee or prospective employee of the same, whereby

(a) Either party to such contract or agreement undertakes or promises not to join, become, or remain a member of any labor organization or of any employer organization; or

(b) Either party to such contract or agreement undertakes or promises that he will withdraw from an employment relation in the event that he joins, becomes, or remains a member of any labor organization or of any employer organization.

SEC. 4. No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in cases involving or growing out of any labor dispute to prohibit any person or persons participating or interested in such dispute (as these terms are herein defined) from doing, whether singly or in concert, any of the following acts:

(a) Ceasing or refusing to perform any work or to remain in any relation of employment;

(b) Becoming or remaining a member of any labor organization or of any employer organization, regardless of any such undertaking or promise as is described in section 3 of this act;

(c) Paying or giving to, or withholding from, any person participating or interested in such labor dispute any strike or unemployment benefits or insurance or other moneys or things of value;

(d) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in, or is prosecuting, any action or suit in any court of the United States or of any State;

(e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patroling, or by any other method not involving fraud or violence;

(f) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;

(g) Advising or notifying any person of an intention to do any of the acts heretofore specified;

(h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

(i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified, regardless of any such undertaking or promise as is described in section 3 of this act.

SEC. 5. No court of the United States shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground that any of the persons participating or interested in a labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in section 4 of this act.

SEC. 6. No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the United States for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof.

SEC. 7. No court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as herein defined, except after hearing the testimony of witnesses in open court (with opportunity for cross-examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after findings of fact by the court, to the effect—

(a) That unlawful acts have been committed and will be continued unless restrained;

(b) That substantial and irreparable injury to complainant's property will follow;

(c) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

(d) That complainant has no adequate remedy at law; and

(e) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

Such hearing shall be held after due and personal notice thereof has been given, in such manner as the court shall direct, to all known persons against whom relief is sought, and also to those public officers charged with the duty to protect complainant's property: *Provided, however*, That if a complainant shall also allege that, unless a temporary restraining order shall be issued without notice, a substantial and irreparable injury to complainant's property will be unavoidable, such a temporary restraining order may be issued upon testimony under oath, sufficient, if sustained, to justify the court in issuing a temporary injunction upon a hearing after notice. Such a temporary restraining order shall be effective for no longer than five days and shall become void at the expiration of said five days. No temporary restraining order or temporary injunction shall be issued except on condition that complainant shall first file an undertaking with adequate security sufficient to recompense those enjoined for any loss, expense, or damage caused by the improvident or erroneous issuance of such order or injunction, including all reasonable costs (together with a reasonable attorney's fee) and expense of defense against the order or against the granting of any injunctive relief sought in the same proceeding and subsequently denied by the court.

The undertaking herein mentioned shall be understood to signify an agreement entered into by the complainant and the surety upon which a decree may be rendered in the same suit or proceeding against said complainant and surety, the said complainant and surety submitting themselves to the jurisdiction of the court for that purpose. But nothing herein contained shall deprive any party having a claim or cause of action under or upon such undertaking from electing to pursue his ordinary remedy by suit at law or in equity.

SEC. 8. No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration.

SEC. 9. No restraining order or temporary or permanent injunction shall be granted in a case involving or growing out of a labor dispute, except on the basis of findings of fact made and filed by the court in the record of the case prior to the issuance of such restraining order or injunction; and every restraining order or injunction granted in a case involving or growing out of a labor dispute shall include only a prohibition of such specific act or acts as may be expressly complained of in the bill of complaint or petition filed in such case and as shall be expressly included in said findings of fact made and filed by the court as provided herein.

SEC. 10. Whenever any court of the United States shall issue or deny any temporary injunction in a case involving or growing out of a labor dispute, the court shall, upon the request of any party to the proceedings, forthwith certify the entire record of the case, including a transcript of the evidence taken, to the circuit court of appeals for its review. Upon the filing of such record in the circuit court of appeals, the appeal shall be heard and the temporary injunctive order affirmed, modified, or set aside with the greatest possible expedition, giving the proceedings precedence over all other matters except older matters of the same character.

SEC. 11. In all cases where a person shall be charged with indirect criminal contempt for violation of a restraining order or injunction issued by a court of the United States (as herein defined), the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the contempt shall have been committed: *Provided*, That this requirement shall not be construed to apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice or to apply to the misbehavior, misconduct, or disobedience of any officer of the court in respect to the writs, orders, or process of the court.

SEC. 12. The defendant in any proceeding for contempt of court is authorized to file with the court a demand for the retirement of the judge sitting in the proceeding, if the contempt arises from an attack upon the character or conduct of such judge and if the attack occurred otherwise than in open court. Upon the filing of

any such demand the judge shall thereupon proceed no further, but another judge shall be designated in the same manner as provided in case of the approval of an affidavit of personal bias or prejudice under section 21 of the Judicial Code. The demand shall be filed prior to the hearing in the contempt proceeding.

SEC. 13. When used in this act, and for the purposes of this act—

(a) A case shall be held to involve or to grow out of a labor dispute when the case involves persons who are engaged in the same industry, trade, craft, or occupation; or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organization of employers or employees; whether such dispute is (1) between one or more employers or associations of employers and one or more employees or associations of employees; (2) between one or more employers or associations of employers and one or more employers or association of employers; or (3) between one or more employees or associations of employees and one or more employees or associations of employees; or when the case involves any conflicting or competing interests in a "labor dispute" (as hereinafter defined) of "persons participating or interested" therein (as hereinafter defined).

(b) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.

(c) The term "labor dispute" includes any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms and conditions of employment, or concerning employment relations, or any other controversy arising out of the respective interests of employer and employee, regardless of whether or not the disputants stand in the proximate relation of employer and employee.

(d) The term "court of the United States" means any court of the United States whose jurisdiction has been or may be conferred or defined or limited by act of Congress, including the courts of the District of Columbia.

SEC. 14. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provisions to other persons or circumstances shall not be affected thereby.

SEC. 15. All acts and parts of acts in conflict with the provisions of this act are hereby repealed.

Mr. BLANTON. Mr. Chairman, may I ask my colleague, the gentleman from Texas [Mr. SUMNERS], whether he will yield to me one-half of the time which he controls? I am opposed to this measure, and I would like to have the privilege of parceling out the time to those Members who are opposed to the bill.

Mr. SUMNERS of Texas. Mr. Chairman, in reply to the interrogation by the gentleman from Texas, my answer is that I will not. I do not think I have the privilege of doing that.

Mr. BLANTON. The gentleman has control of two hours, one-half of which is entitled to be used by those opposing the bill.

Mr. SUMNERS of Texas. That is correct.

Mr. BLANTON. As one who opposes the bill, I would like to have the privilege of controlling some of the time, in accord with the rules of debate in all parliamentary bodies.

Mr. SUMNERS of Texas. The difficulty is that there may be some other Members who would desire time.

Mr. BLANTON. Will the gentleman yield me 30 minutes?

Mr. O'CONNOR. Reserving the right to object, the rule provides that all control shall be in the chairman of the committee and the ranking minority Member. I do not believe that any time could be yielded to any Member to yield to any other Member.

Mr. BLANTON. It is not a matter of unanimous consent. It is a matter of right. The gentleman from New York can not object. But the gentleman from Texas, as I understand, will yield me 30 minutes in my own right.

Mr. SUMNERS of Texas. Unless the chairman of the committee has more requests than he now has for time in opposition to the bill, the gentleman from Texas [Mr. BLANTON] will have a very good chance of getting 30 minutes to oppose the bill.

Mr. Chairman, I now yield 10 minutes to the gentleman from Tennessee [Mr. BROWNING].

Mr. BROWNING. Mr. Chairman, this measure, in my judgment, is the culmination of a long and not altogether fortunate struggle. There has been repeated effort on the part of Congress, especially one very definite effort, in the past to bring about just what this bill undertakes to do. I refer to the passage of the Clayton Act, as has been stated by the gentleman from Maine [Mr. BEEDY]. Had the intent of Congress been developed by the decision of the Federal courts of the United States on the Clayton Act, in all probability this measure would not have been necessary; but instead of that act, in the eyes of the court, being construed as what the Congress intended, it was denatured, emasculated, and tortured into an instrument for further oppression of those whom we sought to relieve.

The principles that this bill undertakes to initiate are not new. In the beginning it lays down what we choose to call the public policy of the United States. There is some criticism of that, but I, for one, believe that it is absolutely proper and fitting that this Congress should declare the public policy, especially in cases of this kind. Public policy is necessary, because it may be used to resolve uncertainties of the law, not to take the place of the law. Public policy, as we know it, is derived from the Constitution and from the expressions of our legislative bodies. There is some insistence, although I do not think it has strong ground for being maintained, that the decisions of courts are a part of the public policy. That may be true in the absence of expression by the Constitution or legislative bodies.

As an example of the need of public policy in this case, I refer you to the famous Duplex case, which held an injunction in order against those who are undertaking a boycott to carry out the purposes of a strike, and on which was based the later Stone Cutter case.

There were 13 judges who considered and passed on that question before it was finally determined. There were 8 of those judges who expressed the opinion that an injunction was not proper. There were 5 of them who expressed the opinion that it was, and they happened to be a majority of the Supreme Court of the United States in a decision of 5 to 4. I mention that to show the doubt in the minds of those individuals who have the discretion of administering the law as to what is proper.

Judges do not claim to be infallible in their judgment, and there never has been more disagreement on the part of those who are called upon to pass on public questions than there has been among the judges who have been called upon to determine when is the proper time to issue an injunction by a Federal court in a labor dispute.

The public policy laid down in the bill, I think, is essential, because there should be some standard by which the courts may know, at a time when they are in such confusion, what it is proper to do. I think the most fitting and, in reality, the only proper tribunal to express such a policy is the Congress, representing, as it does by direct commission, the people of the country. I think the Congress is the proper tribunal to express the policy as laid out in this bill.

The public policy is taken from expressions of the Supreme Court, from expressions of inferior courts, from statements of famous dissenters, and from expressions of legislative bodies of the Nation as to what they understand to be the public policy. I, for one, think it a proper procedure. I think it should be done more frequently than it is done. It has been done in the past so it is not a new procedure, and for my part I am willing to begin the procedure of expressions of public policy in regard to all future measures, especially those dealing with a proposition as important as that which is now before us, preponderantly human rights over property rights.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. BROWNING. Yes.

Mr. JOHNSON of Texas. In construing statutes, the courts frequently are at considerable loss to understand the intention of Congress at the time the act was passed, and sometimes by various means they seek to ascertain what the intention of Congress was. This declaration of policy will solve that difficulty for the courts in construing this statute, will it not?

Mr. BROWNING. I think undoubtedly it will, and in view of the confusion which has been evidenced in the decisions

already rendered I think it is nothing but fairness to the courts that we should express the public policy in order that they may be able to resolve the doubts of the law as it now exists.

Another principle we undertake to enunciate here is not new, and that is the right of trial by jury. The insistence is made against this measure that it is robbing the people of the right to prevent a wrong, which would be better than undertaking to remunerate them for the wrong done. In my humble opinion that is not the principal reason for those people undertaking to hold on to this practice of the Federal courts. The principal reason is that they would rather undertake to convince one man, who is schooled in the thought of their economic beliefs, than to convince 12 men of their rights in a trial by jury.

The right of trial by jury is a constitutional right. It goes back to the first declaration of English rights.

We have a situation now by which a man may be enjoined by a Federal court without notice, and either through ignorance or intention he violates that injunction. He is arraigned before the court, which is not only the legislature but the grand jury, the trial judge and the prosecuting attorney; the man is sent to jail without a trial by jury, which is guaranteed to him under the Constitution; and then another court on appeal, two or three years later, may decide that the injunction was wrongfully issued. However, that man has been punished, not only wrongfully, but punished contrary to the fundamentals of the Constitution. I say it is not right for such a practice to be perpetuated in this free country of ours, and that is one of the things which is being objected to in the passage of this bill.

Mr. BACHMANN. Will the gentleman yield?

Mr. BROWNING. For a brief question.

Mr. BACHMANN. The gentleman does not intend to extend that principle to contempt that is committed in the presence of the court?

Mr. BROWNING. No. The court, under this bill, has the right to punish contempts committed in the presence of the court. The bill extends to the people the right of notice when an injunction is to be issued against them. That is an American doctrine as old as the Constitution itself, and I believe it should be a part of the law.

Mr. SPARKS. Will the gentleman yield?

Mr. BROWNING. Yes.

Mr. SPARKS. Under this bill only criminal contempts are the ones where the defendant is entitled to a jury trial.

Mr. BROWNING. Yes. Only those things which would be a crime if committed under the jurisdiction of criminal law. Then he is entitled to a trial by jury. [Applause.]

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. BECK]. [Applause.]

Mr. BECK. Mr. Chairman and gentlemen of the committee, I never addressed myself to an argument with such a solemn sense of responsibility. In my judgment, this proposal is one of the gravest proposals that has ever been brought before Congress during the period that I have had the honor of serving as a Member of this House.

I doubt very much whether some of my colleagues fully appreciate all the possible implications of this bill and the contribution it will one day make, not only to great discontent between employer and employee, but to a situation of industrial anarchy.

If I consulted my personal interests, I would remain silent and simply content myself with voting no. But I am a member of the bar and have a peculiar relation to the administration of the law. Moreover, I am a citizen of the United States who, I trust, holds in equal regard the interests of both employer and employee. Whatever the consequences, I feel I should speak; for if I did not, for fear of political consequences, I would have in the remainder of my life an uneasy conscience.

I believe this bill, if it becomes a law, will do infinite harm to both classes, employer and employee, and even of more consequence, the innocent public.

It was said by the gentleman from New York in the argument on the rule that the prospective passage of this bill illustrated the beneficent education of democratic institutions, in that after many years of agitation, when Congress after Congress had rejected proposals of a more deserving character than those embodied in this bill, that now, as a result of this education, the House is prepared to strip the Federal courts of the most vital function of those courts in promoting justice in industrial disputes. I recognize the probable passage of this bill by the House, and let me say here that if I were the only man in the House to speak and vote against the bill, and if I knew it would cost me my political life, I would regard it the crowning service of my modest public service that I at least protested against a measure so unjust and impolitic, and in so doing voiced the sober conscience of millions of right-thinking men. [Applause.]

Referring again to what the gentleman from New York said, this probable enactment, far from illustrating the educational possibilities of democracy, illustrates what I have often regarded as the fatalism of democracy, a fatalism that will surely—not in your lifetime or mine—spell the ultimate dissolution of democratic institutions. I can illustrate my meaning by the homely illustration of the young lady who, wearied of the importunate solicitations of a suitor, marries him to get rid of him; and this yielding to long-continued importunity has often been illustrated in the history of the American Congress. A militant and vociferous minority will press long enough for the enactment of legislation, and in disregard of the many times that the Congress of the United States may have rejected their proposition, they will ultimately secure their ends by the sheer importunity of their demands, not to speak of the concerted pressure upon weak and timid legislators.

This is illustrated in this case, because the Senate, that had repeatedly rejected more deserving proposals to regulate injunctions, have passed this bill by a very substantial majority, some Senators voting affirmatively with avowed shame; and I am told the House, with only four hours to discuss the fundamental liberties of American citizens, whether they are of the laboring class or the employer class, will probably pass this bill, and the only thing that will stand between this iniquitous stripping of the courts of equity of their ancient and most beneficent powers will be the possible veto of the President.

Mr. CELLER. Will the gentleman yield?

Mr. BECK. No; I would rather not yield until I have developed my argument. Then I will yield with great pleasure.

I shall now briefly indicate seven specific objections of a very grave character to this bill.

First. Section 4: Injunctions are to be largely limited to "fraud or violence." Mass picketing, intimidations, trailing, besetting, importuning, libeling, and false statements are to be beyond the reach of injunctive relief.

Second. Section 4: No injunction shall be issued against the organization and maintenance of strikes even where said strikes are called in violation of contract, to extort graft, to compel the employer to commit a criminal act, to accomplish political purposes, to prevent freedom of press, to prevent the use of products which the public desire to use, to coerce Congress and the Executive.

Third. Section 7: Although injunctions are to be limited largely to acts of fraud and violence, no relief can be granted in such cases unless the complainant can show that he is being injured more by the fraud and violence than the defendant will be injured by stopping such fraud and violence. This is an unpracticable requirement.

Fourth. Section 8: Although the defendants may, without notice, organize industrial war through fraud, violence, and other unlawful acts, the plaintiff shall not receive injunctive relief unless he first endeavors "to settle such dispute either by negotiation or with the aid of any available governmental machinery of mediation or arbitration." The aggressor may act without notice, but the aggrieved may not defend himself by securing injunctive relief without tolerating the violence until he has gone through various steps of peaceful negotiation. While plaintiff is negotiating, the situation may become beyond any possibility of judicial relief.

Fifth. Section 7: No injunction shall issue without proof that public officials charged with the duty to protect property are unable or unwilling to furnish adequate protection. Such an inquiry would be an affront to the authorities of a State.

Sixth. Section 7: The court is deprived of all jurisdiction to issue a temporary restraining order to continue for more than five days in labor dispute cases. This, of course, conflicts with the earlier provision in the same section requiring the examination and cross-examination of witnesses to secure a preliminary injunction, as it is obvious that more than five days would be consumed in most cases of this character by the examination of witnesses. Moreover, it deprives the court of any discretion to extend the restraining order, even though the court were otherwise engaged or counsel were sick. The provisions in the Clayton Act, leaving such matters to the discretion of the court, are as they should be.

Seventh. Section 11: The bill provides for a jury trial of criminal contempts. This is quite distinct from the present provision of the law, sustained in the case of Michaelson *v.* United States (266 U. S. 42), wherein a jury trial for contempts was prescribed in cases where the acts of contempt were per se criminal. Under provisions of the pending bill, contempts for ignoring supœnas, jury summons, and so forth, would have to be tried by a jury as well as contempts for violation of the Volstead Act, as this section of the bill is not limited to labor cases.

If I try to discuss these in this oral argument my half hour would be very speedily consumed. I would rather address myself to the more fundamental objection that seems to me to underlie this bill, and as to which I may venture to offer an amendment, which will test the sincerity of some of the proponents of this legislation.

The difficulty with this bill, fundamentally, is that it takes no account whatever of the motives and purposes with which a nation-wide strike or boycott can be commenced and prosecuted.

Obviously, an industrial dispute can be made the means of compelling some action wholly disconnected with the causes or conditions of employment, and it can even be caused to bring about some political result and threaten the freedom of decision of the Congress itself. In other words, the industrial boycott or strike, when nation-wide in its extent, can become that which in England is called "direct action," and there is no provision in this bill that if there be an industrial dispute or a threat of an industrial dispute that may, for example, paralyze interstate transportation from the Atlantic to the Pacific, that a court of equity in such case would have the right or power to invoke the ancient and beneficent remedy of injunction.

The so-called educational process, that now seems to be in the process of culmination, began in 1894, 38 years ago, in a strike to which I wish to refer, as it will illustrate what may happen if the courts of the United States no longer have any power to issue injunctions except under conditions that are almost prohibitive.

You will remember in that case the Pullman Co. had a controversy with its immediate employees. With that the railroad brotherhoods or the American Railway Union, as it was then called, had no legitimate concern. Nevertheless, in order to compel the Pullman Co. to make terms—whether they were just or unjust I do not know—with the Pullman employees, the railroads entered upon a strike which was intended to paralyze all traffic into the city of Chicago, with the potential threat of denying even the children of that city the milk requisite for their life, and which was intended to obstruct and prevent and put an embargo upon all the foodstuffs that would leave Chicago in order to provide nourishment and maintenance to some 12,000,000 people outside of the city of Chicago.

Let me remind the gentlemen on the Democratic side of the aisle that one of the crowning achievements of that great and noble President, Grover Cleveland, was to instruct his Attorney General to go into the United States courts and there bring the parties that were trying to starve the people of the United States into compelling the Pullman Co. to accede to the demands of the Pullman workmen; and, as a result of that bill in equity, after a hearing in court a permanent injunction was entered, and for a time disobeyed, although that is another matter.

At all events, if there be one act of Cleveland's administration of which every Democrat who cherishes the maintenance of American freedom should be proud, it is his brave act in initiating this suit. Yet, if this bill had been the law then, while there is the exception that an injunction can issue in cases of fraud or violence, yet the fact is that a restraining order to permit irreparable harm could only be granted for five days, at the end of which a court of equity would have been impotent to preserve the status quo in order to determine the respective rights of the parties. Prior to that time there had never been a suggestion on the part of those who are the proponents of labor organizations for legislation of the kind before us. I believe quite as much as does the gentleman from Maine [Mr. NELSON] in the right of labor organizations; I share his splendid eulogy of the beneficent workings of those associations; I indorse his views that in this most acute crisis that our country possibly has ever known the conduct of the labor organizations has been beyond praise. I share all that he has said about their generosity and their public spirit in agreeing to a reduction of wages as their contribution to an alleviation of the terrible conditions of the hour. But, let it not be forgotten that a labor organization can be malevolent as well as beneficent. It can have proper purposes and it can have improper purposes, and the attempt in 1894 in a matter which did not concern them to starve the community and compel it to bring unreasonable pressure upon the freedom of the Pullman Co. and of such of its employees as were satisfied to work was a denial of freedom.

Let me give a second illustration before I go farther. I suppose some of us remember the year 1916, when the demands upon traffic were unprecedented, when it was vital to the industries of this country that interstate traffic should move, when it was not only vital to us but vital to those nations that subsequently became our allies that war supplies should be moved to the Atlantic seaboard. The four railroad brotherhoods took that time to enforce their demand, and did so on the eve of a presidential election, just as they are doing now; and for the same reason, viz, that there is less freedom of action on the part of Congress on the eve of a presidential election, they went to President Wilson and with watch in their hands demanded that unless within a specified time, which, as I recall, was only a few days, he insured the passage of a clearly unconstitutional law to give 12 hours' pay for an 8-hour day's work they would at once paralyze the interstate traffic of the United States from the Atlantic to the Pacific, to the ruin of millions and possibly to the starvation of millions, because there are many cities, like New York and Chicago, where, if you cut off their supplies for a week or 10 days, the people will be threatened with starvation. It is a humiliating fact to recall that President Wilson bowed to the insolent demand and thereupon appeared before the Congress and urged the passage of that unprecedented law, the Adamson law. Do not tell that because it was direct action for a political purpose, it was not an industrial dispute, because the method of compelling the Congress of the United States to abdicate its function under the Constitution was for every workingman to leave his locomotive and his train and stop the movement of interstate traffic.

The Congress yielded, I think, to its own disgrace, and the Supreme Court so far yielded, that while five of the judges did hold that the law could be sustained, one of the five held that it was only temporarily constitutional, upon the theory of an emergency, in order to enable the railroads and the brotherhoods to agree upon suitable wages. But five judges held that except as an emergency measure it was unconstitutional and void. Yet they validated the law for the time being and in the way that I have indicated. If this bill had been the law then, there would have been no power whatever, in that critical year of 1916, when we were

preparing for a war into which we were about to be drawn, for President Wilson to have done as President Cleveland did—direct the Attorney General to enter a court of equity, get a restraining order for a limited and reasonable time until the parties could be brought before it, and then, after full hearing, grant an injunction against the destruction of interstate trade. A sovereign State can not place an embargo upon interstate trade; yet this organization of railroad employees, with their power to tie up traffic from the Atlantic to the Pacific and from the Lakes to the Gulf, can put on such an embargo. In the last analysis this bill is to shift the power of granting an injunction from the courts that may be trusted to hold the scales even between employer and employee, to those who are not judges but who are only the representatives of a class, and who can starve a community into submission of their demands unless there be power in a court of equity to draw about an innocent public that suffers most by such embargoes the solemn circle of the law and say, "Thus far and no farther."

I recall two illustrations that happened to me in 1920 and 1922 which I wish to call to the attention of the committee. In 1920 I was in London. The communists of London—and I am not classing American labor organizations with communists because I have already assented to the well-deserved eulogium of the gentleman from Maine—had hired Albert Hall, I think it was, for three meetings. They had held two meetings in which they had agitated for the destruction of all organized government. They had marched in with red flags, denouncing every existing institution which you and I hold dear—a government of laws and not of men, the church, the courts, and the legislature. Thereupon the owners of the hall, at the direction of Lloyd George, canceled the lease for the third meeting; and the labor organizations of London, that were not communistic at heart but who were engaged in supplying London with light, heat, and water, sent notice to Lloyd George that unless within 24 hours the hall was given over to the communists to hold their meeting there would be no light, no heat, no water in London.

Lloyd George promptly succumbed to prevent irreparable harm, rather than see London plunged into darkness and its people wanting in the necessity of water.

Two years later the Bolshevists were at the gates of Warsaw, and if they had captured Warsaw they would have entered Germany and a minority of the German people, in their despair, crushed as they are, would have probably joined a movement that absolutely threatened the existence of western civilization itself. What happened? Poland put its women and children in the trenches against that attack of the Russian Soviets and appealed to France and Belgium and England. France promptly sent its generals and supplies. In Belgium it was proposed to aid Poland by contributing artillery and other munitions of war, and then the labor organizations said to the Belgian Government, "Do this and there will be a general strike in Belgium." At once the cabinet succumbed and Hymans, Foreign Minister, with whom I had dined the night before, resigned in protest.

In England the same thing took place. England wanted to join France in defending Poland and western Europe against a greater peril than had existed in Europe since Attila stood at Chalons centuries ago. England wanted to help. At once the railroad brotherhoods and other transportation interests served notice on Lloyd George that the moment one rifle was given to the Poles there would be a general strike in England. Lloyd George yielded to the threat.

You will say those are illustrations in other nations. Let me give one in our country that is in my memory, although I had no special connection with it. I refer to the shopcraft strike of 1922, when I was Solicitor General. I can still remember the great map we had in the Department of Justice which 2,000 deputy marshals reported day by day and hour by hour some new and fresh outrage, which was marked on the map. If you doubt it, go to the Department of Justice and you will see the record there. There were 1,500 cases of violent assault with intent to kill; 65 accounts of kidnaping, accompanied by brutal assaults; 8 cases of tar and feathers; 51 cases of dynamiting and burning railroad bridges for the purpose of wrecking freight and passenger trains; 250 records of bombing of railroad property or homes of nonstriking employees; 50 cases of train wrecking or derailment; hundreds of flagrant practices of sabotage in the crippling of engines and cars. That is the story of what was happening when another President, this time a Republican President, instructed the Attorney General to enter the United States court at Chicago and stop these wholesale assaults and outrages—nay, it was war against the people of this country. An injunction was filed, and never did those responsible for that strike dare to come into court and say that one single allegation of the United States Government in that case was, as a matter of fact, untrue. That strike was dissolved by the beneficent power of the injunction.

I have told you all this because I wanted to call attention to what I regard as a fundamental defect of this law. There are many others, and by reference to one you must not understand that I am excluding those to which I shall refer under the privilege of revising and extending my remarks.

Section 5 reads:

No court of the United States shall have jurisdiction to issue a restraining order—

Mark you, a restraining order is only for a few days, to preserve the status quo. If you can not preserve the status quo of a litigation, the courts of equity in many cases are impotent, because the thing about which the controversy rages is irreparably destroyed, and without the power of a restraining order there would not, in many cases, be any equity done. I continue reading—

shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground that any of the persons participating or interested in the labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in section 4 of this act.

The enumeration of those acts includes the ordinary methods outside of physical violence with which these nation-wide strikes are carried to successful result.

That strips the powers of a court of equity, even though the purpose of the industrial dispute is an ulterior one. It may be to do to another President what was done to President Wilson; to another Congress what was done to the Congress of 1916. It will be within the power of the great railroad brotherhoods of this country, although I am loath to think that they would use the power, but if there be anything in human liberty it is the fear of possible abuses of power—I say it would be within their power to do again in some industrial crisis what was done in 1916; that is, to say to the President and to the Congress, "You will do so and so, or there will be no interestate transportation in this country. We will see people starve unless we get our will." Now, in the last analysis that is what it means. No State court has sufficient sweep of jurisdiction to be helpful. A nation-wide strike on interstate traffic has the purpose of taking a community by the throat and saying to that community, "You must compel, through your legislative or executive representatives, the people with whom we have a dispute to do our bidding, and if you fail to do it, the consequence be on your head," even if it involve suffering, privation, and death to the public and the community who are innocent, who have no part in the controversy, who have not been in any way responsible either for high or low wages or conditions of employment, who have relied upon the solemn guaranty of the Constitution that interstate commerce shall be free.

I say under those circumstances, after having spiked the last cannon that can defend a community from intolerable suffering, you are simply transferring the power of compelling action, not merely in an industrial dispute but of compelling action of any political nature.

When you have done that, what have you done? You have made a long march away from that Philadelphia where the Constitution of the United States was framed and in the direction of Moscow, and do not be oblivious of that fact.

[Applause.] You will have enthroned the possible rule of the proletariat in free America.

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BECK. I feel, gentlemen, that I am making an undue trespass upon your time, but I feel so earnest in this matter. In any adjectives I use or in any aspersions I make upon this proposed law, do not understand for a moment that I am reflecting upon those who are its proponents. I have grown to that mellow age that I can see a thing which I believe is clear and indisputably true; but nevertheless I can well believe that those to whom it is not truth are just as honest as I am and are animated by just as high motives. Moreover, I am convinced that the proponents of this measure have, as I have, a sympathy for laboring men in industrial conditions, especially in a highly organized economic civilization such as ours. I understand that—and if I made any exception I would say that in the other Chamber I believe some of the proponents of this law, having visited Moscow and become somewhat enamored with its political philosophy, have endeavored to write a rule of public policy into this law which I could understand if Moscow had provided it, but I can not understand it in a Government such as ours, of laws and not of men, where the administration of justice is in the hands of judges, independent because of their life tenure, independent because of the fact that they have given their life to the equable and even-handed administration of justice. I can not believe that men of that type can not fairly and equably hold the scales of justice in these unhappy and, I suppose, often inevitable industrial disputes.

As I said before, I am going to suggest, when the time comes for amendment, that section 4, in line 23 on page 3, shall begin as follows—and those who are sincerely in favor of this bill as a measure of justice ought not to complain of it. I would amend it by beginning the sentence as follows:

Except where these acts are engaged in or threatened for an unlawful purpose or with unlawful intent.

Can there be anything unfair about that? If such a combination is to violate the Sherman law, to restrain, obstruct, or defeat interstate traffic, it is an unlawful act; and there ought to be the power in a court of equity to enjoin it, because there is no possible remedy at law, and there is none that even a court of equity can grant without a restraining order that may not cause irremediable harm.

The second amendment which I shall offer is more important. If you will turn to page 1, line 9, I would add the following—but perhaps I had better read the preceding sentence:

That no court of the United States, as herein defined, shall have jurisdiction to issue any restraining order or temporary or permanent injunction in a case involving or growing out of a labor dispute except in strict conformity with the provisions of this act, nor shall any such restraining order or temporary or permanent injunction be issued contrary to the public policy declared in this act.

I would add:

Provided, however, That neither this section nor any subsequent section of this bill shall apply to any labor dispute which involves the suspension or discontinuance of a public utility whose continuous operation is essential to the property, health, and lives of the people of any State or community. In such cases where the welfare, health, or lives of a public are concerned who are not parties to such labor dispute, or where a labor dispute involves the obstruction of any instrumentality of interstate or foreign commerce, as railroad, steamships, telegraphs, telephones, or other methods of transportation or communication, in such event the power of a United States court to grant injunctive relief in the interests of the public in accordance with the principles of equity jurisprudence shall not be denied or abridged, anything in this act to the contrary notwithstanding.

[Applause.]

Mr. BLANTON. I want to suggest a further amendment, that it should not apply where the Government of the United States is the petitioner.

Mr. BECK. That is an excellent addition; but, of course, if these amendments are added, the Government of the United States through its Attorney General can at any time enter a court of equity and keep open the channels of interstate trade; but no such thing is possible if this bill is passed. You have tied the hands of your Attorney General, you have tied the hands of the President, you have tied the hands of the courts. What possible remedy will those have who are under a solemn obligation to continue the operation of railroads, for example? What possible remedy will the public have if you strip the courts of this beneficent power of injunction?

Why, gentlemen, that is a word which, if a militant and vociferous minority will repeat it long enough, acquires a sinister name.

I would like those of you who are lawyers to take the reports of the United States courts and tell me the cases in which if you had been a chancellor you would have acted any differently than the United States court did.

Mr. LAGUARDIA. I will cite the gentleman one.

Mr. BECK. The gentleman can do it in his own time. I did not say there was not one. I said I would like the instances named. I think in a few instances there have been abuses, but the abuses are infinitesimal in number in comparison with the beneficent work of the courts of equity.

What is an injunction? An injunction is the method that has been adopted by all civilized nations from the dawn of history as a measure of preventive justice. Instead of saying to people, "Go ahead and do the unlawful acts and we will put you in jail," the chancellor, after full hearing, simply says, "Now, you are threatening to do this, and before you have done it we now command that you desist from further action." And there is no punishment unless the man, in the teeth of that benign decree, violates the command.

An injunction? Why, if you accept the Mosaic story, injunctions were written in the Ten Commandments when Almighty God gave to Moses commandments, some of which said, "Thou shalt not." The Almighty could have punished after the commission of the acts but the Almighty preferred, if we accept the Mosaic story, to write down a few specific things which said, "Thou shalt not do it," and it was an injunction. They were known to Roman law, they have been known to English law from the very beginning of history, or at least from the constitution of courts of equity, because courts of equity were the very outgrowth of the fact that it was through an injunction that the rigors of the common law were sought to be abated; that instead of taking men ruthlessly and sentencing them to prison, to the scaffold, or to the stake for offenses against the social order, the courts of equity, through the power of the chancellor, were enabled to say in a far kinder way, "Now, you are doing this or you are threatening it to be done; we have heard you, and we simply say to you, you must not do it," just as a father or a mother says to his child when the child is thoughtless, "You must not do this."

Equity distinguishes between three different degrees of injunctive relief. The first is the restraining order, whose purpose is to preserve the status quo until the court can hear a motion for the preliminary injunction pendente lite; the second is the preliminary injunction, granted upon notice to preserve the status quo during the uncertain length of litigation; and the third is the final, permanent injunction.

As I have said, these equity powers of the court have existed from time immemorial and have always been found to be essential to the administration of justice. They existed in the Roman law under the name of interdicts and were divided into three kinds—prohibitory, restitutory, and exhibitory. The English chancellors exercised these remedial powers from the first beginnings of English equity jurisprudence. Indeed, even the common-law courts in a measure enjoyed them by the use of the writ of prohibition, but its inadequacy and the superior remedial power of the injunction largely contributed to call courts of equity into existence, and the more frequent use of these writs, whereby the elementary principles governing injunctions were formulated, were—curiously enough and as proof that history repeats itself—due to the very conditions, which now make it necessary for courts of equity to use them so frequently to prevent destruction of property.

It would serve no useful purpose to trace the history of this method of administering justice. Probably in all ages and with all peoples a distinction has always been made between remedies which prevent the commission of wrongs and those which redress them when actually committed, and while no one was a more zealous champion of the common-law courts and the rights of their judges than Lord Coke, yet even he remarked how far preferable the preventive justice of the chancellor was to the compensatory justice of the common-law courts.

The founders of this Government could not have ignored this power of the judiciary, and it is significant that they were jealously insistent upon the absolute independence of the judiciary, in order that the judges could exercise, without the interference of either the legislature or executive, these great remedial powers. In the Declaration of Independence, the encroachment upon the independence of the judiciary was included as one of the great counts in that formidable indictment against the British Crown. The great declaration charged that the—

King has obstructed the administration of justice by refusing his assent to laws for establishing judiciary powers—

And had—

made judges dependent on his will alone for the tenure of their offices and the amount and payment of their salaries.

The framers of the Constitution, in defining in its noble preamble the great objects to which the Federal Government was solemnly dedicated for all time, included the phrase: "To establish justice," and while many of the phrases, employed in the preamble, were borrowed either from the preceding Articles of Confederation or from the charters of the Colonies, it is significant that the words "to establish justice" had not been thus previously used. Madison tells us that one of the great causes which led to the Constitutional Convention, was the—

necessity of providing more effectually for the security of private rights and the steady dispensation of justice. Interferences with these were evils which had, more perhaps than anything else, produced this convention.

To protect the individual from the tyranny of the many was one of the great objects of the Federal Government, and for this purpose Federal courts were established. Their independence was the very keystone of the arch. It was never contemplated that Congress could paralyze the judicial arm of the Government in any essential power.

The framers of the Constitution, in defining the powers of Congress—powers which were obviously duties—said in Article I, section 8, that Congress should have power "to constitute tribunals inferior to the Supreme Court," and this power and correlative duty was put on a plane with the power to regulate commerce and coin money.

Article III, section 1, provided that—

The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish.

And by section 2, it was provided—

The judicial power shall extend to all cases in law and equity arising under this Constitution, the laws of the United States and treaties, or which shall be made under their authority.

Thus the equity power to issue restraining orders, which had theretofore existed in cases where a court had reason to apprehend imminent and irreparable damage, was directly vested by the Constitution itself in the Federal courts as an inherent power.

While courts administer the law as enacted by the law-making power, and while many rights are thus subject to change or even destruction by the legislature, and while many remedies are likewise the subject of legislative change, it is obvious that there are two remedies which fundamentally concern the authority of the court itself and have no special relation to any form of action or any species of property, and without which the court could not preserve either its dignity or authority. These foundation powers can not be taken from a court when once established, since the "judicial power" is vested in the courts when created not by Congress but by the Constitution itself.

These two fundamental powers of courts are the power to punish for contempt and the power in whatever form of action to preserve the status quo pending an opportunity for the court to consider the matter in controversy by a restraining order. If either were taken from the courts, their power would in many instances be wholly nullified.

In re Debs (158 U. S. 564) the Supreme Court quotes with approval the following judicial utterances of State courts:

The power to even imprison for contempt from the earliest history of jurisprudence has been regarded as a necessary incident and attribute of a court, without which it could no more exist than without a judge. It is a power inherent in all courts of record and coexisted with them by wise provisions of common law. A court without the power effectually to protect itself against the assaults of the lawless or to enforce its orders, judgments, or decrees against the recusant parties before it would be a disgrace to the legislation and a stigma upon the age which invented it.

The summary power to commit and punish, say, contempts tending to obstruct and degrade the administration of justice is inherent in courts of chancery and other superior courts as essential to the execution of their powers and to the maintenance of their authority, and is part of the law of the land within the meaning of the Magna Charta and the twelfth article of our declaration of rights.

These judicial utterances, thus quoted with the approval of the highest court of the land, are even more applicable to a restraining order for the reason that as equity takes cognizance of no cause in which a money judgment would be adequate relief and as, therefore, equity causes ordinarily contemplate some different relief than the mere payment of money, the inability to preserve the status quo by a restraining order would frequently prevent the court from passing to final judgment and granting the final decree, which the prayers of the bill, if sustained by the proofs, would necessitate, and it is more derogatory to the dignity of the court to prevent by anticipation that which the court upon hearing would have ordered than to punish after the hearing the refusal of the recusant party to do that which is ordered. Whatever the comparative importance of the two may be, it can not be gainsaid that the two remedies are complementary, and the power by contempt proceedings to punish the recusant party for refusing to do that which he is ordered to do would be inadequate for the full assertion of equity powers were it not for the complementary right of the court, before the defendant could be in contempt, to direct that the status quo be preserved until the court could hear both sides of the controversy and grant such relief in the premises as the law of the land requires. The proposed bill seeks to destroy this inherent, immemorial, and indispensable power of a court of equity. Were it confined to a mere prohibition of the issuance without reasonable previous notice of a writ of injunction as technically distinguished from a restraining order, no objection could be had to its passage. It would not change the law or the practice of the Federal courts as they now exist; but it goes farther and seeks to prevent a restraining order without previous notice and a hearing except for five days and no longer. Previous notice must of necessity mean such adequate notice to the parties affected by the restraining order as will enable them to appear in court and show the nature of their defense. It would, therefore, of necessity be a notice extending over some days, especially in labor cases, where considerable time would necessarily be required to serve notice upon the large number of persons who are ordinarily the subject of the labor controversies in the courts. Moreover, a hearing would have to be had and, as usual in this class of cases, the merits of the question would of necessity be gone into at such hearing and considerable time thus lost. The bill, therefore, would effectually destroy the power of the court, no matter how imminent and irreparable the danger might be, of granting any restraining order to preserve the status quo. It may be admitted that in many labor controversies no real inconvenience or hardship would thereby result, but in many other labor cases irreparable harm and mischief would follow, for frequently a bill of injunction is not filed to restrain unlawful combinations until there is immediate danger of grievous injury, for which no money or other redress is possible against the unnamed and unknown conspirators, who, moreover, are often financially irresponsible.

To illustrate this, let us take the cause célèbre from which sprang this agitation to destroy the power of the Federal courts to issue such injunctions. I refer to the case In re Debs, supra, which was decided in 1894 and which admirably illustrates the mischievous possibilities of the proposed legislation. Before the Debs case there was no dissatisfaction with the Federal courts in the matter of injunctions, but since the Debs case, and the collapse of the gigantic strike, which was the subject matter of that litigation, there has been a continuous effort by professional labor leaders, in and out of Congress, to prevent a repetition of the action of the Federal courts in the Debs case, notwithstanding that it finally had the sanction of the Supreme Court of the land, and that the suit was instituted at the instance of the President of the United States as the representative of the whole American people.

The facts referred to in the bill were matters of common knowledge. The strikers numbered thousands and had so far succeeded that not only was Chicago isolated from the world but the entire country suffered from the injury to its supply of food. The wires carried to the farthest parts of the world the news of the paralysis of law and order in Chicago, and for a time the majesty of the law seemed hopelessly subverted. In this notorious condition—the facts of which were not then and are not now capable of dispute—the United States filed a bill in equity to restrain the officers of the American Railway Union from persisting in their unlawful conspiracy, and the court granted a preliminary injunction which in no way affected any property rights of the defendants, but simply commanded them to refrain from doing that which under the laws of this country, and of every civilized country, is unlawful and criminal. If they were not committing the acts, the injunction could do them no possible harm, and if they were committing them, the command that they should refrain from destroying other people's property and interfering with other people's liberty and imperiling other people's lives would seem so eminently just that sympathy for the conspirators would seem to have been somewhat misplaced.

In this connection it should be noted that neither the bill nor the injunction in the Debs case in any manner interfered with the right of the members of the railway union or of the Pullman Palace Car Co., either individually or collectively, to strike. As Mr. Justice Brewer said:

> It was not a bill to command a keeping of the peace; much less was its purport to restrain the defendants from abandoning whatever employment they were engaged in. The right of any laborer, or any number of laborers to quit work was not challenged. The scope and purpose of the bill was only to restrain the forcible obstructions of the highways along which interstate commerce travels and mails are carried.

The preliminary injunction, which was virtually a restraining order, was served upon the defendants, who, without seeking either to modify its terms or vacate it altogether or to take an appeal from its provisions, elected to defy the order of the court, and it was for this willful refusal to obey this preliminary injunction, after due service of notice of its contents, that Debs and his associates were summoned by attachment in the nature of contempt proceedings, and, after a hearing, were sentenced to imprisonment for contempt of court, and it was this judgment that the Supreme Court of the United States sustained.

If the bill now under consideration had then been a law, such summary action would have been impossible. Notice would have had to be served upon all who were participating in the lawlessness, and as these numbered many thousands and had completely terrorized the officers of the law, such notice could not have been served under any circumstances upon all of them, and as to most of them the service of such notice would have required considerable time. Any hearing had upon the application for a restraining order could have been prolonged for many days, and thus the court, if the present proposed bill had been a law in 1894, would have been powerless to protect the property of the railroad companies and the right of their employees, who remained in their service, to continue to work for many days, and in the meantime incalculable losses in the destruction of property and loss of business would have been inflicted upon the transportation companies, the most of whom, be it remembered, were not in any sense parties to the original controversy between the Pullman Co. and its employees. These companies, without such summary action to preserve the status quo, would have been powerless to save their properties or to recover damages for their destruction.

Of what avail would a final injunction, after a full hearing on the merits of the case, have been to these defendants, for the property which was destroyed and the loss of business, while great in amount, would not have been easily susceptible of exact proof. Moreover, how could any judgment for such damages be collected against the railway union and those who acted in cooperation with it, who were for the most part unknown and financially irresponsible. The Debs case, therefore, is a striking illustration of the fact that to deny a court of equity the right by summary action to preserve property pending a full hearing and final determination as to whether there is any unlawful interference with such property, is in effect a denial of justice altogether. The court might as well close its doors and surrender its high prerogatives. It is this essential right which the proposed bill seeks to destroy.

The bill is unconstitutional as it is in effect an invasion by Congress of the judicial department of the Government.

It seems unnecessary to state the reasons why Congress may not destroy the "judicial power" of the Federal courts, even if it alone can create all these courts with the exception of the Supreme Court. I concede arguendo that Congress may prescribe the methods of procedure of the inferior Federal courts, and that they have a wide discretion in prescribing such methods of procedure, and that the fact that a given method of procedure may be less effective than the old chancery practice, would not justify any court in impeaching the constitutionality of such legislative modification of its chancery powers; but I submit that where the necessary effect of any legislation is to destroy wholly the inherent and fundamental powers of the court to discharge its exalted function of administering justice, it infringes upon that "judicial power," which under the Constitution is vested in the Federal courts.

Bearing in mind the technical distinction between a temporary injunction pendente lite and a restraining order, we concede that as to the former a requirement as to notice and previous hearing is within the power of the court, but as to the latter, I dispute the power of Congress, because it destroys wholly the ability of the Federal court in given cases to do justice at all, and I have illustrated this by reference to the unquestioned facts in the Debs case, where, without such preliminary injunction, which was virtually a restraining order, the whole purpose of the litigation would have been defeated and a final decree would have been impotent to do justice. In this respect, I think a restraining order is analogous to the order to punish for contempt, and as to both, while conceding that Congress may prescribe the methods whereby either restraining orders or punishments for contempt can be ordered, it can not wholly destroy either right without virtually destroying the power of the court to administer justice, and this is beyond the power of Congress as long as the court exists. It is of the very essence of a restraining order that it should be granted without notice. That is its purpose and function, to preserve the status quo until the court can determine upon notice and hearing whether the ends of justice require an injunction pendente lite.

It has been suggested that as Congress could abolish the inferior Federal courts altogether, its power over them is absolute. I dispute, however, that Congress has any such constitutional right, although I concede that the failure of Congress to provide inferior courts, in which the "judicial power" of the Constitution may be exercised, is a failure to discharge a constitutional duty, as to which there can, in the nature of the case, be no practical remedy. This illustrates a truth familiar to every student of constitutional law that

many acts are unconstitutional, which the courts are powerless to prevent, and that they are especially powerless to compel the doing of that which may be a constitutional duty and failure to do which is a violation of the Constitution. Such constitutional questions are said to be of a "political nature," and beyond review by the judicial department of the Government.

Since the case of Martin against Hunter's Lessee it can not be questioned that the word "may," in section 1, article 3, is used as is not unusual, in its mandatory and not in its permissive sense. For Congress to abolish the inferior Federal courts, practically the only possible sources of original jurisdiction, and to refuse to substitute others, would not only be unconstitutional but an act of revolution. For reasons previously given it is clear that the founders of the Republic not only intended to create the Judicial Department of the Government but to make it independent, and as no Government could exist without the exercise of judicial power, and as all judicial power was expressly withheld from both the executive and legislative departments of the Government, it is clear that an imperative duty was imposed upon Congress to create inferior Federal courts, from which duty Congress could not escape without destroying the equilibrium of our Government. But as the method of exercising this power is left to the discretion of the legislature, the judiciary is powerless to enforce obedience to an unquestioned constitutional duty.

That the power to restrain by injunction is inherent in equity courts and is of the very essence of "judicial power" is clear from all the authorities and was expressly affirmed by the Supreme Court in the Debs case. I therefore submit that Congress can not, certainly as to existing courts, so impinge upon their inherent equity powers by any regulation of their procedure as to destroy altogether the power of the court to vindicate its existence and discharge its exalted functions, and that an act which forbids the issuance of a restraining order, often essential to the power of the court to do ultimate justice by final decree, would sap the very foundations of judicial authority, and to that extent destroy the "judicial power" thus vested by the Constitution.

The bill offends the spirit, if not the letter, of the Constitution in making a possible deprivation of property "without due process of law."

The bill makes an invidious distinction between labor controversies and all other legal controversies in which the remedial powers of an injunction are invoked. While all other citizens can appeal to the courts to preserve by restraining order property in controversy until the merits of a controversy with respect thereto can be heard, employers of labor would be powerless to invoke the same remedy, although, as a matter of fact, they have the greater need of it, for their rights are ordinarily invaded in labor controversies by combinations of men, many of whom are unknown by name and most of whom are financially irresponsible. Can such a distinction exist under a Constitution which, in the very words of its preamble, was adopted to "establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and posterity"?

The blessings of liberty thus referred to are the great privileges of the English-speaking race, and probably the two most important—at least in this day—are, first, the right of the citizen to enjoy his own property free from molestation, and, secondly, the right of every man to sell his labor upon such terms as he thinks expedient. Of the two, the right to labor free from the tyranny of a labor oligarchy is by far the most important.

The proposed bill in its discrimination between labor controversies and other controversies and its obvious purpose to take from a certain class in the community the protective power of a restraining order offends the political institutions in our country in destroying that "equality before the law," which is the basic principle of the American Commonwealth. It may be that no court could declare it unconstitutional on that ground, if it does not violate some express provision of the Constitution, but here, again, I submit that Congress, in considering any proposed bill, must consider not only whether the courts could declare it unconstitutional, but also whether the bill offends the spirit of the Constitution and violates the fundamental principles of American liberty, even though such a bill can not be judicially invalidated upon such grounds.

Many acts or omissions may be unconstitutional which are beyond the judicial power of the courts to adjudge invalid. The failure of Congress to create inferior courts demonstrates the truth of this.

That this bill violates the spirit of the Constitution is, I submit, shown not merely by the preamble but by the fifth and fourteenth amendments. These amendments are the complements of each other, the fifth referring exclusively to Congress and the fourteenth referring to the States.

In judicial proceedings "due process of law" simply means the administration of justice according to those fundamental principles of justice which from time immemorial have been recognized by the English-speaking world. This undoubtedly includes a right to be heard before the court passes to final judgment, but it also unquestionably includes the right of the court, by a restraining order, to preserve the status quo until a hearing upon notice can be had in due course of law, and one is almost as essential to the administration of justice as the other. A bill, therefore, whose obvious and necessary effect is to destroy this right of one class of litigants to have existing rights preserved until a full hearing can be had, violates the spirit, if not the letter, of the fifth amendment, which provides that no person shall "be deprived of life, liberty, or property without due process of law."

While the proposed bill may not be such a tangible violation of constitutional provisions as a court could declare unconstitutional, the duty upon Congress is not less but in a sense greater to pass no act whose obvious effect violates the spirit of the Constitution and offends the nature of our institutions.

If constitutional, the bill is nevertheless inexpedient and uncalled for by existing conditions.

I have no desire to enter into the academics of the labor problem. If we ventured any general observation, it would be that the relations of employers and employees are such that, with few exceptions, the legislative departments of the Government can never enter into that field without causing worse mischief and confusion than previously existed. The theory of our Government is that there is a vast field of human activity into which the legislature is not generally competent to go and into which it never goes with any benefit to the people.

Such questions are either left to the immediate parties to the controversy to adjust themselves, or, where necessary, are remanded to the courts, which, being in close contact with the people and administering that great body of the law which is the proud heritage of the English-speaking race, are more responsive to the ever-changing needs of society and are more fair and just to all classes of the community than the legislature, acting through rigid and inelastic written laws, can possibly be. The moderation of the courts is admirably illustrated by the limited and restricted use which it has always made of its high prerogative writ of injunction. Notwithstanding Lord Coke's observation that preventive justice is always superior to compensatory justice, courts of equity are always indisposed to exercise their extraordinary powers, except upon urgent cause, and thus have grown up great principles in equity procedure, which seem a complete answer to the captious criticism visited upon the courts.

These principles, stated briefly, are as follows: Injunctions can not act retroactively. They are generally preventive and rarely mandatory. The injury temporarily restrained must be actual, substantial, immediately impending, and irreparable by a money judgment or by other proceedings at common law. The writ will not be used to prevent a crime or to preserve morality but is limited to property rights. It is only granted upon positive sworn allegations and the party seeking relief must not himself

be at fault. It is always granted subject to immediate modification or termination. Whether for an indefinite or a designated period, the right of the party enjoined to move immediately for its dissolution, where it has not previously been heard, is always recognized. As the application of these principles rests in the sound discretion of the court, it enables the chancellor to weigh with care and impartiality the circumstances in each particular case, and thus render a judgment, which is a far nearer approximation to justice than any general inelastic act of Congress could possibly be.

What could be more humane and beneficent than this method of dealing with a labor controversy? The court takes from the defendants no property and in no respect affects their just liberty of action. It only commands him to refrain from interfering with his employer's property and from the liberty of other workmen to work for his employer. If he has no intention of doing the acts enjoined, the temporary injunction can do him no possible harm. If he does intend to invade the property rights of his employer or the liberty of other workmen to work for his employer, he is simply commanded not to do that which, under the laws of this and every other civilized country, is pronounced unlawful. If the employer does not invoke this beneficent remedy, he must then either proceed in the criminal courts against the unlawful combination, or sue them for damages at common law for an unlawful conspiracy.

If successful the members of the unlawful conspiracy may be either imprisoned or mulcted in heavy damages. This does not serve to allay ill-feeling or promote better relations between employer and employee, which the good of the community so imperatively requires. When, therefore, a court simply commands a combination, either of employers or employees, to refrain from trespassing upon the rights of others, it deprives the parties enjoined of nothing to which they have any legal right, but deals with the latter in the most conciliatory, humane, and beneficent manner.

I may have argued too long. The importance of the question must be my justification. I recognize the probable futility of my attempt to defeat this iniquitous measure. I am glad the wisdom of the fathers gave the President a veto; and if I were President Hoover I would veto this bill, if it becomes a law, even if it meant my defeat; and it would not so result. The American people love and respect a brave act and a brave man. Their contempt is for time servers. [Applause.]

The CHAIRMAN (Mr. LONERGAN). The time of the gentleman from Pennsylvania has expired.

Mr. DYER. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. LAGUARDIA], the author of the bill.

Mr. LAGUARDIA. Mr. Chairman, the legislation before the House to-day has been under consideration by the Congress for the past 14 years. It has been in our committee every session of Congress for the past eight years, and sponsors of this legislation would be ungrateful if we did not state that without the friendly interest and the helpful cooperation of the Speaker of this House [Mr. GARNER] it would not have been possible to be considered here to-day [applause]; that without the friendly cooperation of the majority floor leader, the gentleman from Illinois [Mr. RAINEY] and the gentlemen of the Rules Committee, this bill would still be under academic discussion, as it has been for so many years in the past.

I want to say at the outset that, like the gentleman from Pennsylvania [Mr. BECK], I have no animus or feeling against the gentlemen who in their wisdom seek to oppose this bill; and if I can not be as restrained and polite as the gentleman from Pennsylvania, it is simply due to the difference in our personal characteristics; but I want to say, in all kindliness—and I have the greatest admiration and friendship for the gentleman from Pennsylvania, and we happen to be on the same side on another question—that I fear the gentleman has not given his usual careful study and scrutiny to the bill now under consideration as he generally does when he takes the floor and makes a wonderful oration on history or on the occasion of some great man's birthday.

The bill, I will say to the gentleman from Pennsylvania, in no way repeals the railroad labor act, and three-fourths of the argument of the gentleman from Pennsylvania was directed against interference with transportation in interstate commerce; and the gentleman is a sufficiently good lawyer to know the provisions of the railroad labor act, which was passed in 1926.

Was it to create fear; was it to create prejudice? I will not charge that to the gentleman from Pennsylvania; but it was most unbecoming for a lawyer of his standing to direct his fire entirely on the interruption of transportation of interstate traffic, when there is another law which will take care of that situation.

Gentlemen, this bill does not—and I can not repeat it too many times—this bill does not prevent the court from restraining any unlawful act. This bill does prevent the Federal court from being used as an agency for strike-breaking purposes and as an employment agent for scabs to break a lawful strike. [Applause.] That is what the bill does.

The bill does not take one iota of jurisdiction—because we have not the power—from the State courts and does not change any State law.

Therefore you can well disregard all these expressions of fear of destroying the Government. Gentlemen, there is one reason why this legislation is before Congress, and that one reason is disobedience of the law on the part of whom? On the part of organized labor? No. Disobedience of the law on the part of a few Federal judges. If the courts had been satisfied to construe the law as enacted by Congress, there would not be any need of legislation of this kind. If the courts had administered even justice to both employers and employees, there would be no need of considering a bill of this kind now. If the courts had not emasculated and purposely misconstrued the Clayton Act, we would not to-day be discussing an anti-injunction bill. The trouble is that a few—and I am glad to say a few—Federal judges seeking to curry favor, social or other, trying to play up to men they considered financially powerful, were willing to disregard a sacred trust, mete out one-sided justice, take the employer side of a labor dispute, and act as a strike-breaking agency. That, gentlemen, is the reason, the history, and the necessity of my bill.

There is not an underlying principle written into this bill which Congress did not enact into law back in 1914, when the Clayton Act was passed. Gentlemen, this problem is not new. Congress struggled with it before it wrote the provisions into the Clayton Act in 1914 exactly as we are trying to do to-day.

What happened? A few of these Federal judges, whom the gentleman from Pennsylvania seeks to-day to anoint as special delegates of the Almighty carrying out the Ten Commandments, willfully disobeyed the law; they emasculated it; they took out its meaning as intended by Congress; they made the law absolutely destructive of the very intent of Congress.

There are many Members sitting here in the House at this very moment who have had experience in labor disputes as attorneys or judges. I have spoken with many of my colleagues who have been on the bench of their respective States, and every one of them has told me of the terrible abuses existing in the Federal courts in labor disputes. Every one of them agrees that injunctions have been issued regardless of the merits simply to aid the employers' side of a labor dispute and that the Federal courts have been improperly used as strike-breaking agencies.

Not one of these gentlemen will take the floor against this bill, and every one of them has publicly stated that he would vote for it. Their attitude is based on actual experience and observation, as judges of the courts of their respective States.

The gentleman from Pennsylvania [Mr. BECK] refers to his experience in the shopmen's strike. There is another Member on the floor to-day, the distinguished gentleman from West Virginia [Mr. HOGG]. As a young lawyer in his father's office he lived through the long litigation in a coal

miners' strike. The case of Hitchman Coal & Coke Co. *v.* Mitchell, reported in Two hundred and forty-fifth United States Reports, page 229, is a prominent page in the labor history of this country. Our colleague's father, a distinguished lawyer of his State, Charles E. Hogg, defended the striking of coal miners in that struggle. They sought the benefits of the law which Congress had enacted in 1914.

The Hitchman case, which is often referred to by exploiters of labor, by the champions of the "yellow-dog" contract system, shows the attitude of the lower Federal courts. It is one of the cases which emphasizes the necessity of inserting in the law the bill which is now before us. And the gentleman from West Virginia [Mr. HOGG], who lived through that case, witnessed the lower court granting a temporary injunction, then sustained by the circuit court, and later a permanent injunction being reversed of the circuit court of appeals and the case coming to the Supreme Court and the decree of injunction of the lower court again sustained, and in this maze of testimony and judicial expressions resulted a decision which gave comfort to the "yellow-dog" employer.

The gentleman from West Virginia informs me that he is going to vote for this bill, and I invite comparison between his contract with this kind of case and that of our colleague the gentleman from Pennsylvania. It must be indeed gratifying to the gentleman from West Virginia to see that after 15 years the efforts and the labors of his distinguished father are bearing fruit and that the contention raised in the Hitchman case by him is now being written into definite law.

All this bill does is to reassert and reiterate and write in plain language the intent of Congress, taken from the decisions of the courts themselves. The gentleman from Pennsylvania objects to a declaration of policy written into a statute. I submit that under our form of government all declarations of policy should be laid down by the elected representatives of the American people and not by a politically appointed Federal judge. [Applause.]

Mr. BECK. Will the gentleman yield?

Mr. LaGUARDIA. Not now.

Mr. BECK. I want to say that I made no such statement.

Mr. LaGUARDIA. I thank the gentleman; the gentleman's statement speaks for itself.

Now, what does this bill do? It prevents the Federal court from granting an injunction except on a hearing of testimony. That is all there is to that. It prevents the courts from prohibiting the performance of lawful acts. It provides for a trial by jury, as was provided in the act of 1914. It outlaws the "yellow-dog" contract. The gentleman from Pennsylvania made an eloquent appeal for American labor, and brought in the history of Independence Hall. Let me read to you a "yellow-dog" contract.

If that is American liberty, we might as well start to rewrite it right now in the House of Representatives. I have here an authentic form of a "yellow-dog" contract, handed to me by the distinguished gentleman from Massachusetts [Mr. CONNERY], a real champion of freedom, a real friend of organized labor, who has been designated by the Speaker to grace the chair during the discussion of this bill. Here is a contract taken right from a shoe factory:

> I will perform all work assigned to me. I will not take part in any strike or hinder the conduct of the factory as an open shop or nonunion shop. My employment may be terminated at any time by you or by me upon written notice (notice to me to be sufficient if mailed to my address given below or delivered in hand to me).
>
> In case my employment is terminated, I will for one year thereafter in no way annoy, molest, or interfere directly or indirectly with your customers, property, business, or employees.
>
> As evidence of my good faith and in consideration of such employment by you, I hereby agree to deposit with you the sum of ——— dollars, payable ——— dollars herewith and the balance in weekly payments of ———.

Do you call that American liberty? When any labor dispute arises in that city this employer, this owner of this worker, owning his soul and body, runs into a Federal court to enjoin his employee and order him back to work! I say, gentlemen, as I read American history there is not a word in the debates on the Constitution, directly or indirectly, or that could remotely be construed to justify or ratify any such form of human slavery as has been brought about in many instances by the Federal courts. [Applause.] Yet we have had the spectacle of seeing United States courts enforce by injunction a provision of this kind. Some gentlemen have referred to the provision for a temporary restraining order. There is nothing new in that. It is taken from the rules of the Supreme Court. I am very sorry that the gentleman from Pennsylvania [Mr. BECK] took it upon himself to lead the opposition to this bill. I say again in all kindness that the last person in the world, the last person in this country, to talk against restraining the courts from issuing improper injunctions would be the Solicitor General under Harry Daugherty, former Attorney General. The gentleman from Pennsylvania [Mr. BECK] was Solicitor General at the time of the so-called shop injunction. Let me tell you how that was obtained—this is not hearsay, not from what somebody else tells me, but from the "inside story" as told by Harry Daugherty himself. This petition contained thousands of pages, containing thousands of affidavits. Daugherty says in his book:

> After looking around for a judge, Judge Wilkerson was finally selected. He was out of the city, but came back to Chicago. I was willing to submit it to any judge, but was most fortunate in getting Wilkerson. He had long been in the service of the Government as district attorney. Judge Wilkerson listened to my arguments with profound attention. He agreed with me on every point and granted the temporary injunction without a minute's delay.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. CELLER. Is it not true that it was at the earnest solicitation of Daugherty that Judge Wilkerson was appointed, just a few weeks before?

Mr. LaGUARDIA. Yes. There is no doubt about that, though I was not going to mention it. When the gentleman from Pennsylvania says that he has no knowledge of it, I believe him. Daugherty would not have taken as clean a gentleman as Mr. BECK into his confidence when he—Daugherty—was on a mission of such dirty work. Of course, the gentleman from Pennsylvania had no knowledge, and the gentleman, I am sure, has no knowledge to-day that hundreds and hundreds of the affidavits presented to the court were perjured affidavits, were absolutely false in their contents.

Of course, the gentleman from Pennsylvania had no knowledge of that. While Wilkerson was called to Chicago the gentleman from Pennsylvania no doubt was looking up poetry in the Department of Justice, and Mabel Willebrandt was looking up law and Harry Daugherty was out suborning perjury in the preparation of the affidavits on which the injunction was based. That is the history of the Wilkerson injunction. Under this bill what would have happened? Under our bill, instead of bringing these perjured affidavits in on a clean piece of paper, he would have had to bring the witness to court, where they would have testified and would have been subject to cross-examination before the temporary injunction could have been issued. With the witnesses, thugs, gangsters, and crooks they had at the time, no such injunction could possibly have been issued. But even that case is beside the point now, because that case would come in under the railroad labor act, which provides mediation and conciliation, which appoints a board of mediation, and the whole procedure of settlement of disputes is outlined in detail in that act. If any gentleman is interested in getting the source of the verbiage and phraseology of any section of this proposed law, either I or the gentleman from New York [Mr. CELLER], who has the citations, would be able to give them to him. There is nothing novel in this; it is written from the law of actual cases and from hard experience. I say that of all our Federal courts, of all our Federal judges, I do not believe there are now more than 10, perhaps, in the whole country who will find this bill objectionable. Of course, any judge who is owned and will sign an order with his eyes closed on demand is not worthy of the place he occupies, and legislation of this kind is necessary to hold such a man in check.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. COLTON. There seems to be an impression that under this bill there is a distinction between tangible and intangible property in defining the powers of the court in issuing an injunction. Is there any such distinction?

Mr. LAGUARDIA. No; that is in the old Shipstead bill.

Mr. COLTON. Is it not carried in this bill at all?

Mr. LAGUARDIA. No. Another thing I want to emphasize is that any of the acts so dramatically described by the gentleman from Pennsylvania would constitute a crime. There is no need to go into a court of equity if a crime is committed. There are criminal courts for that. That is nothing new. The function of an equity court is not to restrain crime. It can not possibly do it and does not attempt to do it, except in labor disputes.

Have you ever seen one of these orders? It is issued against fictitious persons. "The ——— Shoe Factory against Joe Doe, John Rowe, and Mary Smith, names fictitious, real names unknown to the complainant, and all other persons unknown to the complainant and unknown to the court, hereby are ordered and enjoined." Then it describes all sorts of acts. Any person who never saw the order or ever heard of it could be held liable. Incredible as it may seem, such cases have happened.

I know of a case where the court enjoined workers and unknown people from giving aid, or food, or help of any kind to fellow workers, and even from giving bonds or pursuing an appeal pending in a State court. Was there any more heinous or dastardly crime ever committed than that crime which attracted the attention of the world a few days ago in the kidnaping of a lovable child?

Does anyone think of going into court? Does the gentleman from Pennsylvania [Mr. BECK] go into equity court to enjoin unknown people from giving food and shelter to the kidnaper? No; because these same lawyers will say that is not the function of an equity court. Only in the case of a labor dispute are they, the corporation lawyers, willing to get an equity court to issue injunctions of this kind. Here is this great arm of the court, invoked to do what? To break a strike; to take one side of an issue; to determine wages and standards of living by the brute force of judicial power—instead of leaving it to a matter of adjustment by free American workers.

Mr. CHIPERFIELD. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. CHIPERFIELD. Is the gentleman also keeping in mind parties acting in concert with them, although they may be unknown to those who are originally enjoined, hundreds of miles away, who may not even know the terms of the injunction?

Mr. LAGUARDIA. Or even of the local dispute.

Mr. CHIPERFIELD. Yes.

Mr. LAGUARDIA. Exactly. That is the purpose of going to the Federal court.

Mr. Chairman, if these acts of violence are committed or threatened to be committed, there is no need of resorting to the Federal court. The State authorities and courts have full control and jurisdiction of such local matters. People may be arrested immediately; but it is only to do something which otherwise could not be properly done that resort is made to the Federal court.

Now, I just want to read a short paragraph taken from the New York Journal of Commerce of February 26, 1932, which will perhaps display the arrogance, the indifference, the brutality of certain classes of men who believe in the "yellow-dog" contract which I have just read to you.

[Journal of Commerce, New York, February 1]

THE WASHINGTON SITUATION—ENACTMENT OF ANTI-INJUNCTION LAW SOON

Enactment of anti-injunction legislation by both the Senate and House of Representatives at the current session of Congress now seems likely. Opposed by large industries in the past, this legislation has been before Congress for about 14 years. However, in its present form it is so complicated that it might be said to be beyond the comprehension of most of the legislators. This may give rise to an opportunity for amendments that will take the sting out of the legislation and be more acceptable to finance.

That is the attitude of these gentlemen who are opposing the bill toward Congress. Let us do something, just once for a change, that will be acceptable to human beings.

Gentlemen, we are not legislating to-day for finance. I do not believe that we have arrived at the time that we must submit legislation for the approval of finance.

I resent the insinuation and the gratuitous insult that legislation coming before this House is beyond the comprehension of elected legislators to this House. I say that the big issue before us to-day is simply to carry out by legislation, which should not be necessary, those principles of American liberty which the gentleman from Pennsylvania [Mr. BECK] likes to sing about and talk about, but when it comes to a concrete example of carrying them into practice we find opposition of this kind.

Gentlemen, I ask you to stand by this bill. Stand by American liberty and help us to vote down unfriendly amendments. [Applause.]

And, in closing, permit me to quote from a real great American, a real champion of American institutions—Abraham Lincoln. This is what Lincoln said:

I am glad to see that a system of labor prevails in New England under which laborers can strike when they want to, where they are not obliged to work under all circumstances, and are not tied down and obliged to labor whether you pay them or not. I like the system which lets a man quit when he wants to, and wish it might prevail everywhere.

[Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. OLIVER].

Mr. OLIVER of New York. Mr. Chairman, I am for this bill very heartily. We have been discussing in the Congress, during my period of 10 years of service, mostly economic legislation. This is the first bill that sounded the old war cry of human liberty. I do not at this time forget to pay my tribute of admiration to some men in another body who are responsible for the measure—the great Senator NORRIS, of Nebraska; Senator WALSH, of Montana; Senator BLAINE, of Wisconsin. Those men held hearings running into three and four years in an effort ultimately to write the terms of a bill acceptable to the Congress of the United States. It strikes me when I read the terms of the bill that the bill is keyed to the old keynote of the Liberty Bell in that Philadelphia hall before the Liberty Bell was cracked. This bill is a bill for the freedom of men who labor. It is not a bill to destroy commerce or industry.

I was most interested in the remarks made by the gentleman from Pennsylvania [Mr. BECK]. I do not see how an injunction could stop a strike of such nation-wide comprehension as that which the gentleman suggested. We would need the Army and the Navy to put down a strike that was going to stop all the avenues of interstate commerce. One little judge could not do it.

I think the gentleman from Pennsylvania places too much emphasis on what he believes to be the power of the injunction. When the gentleman discusses instances over in Europe I can not see that there is any blame to be laid on labor for the stand they took or that the argument has anything to do with injunctions. If labor in England, bled white by the war, threatened to strike if England went to war with Russia, I think perhaps they were mightily justified in that. They seem to have had the only statesmanship. Bolshevism was created by tyranny, and it was no function of the free labor of England to go over to Russia under the English flag to put it down and put the Czar's friends in control. They wisely decided to leave it to the Russians to construct a government on some other basis than that which had been torn down by universal approval of Russia. Perhaps the strike in Belgium was for the same reason, for no country was ever crushed more than was Belgium by the invasion of the armies. Just because a group of kings may have wanted it, I do not see why Belgian labor at that dread hour should have been desirous of marching in the Belgian Army to plunge themselves and their children before Russian cannon. But what has all of this to do with injunctions and this bill? Does Mr. BECK think

that an injunction should have issued to force British and Belgian labor to join the army and fight Russia? Could Moscow contrive anything worse?

It was said by Mr. BECK, "This is a government of laws, and not of men." Yet we have two governments in America, one a government of laws, the other a government of men. The government of laws consists of that part of the social system which is subject to the definition of the laws of the land. The expression, "This is a government of laws," was intended as a reminder to officials that they were bound to act within the limits of the law, as servants of the people.

The government of men, which America seeks to encourage, consists of that large field of life which no law controls and where conscience is the only governing force. The government of laws has a duty to maintain peace and order in this vast field that liberty may flourish.

Wages, hours of toil, and other conditions of labor are fixed largely by the government of men. No matter how majestic the government of laws may be, how attractive its soil or equipment, the pay envelope determines whether its homes are peopled by paupers or free men.

It is strange during a period when the loudest outcry from great industrial concerns has been that government has invaded the domain of private business with meddlesome laws, that they themselves have invaded the government in a scandalous way with successful demands for injunctions that strip from labor every natural and constitutional right. It is strange, in the field of American freedom where laws do not govern but men alone reign, that the most powerful impulse of these free rulers is toward tyranny.

This bill says that a Federal court shall not arbitrarily enter the field of the government of men, where the purest liberty ought to prevail, and by the power of the government bring down into slavery those who are attempting to negotiate for what they believe to be the necessities of their lives and the happiness of their children. We are restoring the courts to a government of laws.

Courts have issued injunctions bringing on conditions as extreme as those which were in the mind of the gentleman from Pennsylvania when he said, "If you do not have these injunctions you might have starvation."

A court issued an injunction against striking miners so that they had to leave their homes, although the State law gave them the right to stay there and contest their rights. The court issued an injunction to the effect that the union could not expend its money to feed them while they were on strike; that it could not help to clothe them and they were evicted from their homes under a Federal injunction, when the dispute was about wages, and they were sent out, 10,000 of them, to live in the snow, to starve, and freeze into submission.

Injunctions have been used most oppressively in this country. A court issued an injunction to the effect that no striker might talk to another striker about the strike; that a striker could not publish in the newspapers that there was a strike; that he could not telegraph, telephone or write to anyone in America that there was a strike; that a striker might not ever say there was a "yellow-dog" contract, signed with his name, but coerced from him by his bosses.

Why should we support injunctions of that character? We are not trying to have injunctions stopped, but we do not want injunctions which repeal the constitutional and natural rights of labor.

The gentleman from Pennsylvania [Mr. BECK] thinks we are yielding to an organized minority. We are yielding to an honest and just demand. [Applause]. This petition for the redress of grievances has been put upon the desks of Congress for 20 years, and when we yield we yield practically unanimously, in the full dignity of our power, to a petition which long ago should have been granted. We are trying to reestablish a system of laws for the government of the courts. We are writing a law binding the courts to a definite course of action with reference to injunctions. We are not disturbing the government of laws but we are taking away from the courts their right to act as if they were a government of men. By unconscionable injunctions they have defied the first purpose for which courts were instituted—the protection of the freedom of the individual.

I have no fear about the paralysis of all of the commerce of the Nation. I have not seen labor organized to threaten to starve people of the country. They say Grover Cleveland felt that. Would labor starve its own children? There has been a lot of exaggeration about what labor has done. Probably Mr. BECK has been reading the affidavits of the owners of the roads instead of the replies of labor. Once in a while somebody ought to look into it to see whether labor ever had a just demand for a better wage and for better hours.

We are living in a free country, and the only people who have not been freed are the masses of the people. The industries are free to rush into court and take away the natural and constitutional rights of the great masses of the people by the process of injunction. Then, when labor appeals for the freedom of negotiating in the form of collective bargaining, we suddenly find out that we might have the same condition here as exists in Russia.

I have not noticed any great movement among labor toward the Soviet Government. I have not noticed in time of war any treason by American labor. Their patriotism was magnificent.

Labor is not attacking the courts. Give to labor the robe of Justice Holmes and they will build a shrine around it. Here their children will kneel and pledge everlasting loyalty to the courts which gave them a man so just. Their prayer will always be that other judges will be guided by the character of justice that blessed this great man's heart. We put his heart in this bill. [Applause.]

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting therein certain excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Chairman, the rules of debate in every parliamentary body in every civilized government provide that there shall be an equal division of time, equal alike for those who propose and for those who oppose. Those who oppose are not required to beg a little time from those who propose. I am sure the Members of the House, when they reflect upon the debate after passing this bill and the people of the United States who read this RECORD, will decide that there has not been a fair division of time. One-half of the hour used by the proponents in debate on the rule should have been allotted to those opposing the bill. But they granted the opposition not one minute. They used the whole hour.

The Rules Committee is autocratic. When it brings in a rule it suspends every other rule of the House. The rule of the Rules Committee becomes the law of the House and every Member must obey it. But it is supposed to be just and fair. It is supposed to equally divide the time used on the floor.

Now, to have been fair, under parliamentary procedure, the rule that came here from the Rules Committee should have provided that of the one hour for debate on the rule, it should have allotted one-half to those who were in favor of the measure and one-half to those who were against it, and some Member opposing the rule should have been given the control of the opposition's time, so they would not have to beg for time that was theirs by matter of right.

I called attention the other day to the kind of rule that I told the gentleman from New York [Mr. O'CONNOR] he had in his mind to bring in here governing this debate, which was just the kind of a rule he did bring here, and I intimated then it would be unfair; and when the rule was brought in here it provided that all four hours for general debate was in the control of the proponents, and of the hour in his control as the member of the Rules Committee calling it up for debate on the rule he gave not one minute

of it to the opposition. Instead of yielding 30 minutes of that time within his control to those who are against the bill, he yielded the entire 30 minutes to the ranking member of the committee, who is just as much in favor of the legislation as the gentleman himself, and he used all of his time debating the merits of the bill, and he left not one single minute of the time for those who are against the bill. Is this fair? The people of the United States who read this RECORD will not so hold. And you gentlemen here, after cool reflection, will see that it is manifestly unfair.

Then the rule itself, providing for general debate on this bill, was it fair? Did it say that the four hours should be equally divided, two hours to be controlled by those who are in favor of the bill and two hours to be controlled by those against it? Oh, no; it was neither fair nor just. It provided that two hours should be controlled by my colleague from Texas [Mr. SUMNERS], the chairman of the committee, who is strongly in favor of the measure, and that the other two hours should be controlled by the gentleman from Missouri [Mr. DYER], who is just as much in favor of the measure as is my colleague. So control of all five hours was given to the proponents of the measure. Is this fair, my great lawyer friend from Maine? Oh, no. Control of your own time is most important in debate. Just why was the opposition given no control whatever of any part of the five hours for debate? Talk about gag rule! This is the first gag rule that has been brought into this House during this session, and I want the Rules Committee to understand that we are not going to stand for it. They did this deliberately after I had asked that the opposition be given control of half of the time.

Did we, who are opposed to the rule, not have an inherent right to ask the acting chairman of the Rules Committee [Mr. O'CONNOR] to give us our half of the time? And when we politely asked him for some time, was it not his duty to speak to us politely when we were exercising our God-given right in asking him for some time? Did he have the right to stand up like an autocrat and say, "No; I shall not." "I give you nothing."

You know some men can not stand a little power. They have not the capacity. My friend from New York has not the capacity properly to handle himself when he is given a little power. Just because we put him on the Rules Committee——

Mr. GAVAGAN. Will the gentleman yield?

Mr. BLANTON. I can not yield now. I refuse to yield until I get through with what I have on my system.

Some men can not stand a little power. When we put our friend from New York [Mr. O'CONNOR] on the Rules Committee we did not say to him, "We give you all the powers of the House so that you can come in here and abuse the Members."

Mr. BOILEAU. Mr. Chairman, I make the point of order that the gentleman is talking about the division of time for discussing the bill and is not confining himself to the bill.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. BLANTON. Yes; I am proceeding in order. I know the rules as well as my friend from Wisconsin.

We did not tell him he could get up here and arbitrarily take all the time and then abuse us because we asked him for some time. You know a little temporary power sometimes destroys men who have not the capacity to assimilate it.

Upon what meat has this, our Cæsar from New York, fed that he has grown so great that he can not answer a colleague decently when he is asked for a little time? For a while the gentleman was a candidate for floor leader of this House. He now sees why we could not put him in that position. He could not handle the place properly.

Mr. GAVAGAN. Will the gentleman now yield?

Mr. BLANTON. No; that is all I have to say about that. I am now going to discuss the bill. [Laughter.]

This is one of the most important measures that has ever been before this Congress.

Mr. O'CONNOR entered the Chamber.

Mr. BLANTON. For fear the gentleman from New York [Mr. O'CONNOR] might not have been here when I said it, I repeat, Upon what meat has this, our Cæsar from New York, fed that he has grown so great? [Laughter and applause.]

This kind of greatness does not preside long. If I stay in the House 6 months or a year or 20 years more, before I quit I am going to see that when a rule comes from this Rules Committee it requires an equal length of time to be controlled by those who are for the bill and an equal length of time to be controlled by those who are against the measure. Now I will discuss the bill.

I am just as much a friend of those who labor and of labor unions as my friend LAGUARDIA. I have labored all my life. The callouses on my hands show that during the first years of my life I have done physical labor on the farm until after I was grown, and every sympathy of my heart beats for the man who labors for his daily bread.

I know exactly what problems confront a man who must do manual labor for his living. I know how hard it is to make ends meet. I know just how hard it is to make enough to pay rent, and lights, and fuel, and water, and buy food and clothing and necessities of life, and pay doctor's bills, and dentist bills, and for school books and tuition, and the thousand and one problems that daily beset the head of a family. I believe earnestly in a proper American standard of living, and an American standard of wages, and an American standard of working conditions, and an American standard of working hours. I believe that the working employee has just as many rights and is entitled to just as much consideration as the moneyed employer. But their rights are equal. They are entitled to equal consideration. The law does not, and should not, favor one as against the other. When an employee is unfair to an employer I am against the employee. When an employer mistreats an employee I am against the employer. The rights of both must be protected, for if there were no employers there would be no employees.

I have been a member of the bar of the supreme court in my State, and a member of the Federal courts in my State, for 35 years, with an active practice that has compared pretty favorably with that of any other lawyer in Texas. I have never represented a corporation against an employee; I have always represented the employees against the corporation. I have represented the under dog in all cases, but I am not one of the kind of men who will let labor unions dictate to me when they are wrong. I am like the gentleman from Pennsylvania—when they are right I am for them, and when they are wrong I am against them, and I am not afraid to let them know it.

When the President of the United States during war called attention to the fact that there had been several thousand strikes by labor unions against the Government, when some men were getting $30 a day in the shipyards, and nevertheless striking, after they had been exempted from the draft to work, and he asked us to give him a law that would authorize him, if the men exempt from draft refused to work, he could take the exemption away and send these workmen out to fight, I supported and helped to pass that amendment. That was what was called the "work or fight amendment."

It was a good amendment, and I made a speech on the floor in favor of it. That evening in my office Mr. Samuel Gompers advised me that I would have to back up on that, as I could not make a speech of that kind. I said, "What do you mean?" He said, "Because I tell you that you can not. We will defeat you when election time comes." That was when I told Mr. Gompers to go to a place where I am sure he did not go. [Laughter.]

Afterwards he sent to the newspapers of my district page attacks upon me over his signature, and Mr. Lloyd Thomas, then editor of the Abilene Times, estimated that about $100,000 was spent organizing my district against me. Do not think that I have not labor unions in my district. It would be very much easier for me politically to go along with the gentleman from New York [Mr. LAGUARDIA] and vote for his bill, because opposing it will incite renewed

opposition. I am not afraid of the consequences, however, for members of labor unions in my district are sensible men. I have an active district attorney now campaigning against me; but I am not apprehensive, because many members of the labor organizations support and have confidence in me; I mean the rank and file of labor-union men. If a walking delegate from Washington comes down and says to the labor unions in my home, "You pass a resolution against BLANTON," some man would rise up and say, "I could not vote for a resolution of that kind, for when I was sick and my wife was worn out nursing me, notwithstanding he had held court all day, BLANTON came and sat up with me at night."

A carpenter would say he could not vote against me, for when his house burned down and his wife and children were out in the storm "BLANTON was the one who left the bench and headed and circulated a subscription to raise the money to get my home rebuilt." These labor unions at home know where my heart is, and I am not afraid to tell their national union leaders now in the gallery that I am against the labor unions only when they are wrong.

This bill permits them to picket any establishment in the United States at will. No judge can stop it. I want to call your attention to a few cases here in Washington that have come under my observation.

There is a man named Reeves down here on F Street, a fine citizen of Washington. Years ago he began a little bakery and confectionery business. He had about three employees to begin with. He has been honest, efficient, and faithful to his Government and his country and his patrons and to his employees. He has built up a tremendous business and organization where he now has over a hundred employees. They did not want to be unionized; they were getting good wages and did not want to join any union. Everything was pleasant between Reeves and his employees. They had a contract with each other. They saw fit under the Constitution of the United States, which gives them the right to contract, to make a contract with each other that they would have no union connection. Was not that a right they had?

Now, the gentleman from New York [Mr. LAGUARDIA] says this is a "yellow-dog" contract. He calls Reeves a yellow dog. The 100 honest employees of Mr. Reeves he would call yellow dogs because they did not see fit to affiliate with the unions. Was it not a right they had under the Constitution of the United States? Does an employee have to join a union and pay its officers union dues out of his salary as long as he lives to prevent Mr. LAGUARDIA and Mr. SUMNERS from calling him a yellow dog? Does an honest American citizen like Mr. Reeves, who prefers to work American citizens unaffiliated with unions, have to be called a "yellow dog" by Mr. LAGUARDIA and Mr. SUMNERS simply because he prefers to exercise his God-given constitutional rights? If he does, we are in a bad fix.

Yet when a labor union here in Washington went meddling around there and injected itself into somebody else's business and told these employees they had to unionize and they told them they would not do it, what did they do? They interfered with that constitutional right of private contract. They went there in front of Mr. Reeves's store and picketed that man's business, and had men and women walk up and down in front of the business with banners saying, "This is a scab shop," "This is unfair," "No decent people will trade here," "No decent people will go in or out," insulting men and women in the Nation's Capital, and finally costing Mr. Reeves thousands of dollars. I do not stand for that, I will say to my friend from New York [Mr. LAGUARDIA], and I want these leaders of these labor unions in Washington now sitting in the gallery to understand that I do not stand for that. I am an American citizen, and I demand for all honest Americans their rights guaranteed by the Constitution of the United States.

Down here at the Raleigh Hotel they had a bunch of waiters who were perfectly satisfied, who were getting more salary than any other waiters in town, not any of them dissatisfied. The waiters' union went around there and told them they had to unionize. The waiters told them they would not do it, and then the waiters' union threatened them and threatened them until they made them quit and walk out. No court could make them go back, I will say to my friend from New York [Mr. LAGUARDIA]; you can not find a writ of injunction that ever was issued by a Federal court in the United States which ordered men to go to work when they did not want to go to work. That has never been done. No court has ever ordered men to go to work. I challenge any of you here to produce such a writ. A court may have issued an order that they can not tear down a man's plant, it may have issued orders that they can not burn a man's plant, it has issued orders that they can not kill and maim men, women, and children, but they have never ordered that they must go to work.

Mr. LAGUARDIA. They have.

Mr. BLANTON. Oh, then, show it to me. Produce such a writ. You can not put any such writ that is authentic in this RECORD. I challenge you to do it. This waiters' union went down there and made those fellows quit, and because the Raleigh Hotel hired other waiters to do its work, the union put a whole bunch of men and women pickets in front of that hotel, a dozen of them, three shifts of eight hours each, and they walked around and around that Raleigh Hotel in the Nation's Capital every hour of the day and night for weeks, and to everyone who went into the hotel they would say, "This is a scab hotel," "This is unfair," "This is indecent," "No decent man or woman will go in here," threatening the people who wanted to go into the hotel, and that continued for about a month. I became so outraged that I went down there myself one day and had a lot of photographs taken of them, and told them that if they did not stop I would get out an injunction myself, and I threatened to do so from this floor, and finally they stopped. But it cost the Raleigh Hotel thousands of dollars.

Do you know Mr. Gude, the florist here, one of the best in the United States? He started away back yonder some 30 or 40 years ago, a poor man, with just himself, in a little hole in the wall. He by honesty, thrift, and enterprise has built up and built up until he has become one of the largest florists in the United States. Go out here south and look at his plant; go out northeast and look at his big plant; go elsewhere in the city and look at his big plants. He works hundreds of people, every one of them perfectly satisfied. They saw fit to enter into a contract with him where they said they did not want to be union members. Did they not have the right thus to contract? Yet they are called "yellow dogs" by Mr. LAGUARDIA, and proponents of this bill call Mr. Gude a "yellow dog." The union came along there and tried to unionize Mr. Gude's employees, who were perfectly satisfied and who did not want to join the union. The union threatened them and then put pickets around his business, with banners saying, "This is a scab outfit." "Do not patronize it." "No decent person will buy here." And they picketed that business for weeks and cost Mr. Gude thousands of dollars.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Not yet. I must first get this out of my system.

Mr. LAGUARDIA rose.

The CHAIRMAN. The gentleman from Texas declines to yield.

Mr. BLANTON. I regret that I can not yield. I have not the time. But I thank the presiding Chairman for his fairness. The Chairman of this Committee of the Whole House on the state of the Union, Mr. CONNERY, of Massachusetts, and I do not agree on this question. We do not agree on the liquor question, but he is one of the fairest men and one of the ablest presiding officers I ever saw. If he had been in charge of this rule he would have given us an equal division of time.

My friend from Indiana, Mr. GREENWOOD, said that not all Federal judges granted injunctions in labor disputes. That is so. Some of them have not got the guts to do it, because they know that if appointive lightning should ever strike them and they were nominated for a high position and had

to be confirmed by the Senate, these same labor-union boys that are now holding the whip over us up in the gallery will be over there in the Senate gallery saying to Senators, "You shall not confirm him, because this fellow granted an injunction on a yellow-dog contract." They would keep the Senate from confirming him just because the poor fellow had granted an injunction.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a few minutes. I can remember what occurred to the great historian of the United States, our historian, if you please, even though he is on the other side of the aisle, my historian, when he was first elected to this House, Mr. BECK. He had his commission from the governor of his State. He appeared here on the floor of the House with the rest of us. I can remember how those same boys now up in the gallery wanted him punished. I heard some Member say, "I ask that he stand aside." Mr. BECK, I voted for you then and helped to seat you because I did not believe in that kind of monkey business. The right that you had here to be sworn in was a God-given right that the people of Pennsylvania gave you when they elected you to Congress, and no one here had any just right to cause you to stand aside.

Mr. CELLER rose.

The CHAIRMAN. Does the gentleman yield?

Mr. BLANTON. I am sorry to refuse. I have not the time.

Mr. CELLER. I want to ask a question.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. If my friend from Texas [Mr. SUMNERS] will give me that other 30 minutes that I am justly entitled to under the rules of debate, I will yield to everybody. How is he going to use those extra 30 minutes that justly belong to the opposition? The gentleman from New York [Mr. O'CONNOR] said that nobody was against this bill except myself, although I heard a pretty good speech by my friend Mr. BECK. Mr. O'CONNOR may be right. There may not be anybody else here who will dare to get up and oppose this bill. If he is right, why could not I have my other 30 minutes? If my friend from Texas will yield me those other 30 minutes, it would not even then be a fair division of time, because the other side will have an hour and a half the better of us.

Mr. CELLER. Mr. Chairman, will the gentleman answer a question?

Mr. BLANTON. If my friend from New York will get my colleague from Texas [Mr. SUMNERS] to give me the other 30 minutes that is due from him to the opposition, I will answer the gentleman's question and all other questions, otherwise not.

Do you know where this bill will lead? Under its provisions it is possible for members of labor unions to be ordered by their union in secret session, without the knowledge of the public, to go out and burn and murder and dynamite and bomb a tremendous plant and kill a thousand people. And no judge in any court can hold the union, or the officers of the union, in any way responsible. Individual members of unions can threaten employers and satisfied employees with every kind of dire calamity and even with death and thus cause their cowardly mandates to be obeyed, and not a judge in any court can stop them by injunction. Under the provisions of this bill you are going to see members of labor unions do some dastardly acts with impunity that will shock the public mind, just as much as the present heinous crime of the infamous kidnapers of the most beloved baby boy in America has done; yet it seems impossible to stop its passage in the present atmosphere of this Congress. I am going to do my duty by raising my voice against it. Just why are you passing this law that provides that not a single officer of that union or the union itself is responsible in law?

Mr. Chairman, I refuse to be interrupted by the gentleman from New York [Mr. LAGUARDIA], and the gentleman can not put his remarks in my speech when I have not yielded to him. They can answer in their own three and one-half hours that they have reserved for themselves. [Laughter.]

I ask the people of the United States who read the RECORD to read the bill. I caused this bill to be printed in the RECORD. Every provision of it is in the RECORD. I want the public to read it, and they will see that this law especially prohibits any union or any union man being held responsible. I believe in holding men responsible for their acts.

Section 6 of the bill provides as follows:

SEC. 6. No officer or member of any association or organization participating or interested in a labor dispute shall be held responsible or liable in any court of the United States for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof and the liability of any such association or organization for unlawful acts of its members shall be similarly limited.

Will our friends tell us just how it will be possible for the employers to prove in a court to the satisfaction of a jury—probably sympathizers—that the union had knowledge, when its instructions had been given in secret?

The following is what the Washington Herald says happened in Detroit yesterday:

SCORES CLUBBED AT GATES OF DEARBORN FACTORY—3,000 DESPERATE—FIRE HOSE FAILS TO CHECK MARCH OF JOBLESS

DETROIT, March 7.—The One hundred and twenty-fifth Michigan Infantry was mobilized to-night and held in readiness to proceed to Dearborn if further rioting at the Ford plant or any other industrial units in the Detroit area should break out.

DETROIT, March 7.—Four men were killed, half a dozen wounded, some perhaps fatally, and two score more suffered minor injuries from bullets and clubs late to-day in a riot led by a girl at the Ford Motor Co. plant in Dearborn.

Among those injured is Harry Bennett, head of the Ford secret-service division, who was struck in the head by a rock hurled by one of the 3,000 communists who went to the plant on a "hunger demonstration."

REACH PLANT GATES

Tear gas, guns, clubs, and water failed to check the mob that succeeded in getting to the very gate of the plant.

Three rioters were instantly killed, the fourth dying after being admitted to the Henry Ford Hospital.

Seven Dearborn police officers were injured, three of them receiving fractured skulls.

Police arrested Mary Gossman, with the blood of her dead sweetheart, Joseph York, still on her clothes. Defiantly, she said: "He died in my arms. Sure I was there and I'm not ashamed of what I did. Now leave me alone."

Police insisted she was the leader who twice urged the mob on to the attack. They said she was a known labor agitator with a record in several other industrial communities.

Dearborn authorities had refused permission to the council to stage a demonstration at the plant. Leaders of the crowd defied authorities.

Shouting, crying, and cursing, they charged. Policemen fired into the air and met the attackers with night clubs. By main force of numbers the police were hurled to the ground and trampled upon. Members of the mob seized the night clubs and beat the fallen officers.

Uninjured policemen in the first attack, fled and took refuge behind the motor company's high steel fence. Firemen continued to hold the bridge approach, waiting for police reinforcements.

CROWD DEFIANT

The mob was defiant and the fighting was not placed under control until heavy reinforcements arrived from Detroit.

Edsel Ford, son of Henry Ford, and Charles Sorensen, Ford general manager, hastened to Bennett's bedside.

That is what we have in the papers this morning. An attack upon Henry Ford. He is the last man on earth who should have been attacked. They speak about communists. When I first came here William Z. Foster had the hand of approval of the American Federation of Labor upon his head. William Z. Foster was put in charge of the great steel strike by Samuel Gompers, president of the American Federation of Labor. I can not forget that the American Federation of Labor had affiliated with and been mighty close to Emma Goldman, Alexander Berkman, and the McNamara brothers, the great dynamiters, in times gone by. I have not forgotten that, and I have not forgotten that years ago at Atlantic City Mrs. Rena Mooney sat on the platform with Samuel Gompers and the rest of the American Federation of Labor in their annual convention, asking general help for her dynamiting husband in California. I take my hat off to California.

In spite of all the money spent, in spite of that $20,000 mayor of New York going out there and meddling in their

business, they have had enough stamina to say that New York mayors have nothing to do with the laws of California and that they can attend to their own business. Yet, Henry Ford, a man who has done more for labor than anyone else, a man who fixed a minimum wage of $5 a day for all his employees, a man who even employs convicts and gives them another chance to make good when they come out of the penitentiary, a man who all through this depression has kept his organization together and his plant going, a man like that is attacked last night by 3,000 communists, who, as I mentioned, were once closely affiliated with the American Federation of Labor. It is said that William Z. Foster led them. In the first speeches I made on this floor years ago I told the American Federation of Labor that if they did not divorce themselves from such cattle as William Z. Foster, Emma Goldman, and Alexander Berkman they would ruin them. Thank God they took my advice.

They finally have divorced themselves from them. The American Federation of Labor is now against communism. Last night at Ford's plant you found communists attacking him. There were four men killed and there were a dozen seriously wounded; and there were 40 men and women, aside from that, who received minor injuries, and it took the threat of calling out the militia to stop it. Yet we are going to pass a bill here like the one that is before you to-day that will permit that very thing to transpire before a court can stop it.

Mr. BANKHEAD. Will the gentleman yield in that connection?

Mr. BLANTON. Will the gentleman get me the 30 minutes more, please, that I am entitled to? I am sorry, but I do not have time. My time is limited. [Laughter.]

I wonder if you proponents of this bill were with the gentleman from Pennsylvania [Mr. BECK] when he was making that gallant fight in Chicago for the people? Here is what happened in that one strike case for which the gentleman from New York [Mr. LAGUARDIA] has criticized him for stopping: One thousand five hundred cases of violent assault with intent to kill growing out of that one strike. Just think of it! There were 65 cases of kidnaping accompanied by brutal assaults. There were 8 cases of tar and feathers, 51 cases of dynamiting and bombing railroad bridges for the purpose of wrecking freight and passenger trains. There were 250 records of bombing of railroad property or homes of nonstriking employees. There were 50 cases of train wrecking or derailment. There were hundreds of flagrant practices of sabotage in the equipment of engines and cars with a story of pulling off more than a thousand mail trains on account of these mobs. All of the above figures are given to me by Mr. BECK as correct. Were you with the gentleman when he was trying to stop that? Was the gentleman from New York [Mr. LAGUARDIA] with him?

Mr. LAGUARDIA. Those acts never took place. There was not a man indicted under that.

Mr. BLANTON. Oh, yes, they were, and they were convicted. I would rather take the word of our distinguished colleague from Pennsylvania [Mr. BECK], who was then Solicitor General of the United States, who investigated the cases and now gives me the figures as correct, than the dicta of the gentleman from New York. I can not yield to the gentleman. If the gentleman will get me a little more time, I will yield. The gentleman from Pennsylvania [Mr. BECK] told you what brought about the Adamson law, with the threat to tie up every railroad in the United States. Does my friend from New York, Mr. O'CONNOR, and my friend from New York, Mr. LAGUARDIA, know what would have happened to the 6,000,000 people of New York if that strike had been pulled off? They would have starved your people to death.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield to the gentleman from Texas five additional minutes.

Mr. BLANTON. I know retribution comes to us who oppose organized labor. I have been punished for making such speeches more than any man in the United States ever will be punished, but that does not stop me from doing my duty.

Mr. CELLER. Will the gentleman yield now?

Mr. BLANTON. If the gentleman will get me some more time, yes; otherwise not.

I remember that when Senator Cummins passed that "work or fight" amendment in the Senate, he did not come back. I came very near not coming back. They had four men running against me down in my district that year.

I can understand that we who oppose will be punished.

But Brother BECK did not tell you some other significant facts about what happened after that Adamson law was passed, when Mr. William G. McAdoo, whom I loved up to that time, was influenced by a similar threat when he was the Director General of Railroads of the Government during the war, when they came to him and said, "Mr. Director General, if you do not give us $764,000,000 out of the United States Treasury, and date it back six months, we will tie up every railroad in the United States." McAdoo did not have the guts to tell them where to go, and he took it out of the people's Treasury, $764,000,000, and handed it over to them, and I have been against him ever since.

The gentleman from Pennsylvania [Mr. BECK] did not tell you about something else. He did not tell you about when McAdoo gave up that position and Director General Hines took it over. They came back with another threat, and they said, "If you do not hand over $67,000,000 more we will tie up all the railroads," and Director Hines handed that $67,000,000 of the people's money over to them.

How much longer are we going to stand for this hands-up, stand-and-deliver? I am against the highwayman who holds you up and says, "Stand and deliver." I am against the kidnaper who says, "Come across and deliver." I am against the union man who sits in the gallery and tells the Congress of the United States, "Stand and deliver." I am against my good friend from New York, JOHN O'CONNOR, of the Rules Committee, who, when I asked him for a fair division of time, said, "No; stand and deliver. We will not give it to you." I am against all that "stand-and-deliver" business. I am for the people of the United States. I am thinking about the 120,000,000 people of the United States.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. If the gentleman will get me my other 25 minutes more that I am entitled to by the rules of debate, I will yield; otherwise I decline to yield. What are you all going to do with this question? Are Mr. BECK and myself the only two Members who are going to vote against this bill? If so, there is one thing we have left. We have our own self-respect. We have the approval of our consciences. We can go back home and say, "Boys, we did what we believed to be right, and if you do not like what we have done put us out," and we will take our medicine.

What kind of a juror would our friend from New York [Mr. O'CONNOR] make in a case like this, a man who says he hates the Federal courts? What kind of a juror would Mr. DYER make in an injunction case? What kind of a juror would Mr. LAGUARDIA make? They would have the case decided before it was ever called. I do not want that kind of a juror in my case.

[Here the gavel fell.]

Mr. BLANTON. I ask the gentleman from Texas to give me five minutes more. I want to answer some of these questions.

Mr. SUMNERS of Texas. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. I know John would bust if he did not ask me a question, so I yield.

Mr. SCHAFER. The gentleman has spoken about the lack of intestinal stamina of Mr. McAdoo. Is that the reason why the gentleman in his speech the other day put in a statement by Mr. McAdoo, indorsing the gentleman's candidate for the Presidency on the Democratic ticket?

Mr. BLANTON. If you could just get the mind of the gentleman from Wisconsin [Mr. SCHAFER] off antiprohibition for one-half minute, he might be of some good to the country. He can not think of anything else except the antiprohibition question. I am glad Mr. McAdoo is supporting a friend of mine.

I want to say this: Every single provision that has been proposed in Congress for 15 years which would better the condition of laborers and union men that was not detrimental to the interests of the whole people has had my hearty support. When I support a thing I do not sit still in my seat and not open my mouth. I get up on the floor and support it. When I am for a measure I am for it. But everything that they have brought in here that has been injurious to the whole people of the country I have opposed. That is my record, and I can meet them anywhere and shake hands with them and say, "God bless you, brother, I am for you when you are right, but I am against you when you are wrong." Is not that a proper stand? Is it not?

Why, gentlemen, this bill should be defeated, or, at least, you ought to put the amendment in it that I suggested to the gentleman from Pennsylvania, that when the Government of the United States is the petitioner this law shall not apply. Are you not for the Government? Is the Government as big as these union men in the gallery or are they bigger than the Government?

My time has expired. I feel that my fight is futile. This bill will pass. We can not stop it. But I have put up the best fight within the short time allotted me that I know how to make. I feel that I have done my duty. I know that my colleagues who are supporting this measure are sincere, and that they feel that they are doing their duty. And when we all do our duty, as we see it, that is all that we can do here in this House.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MCKEOWN].

Mr. McKEOWN. Mr. Chairman, there has been a lot said here about unfair division of time. If I am any judge of argument and reasoning, there has been too much time already divided in this matter.

It is agreed that this bill is being passed at the bidding of the great brotherhoods of this country. It is argued that it is a crime for the brotherhood to come here and have men up in the gallery as if they are trying to coerce somebody. Why, were any of you gentlemen in Congress when the manufacturers of this country came down here to get a tariff? If you were, you recall you could not even get within reach of the Ways and Means Committee room, and nobody then talked about there being anything wrong about that.

Of course, these men are interested. They are interested in a matter that reaches down to their very existence, and I want to take time enough now to say that, to-day, if it were not for the American Federation of Labor, we would be running all over this country right now trying to run down all the bolsheviks we would have in this country, and we would have so many we would not know how to catch them all. This would be true if it were not for the American Federation and its determination not to affiliate with bolshevism but to stand up for the rights of men.

Now, what does this bill do? There is nothing wrong with this bill. The manufacturers of this country are under a misapprehension as to what this bill does. This bill does nothing more or less than put into actual effect what the Congress did years ago when they passed the Clayton Act; that is to say, by a certain construction of the Supreme Court and other Federal courts they took out of that act the many safeguards that Congress had put in there, just as the Supreme Court of the United States wrote the word "reasonable" in the antitrust laws of this country, and you have seen the effect of that.

This bill is the result of the labor injunctions that judges have issued that we have had in effect; and I am here to tell you to-day, my friends, the time is not far distant when this House will be called upon to pass some similar measure to make effective the eleventh amendment to the Constitution, because the courts of this country are every day, by construction, destroying the purpose of the eleventh amendment of the Constitution of the United States. Why? Because the Federal court judges are issuing injunctions without regard to the eleventh amendment to the Constitution, which provides that no citizen may sue a State except in the Supreme Court of the United States.

Every day they issue injunctions against the tax commission or against the highway commission, and various other kinds of injunctions that are in violation of the spirit of the eleventh amendment. Down here in South Carolina the other day a Federal judge took away from the bank commissioner of the State of South Carolina the closing up of a State bank that had failed and put it in the hands of a Federal court receiver.

Every day we are having this situation, and this bill is here to rectify and make right such misconstruction of the laws of Congress.

The great question has always been raised by constitutional lawyers who say that the Congress has no right to interfere with the Federal courts, because the right to issue an injunction is an inherent right granted by the Constitution of this country. Why, no such thing is the case. There is only one constitutional court, and that is the Supreme Court of the United States. Every other court in this country is created by Congress and lives by reason of Congress, and the jurisdiction of the Federal courts can be fixed and must be fixed by the Congress.

What is there to this talk about invading the right to issue injunctions? We simply say we are carrying you back to the original law. Why, way back in 1796, when we wrote the first judicial act, we said that no injunction could be rendered without notice. They soon got that out of the way, and now they will issue injunctions without notice, and yet the Supreme Court of the United States in its equity rules, rules promulgated by Judge Taft, provides that notice must be given.

They say that five days is not long enough—five days to have an injunction issued against you without any hearing. Do you not think five days is long enough to go into a court room and see the judge and hand him a paper and some affidavits and have him issue an injunction against you? Do you not think five days is long enough to allow such an injunction to run?

Let me tell you something about judges. Judges are human. Unfortunately for my people, I have served on the bench [laughter], and I want to say to you that the character of a judge does not change because he is put on the bench and wears the ermine.

If he is prejudiced against certain things before he goes to the bench, he will take that prejudice with him. He is nothing but human. The courts should revere the laws of the country.

There is nothing wrong about this bill. Some manufacturers are insisting that there is, but they do not understand what the bill is. This is to make the same law we have had for years effective.

Mr. GARBER. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. GARBER. Isn't it a fact that this will correct the abuses of the equity power of the Federal courts?

Mr. McKEOWN. Yes.

Mr. GARBER. And only introduces one controversial proposition that has been approved by the decisions of the Supreme Court?

Mr. McKEOWN. Yes; it stops abuses and outrages that have been prevalent. I say that whatever you think of the labor organizations that is not here nor there. This is a proposition as to whether you believe that the Federal judges of this country should issue restraining orders in labor disputes promiscuously.

[Here the gavel fell.]

Mr. SUMNERS of Texas. I yield the gentleman two minutes more.

Mr. McKEOWN. There is nothing wrong about the bill. We want to stop the abuses, we want to stop the abuse of

going into a judge's room, putting an affidavit down on the desk, and let him issue an injunction on that.

You can not make an association of men responsible for everything that any one member of the association has done in violation of law. He can not enjoin a violation of law, for if you did, you would not have any crime. You could enjoin murder and kidnaping. But here is the proposition. We do not take away any real relief, but you must have some substance on which to base your injunction. You can not issue restraining order without any facts or something upon which you can base it, and then you can only run it for five days.

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. SPARKS].

Mr. SPARKS. Mr. Chairman, the anti-injunction bill, recently passed by the Senate, and the one now under consideration in this body are the outgrowth of years of agitation in Congress for the curbing of employers' rights to deprive by contract the laboring man from exercising such rights as are necessary for him to deal on an equality with his employer.

The laboring man, who has been out of work and has a wife and several small children to support, falls an easy prey to the merciless employer who demands that before he secures employment he must agree not to become a member of a labor union or aid such a union. It was held in the case of the American Steel Foundries *v.* Tri-City Central Trades Council (257 U. S. 184) in an opinion by the late Mr. Chief Justice Taft that—

> Labor unions are recognized by the Clayton Act as legal when instituted for mutual help and lawfully carrying out their legitimate objects. They have long been thus recognized by the courts. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers an opportunity to deal on equality with their employer. They united to exert influence upon him and to leave him in a body, in order, by this inconvenience, to induce him to make better terms with them. They were withholding their labor of economic value to make him pay what they thought it was worth. The right to combine for such a lawful purpose has, in many years, not been denied by any court.

The right which the court said was so essential—that is, to give a laborer an opportunity to deal on an equality with his employer—is taken away from him by contract, and the Federal courts have been sanctioning such contracts. Denying a workman the right to belong to a union in no way affects the ability of the workman to do that for which he is employed, but deals primarily with the laborer's rights to combine with others for the purpose of protecting himself against the arbitrary and unjust contract obligations of unscrupulous employers. Why should the employers be permitted to organize for their mutual benefits, but the laboring man be denied that privilege? The laboring man, because of his situation financially, and with dependents to support, is generally unable, single-handed, to cope with employers as to the substance of the contract between them and is compelled to agree to provisions in contracts which take from him that right which is so necessary to place him upon a basis where he may exact fair and reasonable treatment for himself. Why should the employer be given legal sanction to demand by contract those things which do not in any way affect the ability of the laborer to perform his work, but which seek to shackle and enslave him in his right to demand fair and honest terms of employment? Under present conditions, when the employer deals with individuals, he may exact terms which are unreasonable and unfair to the employee; but if the employer must meet the laborers in collective strength, generally, he is required to contract fairly and with due regard for the rights of laborers to earn their living by honest toil.

Is it unreasonable to write into our Federal laws that it is the public policy of the United States that no man shall be compelled to bargain away one of the greatest privileges that any citizen can enjoy—the right to protect himself in securing fair and honest dealings in competition with capital? Is it unreasonable to deny to the Federal courts the right to sanction contracts which go far beyond the scope of the necessary provisions for the work to be done and the compensation to be paid, and which seek the enslavement of the laborer by rendering him helpless to protect his own interests?

The constantly increasing combinations of wealth have concurrently built up court-made law which has placed the laborer at the mercy of capital, has denied to him a fair wage and a fair opportunity for freedom of contract. Shall combinations of wealth enslave the workingmen, or shall Congress give the laboring men the right to use their collective strength against the combination of wealth?

Congress should write into the law of the land that unjust discriminations against labor by capital shall not continue to exist; that contracts depriving the individual of the right to properly protect his own interests with fair and honest dealings shall not continue to receive legal sanction; that capital shall not crush labor with a despotic hand under the protecting arm of the law; but labor shall be placed on an equality with capital by permission to organize for mutual protection, the great weapon available to labor to secure fair and honest dealings, and when the laborer is thus clothed he may stand on an equality with his employer before the law. [Applause.]

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Ladies and gentlemen of the committee, in five minutes—and, for that matter, four minutes, except in war time, when we only had four minutes—it is utterly impossible for anybody to discuss all the questions involved in this bill, and I shall not attempt to do so.

Down at the bottom of our hearts, notwithstanding what may be said about us, we are trying hard to get behind the background to ascertain whether we can vote for this bill. Side issues have taken a good deal of time, and I do not criticize anyone.

If this bill has imperfections, let it be said so have all other laws. But if, despite this defect, the bill contains more merits than imperfections, it ought to pass.

Take, for example, the statement that officers of the American Federation of Labor are in the gallery. I hope they are. I am not ashamed to say that thousands of them are my friends, and I hope that I am theirs. I sympathize with the remarks of the gentleman from Maine [Mr. NELSON], who said that organized labor in America was the chief bulwark against the potentialities of sovietism and anarchy. I think it is true. Only God knows the great debt this Nation owes to organized labor in America.

I think that is about all I want to say. I am for this bill and I would like to have my friends here and at home know that I am for it. I have the honor to be one of two Congressmen at large in Illinois. I have 7,000,000 constituents, three and a half million in Chicago and three and a half million out of Chicago, so that I can not be accused of being partial one way or the other. I believe they will sustain us if we pass this bill and vote down amendments to the contrary. [Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I believe the gentleman from Texas [Mr. BLANTON] beyond peradventure of doubt, misstates the fact when he ties up the American Federation of Labor with communism. He knows deep in his heart that the American Federation of Labor has been the greatest enemy to communism. I draw the veil of charity around the gentleman from Texas and do not charge him with a deliberate misstatement, although I say he comes close to it.

Mr. BLANTON. Mr. Chairman, I did not claim that——

Mr. CELLER. I refuse to yield to the gentleman. He has indeed handled the truth rather carelessly to-day. Very likely he also comes pretty close to a deliberate misstatement of the record when he says that no injunction has ever issued which compelled men to work. That statement also is a vainglorious attempt to defeat this bill. I would remind

him to the contrary and that in the Bedford Cut Stone case, reported in Two hundred and seventy-fourth United States Reports, page 37, the Supreme Court ordered an injunction against the Journeymen Stone Cutters' Association to restrain simple refusal to work upon stone which had been partly cut at quarries by men working in opposition to the association. That is tantamount, that is equivalent to compulsion to work, and it is because injunctions such as that issued in the Bedford Cut Stone case that we are compelled to bring forth this bill from the Committee on the Judiciary for your approval this afternoon. The injustice of that injunction prompted one of the judges, Mr. Justice Brandeis, writing a minority opinion, to say:

If on the undisputed facts of this case refusal to work can be enjoined, Congress created by the Sherman Law and the Clayton Act an instrument for imposing restraint upon labor which reminds one of involuntary servitude.

It is from just such "involuntary servitude" that the present bill will rescue labor.

In that same Bedford Cut Stone case Mr. Justice Brandeis, continuing in his minority opinion, said:

The Sherman law was held in United States *v.* United States Steel Corporation (251 U. S. 417) to permit capitalists to combine in a single corporation 50 per cent of the steel industry of the United States dominating the trade through its vast resources. The Sherman law was held in United States *v.* United Shoe Machinery Co. (247 U. S. 32), to permit capitalists to combine in another corporation practically the whole shoe machinery industry of the country, necessarily giving it a position of dominance over shoe manufacturing in America. It would indeed be strange if Congress had by the same act willed to deny to members of a small craft of workingmen the right to cooperate in simply refraining from work, when that course was the only means of self-protection against a combination of militant and powerful employers. I can not believe that Congress did so.

Yet the majority views held Congress did do so.

When in 1914 we passed the Clayton Act we viewed it as a red-letter day for labor, for we supposed it to be a new bill of rights, giving labor the protection for which it had yearned and fought during the preceding 20 years.

The American Federation of Labor had repeatedly attempted to withdraw labor unions from the scope of Federal antitrust legislation, but to no avail. Although the early decisions of the Federal courts were to the effect that the Sherman law embraced combinations of labor as well as of capital, an effort was begun in Congress to express a contrary intent. At this point, it is interesting to note, that on March 25, 1890, Senator Sherman proposed a proviso excluding labor and farm organizations from the terms of the act. Although this proviso was agreed to in the Committee of the Whole, it was omitted when the bill was again reported out of the committee to the floor of the Senate. And the CONGRESSIONAL RECORD does not disclose whether the proviso was omitted because of opposition to it, or because of the belief that the act itself so clearly excluded labor that the proviso was unnecessary. In any event, the speeches of Senator Hoar, Twenty-first CONGRESSIONAL RECORD, page 2729; of Senator Stewart, ibidem, page 2606; and of Senator Teller, ibidem, page 2562, seem to imply that the proviso was unnecessary, and that labor unions were not to be deemed as combinations in restraint of trade.

It was feared, however, that the statute would not be so interpreted in favor of labor unions, and various attempts were therefore made to so modify it as to indicate without question what the congressional intent was in the matter. Friends of the reform saw their opportunity to restrict appropriations for enforcement of the antitrust laws, by writing into the sundry appropriations bills a proviso against using any funds for the prosecutions of labor organizations.

These efforts, however, were but abortive and premature. The proviso passed the House but was defeated in the Senate. At a later period it passed both Houses, only to be vetoed by President Taft. Again, in 1913, it passed both Houses, and this time met the approval of the President, Woodrow Wilson, and was signed. Thereafter, similar appropriation bills, signed by President Harding and President Coolidge, contained such a prohibition against the use of any money by the Department of Justice for the prosecution or the restriction of the activities of labor organizations. Of course, such restriction did not help labor outside the sphere of governmental activities. It was doing by indirection what should have been done by direct legislation.

In 1912 the Democratic Party pledged itself to the withdrawal and exclusion of labor and farm organizations from the provisions of the Sherman law. The subsequent election of Woodrow Wilson made action in that regard inevitable, since relief for labor was an integral part of Wilson's gospel of "the new freedom." Later, Samuel Gompers, personally and with rare ability, led the forces and the struggle which culminated in the passage of the famous Clayton Act, which was signed by President Wilson and became law on October 14, 1914. The keynote of this act is contained in its declaration of policy:

The labor of a human being is not a commodity or article of commerce.

At last Congress recognized the difference between the power and the right of man to produce, and the article or thing which he produces. The exact text of section 6 of the Clayton Act is as follows:

That the labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purpose of mutual help and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Of the declaration of policy, mentioned supra, Mr. Gompers said:

This declaration removes all possibility of interpreting trust legislation to apply to organizations of the workers and their legitimate associated activities.

But the roseate hopes held out by Gompers and the proponents of this legislation were soon dashed to pieces, for it was soon discernible, particularly by court interpretation, that the Clayton Act did not bring about the immunization of labor organizations from prosecution or suit under the antitrust laws. The courts so twisted what they deemed the "intent of the legislature," that it was soon apparent that the Clayton Act's purported labor protection was but pure fiction. Labor's so-called bill of rights became a mere shambles.

Not much time elapsed before a very famous case arose, Duplex Co. *v.* Deering (254 U. S. 443), to deal a telling blow to labor. In that case the majority of the court concluded that—

There is nothing in the section (6 of the Clayton Act) to exempt such an organization or its members from accountability where it or they depart from its normal and legitimate objects and engage in an actual combination or conspiracy in restraint of trade.

In this majority opinion Justice Pitney further said:

As to section (6), it seems to us its principal importance in this discussion is for what it does not authorize, and for the limit it sets to the immunity conferred. The section assumes the normal objects of a labor organization to be legitimate, and declares that nothing in the antitrust laws shall be construed to forbid the existence and operation of such organizations or to forbid their members from lawfully carrying out their legitimate objects; and that such an organization shall not be held in itself—merely because of its existence and operation—to be an illegal combination or conspiracy in restraint of trade.

Many other such decisions followed, and each with its telling effect landed death-dealing blows to the cause of labor.

Finally it became illegal to persuade an employee to join a union where such a worker was under a contract with his employer not to do so. This is the so-called "yellow-dog" contract doctrine, which has done much to strike terror into the heart of labor.

It was supposed that labor had the right of collective bargaining, but the placing of a halo around the "yellow-dog" contracts by the courts utterly destroyed the efficacy of the right of "collective bargaining." These "yellow-dog" contracts were justified on the score that nonunion men or scabs should be permitted "freedom of contract."

Personally I can see no truth in that assertion. For certainly the man out of a job, without food or shelter for himself or his family, has no "freedom of contract" when dealing with the employer. The odds are all on one side, with the workman having no choice at all in the matter. If he must accept the company union or "yellow-dog" contract, he is being forced into "involuntary servitude." The courts reasoned that the employer and the employee are on an equality and that no legislation should be permitted to disturb this relationship. What a farce! Equality!

However, enlightened judges, like Mr. Justice Oliver Wendell Holmes, rebelled against such judicial interpretation. But they pleaded in vain, and theirs were as voices in the wilderness. (See Coppage *v.* Kansas, 236 U. S. at 27.)

Then came the famous Hitchman Coal Co. *v.* Mitchell case (245 U. S. 299), which impressed the "yellow-dog" contract on labor with a vengeance. Quoting from the book, The Labor Injunction, we find Prof. Felix Frankfurter writing (p. 148 et seq.) thus:

In the Hitchman case, it will be recalled, the Supreme Court gave equitable protection to these agreements by enjoining employees who had subscribed to them, even when employed merely from day to day and not for a definite term. This decision brought realization to employers that "yellow-dog" contracts had more than psychologic potency. The use of these arrangements and their variants in the form of company unions has spread widely and rapidly. The system, which is referred to as the "American plan," covers nearly all the unorganized coal fields in Ohio, Pennsylvania, West Virginia, and elsewhere. Recent hearings before the Senate Judiciary Committee furnish ample testimony that it is to-day one of the most active forces in large-scale industry.

Such a challenge to organized labor was bound to arouse appeal for legislative help. The first and, thus far, the only statutes do not directly outlaw "yellow-dog" contracts, but deny equitable relief in all cases involving the violation of a contract of employment * * * where no irreparable damage is about to be committed upon the property or property rights. In 1925, a bill sponsored by the Ohio State Federation of Labor, which provided that such contracts are against public policy and void, did not get beyond the lower house; within the next two years similar bills presented in California, Illinois, and Massachusetts failed of passage. In the 1928 session of the New York Legislature such a bill was pressed by the New York State Federation of Labor, but died in committee. We may be sure that this is only the beginning of the agitation. Effective recession in the present trend of prosperity is likely to invigorate the demand for legislation.

Following the Hitchman case, there came in rapid succession a score of cases in which equitable injunctions were issued; and it was found that the Clayton Act was utterly without power to stop this rising tide of restraining orders against labor. Such results were brought about, by holding the statute inapplicable when the strike was to unionize a factory, the courts saying that this purpose was for one other than the immediate betterment of working conditions of the laboring man. And when he refused to work upon nonunion products, it was deemed a strike for "a whim," and he was not protected by the Clayton Act.

Again, the act could not be successfully invoked when once the employer had refilled vacancies, because, it was held, there was no longer a relationship existing of employer and employee between the owner of the plant and the striker. A worker who picketed was no longer an employee to come under the protection of the Clayton Act. (See Dail-Overland Co. *v.* Willys-Overland, 263 Fed. 192.)

In fact, throughout the land, even peaceful picketing by strikers became anathema to Federal judges. They seemed obsessed with the idea that there could be no peaceful persuasion through the practice of picketing. (See Pound, Common Law and Legislation, 21 Harv. L. Rev. 383; see also American Steel Foundries *v.* Tri-City Central Trades Council, 257 U. S. 184.)

In the latter case Chief Justice Taft made a most effective, forceful, and penetrating analysis of the social justification of trade-unions. He said:

Labor unions are recognized by the Clayton Act as legal when instituted for mutual help and lawfully carrying out their legitimate objects. They have long been thus recognized by the courts. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer. They united to exert influence upon him and to leave him in a body in order by this inconvenience to induce him to make better terms with them. They were withholding their labor of economic value to make him pay what they thought it was worth. The right to combine for such a lawful purpose has in many years not been denied by any court. The strike became a lawful instrument in the lawful economic struggle or competition between employer and employees as to the share or division between them of the joint product of labor and capital. To render this combination at all effective, employees must make their combination extend beyond one shop. It is helpful to have as many as may be in the same trade in the same community united, because in the competition between employers they are bound to be affected by the standard of wages of their trade in the neighborhood.

I know of no greater justification for the passage of the instant bill than this opinion by the late Chief Justice Taft.

Further, because of the laxity of Federal judges, all manner of abuses crept in the issuing of injunctions. One of the most obnoxious of these was the granting of an injunction at simply an ex parte hearing. On July 28, 1908, in his address accepting the nomination for President, Mr. Taft drew attention to the evils of ex parte injunctions:

In the case of a lawful strike, the sending of a formidable document restraining a number of defendants from doing a great many different things which the plaintiff avers they are threatening to do, often so discourages men always reluctant to go into a strike from continuing what is their lawful right. This has made the laboring man feel that an injustice is done in the issuing of a writ without notice. I conceive that in the treatment of this question it is the duty of the citizen and the legislator to view the subject from the standpoint of the man who believes himself to be unjustly treated, as well as from that of the community at large. I have suggested the remedy of returning in such cases to the original practice under the old statute of the United States and the rules in equity adopted by the Supreme Court, which did not permit the issuing of an injunction without notice.

The bill before you this afternoon precludes the issuing of an injunction without a hearing and the taking of testimony. It destroys forever the issuance of an injunction after an ex parte hearing. Both sides must be heard.

It is interesting to note that in New York, Governor Smith twice recommended that preliminary hearings be had prior to the issuance of injunctions by the New York State judges.

The instant bill further provides that a temporary injunction may endure for only five days. Examination of Federal injunctions indicates the serious abuse in the present state of the law by permitting a temporary injunction to remain alive for 10 days, to be renewed after "good cause shown." This has resulted in the keeping alive of restraining orders for weeks and months.

Time is the essence of the strike. Keeping the injunction alive by dilatory tactics blunts the edge of the only effective instrument that labor possesses, namely, the strike.

The bill now before us makes it well-nigh impossible to secure a restraining order except under the well-defined and limited conditions set out in sections 7 and 8.

SEC. 7. No court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as herein defined, except after hearing the testimony of witnesses in open court (with opportunity for cross-examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after findings of fact by the court, to the effect—

(a) That unlawful acts have been threatened or committed and will be continued unless restrained but no injunction or temporary restraining order shall be issued on account of any threat or unlawful act except against the person or persons, association, or organization making the threat or committing the unlawful act or who actually authorized it or ratified it after actual knowledge thereof;

(b) That substantial and irreparable injury to complainant's property will follow;

(c) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

(d) That complainant has no adequate remedy at law; and

(e) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

Such hearing shall be held after due and personal notice thereof has been given, in such manner as the court shall direct, to all

known persons against whom relief is sought, and also to those public officers charged with the duty to protect complainant's property: *Provided, however*, That if a complaint shall also allege that, unless a temporary restraining order shall be issued without notice, a substantial and irreparable injury to complainant's property will be unavoidable, such a temporary restraining order may be issued upon testimony under oath, sufficient, if sustained, to justify the court in issuing a temporary injunction upon a hearing after notice. Such a temporary restraining order shall be effective for no longer than five days and shall become void at the expiration of said five days. No temporary restraining order or temporary injunction shall be issued except on condition that complainant shall first file an undertaking with adequate security in an amount to be fixed by the court sufficient to recompense those enjoined for any loss, expense, or damage caused by the improvident or erroneous issuance of such order or injunction, including all reasonable costs (together with a reasonable attorney's fee) and expense of defense against the order or against the granting of any injunctive relief sought in the same proceeding and subsequently denied by the court.

The undertaking herein mentioned shall be understood to signify an agreement entered into by the complainant and the surety upon which a decree may be rendered in the same suit or proceeding against said complainant and surety upon a hearing to assessed damages of which hearing complainant and surety shall have reasonable notice, the said complainant and surety submitting themselves to the jurisdiction of the court for that purpose. But nothing herein contained shall deprive any party having a claim or cause of action under or upon such undertaking from electing to pursue his ordinary remedy by suit at law or in equity.

SEC. 8. No restraining order or injunctive relief shall be granted to any complainant who shall have failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration.

I would say to the gentleman from Pennsylvania, eminent Republican, and I would say to the gentleman from Texas [Mr. BLANTON], eminent Democrat, that both party platforms admonish Republicans and Democrats alike to stand by and pass this bill. I read what the Kansas City Republican platform says.

The party favors freedom in wage contracts, the right of collective bargaining by free and responsible agents of their own choosing, which develops and maintains that purposeful cooperation which gains its chief incentive through voluntary agreement. We believe that injunctions in labor disputes have in some instances been abused and have given rise to a serious question for legislation.

This bill is the legislation in answer to the pledges in the Republican platform. What does the Houston Democratic platform say?

It states:

(a) We favor the principle of collective bargaining and the Democratic principle that organized labor should choose its own representatives without coercion or interference.

(b) Labor is not a commodity. Human rights must be safeguarded. Labor should be exempt from the operation of antitrust laws.

(c) We recognize that legislative and other investigations have shown the existence of grave abuse in the issuance of injunctions in labor disputes. No injunctions should be granted in labor disputes except upon proof of threatened irreparable injury and after notice and hearing, and the injunction should be confined to those acts which do directly threaten irreparable injury. The expressed purpose of representatives of capital, labor, and the bar to devise a plan for the elimination of the present evils with respect to injunctions must be supported and legislation designed to accomplish these ends formulated and passed.

This bill is the legislation in answer to the pledges in the Democratic platform.

We do no more, we do no less than exempt labor from the operations of the antitrust laws when we pass this bill now before you. The gentleman from Pennsylvania [Mr. BECK] had occasion to say something about his trip to England. He spoke of what they do over there. Let me remind the gentleman from Pennsylvania what they do in England with reference to injunctions in labor disputes.

It is well for us to take a leaf out of their book on labor injunctions. I read in this connection from Mr. Justice Brandeis, United States Reports, volume 257, at page 368, in the case of Truax *v.* Corrigan:

In England observance of the rules of a contest has been enforced by the court almost altogether through the criminal law or through actions at law for compensation. An injunction was granted in a labor dispute as early as 1868, but in England today resort to the injunction is not frequent, for the injunction has played no appreciable part in the conflict between capital and labor.

All we do by the passage of this bill is to follow the English practice and relegate the disputants to the criminal side of the law and to actions for damages. Only in rare cases do we allow injunctions in this bill.

If acts of fraud and violence are committed, if criminal statutes are violated, if municipal ordinances are infracted, if the peace authorities can not cope with the situation, then an injunction may issue, otherwise go to the criminal court and get your redress there.

I would say to the gentleman from Pennsylvania [Mr. BECK] read more of English jurisprudence whence comes our American common law, and then the gentleman would come to the inescapable conclusion that we must limit to the hilt the power of Federal judges issuing injunctions in labor disputes.

I heard with interest the remarks of this same gentleman from Pennsylvania, who, with the gentleman from Texas [Mr. BLANTON], is probably the only opponent of this legislation that we know of thus far (and I venture the assertion there will not be more than 20 votes against the bill) when he said the bill is a far cry from Philadelphia, the cradle of liberty, where the Declaration of Independence was written and the Constitution was written; and that we were on the way to Moscow in passing this bill. I wonder what the fathers would say—Jefferson and Madison and Henry and Adams—if they could come to life to-day and could review the history of labor injunctions in this country, and there was shown to them all the grievances and wrongs of labor? I am sure they would vote for this bill. They would vote, indeed, against such an injunction as was issued in the shopcraft case.

That injunction was issued by Judge Wilkerson at the behest of Attorney General Daugherty, through whose influence Judge Wilkerson had just been appointed. The Attorney General placed it under the judge's nose and said, "Sign on the dotted line," and sign on the dotted line he did. This injunction was so all-embracing as to preclude peaceful assemblage, free speech, freedom of the press, the right to petition against a grievance, as well as a prohibition against payment of dues to a union. That injunction verily destroyed the bill of rights contained in our Constitution—the instrument that was drafted in historic Philadelphia. Certainly our fathers who wrote the Constitution, and particularly Jefferson, who wrote the bill of rights, would have ranted and railed against such an injunction, against such an iniquitous denial of fundamental rights. They would say, "It is high time to rescue labor. This bill is labor's bill of rights. Let it pass."

I recall to mind the comparatively recent injunctions granted by the Pennsylvania judges, from the State of the gentleman [Mr. BECK], in connection with the coal strike, wherein members of the union and their wives and children were actually enjoined from praying at the roadside, from singing psalms in churches or groups. Such injunctions are brutal and usually demoralize the union side of the controversy. I have read injunctions so fantastic, so arbitrary, that they were practically but one step from a threat of jail to a striker if he coughed, spat, or chewed. Some injunctions read very much like orders of an army of occupation bent upon vicious revenge. Many injunctions are not used to protect property from irreparable loss, but issued to disorganize unions and to terrorize and intimidate those on strike.

They, and with them "yellow-dog" contracts, shall be as extinct as the dodo, as far as Federal courts are concerned.

Mr. SUMNERS of Texas. Mr. Chairman, I yield five minutes to the gentleman from Rhode Island [Mr. CONDON].

Mr. CONDON. Mr. Chairman, in the brief time allotted to me I shall not undertake to discuss any of the sections of the bill. I merely take advantage of this opportunity to express my unqualified approval of the legislation.

As I listened to the distinguished gentleman from Pennsylvania, who often entertains and instructs this House with

his eloquent addresses, I thought as he stood here he repeated, almost, though not in the same words, the very same ideas and thoughts that were in the minds of the special pleaders who appeared before the Committee on the Judiciary in opposition to this legislation. If you could have been present at the hearings before the committee you would not have seen any difference in the argument and in the attitude of the gentleman from Pennsylvania from that of those who were hired to come before the committee and attempt to defeat this legislation.

I accord to each and every Member of this House the right to differ with me upon any legislation, and I ascribe to him only the sincerest motives, but I recall at the outset of this Congress the gentleman from Pennsylvania took occasion to characterize the revolution of 1848 as one of the catastrophes in the history of civilization. Any man who can characterize the Revolution of 1848, that destroyed autocracy in Europe, that brought liberalism to all of the nations of western Europe—any man who can characterize that revolution as a catastrophe in human civilization is not the kind of man that any modern-minded Congressman can follow in this year of 1932. [Applause.]

What does this legislation do? It has been recommended to you by others who have had more time at their disposal than I have. It does three things. First of all, it declares the policy of the Government to the extent that Federal courts shall not grant injunctions without adequate time for the defendants to be heard. It abolishes or makes unenforceable in equity the infamous "yellow-dog" contract, that contract that has come to be known as the infamous badge of serfdom in the industrial life of America, and that is unknown in any other country in the world of which I have any knowledge. Lastly, it declares that when any criminal contempts are charged as having been committed against a court, out of the presence of the court or not so near thereto as to impede the administration of justice, those contempts shall be tried in the historic American way; tried by a jury of 12 peers of the accused in a court of the United States.

Is there any man or woman upon this floor who can not afford to subscribe to that doctrine? Is there any man or woman upon the floor of this House who is willing to say that the "yellow-dog" contract ought to be legal? Is there any man or woman upon the floor of this House who is willing to sanction injunctions that have come down from that famous judge in Chicago, Judge Wilkerson? If there are, then, of course, they will vote in opposition to this bill, and if the Members of the House are opposed to these things they will vote for the passage of this legislation, and it does not make any difference, in my judgment, that members of the great patriotic organization of the American Federation of Labor are seated in the gallery. It does not make any difference that they are here. I take it that each and every Member of this House will think only of his sacred oath of office and vote upon this legislation as in his clear conscience he believes he ought to vote, without any fear of compulsion, direct or indirect, from anyone outside this body. [Applause.]

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield three minutes to the gentleman from Washington [Mr. HILL].

Mr. HILL of Washington. Mr. Chairman, I am glad to have even this brief time in which to raise my voice in behalf of this proposed legislation. The strange thing to me is that Congress should have delayed so long to enact this legislation.

I want to felicitate organized labor and to congratulate the country upon this legislation soon to be enacted by this Congress. Our organized fighting army for economic freedom is organized labor. That army is fighting for the freedom of the great unorganized masses of the people.

Something has been said here that the public has an interest in this legislation; in the control, through court injunction, of the conduct of organized labor. I agree with that statement, but I want to say that that public interest is in seeing that the shackles are stricken from the hands of labor, in order that the great masses of the people may enjoy the benefits that will come to them as a result of the fight that labor is making for its own release from wage slavery.

It has been the policy of the employers of labor at all times to seek to prevent the organization of those who labor for wages in order that they might deal with that class of people as individuals and to destroy the collective bargaining power of the workers. It is the same policy that has been pursued as to the agricultural producers of the country. We find hostility toward the agricultural marketing act, which seeks to place in the hands of the farmers the collective bargaining power just as organized labor through its power has assumed that privilege. [Applause.]

I am for this bill because it enables employees, through collective bargaining, to deal at arm's length with employers in negotiating the terms and conditions of labor, freed from the exercise of autocratic and tyrannical injunctive powers of courts. This bill is a restatement of the Declaration of Independence and a reaffirmance of the bill of rights in behalf of the wage earners of this country. It, in effect, repeals a judge-made rule as to public policy relating to labor contracts and labor disputes between employer and employee and declares what that public policy is and shall be in future controversies involving terms and conditions of labor.

It is universally conceded that labor has the right of collective bargaining, but the exercise of that right has been denied through the enforcement by court injunctions of unconscionable contracts exacted by employers from employees. This bill makes the right of collective bargaining effective by depriving the courts of that injunctive power.

This legislation goes to the very heart of social economics and the social welfare. It concerns the great unorganized mass of the people as vitally as it concerns organized labor. It is in the interest of the whole people, whose battles labor has been fighting all these years, as well as its own. It is a long and permanent step in the progress of freedom from wage slavery. We owe to organized labor a debt of enduring gratitude for its untiring efforts in crystallizing sentiment for this legislation. Without the purposes, the hopes, and the power of that organization this bill would never have reached Congress. Chattel slavery was long ago destroyed in this country. The present bill will go a long way toward destroying economic slavery.

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. SWING].

Mr. SWING. Mr. Chairman and members of the committee, admittedly there have been a good many cases of abuse of the injunction by judges throughout the country. That is why this bill is here to-day. This bill will not prohibit the use of injunctions in labor disputes, but it does undertake—and I believe it will succeed to a very considerable extent—to prohibit the abuse of injunctions in these disputes.

The history of labor troubles reveals that time and again Federal judges have laid aside their impartial judicial attitude and have become partisans against labor. The injunction, which was intended as a shield to protect rights, has been forged into a sword for use in attack.

The fact that this bill was reported unanimously by the great Judiciary Committee indicates not merely a change in sentiment on the floor of this House toward organized labor but it reveals a change of public sentiment throughout the United States, which demands that these past abuses shall cease.

Credit should be given to organized labor for helping to bring about this change in public sentiment. Great credit should be given to them for their patriotic action and for their unrelenting opposition to such un-American ideals as have been advanced by bolsheviks and communists. Organized labor is in the front trenches fighting these battles for the rest of the American people. It is now fighting for the defense of American institutions and American liberty. The American people, in turn, are coming to the aid of organized labor in its fight against injustice.

Some of those who are opposed to this bill insist that the injunction must be maintained as at present in order to protect the liberty of contract. "O liberty! how many crimes are committeed in thy name!" Liberty of contract, when a man has only the choice between signing the contract of employment offered him or facing starvation. There is no liberty of contract when a man is compelled to act under the compulsion of economic necessity.

Referring to the practices in the past, it was Burke who said, "you can not indict a whole people," and yet some Federal judges have undertaken the practice of enjoining a whole people. They have issued blind injunctions, without notice and without hearings. They have issued blanket injunctions against people unnamed and unknown throughout the entire country, enjoining everybody under penalty of punishment for contempt of court from doing certain specified things. In the future that can not take place.

After reading this bill I can not find in it any declaration to which any fair-minded man can not agree. As has been said, this is a most important piece of legislation; its passage will be hailed as a new birth of freedom, a new Magna Charta in behalf of mankind. [Applause.]

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. GARBER].

Mr. GARBER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein quotations from leading statesmen of the country.

The CHAIRMAN. Is there objection to the request of the the gentleman from Oklahoma?

There was no objection.

Mr. GARBER. Mr. Chairman and members of the committee, this bill simply corrects the abuses of the administration of the equity powers of the Federal courts. With but one exception this bill does not legislate a single proposition which has not been approved by the Supreme Court of the United States. Get that. There has been only one criticism of this bill that goes to its constitutionality. The distinguished gentleman from Pennsylvania [Mr. BECK] selects sections 3 and 4 of the bill as being unconstitutional.

Now may I request you for just a moment to consider section 4 of this bill. It prohibits Federal courts from issuing an injunction in nine specified instances, enumerated as a, b, c, d, e, and f, and so forth.

Now examine those instances wherein the Federal court is prohibited from issuing an injunction. Why not analyze this bill according to its terms?

Paragraph (a) prohibits the court from enjoining an employee from refusing to work or continuing in employment. Is there any innovation about that? It is a proposition that has been recognized by all the courts of the country as a natural vested right of the employee, namely, to cease work whenever he chooses to do so.

Paragraph (c) shall not prohibit anyone from paying or giving to, or withholding from, any person participating or interested in such labor dispute any strike or unemployment benefits or insurance or other moneys or things of value. Is there any question about the legality of that provision? Is it any invasion or infraction of equity for you to aid and assist one who is on a strike or engaged in a labor dispute in a peaceful and lawful way?

Now, mind you, every one of these paragraphs has been approved by the Supreme Court of the United States.

Take subsection (d)—

By all lawful means aiding any person participating in or interested in any labor dispute who is being proceeded against in, or is prosecuting, any action or suit in any court of the United States or of any State.

Is there anything wrong about this? Has not the employee the right to accept the aid of his friends in a suit at law?

Take subsection (g), with respect to giving publicity to the existence of the facts in relation to a strike being in effect. Wherein does this violate the law?

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. GARBER. Time will not permit of a further analysis of the only legal criticism made against this bill by one of the ablest lawyers in this House, very pleasing to listen to, but the gentleman from Pennsylvania speaks out of the ancient past. This bill deals with the present, with modern, up-to-date conditions, wherein social justice is the primary consideration. [Applause.]

The fundamental purpose of this legislation is the promotion of social justice, to place the employee upon an equality with his employer so that he may exercise a bargaining power which will exact a reasonable compensation for his contribution to the joint enterprise of capital and labor. Through their collective-bargaining power labor unions have sought to do this. They have secured better working conditions, shortened the hours of labor, and improved the laborer's condition and standing generally. But through the misuse and abuse of injunctive relief by the Federal courts they have been prevented from securing that degree of social justice to which their contribution of labor entitles them.

This is generally recognized. It was recognized by the respective political parties in their national platforms but three years ago. It is recognized by an enlightened public opinion to-day.

The bill declares our national policy to be that labor shall be free from interference in negotiating the terms and conditions of its employment and in other organized activities for the purpose of collective bargaining or other mutual aid or protection.

Section 3 prohibits the enforcement in law or equity of any contract or agreement wherein either party agrees not to join, become, or remain a member of any labor organization, or of any employers' organization. This section prohibits the enforcement by injunction or proceedings in law of what is usually referred to as the "yellow-dog" contract, a contract procured upon the application of the employee for work wherein he is handed a written form which obligates him not to join any labor union while in such employment.

Section 4 of the bill prohibits the Federal courts from restraining or enjoining any person or persons participating or interested in any labor dispute from doing, whether singly or in concert, any of nine specific acts, one or more of which have been usually covered in blanket injunctions:

(a) Ceasing or refusing to perform any work or to remain in any relation of employment;

(b) Becoming or remaining a member of any labor organization or of any employer organization, regardless of any such undertaking or promise as is described in section 3 of this act;

(c) Paying or giving to, or withholding from, any person participating or interested in such labor dispute any strike or unemployment benefits or insurance or other moneys or things of value;

(d) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in, or is prosecuting, any action or suit in any court of the United States or of any State;

(e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence;

(f) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;

(g) Advising or notifying any person of an intention to do any of the acts heretofore specified;

(h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

(i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified, regardless of any such undertaking or promise as is described in section 3 of this act.

Under section 7 a temporary restraining order may issue without notice, providing it is alleged that substantial and irreparable injury to complainant's property will be unavoidable unless such restraining order issue, supported by testimony under oath sufficient if sustained to justify the court in issuing a temporary injunction upon a hearing after notice, such a temporary restraining order to be effective only for a period of five days and become void at the expiration of that time. An adequate bond for costs and damages must first be approved before the temporary order becomes effective. In all other cases no temporary or permanent injunction shall issue except after hearing the testimony of witnesses in open court, with opportunity given for

cross-examination and the hearing of testimony in opposition to the application, such hearing to be held only after due and personal notice has been given in such manner as the court shall direct to all known persons against whom relief is sought, and also to those public officers charged with the duty of protecting the complainant's property.

Before granting the application for the writ the court must make a substantial finding of fact in writing to the effect—

(a) That unlawful acts have been threatened or committed and will be continued unless restrained, but no injunction or temporary restraining order shall be issued on account of any threat or unlawful act except against the person or persons, association, or organization making the threat or committing the unlawful act or who actually authorized it or ratified it after actual knowledge thereof;

(b) That substantial and irreparable injury to complainant's property will follow;

(c) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

(d) That complainant has no adequate remedy at law; and

(e) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

The above procedure will put a stop to granting of injunctive relief without notice and finding of fact sufficient to warrant such action. No longer will the advantage be to the one who first gets the ear of the court. Neither will incompetent judges be permitted to issue blanket orders which the layman can not understand. Notice, specific findings of fact, and definite orders make for orderly procedure.

Section 11 effects important and necessary changes in procedure in contempt cases for violation of restraining orders or injunctions issued by the United States courts. The accused is permitted to enjoy the right of public trial by an impartial jury and section 12 provides for a change of judge in contempt proceedings where the contempt arises from an attack upon the character or conduct of such judge and not in open court.

Has Congress the power to legislate the limitations and procedure provided for in this bill? Section 1 of Article III of the Constitution provides—

The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish.

This delegation of power to Congress carries with it the power to define the jurisdiction of the inferior courts it creates, to enlarge or limit that jurisdiction within constitutional limitations. This view is clearly expressed in the case of Kline *v.* Burke Construction Co. in Two hundred and sixtieth United States Reports at page 234, as follows:

Only the jurisdiction of the Supreme Court is derived directly from the Constitution. Every other court created by the General Government derives its jurisdiction wholly from the authority of Congress. That body may give, withhold, or restrict such jurisdiction at its discretion, provided it be not extended beyond the boundaries fixed by the Constitution.

Surely the power that can create or abolish the courts can, within constitutional limitations, fix the jurisdiction of the courts. The restrictions, therefore, upon the administration of injunctive relief by the Federal courts are clearly within the power of Congress.

In my judgment, the only constitutional question raised by the provisions of this bill is that to be found in section 3, whereby the employee agrees to join or not to join a labor union; in other words, the further use of the "yellow-dog" contract, declaring it to be in conflict with public policy, not to be enforceable, and not to afford any basis for the granting of legal or equitable relief.

Such contract is so well defined by William Green, president American Federation of Labor, that we herewith incorporate his definition and statement in reference thereto:

"YELLOW-DOG" CONTRACTS CONDEMNED BY EXPERTS

FOREWARD

When workers seeking a job are told to sign an agreement not to join a union before they are put on the pay roll, this condition is called a "yellow-dog" contract. Workers who accept such conditions give up their legal and economic rights because those dependent on them have to be fed and clothed.

To get money for these immediate necessities they must forego their right to plan and order their own lives, that is, the right to join with fellow workers to deal with common problems collectively. Wage earners like all other groups of citizens are expected to assume responsibility for their own progress. Persons who neglect opportunities to keep step with progress retard social advancement and may even become public wards.

A single wage earner is unable to make an advantageous contract with his employer. Acting jointly with other wage earners they can meet their employers on an equal footing and negotiate mutually satisfactory contracts. Employers who are unwilling to give their employees a fair chance to make progress require them to sign "yellow-dog" contracts.

When there is evidence of efforts to promote the organization of a union among workers who have signed "yellow-dog" contracts, employers usually apply to the courts for injunctions enjoining union activities. Thus the full force of government is put behind contracts which take advantage of the necessities of workers and these workers are denied the right to do things which the law regards as legal and which society regards as necessary and constructive.

Clearly, "yellow-dog" contracts and their enforcement by injunctions are in conflict with American principles of liberty and with orderly social progress.

Labor believes that such contracts should not be actionable. Our position is supported by many lawyers and experts who believe that law should be an effective social instrument. To be such an instrument, law must be something more than a mechanical application of precedents—it must be the application of principles of human justice to specific conditions and problems.

Quotations from authorities in different fields have been compiled for the ready use of wage earners studying this problem.

WM. GREEN,
President American Federation of Labor.

The purpose of the "yellow-dog" contract is to destroy the labor unions and thereby the bargaining power of the employee. It is now used in the coal fields, in many manufacturing districts, and on many of the railroad systems. Its use in recent years has rapidly increased. It destroys the independence of labor. It takes an undue advantage of a man who must have work to support his wife and children. The employee has no choice, no bargaining power, and must take whatever is offered. If the use of such a contract is continued, it will finally destroy the labor organizations, the independence of the worker, and create a general labor condition of involuntary servitude.

Clearly, such a contract should be against the public interest, our public policy, and should not be enforceable. It is not only "yellow dog" and Shylock but Machiavelian! This bill will outlaw such a contract; it will preserve the organizations of labor unions, and restore the independence of the worker. [Applause.]

The only objections to this legislation are coming from the sources of corporate power antagonistic to the unions, the sources that have always rushed into court and secured blanket injunctions from their willing tools on the bench. The objections come from sinister sources always seeking advantage in government and in the administration of the law.

The following leading representative public men more truly represent American standards and ideals, the standard of equality of citizenship, of the independence of the American laborer and of the security of his home, the necessity for the education of his family, and the interest of the Government in qualified, competent, American citizenship:

Theodore Roosevelt: "It is all wrong to use the injunction to prevent the entirely proper and legitimate actions of labor organizations in their struggle for industrial betterment, or under the guise of protecting property rights unwarrantably to invade the fundamental rights of the individual. It is futile to concede, as we all do, the right and necessity of organized effort on the part of wage earners and yet by injunctive process to forbid peaceable action to accomplish the lawful objects for which they are organized and upon which their success depends." (42 Cong. Record 1347–48 (1908).)

William Howard Taft: "They [trade-unions] were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer." (American Foundries *v.* Tri-City Council (257 U. S. 184–209).)

Woodrow Wilson: "Governments must recognize the right of men collectively to bargain for humane objects that have at their base the mutual protection and welfare of those engaged in all industries. Labor must not be longer treated as a commodity.

It must be regarded as the activity of human beings, possessed of deep yearnings and desires. The business man gives his best thought to the repair and replenishment of his machinery so that its usefulness will not be impaired and its power to produce may always be at its height and kept in full vigor and motion. No less regard ought to be paid to the human machine which, after all, propels the machinery of the world and is the great dynamic force that lies back of all industry and progress." (From message communicated to both Houses of Congress at the beginning of the 66th Cong.)

Charles Evans Hughes: "I trust there will be no more struggles in futile opposition to the right of collective bargaining on the part of employees. The recognition of the right of representation and the prompt hearing of grievances provide the open doors to reasonable and just settlements." (From address before the Institute of Arts and Sciences, Columbia University, November 30, 1918.)

Notwithstanding the decisions of the Supreme Court of the United States that the so-called "yellow-dog" contract is legal, the commission is of the opinion that it is a source of economic irritation and is no more justifiable than any other form of contract which debars the individual from employment solely because of membership or nonmembership in any organization. The right of an employer to discharge for disloyalty, dishonesty, and incompetency or other unlawful conduct should not be abridged, but he should not be permitted to blacklist a discharged laborer for any other reason than disloyalty, dishonesty, or unlawful conduct. (Report of U. S. Coal Commission, 1925, pt. 1, p. 179.)

We recommend that such destructive labor policies as the use of spies, the use of deputy sheriffs as paid company guards, house leases which prevent free access and exit, and individual contracts which are not freewill contracts be abolished. (Summary of Recommendations, September 14, 1923, U. S. Coal Commission, in Bituminous Coal Mining. Government Printing Office, 1925.)

* * * When an applicant for work is compelled to sign a contract pledging himself against affiliation with a union, or when a union man is refused employment or discharged merely on the ground of union membership, the employer is using coercive methods and is violating the fundamental principle of an open shop * * *. (Federal Council of the Churches of Christ of America, press release, December, 1920.)

Francis B. Sayre, Harvard Law School: "The signs are all about us that labor groups throughout the country are smarting with a sense of injustice at the hands of the courts. * * * The situation calls for constructive efforts to meet the growing danger, not only on the part of labor leaders but on the part of all who believe in American law and American traditions.

* * * * * * *

"Seizing upon the Hitchman decision, employers have found an effective way to prevent peaceful and otherwise lawful union activities by requiring present or prospective employees as the price of employment to sign individual contracts against joining any union. Thus entrenched, they are in a position to defy every effort on the part of the unions to unionize their plants, and by a system of strategic individual contracts with their employees they are able in many cases to prevent unions entering into a competitive struggle with them over the price of labor. That courts would refuse in fields other than labor law to allow competition to be effectually stifled by means of strategic contracts with third parties seems clear." (Labor and the Courts, Yale Law Journal, March, 1930.)

Donald R. Eichberg, attorney, Railway Shop Trades Unions: "It is a waste of time to criticize judges who chatter about equality of right and liberty of contract between a billion-dollar corporation and a man looking for a job. When judges solemnly announce that society is more interested in preserving the freedom of one man to injure himself and his coworkers than in preserving the freedom of a hundred thousand men to promote their common interests it is unnecessary to argue that the lawmakers do not know what they are talking about. That fact is obvious. It is, however, worth while to point out the misdirection of persistent efforts to combat natural laws of human conduct with artificial laws.

"* * * And it is apparent that employees sign 'yellow-dog' contracts only because they feel compelled to do so. No man voluntarily puts his head in a noose and then hands the rope to his adversary, with the idea that he has improved his chance of winning the contest. If courts will not recognize the facts, and hold that the employer acts illegally when he interferes with the employee's natural rights to asscociate with his fellow men and thus to designate representatives to advance their common interests, then it is time to have the legislatures write this law and to make it binding on the courts." (From address delivered at the joint conference on injunctions in labor disputes in Pennsylvania, Labor Institute, March 16, 1930.)

The CHAIRMAN (Mr. BLANTON). The time of the gentleman from Oklahoma has expired.

Mr. SUMNERS of Texas. Mr. Chairman, may I submit the inquiry whether or not any other gentleman in opposition to the bill would desire some time now?

The CHAIRMAN. If the gentleman from Texas [Mr. SUMNERS] will reserve the other 23 minutes that from his side is justly due the opposition, there will be opposition that will call for it at the proper time.

Mr. CELLER. Mr. Chairman, a point of order. Is it meet and proper for the Chairman to ask for time while occupying the chair?

The CHAIRMAN. The Chair answered a proper parliamentary inquiry that was within the knowledge of the Chair.

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. HORR].

Mr. HORR. Mr. Chairman, I was very happy, indeed, to be here to-day to witness the wedding of those two sterling characters, the gentleman from Pennsylvania and the gentleman from Texas, and I would wish this couple a long and happy life were it not for the fact I realize that on next Monday morning, the Ides of March, on account of other issues that will be presented to this body, I am sure we will find them in anything but a happy mood.

I am happy to be here to-day to speak upon this particular bill. The injunction in itself, as it exists in law, does not deter any criminal act on the part of anybody, regardless of the fact that it is a law. Any threat whatsoever, whether it be in the nature of a law or not, has never acted as a deterrent to crime. The injunction that has been hanging over the heads of organized labor has been more as an irritant than as a corrective of any condition.

I was particularly taken to-day with the remarks of the gentleman from Texas, who is always speaking for the dear people, and to hear him to-day talk in favor of the industrialists partakes of comedy. I am not worried about what is going to happen to him down in his district of Texas, where he says the best people on earth live. We have all heard this designation and admitted it a thousand times, but I am fearful about what will be the thought of his people when the word goes out to his constituency in Texas that he has to-day joined and gone forward, hand and hand, with the most distinguished wet in this Congress in opposition to this bill.

I heard the gentleman talk about conditions in this Capital City, where the employer, he says, has been caused great inconvenience. Does he know the workers' side of the controversy?

The gentleman said he has worked himself, although it was 35 years ago, according to his own admission, and I am wondering whether he is taken back in memory when those who worked at that particular period of their lives were working not 8 hours a day, the limit men should work, but worked 12 or 14 hours a day in order to get their daily bread. Will the gentleman deny that organized labor should be credited with this change?

It has been a battle for human rights since men first began to toil. Labor has been protecting humanity, and industry only the product. Is not the individual more to be considered than the product? Is not human life more to be considered than the manufactured or produced product?

It has been my experience that where there has been excesses that it is not the outgrowth of any organized-labor agitation, and in most cases organized labor has stepped in and the agitators were kicked out. Organized labor to-day stands for stability in government and is the Nation's last port of call in time of stress.

[Here the gavel fell.]

Mr. HORR. Mr. Chairman, I ask unanimous consent to extend my remarks.

There was no objection.

Mr. HORR. Injunction never acted as a deterrent to crime. Penalties fail to stop murder, and capital punishment does not lessen the taking of life. We have more laws to-day than any other nation, and we are the most lawless of nations. It is time some of these laws were taken off the statute books.

Labor does not need to be threatened with injunction to make it law-abiding.

The American people owe a great debt to organized labor. It has made its proportional contribution in war times, and it will not tolerate disloyalty to government in peace time.

Why place the yoke of serfdom on the worker by giving the courts the power to restrain by injunction, not only the

individual but an entire community. Have the courts ever gone so far as to apply this law to industry? Has this power of injunction ever been used to compel the payment of fair wages to the worker or to maintain a factory or camp fit for men and women to inhabit? If injunction is for use to prevent violence, why has it never been used against an industry that maintains conditions that breed discord? If the injunction is good for labor it is equally applicable to industry. You and I know that the injunction has no place in a free democratic government.

This bill also provides against the "yellow-dog" contract. Were this the only section in the bill, it should appeal to the fair-minded legislator. When ever before was liberty so curtailed as by provisions found in such contracts of hire—contracts which go so far afield of legitimate contractual relationships, as even to take from the worker his human attributes of self-expression, free association, and right to betterment of his station in life—contracts which have wrongly been enforced by the courts of a civilized people?

I rejoice that the Congress of the United States on this day tells the courts of the country that it is not the desire of this legislative body to permit the use of these so-called "yellow-dog" contracts as a club to browbeat the individual out of his innate rights.

To-day should be a great day in the history of organized labor. For years this organization has been looking forward to this accomplishment, and I am happy to have had the privilege of raising my voice in the Congress of the United States in favor of the abolition of the injunction against the worker. I have supreme confidence that the worker will rise to the situation and will prove to the world that such a measure never was at any time necessary for industrial peace. How proud am I to be able to carry out my pledge to organized labor and on this day cast my vote to abolish that thorn of irritation that has been pricking the organization these many years.

To the American Federation of Labor and all of your locals throughout the land, I extend my heartfelt congratulations. I have tried to do my bit.

Mr. SUMNERS of Texas. Mr. Chairman, there being no other requests for time in opposition to the bill, except that of the gentleman from Texas [Mr. BLANTON], and as I understand there are 23 minutes of that time remaining, I yield that to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I reserve the balance of my time.

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman, my mind was at ease on this bill, when Pythias BLANTON O. K'd Damon BECK. They both can not be right; and under the existing armistice, if one of them is wrong so is the other.

I am sorry that my friend from New York [Mr. O'CONNOR] was so unfair to the "Abilene broadcaster," allowing him only 37 minutes on a program with the Philadelphia maestro [Mr. BECK].

I am authorized by my colleague, Mr. O'CONNOR, to answer the question of the gentleman from Texas, "Upon what meat does this our Cæsar feed?" It just so happens that O'CONNOR's ancestors for years fed on the blood of Englishmen. O'CONNOR himself usually feeds on Texas steer, but now that it is Lent he is eating Russian caviar. I suppose that makes him a red. It occurs to me also that probably the gentleman from Pennsylvania [Mr. BECK] would like to be a minority of one, because even misery likes to choose its own company. [Laughter.]

This bill is simply a legislative injunction against the injunctions of arrogant gentlemen who have fed on Cæsar's meat. Both gentlemen who spoke against this bill enumerated certain crimes against which injunctions were to protect the public. There are plenty of laws on the books of all the States about the crimes enumerated. An injunction is no more terrifying than a term in the State penitentiary. An injunction is no more to be feared than capital punishment, and they have enumerated murder among their crimes. That is not the reason for the injunction. The reason for the injunction is that the employers can charge crimes in advance and have a judge, friendly to them, pass on the crimes before they are committed. The laws are plentiful on the question of crimes. You do not need injunctions against crimes. The gentleman from Pennsylvania [Mr. BECK] said that some of the proponents of this bill had visited Moscow and got inspiration from Moscow. This bill did not come from Moscow. I remember away back in my days in prep school many years ago that we used to discuss whether or not there should be injunctions issued without a right of trial by jury in derogation of a man's constitutional rights. This question has been agitated in this country for years and years. This did not come from Moscow; it came right from the heart of America.

Gentlemen are inclined to liken our American labor leaders to communists. If there is any force that stands between communism and our American system, it is the intelligent, courageous American labor leaders, because it has been the American labor leader who has been put to the fight against communists in the front line of the industrial trenches. It is the American labor leader who has met their opposition all over the country in labor locals, where communists are trying to break in. It is the American union-labor leader that the people have to thank for the suppression of communism in this country, and not corporation lawyers who, by their acts and by their unfairness, attract the friends of communism to attacks upon America. They speak about the American labor leaders terrifying Congress. I have never yet in all my time in legislative work had a labor leader threaten me in any way, shape, or form. I have had those on the other side of the fence say they had no use for me because I happened to vote on the labor side of questions.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLACK. Can the gentleman from Missouri grant me some time?

Mr. DYER. I am sorry that I can not.

Mr. BLANTON. I yield the gentleman one minute.

Mr. BLACK. I thank the gentleman from Texas, and I take back the "Abilene broadcaster" and will call the gentleman anything he wants me to call him. [Laughter.]

We have a constitutional provision against ex post facto laws. I do not know whether my Latin is right, because I have not consulted with the gentleman from Pennsylvania, but if an injunction is anything it is an ex ante facto law. The injunction comes before the fact. We have a constitutional provision against legislating after the fact and having laws based on facts that happen prior to legislation; but here we have courts, judges, appointed for life—we do not know at whose request, we do not know with whose indorsement, nor why they were appointed—and we give them power to adjudge a man in advance of his acts.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I made a remark upon the floor this morning, expressing my surprise and pleasure because the gentleman from Alabama [Mr. BANKHEAD] so warmly indorsed this bill. It recalled to my mind my visit to the South, to investigate the textile mills, because they were furnishing severe competition to our New England industry. I asked while there how it was that they could make money, and they replied it was because their wheels turned day and night, labor working 60 hours a week, and that they had no labor organizers and no labor interference there. And yet we hear the Democratic Party of the South claiming credit for this bill favoring organized labor. Why, down there they resist efforts to organize; they say to the American Federation of Labor that they are entirely unwelcome to come into those States to help organize labor there. Yet the Democratic Party undertakes to arrogate to itself great credit for this piece of legislation. So at this particular time I bring forward the idea that this is an invitation to the American Federation of Labor to go to Alabama, as they

will now be welcome. I trust the American Federation of Labor will go at once and show those textile operatives who are working 60 hours a week how to obtain collective bargaining and change conditions. These industries are protected by the tariff and are ruinous to other like industries in the country by such unhealthy competition. It should happen very soon that equal hours of labor in industry should obtain in this country. If there were a 40-hour week, no unemployed would be walking the streets to-day, begging work. The Central Government may have to invade the States once more to demand equalization of conditions and equal hours in industry. However, it now seems that they will welcome the American Federation of Labor to organize their employees, which would of itself largely correct the conditions.

I found on my visit that if laborers were not orderly and docile, they were forced to move from the houses in which they lived, they being owned by their employers; thus they control employees who work for them. These conditions would also be greatly changed by organized labor. I trust the supporting of this bill will indicate that those working people in the mills of the South will soon enjoy privileges that other liberal States have given, such as a 48-hour week, and proper conditions relating to night work, to the end that they carry on competition in a proper manner with their sister States. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BLANTON. Mr. Chairman, I yield myself 22 minutes.

Mr. SUMNERS of Texas. Mr. Chairman, a point of order. I do not understand that the gentleman from Texas controls any time.

Mr. BLANTON. Mr. Chairman, I want to use the 22 minutes that were given me a while ago by the gentleman from Texas, and which I reserved.

Mr. SUMNERS of Texas. Mr. Chairman, I yield to the gentleman from Texas [Mr. BLANTON] 22 minutes.

Mr. BLANTON. Mr. Chairman, such yielding now is wholly unnecessary, as the gentleman from Texas [Mr. SUMNERS] a short time ago yielded me 23 minutes, and I gave 1 minute of it to the gentleman from New York [Mr. BLACK] and I had reserved the other 22 minutes for myself.

Mr. SUMNERS of Texas. I yield to the gentleman from Texas [Mr. BLANTON] 22 minutes.

Mr. BLANTON. Mr. Chairman, I ask recognition in my own right. I yield myself my own 22 minutes.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] is recognized for 22 minutes.

Mr. CELLER. Mr. Chairman, a point of order. I make the point of order that the gentleman from Texas yielded back the balance of his time.

The CHAIRMAN. The gentleman from Texas reserved his time. The gentleman from Texas is recognized for 22 minutes.

Mr. BLANTON. I thank my colleague from Massachusetts, the present excellent presiding Chairman of the Committee of the Whole House on the state of the Union [Mr. CONNERY], for his fair rulings at all times. Every Member present is noticing with a great deal of pride that he is making a splendid presiding officer. And we all know that he is a most valuable Member of this House.

Now, Mr. Chairman, I want to use my time in answering some of the attacks that have been made upon me in this debate. I knew that when I opposed this measure I would become a target for every partisan of it to shoot at. That is one of the penalties we must pay when we oppose a class measure, when the class benefited is looking on from the gallery watching us.

The gentleman from New York, Mr. BLACK, said that his colleague the gentleman from New York, Mr. O'CONNOR, had granted me 37 minutes in this debate. That is incorrect. The gentleman from New York, Mr. O'CONNOR, did not grant me anything. The gentleman from New York and the gentleman from Michigan used the entire hour they had control of for the proponents of the bill. Not one minute did they grant anybody to oppose it.

Now, of the four hours that were allowed for general debate, of the two hours that were allocated to my colleague, the gentleman from Texas [Mr. SUMNERS], he, after reflection, finally yielded me 37 minutes of it, for which I am grateful, but I was due an hour under the rules of parliamentary debate; so after reflection he granted me my other 23 minutes, but even then the time has not been fairly divided, because the gentleman from Missouri, of his two hours, has yielded only 40 minutes to the opposition, when Mr. BECK was entitled to a full hour.

Mr. DYER. Will the gentleman yield?

Mr. BLANTON. In just a moment.

Mr. DYER. I will yield the balance to anyone who desires it on this side.

Mr. BLANTON. Why did not the gentleman do that when Mr. BECK was on the floor, begging for more time? I have never been bothered about understanding the great popularity of my colleague from Dallas, Mr. SUMNERS, with the women. He is handsome. That answers that. But I have never understood his great popularity with the men until to-day. Now I understand it. If we will give him time to reflect, we can always depend upon his inherent fairness.

When my colleague, the gentleman from Texas [Mr. SUMNERS], who is a great lawyer and a great statesman, and whom I follow much on this floor, reflected and remembered that in all parliamentary bodies those who are against a measure are entitled to control one-half the time, his good judgment stepped in and he responded and did justice. He finally gave me the hour I was entitled to. I admire and respect him. I commend him, and I am for him.

In reply to my friends who on the floor intimated that I said that communism now pervades the American Federation of Labor, permit me to remind them that I did not say that. They must keep the record straight. I said distinctly that I was one of the causes that led the American Federation of Labor to see that it could not longer harbor communism and that it finally divorced itself from it. I said that years ago communism did pervade it, and it did. Was not William Z. Foster once affiliated with the American Federation of Labor? Was he not affiliated with them at the very time I stood on this floor during the war and read his little red book on syndicalism? He had just been in charge of the steel strike, placed there by the American Federation of Labor. Was not Emma Goldman once affiliated? Was not Alexander Berkman once affiliated?

In years gone by I admonished the American Federation of Labor that the time would come when it would divorce itself from communism and anarchy, and it has done it, and I commend it for it.

But what are we going to do about this bill? Parts of this bill absolutely give the labor unions a throttle hold on this Government. I want to call attention to what has happened in the past before we pass this law.

Do you remember when during the war President Wilson recommended that we pass the Borland amendment requiring the Government employees to work eight hours a day? All of you who were here then will remember it. We put a provision in a supply bill that for the duration of the war the employees of the Government, to whom we were giving a $120 bonus, should work eight hours a day. Was there anything wrong with that?

During the war, when we had soldiers in the trenches of France, knee deep in mud, cooty infested, fighting 24 hours a day, and if they had murmured they would have been stood up against a brick wall at sunrise and shot for treason, was it unreasonable that we should ask the employees of the Government, after giving them a $120 bonus, to work eight hours a day during the war? We had given them one bonus of $120; we had given them a second bonus of $120; and we were giving them a third bonus, and it was a reasonable request. We passed a law. It went into one of our big supply bills as a rider, and the Government employees affiliated

with unions marched on the Capitol and they marched on the White House demanding of the President in war time to veto that bill. And he vetoed it. Is that the proper kind of hold-up for us to approve of by passing a bill that gives them all power? I shall offer an amendment that right at the beginning of this bill these words be put in: "Except where the Government of the United States is the petitioner."

I wonder if I can get any of my colleagues to vote for that? Is not that a fair provision? If the Government of the United States is involved, it seems that the interests of 120,000,000 people are involved. That is what it means. When your Government is involved and goes into court as the petitioner, ought this kind of a bill to say that the courts have no right to grant redress to the people, because, forsooth, 5,000,000 union men are organized into a labor union? Do you know that there are not over 5,000,000 people in the United States belonging to unions? Did you know that? There are not 5,000,000 people in the United States affiliated with the American Federation of Labor.

Do you think it is fair that we should pass a special class act that takes away from all of the 120,000,000 people the inherent right they have under the Constitution and give it to 5,000,000 people and say they shall be put up above everybody else, and above the Government? They say there is no duress on any of us here at this time by these union leaders who sit up in the gallery. I will show you where the duress comes in. They have said to us in times past that if we do not give them proper obedience—not 30 per cent obedience, not 66⅔ per cent obedience—but if we do not give them 100 per cent obedience to their demands we will be put on their blacklist, and when election time comes they will send men throughout all of our districts to defeat us. They will send men into my district and say, "BLANTON is against organized labor. We have blacklisted him. We ask organized labor to fight him." Is not that duress?

Now, do you think we ought to pass a bill of this kind under such duress? They are demanding this bill. They have gotten it up here. They got it out of committee and they have gotten it on the floor. All of their organizations have their officers sitting up in the gallery waiting to see what we are going to do about it. They are watching us. They know we know we are going to be blacklisted if we go against them. Do you mean to tell me we are not under duress? Let us be reasonable. Are we not under duress? Have we a free rein here on the floor? Does not their sitting up there kind of pervade the atmosphere of the Chamber?

The other 120,000,000 people of the United States are not here. They are affected but are not here. They are not represented here. They are not here to have us look up into their faces and consider their rights. We only have sitting up there those people who are saying, "Give us this bill; give us this bill or we will blacklist you." That is what we know is coming. You take this Keating paper called Labor and you see how it will blacklist you if you vote against this bill. It will give the names of the fellows who vote against it and they will be on the black list.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BLANTON. Always to my friend from New York, because I know this: I know he is one man who, when labor demands something that does not appeal to him, presses down on them and refuses to go along with them, just as I do. I have seen him do that on several occasions.

Mr. LAGUARDIA. I saw the gentleman from Texas stand on that very same spot a few days ago and defend the right of a gentleman to be up in that gallery and listen to something in which he was vitally interested.

Mr. BLANTON. I will tell the gentleman why I did that, and I will show you I had a good reason, because the gentleman is a lawyer. Only the rights of that one man were involved. Nobody else's rights were involved but his rights, and he had a right to be there. Now, if the rights of the other people in the United States were not involved, then these boys would have a right to be up in the gallery. That would be all right, but they represent just 5,000,000 people against the rights of all the balance of the 120,000,000 people in the United States. There is the difference. So the gentleman can see I had a good reason for what I did.

Mr. SCHAFER and Mr. KARCH rose.

Mr. BLANTON. I am going to yield to the gentleman on prohibition in a minute, but I yield to the gentleman from Illinois first.

Mr. KARCH. Did I understand the gentleman said he had little or no use for a Member who took orders from or listened to the wishes of anyone in the gallery?

Mr. BLANTON. No; I did not say that. I say this: I say that these men have a right to be there. I say they have a right to come here and tell us what they want; they have a right to call on us at our offices, but they have no right to threaten us and put us in duress, and they have no more rights than any other citizen in the United States.

Mr. KARCH. I will ask the gentleman this question: If he recalls the occasion when a resolution was pending in this House some years ago requiring unanimous consent for the impeachment of Judge English, who was impeached for having violated this very injunction system which we are about to rectify, and whether the gentleman did not raise an objection against the hearing of that resolution because he said he took orders to do so from Wayne Wheeler?

Mr. BLANTON. I never took orders from Wayne Wheeler in my life. After reflection, I remember that when the English resolution was up for unanimous consent Wayne Wheeler's office telephoned my office and asked that I please stop the resolution temporarily for that day until he could have the charges investigated, and, as requested, I did object to it being passed by unanimous consent. The reason that request was made to me was, I suppose, because it was known that I was always on the floor when such matters came up. I have stopped many bills temporarily until they could be carefully investigated.

Mr. SCHAFER. Does the gentleman approve of the black list of the Anti-Saloon League?

Mr. BLANTON. Now, I want the gentleman to be seated, and then I shall answer him.

If the Anti-Saloon League attempted to blacklist anybody, I would be against it just as I am against any other black list. I never have held any brief for the Anti-Saloon League. The Anti-Saloon League never put up a dollar in its whole existence for me in any campaign I have even been in and has never paid me a dollar in my life. It has no strings on me at all. You could wipe it out of existence to-day, I will state to the gentleman from Milwaukee, and you would still have prohibition upheld by the good men and women of this country. You could wipe out every single organization, and you would still have prohibition.

I want to remind the gentleman, in speaking about a black list, one of his wet organizations here last Tuesday, a week ago to-day, when the wet resolution was finally signed by the one hundred and forty-fifth Member, the organization headed by Mr. Henry Curran, of New York, came out in the Washington Post the next morning and said that it was going to stand for the reelection of the men who voted for that resolution and was going to stand for the defeat of the men who voted against it. Was not that black listing? And in the Washington Post of the same day there was a similar threat from the Crusaders, a wet organization, which said they would stand for the men who voted for that resolution and would be against the men who voted against it. Was not that black listing?

Mr. SCHAFER. Will the gentleman yield on that particular question?

Mr. BLANTON. I shall not yield further on prohibition. When the 14th of March comes, Mr. Chairman, we will meet the gentleman from Wisconsin on that subject, but not now.

Mr. MILLARD. Will the gentleman yield for a brief question?

Mr. BLANTON. Yes.

Mr. MILLARD. The gentleman spoke about the 5,000,000 who belong to the American Federation of Labor represented here to-day. Does not the gentleman think that if the other 115,000,000 people were against this bill they would be represented here?

Mr. BLANTON. No; because they are unorganized. [Laughter.]

Mr. LAGUARDIA. What?

Mr. BLANTON. That is the trouble.

Mr. SWEENEY. Will the gentleman yield there?

Mr. BLANTON. No; I want to answer the question first. You gentlemen know what organization means? Take the question that dominates the gentleman from Wisconsin from January to December, and you know what organization means with respect to prohibition. You wets are organized on this side of the aisle, organized to the teeth. The drys have no organization over here. [Laughter.] Over on the other side of the aisle you Republican wets—and you outnumber the Democratic wets, I am pleased to say [applause]—you Republican wets are organized to the teeth. You have got the brains of the wets in Mr. BECK, of Pennsylvania, as your leader.

You are organized as no other organization has ever been perfected before. Where is your dry organization? You have not any. There is no dry organization in this House. Why is there not? I want to say that if the drys are wise pretty soon they will effect an organization, and every time a wet gets up they will have a dry answer him.

Mr. PALMISANO and Mr. SCHAFER rose.

Mr. BLANTON. I yield to the gentleman from Maryland.

Mr. PALMISANO. In view of the fact that the Republicans have a great leader of the wets, I would suggest that the gentleman from Texas be the great leader of the drys and organize the drys of the House.

Mr. BLANTON. No; I am just a humble dry in the ranks, but I want to make this statement: Is it not unfortunate that when a man gets up here and speaks his earnest and sincere sentiments on a bill he has to be a target for every little wet in the country?

Why, I had to be the target again of the gentleman from Washington [Mr. HORR], the Bremerton Navy Yard man, who came here by accident. He had better quit thinking about my constituents down in Texas and be thinking about John Miller's constituents out there now that John Miller is organizing. He had better look out, because John Miller is just as good a friend of the labor unions as our new Member friend from Washington ever will be, and the labor unions are for John Miller. He has a 100 per cent record for labor unions.

Mr. SCHAFER. Will the gentleman yield now?

Mr. BLANTON. No; I want to use the rest of my time.

Is it not funny that we have to be targets? Why, because I made a dry speech over the radio the other day, do you know I have received every kind of insulting, threatening letter that cranks can write a man?

Mr. LAGUARDIA. I got some letters, too.

Mr. BLANTON. I got a stack of them from New York, New Jersey, Pennsylvania, Maryland, Virginia, West Virginia, and from all around, attacking me from every angle.

They do not know me, and they imagine I am the very quintessence of everything that is bad, because I made a dry speech.

Just imagine! Do you as a lawyer think I could get a fair and impartial, unprejudiced jury of men to go into a jury box and pass on questions in the community composed of those men? You could not get a juror who had not made up his mind, you would get the same kind of a crank that attacks me on the floor because I oppose a measure. You would find the same kind of a crank who attacks me, because I spoke in behalf of the dry cause that my good mother espoused and taught me when I was a child to stand for.

Why, one of them called me a "dirty dry drinker." I never took a drink in my life. I am a consistent dry. I have never taken a drink, and I never will.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. I will yield for just one question.

Mr. SCHAFER. The gentleman from Texas unduly castigated Mr. Keating, the editor of Labor, for publishing the black list. I know he did not get a threatening letter from him on account of his dry radio address because Mr. Keating was the star witness for the drys before the Judiciary Committee in the last Congress.

Mr. BLANTON. Mr. Keating has had me on the black list ever since I have been in Congress.

Mr. SCHAFER. He has had me on it, too.

Mr. BLANTON. Well, the gentleman from Wisconsin deserved it and I did not. [Laughter.]

Every time a laboring man gets into difficulty or wants something he comes to me, and I help him to get it. They do that because they know that I will fight for them when they are right. [Applause.]

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Chairman, I have read the objections to this bill. In some particulars it may not be perfect, as nothing human is perfect. It may be that it can be bettered by amendment; but I am for the end which this bill seeks, and that is equal justice between property and man.

I am not afraid of this legislation, because I am not afraid of the workingmen of America. When this depression began President Green of the American Federation of Labor pledged the faith of his organization that the workers of this country would do their part to "carry on" by abstaining from strikes. That pledge has been kept. I am for the men who kept that pledge. One of the marvels of this depression has been the fortitude, the courage, the patience, and the patriotism of the workers of the Nation who in the face of privation and suffering and long despair have done their full part, and more than their part, in meeting a situation which they did not make.

Men and women who in the face of conditions such as we are passing through, who day in and day out have stood in bitter weather at the closed doors of factories waiting for jobs and in the bread lines waiting for food, and yet have exhibited such self-control that practically no violence has been done to property in these times that try men's souls, can be trusted by the lawmakers of this Nation. With few exceptions the hearts of these men are sound. I would rather place my trust in the justice in their hearts than in some of the judges in the courts. If you treat them as human beings, they will act as human beings. If you treat them as Americans, they will act as Americans.

Choate held up as the law's ideal that "in a court there is no high nor low, no strong nor weak; there, will is nothing and power is nothing and numbers are nothing—and all are equal, and all secure before the law."

Has it been that way in the administration of equity? No. Let us endeavor to make it so. There is one item of this bill which in particular aims to end a species of injustice intolerable in a free nation. That is the provision forbidding injunctions to be issued restraining the gift of money or other things of value in time of labor disputes.

Let us put an end to that species of tyranny. And let us drive the "yellow-dog" out of the courthouses of the Nation.

When we do that men will be, as Choate said, "secure before the law." And when men are secure, property is safe.

The platform of my party in its last national convention recognized—

> That legislative and other investigations have shown the existence of grave abuse in the issuance of injunctions in labor disputes. No injunctions should be granted in labor disputes except upon proof of threatened irreparable injury and after notice and hearing, and the injunction should be confined to those acts which do directly threaten irreparable injury. The express purpose of representatives of capital, labor, and the bar to devise a plan for the elimination of the present evils with respect to injunctions must be supported, and legislation designed to accomplish those ends must be formulated and passed.

I am glad to help redeem that pledge. [Applause.]

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. LANKFORD].

Mr. LANKFORD of Virginia. Mr. Chairman, I am probably foolish to get up here this afternoon to enter this debate in defense of two gentlemen of this House who have had the courage to oppose this bill in the face of the almost unanimous view of the House. A great many Members have made suggestions and criticisms of two distinguished Members who had the courage to stand here and express their views. I do not want to see the day come when a man can not stand here and discuss the views that he may have on a bill without criticism. I think we are entitled to have open and free discussion, otherwise we would not be able to preserve the freedom of this Republic.

There is a great deal of good in this measure, and I want to support it. But I would like to have some of the measures in the bill discussed, for I do not understand what they mean, they have not been explained. This is very important legislation. For instance, I do not know at this minute whether or not it applies to the District of Columbia or to your city or my city, to the police force or the fire force. Does it mean that they can combine and walk out and leave the city unprotected?

Mr. LAGUARDIA. The gentleman will find that completely answered. The answer is no; it does not. It applies only to the persons specifically defined and mentioned in section 13.

Mr. LANKFORD of Virginia. It speaks of corporations. Would the gentleman be willing to put the word "private" before the word "corporations"?

Mr. LAGUARDIA. They have to be engaged in industry, trade, craft, or occupation. That answers the gentleman's question.

Mr. LANKFORD of Virginia. So far as the labor leaders and laboring men are concerned, they are all my friends. I have a world of friends among them. They have always given me their support and I have supported them and I will to-day and will whenever I can. They are the bulwark of America to-day. I would like to see every laboring man have a good and well-paying job, because in that lies the safety of our country. I want to see them protected in every reasonable and possible way. But the laboring people themselves have their own families to protect, and they do not want to see legislation that is going to leave their families unprotected by firemen or police, or have them kept from getting milk or food or fuel as was mentioned here this morning, in the city of Chicago.

We do not want to see any condition of that kind arise where the public utilities are put out of business or ruined and the public made to suffer. Will the gentleman answer this question? Does this make it possible for lack of an injunction to tie up railroads and prevent them from transporting milk, for instance?

Mr. LAGUARDIA. I think the gentleman was a Member of the House in 1926?

Mr. LANKFORD of Virginia. No.

Mr. LAGUARDIA. We then passed the railroad labor act, and that takes care of the whole labor situation pertaining to the railroads. They could not possibly come under this for the reason that we provided the machinery there for settling labor disputes.

Mr. LANKFORD of Virginia. Will the gentleman assure me of this then, and I shall be happy to support the bill because I believe it is a landmark in the freedom of American labor. It does not apply to the Government, the States, or the District of Columbia, or any city, in respect to the police and fire forces?

Mr. LAGUARDIA. It would not.

Mr. LANKFORD of Virginia. It does not apply to the transportation of milk or other necessities that go in interstate commerce?

Mr. LAGUARDIA. Interstate traffic is entirely covered in the railroad labor act of 1926.

Mr. BECK. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD of Virginia. Yes.

Mr. BECK. I take issue with the gentleman from New York [Mr. LAGUARDIA]. There is nothing in this proposed statute that in any way excludes disputes upon the theory that the Railroad Labor Board can attend to them. The Railroad Labor Board is purely an executive tribunal, and while its function is in mediation and settling disputes, where possible, yet a labor combination can stop every railroad in the country unless restrained by the power of an injunction.

Mr. LANKFORD of Virginia. If that is true, then does not the gentleman think the individual members of the labor organizations would be as much in favor of the protection I am seeking for the public as any other citizen of the country?

Mr. BECK. No; if you ask me. I shall answer the question boldly and frankly. The chief proponents of this bill are the railroad brotherhoods, because they know that if this bill passes, they may potentially intimidate the business interests of the United States, including the transportation companies, and even the political Government of the United States.

Mr. LANKFORD of Virginia. Here is a division on a most important subject and I am frank to say that I do not know what are the facts. I have not been able to get them from this discussion to-day.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD of Virginia. Yes.

Mr. CAVICCHIA. I have been very much interested in what the gentleman from Pennsylvania has just said concerning the brotherhoods of railroad workers, but in view of the fact that they in recent weeks have shown their patriotism by sticking to the railroads and taking a wage cut, I think we can trust them and other unions to stick by this.

Mr. LANKFORD of Virginia. I am not thinking of the labor situation to-day. I have every confidence in the loyalty and patriotism of labor to-day; but what may occur 10 or 15 or 50 years hence?

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. DYER. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. MCGUGIN].

Mr. McGUGIN. Mr. Chairman, "Though the mills of God grind slowly, yet they grind exceeding small." Injunctions in labor disputes, which were tyrannical, which were an insult to American and Anglo-Saxon principles of liberty and justice, have at last so aroused the sense of justice of the American people that there is a demand for this bill to-day. After all, public opinion yet will control and rule this country. Maybe public opinion will not always arrive at exact justice, but if this bill to-day grants too much authority to labor, and if labor abuses that authority, public opinion will be against it. There is no organization or class of people who can safely defy public opinion. I know of no better proof of the fact that no one can be so powerful that he can safely defy public opinion than the fact that entrenched wealth became so powerful that it could walk down to a court and obtain an injunction which was tyrannical and an insult to justice, and now public opinion is resentful and is demanding this legislation to-day.

Shortly after the war the legislature of my State enacted what was known as the industrial court law. By government we were going to regulate wages. Let us see how it worked out. So long as there was a demand for labor, and, therefore, an opportunity for labor to obtain higher wages, the great industrial leadership of my State hailed that law with honor. Just as soon as there was an oversupply of labor and there was an opportunity to employ labor for less than it was worth, what was the leadership that went to the courts of the United States and destroyed that law? Was it labor? No. It was the employers.

We might as well be honest about it. In the case of governmental control over labor disputes during the last 10 years labor has not received a square deal, and we know that to be true. There is not a single citizen of the United States who would not resent being haled into court and told, "You have violated a decree of this court and you go to jail," the decree being an injunction which was not levied

against him, but against John Doe, even though he never knew anything about it.

Some day and some time when the history of this country is written, some historian will obtain a copy of one of these tyrannical labor injunction decrees and will point out how far the courts went in excess of their rights and contrary to human liberty and righteousness. Injunctions enjoining a man from talking to his neighbor about anything which he may want to discuss, whether it be a strike or a labor dispute, or what not, is contrary to the true principles of liberty. If there were not a single laboring man in the United States asking for this bill, we should curb the power of the courts in granting these injunctions, upon the broad principle that such injunctions are a menace to liberty. [Applause.]

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I yield the balance of my time, which is rightfully due to those opposing the legislation, to the gentleman from Pennsylvania [Mr. BECK].

Mr. BECK. Mr. Chairman, I only avail myself of the courtesy of the ranking member of the Committee on the Judiciary to bring to the attention of the House this most important question, the construction which has been raised by the difference between the gentleman from New York, whose name this bill bears, and myself. If the gentleman is right, then in no respect could any labor dispute that involves interstate commerce be within this statute, and that as to all such labor disputes a court of equity has the powers that it enjoys in all other classes of cases and always has enjoyed in labor disputes. Then it must be admitted that the most serious threat to the industrial peace and prosperity of the American people is out of the case. But I am sure the gentleman is wrong about this, and I want to put it to him by this graphic illustration.

Suppose that the employees of the railroads of the United States, acting through their brotherhoods, asked for twice as much wage as they are now receiving. Let us suppose the railroads would say, "We can not do it. It would throw us into bankruptcy." A labor dispute is on. Let us suppose that thereupon the railroad brotherhoods start to tie up every railroad in the United States. Let us suppose then that the Attorney General of the United States, by direction of the President, enters a court of justice and asks that, first, a restraining order be granted for a short time, until all parties can be heard; and then a temporary injunction, pending the progress of the litigation, and, of course, after full hearing, if the case warrants it, a permanent injunction against the obstruction of interstate commerce. At once the learned judge will say, "I am confronted, Mr. Attorney General, by this clause of a bill recently passed by Congress":

> No court of the United States shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground that any of the persons participating or interested in a labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in section 4 of this act.

All of these acts, as has been determined repeatedly, are the appropriate and ordinary methods whereby a combination in restraint of interstate trade and in violation of the Sherman antitrust law has ordinarily been effected. Therefore the power of the Government itself to vindicate the freedom of commerce and to enforce the Sherman antitrust law is destroyed in courts of equity, and it is then relegated to whatever remedy it cares to exercise in the criminal court. Suppose you take section 7, "No court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as herein defined, except after hearing the testimony of witnesses," it refers to any dispute on any question and concerns any law by any litigant. If it be the Government itself, the courts of equity in that class of cases are to be forever stripped of their authority.

The gentleman from New York [Mr. LAGUARDIA] says that because the Labor Board has some undefined powers of mediation that takes it out of this law. No court would ever say so, I venture to predict. They are absolutely put into a strait-jacket, and their powers as a court of equity are practically destroyed forever, except in cases of fraud and violence. In respect to them the remedy by injunction is so limited and hamstrung as to be largely ineffective.

Now you gentlemen can reconcile with your consciences as you will—and your motives are just as high as I claim for myself—the passage of this law. I rejoice that I was able to be in the House to-day to protest against it. I would protest against it as an impeachment of the sovereign powers of the United States Government in its own courts, if I were the only man here to do it. If I were the President of the United States and such a bill came before me, I would veto it if it were the last act of my political life. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself the remaining time.

The CHAIRMAN. The gentleman from Texas is recognized for 10 minutes. [Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, this bill comes as a protest and as a natural reaction against the abuse of power on the part of some of our Federal judges exercised in labor disputes. A great deal has been said in denunciation and in praise of organized labor. The persons who belong to organized labor are just flesh and blood. They are the same folks we are, no worse and no better. Working as they do for powerful organizations of capital, they have been compelled to organize in order to have a power great enough measurably to defend their status as free people. In the disputes between the aggregations of capital and the aggregations of working people the custom has grown up on the part of capital of invoking the injunction powers of the Federal courts. There is one very remarkable thing about this debate. One sitting in the galleries and listening to this debate would be justified in concluding therefrom either that we have no State courts or that this bill strikes down their equity powers. Why this bill? This is why: In instances so frequent that this bill has resulted, Federal courts have become courts to punish without that character of trial, without those safeguards provided for in American and Anglo-Saxon jurisprudence before punishment may be inflicted upon a citizen.

This bill comes as a popular protest and as an additional protection to American citizens against the abuse of the equity powers of the Federal courts. Labor is criticized and denounced in connection with the discussion of this bill. Labor is not responsible for this bill. The responsibility is upon those who invoked an abusive exercise of judicial power and upon those Federal judges who abusively exercised their powers. Gentlemen profess concern for our institutions. I am concerned also, but not so much as to what may come from without as I am concerned as to what may come from within.

One judge violating the fundamental laws of human justice can do more to establish bolshevism in this country than all the soap-box orators you can put on the streets. [Applause.] Governments that are just do not fall from attacks from without. The time of danger is when a government is tyrannical and unjust. I would rather see the agencies of government a little more cautious in the exercise of its extraordinary powers if it must err on one side or the other.

This bill seeks to remove from a few Federal judges in America the power to make this Government contemptible in its tyranny. There is a very remarkable thing about the attacks on this bill.

You would imagine from some of the remarks we have heard to-day that we do not have in this Government any States or any judges or any constabulary, nothing but the Federal Government. I take these few minutes to direct attention to that. Gentlemen would have you believe that if we were to strike down the equity powers of the Federal courts, there would be no judges left in all America who could exercise the equity powers. There are but two directions in which we may move—one is to continue as we are now going toward a great Federal bureaucracy or the other

is back toward the States. We have reached the point at which we must turn back and reestablish in America popular government, government by the people. They will make mistakes, but we have no king. We have no hereditary nobility. We risk everything upon the ability of the people to choose officers fit to administer the powers of government. It was never intended and it never can be that the Federal Government shall dominate and overlord the States in our scheme of government save in connection with the loss of the ability of the people to govern. We have the Federal organization because it was found necessary by the States to have an agent to do for them certain things they could not do for themselves.

But always the States, the center and the source of governmental power, because they in turn alone are susceptible of popular control. This debate indicates that it is not only the popular notion but that it is held here on the floor of the House that this Government is resident in Washington and that some appointed persons must issue their edicts to American citizens, otherwise we have no government. Talk about bolshevism destroying this Government. That conception of government will destroy it. The time has come when the people of America must take back the powers of government from this great Federal bureaucracy if free government is to live. The people will make mistakes, but how are the people to preserve the ability to govern except by governing? God Almighty has a universal law. If you will not use your arm, strength departs from it. The fish in the Mammoth Cave have no eyes. People lose the power of governing when they yield that power to the great Federal bureaucracy at Washington and fail to do for themselves all of the things which can be done through those agencies of government which they control.

I do not want to take any more time of the committee this afternoon. One could not justify the taking of time on any assumption that this bill is in danger. I have used these few minutes to put into the picture the neglected, forgotten, discarded sovereign State, once the boast and the pride of our people and indispensable in any workable scheme of self-government. One of the considerations which has attracted my support to this bill is that it does tend to move us in the right direction.

The CHAIRMAN (Mr. O'CONNOR). The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That no court of the United States, as herein defined, shall have jurisdiction to issue any restraining order or temporary or permanent injunction in a case involving or growing out of a labor dispute, except in strict conformity with the provisions of this act; nor shall any such restraining order of temporary or permanent injunction be issued contrary to the public policy declared in this act.

With the following committee amendment:

On line 7 strike out the word "of" and insert in lieu thereof the word "or."

The committee amendment was agreed to.

Mr. GLOVER. Mr. Chairman, ladies and gentlemen of the committee, we have to-day before us for consideration the Norris-LaGuardia injunction relief measure, which in my opinion is a very important bill.

I have been in the active practice of law for the past 20 years and have read many of the decisions growing out of the injunctions where injunctions have been enforced much to the abuse of those engaged in labor. In some cases it is not only unjust but exceedingly harsh.

The limitation of the jurisdiction of the Federal court to issue injunctions in labor disputes has been a subject for public discussion for many years. It is fair to say that public sentiment on the subject has reached the conclusion that some such limitation is absolutely necessary. Both of the great political parties in their last national platforms have promised remedial legislation upon the subject. The last Republican National Convention at Kansas City adopted a plank on the subject, as follows:

The party favors freedom in wage contracts, the right of collective bargaining by free and responsible agents of their own choosing, which develops and maintains that purposeful cooperation which gains its chief incentive through voluntary agreement. We believe that injunctions in labor disputes have in some instances been abused and have given rise to a serious question for legislation.

The Democratic National Convention at Houston, Tex., in its platform made the following declarations and promises for legislation on this subject:

(a) We favor the principle of collective bargaining and the Democratic principle that organized labor should choose its own representatives without coercion or interference.

(b) Labor is not a commodity. Human rights must be safeguarded. Labor should be exempt from the operation of antitrust laws.

(c) We recognize that legislative and other investigations have shown the existence of grave abuse in the issuance of injunctions in labor disputes. No injunctions should be granted in labor disputes except upon proof of threatened irreparable injury and after notice and hearing, and the injunction should be confined to those acts which do directly threaten irreparable injury. The expressed purpose of representatives of capital, labor, and the bar to devise a plan for the elimination of the present evils with respect to injunctions must be supported and legislation designed to accomplish these ends formulated and passed.

Chief Justice Taft, in the case of American Steel Foundries *v.* Tri-City Central Trades Council (257 U. S. 184), in passing on this case, said:

Labor unions are recognized by the Clayton Act as legal when instituted for mutual help and lawfully carrying out their legitimate objects. They have long been thus recognized by the courts. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was nevertheless unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers an opportunity to deal on equality with their employer.

There was a time in the early days of this Government when even labor unions were not necessary in order for the laborer to protect his rights. For then the man who employed and the one who was employed worked side by side in performing labor. But when that condition was changed there became the necessity of organization.

I am very glad indeed that within the last few years there has been a very much better understanding between capital and labor than once existed in this country. These matters are now talked out and decided in a round-table discussion, without attempt to resort to anything drastic. This bill does not seek to prevent injunctions where they rightfully should be granted, but simply prevents an abuse of that discretion.

No injunction should be granted without notice to the party to be affected, and no injunction should be enforced by the court without a trial of the fact by a jury, unless it be for some conduct in the presence of the court in the trial of the case which would justify punishment. [Applause.]

Mr. DYER. Mr. Chairman, I ask unanimous consent that all Members of the House may have five legislative days in which to extend their remarks in the RECORD.

The CHAIRMAN. That request must be made in the House.

Mr. DYER. I amend the request, then, Mr. Chairman, and ask that all Members who have spoken on this bill to-day may have five legislative days within which to extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SUMNERS of Texas. Mr. Chairman, if the gentleman will permit, I would like to give notice now, if I may, that when we do get into the House, my colleague, the gentleman from Missouri, will concur with me in asking unanimous consent that all Members may have five legislative days within which to extend their remarks on this bill.

Mr. DYER. Mr. Chairman, may I inquire of the gentleman from Texas [Mr. SUMNERS], the chairman of the committee, whether or not it is the intention to proceed with the consideration of this bill and pass it before we adjourn to-day?

Mr. SUMNERS of Texas. That is our purpose if we can have the cooperation of the committee.

Mr. DYER. I may say that was my general understanding, and I also understood from the Speaker himself that the measure must be disposed of to-day.

Mr. SUMNERS of Texas. I hope the committee will be willing to sit until we dispose of the bill.

Mr. SWEENEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

My distinguished friend from Texas [Mr. BLANTON], very resourceful and ingenious character that he is, made a statement to-day that I think can be taken as a text in support of the argument for the passage of this bill. The gentleman said that "some men can not stand power." It is because some men can not stand power that you are asked to-day to stop the abuse of power at the hands of these Federal judges who receive their appointment by some circuitous route or by some unknown agency and then become subservient to such agency. This measure is intended to curb the abusive power registered by certain Federal judges in the promiscuous issuing of injunctions arising out of labor disputes. It has application only to the inferior Federal courts of the Nation, and limits the jurisdiction and power of those inferior Federal courts. It has been contended by the opposers of this bill that it contravenes article 3, section 1, of the Constitution of the United States, and that therefore it is declared to be unconstitutional. Article 3, section 1, of the Constitution of the United States provides, "the judicial power of the United States shall be vested in one supreme court and such inferior courts as the Congress may from time to time ordain and establish." Provisions of this bill are merely limited by subdivision d of section 13, which reads as follows:

> The term "court of the United States" means any court of the United States whose jurisdiction has been or may be conferred or defined or limited by act of Congress, including the courts of the District of Columbia.

Certainly if the Congress has the power, which I claim it has, to establish and confer jurisdiction upon the inferior Federal courts referred to, it can not be questioned that it has the power to restrict or curtail the exercise of their powers as proposed in this bill. The Supreme Court of the United States construed this to be the law in Kline *v.* Burke Construction Co. (260 U. S. 226, 234 (1922)), wherein the court says:

> That only the jurisdiction of the Supreme Court is derived directly from the Constitution. Every other court created by the General Government derives its jurisdiction wholly from the authority of Congress. That body may give, withhold, or restrict such jurisdiction at its discretion, providing it be not extended beyond the boundaries fixed by the Constitution.

If there be any serious doubt in the minds of the Members of the House as to the constitutionality of the legislation we are about to enact, may I refer you to the very able and scholarly brief presented in behalf of the American Federation of Labor by its counsel, James S. Easby-Smith, to the House Judiciary Committee. This brief can be found in the hearing before the Committee on the Judiciary, House of Representatives, and discusses at length the limitation by Congress of the power to punish for contempt, and reviews the decisions of the Supreme Court of the United States in support of the constitutionality of this proposed legislation.

Section 2 of this act recites the declared policy of the United States Government with respect to the so-called "yellow-dog" contracts and is in harmony with the several progressive States of the Union which have enacted similar legislation.

Nothing is more despicable in the entire field of labor agreements than the so-called "yellow-dog" contract, which seeks to destroy the right of collective bargaining and attempts to coerce and control the freedom of the individual who signs such a contract.

I do not know how many Members of this House are familar with the operations of the so-called "yellow-dog" contract, nor whether any of you have ever been the victims of such contracts. If you will pardon a personal reference, I will take you back a quarter of a century ago and give you my experience. I was a member of a craft that worked from daylight to dark, 12 hours each day, in the region of the Great Lakes ports along the dock unloading the mammoth lake boats carrying iron ore from Duluth to Cleveland, and other lake ports. By the power and force of organized labor we were able to bring the working day from 12 hours down to 11 hours a day; and when in an effort to better our working conditions our union urged the employer to agreement by collective bargaining to a 10-hour work day, we were met with a flat denial and the alternative proposition of signing so-called contracts, which are known to-day as the "yellow-dog" contracts, which permit the employer to treat with the individual in each respective contract.

We were told unless we signed such a contract we could no longer be employed by the company for whom we had been working for years. Our organization believing in the principle of collective bargaining, its members refused to sign such agreements, hence the inevitable result was we lost our means of livelihood.

I have known of injunctions issued by Federal judges against the peaceful picketing by members of organized labor when engaged in a trade dispute to better their means of living. Many injunctions have been issued by Federal judges without notice, and individuals have been punished for contempt of court who were miles away from the scene of a labor dispute and who were denied the right of jury trial in these instances. So flagrant has been the abuse of power in the hands of certain Federal judges that the American press, as a whole, have repeatedly criticized the conduct of these judicial officers.

The passage of this measure defines and limits the jurisdiction of the courts sitting in equity with respect to labor disputes. It means that a new day for the working class of the Nation has arrived. This law will extend a ray of hope to the millions of those who toil in the sweatshops, factories, mines, and other industries of the Nation where human beings struggle in season and out, receiving low wages and working in many cases in unsafe and unhealthy surroundings. By the passage of this bill Uncle Sam gives to the struggling miners of West Virginia, Pennsylvania, Kentucky, and the Western States the opportunity to organize and secure their distributive share of the earnings of the product, which they produce by the sweat of their brow. It will permit organization, without interference by the courts, of the textile workers of the South. There are places below the Mason-Dixon line where women and children work 12 hours during the night season. Little children of 10, 12, and 15 years of age are employed tending looms in their bare feet for a few cents a day. This condition has existed in the past because the powers controlling the courts in these respective districts are undoubtedly an influence in controlling judicial action.

In addition to protecting the working class of people in the country, this measure not only strengthens but insures free speech and the freedom of the press. Newspaper editors and magazine writers have felt the power of injunctions issued by many Federal judges in this country. Several of these news writers have gone to jail rather than submit to the tyranny of the judges and waive their "constitutional right" to disclose the despicable and horrible conditions that exist in the coal fields of Pennsylvania, and in the recent disclosures that appeared in Hardin County, Ky., and elsewhere.

A reference has been made to-day to the fact that a certain group of labor leaders are in attendance to hear the debate on this important subject. I did not know until somebody raised the issue as to their presence in the gallery. They have a perfect right to use the public Hall of Congress, and have a perfect right to lobby and petition their Representatives in an effort to secure a much-needed relief. You who are here from the industrial centers certainly can not criticize any activity organized labor may have registered in behalf of this bill, when you are aware that many of the captains of industry and manufacturers back home who are

opposed to this legislation have used the long-distance telephone, written letters and sent telegrams urging you to destroy this measure because it would interfere, in their judgment, with the sacred right of contract, and informed you that it would be declared by the court to be unconstitutional.

The gentleman from Pennsylvania [Mr. BECK], the distinguished constitutional lawyer that he is, was fearful lest "a militant and vociferous minority might do damage if they secured the power ostensibly carried in this bill."

Let me say to my friend that it was through the efforts of this militant and vociferous minority that a campaign has been waged for the past quarter of a century seeking to secure legislation that would secure to the workers of this Nation the justice and the rights ordained to them by the Constitution of the United States.

I am grateful for this opportunity to express my convictions on the important subject now holding the attention of this House of Representatives to-day. I am willing to support this measure as it stands, excepting of course the committee amendments which will be presented and are merely corrective of certain language in various sections of the bill. I would urge that the House follow the example of the Senate, which had under consideration this identical measure last week and passed it in its present form without any material amendments being adopted. Labor's full right of association and freedom to bargain has arrived.

[Here the gavel fell].

The pro forma amendment was withdrawn.

Mr. BLANTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, line 3, after the word "that," insert the words "except where the United States Government is the petitioner."

Mr. LAGUARDIA. Mr. Chairman, I reserve a point of order.

Mr. BLANTON. Mr. Chairman, I do not care to use any time except to call attention to the fact that my amendment would merely except the Government of the United States from the provisions of this bill.

I can not believe that this Congress will put the rights of 5,000,000 union-labor men above and superior to the rights of the Government of the United States and the other 100,000,000 people.

Under this bill, no matter how labor unions may tie up commerce and United States mails, and the business of the Government generally, the United States will have its hands tied and its feet hobbled and will not be able to go into the courts and obtain relief. I am not yet willing to surrender this power to labor unions.

I am one who still believes that the rights of the Government in protecting its 120,000,000 people are superior to the rights of any one class of persons. Is there anyone here who puts the interest of any class above the interest of the Government—the interest of all the people? I just put it up to the House. I have done what I conceived to be my full duty in opposing this bill. I have opposed it with all the vim and sincerity of my being. I am going to try to amend it so that the Government and the whole people may still have some protection. I know that my amendments will fail. I know that all amendments seeking to protect the Government will fail. I know that the bill will be passed, and there will be only a handful of Members voting against it. But I have shifted the responsibilities that rested upon my shoulders to the shoulders of the Members who vote for and pass this bill. They must assume the full responsibility for the serious, dangerous situations, which in the future, early or late, will surely arise. But some of these days, mark you, the great unorganized mass of Americans whose rights are wholly ignored by passing such class legislation are going to rise up in their might, and then beware.

Mr. LAGUARDIA. Mr. Chairman, I withdraw the point of order and ask recognition. If the gentleman will refer to section 13, the definition clause of this bill, he will find there the following:

(b) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.

Then the (a) paragraph refers to associations or corporations. I do not see how in any possible way the United States can be brought in under the provisions of this bill.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BLANTON. The gentleman did distinguished service during the World War under our flag. Is he willing, under the provisions of this bill, for the Army and the Navy to form a labor union and affiliate themselves with the American Federation of Labor and not permit the Government of the United States to preserve its rights?

Mr. LAGUARDIA. Oh, the Army and the Navy are not in a trade, craft, or occupation. Therefore, they could not possibly come under the provisions of this bill.

Mr. BLANTON. The gentleman does not know what extensions will be made.

Mr. LAGUARDIA. If we are going to be deluged with amendments, let me repeat what I read earlier in the afternoon from the front page of the New York Journal of Commerce of February 26, 1932. It is a short paragraph, but it is significant in its warning:

The enactment of anti-injunction legislation by both the Senate and the House of Representatives at the current session of Congress now seems likely. Opposed by large industries in the past, this legislation has been before Congress for 14 years. However, in its present form it is so complicated that it may be said to be beyond the comprehension of most of the legislators. This may give rise to an opportunity for amendments that will take the sting out of the legislation and make it more acceptable to finance.

Gentlemen, vote down the amendment if you are in favor of this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 21, noes 125.

So the amendment was rejected.

Mr. BECK. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BECK: After the words "public policy declared in this act," on page 1, line 9, add the following:

"*Provided, however,* That neither this section nor any subsequent section of this bill shall apply to any labor dispute which involves the suspension or discontinuance of a public utility whose continuous operation is essential to the property, health, and lives of the people of any State or community. In such cases where the welfare, health, or lives of a public are concerned who are not parties to such labor dispute, or where a labor dispute involves the obstruction of any instrumentality of interstate or foreign commerce, in such event the power of a United States court to grant injunctive relief in the interests of the public in accordance with the principles of equity jurisprudence shall not be denied or abridged, anything in this act to the contrary notwithstanding."

Mr. LAGUARDIA. Mr. Chairman, I make the point of order on the amendment that it is not germane to the legislation before the House, and I would like to be heard upon it if necessary.

The CHAIRMAN. The Chair will hear the gentleman from New York.

Mr. LAGUARDIA. Mr. Chairman, the present bill refers only to disputes between employees and employer. The amendment offered by the gentleman from Pennsylvania brings in the public a purely penal provision for which there is adequate law and which it is not intended to repeal by the provisions of this bill. This is limited to matters between employees and employers. The public is fully protected by penal and other statutes not contemplated to be repealed by this bill.

Mr. BECK. Mr. Chairman, I ask to be heard for a moment on the point of order. Here is a bill which proposes to strike down the power of injunction in labor disputes. The amendment seeks to classify labor disputes into two classes, one in which the outside public has no interest and only the interest of the employee and the employer is concerned and the other the class wherein the outside public

has a very legitimate interest, in the continuation of a business which must be continued under the obligations of law covering public utilities. It seems to me that is a perfectly proper amendment in order to narrow the scope of the proposed legislation.

The CHAIRMAN. The Chair is prepared to rule. The amendment of the gentleman from Pennsylvania is clearly an exception placed upon section 1, which provides that no court of the United States, as herein defined, shall have jurisdiction to issue any restraining order or temporary or permanent injunction, and so forth. The amendment of the gentleman from Pennsylvania excepts from section 1 cases where the welfare and health of the public are concerned.

The Chair overrules the point of order.

Mr. BECK. Mr. Chairman, in the first place, I apologize for a third intrusion upon the patience of the House, but the importance of the matter may justify it. In the first place, I must express my surprise that anyone so militant and chivalrous as my good friend from New York [Mr. LAGUARDIA] generally is should have thrown out the threat that this revolutionary piece of legislation must be swallowed by every Member of this House without consideration even for a moment of amendments which operate perhaps to help the general purpose of the bill, and at all events are fair and reasonable and in the public interest.

I do not see that anything is gained by saying to this House "Vote down all amendments before you have even heard the amendments," because the worst you can say of a court of equity in the worst possible injunction case is not as bad as asking this deliberative body to reject an amendment before they have even heard it. [Applause.]

Now, I have said a great deal in this debate about the rights of the employer and the employee, but there has been very little said about the outside public, that in the last analysis are the people who chiefly suffer from labor disputes. They, sooner or later, as we all know, pay the bill. Therefore, in the case of a public utility, where the interests of the public rise far above the interests of either employer or employee, why is it not an unreasonable thing to say that, in respect to those great public interests with which the executive is charged with the solemn and sworn responsibility, this summary deprivation of a court of equity of the only method of bringing relief should be denied? I hope the amendment will prevail.

Mr. OLIVER or New York. Will the gentleman yield?

Mr. BECK. Certainly.

Mr. OLIVER of New York. How does an injunction start the railroads going again, for instance? Is it not a fact that if they start again they must start by using strike breakers? An injunction can stop violence against the property, but it does not affirmatively start the road.

Mr. BECK. In answer to the gentleman, I would appeal to the truth of history, that all great nation-wide strikes against railroads have been dissolved. The very moment that the nature of the obstruction to interstate commerce was presented to the court, and that, for the obvious reason that those who in many instances have sought to paralyze interstate traffic have never dared to come into court and show that they were not deliberately and willfully interfering with interstate transportation. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania.

I just want to call attention to the railroad labor act of 1926, which provides in the very beginning of the act:

First. It shall be the duty of all carriers, their officers, agents, and employees to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of the application of such agreements or otherwise, in order to avoid any interruption to commerce or to the operation of any carrier growing out of any dispute between the carrier and the employees thereof.

Second. All disputes between a carrier and its employees shall be considered, and, if possible, decided, with all expedition, in conference between representatives designated and authorized so to confer, respectively, by the carriers and by the employees thereof interested in the dispute.

Third. Representatives, for the purposes of this act, shall be designated by the respective parties in such manner as may be provided in their corporate organization or unincorporated association or by any means of collective action, without interference, influence, or coercion exercised by either party over the self-organization or designation of representatives by the other.

Fourth. In case of a dispute between a carrier and its employees, arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, it shall be the duty of the designated representative or representatives of such carrier and of such employees, within 10 days after the receipt of notice of a desire on the part of either party to confer in respect to such dispute, to specify a time and place at which said conference shall be held.

Mr. Chairman, the law provides every detail for the settlement of disputes. Then, if all direct negotiations fail, the law establishes and maintains a permanent board of mediation. Now, in section 8 of this bill it is provided:

No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration.

So that there is the tie-up between the provisions of the railroad labor act and the necessity of exhausting every remedy to adjust any difference which might arise. The workers could not and would not think of going on strike before all the remedies provided in the law have been exhausted. If the railroads have complied, they would not, as has been suggested, be deprived of any relief which they may have in law or equity.

I submit that the amendment is not at all necessary.

Mr. JOHNSON of South Dakota. Mr. Chairman, there are sometimes occasions on the floor of this House when the most momentous issues are discussed and decided, and when sometimes some of us do not recognize that fact.

I think most of us to-day recognize that a change in our entire judicial procedure and form of government would be caused by the passage of this law, and we recognize the seriousness of the precedent that we shall establish.

It is reminiscent to me of an occasion when, upon the floor of this House in 1917, we had a discussion of the so-called Adamson law, when about 38 of us believed that it should not become the law of this land, and who to-day are confirmed in our belief that it was unwise legislation.

It is reminiscent of a day when in 1917 there was a declaration of war in this body for which I did not vote and which has caused untold misery to the people of this country, and which is not to-day so justified as it has been in the past. On this occasion we are changing the entire procedure of the Government, and its structure. I concede the honesty and fairness in the minds of some of the men who conceived the legislation, but I do not concede that the public has no interest in any disagreement between labor and those who employ labor.

If we do not adopt this amendment I know it will make it impossible for me to vote for the bill; and if we do not adopt it, we have gone back to the days when the capitalists said, "The public be damned," because that is what we have done if the amendment is not adopted. If we are going to say to the courts of this land that they shall have no power or authority, then we must say what shall take their place. If we say that the courts can not control the situation, we have then said we will change the jurisdiction of the United States marshal and will invoke the jurisdiction of the National Guard, because there will be lawlessness in the United States and there will be no remedy in the entire United States except to call out the National Guard. I do not want to see that time ever come.

I recognize the fact that there have been abuses in the use of injunctions. There can be no doubt of it whatever, but because there have been some abuses is no reason that we should say there shall be no courts, and that, therefore, the orderly conduct of business in the United States shall be purely in the hands of the executive branch of the Government, either the President of the United States or the governors of the respective States.

I can only say in conclusion that in my judgment if this amendment is not adopted, many of us will live long enough to rue the day that we changed the courts of the United States and inserted in their stead the rule of the machine gun and the bayonet. [Applause.]

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CELLER. Mr. Chairman, I move to strike out the last word. I do not believe that by this bill we supplant law and order by the machine gun and violence. That is ridiculous. I earnestly ask, and the members of the Judiciary Committee who come in with a unanimous report earnestly ask, that you vote down this amendment, because you will take out of this bill all that is of value if you adopt this amendment.

The public is amply protected as the bill is now drawn. It is a mistaken notion that some have that all injunctions are proscribed. There still is left to the Federal courts the right to issue injunctions when there are unlawful acts threatened or committed, when substantial and irreparable injury to complainant's property is done—and when there is no adequate remedy at law in all those cases, the Federal courts will still have the right to issue injunctions. When there is fraud, when there is violence, and when there is crime injunctions may issue. When any of those things are threatened or committed injunctions may ensue.

Nobody disturbs that right. It is a mistaken idea that some of the Members have that you are taking entirely away from chancery the right to issue injunctions in toto.

Why should the railroads and why should the public utilities be singled out for preferential treatment and exemption from the operations of the bill?

Text writers on the subject, every witness who appeared before our committee, those who appeared in favor of the bill and those who appeared in opposition to the bill, never said a word about any such exemption as the gentleman from Pennsylvania embodies in his amendment. They can not all have been wrong. The courts have chipped away, gradually but surely, all the worthwhileness of the Clayton Act. They set up exemption after exemption, exception after exception, until finally there was not left any vestige of right to labor in the Clayton Act, which at its passage was hailed as labor's bill of rights. Let us therefore refrain from setting up exemptions in this bill.

Mr. OLIVER of New York. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. OLIVER of New York. Is it not a fact that machine guns and the militia back up injunctions that are now issued by the courts?

Mr. CELLER. Indeed they do, and that is one of the reasons why we bring in this legislation.

Mr. OLIVER of New York. So the fact that you would not be able to issue injunctions except under the conditions mentioned by the gentleman from South Dakota [Mr. JOHNSON] does not necessarily mean that machine guns would not still be there.

Mr. CELLER. I agree with the gentleman. I ask that the Members vote down this amendment.

Mr. GILLEN. Mr. Chairman, I ask unanimous consent that the amendment may be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. BECK) there were—ayes 63, noes 155.

So the amendment was rejected.

The Clerk read as follows:

SEC. 3. Any undertaking or promise, such as is described in this section, or any other undertaking or promise in conflict with the public policy declared in section 2 of this act, is hereby declared to be contrary to the public policy of the United States, shall not be enforceable, and shall not afford any basis for the granting of legal or equitable relief by any court of the United States, including specifically the following:

Every undertaking or promise hereafter made, whether written or oral, express or implied, constituting or contained in any contract or agreement or hiring or employment between any individual, firm, company, association, or corporation, and any employee or prospective employee of the same, whereby

(a) Either party to such contract or agreement undertakes or promises not to join, become, or remain a member of any labor organization or of any employer organization; or

(b) Either party to such contract or agreement undertakes or promises that he will withdraw from an employment relation in the event that he joins, becomes, or remains a member of any labor organization or of any employer organization.

With the following committee amendments:

On page 3, in line 3, after the word "enforceable" insert the words "in any court of the United States."

On page 3, in line 5, after the word "any" insert the word "such."

On page 3, in line 6, after the word "court" strike out the words "of the United States."

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 4. No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in cases involving or growing out of any labor dispute to prohibit any person or persons participating or interested in such dispute (as these terms are herein defined) from doing, whether singly or in concert, any of the following acts:

(a) Ceasing or refusing to perform any work or to remain in any relation of employment;

(b) Becoming or remaining a member of any labor organization or of any employer organization, regardless of any such undertaking or promise as is described in section 3 of this act;

(c) Paying or giving to, or withholding from, any person participating or interested in such labor dispute any strike or unemployment benefits or insurance or other moneys or things of value;

(d) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in, or is prosecuting, any action or suit in any court of the United States or of any State;

(e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence;

(f) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;

(g) Advising or notifying any person of an intention to do any of the acts heretofore specified;

(h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

(i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified, regardless of any such undertaking or promise as is described in section 3 of this act.

With the following committee amendment:

On page 4, line 1, strike out the word "cases" and insert in lieu thereof the words "any case."

The committee amendment was agreed to.

Mr. MICHENER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MICHENER: Page 4, line 23, after the word "fraud," insert a comma, strike out the word "or," strike out the semicolon after the word "violence," insert a comma and the following: "threats or intimidation."

Mr. BLACK. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane. The proviso is concerned with actual, tangible actions, to wit, fraud and violence. The amendment which the gentleman seeks to add deals with the state of mind or the spoken word, entirely distinct and separate propositions.

The CHAIRMAN (Mr. CONNERY). The Chair overrules the point of order.

Mr. MICHENER. Mr. Chairman, section 4 provides, in substance, that the courts shall not issue a restraining order to prohibit, among other things—

giving publicity to the existence of or the facts involved in any labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence.

The only change suggested is to add the words "threat or intimidation," so that the prohibition in the section would not prevent the issuing of an injunction where fraud, violence, threats, or intimidation was involved.

I have talked with the gentleman from New York [Mr. LAGUARDIA] about the matter. I submitted the amendment to him, and I hope he will agree to it. Of course, it is largely a question of what the word "intimidation" means. The gentleman from Maine [Mr. BEEDY] has suggested this definition:

Conduct intended to arouse fear or apprehension of violence.

I think this is the legal definition as given in Words and Phrases.

I am not offering this amendment as one hostile to this bill. I am going to vote for the bill. I am not opposing the bill. I am offering this amendment as one who believes he is friendly to the bill; one who believes it is an amendment that should be adopted in the interest of the things that the men who want this bill want to accomplish; and as an amendment which is fair, which is honest in every particular, and which can not reasonably, in my judgment, be opposed by the gentleman from New York [Mr. LAGUARDIA] or anyone else. I know how sincere the gentleman from New York [Mr. LAGUARDIA] is in this matter. I know how he feels about it. I know what he wants to accomplish in the matter, and I am not opposing his bill. I want to help the bill, and this is an amendment that will help it.

I hope the gentleman will accept the amendment.

Mr. BURTNESS. Will the gentleman yield?

Mr. MICHENER. Yes.

Mr. BURTNESS. Does the gentleman's amendment, in his opinion, do more than amplify the word "violence"? In other words, either with or without the amendment, if the gentleman were sitting as a court, would he not construe the words "threat and intimidation" as coming within the more general term "violence," so that the only possible objection that could be made to the amendment might be the claim that it is not necessary. Is it not, in substance, a clarifying amendment rather than an addition to it?

Mr. MICHENER. Possibly so, but I am sure this House does not want to pass any legislation that is going to do an unjust thing. I am sure the American Federation of Labor does not want an unreasonable or an unfair thing here. I am sure they want to accomplish the very things which this amendment would permit to be accomplished.

The sponsors of this bill should not hesitate to accept this amendment, because they surely do not want authorization of law to threaten and to intimidate, in order that they may accomplish their purpose. Public opinion always countenances an appeal to reason and will condemn any individual or group who asks legislation giving the individual or group especial permission to threaten or intimidate. I tell you, folks, we do not want a thing of this kind and the American Federation of Labor does not want it.

Mr. TILSON. Will the gentleman yield?

Mr. MICHENER. Yes.

Mr. TILSON. Is it not a fact, in answer to what the gentleman from North Dakota [Mr. BURTNESS] has said, that violence means action or would be interpreted as some violent act, whereas intimidation or threat might be by word of mouth or in writing and yet would be very menacing?

Mr. MICHENER. Yes.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Chairman, I want to say that the gentleman from Michigan [Mr. MICHENER] is offering this amendment in absolute good faith. The gentleman, as he states, is friendly to the legislation and has been helpful in committee. The gentleman from Michigan called my attention to this proposed amendment this morning. He was most fair in informing me. At first blush, as you read it, the amendment would appear to be quite proper. I repeat that the gentleman is offering it as such.

I have since looked up court decisions on these same words, and in the face of the experience of the past with the Clayton Act and the decisions thereunder, it would be very unsafe to permit this amendment to go into the bill. If the gentleman from Michigan were the judge and were passing upon the meaning of the words "intimidation" and "threat," we would have no difficulty and there would be no danger of defeating the purposes of the bill, but let me read you from the decisions:

A simple request to do or not to do a thing made by one or more of a body of strikers under circumstances calculated to convey a threatening intimidation with the design to hinder or obstruct workmen, in violation of an injunction against the use of such means is no less obnoxious than the use of physical force for the same purpose. (Allis Chalmers *v.* Iron Molders Union, 150 Federal Reporter, 155.)

Intimidation is not limited to threats of violence or of physical injury to person or property. It has a broader significance. (Vegelohn *v.* Guntner, 44 N. E. 1077; 167 Mass. 92; 57 Am. St. Rp. 443.)

Under the decisions, Mr. Chairman, I want to say to the gentleman from Michigan it would be unsafe to write the amendment into the law. We are now forced to enact this legislation, to do what? To prevent just a few individual judges outraging decency and disregarding law, as they have been doing for the last 14 years, since the enactment of the Clayton Act. We can not, therefore, take any chances with language which might permit judicial abuse. I will say frankly that after consulting the author of the bill on the other side of the Capitol, and talking with men who have had actual experience and who have lived these last years under this situation, and after reading the decisions from which I have just quoted, I hope we will not impair the purpose of this legislation by loading it down in this manner.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. EATON of Colorado. Did not the gentleman, as a member of the committee, agree to the amendment in section 7 covering the situation of threats, and has not the gentleman omitted in section 4 to recognize that amendment and include it in this subsection (e) as in the amendment offered by the gentleman from Michigan [Mr. MICHENER], and also in subsection (i). I am not talking about the use of the word "intimidation" but the proposition about threats, which has already been incorporated in the bill as reported from the committee, and I submit that if the gentleman gives it a moment's thought he will agree that the proposition ought to be covered in this subsection and also in subsection (i).

Mr. LAGUARDIA. The subsection which the gentleman refers to has not the same significance as this would have.

Mr. EATON of Colorado. The significance is the difference between a man killing another, and a man threatening to kill another.

Mr. LAGUARDIA. Such a situation would not come under the provisions of this bill—the acts described by the gentleman are crimes and fully covered by the criminal law.

Mr. BROWNING. Mr. Chairman, I hope this amendment will not prevail, because in the construing of this phrase the courts have taken the opportunity to defeat the provisions of the bill. If anyone comes into court and claims that he has been threatened or intimidated, it is the easiest thing in the world to say that certain conditions prevail. It is a matter you can not establish, except by the opinion of the one who claims he has been intimidated.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment. An examination of the precedents in this country and in the State and Federal courts will show that the word "intimidation" forms the basis of greatest abuse in labor injunctions. The cases seem to indicate that the word "intimidation" is not capable of exact definition, and hence the courts become laws unto themselves. There is no limit to what the judges embrace within the word "intimidation." If this amendment were adopted it would cover all sorts of peaceful and lawful actions. You would destroy "peaceful picketing," recognized universally as proper and lawful. Judges, however, have twisted evidence into strained meanings. They have on occasion prevented peaceful picketing as a result of so-called "intimidation." You already have sufficient safeguards in the bill. Do not add any more needlessly.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. EATON of Colorado. The gentleman's argument seems to be against the word "intimidation." Would he have any objection to the word "threats"?

Mr. CELLER. That would be subject to the same objection. It is just as intangible. It would simply give judges a pretense to destroy labor's rights. Vote the amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. EATON of Colorado) there were 62 ayes and 161 noes.

So the amendment was rejected.

Mr. MICHENER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 6, after the word "fraud," insert a comma, strike out the word "or" and strike out the semicolon after the word "violence," insert a comma and the following: "threats or intimidation."

The question was taken, and the amendment was rejected.

Mr. MICHENER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, after line 8, insert the following:

"(j) Nothing herein contained shall be construed to prohibit the issuance of an injunction to prevent injury to a business by threat to or intimidation of its patrons or customers to boycott the business."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. BLANTON), there were 38 ayes and 142 noes.

So the amendment was rejected.

Mr. BECK. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BECK: After the word "acts" in section 4, line 5, page 4, insert the following: "Except where said acts are performed or threatened for an unlawful purpose or with an unlawful intent, or are otherwise in violation of any statute of the United States."

Mr. BECK. Mr. Chairman, if the enthusiastic majority will indulge me just for a moment or two, I shall not take the five minutes. I call attention to the vital character of this amendment. A strike in reference to industrial conditions or wages is certainly per se lawful, but a strike to accomplish an ulterior purpose, by the courts of this and every other country, is unlawful as, for example, a strike such as I instanced in England, where the political government was sought to be coerced by the threats of a wholesale suspension of transportation services. All I ask is, not that in labor disputes an injunction shall in all cases issue but that in labor suits where the acts are for an unlawful purpose or for an unlawful intent or in violation of any statute of the United States this immunity from the remedial powers of a court of chancery shall not be given.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 47, noes 143.

So the amendment was rejected.

The Clerk read as follows:

SEC. 6. No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the United States for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof.

With the following committee amendments:

Page 5, line 17, strike out the words "and no association or organization."

Page 5, line 23, after the word "thereof," insert "and the liability of any such association or organization for unlawful acts of its members shall be similarly limited."

The CHAIRMAN. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 7. No court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as herein defined, except after hearing the testimony of witnesses in open court (with opportunity for cross-examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after findings of fact by the court, to the effect—

(a) That unlawful acts have been committed and will be continued unless restrained;

(b) That substantial and irreparable injury to complainant's property will follow;

(c) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

(d) That complainant has no adequate remedy at law; and

(e) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

Such hearing shall be held after due and personal notice thereof has been given, in such manner as the court shall direct, to all known persons against whom relief is sought, and also to those public officers charged with the duty to protect complainant's property: *Provided, however,* That if a complainant shall also allege that, unless a temporary restraining order shall be issued without notice, a substantial and irreparable injury to complainant's property will be unavoidable, such a temporary restraining order may be issued upon testimony under oath, sufficient, if sustained, to justify the court in issuing a temporary injunction upon a hearing after notice. Such a temporary restraining order shall be effective for no longer than five days and shall become void at the expiration of said five days. No temporary restraining order or temporary injunction shall be issued except on condition that complainant shall first file an undertaking with adequate security sufficient to recompense those enjoined for any loss, expense, or damage caused by the improvident or erroneous issuance of such order or injunction, including all reasonable costs (together with a reasonable attorney's fee) and expense of defense against the order or against the granting of any injunctive relief sought in the same proceeding and subsequently denied by the court.

The undertaking herein mentioned shall be understood to signify an agreement entered into by the complainant and the surety upon which a decree may be rendered in the same suit or proceeding against said complainant and surety, the said complainant and surety submitting themselves to the jurisdiction of the court for that purpose. But nothing herein contained shall deprive any party having a claim or cause of action under or upon such undertaking from electing to pursue his ordinary remedy by suit at law or in equity.

With the following committee amendments:

Page 6, line 9, after the word "been," insert the words "threatened or," and in line 10, page 6, after the word "restrained," insert "but no injunction or temporary restraining order shall be issued on account of any threat or unlawful act except against the person or persons, association, or organization making the threat or committing the unlawful act or who actually authorized it or ratified it after actual knowledge thereof."

Mr. SUMNERS of Texas. Mr. Chairman, I offer a perfecting amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment by Mr. SUMNERS of Texas: In line 12 of the committee amendment strike out the word "except" and insert the word "excepting."

Mr. STAFFORD. Mr. Chairman, does the gentleman think that it carries out the intent better to substitute the word "excepting"? I think the phraseology carries out the intent with the word "except."

Mr. SUMNERS of Texas. My own judgment is that it is not very material, but the bill as it comes from the Senate has the word "excepting," and it seems to me there is a little shade of difference that makes the word "excepting" preferable.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Texas.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question now is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. The Clerk will report the other committee amendments.

The Clerk read as follows:

Page 7, line 20, after the word "security," insert the words "in an amount to be fixed by the court."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Page 8, line 8, after the word "security," insert the words "upon a hearing to assessed damages of which hearing complainant and surety shall have reasonable notice."

Mr. SUMNERS of Texas. Mr. Chairman, I offer the following amendment to the committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas to the committee amendment: Page 8, line 8, strike out the word "assessed" and insert in lieu thereof the word "assess."

The CHAIRMAN. The question is on the amendment to the committee amendment.

The amendment was agreed to.

The CHAIRMAN. The question now is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. MICHENER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MICHENER: Page 7, line 7, after the word "to," insert "the chief of those public officials of the county and city within which the unlawful acts have been threatened or committed," and strike out the remainder of line 7 and all of line 8 down to and including the colon after the word "property."

Mr. MICHENER. Mr. Chairman, I call especial attention to this amendment. The bill as drawn provides that before an injunction may issue in any of those cases you must first give notice to all of the public officials anywhere who may be responsible for the protection of the property or person. Now, that would be a physical impossibility. We would at least have to commence with the governor. You would have to serve notice on everybody all the way down. The amendment provides that notice must be served on the chief law officer of the county, who would be the sheriff, for instance; also upon the chief of police, for instance, in the city where the trouble is. There can be no exception to that amendment.

Mr. LAGUARDIA. Mr. Chairman, we consent to the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan [Mr. MICHENER].

The amendment was agreed to.

Mr. DYER. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The CHAIRMAN. The gentleman from Missouri [Mr. DYER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DYER: Amend section 7, subdivision (e), page 7, line 15, by striking out the sentence, "Such a temporary restraining order shall be effective for no longer than five days and shall become void at the expiration of said five days," and insert in lieu thereof "Such a temporary restraining order shall be effective for no longer than five days (and shall not be renewed if, in the judgment of the court, unjustifiable delay is sought by plaintiff) and shall become void at the expiration of said five days unless extended by order of the court for good cause shown."

Mr. DYER. Mr. Chairman, I will not take the time permitted, but this is simply to cure a condition that might arise in some cases. For instance, a court might be unable to take the matter up because engaged in some other important matter at the time. That is about the only excuse he could have for not taking up the matter. It is to give the court a sufficient number of days, a few additional days, if needed, in connection with the expedition of the business of the court.

Mr. McKEOWN. Will the gentleman yield?

Mr. DYER. I yield.

Mr. McKEOWN. If a temporary restraining order is issued, if it is not renewed, it will die of its own effect. This limitation of five days is to stop the habit of judges issuing these restraining orders and then refusing to hear them and letting them stand. After a restraining order is issued, when it is renewed it becomes a temporary injunction. I think the language offered by the amendment puts the bill in better shape.

Mr. DYER. It is only to extend it a day or so in case the facts warrant. There is no attempt to secure an improper delay. However, I submit the amendment.

Mr. McKEOWN. Mr. Chairman, I rise in opposition to the amendment. The language as it is now written is, in my judgment, a better situation, because after a temporary restraining order is issued, when it is renewed it becomes a temporary injunction. The gentleman changes the situation. If it is only five days, that is without notice, and it should not be continued longer than that time until they have an opportunity to be heard. I appreciate what the gentleman is attempting to do. The gentleman thinks that a situation might arise where five days might not be sufficient, but it is enough on an injunction without notice.

Mr. LAGUARDIA. And the court can very easily gage himself accordingly?

Mr. McKEOWN. Certainly.

Mr. DYER. Suppose something very important was taking place in that court and the judge could not get to it, and suppose all the parties interested were agreeable that it should be laid over for two or three more days?

Mr. McKEOWN. That does not prevent him making the order.

Mr. DYER. Mr. Chairman, I submit the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Missouri [Mr. DYER].

The amendment was rejected.

Mr. THATCHER. Mr. Chairman, I move to strike out the last word. I do this for the purpose of asking a question, which can be answered by the gentleman from New York [Mr. LAGUARDIA] or the chairman of the committee.

Section 8 relates to restraining orders, and I want to ask whether or not the provision which has just been read about temporary restraining orders for five days qualifies the provisions of section 8. In other words, section 8 requires certain things to be done as conditions precedent to the granting of injunctive relief. There might be emergencies where it would be impossible to meet these conditions. The question is whether or not the qualifications set forth as to temporary injunctions apply to section 8, where a temporary injunction might be asked, where it might be impossible to move to settle a dispute by negotiation or with the aid of any governmental machinery, mediation, or voluntary arbitration referred to in section 8.

Mr. LAGUARDIA. The answer to that is simple. In seeking a restraining order a party believed to be aggrieved comes into court and under a certain state of facts, which are enumerated in the bill itself, asks for a restraining order. If time has not permitted him or the corporation to avail itself of the existing governmental machinery for the settlement of a labor dispute, he recites that as one of his facts, which is full compliance, of course, with the provisions of section 8, which makes it a condition precedent that every remedy must be exhausted to settle the strike before the injunction will issue.

Mr. THATCHER. Then if he pleads that in his bill, setting up the state of facts, he would get the temporary injunction?

Mr. LAGUARDIA. Yes.

The Clerk read as follows:

SEC. 8. No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration.

Mr. CROSSER. Mr. Chairman, I move to strike out the last word. The chairman of the committee indicated a little while ago that he was rather particular about the language of this bill. I notice in line 17, page 8, the words "has failed." The gentleman means "shall have failed," does he not?

Mr. SUMNERS of Texas. That is right.

Mr. CROSSER. In line 19, the language should read "who shall have failed" instead of "who has failed"?

Mr. SUMNERS of Texas. That is right.

Mr. CROSSER. And in line 18, the language should be "which shall be involved" instead of "which is involved."

Mr. SUMNERS of Texas. That makes it better, but I think it is all right as it is.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 11. In all cases where a person shall be charged with indirect criminal contempt for violation of a restraining order or injunction issued by a court of the United States (as herein defined), the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the contempt shall have been committed: *Provided*, That this requirement shall not be construed to apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice or to apply to the misbehavior, misconduct, or disobedience of any officer of the court in respect to the writs, orders, or process of the court.

With the following committee amendment:

On page 9, line 21, strike out the word "where" and insert the words "arising under this act in which."

Mr. LAGUARDIA. Mr. Chairman, I want to call the attention of the committee to the fact that the bill as passed by the Senate is as originally contained in the bill now before you. The committee amendment restricts the purpose of the section. In other words, the Senate bill is sufficiently broad to embrace and take care of all criminal contempt cases and also such contempt cases that have become known as the "press" cases. I personally am in favor of the broader section. That is, I am in favor of the section as amended by the Senate. I deem it my duty to call your attention to it. If you are in favor of the Senate provision, which is broader and takes care of the "press" cases, the vote is against the committee amendment; but if you are in favor of the committee amendment, which restricts the provision, then the vote is in favor of the committee amendment.

Mr. McKEOWN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. McKEOWN. Of course, the gentleman understands this bill is primarily a labor bill, and without the amendment, of course, we put in the newspaper cases as to free speech. While I am heartily in favor of the newspaper proposition, does not the gentleman think that ought not to be tangled up in this act?

Mr. LAGUARDIA. The gentleman states the case correctly.

Mr. CHRISTOPHERSON. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from South Dakota offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. CHRISTOPHERSON: Page 9, line 21, strike out the words "this act" and insert in lieu thereof "sections 3, 4, 5, and 6 of this amendatory act."

Mr. CHRISTOPHERSON. Mr. Chairman, the reason for offering this is simply that when we make this amendment this becomes the judiciary act and the intent is to confine this limitation to the provisions of this act. By enumerating the sections there is no question about the limitation. I hope the amendment will be accepted.

Mr. MICHENER. Will the gentleman yield.

Mr. CHRISTOPHERSON. Yes.

Mr. MICHENER. May I ask this question: This bill, if made law, will be an addition to the Judicial Code?

Mr. CHRISTOPHERSON. Exactly.

Mr. MICHENER. It in no wise amends any provisions of the Judicial Code other than to the extent that this is an addition and deals with a specific thing. This deals with labor disputes between individuals, not where the Government is involved. It is my notion that under this bill the Government can function with an injunction, if that is necessary in order to carry out the purpose of the Government. I should like to see this clarified, but I want to go on record as saying that under my interpretation of this bill the Federal Government will not at any time be prevented from applying for an injunction, if one is necessary in order that the Government may function.

Mr. CHRISTOPHERSON. That is not involved, really, in the amendment. The amendment which I am offering is simply to clarify and define to what particular sections of law this limitation refers, and it was not the intention it should refer to injunction matters, outside of labor disputes.

Mr. McKEOWN. Will the gentleman yield?

Mr. CHRISTOPHERSON. Yes.

Mr. McKEOWN. It is not the purpose of this legislation to include any other class of matters except matters of labor disputes.

Mr. CHRISTOPHERSON. And this makes it definite and defines what it alludes to.

Mr. SPARKS. Will the gentleman yield?

Mr. CHRISTOPHERSON. Yes.

Mr. SPARKS. Is not the purpose of the bill to provide limitations for the granting of injunctions?

Mr. CHRISTOPHERSON. Yes.

Mr. SPARKS. And it is not possible under the provisions of this bill to create the basis for the allowance of injunctions.

Mr. CHRISTOPHERSON. As it stands now it might include injunctions in other cases. Therefore the amendment is to define exactly to what this limitation applies.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from South Dakota [Mr. CHRISTOPHERSON].

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The Clerk read the next committee amendment, as follows:

Page 9, line 22, strike out the word "indirect."

The committee amendment was agreed to.

The Clerk read the next committee amendment, as follows:

Page 9, line 23, strike out the words "for violation of a restraining order or injunction issued by" and insert the word "of."

The committee amendment was agreed to.

The Clerk read the next committee amendment, as follows:

Page 10, line 3, strike out the word "requirement" and insert the word "right."

The committee amendment was agreed to.

The Clerk read the next committee amendment, as follows:

Page 10, line 3, strike out the words "be construed to."

The committee amendment was agreed to.

Mr. DYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYER: Amend section 11, page 10, line 8, by changing the period to a comma and adding the following: "nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of or on behalf of the United States."

Mr. DYER. Mr. Chairman, the only purpose of this amendment is to take out these criminal contempts or trial-by-jury injunctions growing out of the antitrust law or what are known as the padlock cases. There are some 40,000 injunctions so far issued in prohibition matters which are referred to as padlock cases, and while not a great many, there are some in connection with the antitrust law, and this is to except from the provisions of this bill cases of that kind.

Mr. LAGUARDIA. Mr. Chairman, we have just taken care of that situation by a committee amendment. We have fortified the committee amendment by the amendment offered by the gentleman from South Dakota [Mr. CHRISTOPHERSON], and now as the section is, it is limited to acts arising under sections 3, 4, 5, and 6 of this amendatory act. So that by the wildest construction of the bill it could not apply to the cases which the gentleman has in mind, and we should vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. DYER].

The amendment was rejected.

The Clerk read as follows:

SEC. 12. The defendant in any proceeding for contempt of court is authorized to file with the court a demand for the retirement of the judge sitting in the proceeding, if the contempt arises from an attack upon the character or conduct of such judge and if the attack occurred otherwise than in open court. Upon the filing of any such demand the judge shall thereupon proceed no further, but another judge shall be designated in the same manner as provided in case of the approval of an affidavit of personal bias or prejudice under section 21 of the Judicial Code. The demand shall be filed prior to the hearing in the contempt proceeding.

The following committee amendments were read and agreed to:

Page 10, line 10, after the word "court," strike out the words "is authorized to" and insert the word "may."

Page 10, line 17, strike out the words "provided in the case of the approval of an affidavit of personal bias and prejudice under section 21 of the Judicial Code" and insert the words "is provided by law."

The Clerk read as follows:

SEC. 13. When used in this act and for the purposes of this act—

(a) A case shall be held to involve or to grow out of a labor dispute when the case involves persons who are engaged in the same industry, trade, craft, or occupation; or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organization of employers or employees; whether such dispute is (1) between one or more employers or associations of employers and one or more employees or associations of employees; (2) between one or more employers or associations of employers and one or more employers or associations of employers; or (3) between one or more employees or associations of employees and one or more employees or associations of employees; or when the case involves any conflicting or competing interests in a "labor dispute" (as hereinafter defined) of "persons participating or interested" therein (as hereinafter defined).

(b) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.

(c) The term "labor dispute" includes any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms and conditions of employment, or concerning employment relations, or any other controversy arising out of the respective interests of employer and employee, regardless of whether or not the disputants stand in the proximate relation of employer and employee.

(d) The term "court of the United States" means any court of the United States whose jurisdiction has been or may be conferred or defined or limited by act of Congress, including the courts of the District of Columbia.

The following committee amendments were read:

Page 12, line 2, after the word "terms," strike out "and" and insert "or."

Page 12, line 2, after the word "employment," strike out "or concerning employment relations, or any other controversy arising out of the respective interests of employer and employee."

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 14. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provisions to other persons or circumstances shall not be affected thereby.

The following committee amendment was read:

Page 12, line 11, after the figures "14," strike out lines 11, 12, 13, 14, and 15, and insert the following: "If any part of this act is unconstitutional or otherwise invalid, the remaining part of the act shall not be affected thereby."

The committee amendment was agreed to.

The Clerk completed the reading of the bill.

Mr. EATON of Colorado. Mr. Chairman, I move to strike out the last word. I make this pro forma amendment for the purpose of directing the attention of the chairman of the committee and the gentleman from New York [Mr. LAGUARDIA] to the fact that the Christopherson amendment to section 11 was limited to sections 3, 4, 5, and 6. It therefore would not cover any situation which might arise under section 7. If you will look at section 7, you will find that it is also a section vesting or defining jurisdiction in the United States courts and is concluded with a proviso which is the part of the bill vesting jurisdiction in the court to issue temporary injunctions. In no other part of the sections 3, 4, 5, or 6 is such authority designated. Therefore it conclusively appears that if it is the purpose of the proponents of this bill to make any change in the law concerning contempts which might arise in connection with the granting of a temporary injunction, section 7 ought to be included in the amendment. I therefore ask unanimous consent to withdraw my pro forma amendment and that the Christopherson amendment be amended so as to read:

In line 21, on page 9, there be inserted between the words "under" and "this" the words "sections 3, 4, 5, 6, and 7 of."

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. EATON of Colorado. May I again direct your attention to the committee amendment which was adopted in line 9 on page 6, which is in the first clause of subsection (a) of section 7, where by the insertion of the word "threatened" you made section 7 of the bill, at least, extend to *threatened* unlawful acts as one of the causes upon which an injunction might be issued. You will notice that this amendment permits a judge to issue an injunction if he finds that "unlawful acts have been *threatened* or committed." When I spoke upon the Michener amendment proposed to subsection (e) of section 4, I directed your attention to the fact that the method of the use of threats ought to be included with the method of the use of fraud and violence in the excepting portion of that subsection. I also directed your attention to the necessity for including the word "threats" with the words "without fraud or violence" in subsection (i) of said section 4. As you now have this bill, by section 7 a court may find as a fact that unlawful acts have been threatened, but by section 4 (e) no court shall have jurisdiction to issue any restraining order or temporary or permanent injunction to prohibit in a labor dispute, giving publicity to the existence of or the facts involved in any labor dispute by any method involving threats of fraud or violence; and by section 4 (i) no injunction may issue to restrain the advising, urging, or otherwise causing or inducing the acts specified without threats of fraud or violence. The text may be involved. There is a double negative. But this thing is certain: No matter what may be the meaning of the words used, "threats" are entirely omitted from every effect of the section, and not merely as stated in the two subsections designated. I listened to the explanation given about the use of the word "intimidation." Not a word was said about the use of the word "threat," as I now recall the debate. Again, I say, look over this whole bill again and see if you will not agree that section 4 ought to recognize threats of fraud and violence as well as acts perpetrated, which come under the proper definition of the words "fraud and violence," and have the bill amended before final passage.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CONNERY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, and, under House Resolution 166, he reported the bill back to the House with the amendments adopted by the committee.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded upon any amendment? [After a pause.] If not, the Chair will put them en bloc. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BLANTON. Mr. Speaker, I offer the following motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BLANTON. I am.

The SPEAKER. Is any member of the committee opposed to the bill? If not, the gentleman from Texas is recognized and the Clerk will report the motion to recommit.

Mr. SUMNERS of Texas. Mr. Speaker, before that is done, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SUMNERS of Texas. Mr. Speaker, it is my purpose at the proper time to ask unanimous consent to consider the Senate bill, a similar bill, and to substitute the House bill for the Senate bill.

The SPEAKER. If the gentleman should ask unanimous consent to do that now and it should prevail, it would cut out the motion to recommit. After the motion to recommit is voted upon, then unanimous consent can be granted to consider the Senate bill.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BLANTON moves to recommit the bill to the Committee on the Judiciary, with instruction to report the same back forthwith with the following amendment, to wit: On page 1, line 3, after the word "that," insert "except where the Government of the United States is the petitioner," and on page 1, line 9, add the following:

"*Provided, however*, That neither this section nor any subsequent section of this bill shall apply to any labor dispute which involves the suspension or discontinuance of a public utility whose continuous operation is essential to the property, health, and lives of the people of any State or community. In such cases where the welfare, health, or lives of a public are concerned who are not parties to such labor dispute, or where a labor dispute involves the obstruction of any instrumentality of interstate or foreign commerce, in such event the power of a United States court to grant injunctive relief in the interests of the public in accordance with the principles of equity jurisprudence shall not be denied or abridged, anything in this act to the contrary notwithstanding."

Mr. SUMNERS of Texas. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

The question was taken.

Mr. BLANTON. Mr. Speaker, I demand a division, and pending that I ask for the yeas and nays.

The SPEAKER. The gentleman from Texas demands the yeas and nays. All in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Nine Members, not a sufficient number; and the yeas and nays are refused.

Mr. BLANTON. Mr. Speaker, I demand a division.

The House divided; and there were—ayes, 17, noes 255.

So the motion to recommit was rejected.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take up Senate bill 935, strike out all after the enacting clause, and substitute the provisions of House bill 5315.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. I call the attention of the gentleman from Texas [Mr. SUMNERS] to the fact that that would make every provision of the Senate bill in order on this bill for consideration by the conferees when the bill goes to conference. There is a provision in the Senate bill which I do not think my colleague from Texas approves of, which would destroy the force and effect of several thousand pending padlock cases that are now in force and effect in the United States. I am hoping that my friend from Texas does not approve of that provision of the Senate bill. Mr. Speaker, I object to the request.

The SPEAKER. The question is on the passage of the bill.

Mr. SUMNERS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 362, nays 14, not voting 56, as follows:

[Roll No. 27]

YEAS—362

Abernethy	Allgood	Andresen	Arentz
Adkins	Almon	Andrew, Mass.	Arnold
Allen	Amlie	Andrews, N. Y.	Auf der Heide
Ayres	Dowell	Kelly, Pa.	Rankin
Bacharach	Doxey	Kemp	Ransley
Bachmann	Drane	Kendall	Rayburn
Bacon	Drewry	Kennedy	Reed, N. Y.
Baldrige	Driver	Kerr	Reilly
Bankhead	Dyer	Kinzer	Robinson
Barbour	Eaton, Colo.	Kleberg	Rudd
Barton	Englebright	Kniffin	Sanders, N. Y.
Beam	Erk	Kopp	Sanders, Tex.
Beedy	Eslick	Kurtz	Sandlin
Black	Evans, Calif.	Kvale	Schafer
Bland	Evans, Mont.	LaGuardia	Schneider
Boehne	Fernandez	Lambertson	Schuetz
Bohn	Fiesinger	Lambeth	Seger
Bolleau	Finley	Lanham	Selberling
Boland	Fish	Lankford, Ga.	Selvig
Bolton	Fishburne	Lankford, Va.	Shallenberger
Bowman	Fitzpatrick	Larrabee	Shannon
Boylan	Flannagan	Lea	Shott
Brand, Ga.	Foss	Leavitt	Simmons
Brand, Ohio	Frear	Lehlbach	Sinclair
Britten	Free	Lewis	Sirovich
Browning	Fulbright	Lichtenwalner	Smith, Idaho
Brumm	Fuller	Lindsay	Smith, Va.
Brunner	Fulmer	Linthicum	Smith, W. Va.
Buchanan	Gambrill	Lonergan	Snell
Buckbee	Garber	Loofbourow	Snow
Bulwinkle	Garrett	Lovette	Somers, N. Y.
Burch	Gasque	Lozier	Sparks
Burtness	Gavagan	Ludlow	Stafford
Busby	Gibson	McClintic, Okla.	Stalker
Butler	Gifford	McClintock, Ohio	Steagall
Byrns	Gilchrist	McCormack	Stevenson
Cable	Gillen	McFadden	Stewart
Campbell, Iowa	Glover	McGugin	Strong, Kans.
Campbell, Pa.	Golder	McKeown	Strong, Pa.
Canfield	Goldsborough	McLaughlin	Sullivan, N. Y.
Cannon	Goodwin	McLeod	Sullivan, Pa.
Carley	Goss	McMillan	Summers, Wash.
Carter, Calif.	Granata	McReynolds	Sumners, Tex.
Carter, Wyo.	Granfield	Maas	Sutphin
Cartwright	Green	Major	Swank
Cavicchia	Greenwood	Maloney	Swanson
Celler	Griswold	Manlove	Sweeney
Chase	Guyer	Mansfield	Swing
Chavez	Hadley	Mapes	Tarver
Chindblom	Haines	Martin, Mass.	Taylor, Colo.
Chiperfield	Hall, Ill.	Martin, Oreg.	Taylor, Tenn.
Christgau	Hall, Miss.	Mead	Temple
Christopherson	Hall, N. Dak.	Michener	Thatcher
Clague	Hancock, N. Y.	Millard	Thomason
Clancy	Hardy	Miller	Thurston
Clark, N. C.	Hart	Milligan	Tierney
Clarke, N. Y.	Hartley	Mobley	Tilson
Cochran, Mo.	Hastings	Montague	Timberlake
Cole, Iowa	Haugen	Montet	Tinkham
Cole, Md.	Hawley	Moore, Ky.	Treadway
Collins	Hess	Moore, Ohio	Turpin
Colton	Hill, Ala.	Morehead	Underwood
Condon	Hill, Wash.	Mouser	Vinson, Ga.
Connery	Hoch	Nelson, Me.	Warren
Cooke	Hogg, Ind.	Nelson, Mo.	Wason
Cooper, Tenn.	Hogg, W. Va.	Nelson, Wis.	Weaver
Corning	Holaday	Niedringhaus	Welch, Calif.
Cox	Holmes	Nolan	Welsh, Pa.
Coyle	Hooper	Norton, Nebr.	West
Crisp	Hope	Norton, N. J.	White
Cross	Hopkins	O'Connor	Whitley
Crosser	Hornor	Oliver, Ala.	Whittington
Crowe	Horr	Oliver, N. Y.	Wigglesworth
Crowther	Houston, Del.	Overton	Williams, Mo.
Crump	Howard	Owen	Williams, Tex.
Culkin	Huddleston	Palmisano	Williamson
Cullen	Hull, William E.	Parker, Ga.	Wilson
Curry	Jacobsen	Parker, N. Y.	Wingo
Dallinger	James	Parks	Withrow
Davenport	Jeffers	Parsons	Wolcott
Davis	Jenkins	Partridge	Wolfenden
Delaney	Johnson, Ill.	Patman	Wolverton
De Priest	Johnson, Mo.	Peavey	Wood, Ga.
DeRouen	Johnson, Okla.	Pettengill	Woodruff
Dickinson	Johnson, Tex.	Pittenger	Woodrum
Dickstein	Johnson, Wash.	Polk	Wright
Dies	Jones	Pou	Wyant
Disney	Kading	Prall	Yates
Doughton	Karch	Rainey	Yon
Douglas, Ariz.	Keller	Ramseyer	
Douglass, Mass.	Kelly, Ill.	Ramspeck	

NAYS—14

Beck	Hollister	Rogers, Mass.	Watson
Blanton	Johnson, S. Dak.	Taber	Wood, Ind.
Darrow	Luce	Underhill	
French	Rich	Vestal	

NOT VOTING—56

Aldrich	Collier	Freeman	Kahn
Beers	Connolly	Gilbert	Ketcham
Bloom	Cooper, Ohio	Gregory	Knutson
Briggs	Crail	Griffin	Lamneck
Burdick	Dieterich	Hancock, N. C.	Larsen
Carden	Dominick	Hare	McDuffie
Cary	Doutrich	Harlan	McSwain
Chapman	Eaton, N. J.	Hull, Morton D.	Magrady
Cochran, Pa.	Estep	Igoe	May

Mitchell	Pratt, Harcourt J.	Rogers, N. H.	Stokes
Murphy	Pratt, Ruth	Romjue	Swick
Patterson	Purnell	Sabath	Tucker
Perkins	Ragon	Shreve	Vinson, Ky.
Person	Reid, Ill.	Spence	Weeks

So the bill was passed.

The Clerk announced the following pairs:

Mr. Cooper of Ohio (for) with Mr. Shreve (against).

General pairs:

Mr. Dieterich with Mr. Reid of Illinois.
Mr. Dominick with Mr. Cochran of Pennsylvania.
Mr. Chapman with Mr. Magrady.
Mr. Briggs with Mr. Purnell.
Mr. Ragon with Mr. Swick.
Mr. Romjue with Mr. Weeks.
Mr. Gregory with Mr. Doutrich.
Mr. Collier with Mr. Crail.
Mr. Gilbert with Mr. Connolly.
Mr. Griffin with Mr. Ketcham.
Mr. May with Mr. Murphy.
Mr. Tucker with Mr. Stokes.
Mr. Cary with Mr. Perkins.
Mr. Hare with Mr. Morton D. Hull.
Mr. Vinson of Kentucky with Mr. Beers.
Mr. McDuffie with Mr. Estep.
Mr. Spence with Mr. Pratt.
Mr. Sabath with Mr. Knutson.
Mr. McSwain with Mr. Eaton of New Jersey.
Mr. Larsen with Mr. Burdick.
Mr. Bloom with Mr. Person.
Mr. Igoe with Mrs. Kahn.
Mr. Rogers with Mr. Freeman.
Mr. Carden with Mr. Mitchell.
Mr. Harlan with Mr. Lamneck.
Mr. Hancock of North Carolina with Mr. Patterson.

Mr. MAPES. Mr. Speaker, my colleague, Mr. PERSON, is unavoidably absent. He has asked me to announce that he is in favor of this legislation and that if he were present he would vote "aye" on this roll call.

Mr. WILLIAM E. HULL. Mr. Speaker, my colleague, Mr. REID of Illinois, is ill at home. He asked me to say that if he were present he would vote "aye."

Mr. TEMPLE. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. COCHRAN, is necessarily absent. He has asked me to say that if he were able to be present he would vote "aye" on this bill.

Mr. COYLE. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. MAGRADY, is absent on account of illness. He has asked me to state that if he were present he would vote "aye" on this bill.

Mr. RAINEY. Mr. Speaker, I have been requested to announce that the following Members are unavoidably absent on important business and if present they would vote "aye": Mr. CHAPMAN, Mr. GREGORY, Mr. CARY, Mr. BRIGGS, Mr. MAY, Mr. SPENCE, Mr. VINSON of Kentucky, Mr. DIETERICH, Mr. SABATH, Mr. IGOE, Mr. CARDEN, Mr. GRIFFIN, Mr. DOMINICK, Mr. GILBERT, Mr. ROMJUE, Mr. PATTERSON, Mr. COLLIER, Mr. RAGON, Mr. BLOOM, Mr. LAMNECK.

Mr. PARKS. Mr. Speaker, I announce that my colleague the gentleman from Arkansas, Mr. RAGON, is absent because of the critical illness of his brother. If here, he would vote "aye" on this bill, which is the child of the brain of the great commoner, William Jennings Bryan.

The result of the vote was announced as above recorded.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that all Members have five legislative days within which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FRENCH. Mr. Speaker, I hope that the amendment offered by the gentleman from Pennsylvania [Mr. BECK] may prevail. I want to support the injunction bill in recognition of my conviction that at times there has been abuse of the injunction power, and I want to correct the situation so that this power may not be applied excepting in the interest of the public good. With the adoption of the amendment that has been offered or a somewhat similar amendment that has been discussed this afternoon I should support the measure. Without some such provision I can not support it, for, in my judgment, the measure itself would then become an instrument that would work injury most of all upon its most earnest proponents—the men of our country who are engaged in manual labor, and on their families.

The effect of the proposed amendment would be to leave with the Federal court the power of injunction only when issues arise that involve the essential operation of activities for the protection of property, health, and lives of the people of any State or community. Surely in such cases, where the welfare, health, or lives of the public are concerned, no party to a dispute can be benefited by placing these elements in jeopardy. As I see it, the question involving these factors can arise only, or at least chiefly, in populous centers. Here is where the breaking down of the service of some public utility might work irreparable injury upon millions of people. Food supplies might be cut off; fuel supplies might be prevented; conditions might well arise that would mean unmeasured loss of life and health and property. No one and no cause could be benefited through such conditions. The public has an interest that must be protected.

But some one has said that this amendment affords exemption to private institutions performing public utility service. This statement as such can not be true. The very language of the amendment negatives the assertion, because it provides that the injunction power may be exercised only when the suspension or discontinuance of a public utility is essential to the property, health, and lives of the people of any State or community.

In my judgment, the ones who will suffer most in event this amendment may not prevail will be those who most of all should receive the thoughtful attention of this body. I refer to the children and to the populations who have no great financial means. I refer to the populations who are poor. Under conditions that would witness the breakdown of public utility institutions serving a populous center the people of wealth could arrange for their families to be sent to areas where the question would not be a problem; where the question of warmth would not arise; where foods and needs of all kinds readily could be provided. This would not be true for the millions of some of our cities, as they are to-day dependent upon the constant and steady maintenance of channels that supply fuel and food and necessaries of life. To protect these people, this amendment ought to be adopted.

Mr. WHITE. Mr. Speaker, ladies and gentlemen of the House, througout the ages it has been the aspiration of the affluent to perpetuate possession, the aim of the powerful to continue control of the influential to perfect and make permanent their ascendancy. Suppliance has always paid court to authority. These are human responses to instincts of self-interest.

The right of might and riches was accepted as demonstrated and sequential until the appearance on the horizon of our own great country and its doctrine of human rights and human equality. It was fully half a century before its judicial system came to understand the right of toil and brain to equal rating with rights of property; and even then it required more than another half century for the light of the conception to gain widespread understanding.

It has been only in the last decade that legislatures have found a way of expressing this equality in statutes. Only five States have placed upon their books the declared policy that toilers shall not be subjected to economic inequality through the duress of necessity. I am proud to observe that my own State is one of those which has legislated to invalidate the authority of the employer to subject the employee by force of circumstance to agree to refuse to associate himself with his fellows for mutual benefits and improvement.

Until comparatively recently the employer has actually asserted a property right in the divided action of his employees, and courts have supported that contention. The intent of the employee to benefit himself by united action has actually been adjudicated a conspiracy against his employer. The employer has assumed an attitude of beneficence and benefaction over those whom he employed, as if

there existed as a result of that employment a unilateral rather than a bilateral obligation of benefit, and that the employee was the sole debtor. Such a contention is insupportable in any logic except that upon which autocracy finds its justification and basis.

Such logic demanded an attitude of supplication of the worker before the employer. He was and is expected to-day in extensive circles to accept the benefactions of employment with gratitude upon whatever basis his employer grants.

It has been the practice and aspiration of industry to continue to appraise its market, buy its material, and arrange its other costs by bargain, and, finally, to grant to labor what it felt a reasonable profit would permit, the employer, of course, appraising the reasonableness of the profit. Labor has never had a voice in the final equation of cost and price, except as it has been the beneficiary of competition under rare and unusual circumstances, such as those which obtained during the World War and for a short time during 1928 and 1929. With modern mechanization of industry a surplus of labor has been displaced from employment and thus made a competitor for each job, making improbable the return of the conditions of these periods at any early era.

The doctrine of high wages as the economic means of righting distribution and keeping the economic and industrial machine in motion has been abandoned in recent months and the demand of the industrialist has turned to lower and lower wages, urging Government to follow his example.

Centralization of industry and business in great units prohibits the energetic and ambitious workman of this age his former recourse of creating for himself the job that was wanting in the employ of another. The great corporations have set the workman off as a separate element in the production equation. He is procured only when he is needed, and then only at the rate which the entrepreneur's judgment finds that functionary will find an assured profit.

The workman is found haphazard, is forced to compete in the most drastic fashion with his fellow worker, to play his abilities against those of other workers in the most prodigal and damaging way.

There is a grim humor in the flood of petitions of employers' associations coming here against the abrogation of their privilege to forbid their employees to associate with each other for identically the same reasons the employers are associated together. If they are to have the privilege of union for mutual interest and action, why not the workman who toils at the benches in their factories? If they need united action, why do not the still further disintegrated defenses and forces of their employees need it more?

The whole contention resolves itself to the benefits of the right of free contract. But is it a free contract when the lesser of the contracting interests is under the duress of economic necessity?

Economic force is just as real and certainly as effective as is physical force. It has all the elements of physical force. It is just as punishing, even more so, than is the force of the law of the jungle. Its pains are just as great, its wounds just as painful, its scars just as deep and lasting as are the scars and wounds of warfare. The trace of the saber's blade is no more hateful than the memory of malnourished days. Neither has the dispiriting effect of destitute dependents.

Where is there a duress, a force, a club like the appeal of a hungry child? Freedom of contract will come when the employee meets the employer upon a ground of equality in bargaining and an equality of service to each other, both recognizing its benefits. Whether such a Utopia between a buyer and a seller is rationally to be hoped for is questionable. We can only so hope by daring to do so.

It is irrational, certainly, to call a contract made under the duress of economic necessity a contract of freedom. It is to outlaw such a contract that this legislation is designed. The signing of such a contract under the necessity of food and shelter is a penalty levied by the employer in violation of all the rules of equity. Such a levy of necessity is equaled only by the usurer who lends at an exorbitant rate under exactly parallel circumstances. Nearly every State has enacted a law frowning upon the usurer, and the Federal Government approves such legislation. Why not outlaw its sister offense against justice?

The abusive use of the labor-dispute injunction is another offense against the rules of equity. Its significance is arrived at only when one realizes the damage done to the workman's property right in his services to an employer. I am not challenging the recognized principle of right of combination, and that for the purposes of combination human labor shall not be considered a commodity of commerce. Every human being is a going concern. His right to sell his services and his right to be fully informed and to inform his competitor of the conditions of such a sale should not be denied him.

This is not a proposal that the employee should exercise unrestrained privilege of duress upon the employer by a threat to damage or destroy his property. This bill does not grant such privileges. I should not support it if it did.

There is a tendency for those opposed to workers' associations to point to examples of violence upon their part as evidence of their menace. Violence has not been indigenous to one side of such disputes. It has marked the actions of both sides and under the restraints and inhibitions exercised against labor, I submit there is certainly as much justification for labor to lose its "sweet reasonableness" in these circumstances as for employers to do so.

The practice of the courts in outlawing commonly inoffensive and ordinarily legal actions by injunction and making felonies of misdemeanors by the same device is indefensible. There is no right of a court to legislate for advantage of one side of an industrial dispute, even though it may usurp such authority and make its usurpation prevail. Exercise of a power does not make it a right. If it did, might would seldom be in error.

Courts have forbidden workers in wage disputes to exercise such constitutionally guaranteed rights as attendance at Divine worship.

There is only one just way for the agency of society to arbitrate such rivalries and disputes; that is, by demanding fair and open justice to both sides. The suppression of open assembly and the denial of the right of free speech and free press, surreptition and repression are not the devices of free and democratic government. That form of government can have only one instrument of judgment, and that is free discussion and arriving at agreements just to the interests of both parties to such disputes as well as to the public interest.

Mr. FERNANDEZ. Mr. Speaker, organized labor has cause for rejoicing in the passage by the Senate and the House of Representatives of the anti-injunction bill, after years of effort on their part to obtain such legislation.

For years the American working people have felt a keen sense of injustice because corporations have resorted to the wrongful use of injunctions in labor controversies, and have suffered mentally and materially through what they firmly believe was the unjust application of the injunctive process.

The right to organize is nullified when people are prohibited from exercising their economic strength and from appealing to other workers to join with them in a common cause.

Because of the injustices and the abuse of power on the part of some of the Federal judges this legislation was enacted; and if, on the other hand, labor organizations or their sympathizers will unscrupulously violate the intention of this act, they will in no uncertain terms draw the same condemnation to these practices from the great American people, so much so as the far-reaching injunctions heretofore issued and now the issue of rebuke.

Both great political parties in the last national convention took a definite stand in favor of the passage of this legislation, which would give relief from the evils and wrongs brought about by the issuance of injunctions in labor disputes.

The Republican platform said in part:

We recognize that legislative and other investigations have shown the existence of grave abuse in the issuance of injunctions in labor disputes.

The Democratic platform said:

We believe that injunctions in labor disputes have in some instances been abused and have given rise to a serious question for legislation.

It can be truthfully said that the adoption of this legislation by the Congress of the United States is a triumph for organized labor, and it will be squarely up to the working units of America to preserve that victory.

Mr. SCHNEIDER. Mr. Speaker, it is gratifying to those of us who for many years have viewed with increasing alarm the abuse of the process of injunction in labor disputes to find that a bill to curb that abuse has received the almost unanimous approval of the Senate and is now destined to receive the overwhelming support of this body.

The unanimity with which this measure is being supported not only gratifies me, but, I am frank to say, surprises and even puzzles me. When Members representing constituencies in which the elementary principles of collective bargaining are still in doubt, and in which workers find in their struggle for better conditions the employers and also frequently the agencies of government arrayed against them, enthusiastically approve this measure, I begin to wonder and to doubt whether all that the bill aims to accomplish will in fact be achieved. It has been almost a revelation to see so many of our friends from those sections hit the sawdust trail.

Let me say, at the very outset, that what is proposed by this measure regulates the abuses of which we complain, but does not abolish them. No restraining order will be granted in the future, except in exceptional cases, without notice to the defendant and a hearing in open court of the testimony of sworn witnesses on both sides. When issued without such a hearing, or notice, the court will first have to take testimony under oath rather than by affidavit, and such an order is effective for only five days. Provision is also made to remedy the abuse that has grown up of holding officers and members of unions liable for damages for the acts of other members without proof of participation or direction or ratification of such acts. There are also other desirable changes.

I would prefer the abolition of the injunctive process rather than its regulation, so far as labor disputes are concerned. The evils that have brought us face to face with the seriousness of this problem have arisen from the usurpations of judges, and since it will remain with these judges to regulate themselves I am none too confident that we shall not find as time goes on that the evils will creep in again.

To avoid that possibility a statement of policy is included, but such statements have not been very effective in controlling the judges in the past. When the Clayton Act was passed Congress thought that it had accomplished all that is sought by this measure, but in the hands of the courts we learned that our policy and theirs differed widely—and theirs prevailed.

It may be that at this stage of our efforts, and bound by restrictions that are already in the laws and decisions, we shall not be able to do better than make this attempt once more. It has been pointed out that there are only 11 States in which the issuance of injunctions in labor disputes is restricted by laws similar to the one we now have under consideration. In the rest of the States actions brought in the State courts to restrain the legitimate activities of organized labor in time of strike will still be available to the enemies of labor. And it has also been pointed out that the enactment of this bill will not take away from the Federal Government any rights which it has under existing law to seek and obtain injunctive relief where the same is deemed by Government officials to be necessary for the functioning of the Government.

In other words, a tremendous field in which the injunction can still be used effectively will remain after the enactment of this bill. We may, even under this act, be confronted with the kind of an injunction which Judge Wilkerson issued against the striking shopmen at the behest of the then Attorney General Daugherty. And that, by the way, was one of the most flagrant cases of the abuse of the injunction in many years.

The gravest danger, of course, is the construction which the courts will place on the various provisions of this measure. We know from experience that the more things are legislatively changed the more they remain judicially the same.

When the Clayton Act, intended to restrict the Federal chancellors' power along the lines we now have in mind, was enacted after many years of agitation it was referred to by the venerable president of the America Federation of Labor at that time, Samuel Gompers, as the "Magna Charta" of labor. President Wilson said that it gave to the "workingmen of America veritable emancipation." It seemed that labor had achieved its purpose to organize without interference, to strike for better living conditions, and to exercise the same rights which corporate wealth had always exercised.

Yet the number of injunctions against labor has increased since 1914, when the Clayton Act was passed. In October, 1919, at the instance of the Attorney General of the United States, Judge A. B. Anderson, of the Federal district court in Indiana, issued without opinion a remarkable decree forbidding a threatened strike, and there has been a steady flow of injunctions from Federal courts ever since.

What happened was this:

The Supreme Court of the United States, passing on section 20 of the Clayton Act, which, so far as the workers were concerned, was the meat of it, held that the act was intended to be merely declaratory of what always was the best practice. And since it changed nothing, the court proceeded then, and other courts have proceeded since, to decide cases the way they always had.

Between 1916 and 1920, in 13 cases in which opinions are reported, lower Federal courts applied section 20 of the Clayton Act. In 10 of these cases, the statute was held not to stand in the way of an injunction. This surprising result, as one noted authority has pointed out, was achieved by the courts by applying two independent and inconsistent constructions: First, that the section did not change the previous rules of law; second, that the section did create new privileges but extremely limited in scope.

I do not propose to go into these decisions at this time, but just how the law was emasculated is illustrated by the following instance, which is typical of the judicial mind: Picketing, the court held, indicated a militant purpose, inconsistent with peaceful persuasion. It would be better if the pickets were to be called, the court said, "missionaries." It does not sound as militant. Having taken the militancy out of picketing, the court proceeded to decide how many were to engage in the picketing, where they were to stand, what they were to do, and so forth.

We think—

The court said—

that the strikers and their sympathizers engaged in the economic struggle should be limited to one representative for each point of ingress and egress in the plant or place of business * * *; that such representatives should have the right of observation, communication, and persuasion, but with special admonition that their communications, arguments, and appeals should not be abusive, libelous, or threatening, and that they shall not approach individuals together but singly * * *.

And since, in all questions that arise as to whether certain language is abusive or is actually used at all, as to whether the pickets act singly or together, whether they threaten or not, are questions of fact, all an employer needs is a sympathetic judge to determine the facts, and the strikers are enjoined.

These were some of the dents which the court made in the law. Other courts made other dents. The net result was that we were back at the same old stand, witnessing precisely the same kind of abuses in the issuance of injunctions, and suffering the same oppressions from judge-made law which we had suffered in the past.

If anything, the judges, many of them, became worse. Injunctions were issued that would deny the members of labor unions who are strikers the benefit of dues or of reserves made up of their funds which they themselves had contributed for periods of economic struggle. Officers of unions were denied the right to extend such benefit to the members who were out on strike.

There were injunctions forbidding workers to strike. There were injunctions enjoining those in sympathy with the strikers from furnishing food and medicine to babies of miners during a strike. One of those injunctions was issued by Judge Parker, whom President Hoover subsequently sought to elevate to the Supreme Court of the United States. Fortunately for the Nation and for those who work for a living, an alert group in the Senate blocked the effort.

Injunctions have been issued forbidding workers the constitutional right even to confer with each other on common questions and problems arising out of their employment. The strikers were not allowed to appeal in possession suits where they lived in company dwelling houses, and in some mining towns the company owns not only the mines but the stores from which the workers purchase their necessities, the schools in which their children obtain their education, the newspapers which the workers read, and even the ground on which stand the churches in which the workers worship.

There have been injunctions denying striking workmen the right to meet in their churches and sing hymns and join together in worship, because these places were in close proximity to the property where a strike was in progress. One Federal judge enjoined the singing by strikers of the hymn "Onward Christian Soldiers," because the feeling engendered by the singing of that hymn created a sense of solidarity and devotion to a common cause which would strengthen the determination of the strikers to continue the struggle.

Not only did the terms of these injunctions reach unbelievable proportions in their denial of elementary constitutional and civil rights but the manner in which these injunctions were issued and the proceedings which were brought for their alleged violation were equally high-handed. The judge whose order or decree had been violated, if, in fact, it had been violated—and in many such instances the violation of the decree was the only course a self-respecting American could pursue—became the prosecuting officer, the jury, and the judge all rolled up in one.

He was the complainant, he was the prosecutor, he judged the facts without a jury, convicted the accused, and sentenced him to jail for contempt of court. And these judges, setting at naught the most precious rights which ages of progress and struggle had made the heritage of all, expected the people to have anything but contempt for them and their orders.

It is possible in a civil suit involving only a few dollars to have a trial by jury, but a man could be sent to jail upon the whim of a judge without a jury trial.

What is important to observe is that the injunction in labor disputes is an American institution, pure and simple. In 1895 the Supreme Court of the United States for the first time in its history passed on the validity and scope of an injunction in a labor dispute. The next year it became one of the major political issues. "Government by injunction" was the slogan by which the Democratic platform of 1896 inveighed against the practice of issuing labor injunctions. After 1908 the Republican Party also proposed the correction of abuses due to judicial intervention in labor conflicts.

It is just 36 years since this became an issue. Every effort so far to settle it, and settle it right, has been nullified again by judicial decision and judicial legislation. I hope that we are nearer a solution to-day. Perhaps the unmistakable declaration of policy contained in this bill will help, or help more than such declarations have helped in the past.

In this measure it is proposed to deal also with a twin evil, the "yellow-dog" contract, as it has been very appropriately called. I am particularly glad that we are united in seeking to outlaw—at least to the extent that we can do so, which is in the Federal courts—this abominable product of autocracy in industry. Wisconsin in this, as in so many other fights for social and industrial reform legislation, has been a pioneer, and it was the first State to make the "yellow-dog" contract illegal and unenforceable in our State courts.

The "yellow-dog" contract usually requires the worker to agree not to join a union, or if he is already a member, to leave the union; that his employer may fire him without notice, but that he can not leave without notice to the employer. Such contracts usually provide, also, that all conditions of labor, hours and terms of employment are entirely within the determination of the employer.

If there is any difference between the conditions imposed upon a worker by such a contract and a condition of involuntary servitude or peonage, I do not know what it is.

Yet, in the Hitchman case the Supreme Court of the United States gave equitable protection to these agreements by enjoining employees who had subscribed to them, even when employed merely from day to day and not for a definite term. Assisted by this and subsequent decisions, employers have exacted from workers these agreements, and they have been pretty generally sustained.

In our efforts to outlaw these agreements, or to make them unenforceable, we shall run the danger of meeting the argument on which a good deal of judge-made law rests, namely, that there is a "liberty of contract" which is basic under our Constitution, and that in attempting to determine what contracts shall or shall not be made the Government is invading the sanctuary of our liberties.

The fact that industrial progress has made this ancient doctrine of liberty of contract a myth, so far as actual conditions are concerned, has not prevented the courts from resorting to it when social legislation was involved. Thus, in its decision nullifying the minimum wage law for women, the Supreme Court of the United States predicated its view on the same doctrine.

This doctrine presupposes that the girl who seeks a position in a department store, and the owner of that store deal with each other on terms of equality. She is free to work or not to work; he is free to employ or not to employ her.

Or, to take another illustration, that a worker seeking employment with the United States Steel Corporation and the manager, acting for the corporation, deal on terms of equality. One who still believes that will believe anything.

The fact of the matter is that the worker who needs a job—without which job he and those dependent on him are doomed to die—is not in quite the same position as the employer, who may have a thousand others ready to take the same position.

If we are to approach intelligently and act justly in the consideration of our industrial and social problems a realization of the tremendous changes that have come about and the recognition that new truths have made ancient truths uncouth are essential. To speak of "liberty of contract" in the way our forefathers did is to leave all that has intervened from their day to ours a vacuum, from which we have learned nothing and forgotten nothing.

I am confident that the House is acting with a knowledge that vast industrial changes require equally vital changes in terms that might be revered for their ancient history, but which have no application to modern conditions or modern life. If the courts, when they come to pass on our efforts, will disclose the same realization we shall not find ourselves again with this problem on our hands at some future date. At least, the problem of injunctions in labor disputes and "yellow-dog" contracts will have been removed from the arena and we can then take up other questions. I hope that the overwhelming sentiment by which we shall now declare ourselves on this public policy will not be without its effect on the courts.

COMPARATIVE PRINT OF BILL TO PROVIDE REVENUE, EQUALIZE TAXES, ETC.

Mr. STEVENSON. Mr. Speaker, I submit a privileged report from the Committee on Printing on House Concurrent Resolution No. 28 and ask unanimous consent for its immediate consideration.

The SPEAKER. The gentleman from South Carolina submits a privileged report, which the Clerk will report.

The Clerk read the concurrent resolution, as follows:

House Concurrent Resolution 28

Resolved by the House of Representatives (the Senate concurring), That a comparative print of the bill (H. R. 10236) entitled "To provide revenue, to equalize taxation, and for other purposes," as reported to the House by the Committee on Ways and Means on March 8, 1932, showing the changes proposed to existing law, be printed as a House document; and that 8,000 additional copies be printed for the use of the House document room, and 2,000 copies for the Senate document room.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The concurrent resolution was agreed to.

JOINT CONFERENCE ON UNEMPLOYMENT

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks to include a declaration of principles announced by the unemployment conference in St. Louis.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the declaration of principles of the Joint Conference on Unemployment held in St. Louis, Mo., March 1, 1932. The matter referred to above is as follows:

A reversal of policy by the President and the Congress in dealing with the unemployment problem is hereby recommended, after a careful study of the facts, by the Joint Conference on Unemployment, in session Tuesday, March 1, 1932, at the Hotel Statler, St. Louis.

The relief measures so far sponsored by the President and adopted by the Seventy-second Congress show a tendency on the part of the present administration to attack the crisis by giving relief at the top strata, that of big business, rather than at the bottom strata, where are millions of unemployed men and women.

Only by beginning the relief work at the bottom, we believe, can the gross injustices of the machine age be terminated and this country be restored to a reasonably permanent state of prosperity with employment for all.

Let us keep in mind that the unemployment problem, while intensified by the economic depression now in its third year, existed long before that depression; that in those years of the Coolidge administration chronicled as the most prosperous years in the history of this country between 1,000,000 and 2,000,000 workers were involuntarily idle.

We hold that the first rights in this country are human rights—the rights of its approximately 120,000,000 people—and that those rights must be protected by the capitalistic system if it is to endure. Greed has developed the erroneous idea that people have little excuse for living except in so far as they can serve business. Business must learn that it properly is the servant and not the master of the people, and that the welfare of the people must come first and profits, if any, later.

The founders of our country dedicated the Stars and Stripes to liberty and justice—to the idea that all men are created with equal rights and consequently that upon all territory under that flag there shall be so nearly as possible equal opportunities for all and special privileges for none.

Yet machinery, which should have lightened the burden of men and women generally, has had the effect of throwing an alarmingly large percentage of them out of employment and of concentrating most of the wealth of the country in the hands of a few people.

Several governments previously thought stable have been overthrown, largely if not entirely through economic adversity reflected from the present world depression; which depression, in the opinion of many nations, began in the United States. While our Government may not be in any immediate danger, we believe that depressions so destructive in their nature are inexcusable, if it is humanly possible to prevent them.

Even when confined entirely or largely to one country, such as the United States, depression with its business failures, lost savings, lost jobs, broken family ties, starvation, disease, and death impresses us as a greater plague in many respects than war.

Distribution in the form of a shorter work week—perhaps five days of six hours each—of such employment as there is in a machine age appears to us to be the only sound way to start the machines and keep them running, so must eventually come, we believe, for selfish if not altruistic reasons. Thus we feel all the power of greed can not prevent machinery from ultimately lightening man's burden—giving him more leisure for public affairs, advancement in arts and sciences, spiritual development, and recreation.

But it required more than a decade of bitter warfare in industry to cut the work day from 10 or 9 to 8 hours. It seems probable that the severe depression of the early nineties could have been averted had the 8-hour day then been in effect. Only by action of the Federal Government can the urgently needed reduction in the work week be accomplished in time to serve in the present emergency. Let us have this adjustment quickly and peaceably rather than by further delay in the matter invite a starving and undernourished multitude to resort to force.

An amendment to the Constitution empowering the Congress to regulate the work day and the work week and establish a minimum wage would pave the way for the solution of the unemployment problem in the United States. It is obvious that, no matter to what extent the work week may be shortened, the pay of the worker must be sufficient for the support of himself and his dependents. Otherwise, too, he and his dependents can not consume their fair share of the products of machinery and so help to guard against another surplus of manufactured goods, and, consequently, another period of unemployment and depression.

Even without awaiting the enactment and ratification of a constitutional amendment, the Congress could provide a shorter work week (perhaps five days of six hours each) for all Government employees, without reduction in salaries and wages. Such action would serve as an example which many business concerns would be certain to follow. Already several large corporations have the 6-hour day in operation.

Then there should be a safety valve, or safety valves, to take up the slack. Such a valve might be:

1. Unemployment insurance.
2. A Government program of national improvements.

With employment for most of the people most of the time unemployment insurance could function on a sound basis, just as do life, fire, and casualty insurance. The insolvency of unemployment-insurance funds in England resulted from an excess of unemployment all the time.

A Government program of national improvements could include reforestation; waterway, water-power, road, and park development; drainage and irrigation projects; and construction of public buildings, bridges, viaducts, etc., and provide employment for all comers at a moderate wage per day; such program to be carried out in a leisurely way, over a long period—perhaps 20 to 50 years.

It would not be necessary to limit the selection to one plan. There could be two or more safety valves, affording a man or woman out of a job a choice of avenues of unemployment relief.

Any such plan or plans would require Government financing and direction. The simplest and most equitable means of such financing, and even of meeting Government deficits such as the present, would be the issuance of bonds redeemable out of inheritance and gift taxes and heavier surtaxes on very large incomes. Such practice, while securing the necessary revenue, would solve the problem of concentrated wealth.

The inheritance tax should be greatly increased and the gift tax should be revived, it to equal the inheritance tax and be surrounded with ample safeguards, including a provision whereby any sum paid for property or service beyond a reasonable valuation thereof should be held to be a gift.

Old-age, disability, and mothers' pensions are needed, as are means of providing employment for able-bodied men and women dependent upon themselves, who are being refused employment by large corporations because of the age limit for employment, which is apt to be any where from 40 to 45 years, and in some instances is as low as 35 years. Perhaps the Government could favor the older men and women in allotting jobs and use its influence to have State, county, and city governments do likewise. The sources of revenue above suggested could yield the Government sufficient income to pension the aged and the disabled.

The employment in the United States of children under 16 should be prohibited by law.

We believe that prompt action by the President and the Congress along the lines herein suggested will enable the capitalistic system to serve all the people, or at least most of them, instead of merely a few of them.

REPORT FROM COMMITTEE ON THE POST OFFICE AND POST ROADS

Mr. MEAD. Mr. Speaker, I ask unanimous consent that the Committee on the Post Office and Post Roads have until 12 o'clock to-night to file two reports on bills.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. STAFFORD. Reserving the right to object, will the gentleman inform the House what bills the gentleman refers to, so that the Members may know what bills are about to be reported?

Mr. MEAD. They are two or three bills recommended by the Postmaster General raising revenue, which will be on the calendar to-morrow.

Mr. STAFFORD. But can not the gentleman give us the number of the bills, so that we can have them to-night and examine them before the session to-morrow?

Mr. MEAD. I will be glad to give the entire list of bills to the gentleman, but I do not have it here.

Mr. STAFFORD. Only these two bills?

Mr. MEAD. Offhand, I can not recall the numbers.

Mr. SNELL. Does the gentleman expect to take up the full afternoon to-morrow?

Mr. MEAD. We hope to get through as soon as possible. It will be determined by the activity of the Members in indulging in debate.

Mr. SNELL. I would like to ask the majority leader what he expects to take up later, if the Committee on the Post Office and Post Roads only takes a small part of the time to-morrow afternoon?

Mr. RAINEY. If the next committee is not prepared to go ahead, I think it might be advisable to take up the rule on the irrigation bill.

Mr. SNELL. What I am anxious to find out is whether the Committee on the Public Lands will be called to-morrow; and if so, whether that committee expects to bring in the bill establishing a national park in the Everglades of Florida?

The SPEAKER. The Chair is not able to answer that question. Is there objection to the request of the gentleman from New York?

There was no objection.

ORDER OF BUSINESS

The SPEAKER. May the Chair suggest to the gentleman from Illinois and the gentleman from New York that if they hope to pass the rule referred to to-morrow, to-morrow being Calendar Wednesday, they ask unanimous consent now that at some time to-morrow it may be in order to offer that rule.

Mr. RAINEY. Mr. Speaker, I make that request.

The SPEAKER. The gentleman from Illinois asks unanimous consent that at some time to-morrow it may be in order to take up the rule providing for a moratorium in connection with certain irrigation payments. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, it would seem to me that would be rather bad policy unless it is definitely understood that some of the other committees do not want to go forward with their work. If, after the completion of the bills brought in by the Committee on the Post Office and Post Roads, no other committee desires to go forward with its work, I should not have any objection to the taking up of that bill.

The SPEAKER. If unanimous consent is granted, of course, it would be within the discretion of the Chair to determine when the Chair would recognize the chairman of the Committee on Rules to take up that particular bill.

Mr. MEAD. Mr. Speaker, would the granting of the unanimous-consent request as put by the Speaker take the Committee on the Post Office and Post Roads off the floor some time during the middle of the afternoon, before the completion of its business?

The SPEAKER. The Chair would not be inclined to take the Committee on the Post Office and Post Roads off the floor.

Mr. SNELL. As I understand, this bill would be taken up if there were plenty of time after the Committee on the Post Office and Post Roads had finished its business.

The SPEAKER. That would depend upon the action of the House to-morrow. Of course, if that committee should run until late in the afternoon the Chair would hesitate to recognize anyone for that purpose. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LIMITATION OF INJUNCTIONS

Mrs. PRATT. Mr. Speaker, I was not in the Chamber at the time the vote was taken on the anti-injunction bill. If I had been here, I would have voted "yea."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HARE (at the request of Mr. MCMILLAN), for one week, on account of important business.

To Mr. MURPHY (at the request of Mr. CABLE), for an indefinite period, on account of sickness.

To Mr. ROMJUE (at the request of Mr. FULBRIGHT), on account of death in his family.

To Mrs. KAHN (at the request of Mr. CURRY), for three days, on account of illness.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1861. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington;

S. 2985. An act granting the consent of Congress to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut created and existing under the provisions of special Act No. 496 of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge across the Connecticut River; and

S. 3132. An act to extend the times for the commencement and completion of the bridge of the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, across the Red River of the North on the boundary line between said States.

ADJOURNMENT

Mr. RAINEY.. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 42 minutes p. m.) the House adjourned until to-morrow, Wednesday, March 9, 1932, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

February 23, 1932.

To the Clerk of the House of Representatives:

Pursuant to clause 4 of Rule XXVI, I, ROBERT S. HALL, chairman Committee on Irrigation and Reclamation, move to discharge the Committee on Rules from the consideration of House Resolution 117, entitled "A resolution providing for consideration of H. R. 4650, a bill to provide for the aiding of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes," which was referred to said committee January 20, 1932, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Robert S. Hall.
2. Numa Montet.
3. John H. Overton.
4. D. D. Glover.
5. W. J. Driver.
6. René DeRouen.
7. Phil D. Swing.
8. Effiegene Wingo.
9. Wall Doxey.
10. Samuel S. Arentz.
11. J. O. Fernandez.
12. Clarence Cannon.
13. Paul H. Maloney.
14. Homer C. Parker.
15. Claude A. Fuller.
16. Heartsill Ragon.
17. Gordon Browning.
18. H. P. Fulmer.
19. John E. Rankin.
20. John E. Miller.
21. Herbert J. Drane.
22. J. F. Fulbright.
23. Robert D. Johnson.
24. Wesley E. Disney.
25. W. W. Hastings.
26. M. A. Romjue.
27. W. F. Kopp.
28. C. C. Dickinson.
29. Charles Adkins.
30. Robert R. Butler.
31. Oscar De Priest.
32. Richard Yates.
33. Charles A. Karch.
34. John J. Cochran.
35. J. P. Wolcott.
36. Clyde Williams.
37. W. E. Barton.
38. A. H. Gasque.
39. Sam B. Hill.
40. F. B. Swank.
41. Wilburn Cartwright.
42. W. C. Hawley.
43. C. H. Martin.
44. Riley J. Wilson.
45. Harold Knutson.
46. James T. Igoe.
47. John C. Allen.
48. Addison T. Smith.
49. Tilman B. Parks.
50. Luther A. Johnson.
51. Paul J. Kvale.
52. David Hopkins.
53. F. C. Loofbourow.
54. Charles Finley.
55. Dennis Chavez.
56. Tom D. McKeown.
57. Claude V. Parsons.
58. S. H. Person.
59. W. C. Lankford.
60. Robert H. Clancy.
61. Tom A. Yon.
62. Vincent Carter.
63. Bolivar E. Kemp.
64. Ralph Horr.
65. E. H. Crump.
66. Wright Patman.
67. Ruth Bryan Owen.
68. H. L. Englebright.
69. C. F. Curry.
70. William E. Hull.
71. J. V. McClintic.
72. Thomas Amlie.
73. G. R. Withrow.
74. H. E. Barbour.
75. W. E. Evans.
76. R. J. Welch.
77. Joe Crail.
78. Florence P. Kahn.
79. Glenn Griswold.
80. R. F. Lozier.
81. L. C. Dyer.
82. George J. Schneider.
83. G. J. Boileau.
84. Edgar Howard.
85. Joe J. Manlove.
86. Kent E. Keller.
87. W. L. Nelson.
88. Homer W. Hall.
89. Burton L. French.
90. W. R. Johnson.

91. Fred A. Britten.
92. J. E. Major.
93. W. P. Lambertson.
94. R. A. Green.
95. W. V. Gregory.
96. C. R. Carden.
97. John W. Moore.
98. Glover H. Cary.
99. Brent Spence.
100. H. H. Peavey.
101. Albert E. Carter.
102. W. W. Arnold.
103. Morgan G. Sanders.
104. U. S. Guyer.
105. J. B. Shannon.
106. J. H. Sinclair.
107. Conrad G. Selvig.
108. John W. Summers.
109. W. W. Larsen.
110. Jere Cooper.
111. Jed Johnson.
112. W. F. Stevenson.
113. John M. Evans.
114. Royal C. Johnson.
115. H. F. Niedringhaus.
116. A. M. Free.
117. Jeff Busby.
118. Victor Christgau.
119. M. J. Maas.
120. Godfrey G. Goodwin.
121. Butler B. Hare.
122. Frank Clague.
123. Grant E. Mouser, jr.
124. W. H. Dieterich.
125. Edward A. Kelly.
126. William P. Holaday.
127. H. P. Beam.
128. J. T. Buckbee.
129. P. J. Boland.
130. Ed. B. Almon.
131. Thomas S. McMillan.
132. J. N. Norton.
133. L. W. Schuetz.
134. Peter C. Granata.
135. Guinn Williams.
136. Clarence F. Lea.
137. W. M. Whittington.
138. Scott Leavitt.
139. R. E. Thomason.
140. Martin Dies.
141. Albert Johnson.
142. Lindley H. Hadley.
143. Edward T. Taylor.
144. Don B. Colton.
145. James G. Polk.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD, with signatures thereto, and referred to the Calendar of Motions to Discharge Committees March 8, 1932.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Wednesday, March 9, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

General legislation.

COMMITTEE ON RIVERS AND HARBORS

(10.30 a. m.)

Port Washington.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

Depressed value of silver (H. Res. 72).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

Bills dealing with general suspension, restriction, further restriction, and prohibition of immigration into the United States.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

475. A letter from the Secretary of War, transmitting report dated March 3, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of, and review of reports on, Ogdensburg Harbor, N. Y. (H. Doc. No. 266); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

476. A letter from the Secretary of War, transmitting letter quoting a resolution relative to Philippine independence adopted by the convention of municipal presidents of Pangasinan, P. I.; to the Committee on Insular Affairs.

477. A letter from the Secretary of War, transmitting request that the certain draft of a bill be introduced and enacted into law; to the Committee on Military Affairs.

478. A letter from the vice chairman of national legislative committee, American Legion, transmitting the financial statement of the American Legion as of December 31, 1931; to the Committee on World War Veterans' Legislation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CRISP: Committee on Ways and Means. H. R. 10236. A bill to provide revenue, equalize taxation, and for other purposes; without amendment (Rept. No. 708). Referred to the Committee of the Whole House on the state of the Union.

Mr. CLARK of North Carolina: Committee on the District of Columbia. S. 1769. An act to authorize pay patients to be admitted to the contagious-disease ward of the Gallinger Municipal Hospital; without amendment (Rept. No. 709). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUTLER: Committee on the Public Lands. H. R. 8548. A bill authorizing the adjustment of the boundaries of the Siuslaw National Forest, in the State of Oregon, and for other purposes; with amendment (Rept. No. 710). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 4602. A bill granting equipment allowance to third-class postmasters; with amendment (Rept. No. 711). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 4719. A bill granting leaves of absence with pay to substitutes in the Postal Service; without amendment (Rept. No. 712). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 9636. A bill to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train; without amendment (Rept. No. 713). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 6305. A bill to amend the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes; with amendment (Rept. No. 740). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. H. R. 8559. A bill to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes; without amendment (Rept. No. 741). Referred to the Committee of the Whole House on the state of the Union.

Mr. WOOD of Georgia: Committee on the Post Office and Post Roads. H. R. 9262. A bill to amend section 321 of title 18 of the United States Code; with amendment (Rept. No. 742). Referred to the House Calendar.

Mr. STEVENSON: Committee on Printing. H. Con. Res. 28. A concurrent resolution to publish a comparative print of the bill (H. R. 10236) entitled "The revenue bill for 1932," as reported to the House, showing the changes to existing law, as a House document (Rept. No. 745). Ordered to be printed.

Mr. MEAD: Committee on the Post Office and Post Roads. H. R. 278. A bill to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn; with amendment (Rept. No. 746). Referred to the Committee of the Whole House on the state of the Union.

Mr. MEAD: Committee on the Post Office and Post Roads. H. R. 10244. A bill fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes; without amendment (Rept. No. 747). Referred to the Committee of the Whole House on the state of the Union.

Mr. MEAD: Committee on the Post Office and Post Roads. H. R. 10246. A bill to fix the fees to be charged for the issue of domestic money orders; without amendment (Rept. No. 748). Referred to the Committee of the Whole House on the state of the Union.

Mr. MEAD: Committee on the Post Office and Post Roads. H. R. 10247. A bill prescribing fees and corresponding in-

demnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes; without amendment (Rept. No. 749). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SCHAFER: Committee on Claims. H. R. 549. A bill for the relief of the Neill Grocery Co.; with amendment (Rept. No. 714). Referred to the Committee of the Whole House.

Mr. BRUMM: Committee on Claims. H. R. 755. A bill for the relief of Rosa E. Plummer; with amendment (Rept. No. 715). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H. R. 1203. A bill for the relief of Edward J. O'Neil; without amendment (Rept. No. 716). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H. R. 1206. A bill for the relief of George Beier; without amendment (Rept. No. 717). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 1289. A bill for the relief of William Dalton; with amendment (Rept. No. 718). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 2530. A bill for the relief of George Dacas; without amendment (Rept. No. 719). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 2534. A bill for the relief of J. B. Hudson; without amendment (Rept. No. 720). Referred to the Committee of the Whole House.

Mr. CLARK of North Carolina: Committee on Claims. H. R. 7668. A bill for the relief of the Columbia Casualty Co.; with amendment (Rept. No. 721). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 157. An act for the relief of Sarah Ann Coe; without amendment (Rept. No. 722). Referred to the Committee of the Whole House.

Mr. HARLAN: Committee on Claims. S. 217. An act authorizing adjustment of the claim of J. G. Shelton; without amendment (Rept. No. 723.) Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. S. 224. An act authorizing adjustment of the claim of Lewis Semler; without amendment (Rept. No. 724). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 236. An act for the relief of Hunter P. Mulford; without amendment (Rept. No. 725). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 241. An act for the relief of Donald K. Warner; without amendment (Rept. No. 726). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 248. An act authorizing adjustment of the claim of the David Gordon Building & Construction Co.; without amendment (Rept. No. 727). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 258. An act authorizing adjustment of the claim of H. E. Hurley; without amendment (Rept. No. 728). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 260. An act authorizing adjustment of the claim of the Potomac Electric Power Co., of Washington, D. C.; without amendment (Rept. No. 729). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on Claims. S. 409. An act for the relief of Guy Clatterbuck; without amendment (Rept. No. 730). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 477. An act for the relief of Walter J. Bryson Paving Co.; without amendment (Rept. No. 731). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 478. An act for the relief of Cicero A. Hilliard; without amendment (Rept. No. 732). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 551. An act for the relief of Blanch Broomfield; without amendment (Rept. No. 733). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 565. An act for the relief of the B. & O. Manufacturing Co.; without amendment (Rept. No. 734). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 942. An act authorizing the Secretary of the Treasury of the United States to refund to the Farmers' Grain Co., of Omaha, Nebr., income taxes illegally paid to the United States Treasurer; without amendment (Rept. No. 735). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 943. An act for the relief of John Herink; without amendment (Rept. No. 736). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1028. An act for the relief of W. Stanley Gorsuch; without amendment (Rept. No. 737). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on Claims. S. 1216. An act for the relief of the owner of the barge *Mary M;* without amendment (Rept. No. 738). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1280. An act for the relief of National Ben Franklin Fire Insurance Co.; without amendment (Rept. No. 739). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 7330. A bill for the relief of the American-La France & Foamite Corporation of New York; without amendment (Rept. No. 743). Referred to the Committee of the Whole House.

Mr. BALDRIGE: Committee on Claims. H. R. 6410. A bill for the relief of Nell Mullen; without amendment (Rept. No. 744). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK: A bill (H. R. 10273) to establish a board of indeterminate sentence and parole for the District of Columbia and to determine its functions, and for other purposes; to the Committee on the District of Columbia.

By Mr. DICKSTEIN: A bill (H. R. 10274) to amend the act approved March 2, 1929, entitled "An act to supplement the naturalization laws, and for other purposes (45 Stat. 1512); to the Committee on Immigration and Naturalization.

By Mr. McLEOD: A bill (H. R. 10275) to authorize the Commissioners of the District of Columbia to close Quintana Place between Seventh Street and Seventh Place NW.; to the Committee on the District of Columbia.

By Mr. DAVIS: A bill (H. R. 10276) to amend an act to regulate navigation on the Great Lakes and their connecting and tributary waters, approved February 8, 1895 (U. S. C., title 33, ch. 4, sec. 252, par. (a)); to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 10277) to transfer Lincoln County from the Columbia division to the Winchester division of the middle Tennessee judicial district; to the Committee on the Judiciary.

By Mr. DOUGLAS of Arizona: A bill (H. R. 10278) authorizing expenditures from Colorado River tribal funds for reimbursable loans; to the Committee on Indian Affairs.

By Mr. UNDERWOOD: A bill (H. R. 10279) to amend section 4 of the legislative and judicial appropriation act, passed and approved February 26, 1907, as amended, relating to the compensation of Members and Delegates to Congress; to the Committee on Expenditures in the Executive Departments.

By Mr. STRONG of Kansas: A bill (H. R. 10280) to amend the act approved December 23, 1913, known as the Federal reserve act; to define certain policies toward which the powers of the Federal reserve system shall be directed; to further promote the maintenance of a stable gold standard; to promote and maintain, so far as such purpose may be

accomplished by monetary and credit policy, a stable purchasing power of the dollar at approximately the wholesale commodity price level of the year 1926; to direct the governor of the Federal Reserve Board to make public any change in its policies; and for other purposes; to the Committee on Banking and Currency.

By Mr. MARTIN of Oregon: A bill (H. R. 10281) to amend section 217, as amended, of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved January 11, 1929; to the Committee on the Post Office and Post Roads.

By Mr. JOHNSON of Washington: A bill (H. R. 10282) to authorize the Secretary of War to transfer to the Navy Department a tract of land at Fort Lewis, in the State of Washington, for use as an auxiliary landing field for naval aircraft; to the Committee on Military Affairs.

By Mr. KELLY of Pennsylvania: A bill (H. R. 10283) to provide for the appointment and promotion of substitute postal employees; to the Committee on the Post Office and Post Roads.

By Mr. HAWLEY: A bill (H. R. 10284) to authorize the acquisition of additional land in the city of Medford, Oreg., for use in connection with the administration of the Crater Lake National Park; to the Committee on the Public Lands.

By Mr. CRISP: Concurrent resolution (H. Con. Res. 28) to publish the bill (H. R. 10236) entitled "The revenue bill for 1932," as reported to the House, showing the changes to existing law, as a House document; to the Committee on Printing.

By Mr. PEAVEY: Resolution (H. Res. 168) authorizing the appointment of a committee who are members of the Committee on Indian Affairs to investigate and study the health, education, and social welfare of the Indians of the United States; to the Committee on Rules.

By Mr. BYRNS: Resolution (H. Res. 169) authorizing the economy committee to make its report any time during this session of Congress; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 10285) granting an increase of pension to Eliza Queen; to the Committee on Invalid Pensions.

By Mr. BEEDY: A bill (H. R. 10286) granting a pension to Clarence L. Hopkins; to the Committee on Pensions.

By Mr. BLACK: A bill (H. R. 10287) for the relief of L. E. Geary; to the Committee on Claims.

Also, a bill (H. R. 10288) to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army; to the Committee on Claims.

By Mr. BUCKBEE: A bill (H. R. 10289) granting a pension to Nora O. Smith; to the Committee on Pensions.

By Mr. BURDICK: A bill (H. R. 10290) granting a pension to Herman W. Morie; to the Committee on Pensions.

By Mr. BUTLER: A bill (H. R. 10291) granting a pension to Lesta Miller; to the Committee on Pensions.

By Mr. COLE of Maryland: A bill (H. R. 10292) for the relief of Edward Albert Vanik; to the Committee on Claims.

Also, a bill (H. R. 10293) for the relief of Capt. Jacob M. Pearce, United States Marine Corps; to the Committee on Naval Affairs.

By Mr. COLLIER: A bill (H. R. 10294) to authorize the Secretary of War to pay to R. B. Baugh, M. D., certain money due him for services rendered as a member of the local board of Smith County, Miss., operating during the World War; to the Committee on Claims.

Also, a bill (H. R. 10295) for the relief of Albert Mitchell; to the Committee on Naval Affairs.

By Mr. DRANE: A bill (H. R. 10296) for the relief of Arthur L. Stroud; to the Committee on Military Affairs.

Also, a bill (H. R. 10297) granting an increase of pension to Henrietta S. Henderson; to the Committee on Invalid Pensions.

By Mr. FINLEY: A bill (H. R. 10298) granting an increase of pension to Elijah Spurlock; to the Committee on Pensions.

By Mr. HAWLEY: A bill (H. R. 10299) to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.; to the Committee on the Public Lands.

Also, a bill (H. R. 10300) for the relief of the city of Bandon, Coos County, Oreg.; to the Committee on Claims.

Also, a bill (H. R. 10301) granting an increase of pension to Martha J. Mills; to the Committee on Pensions.

By Mr. HALL of North Dakota: A bill (H. R. 10302) to provide for the transfer of certain school lands in North Dakota to the International Peace Garden (Inc.); to the Committee on the Public Lands.

By Mr. HOLADAY: A bill (H. R. 10303) granting a pension to Luther McCoy; to the Committee on Pensions.

By Mr. HORNOR: A bill (H. R. 10304) granting an increase of pension to Mary E. Crites; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 10305) granting a pension to Nellie Meigs; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H. R. 10306) granting a pension to Ella Lesser; to the Committee on Invalid Pensions.

By Mr. KELLY of Illinois: A bill (H. R. 10307) for the relief of John Moss; to the Committee on Military Affairs.

Also, a bill (H. R. 10308) for the relief of George Kusner; to the Committee on Naval Affairs.

By Mr. KNIFFIN: A bill (H. R. 10309) granting an increase of pension to Margaret I. Reider; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10310) granting an increase of pension to Charlotte Perry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10311) granting an increase of pension to Abbie Davison; to the Committee on Invalid Pensions.

By Mr. LEHLBACH: A bill (H. R. 10312) for the relief of Lieut. H. W. Taylor, United States Navy; to the Committee on Naval Affairs.

By Mr. McKEOWN: A bill (H. R. 10313) for the relief of Skelton Mack McCray; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 10314) granting a pension to Patten L. Turner; to the Committee on Pensions.

By Mr. MURPHY: A bill (H. R. 10315) granting a pension to Mary C. Regula; to the Committee on Pensions.

By Mr. SIROVICH: A bill (H. R. 10316) for the relief of John Joseph Defeo; to the Committee on Naval Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 10317) for the relief of John C. Larkin; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 10318) for the relief of Cornelius Philip Cassin; to the Committee on Naval Affairs.

Also, a bill (H. R. 10319) for the relief of Ray A. White; to the Committee on Military Affairs.

By Mr. THOMASON: A bill (H. R. 10320) granting a pension to Edmund W. King; to the Committee on Pensions.

By Mr. WATSON: A bill (H. R. 10321) for the relief of James Mullen; to the Committee on Military Affairs.

Also, a bill (H. R. 10322) granting a pension to James Mullen; to the Committee on Pensions.

By Mr. WICKERSHAM: A bill (H. R. 10323) authorizing examination and survey of Grantley Harbor, Alaska; to the Committee on Rivers and Harbors.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3834. By Mr. BOYLAN: Letter from the International Association of Marble, Stone, and Slate Polishers, Rubbers and Sawyers, Tile and Marble Setters Helpers, Local No. 5, of New York City, favoring the passage of the anti-injunction bill; to the Committee on the Judiciary.

3835. Also, letter from the Central Trades and Labor Council of Greater New York, New York City, N. Y., favoring the passage of the injunction relief bill; to the Committee on the Judiciary.

3836. Also, petition signed by citizens of Bayridge, Brooklyn, N. Y., opposing Senate bill 1202 and House bill 8092, a bill providing for the closing of barber shops on Sunday in the District of Columbia, or any other compulsory religious measures that have been or shall be introduced; to the Committee on the District of Columbia.

3837. Also, letter from Mr. Green, president of the American Federation of Labor, Washington, D. C., favoring the passage of the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

3838. Also, resolution adopted at the regular monthly meeting of the Community Councils of the City of New York, favoring the Connery old-age pension bill; to the Committee on Labor.

3839. Also, resolution adopted by the Association of One Hundred Per Cent United States Women of New York City, urging the Committee on the Judiciary to report out House bill 8549; to the Committee on the Judiciary.

3840. Also, letter from the New York Local Union No. 119 of the International Brotherhood of Bookbinders, New York City, N. Y., favoring the passage of House bill 8576, to regulate the manufacture and sale of stamped envelopes; to the Committee on Printing.

3841. Also, letter from Shoe and Slipper Workers' Union of America, of Brooklyn, N. Y., favoring the passage of the Norris anti-injunction bill; to the Committee on the Judiciary.

3842. Also, letter from the Merchants' Association of New York, New York City, opposing House bill 7233, to grant independence to the Philippine Islands; to the Committee on Insular Affairs.

3843. By Mr. BRITTEN: Petition of 101 citizens of the State of Illinois, favoring passage of House bills 8549 and 1967; to the Committee on the Judiciary.

3844. By Mr. CAMPBELL of Iowa: Petition of Guthrie Post, No. 470, of the Amercian Legion, Melvin, Iowa, favoring the full cash payment of the adjusted-service certificates at this session of Congress; to the Committee on World War Veterans' Legislation.

3845. Also, petition of 32 voters of Early, Sac County, Iowa, in favor of the maintenance of the prohibition law and its enforcement, and in opposition to its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

3846. By Mr. CARTER of California: Petition of the East Oakland Woman's Christian Temperance Union, representing 75 people of East Oakland, Calif., protesting against the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3847. Also, petition of Woman's Progressive Bible Class, representing 50 people, Berkeley, Calif., protesting against the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

3848. Also, petition of Henry H. Hassard and 38 others of Alameda County, Calif., protesting against the curtailment of any activities of any of our national defense units; to the Committee on Appropriations.

3849. By Mr. COCHRAN of Pennsylvania: Petition submitted by Alfred E. Brakeman, of Franklin, Pa., and signed by 42 ex-service men of Franklin and vicinity, urging the immediate cash payment at full-face value of adjusted-compensation certificates; to the Committee on Ways and Means.

3850. By Mr. COLE of Iowa: Petition of Sarah Keese, 536 North Third Street, Marshalltown, Iowa, and 35 other ladies, all residents of Marshalltown, Iowa, in favor of the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission, or repeal; to the Committee on the Judiciary.

3851. By Mr. CONDON: Petition of Loretta Beaulieu and 12 other citizens of Rhode Island, in favor of House Joint Resolution 197, providing for equal rights for men and women; to the Committee on the Judiciary.

3852. By Mr. CULLEN: Memorial of the Legislature of the State of New York, memoralizing and petitioning the Congress of the United States to enact legislation providing for substantial increase in the rates of the Federal estate tax and for the continuance in force, with respect to any increases in the Federal estate tax, of the present law which permits credits against the Federal tax for State death duties paid to the extent of 80 per cent of the Federal tax; to the Committee on Ways and Means.

3853. Also, memorial of the Legislature of the State of New York, petitioning Congress to enact legislation amending section 5219 of the United States Revised Statutes in such manner that, as so amended, it will (a) relieve the several States of the necessity of imposing a tax upon savings and loan associations of the purely mutual type, (b) and to grant the State freedom to tax national banks as businesses to the same extent and in the same manner as it taxes other property, and to tax the shareholders in national banks on their property or income to the same extent and in the same manner as it taxes shareholders in other corporations on their property or income; to the Committee on Ways and Means.

3854. By Mr. DAVIS: Petition of the Tullahoma (Tenn.) Chapter of the Woman's Christian Temperance Union, stating that they are opposed to the resubmission of the eighteenth amendment, and favoring adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

3855. By Mr. DE PRIEST: Petition of 95 ex-service men and citizens of the United States, etc., asking for full cash payment of the soldiers' adjusted-service certificates (H. R. 1); to the Committee on Ways and Means.

3856. By Mr. FITZPATRICK: Memorial of the Legislature of the State of New York, petitioning the Congress of the United States to enact legislation amending section 5219 of the United States Revised Statutes in such a manner that as so amended it will (a) relieve the several States of the necessity of imposing a tax upon savings and loan associations of the purely mutual type, being a tax which under present conditions the State must impose if it is not to endanger the validity of the tax on national banks, and (b) to grant the State freedom to tax national banks as businesses to the same extent and in the same manner as it taxes other businesses, to tax the property of national banks to the same extent and in the same manner as it taxes other property, and to tax the shareholders in national banks on their property or income to the same extent and in the same manner as it taxes shareholders in other corporations on their property or their income; to the Committee on Ways and Means.

3857. Also, memorial of the Legislature of the State of New York, petitioning the Congress of the United States to enact legislation providing for substantial increase in the rates of the Federal estate tax and for the continuance in force, with respect to any increases in the Federal estate tax, of the present law which permits credits against the Federal tax for State death duties paid to the extent of 80 per cent of the Federal tax; to the Committee on Ways and Means.

3858. By Mr. GAVAGAN: Memorial of the Legislature of the State of New York, memorializing Congress to pass legislation that will relieve the several States of the necessity of imposing a tax on savings and loan associations of the purely mutual type; to the Committee on the Judiciary.

3859. By Mr. GOLDSBOROUGH: Petition of Denton, Md., Woman's Christian Temperance Union containing names of members and others who are not members in support of the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

3860. By Mr. HOPKINS: Petition headed by S. G. Skinner, of 2209 Union Street, St. Joseph, Mo., and signed by 42 citizens of St. Joseph, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3861. By Mr. WILLIAM E. HULL: Petition of Frank B. Sajdak, president; Anton Podowier, secretary; and Ton Mivriel, treasurer, of Group No. 158 of the Polish National Alliance of the United States of North America, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day,

for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3862. Also, petition of Lucy Hopkins and other members of the Walnut (Ill.) Chapter of the Woman's Christian Temperance Union, asking for maintenance of the prohibition law and its enforcement and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

3863. Also, petition of Herman Herren and 25 other citizens of Pekin, Ill., asking for passage of House bill 7230, a bill granting uniform pensions to widows, children, and dependent parents of veterans of the various wars in which the United States has participated; to the Committee on Pensions.

3864. By Mr. JOHNSON of Texas: Petition of Beauford H. Jester, of Corsicana, Tex., and Messrs. Doyle & Woods, of Teague, Tex., favoring Federal legislation to regulate interstate freight by motor trucks; to the Committee on Interstate and Foreign Commerce.

3865. Also, petition of Charlie Allen and Earnest Soloman, of Oakwood, Tex., favoring immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3866. By Mr. KELLER: Petition of Ezra J. Miller Post, No. 604, American Legion, Tamaroa, Ill., urging the passage of the Gasque bill, and any other legislation favorable to the immediate payment of the bonus; to the Committee on Ways and Means.

3867. Also, petition of the Illinois Petroleum Marketers Association, of Springfield, Ill., urging the passage of a bill levying a tariff on the importation of petroleum products into this country; to the Committee on Ways and Means.

3868. By Mr. KENNEDY: Petition of the Legislature of the State of New York, memorializing Congress to enact legislation amending section 5219 of the United States Revised Statutes; to the Committee on the Judiciary.

3869. Also, petition of the Legislature of the State of New York, memorializing Congress to enact legislation providing for substantial increase in the rates of the Federal estate tax; to the Committee on Ways and Means.

3870. By Mr. RUDD: Petition of Raymond T. Rich, director, American Committee on the Far Eastern Cities, and sundry citizens of the United States; to the Committee on Foreign Affairs.

3871. Also, petition of the Merchants Association of New York, opposing the passage of House bill 7233; to the Committee on Insular Affairs.

3872. Also, petition of F. H. Sexauer, president Dairymen's League, opposing any reduction in budgets for agriculture; to the Committee on Appropriations.

3873. Also, petition of World Trade League of the United States, New York section, favoring reciprocal tariff agreements, preferably along nonpartisan lines and confined to the reciprocity issue to permit prompt passage; to the Committee on Ways and Means.

3874. Also, petition of Central Trades and Labor Council of Greater New York and vicinity, favoring the passage of the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

3875. By Mr. SINCLAIR: Petition of A. M. Engeberg and 71 residents of Tolley, N. Dak., and vicinity, protesting against compulsory Sunday observance legislation; to the Committee on the District of Columbia.

3876. By Mr. SUMMERS of Washington: Petition signed by Mrs. Claudine Knight and 24 other adult residents of Harper, Wash., protesting against the enactment of the compulsory Sunday observance bill (S. 1202); to the Committee on the District of Columbia.

3877. By Mr. THOMASON: Petition from officers and directors of Texas Livestock Marketing Association, protesting cut in appropriations for Federal Farm Board and any action on part of Congress that would cripple the board in carrying out purposes of the agricultural marketing act; to the Committee on Agriculture.

3878. Also, resolution of the City Council of El Paso, Tex., urging Congress to pass reasonable and adequate laws regulating interstate traffic of motor busses and trucks operating as common carriers; to the Committee on Interstate and Foreign Commerce.

3879. Also, petition of the Hon. C. B. Metcalfe, of San Angelo, Tex., on the status of the Federal Farm Board; to the Committee on Agriculture.

3880. By Mr. THURSTON: Petition signed by 35 citizens of Clarke County, Iowa, opposing the passage of Senate bill 1202, Sunday observance bill, providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

3881. By Mr. TIMBERLAKE: Petition of Young Woman's Missionary Society of Loveland, Colo., protesting against submitting the eighteenth amendment to the States for a referendum vote; to the Committee on the Judiciary.

3882. Also, petition of Atwood Woman's Christian Temperance Union, Atwood, Colo., protesting against submission of the eighteenth amendment to the States for a referendum vote; to the Committee on the Judiciary.

3883. By Mr. WELCH of California: Petition of Board of Supervisors of the City and County of San Francisco, opposing reductions in Army appropriations bill; to the Committee on Appropriations.

3884. Also, memorial of Board of Supervisors of the City and County of San Francisco, asking Congress to take immediate steps to provide sufficient funds to adequately man San Francisco Bay and other cities of the Pacific coast fortifications; to the Committee on Appropriations.

3885. By Mr. WIGGLESWORTH: Petition of Bessie N. Pettengill, secretary, Wollaston, Mass., Woman's Christian Temperance Union, and sundry citizens of Quincy, Mass., urging the maintenance of the prohibition law and its enforcement and opposing any measure looking forward toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

3886. By Mr. WILLIAMS of Texas: Petition of R. E. Bell and 200 others, against consideration of resolution to refer eighteenth amendment; to the Committee on the Judiciary.

3887. By the SPEAKER: Petition of the clerk of board of supervisors, San Francisco, Calif., opposing reductions in Army appropriation bill before present session of Congress; to the Committee on Appropriations.

SENATE

WEDNESDAY, MARCH 9, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, Thou infinite source of life and love, who art perfect in holiness, yet boundless in mercy; forgive our manifold transgressions of Thy righteous law which Thou hast written in our hearts and bathe the soul of this Nation in the dew of Thy grace as in the renewing fountains of the eternal dawn. Remove the cloud of sorrow that overshadows us with poignancy of grief and grant that the Nation's sympathy may comfort those who keep love's holy vigil in anguished hours of waiting, till in Thy love and mercy the blessed child is restored once more to the loving hearts and aching arms of those in whose behalf we offer up united prayers.

Comfort all who mourn and are oppressed, raise up all who are fallen, heal and restore the sick, pierce with Thy love every lingering hate, that evil may be done away and that we, Thy children, may live the true life of to-day, unwounded by the arrows of unhappy yesterdays, looking unto Thee in perfect trust for to-morrow's golden peace. We ask it in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar days of Monday, March 7, and

Tuesday, March 8, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Shortridge
Barkley	Dill	La Follette	Smith
Bingham	Fess	Lewis	Smoot
Black	Fletcher	Logan	Steiwer
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McKellar	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walcott
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hawes	Oddie	Watson
Connally	Hayden	Patterson	Wheeler
Coolidge	Hebert	Pittman	White
Copeland	Howell	Reed	
Costigan	Johnson	Robinson, Ark.	

Mr. McKELLAR. The junior Senator from Tennessee [Mr. HULL] is detained on account of illness. This announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. SHEPPARD. I desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily out of the city.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 28) to publish a comparative print of the bill (H. R. 10236) entitled "The revenue bill for 1932" as reported to the House, showing the changes to existing law, as a House document, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1861. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington;

S. 2985. An act granting the consent of Congress to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut created and existing under the provisions of Special Act No. 496 of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge across the Connecticut River; and

S. 3132. An act to extend the times for the commencement and completion of the bridge of the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, across the Red River of the North on the boundary line between said States.

PETITIONS AND MEMORIALS

Mr. JONES presented a petition of sundry citizens of Olympia, Wash., praying for the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented a resolution adopted by Cherokee Lodge, No. 370, Brotherhood of Railroad Trainmen, of Parsons, Kans., favoring the passage of Senate bill 2793, providing for the Federal regulation of motor-vehicle traffic, which was referred to the Committee on Interstate Commerce.

Mr. BARBOUR presented resolutions adopted by the Rotary Club of Hackensack, N. J., favoring the passage of the so-called Patterson-Cochran bill, making kidnaping or abduction a Federal crime, with capital punishment therefor, which were referred to the Committee on the Judiciary.

Mr. SHEPPARD presented a memorial, in the form of a resolution (containing 341 signatures), of members of the South End Woman's Christian Temperance Union and other citizens of Houston, Tex., remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

Mr. BROOKHART presented a memorial of sundry citizens of Sharpsburg and vicinity, in the State of Iowa, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

Mr. WALCOTT presented petitions and papers, in the nature of petitions, of the Leagues of Women Voters of New Haven and West Hartford, and sundry citizens of Westport, all in the State of Connecticut, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented resolutions adopted by groups of the Polish National Alliance of Derby and Stamford, in the State of Connecticut, favoring the passage of legislation providing that October 11 in each year be proclaimed General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented a letter, in the nature of a petition, from the Windsor (Conn.) Chamber of Commerce, praying for the passage of the so-called Hayden bill, being the bill (S. 1663) to prohibit the sending of unsolicited merchandise through the mails, which was referred to the Committee on Post Offices and Post Roads.

He also presented memorials and papers, in the nature of memorials, of the Woman's Christian Temperance Unions of Yalesville and Meriden, and Norden Lodge of the International Order of Good Templars, of New Britain, all in the State of Connecticut, remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, or the modification or repeal of the Volstead Act, which were referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from District No. 2, Department of Connecticut, the American Legion, New Haven County, Conn., praying for the passage of the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties, which was ordered to lie on the table.

He also presented a letter in the nature of a petition from the Unit of Campilio-Holmes Post, No. 123, the American Legion Auxiliary, of Rocky Hill, Conn., praying for the passage of the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties, and also the establishment of a World War Veterans' Committee of the Senate, which was ordered to lie on the table.

Mr. COPELAND presented resolutions adopted by the American Fruit and Vegetable Shippers' Association at Chicago, Ill., opposing the Government engaging in any or

all forms of business enterprise in competition with the people, and favoring the placing of motor truck and bus transportation under reasonable regulation, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the American Fruit and Vegetable Shippers' Association at Chicago, Ill., favoring a substantial and immediate reduction in governmental expenditures, and the holding of the heads of the various departments strictly responsible for the accomplishment of greater economy and efficiency in the use of public revenues, which was referred to the Committee on Finance.

THE TRAFFIC IN NARCOTIC DRUGS

Mr. WAGNER. Mr. President, I present and ask to have printed in the RECORD and appropriately referred a resolution adopted by the Kiwanis Club of Troy, N. Y., favoring the prompt ratification of the Geneva convention to limit the manufacture of dangerous narcotic drugs.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolution adopted by the Kiwanis Club of Troy, N. Y., on March 3, 1932

Whereas the Geneva treaty convention of 1931, negotiated by delegates from 57 nations, limits the manufacture of dangerous narcotic drugs to the amount required for legitimate and scientific purposes, and prescribes measures of national control necessary for carrying out the provisions of the convention; and

Whereas the illicit narcotic drug traffic, through world-wide smuggling operations and its armies of drug addict slaves, is extorting from society annually hundreds of millions of dollars, laying upon mankind an incalculable economic burden and a tragic burden of suffering, degeneracy, and crime, endangering the public health, the public morals, and the public safety, menacing the foundations of modern civilization: Therefore be it

Resolved, That the illicit narcotic drug traffic should be placed in the same category as piracy and destroyed, and to this end we petition the Congress of the United States for prompt and effective action in the necessary ratification of the Geneva convention and enactment of legislation for its enforcement, and we also petition the Legislature of the State of New York for the enactment as soon as practicable of an adequate defense law to put into operation the full police power of the State.

THE WORLD COURT

Mr. FLETCHER. Mr. President, I present a letter from the Miami (Fla.) Woman's Club, inclosing a resolution on the subject of the World Court, which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the matter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

MIAMI, FLA., *February 25, 1932.*

Senator DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SIR: At the regular meeting of the board of directors of the Miami Woman's Club, I was instructed to send to you the inclosed resolution and to ask you to give this matter your especial attention in order to hasten the action of the Committee on Foreign Relations in bringing the matter of the World Court before the Senate at the earliest possible date.

Trusting that you will take favorable action in this matter, I am,

Very truly yours,

Mrs. F. H. WOOD,
Corresponding Secretary Miami Woman's Club.

Resolved, That the Miami Woman's Club, of Miami, Fla., requests the Foreign Relations Committee of the Senate to report out the World Court protocols at its earliest opportunity in order that the United States Senate may place the subject of the World Court on the calendar and take action thereon.

THE MIAMI WOMAN'S CLUB,
By Mrs. HICKS ALLEN, *President.*
By Mrs. STEPHEN C. SINGLETON, *Secretary.*

(Copy of resolution passed at the regular meeting of the Miami Woman's Club, of Miami, Fla., February 23, 1932.)

PROPOSED FEDERAL GASOLINE TAX

Mr. BARBOUR. Mr. President, I present a letter from Hon. A. Harry Moore, Governor of the State of New Jersey, protesting against the imposition of a Federal gasoline tax. I request that the letter may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT,
March 4, 1932.

Hon. W. WARREN BARBOUR,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I am writing to protest against the imposition of a Federal tax on gasoline. This is a subject of taxation by the States, and for the Federal Government to impose this tax would interfere very seriously with New Jersey as well as with other States.

Just at present we are in need of funds as much as, or even more so, than the United States Government, and an additional tax by the Government would be disastrous.

On behalf of the State of New Jersey I wish to enter a vigorous protest against the levying of such a tax at this time.

Very truly yours,

A. HARRY MOORE, *Governor.*

PROPOSED SALES TAX BILL

Mr. GOLDSBOROUGH. Mr. President, I ask to have printed in the RECORD an editorial appearing in the Baltimore Sun of this morning relating to the pending or proposed tax bill.

There being no objection, the editorial was ordered to lie on the table and be printed in the RECORD, as follows:

[From the Baltimore Sun, Wednesday, March 9, 1932]

A REVOLUTIONARY TAX BILL

In the effort to repair the wreckage which a $900,000,000 deficit last year and a threatened deficit of $3,000,000,000 this year are causing in Federal finances, the Ways and Means Committee has framed a new revenue bill in which the manufacturers' sales tax is by all odds the most important single levy.

We have had numerous increases in the income tax before and we have had stiff estates taxes buttressed by a gifts tax before. What we have never had is a general sales tax, and the inauguration of such a levy is a fiscal landmark comparable in importance with the adoption of the first constitutional income tax in 1913. In the one case as in the other, an important new source of revenue is opened up for Federal exploitation, the potentialities of which are likely to play an important part in our fiscal history for many years to come.

But whereas years of agitation preceded the adoption of the income-tax amendment and the income tax itself (years in which the merits and the demerits of the tax were carefully canvassed) the manufacturers' sales tax springs full grown from the Jovian brows of the Ways and Means Committee. Three months ago it was scarcely considered as a potential source of Federal revenue. To-day it forms the backbone of the Budget-balancing tax bill and is expected to produce the astounding sum of $595,000,000 in the very first year of its operation.

When it is recalled that the income tax was introduced in a modest form that yielded only $71,000,000 in the first year of its existence, the debut of the manufacturers' sales tax appears the more impressive. If a 2¼ per cent tax can safely be expected to bring in nearly $600,000,000 a year with business conditions what they are, what might not such a tax produce in a normally prosperous year such as we had in 1928? And what would be the result if the rate were to be doubled?

If it were not for the urgent emergency with which the Treasury is confronted, the introduction of such a drastic tax on such short notice would be unthinkable. Not only does it open up enormously productive potentialities. It also relegates to a secondary position income as a measure of the taxpayer's capacity to pay and makes consumption the principal basis of Federal taxation. It was to escape just such an emphasis on consumption that the income tax was adopted.

The only possible excuse for such an abrupt change in the direction of our tax policy is that the revenues needed to balance the budget can be obtained in no other practicable way. On this point the members of the Ways and Means Committee, after exhaustive investigation, are satisfied. But it must be remembered that in arriving at this conclusion the Ways and Means Committee ruled out of consideration any attempt to legalize 2.75 per cent beer and to levy a special excise on that particular beverage.

Whether they have accurately assessed the temper of Congress and of the country in this regard remains to be disclosed when the issue comes up on the floor of the House. It is safe to say that if such a beverage could be legalized and subjected to a tax, the general sales tax would lose much of its claim to inevitability. It also goes without saying that if, under the eighteenth amendment, we had not surrendered the right to tax the admittedly huge business in spirituous liquors, there would be no need for the sales tax at all.

However, if the beer tax does not materialize, the general sales tax may in the end have to be accepted.

But it is at least worth while to canvass the situation again in the debates in the House and Senate. And, should the manufacturers' sales tax in the end prove inevitable, it ought to be accepted with a full recognition of all the drawbacks and all the enormous potentialities it may entail.

Patterning our proposed tax after the Canadian levy, the Ways and Means Committee has done everything possible to prevent the pyramiding which constitutes the vice of the sales tax as

administered in France and in other countries where it occupies an important place in the revenue system. Under the Canadian system and under the one to which we propose to adhere all manufacturers doing a business of $20,000 a year or more would be licensed, and sales from one licensed manufacturer to another would not be taxable. The tax would accrue only where some licensed manufacturer sold to some unlicensed person, or, in other words, to some person not a manufacturer. This arrangement has effectively prevented pyramiding in Canada, and it may reasonably be expected to do the same here.

But while pyramiding of taxes may be prevented by the licensing system, it can hardly be expected to prevent a moderate amount of pyramiding of prices. Under a system in which the tax accrues whenever a manufacturer sells to a distributor, the distributor's cost will be the manufacturer's price plus the tax. And since the distributor figures his profit on the basis of his own cost his profit with the tax in effect will be figured on a sum two and one-quarter per cent larger than would be the case if the tax were not there. For example, if a manufacturer's selling price for a specified article is $100, the distributor's cost price would be $102.25, and the distributor's profit would be figured on the latter sum.

Similarly, where a distributor sells to a retailer the retailer's cost price will be advanced as a result of the tax by an even larger percentage, with the result that the final selling price under the tax may easily be 5 per cent or more above what it would otherwise be.

Under the existing Canadian system the price increases appear to have been accepted without outcry. Since the tax is assessed against the manufacturer and not against the retailer, it is not brought to the customer's attention as State gasoline taxes are. Hence there is no great amount of consumer complaint against the tax and no evidence to indicate that it has seriously interfered with the course of business.

Observers of the Canadian tax have pointed out that it falls primarily on middle-sized manufacturers and producers. The small producers, who are the farmers, and the group of large producers, in which mines and public utilities are included, are, according to Dr. Thomas S. Adams, of Yale University, not affected. The tax which the Ways and Means Committee has drawn appears to have a similar incidence. Farm products are exempt, and there appears to have been no attempt to reach the utilities or the mines. Whether in the interest of fairness the group of large producers might not also be taxed is one of the questions to which Congress will need to devote some attention.

While the sales tax is the most important single feature of the new revenue bill, it is not the only feature that calls for attentive consideration in Congress and the country.

Important questions also arise in connection with the new income-tax schedule. In practically doubling the existing surtaxes, the committee has arranged a system of progression under which the income taxes will rise sharply through the lower and intermediate brackets to a maximum of 40 per cent at $100,000. Beyond that point there are no further increases. It is seriously to be questioned whether this arrangement does not impose an undue burden on the business initiative and energy which are represented in the lower and intermediate brackets of the income-tax structure and too light a burden on the accumulated wealth represented in the extremely high brackets.

A somewhat similar consideration arises in connection with the reduction in the credit for earned incomes to 12½ per cent instead of the 25 per cent allowed under the old law. This change sharply reduces the advantage formerly allowed to a class of taxpayers who are under a far greater necessity of putting a portion of their income into savings than the more favored class in possession of unearned incomes. Before Congress finally disposes of the revenue bill a careful assessment of these two features of the new income levy will be in order to see whether greater advantages can not be accorded energy and initiative without substantial loss of public revenue.

In the process it might also be advisable to reconsider the sections of the committee bill dealing with the capital-gains tax. In its desire to check the practice of selling securities at a depreciated price solely to establish losses for income-tax purposes, the committee has introduced into the bill provisions limiting the deductions for capital losses on stocks and bonds in any one year to the amount of capital gains registered in the same year. While in practice these sections may have an altogether desirable result in the next few years, they are founded on the false theory that capital losses can be treated differently for purposes of taxation from capital gains.

Another point for serious consideration is to be found in the unusual relationship established in the new bill between the estates tax and the gifts tax. The estates-tax rates now in effect are doubled in the new bill, while credits on estates taxes paid to the States are held to the same figures provided in the revenue act of 1926. There can be no question as to the fairness of this arrangement to the States. The Federal Government, under the committee plan, would still allow the States as much as it promised to allow them six years ago, and the States could have no ground for protest.

But there is a strong possibility that the new gifts tax will operate to deprive the States of the advantages they now enjoy under the terms of the estates tax. The gift-tax rates are fixed so that they will be 25 per cent below the new estate-tax rates. This arrangement constitutes a standing invitation to the possessors of large estates to distribute their property by gift while they are still living instead of waiting to bequeath it by will at the time of death. Property distributed by gift would escape the estates taxes, which carry a maximum rate of 40 per cent above $10,000,000 and would be subject only to the gift tax, on which the maximum rate—also applicable above $10,000,000—is but 30 per cent.

Unless wealthy individuals are blind to the advantages of this invitation, it will tend to promote the breaking up of large estates by gift, on the taxing of which there are no reciprocal arrangements between the State and Federal Governments. That the procedure will work to the disadvantage of the States is hardly open to question, and it would seem to be incumbent on the House and the Senate to consider whether it is advisable to place the States under this handicap at a time when, like the Federal Government, they are seriously pressed for revenue.

REDUCTION OF GOVERNMENTAL COSTS AND EXPENSES

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD a very intelligent and comprehensive statement touching proposals for the reduction of governmental costs and expenses.

There being no objection, the statement was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

TILLAR, ARK., *March 3, 1932.*

Hon. JOE T. ROBINSON,
Washington, D. C.

DEAR SENATOR: I am wondering if you would like to know just what one common, everyday salaried man is thinking about all this fuss about our unbalanced budget, both State and National. It seems to me that instead of hunting something else to clap a tax on, we ought to reduce the expense of Government. We have too much government, too many bureaus, etc. Too many people on the national pay roll. My salary has been cut 33⅓ per cent, and I am not kicking, because I think it right in such a depression as we are in now. When my expenses go above my income I just cut expenses and come out all right. If that works with the individual, why won't it work with the Nation?

I tell you, Senator, we common people are getting tired of such high taxes, and yet they are planning to raise them higher still. Well, I don't see what else they can tax here in Arkansas unless it is the air we breathe. I own my home, and the taxes, insurance, etc., are so high that I believe it would be cheaper for me to rent. Some of our people are delinquent, and, to be frank, I don't see where they will get money to pay their taxes at all. In times like these the watchword should be economy. The main trouble with us is that we as individuals and a nation have lived or spent beyond our means. And the sooner we regain our senses the sooner we'll get out of this pinch. So, Mr. Senator, let's cut expenses in every legitimate way we can. Pardon me for writing. I just thought you would like to know what they are thinking back home. We all are proud of you and believe you will act for the best interest of us all.

Yours very truly,

R. B. MCCAIN.

PROPOSED TARIFF ON COPPER

Mr. KING presented a resolution adopted by members of the Utah State Press Association, favoring the imposition of a tariff on raw copper, which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

The copper-mining industry of Utah, Arizona, Montana, Michigan, and many other States and communities is practically suspended, and threatened with complete extinction.

This condition has been brought about by the unlimited and unrestricted competition of foreign copper, produced from rich ores by cheap labor under conditions of actual peonage and proximating slavery.

As a result 2,200 families, or about 10,000 persons, are destitute at Butte, Mont., looking to charity for food, clothing, shelter, and medical attention; about 17,000 are in the same condition in the copper-mining communities of Arizona, and in our own county of Salt Lake there are 35,000 persons whose immediate needs are a public problem. A fund of $100,000 is being raised at Salt Lake City for the benefit of the unemployed. Situations are similar in other mining districts.

The production and consumption of copper within the United States are practically in balance when American mines are producing normally, a condition that assures the successful protection of this basic industry if an adequate tariff was in force.

American copper miners, American copper companies, the entire business, labor, and social structure that is dependent upon the copper industry should be afforded ample tariff protection.

The revival and maintenance of the American copper industry by the enactment of an adequate tariff is absolutely essential, from the standpoint of economic readjustment; of the reemployment of many thousands; the reestablishment of thousands of businesses dependent directly on the industry; the revival of hundreds of mining communities and the reestablishment of business and taxable values; the resumption of production in order that the copper-mining industry may resume the payment of taxes necessary to maintain government within the many copper-producing areas; the reestablishment of markets for farm products in the copper-mining communities; and also from the standpoint

of its vital importance to national defense, the necessity for which may arise at any moment from disturbed world conditions.

For these reasons, we, the members of the Utah State Press Association, do hereby resolve that it is urgently necessary that the present Congress enact an adequate tariff on raw copper, and that we urge upon our Representatives in Congress, and upon all Members of Congress who have the prosperity of this country, the employment of its people, and the protection of our country at heart that they actively support the enactment of such a copper tariff by this session of Congress; and we do further

Resolve, That copies of this resolution be sent to our Representatives, to any Representatives from other States known to our members, to the President of the United States, and to the press.

UTAH STATE PRESS ASSOCIATION,
By L. L. TAYLOR, *President*,
HOWARD A. JONES, *Secretary*.

REPORTS OF COMMITTEES

Mr. McGILL, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 266) to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly, reported it with amendments and submitted a report (No. 404) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 3836) to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss., reported it with an amendment and submitted a report (No. 405) thereon.

Mr. JONES, from the Committee on Appropriations, to which was referred the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, reported it with amendments and submitted a report (No. 406) thereon.

Mr. ODDIE, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3744) for the construction of a reservoir in the Little Truckee River, Calif., and for such dams and other improvements as may be necessary to impound the waters of Webber, Independence, and Donner Lakes, and for the further development of the water resources of the Truckee River, reported it without amendment and submitted a report (No. 407) thereon.

Mr. DICKINSON, from the Committee on Military Affairs, to which was referred the bill (S. 1295) for the relief of Willie Hutchinson, reported it with an amendment and submitted a report (No. 408) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 1719) amending the act of Congress entitled "An act authorizing the Wichita and affiliated bands of Indians in Oklahoma to submit claims to the Court of Claims," approved June 4, 1924, reported it with an amendment and submitted a report (No. 409) thereon.

MUSCLE SHOALS

Mr. NORRIS. Mr. President, from the Committee on Agriculture and Forestry I report back favorably without amendment the joint resolution (S. J. Res. 15) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, to authorize the letting of the Muscle Shoals properties under certain conditions, and for other purposes.

I ask unanimous consent that I may have until next Monday to file a written report.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WAGNER:

A bill (S. 3997) for the relief of Hilda Barnard; to the Committee on Claims.

By Mr. JONES:

A bill (S. 3998) approving and confirming contract for apportionment of waters of Ahtanum Creek, Wash., between Yakima Indian Reservation and lands north thereof, dated May 9, 1908; to the Committee on Irrigation and Reclamation.

By Mr. MOSES:

A bill (S. 3999) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature; to the Committee on Foreign Relations.

By Mr. BULKLEY:

A bill (S. 4000) granting a pension to Mary C. Smith; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 4001) for the relief of the Isbrandtsen-Moller Co. (Inc.); to the Committee on Claims.

A bill (S. 4002) for the relief of William W. Giles, deceased; to the Committee on Military Affairs.

By Mr. GLASS:

A bill (S. 4003) authorizing the Court of Claims to hear and determine the claim of Central Romana (Inc.), and to render judgment for just compensation;

A bill (S. 4004) authorizing the Court of Claims to hear and determine the claim of Ingenio Porvenir C. por A., and to render judgment for just compensation; and

A bill (S. 4005) to compensate Prince William County, Va., and York County, Va., for certain of their public roads and highways seized by the United States for the use of a permanent Marine Corps post at Quantico, Va., and a Navy mine depot at or near Yorktown, Va.; to the Committee on Claims.

A bill (S. 4006) to pay the agreed purchase price due from the United States to various individuals for certain lands, comprising 5,000 acres, embraced within the area now occupied by the United States Marine Corps post at Quantico, Va.; to the Committee on Naval Affairs.

By Mr. SMITH:

A joint resolution (S. J. Res. 116) relating to the allocation of funds to the Secretary of Agriculture under the Reconstruction Finance Corporation act; to the Committee on Agriculture and Forestry.

ALLOCATION OF FUNDS TO SECRETARY OF AGRICULTURE

Mr. SMITH, subsequently, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 116) relating to the allocation of funds to the Secretary of Agriculture under the Reconstruction Finance Corporation act, reported it without amendment.

EMERGENCY HIGHWAY CONSTRUCTION—AMENDMENTS

Mr. BULKLEY, Mr. BARKLEY, and Mr. BYRNES each submitted an amendment intended to be proposed, respectively, to the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction with a view to increasing employment, which were severally ordered to lie on the table and to be printed.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. COSTIGAN submitted amendments intended to be proposed by him to House bill 8397, the Interior Department appropriation bill, which were ordered to lie on the table and to be printed, as follows:

Under the heading "Howard University"—

On page 109, line 15, strike out "$450,000" and insert "$475,000" in lieu thereof.

On page 109, line 21, strike out "$225,000" and insert "$275,000" in lieu thereof.

On page 109, lines 22–24, both inclusive, substitute for the committee amendment the following:

"For construction and completion of a heat, light, and power plant at Howard University, $460,000, to be immediately available."

CHANGE OF REFERENCE

On motion of Mr. REED, the Committee on Military Affairs was discharged from the further consideration of the

bill (S. 2248) for the relief of Alexander M. Simons, and it was referred to the Committee on Claims.

ACCEPTANCE OF TABLET OF ESCUTCHEONS OF THE WASHINGTON AND STANDISH FAMILIES

Mr. FESS submitted the following concurrent resolution (S. Con. Res. 20), which was referred to the Committee on the Library:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Library is authorized and directed to accept, on behalf of the United States, from J. E. Aldred and Henry J. Fuller, of New York City, the gift of a stone tablet, formerly in Duxbury Hall, Chorley, England, and dated 1622, bearing the conjoined escutcheons of the Washington and Standish families, and thereby showing a family connection between representatives of the earliest Southern Colony and the earliest New England Colony. Such tablet shall be placed in such part of the Capitol as the committee may deem suitable.

UNVEILING OF STATUES OF JUNIPERO SERRA AND THOMAS STARR KING IN STATUARY HALL

Mr. SHORTRIDGE submitted the following concurrent resolution (S. Con. Res. 21), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there be printed, with illustrations and bound, 5,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the acceptance of the statues of Junipero Serra and Thomas Starr King, presented by the State of California, of which 1,000 shall be for the Senate and 2,500 for the use of the House of Representatives, and the remaining 1,500 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of California.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

DEATH OF JOHN PHILIP SOUSA

Mr. McNARY. Mr. President, I offer the resolution which I send to the desk and ask for its immediate consideration.

The VICE PRESIDENT. Let the resolution be read.

The legislative clerk read the resolution (S. Res. 184), as follows:

Resolved, That the Senate has heard with deep regret of the death of John Philip Sousa, late a lieutenant commander in the Navy, who was universally recognized as the world's greatest composer of march music.

Resolved, That a committee of five Senators be appointed by the President of the Senate to join a similar committee on the part of the House of Representatives to attend the funeral of the deceased.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The resolution was considered by unanimous consent and unanimously agreed to.

Under the second resolution, the Vice President appointed as the committee on the part of the Senate the Senator from Oregon [Mr. McNARY], the Senator from Arkansas [Mr. ROBINSON], the Senator from Indiana [Mr. WATSON], the Senator from New Mexico [Mr. BRATTON], and the Senator from New Hampshire [Mr. MOSES].

ALABAMA SENATORIAL CONTEST—EXPENSES

Mr. HASTINGS submitted the following resolution (S. Res. 185), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Privileges and Elections, authorized by resolution of February 28, 1931, to hear and determine the pending contest between John H. Bankhead and J. Thomas Heflin involving the right to membership in the United States Senate as a Senator from the State of Alabama, hereby is authorized to expend from the contingent fund of the Senate $5,000 in addition to the amount heretofore authorized for such purpose.

OBSERVANCE OF MOTHER'S DAY

Mr. SCHALL submitted the following resolution (S. Res. 186), which was referred to the Committee on Education and Labor:

Whereas by House Joint Resolution No. 263, approved and signed by President Wilson May 8, 1914, the second Sunday in May of each year has been designated as Mother's Day for the expression of our love and reverence for the mothers of our country; and

Whereas there are throughout our land to-day an unprecedentedly large number of mothers and dependent children who, because of unemployment or loss of their bread earners, are lacking many of the necessities of life: Be it

Resolved, That the President of the United States is hereby authorized and requested to issue a proclamation calling upon our citizens to express, on Mother's Day this year, our love and reverence for motherhood—

(a) By the customary display of the United States flag on all Government buildings, homes, and other suitable places;

(b) By the usual tokens and messages of affection to our mothers; and

(c) By making contributions, in honor of our mothers, through our churches or other fraternal and welfare agencies for the relief and welfare of such mothers and children as may be in need of the necessities of life.

PROPOSED TARIFF ON OIL

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from this morning's Washington Post entitled "A Disguised Oil Tariff."

There being no objection, the editorial was ordered printed in the RECORD, as follows:

[From the Washington Post, March 9, 1932]

A DISGUISED OIL TARIFF

One highly controversial item in the tax bill is the provision for an excise tax of 1 cent a gallon on all imports of petroleum and petroleum products. The 2¼ per cent sales tax upon manufactures is considered excessive by some authorities, but 1 cent a gallon on petroleum imports amounts to a tax of from 25 to 70 per cent. Affecting as it will the products used by the already overtaxed automobile, it is destined to work hardships upon millions of citizens who are already overtaxed as a class.

The traditional policy of the United States is not to tax fuel, the basic necessity of all industry. Oil differs from agricultural products and manufactures in that it is one of the great and irreplaceable assets of the United States. The oil that is imported into this country comes almost exclusively from properties owned and operated abroad by Americans, developed at the urgent request of American officials as a necessary protection to the Nation against the time when domestic supplies may fail.

If a sales tax is applied to American manufactures and to competing imports, it would be entirely equitable that imported petroleum products should stand their share, but to put them under excise taxes of more than ten to thirty times as great appears oppressive. Such an import tax would tend to increase the cost of gasoline and petroleum products in the United States.

The independent oil producers who have been working for two years for an embargo or a duty on foreign oil seek by this means to force higher prices that will make the product of their small wells profitable once more. To benefit these few producers Congress would have allow a bonus to all the great oil companies. There are more than 660,000,000 barrels of oil in storage in the United States, more than 95 per cent of it owned by the huge oil corporations. Its value would be raised by import taxes of this kind, and automobile owners would pay extra profits to the big oil concerns. Why soak the motorist, who is already paying more than his share?

COMPARATIVE PRINT OF NEW REVENUE BILL

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 28, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That a comparative print of the bill (H. R. 10236) entitled "To provide revenue, to equalize taxation, and for other purposes," as reported to the House by the Committee on Ways and Means on March 8, 1932, showing the changes proposed to existing law, be printed as a House document; and that 8,000 additional copies be printed for the use of the House document room and 2,000 copies for the Senate document room.

Mr. MOSES. I move that the Senate concur in the resolution of the House of Representatives.

The motion was agreed to.

PROPOSED ANTI-INJUNCTION LEGISLATION

Mr. NORRIS. Mr. President, House bill 5315, which has just been sent over and which is known as the anti-injunction bill, is practically the same as the bill which passed the Senate. The original bill introduced in the House was a copy of the bill introduced at the same time in the Senate, and the language of the two measures was exactly the same. The House of Representatives has not acted on the Senate bill, which we sent over there; it is still on the Speaker's desk; but the House has passed practically the same bill, although it is a House bill. Of course, if the Senate should act as the House has acted, we never could accomplish anything; unless one body acts upon the bill of the other there never can be any legislation. In a technical parliamentary sense the Senate is exactly where it was before it passed the Senate anti-injunction bill. In a technical and legal sense all that we have done is of no avail whatever; our bill is

dead; it is on the Speaker's desk of the House of Representatives.

I should like now to obtain unanimous consent from the Senate to take up the House bill, which has been brought over from that body; and, if the Senate grants such consent, I will then ask unanimous consent to amend the House bill by striking out all after the enacting clause and inserting the bill which the Senate passed and as we passed it.

I will say I have not had an opportunity as yet to examine the House bill in detail, but I followed it as closely as I could as it went through the House, and I will say to Senators there is very little difference between the two measures, there having been only one or two amendments made by the House to the original bill as introduced. One of them is a rather important amendment, but otherwise there is very little change. With the exception of those changes the language of the House bill is just the same as the bill which passed the Senate. However, as I have said, the House has taken no action on the Senate bill; it is the House bill which is now here and our bill is over there.

Mr. SMOOT. Mr. President, I should be glad if the Senator would withdraw his request at least until we may have an opportunity to consider for a while the pending appropriation bill. The Senator from Montana [Mr. WHEELER], who will have to leave shortly, desires to speak. He is not at present in the Chamber, but will be here in a very few moments.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. The Senator from Montana has been detained. I think he will have time——

Mr. NORRIS. Of course, I can not proceed except by unanimous consent. That is the reason why I have made the explanation.

Mr. KING. I have no objection.

Mr. NORRIS. If the Senator from Utah wants to look into it, I will withdraw the request for the present and renew it later.

Mr. SMOOT. I wish the Senator would make the request later.

Mr. NORRIS. Very well.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. McNARY. Mr. President, I am advised that the Senator from Montana [Mr. WHEELER] is called out of the city and must leave at 3 o'clock to-day, to be absent several days. He desires to continue his discussion of the Interior Department appropriation bill this morning. In order to accommodate that Senator I ask unanimous consent that the Senate dispense with the morning hour and call of the calendar to-day and that we now proceed to the further consideration of the unfinished business.

Mr. ROBINSON of Arkansas. Mr. President, I understand it is the purpose of the Senator from Oregon to adjourn at the conclusion of to-day's business, so there will be a morning hour to-morrow and an opportunity afforded for the transaction of business in that hour.

Mr. McNARY. Yes; it will only defer the morning hour and consideration of the calendar until to-morrow.

Mr. ROBINSON of Arkansas. A number of Senators desire a morning hour this morning, but I am prepared to agree to the suggestion of the Senator from Oregon.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the appropriation bill will be proceeded with.

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending amendment.

The CHIEF CLERK. On page 20, line 12, after the word "equipment" in the item "for purpose of developing agriculture and stock raising among the Indians," it is proposed to strike out "$382,000" and insert "$407,000."

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. VANDENBERG. Mr. President, I should like to ask a question of the senior Senator from Utah with regard to the totals carried by the pending bill as set forth in the report submitted by the committee. The report indicates that the total amount of the bill as reported to the Senate is $54,870,754.35. There are 29 continuing balances in the bill—that is, a continuation of 29 balances or funds appropriated last year but not expended. May I inquire whether these totals are included in the $54,870,000?

Mr. SMOOT. They are, I will say to the Senator.

Mr. VANDENBERG. Does the Senator have in mind what is the total of those continuing balances?

Mr. SMOOT. No, I have not; but I will furnish the information to the Senator later.

Mr. VANDENBERG. I thank the Senator.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. Yes.

Mr. McKELLAR. The reappropriated balances are not included in the total?

Mr. SMOOT. The total carried by the bill as passed by the House was a little more than $50,000,000.

Mr. McKELLAR. Yes; but in the totals that are given reappropriated balances are not included.

Mr. VANDENBERG. That is what I want to find out.

Mr. SMOOT. I misunderstood the Senator from Michigan. The unexpended balances are not included in the total carried by the bill.

Mr. VANDENBERG. Then, in fact, the bill carries a greater total than $54,870,000?

Mr. SMOOT. Not of direct appropriations.

Mr. VANDENBERG. But so far as department's expenditures are concerned it does?

Mr. SMOOT. As to the unexpended balances, those appropriations were made by preceding sessions of Congress, and some of them were made, I will say to the Senator, knowing very well that they would not be expended in the fiscal year for which the appropriation was made.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. Yes.

Mr. McKELLAR. Did the Senator from Michigan say there were 29 unexpended balances reappropriated?

Mr. VANDENBERG. I found 29 instances where unexpended balances are continued.

Mr. McKELLAR. Would it be possible for the Senator from Utah to find out just what is the amount of each one of those reappropriated balances, so that we may have the true facts?

Mr. SMOOT. I can find out the figures some time during the day. I will have to get the information from the department because they will have the amounts that were expended, say, up to last night.

Mr. McKELLAR. I want to say to the Senator from Michigan that I think he has asked a very pertinent question. It is a matter about which we ought to have the figures.

Mr. VANDENBERG. I do not see how we can tell what the department is expending without such information.

Mr. SMOOT. The appropriations which are made available until expended are never carried in the totals of bills that subsequently are presented to the Senate. Many of the appropriations which are made available until expended may not be expended in the year in which the appropriation was made; they may not even be expended in the following year, but they are reappropriated until expended.

Mr. McKELLAR. But where appropriations are made and are continued until expended, they have no place at all in this bill. The 29 instances to which the Senator from Michigan refers are cases where the continued expenditure has not been authorized, and it has to be reauthorized in

this bill. Of course if these unexpended balances were not reauthorized they would all go back into the Treasury on the 1st of July, 1932.

Mr. SMOOT. That is true.

Mr. McKELLAR. So the question, I repeat, if I may, asked by the Senator from Michigan is an exceedingly important one. The information he seeks I know we can get from the department; and I am very happy the Senator from Utah is going to get that information.

Mr. SMOOT. For instance, I will call attention to the item on line 10, page 17—and it is a case similar to one to which the Senator referred, or among those to which he referred:

The unexpended balance of the appropriation of $109,746.25 contained in the first deficiency act, fiscal year 1930, for payment to the loyal Shawnee Indians in settlement of their claim arising under the twelfth article of the treaty with said Indians proclaimed October 14, 1868 (15 Stat., p. 513), as authorized by and in accordance with the act of March 4, 1929, is hereby continued available until June 30, 1933.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Maryland?

Mr. SMOOT. I yield.

Mr. TYDINGS. When the Senator ascertains the total amount of the unexpended balances, I think it would help us all if we had the amount of each unexpended balance rather than the total, so that we may find how much of the sums to be reappropriated remain unexpended as of this date.

Mr. VANDENBERG. Oh, yes.

Mr. SMOOT. In this instance $109,746 was originally appropriated.

Mr. TYDINGS. What is the unexpended balance of that particular amount?

Mr. SMOOT. The Senator means of the portion of $109,746 that has already been expended?

Mr. TYDINGS. Yes; and how much remains in cash?

Mr. SMOOT. The statement of one would, of course, include the other.

Mr. TYDINGS. But this item reads:

The unexpended balance of the appropriation of $109,746.25.

But it does not say how much that is. It strikes me that it would be better if it said the unexpended balance of the appropriation on such a date, which is so much.

Mr. SMOOT. There could not be expended more than the original appropriation of $109,746.25.

Mr. TYDINGS. Of course, that is so; but the bill could set forth the amount that is still available instead of the amount of the appropriation made a long time ago.

Mr. VANDENBERG. Mr. President, let me submit to the Senator a different question relating to an item which I think is more typical than the one to which he refers. Let me call his attention to page 20, line 5, from which I read as follows:

For the purpose of obtaining remunerative employment for Indians, $60,000, and the unexpended balance for this purpose for the fiscal year 1932 is continued available for the same purpose for the fiscal year 1933.

It is perfectly obvious that the Senate can not know how much money is to be spent "for the purpose of obtaining remunerative employment for Indians" unless it knows what that unexpended balance is.

Mr. SMOOT. More than likely the balance has already been assigned to certain work and that work has not as yet been completed, but as completed it will be paid for. The appropriation of the balance is authorized by this provision.

Mr. TYDINGS and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield first to the Senator from Maryland.

Mr. TYDINGS. On page 23, line 9, there is even a more complicated provision making a direct appropriation together with the appropriation of the unexpended balance of an old appropriation. I do not see how the committee could find out how much direct appropriation to make unless they knew exactly what the unexpended balance of the old appropriation was.

Mr. SMOOT. We knew it. In nearly every case the amount is stated in the hearings. I can not turn to one at the moment——

Mr. TYDINGS. The unexpended balance of the particular appropriation made some time ago is not in the hearings.

Mr. McKELLAR. Mr. President, will the Senator from Utah yield to me?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I yield.

Mr. McKELLAR. I desire to say to the Senator from Maryland that I do not think the committee had those figures. Under our rule in dealing with these regular appropriations, where no amendment is suggested either by the House committee or by the Senate committee, they just go ahead. Therefore, we have not the figures.

I want to digress here long enough to say to the Senator from Michigan [Mr. VANDENBERG] that I think he has performed a very valuable public service in calling the attention of the Senate to these reappropriations of unexpended balances.

Mr. SMOOT. Then, for the information of the Senator, I will state that the facts requested are given in the House hearings, and I will begin with the first one.

The VICE PRESIDENT. Does the junior Senator from Utah yield?

Mr. KING. I yielded the floor to the Senator from Nebraska, and I continue to yield.

Mr. SMOOT. I read from page 267 of the House hearings:

Mr. HASTINGS. The next item, on page 72, is for the unexpended balance of the appropriation of $109,746.25 contained in the first deficiency act, fiscal year 1930, for payment to the Loyal Shawnee Indians in settlement of their claims arising under the twelfth article of the treaty with said Indians proclaimed October 14, 1886 (15 Stat., p. 513) as authorized by and in accordance with the act of March 4, 1929, is hereby continued available until June 30, 1933.

Mr. DODD. The disposal of this fund depends upon the determination of the heirs of some 145 individual claimants. An examiner of inheritance was detailed for this purpose; but before he had completed any great amount of work and before the Secretary had determined any of the heirs, a suit was filed in the District of Columbia Supreme Court which involved the question of the right of the Secretary to determine heirs of Indians of the Five Civilized Tribes. As these are largely incorporated with the Cherokee Nation, work on the determination of heirs was suspended pending disposal of the case. The case has been dismissed, and hearings for the determination of the heirs have been renewed. But little of this money has been paid out, and the balance should be continued available for use in 1933.

The next matter that the Senator speaks of is referred to on page 281 of the House hearings:

Mr. DODD. The first appropriation for definitely assisting in obtaining employment for Indians was available in 1929, under which two Indians were engaged to make contacts with industrial concerns away from reservations and endeavor to place Indians in permanent employment. The first separate appropriation for the purpose was in the sum of $50,000 in the 1931 act. Of that sum, $39,635 was expended in employment of nine permanent and several temporary employees. Included in the nine permanent employees were the so-called outing matrons formerly paid from educational funds. It was definitely understood, and so stated, by us at the time this item was under consideration two years ago that employees devoting all of their time to this or kindred work would be paid from this appropriation. The approved estimate for 1932 was $75,000. Because of inability to fill all positions authorized and the prospect of a considerable unexpended balance, the estimate was reduced by Congress to $60,000 and the unexpended balance of 1931 money was made available for use this year. Instead of having $15,000 to carry over we have only $10,365.

Mr. VANDENBERG. Mr. President, the Senator now is giving the precise information which I sought to get.

Mr. SMOOT. If there is any other information that the Senator wants, I think all these matters are covered in the House hearings.

Mr. VANDENBERG. It seems to me there should be a comprehensive, detailed statement of unexpended balances, so that we will have a picture of what the departments propose to spend. They now propose to spend, in the face of

the report submitted by the Senator in behalf of his committee, $54,000,000 plus certain unexpended balances.

Mr. SMOOT. Mr. President, how in the world can the department do it where there is a contract for a building and the contractors are to be paid on an estimate at the end of every month? There are cases here in which the work is in progress right now, some of it being one-quarter completed, some of it half completed, some of it three-quarters completed. We know that the contract has been let. We know that this money is going to be needed. Therefore we have done in this case just as we have always done ever since appropriations were made. There is not the least change in policy; and the House has hearings upon every one of the items. If there is any item that the Senator desires further information about, I will turn to it and tell him just exactly what the unexpended balance is and what the appropriation is for.

Mr. TYDINGS. Mr. President, if the Senator will yield, referring to page 23, beginning with line 9, will he tell us the amount of the unexpended balance of the appropriations for the fiscal year 1932?

For reimbursing Indians for livestock destroyed on account of being infected with dourine, and for expenses in connection with the work of eradicating and preventing such disease.

Mr. FRAZIER. Mr. President, if the Senator will yield, I desire to say that these old appropriations, like this one of 1932, run up to July 1 of this year. It would be impossible for the department or anyone else to estimate how much will be left over on July 1 next.

Mr. TYDINGS. Then, I wonder how the committee could arrive at the figure appropriating $9,000 more, if they did not know how much money the department has that is unexpended.

Mr. VANDENBERG. Precisely.

Mr. FRAZIER. They estimated it.

Mr. TYDINGS. Upon what facts could they base an estimate if they did not know how much money the department has which is unexpended?

Mr. SMOOT. The department knows exactly the amount of money that has already been paid out, and it knows the balance that the contract calls for. If there is a deficit there, the matter comes to the House of Representatives, and that deficit is placed in the bill just the same as it has been placed in every bill that was ever passed.

Mr. TYDINGS. Understand, I do not question the fact that the $9,000 may be necessary; but I do think we should have a statement of the amount remaining unexpended of this appropriation, so that all of us may know whether the $9,000 is or is not needed.

Mr. SMOOT. There never has been a bill stating that; but the information is contained in the House hearings. The hearings begin in the House of Representatives, and in those hearings there is a statement as to the precise condition of the unexpended balance, just as I have stated it.

Mr. TYDINGS. Mr. President, can the Senator tell me the amount of the unexpended balance on that item?

Mr. McKELLAR. Mr. President, let me make a suggestion, if the Senator will yield. If the Senator from Utah will simply take the 29 items that have been pointed out, and get the information from the department, and if the department can make an estimate that is practically correct, we can have these items before us. That is the only way we can know the facts beyond a doubt.

Mr. SMOOT. If the Senate of the United States wants that information, we can get it very easily; but it is going to take time, and I suppose perhaps that is what the Senator wants.

Mr. McKELLAR. Oh, it will not take long.

Mr. SMOOT. I do not know whether or not the Senator was present at the time, but I stated a little while ago that every single one of these facts is in the House hearings. They state exactly the amount of the unexpended balance. They tell the story as a whole; but if the Senator wants the information presented in a concise statement, we will try to get it for him.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the junior Senator from Utah yield to the Senator from Maryland?

Mr. KING. I do.

Mr. TYDINGS. If the House hearings contain that information, why would it not be a simple matter in a half hour to go through the House hearings and put it all in a comprehensive form, so that we can see it? As it is now, no one knows whether the $9,000 is necessary to be expended or not necessary, because we do not know the amount of the unexpended balance. Therefore, we are called upon to vote for an appropriation without any knowledge at all of the amount of money remaining in the hands of the department.

Mr. SMOOT. We know that we have appropriated the amount that the estimates called for. The House did that; and in that amount that was appropriated all of the unexpended balances were taken into consideration.

Mr. TYDINGS. I do not doubt that the appropriation may be needed; but how much is the unexpended balance?

Mr. SMOOT. It has never been asked for before. I will try to get it for the Senator. This bill follows the form of every bill that has been presented since the first one was introduced in Congress.

Mr. TYDINGS. It is a bad precedent.

Mr. SMOOT. Not at all. If anybody wants to know the amount of the unexpended balances, we have the hearings here that will show every penny of it and what it is to be used for.

Mr. SMITH. Mr. President——

The VICE PRESIDENT. Does the junior Senator from Utah yield to the Senator from South Carolina?

Mr. KING. I do.

Mr. SMITH. May I ask the senior Senator from Utah how much was appropriated last year for this purpose?

Mr. SMOOT. Which item does the Senator refer to? We have been talking about three items.

Mr. SMITH. The one which reads:

For reimbursing Indians for livestock destroyed on account of being infected with dourine, and for expenses in connection with the work of eradicating and preventing such disease, $9,000, together with the unexpended balance.

Mr. SMOOT. The estimate was $10,000, with an unexpended balance of $1,000.

Mr. SMITH. That was last year.

Mr. SMOOT. That is the estimate for the coming year.

Mr. SMITH. It was $10,000 last year?

Mr. SMOOT. It was $10,000 last year.

Mr. SMITH. One thousand dollars was left over, and now it is supplemented with $9,000?

Mr. SMOOT. With $9,000.

I desire to say now to the Senator from Michigan [Mr. VANDENBERG] and also to the Senator from Tennessee [Mr. McKELLAR] and the Senator from Maryland [Mr. TYDINGS] that if they will be in the Chamber in about one hour from now, I will give them all of the information they have asked for, in detail.

Mr. McKELLAR. That is fine.

Mr. VANDENBERG. The Senator from Michigan is usually in the Chamber.

Mr. KING. Mr. President, this morning I received a telegram from one of the Indians residing in Montana. I shall read this in view of the resolution which was offered by the chairman of the Indian Affairs Committee a day or two ago, in which he asked the Indian Bureau to cooperate with the Agricultural Department for the purpose of preserving—if it is not too late—the sheep of a large number of Indians in New Mexico and Arizona.

The telegram is as follows:

Intense cold, 20° below zero. Snowstorm reports indicate much unnecessary suffering among Fort Peck Indians. This is caused mostly by indifference and dereliction on the part of Indian Bureau officials.

(Signed) MEAD STEELE.

I will ask the Senator from Arizona [Mr. ASHURST] whether the condition in his State with respect to the destruction of the sheep of the Navajos is the same as was indicated in his address a few days ago?

Mr. ASHURST. Yes, Mr. President. I think it was last Friday that I spoke for a few moments respecting the severe storms which had decimated, practically, some of the herds of the Indians occupying northern Arizona and northern New Mexico. I have not the figures at hand; but, for instance, the Jicarillas lost probably 40 or 50 per cent of their sheep, and, as I stated on the occasion when I spoke before, the prime industry of the Navajos, Zunis, and other tribes in northern Arizona and northern New Mexico is the raising of sheep and goats. They make blankets from the wool and hair of the sheep and goats, and that is their principal source of income.

I have believed that the Indian Bureau should and would take measures looking toward restoring those herds and flocks of sheep and goats. These Indians are self-supporting. They number over 50,000, and I am very sufficiently convinced that it is the duty of the Government, as it may—it could not do so at once—to come to the rescue of these Indians, and either make an advance to them from the General Treasury in a reimbursable form or in some other way refinance them.

Mr. President, it is not a part of my duty to defend any branch of this Government, even the legislative branch, and a vast deal has been said that was in the nature of criticism of the Indian Bureau respecting its action or lack of action regarding the storm which burst upon the Indians on the 21st of last November. Whatever may be the derelictions of the bureau—and I am not discussing other subjects—I must say that respecting looking toward relief of Indians in the storm-swept area, the bureau, the superintendents in the field, and the workmen in the various superintendencies moved with commendable energy. In the field men were in snowstorm and in the frost and cold for many days at a time, certainly many hours, without sleep or food, and not within my knowledge have men and women made such sacrifices as were made by the employees of the Indian superintendencies on the various reservations in Arizona and New Mexico during that storm period, which lasted for many weeks.

I do not believe that in all fairness the Indian Bureau is subject to criticism with respect to its activities in the storm-stricken area. They were guilty of no remissness, so far as I am able to see. I realize, however, that many Senators, and not a few disinterested citizens who have always had the best interests of the Indian at heart, have believed that the bureau should make more rapid progress looking toward restoring the herds. But the herds can not be restored all at once. They will have to wait until the spring grass comes up and begins to grow before they can talk about restoring the herds. So, with all deference to those who take an opposite position, I fail to perceive how as a practical proposition the bureau can move at this particular juncture looking toward restoring the herds. In the latter part of April, or the early part of May, it may be done, and I think should be done, and I hope the bureau will do it.

Mr. KING. Mr. President, I have heard no suggestion, until the one just offered by the Senator from Arizona, that the Government should replace the sheep that have perished during the winter. The only criticism that has come to my attention was that steps were not being taken with sufficient celerity to prevent the complete destruction of the sheep of many of the Indians. I had in mind, when I propounded the inquiry to the Senator from North Dakota [Mr. FRAZIER], who is chairman of the Committee on Indian Affairs, the fact that the Department of Agriculture has a fund available from which loans may be made to those engaged in the stock business and that its officials have indicated that they are willing to make loans to Indians who have sheep, in order that they may obtain hay and grain to save the remaining herds, but have been prevented by lack of cooperation——

Mr. ASHURST. I understand.

Mr. KING. From the Department of the Interior, because it did not want to surrender to the Department of Agriculture some of the administrative duties involved in the transactions.

Mr. ASHURST. Mr. President, I again declare that I am not defending the Indian Bureau. Indeed, only this morning I was in, what is unusual for me, quite a savage temper before our committee because of a certain action the bureau had taken respecting a bill they had caused to be introduced without knowledge of any member of the Arizona delegation. But that does not preclude me from trying to be fair on another point.

The Senators from New Mexico and the Senators from Arizona signed a joint letter to the bureau some 10 days ago setting forth the nature of the relief which we believe might be practical; and we urged, with respect, of course, that the bureau take our view.

I have come to the conclusion that it is practically impossible to get speedy action from our Government. Under our Constitution, and under the procedure in Congress, we are geared to slow movement. It is almost impossible to speed up the machinery.

I do not know particularly to what the junior Senator from Utah refers, but I assert that on the question of furnishing food to storm-stricken Indians, and furnishing feed to the herds and flocks of sheep and goats and other livestock of the storm-stricken Indians, the bureau is exempt from criticism. They moved with commendable and unusual alacrity. The employees made great sacrifices, I repeat, and I hope and believe that within the next few weeks the bureau will take action toward restoring the herds and flocks of these Indians, because upon their herds and flocks of sheep and goats depends their existence as a people.

Mr. SMOOT. Mr. President, will my colleague yield?

Mr. KING. I yield.

Mr. SMOOT. I think it is fair to say that if the information I have received is accurate, the sheepmen in Montana, Idaho, Utah, and Nevada have suffered a greater percentage of losses than those in Arizona. Of course, as my colleague knows, such a winter as we have had has never been known before. We have had more snow in Utah this year than we have had in the five years just past combined. It has been very severe upon the sheep.

Mr. KING. Mr. President, I repeat what I said, that I intended no criticism of the Indian Bureau when I propounded the question, unless it developed that the Interior Department refused to cooperate with the Department of Agriculture if and when the latter indicated its willingness to make loans to the Indians for the purpose of saving their cattle and sheep, because of the latter's insistence that it should handle the entire matter.

Mr. ASHURST. Mr. President, if the Senator will yield to me there, I myself am somewhat concerned and fearful that, after the Washington habit, in a contest as to which of the two, the Department of the Interior or the Department of Agriculture, shall have the jurisdiction, the question might be lost sight of and dropped out altogether. So that it is a very natural apprehension which the junior Senator from Utah has on that point.

I hope that between the two, the Department of Agriculture and the Department of the Interior, or by one of them, action will be taken looking toward restoring these herds, because I say, in conclusion, that these Indians are self-supporting, they send their products to all parts of America and to foreign countries, particularly their blankets. They derive a revenue from them. They have their chapter house, which is analogous to a legislature; they have their policemen; they have their judges.

The Indians of northern Arizona and northern New Mexico are people of an ancient and respectable culture. They embrace various kinds of culture; and it would be a great pity if, through any remissness on the part of Congress or the bureaus, those Indians were no longer to be self-supporting.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the junior Senator from Utah yield to his colleague?

Mr. KING. I yield.

Mr. SMOOT. I call attention to the fact that the President of the United States recognized the situation down

there and sent to Congress on February 27 a supplemental estimate of $135,000 to take care of the situation. The President said:

THE WHITE HOUSE,
Washington, February 27, 1932.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1932, in the amount of $135,000, for the Department of the Interior, Bureau of Indian Affairs.

The details of the estimate, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, with whose comments and observations thereon I concur.

Mr. ASHURST. Mr. President, I want to ask the senior Senator from Utah [Mr. SMOOT] whether the Committee on Appropriations has included that item in this bill?

Mr. SMOOT. It was put in at the last moment. The letter has just come to our attention. Senators will note that the bill contains the following item:

For an additional amount for support of Indians and administration of Indian property, including pay of employees, $135,000, to be immediately available and to remain available until June 30, 1932: *Provided*, That the limitation of $160,000 for relief, contained in the Interior Department appropriation act for the fiscal year 1932, is hereby increased to $570,000: *Provided further*, That this appropriation shall be available for the employment of Indian labor on any necessary project or activity.

Mr. ASHURST. Mr. President, that is gratifying, and I now express the hope that the bureau will avail itself of part of this money, although that would not be enough, to look toward restoring these herds and flocks of sheep and goats.

Mr. KING. Mr. President, I have been concerned, in view of the facts that have come to our attention, because of the losses which have been sustained by the Indians not only in Arizona and New Mexico, but in other States. More than 200,000 sheep owned by the Navajo Indians have died this winter from cold and lack of food. It is claimed that 50 per cent of the herds of many of the Navajos—and they depend upon those herds for their living—have died from starvation and because of the severity of the storms.

I am informed that in the Jicarilla Reservation in New Mexico more than 50 per cent of all of the herds of sheep and goats have been destroyed, and that the Indians there, as well as the Indians in the Navajo Reservation, are today suffering for lack of food and clothing.

I hope that steps will be taken to prevent a calamity becoming a catastrophe. It would be inexcusable if Indians under the protection of the Government were permitted to die for want of food and shelter, and the Indian Bureau would be subject to just criticism if it failed to aid the Indians in their efforts to protect their sheep and cattle from destruction. However, I indulge the belief that the bureau will employ all means at its command to assist the wards of the Government in this grave situation.

Mr. President, the Indian question is not a new one. It has been with us from the foundation of the Government. I have had occasion to state at various times in the Senate that the Government has failed to discharge a solemn duty resting upon it and that the American people have been indifferent to the responsibilities resting upon them. Lands occupied by the Indians were invaded by white settlers and the former were driven by military forces from their ancestral homes. In many cases no compensation was paid to those who were robbed of their possessions, and where payments were made they were wholly inadequate and represented but a moiety of the value of the lands of which they were deprived.

Before I came to the Senate I endeavored to aid the Indians, and since I have been a Member of this body I have endeavored to protect them and secure legislation that would contribute to their welfare. I urged an investigation by the Senate not for the purpose of condemning the Bureau of Indian Affairs for what many believe were its unwise policies, its failure to understand the fundamentals involved in a proper solution of the Indian question, but in order that facts might be brought to light which would enable Congress and the country to inaugurate and execute a plan that would be conducive to the welfare, development, and civilization of the Indians.

That we have failed to fully discharge our obligations to the Indians, I believe will be conceded by those who have acquainted themselves with the history and condition of the Indians and with the treatment to which they have been subjected at the hands of the Government and the American people.

I had occasion to inquire into the condition of the Indians across the line in Canada in order that I might learn whether that country had acted more justly toward the Indians than had the United States. Among the sources of information consulted were reports of the Dominion Government and a book written by an American who is a friend of the Indians.

From every point of view, it would be supposed that the United States would have acted in a more humane manner toward the Indians than Canada and would have been more successful in civilizing the Indians than our northern neighbor.

In my opinion the Canadian Government has dealt with its Indian inhabitants and wards in a more humane manner than has the United States. The system existing there and its effects are in great contrast to the system prevailing in the United States and the results which we have obtained.

The Indians of Canada number more than 104,000, and are directly under the guardianship of the Dominion Government. There are some Indians, as I am advised, who are not under the guardianship of the Dominion Government; and, I might add in passing, there are thousands of Indians in the United States who are not under the guardianship of the United States, although some of them should be.

The Senator from Florida [Mr. TRAMMELL] has inquired concerning the status of the Indians in Florida and has sought to learn whether they are outside the cognizance of the Federal Government. He was informed that they were not considered as being under the jurisdiction of the Indian Bureau. The Interior Department and the Bureau of Indian Affairs deny any liability or responsibility for the education, care, or maintenance of those Indians, and that may be said to be true of thousands of other Indians in various parts of the United States. This statement is not intended as any criticism of the Indian Bureau. It may be there is no obligation upon the part of the United States to care for these Indians. It may be the fault of Congress; but, whether there has been a default in the past, it would seem that some plan should be adopted to properly care for all Indians in our country. Indians whose property has been taken from them, Indians who have been despoiled of their homes and driven by the bayonet and by the sword from the lands which they inherited from their ancestors, should not be left to starve or to be wanderers and outcasts.

But to return to the situation in Canada. As I have stated, there are more than 104,000 Indians in Canada. We are familiar with the fact that there are many intermarriages in the United States between the whites and the Indians, and that is true of Canada.

Canada located its Indians by treaty, as a rule, on small reservations. These have been perfectly safeguarded against white entry. I may say in passing—and I shall advert to it before the discussion in regard to this bill is concluded—that upon many of the reservations in the United States, particularly where irrigation projects have been inaugurated or are in process of development, the Indians are being crowded out, the lands are passing into the hands of the whites, and the millions of dollars expended for reclamation projects, ostensibly for the benefit of the Indians, are in reality for the benefit of the whites, while the Indians, or most of them at least, are deriving little if any benefit from the enormous appropriations charged as a rule against their tribal funds.

In 1914 there were several hundred reservations in Canada of compact bodies of Indian lands totaling over 5,000,000

acres. In that year the per capita cost in Canada was $20, while in the United States it has run all the way from $40 up to $200 and $300, as I shall show before we conclude the consideration of this bill. The value of Indian lands, improvements, livestock, and personal property in Canada in 1928 aggregated many millions of dollars. In 1928 the income of Indians on those reservations was nearly $10,000,000. This included earned wages of $2,500,000. The income and wages have greatly increased since 1914. The income figures are much superior to those in the United States. The showing made, as revealed by these figures, is superior to the record in the United States. There are no Canadian Indians with large unearned incomes, such as the Osages and some others in Oklahoma and the Klamath Indians.

The statistics of income in Canada are accurate and detailed. That can not be said of statistics supplied by the Indian Bureau in this country. I believe that it is within the bounds of accuracy to state that the income of bona fide Canadian Indians derived from labor and production is twice that of the Indians in the United States. Canada, as Senators know, is sparsely settled and the opportunities for employment are not as great, or at least presumably are not as great, as they are in the United States. Climatic conditions are not as favorable in Canada as in the United States, and this places the Canadian Indians at a disadvantage.

The expenditures in Canada on these 104,000 Indians was about $5,000,000 in the year 1927–28, a per capita of approximately $40. The per capita expenditures in the United States in behalf of Indians under the control of the Bureau of Indian Affairs is more than $100, excluding expenditures from tribal funds and all other per capita payments.

The Canadian policy toward Indian lands is in sharp contrast with the policy pursued in the United States. Practically, the Canadian policy leaves it for the Indians themselves, tribe by tribe, to decide whether surplus land shall be sold to the Crown; while as for the individual his land is entailed permanently. In the United States it has been a controversial question as to whether the Indians should be permitted to alienate or encumber their lands. We are met constantly with the pitiful sight of "blanket Indians," who have been dispossessed of their inheritance, lands which were allotted to them. When the period was ended and title finally passed to them, and when they were able to dispose of their lands without restriction from the Government, many of them mortgaged or sold their lands to white settlers, who took possession of the same. In many instances this resulted in the dispossessed Indians becoming objects of charity. This condition is not found in Canada.

Tribal funds in Canada have been derived from the sale of surplus lands to the Crown, supplemented by various forms of communal incomes. The principal of the tribal fund can be disbursed only with the consent of the Indians and of the Governor General of Canada. The Canadian Bureau of Indian Affairs has no power to disburse any tribal principal. In addition, the discretion of the tribe and the Governor General is restricted by law, and the tribal capital can only be disbursed for the purchase of land, cattle, and so forth, and in the creation of permanent improvements. The tribal income may be used by the tribe for the support of its needy, aged and infirm, orphans, and so forth, and for industrial purposes.

Tribal funds in the United States are reported shrinking year by year, having diminished from more than $44,000,000 in 1917 to $25,226,000 in 1928, and my recollection is there has been a diminution in the tribal funds since 1928. This has taken place in spite of constant replenishment from oil and mineral leases, wasteful timber cutting, and grazing leases. I shall have something to say later about the unwise and unjust method employed by the Department of the Interior and the Bureau of Indian Affairs in the leasing of the lands of the Indians to white cattle and sheep men. The result has been that in some reservations, where the Indians formerly had cattle and sheep, they now have no livestock and the lands which were grazed by their own sheep and cattle are now under control of white lessees, who profit by grazing their cattle and sheep on Indian lands.

I shall show later that in one reservation the stockmen are owing banks large sums, and the banks and many white people in surrounding communities are the strongest advocates of a continued leasing policy of Indian lands to the whites.

A few years ago upon some reservations in the United States when there were fine herds of cattle and sheep owned by the Indians, there are now none. Lands have been grazed and overgrazed by the whites under the unwise and unjust policy which has been put into operation by the Bureau of Indian Affairs.

In the Navajo Reservation, however, the Indian Bureau has not deprived the Indians of the control of their lands. The Indians there, as I said a few moments ago in my colloquy with a number of other Senators, owned large herds of sheep which were grazed on their reservation; but because of the severity of the winter, the Indians of the Navajo Reservation have lost perhaps more than 200,000 of their sheep.

I again challenge the attention of the Senate to the fact that the tribal funds of the Indians, notwithstanding their replenishment from the sale of oil and from minerals and from grazing fees, were reduced between 1917 and 1928 from more than $44,000,000 to $25,000,000; and I have evidence here, Mr. President, mountain high that it is the view of responsible men who are familiar with the conditions in the Indian Bureau that, under the practices and policies now prevailing, within 25 or 50 years substantially all of the tribal funds of the Indians in the United States will have been exhausted. What the condition of the Indians then will be it is not difficult to conjecture, if the present policies of the Indian Bureau are maintained. Many of the Indians now living on their own lands, which have been allotted to them in severalty, will have parted with the same under the crushing, driving, irresistible forces around them, and they will be blanket Indians, without homes, without support, and objects of charity.

In contrast with this pitiful picture which I have so imperfectly sketched of the Indians in the United States the Canadian Indian tribal funds do not diminish from year to year but, upon the contrary, increase. The Canadian tribal funds on March 21, 1927, were $12,860,953. The tribes expended in the following year out of this fund $1,262,300, but at the end of the year the fund totaled $13,203,366. The fund has been augmented from interest, and from sale of lands to the Crown, timber income, and so forth, and, of course, by the thrift and work and earnings of the Indians themselves.

The Canadian policy toward Indian tribal self-government is the opposite of that which obtains in the United States. Canada has systematically preserved tribal organizations and has thrown on them—that is, on these organizations—the maximum of authority and responsibility—quite the reverse, Mr. President, of the policy pursued in the United States. Our policy has atrophied the Indians; it has produced a spirit of lassitude; it has demoralized them and taken from them their courage, their power of resistance, their independence.

Attempts have been made, as will be shown when we discuss the Hagerman case, to disorganize the tribes, to destroy their tribal relations, their tribal governments, and to compel them, by coercive policies, to abdicate their own authority and to confer the crown of power and authority upon Mr. Hagerman or upon the Indian Bureau or upon representatives of the Indian Bureau.

Mr. President, much will be said before this bill receives the pontifical blessing of the Senate about the Indian school system in the United States and its imperfections. There is a contrast between the schools in the United States and those in Canada to the distinct disadvantage of our Indian school system. The Canadian school policy is again in contrast with that of the United States. Canada's schools number more than 350 at the present time. Of those more

than 251 are day schools, 77 are residential schools, and 12 are combined white and Indian day schools. I might add, Mr. President, that this information is not current and the conditions now would be more favorable, not only as to earnings but as to tribal funds and as to the number of schools and pupils.

In Canada the residential schools are boarding schools, but they are different from the boarding schools which we find on the reservations of the United States and outside of the reservations. They are small, homelike institutions with an average attendance of about 78 children per school. This is in contrast with the system prevailing in the United States where some of the schools have a thousand children, and many have from 300 to 600 pupils.

The Canadian effort is to locate the school in the environment where the child will live. We drag children away from their homes hundreds and, in some instances, thousands of miles; and for years we have had a system of kidnaping which I brought to the attention of the Senate more than a year ago, where little children were hounded and arrested by officials of the Indian Bureau and dragged from their homes and from the arms of their mothers and fathers and taken hundreds of miles away. After the exposé in the Senate when the last Indian appropriation bill was under consideration, be it said to the credit of the head of the Indian Bureau, that atrocious, cruel, and indefensible policy of kidnaping little children was abandoned; but I have received information within the past two weeks that on one reservation the practice still persists.

In Canada scholarships are furnished to the Indian child who wants to go farther than the Indian schools and who desires what might be called a professional education. These are gratuitous. The use of tribal funds even for educational work was terminated in 1927, all educational work being put over into the gratuitous expenditure class.

The Canadian system of health work, which interlocks with the Canadian system of welfare work, could be advantageously followed in the United States. The fundamental premise in Canada is that the sick Indian shall have the best medical aid in the Province. If that best aid be an Indian Bureau doctor, that will be satisfactory; otherwise, the needed specialist or hospital is used and paid. Wherever practicable, use is made of hospitals, sanitoria, public-health officers, nurses, and doctors who serve the local community, Indian and white alike. Thus the Canadian medical system is cheaper than ours by virtue of using local facilities to the limit, while at the same time the Canadian Government is able truthfully to say, as it does in the report for 1928, which I have here—

> No appeal for medical treatment from a Canadian Indian goes unheeded, and no expense is spared to give the sick Indians the benefit of the best medical and hospital care available.

My information is, and the reports which I have examined indicate, that the Indians in Canada are happy, increasingly prosperous, well served with social services and medical attention. They are not robbed, and they do not think they have been robbed. There are not the resentments, the heartburnings, the sullenness, indeed the hatred, which we too often find among the Indians in the United States. Their languages are respected and preserved; their tribal systems are preserved and utilized; their religious liberties are respected; their land holdings are kept intact; their tribal funds are safeguarded and increased; and agricultural credit is extended to them on a modern basis. South of the Canadian line these conditions are not to be found.

In 1914 the secretary of the Board of Indian Commissioners, United States, made an investigation throughout Canada, and reported thereon in a public volume, which is before me, called "The Administration of Indian Affairs in Canada," by Frederick H. Abbott. He went with complete freedom everywhere, interviewed many of the leaders of the Indians, as well as the Indians themselves, and was able to report that not one Indian had made a complaint. What a contrast that is to conditions here. We have complaints everywhere. Perhaps I have received more than some Senators.

I hope I will be pardoned for stating that the reason why I have received so many complaints not only in writing but from Indians who have visited me here and elsewhere grows out of the fact that for 10 or 12 years I have insisted upon fair treatment for the Indians and have endeavored to secure a complete and comprehensive investigation of conditions affecting them in order, as I said at the outset, that a constructive program might be adopted that would lead to the advancement of civilization and prosperity of all the Indians in the United States.

Mr. President, I commend to the officials of our Government the course of the Dominion Government. When the present administration came to power, glowing reports were published by the Interior Department and officials in the Indian Bureau concerning the important reforms that were to be wrought in the Indian Bureau.

In my opinion, the promised reforms have not appeared, and the condition of the Indians is as unsatisfactory now as at any time during the past decade.

Mr. President, the Senator from Montana [Mr. WHEELER] is compelled to leave the city to-day, and he desires to speak upon the bill before leaving. I therefore yield the floor, but shall later discuss some of the provisions of the pending bill. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOWELL in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Shortridge
Barkley	Dill	La Follette	Smith
Bingham	Fess	Lewis	Smoot
Black	Fletcher	Logan	Steiwer
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McKellar	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walcott
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hawes	Oddie	Watson
Connally	Hayden	Patterson	Wheeler
Coolidge	Hebert	Pittman	White
Copeland	Howell	Reed	
Costigan	Johnson	Robinson, Ark.	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

Mr. WHEELER. Mr. President, I intend to consume only a short time in addressing myself to this bill. At the outset I desire to say that I have absolutely no interest in this subject excepting to try to do something for the welfare of the Indians.

About two years ago—perhaps longer—the Senate authorized the Committee on Indian Affairs to make an investigation of the Bureau of Indian Affairs of the Interior Department. As a matter of fact I was appointed on the subcommittee over my protest, because of the fact that I realized the tremendous amount of time it would take to complete the investigation as it should be made of the various Indian reservations throughout the country.

Whenever a session of Congress has ended we have attempted to visit some of the Indian reservations. It has meant a great deal of hardship on members of the committee, because of the fact that many of the reservations are in out-of-the-way places, because of the tremendous number of Indian witnesses who wanted to be heard, and because of the fact that many times we had to travel by night and by day, and to be up at all times of the day and night, in order to keep our different engagements.

During the course of this investigation, at least every time when I have been a member of the subcommittee, we have had the Indian agent present at the hearing. We have had present all of the witnesses that the Government wanted to call, so that they could answer questions and be heard. We expressly asked the Commissioner of Indian Affairs to go with the committee, so that he himself could be present and hear the testimony that was adduced at the various hear-

ings. On the last trip we took through the Southwest the Assistant Commissioner of Indian Affairs went with the committee, attended every hearing that was held, and was with the committee constantly until it finally broke up after about a two months' trip through the Southwest and through Arizona and New Mexico.

So there could not be any claim that the investigation was a one-sided affair. The department was represented there. When an Indian testified as to something that he felt was wrong with reference to the department, we immediately called upon the Indian agent, or those of his men who were present, to testify right then and there as to the truth or the falsity of the statements that were made by the Indian.

I am not one of those who believe that the Commissioner of Indian Affairs, Mr. Rhoads, or the Assistant Commissioner, Mr. Scattergood, is not in sympathy with the Indian. My own judgment of those two men is that they are both honest, that they are both sincere, and that they both want to do what they believe to be right by the Indian. The thing I complain about is not the particular individual in the department so much as the system of bureaucracy that has grown up down there.

Whenever the Congress creates a department or a commission or a bureau here in Washington, immediately that body strives to enlarge the sphere of its influence and the number of its employees. If one traces the Indian Bureau from its inception, he will find that that bureau has constantly come to the Congress of the United States and received increased appropriations, not always for the benefit of the Indians but, under the guise of the benefit of the Indians, for the purpose of building up a tremendous bureau with a tremendous number of commissioners and subcommissioners of Indian Affairs; and then they built up a forestry department, and an educational department, and an agricultural department, and a dozen other different departments and heads, until to-day we have a tremendous overhead expense down here, most of it, or a great deal of it, coming out of the Indians.

As long as the Indians had money belonging to them, as long as they had oil, as long as they had timber, if we examine the figures of the appropriations that have been made, we will find, for instance, in the forestry department, that the officials spent their money lavishly. They appropriated the Indians' money and spent it lavishly, as on the Klamath Reservation, where the Indians are paying practically all the expenses.

It will be found that where the Indians had no money, where they were poverty stricken, very little money was spent for their welfare. But where they had money the bureau reached into the coffers of those Indians and spent the money, as they did upon the Klamath Reservation.

There are upon the Klamath Reservation, according to the figures which I have, approximately 1,079 Indians. That includes men, women, and children. The agency pay roll is $136,000, or more than $126 taken from each man, woman, and child of the Indians to pay Indian Bureau officials. I know that is not very interesting to the Senator from Utah, but, nevertheless, it is extremely interesting to those Indians out there, who see their timber being cut off year after year, year after year, and see all their assets being practically wasted by a tremendous bureau established here in Washington over which they have no control whatsoever.

They have come here, as I pointed out yesterday, and complained, first to the Bureau of Indian Affairs, then to the Committee on Indian Affairs, and then to the Committee on Appropriations of both the House and the Senate; but notwithstanding that, gradually, gradually these appropriations have been increased, until practically their whole national resources, their great timber, their great forests, the finest left in the United States to-day, are being used up by a lot of bureaucrats.

The work in the forests is not given to the Indians; the Indians are not being taught to do their timber work—the lumbering that is necessary to be done out there; they are not even given the menial jobs on the reservation; the work is all going to white men, to the civil-service employees.

Finally, after the Committee on Indian Affairs had complained to the department on numerous occasions, they changed the superintendent on the Klamath Reservation, a man who built up a tremendous bureau at great expense to the Indians out there. But what did they do with him? They brought him here to Washington and put him in the bureau, kept him on the pay roll at an increased salary, I understand. I may be wrong about that, but my information is that he got an increase of salary. At least they gave him a much more important job than the one he had had theretofore.

On many of the Indian reservations we have come across absolutely worthless employees in the Government service, men who could not earn a salary, could hardly make a living for themselves if they were out in the ordinary walks of life, but are holding jobs and are supposed to be educating the Indians, when, as a matter of fact, in some of these places I would much rather have the uneducated Indian or the Indian who had a little education than some of these incompetent employees.

On the Klamath Reservation there are about 600 adult Indians, which means that there is on that reservation 1 Indian Bureau employee for every 13 adult Indians. Just stop and think of that. There is 1 bureau employee for every 13 Indians on the Klamath Reservation, and when those Indians complained about it, when they said, "We want to conserve our resources," when they said, "We want to conserve our wealth, we want to conserve our timber," was their complaint given any heed? Not at all. Some little fellow can come from the bureau before the Committee on Appropriations and the Senator from Utah says, "I would believe him before I would believe the Indians out there." The Indians were asking for economy in the conduct of their affairs, and they could not get it, and they have not got it. I say that it is an outrage upon these Indians who are asking the Government of the United States to save their property and to cut down expenses and to economize for them that the Government of the United States should not pay some attention to them when they come here.

Let me again call attention to the fact that on the Mescalero Apache Reservation there are 680 Apaches. In the fiscal year 1930 the Indian Bureau spent $208,438, or $360 for each Indian. The bureau took from each Indian $103. The entire tribal income year by year of those Indians is being consumed by the Indian Bureau for its employees. The entire tribal fund, I repeat, of the Mescalero Apache Indians is being consumed every year by the bureau for its employees. That is the way we are educating these Indians. That is the way the chairman of the Committee on Appropriations has taken the word of these Indian bureaucrats.

How little service is given to the Mescaleros is told in the report of the committee dated December 21, 1931. We made a complete survey. We visited that reservation, and, as I said a moment ago, we did not take ex parte testimony. The Indians gathered there. We heard their story, and then, when they made a complaint, we turned to the superintendent or we turned to the doctor or we turned to the employees and said, "What about this, Mr. Officer? Is this true or is this false?" In many cases the Indian was wrong in his complaint. In many instances he was right in his complaint, and the superintendent, when he was faced with that Indian, had to admit that he was wrong.

The trouble in the past has been that some Indian would send in a complaint to Washington, it would go before the Committee on Indian Affairs, or it would go before the Committee on Appropriations, and some person in the bureau would say, "That is not true; that is not correct," and, as the Senator from Utah says, he would take the word of the person in the bureau; but when they were face to face with those Indians out there upon the reservation, then it was quite a different story. They either had to have the facts, and substantiate those facts, or they had to admit that the Indian was telling the truth about it.

Let me say to the Senate that the Committee on Indian Affairs has filed reports, we have called the attention of the department to the facts, but, generally speaking, the recommendations of the committee have been ignored.

There is one thing which should be done; that is, the chairman of the Committee on Indian Affairs ought to be a member of the Committee on Appropriations of the United States Senate, so that he himself could follow these appropriations when they are made up, because the chairman of the Committee on Indian Affairs has visited practically all of these reservations. He can tell, if he is on the Committee on Appropriations, whether the money should be expended or whether it should not be expended, and we would not have to take just the word of the Indian Bureau as to whether they needed the money or did not need the money.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Montana yield to the Senator from Florida?

Mr. WHEELER. I yield.

Mr. FLETCHER. I had supposed that the practice was to put on the subcommittees of the Committee on Appropriations the chairmen of the important standing committees.

Mr. WHEELER. That is not the case.

Mr. FLETCHER. I think the chairman of the Committee on Indian Affairs ought to be on the subcommittee which frames this bill, if not on the general Committee on Appropriations.

Mr. WHEELER. I thoroughly agree with the Senator; that is what ought to be done. The chairman of the Committee on Indian Affairs ought to be on the subcommittee which hears the officials of the department with reference to Indian appropriations. Every year the same thing happens. They come here and get appropriations, and the recommendations of the Committee on Indian Affairs with reference to expenditures of money are entirely ignored.

Mr. President, I ask that a copy of this official report with reference to the Mescalero Apache Indians be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[Senate Report No. 25, Seventy-second Congress, first session]

SURVEY OF CONDITIONS OF THE INDIANS IN THE UNITED STATES—INDIAN TRIBAL AND TRUST FUNDS, MESCALERO APACHE RESERVATION, N. MEX.

Mr. FRAZIER, from the Committee on Indian Affairs, submitted the following partial report (pursuant to Senate Resolutions 79 and 308, Seventieth Congress, and Senate Resolutions 263 and 416, Seventy-first Congress):

Pursuant to the above-mentioned resolutions and within the limits of its authority the subcommittee has conducted hearings on many Indian reservations situated in various States.

The subcommittee reports herewith on the Mescalero Apache Reservation of New Mexico, primarily with the object of calling to the immediate attention of the Senate the abuses of Indian tribal trust funds. A more exhaustive report on Indian trust funds will follow.

On a previous occasion, when reporting on the Klamath Agency of Oregon, the subcommittee pointed out that the tribal estate of many of the Indians, turned into cash through the sale of natural resources, is being rapidly exhausted by the Indian Bureau.

The Mescalero Apache Reservation of 472,200 acres is occupied by 696 Apache Indians. Its chief values are its timber and its grazing range. At the time of the subcommittee's hearings (May 4, 1931) a meager ration was being supplied to 31 of their aged and infirm Indians. The Indian Bureau provides schooling on the reservation for 107 Apache children and an additional 17 attend public schools; 38 children from the reservation are at distant boarding schools. A hospital is maintained by the Indian Bureau with an average attendance, as stated to the subcommittee at the hearings, of 12 to 14, but, in addition to his duties at the hospital, the doctor answers sick calls from the Indians.

The Indian agency's activities in the matter of Mescalero Apache property have to do (a) with the timber, and (b) with the livestock, particularly the tribal herd which has dwindled from 7,500 in 1928 (House appropriation hearings for 1930, p. 1205) to 3,000 in 1931. The timber income and tribal-herd income alike are absorbed by the expenses of the agency. In addition, $10,000 from the tribal fund was spent for water development in 1930 and $10,000 in 1931. The income from the sale of timber has been, through each successive year, used up by the Indian Bureau for administration. The income from leases of tribal lands have been similarly used. The income from the rapidly diminishing tribal heard likewise has been used for Indian-agency maintenance. The whole tribal estate, in practical effect, with the exception of the area used for grazing 1,000 head of cattle, 18,000 sheep, and 10,000 goats, is treated as belonging to the Indian agency, not to the Indians, and its yield of income and principal is being consumed in agency salaries and other Indian agency costs.

The reservation superintendent, Mr. P. W. Danielson, when testifying before the subcommittee on May 4, 1931, repeatedly affirmed that the total of tribal funds annually used by the agency was $55,000. Reference, however, to the Indian Bureau's detailed reports of expenditures established that the bureau's draft against the Mescalero tribal fund has fluctuated between $70,000 and in excess of $110,000 through successive years. (House appropriation hearings, Interior Department appropriation bill, p. 704.) In addition, the bureau has obtained from Congress a gratuity appropriation for this reservation of $64,309 for 1928, $76,186 for 1929, $97,661 for 1930, and $87,390 for 1931. In the fiscal year 1930, the total expenditure at the Mescalero Apache Reservation was $208,436.22. The tribal funds used by the Indian Bureau in 1930 totaled $110,774. (House appropriation hearings, Interior Department bill, fiscal year 1932, p. 704.) The per capita expenditure, nominally in behalf of each Indian then resident on the reservation, was $306. Out of the tribal fund there was contributed for each Indian $163 to the maintenance of the Indian agency, and the Government, through gratuities, contributed an additional sum of $143 per capita. Indian agency salaries, as distinct from irregular labor, totaled $70,280, or $103 for each Indian, according to the tabulation of expenditures for 1931, which was made a part of the subcommittee's hearings at the Mescalero Agency.

Indians have been led to believe that they are tax exempt, but the Mescalero Apaches are not tax exempt in the sense that their tribal funds are used for the purpose of the agency administration. If the American people as a whole paid an average per capita tax equal to the per capita contribution of the Mescaleros to reservation costs in 1930, the tax fund would total more than $20,000,000,000 a year. If Government in all its branches, national and local, were supported as lavishly, on a per capita basis, as is the Indian agency on the Mescalero Reservation, the tax fund would total more than $36,000,000,000 or more than a third of the aggregate national income.

It has been stated above that the Mescalero Apaches received, in return for their heavy contribution, supplemented by the Government's heavy contribution, but little of tangible service from the Indian Bureau. More than three quarters of a million dollars of Mescalero Apache trust money has been used by the Indian Bureau in 10 years. There are fewer than 700 Indians. The large expenditures, as explained above, do not represent per capita or other cash payments made to the Mescalero Indians, except that in 1930 $22,013.12 of tribal funds was loaned to individual Indians and applied on their store debts, hence it can not be asserted that the Apaches have squandered their money. As one example of conditions on the reservation, the subcommittee found, within a quarter mile of the agency headquarters, an Apache woman more than 80 years old. This old woman was one of the 31 receiving, twice each week, a small ration paid for from the tribal fund. Her home was a set of poles with a canvas around the poles, and when it rained the rain came in. The place was not ditched, and for weeks before the subcommittee's arrival this old woman had been living in a sea of mud and water. The bureau's field matron, under questioning, admitted that she had not visited the place or sought to help.

The subcommittee points out that it does not favor uncontrolled per capita payments from tribal income, but that the tribe's income should be used for the industrial advancement of the tribe's members instead of being used for the support of the Indian agency in unproductive ways.

The evidence adduced at the hearings at Mescalero through Indian and Indian Bureau testimony alike showed that the Indians are practically denied the use of most of their reservation and denied the advantages of their reservation's income; are burdened with impossible debts, part of them for improvements needed by the general community of whites; and are forced to carry an immense burden of Indian agency salaried employees. The agency witnesses testified that for the tribal herd of 3,000 head, the agency was employing a supervisor and seven other salaried employees. The evidence further disclosed that for overseeing the timber, although no timber operations were in progress, and specifically for supervising the sale of timber, although the sale of timber had ceased the preceding year, the agency was employing a forest supervisor, a senior ranger, a forest ranger, and two timber scalers on an all-the-year basis. An Indian agency pay roll of $70,280 for salaries as distinct from irregular was being maintained in 1931. The committee believes that the work of this agency as well as every other agency visited could be conducted with fewer employees. This is particularly true of the forestry department of the Indian Bureau where the overhead expense to the Indians is far beyond what it should be. The Indians' timber is being squandered on a lot of high-priced employees while the Indians are going without sufficient food and clothing. Every Indian on a reservation that has a timber reserve should be encouraged to build himself a good home and should be furnished lumber and advice and help in building it.

Generally speaking there are too many subagents and too many farmers, too many foresters, too many scalers, and too many so-called experts, and too little good for the Indian has been accom-

plished. The Indian Bureau is a good example of bureaucracy gone mad.

The subcommittee has dwelt at some length on the Mescalero Apache tribal fund and agency financial records because in its essentials this record typifies the situation at reservations where the Indian Bureau uses Indian trust moneys.

The use of Indian tribal funds for Indian Bureau maintenance, and without regard to Indian wishes or to the duty of conserving the Indian property and building it up, is causing the rapid impoverishment of the Indian tribes without even, in the typical and more numerous cases, saving money to the United States. This conclusion becomes evident as soon as the Indian Bureau's expenditures at reservations with large tribal funds or tribal incomes is compared with its expenditures at reservations without large tribal funds or tribal incomes, where expenditures must be made from gratuities which are effectually controlled by Congress. From the tabulation of the expenditures of 13 reservations, appended to this report, the following facts are pointed out as examples:

The New Mexico Pueblos are administered through gratuities. They receive, according to the subcommittee's observations, when compared (for example) with the Mescalero Reservation and the Klamath Reservation previously reported on, an intensive and efficient human service, and their properties for several years past have been reasonably safeguarded by the Government. Omitting reimbursables, the Pueblo cost per capita in 1930 was $38.40—$36.70 gratuities and $0.70 tribal. The Navajo and Hopi Reservations are administered principally through gratuities. The total per capita in 1930 was $47.70—$42.70 gratuitous and $5 tribal. The California Mission Indians receive a comparatively intensive service, educational, medical, and social. Their per capita cost in 1930 was $50.40, of which all except $0.40 was gratuitous. For the whole of California, outside Yuma (18,509 of the 19,197 Indians) the total per capita expenditure in 1930 was $24.55, of which $24 was gratuitous. For the Pimas, numbering 4,449, the total per capita was $42.50, of which $39 was gratuitous.

In striking contrast are the reservations having substantial tribal funds or tribal incomes. At Mescalero, as already pointed out, the gratuitous expenditure per capita was $143 in 1930, and to this gratuitous amount, so large in comparison with the above examples, there was added a tribal fund expenditure of $163 per capita. At Jicarilla, to a gratuitous per capita of $131 there was added a tribal fund per capita of $102. For the Colorado Utes, to a gratuitous per capita of $92 there was added a tribal fund per capita of $94. Exceptions, as noted in the appended tabulation, are the Osages, the Klamaths' and Menominees, where the heavy per capita expenditure is levied chiefly against tribal funds.

The subcommittee has stated above that at the Mescalera Apache Reservation it found not a superior, not a more generous, service to the Indians, as a result of the very large expenditures, but instead, that it found a meager and deficient service. Previously, the same state of affairs at the Klamath Reservation has been described by the subcommittee. The subcommittee in its many hearings on the reservations has found it to be almost uniformly true that the Indians who are surrendering tens, even hundreds, of thousands a year from their tribal funds in payment for agency services and in whose name large gratuities also are being spent, are no more served, and no better served, that those living on reservations dependent on gratuities.

In sum: The subcommittee finds that the past and continuing use of tribal funds by the Indian Bureau is of little benefit to the Indians. It means, if continued as at present, the ultimate dissipation of the Indian estate, with no human gains to the Indians and not even a saving of expense to the United States. That the policy of to-day is not different from that of earlier days is shown by a comparison of the totals of tribal funds from the four Apache Reservations, asked for and secured in the fiscal year 1930 and the fiscal year 1932, for "general support and administration." (As explained above, the actual expenditures from tribal funds have been larger.)

The comparison follows:

	1930	1932
San Carlos Apache	$89,300	$107,500
Fort Apache	135,300	143,900
Mescalero Apache	55,000	55,000
Jicarilla Apache	60,000	60,000
Total	339,600	366,400

The showing is in fact more serious than the above comparison on its face would indicate. Since 1930 the chief source of replenishment of the funds of three of the four Apache reservations has diminished or stopped altogether, with the decline of the lumber market. At the Jicarilla Reservation the stoppage is permanent, all the timber having been now cut over; there will be no new timber income for 50 years or longer, according to the testimony of the superintendent of this reservation given at the subcommittee's hearings at the Jicarilla Reservation. The present policy, if it continues, means the complete destruction of many of the tribal funds at a very early date. It is a situation which as a whole calls for the immediate attention of Congress.

Respectfully submitted.

LYNN J. FRAZIER, *Chairman.*
BURTON K. WHEELER.
ELMER THOMAS.

WASHINGTON, *D. C., December 22, 1931.*

Tribal and gratuity expenditures, 12 southwestern reservations, fiscal year 1930

[Reimbursables, treaty annuities, and per capita payments excluded. Tribal fund expenditures include expenditures from the 8 per cent fund derived from proceeds of timber sales. Population resident on reservations, as given by Commissioner of Indians Affairs for 1930. Papago population is that now counted under the Sells (Ariz.) Agency]

Tribal funds and expenditures

Reservation	Population	Tribal fund, total	Gratuity, total	Tribal per capita	Gratuity per capita	Total expenditures	Total per capita
Mescalero Apache	680	$110,774.00	$97,661.00	$163.00	$143.00	$208,436.00	$306.00
Jicarilla Apache	638	83,038.00	64,842.00	102.00	131.00	148,880.00	233.00
Fort Apache Apache	2,633	222,891.00	165,440.00	85.00	62.00	388,131.00	147.00
San Carlos Apache	2,393	91,099.00	104,087.00	38.00	43.50	195,186.00	81.50
Papagos, Ariz. (Sells)	5,400	1,352.00	86,908.00	.21	16.00	88,260.00	16.21
Pueblos, N. Mex	10,579	7,109.00	380,513.00	.70	36.70	387,622.00	38.40
Pimas, Ariz	4,449	15,646.00	177,359.00	3.50	39.00	193,005.00	42.50
California, outside Yuma	18,509	14,977.00	444,607.00	.55	24.00	459,584.00	24.55
Mission Indians, Calif	2,856	1,113.00	143,501.00	.40	50.00	144,614.00	50.40
Colorado Utes	1,636	153,314.00	150,125.00	94.00	92.00	303,439.00	186.00
Uintah and Ouray, Utah	1,032	110,858.00	180,737.00	108.00	33.50	291,595.00	141.50
Navajo and Hopi	42,953	223,980.00	1,835,740.00	5.00	42.70	2,059,720.00	47.70
OTHER RESERVATIONS							
Shoshone	1,086	$179,747.00	$295,473.00	$99.00	$41.00	$475,120.00	$140.00
Klamath, Oreg	1,052	262,189.00	5,623.00	249.00	5.50	267,812.00	254.50
Osage, Okla	[1] 1,115 / [2] 3,263	420,918.00	423.00	[1] 377.13 / [2] 129.03	.13 / .03	421,342.00	[1] 377.13 / [2] 129.03
Menominee, Wis	1,939	[3] 173,455.00	16,761.00	80.80	8.60	173,445.00	89.40

[1] Restricted. [2] Unrestricted. [3] Exclusive of Menominee timber-mill costs.

Mr. WHEELER. Let us take the Jicarillo-Apache Reservation. On that reservation there is no timber to care for, hence the excuse for expending the money is absent. Yet the per capita expenditure by the bureau in 1930 was $233, of which $102 came out of the tribal fund. The Jicarillo-Apache Indians have had timber, but it is now cut, entirely gone. They have lost their timber. Yet the department still maintains a tremendous bureau there for the purpose of looking after the timberlands and other interests of the Indians.

Superintendent Graves, of that reservation, testified before the committee last May that there could be no more cutting of timber on that reservation for a period of 50 years. Yet the bureau of forestry has built up down there and still has a great organization.

The tabulation at the end of the Mescalero report shows that wherever tribal funds exist, there the Indian Bureau spends lavishly. It spends economically only where there are no tribal funds.

For instance, I would like to call the attention of the Senator from Utah to this fact, that the Papago Indians of Arizona have no tribal fund, and their per capita is only $16.21. The Senator says in an aside that they have sheep. That is true, but you have not loaded them down with a

tremendous number of bureaucrats as you have the Mescaleros, or any of the rest of the reservations.

Where the Indians have not tribal funds, the bureau has let them alone. Let me say that you have given less attention to the Papagos, you have given less attention to the Navajo Indians in Arizona than you have to almost any other Indians in the United States who have come under the bureau, and the Navajos and the Papagos, as a matter of fact, are in better shape than practically any other Indians in the United States to-day.

Sixteen dollars for the Papagos, and $126 spent on each Indian upon the Klamath Reservation.

Sixteen dollars for the Papagos, and $306 for the Mescalero Apache Indians.

One tribe has money, the other has to come to Washington and get it from the bureau.

Yet the Senator from Utah tells me that he would believe a bureau official quicker than any of these Indians who come here and ask for economy in their appropriations.

Mr. SMOOT. Mr. President, the Senator has made that statement three or four times.

Mr. WHEELER. Exactly.

Mr. SMOOT. I did say that I would take the word of the bureau as quickly as I would that of the representative to whom I referred at the time I was speaking, or quicker.

Mr. WHEELER. The Senator referred to one of the Indians.

Mr. SMOOT. Yes; but there is more than one Indian in the United States.

Mr. WHEELER. The trouble with the Senator from Utah is that he has been taking the word of the bureaucrats all the time rather than listening to some of the Indians fighting to conserve their natural resources.

Mr. SMOOT. The Indians in Arizona of whom the Senator speaks have never been here to complain. Their situation is entirely different from that of any other Indians in the United States, and the Senator knows it just as well as I do.

Mr. WHEELER. Has the Senator ever visited their reservation? No; he has not.

Mr. SMOOT. I have not visited their reservation, but I do not think it would make a particle of difference.

Mr. WHEELER. No. Of course, the Senator can get much more information by sitting in his office here in Washington and taking the word of the bureaucrats than he can by going out and visiting some of the reservations.

Mr. SMOOT. If any representative of the tribe of Indians in Arizona wanted to be heard, he would be heard; but none wanted to be heard. I called attention to an estimate for an appropriation of $135,000 which has been sent in here within a few days for the Indians of Arizona.

Mr. WHEELER. Yes; that is because of the unusual conditions resulting from the storm that took place there and the nation-wide publicity that has been given to their condition.

Mr. SMOOT. We have a Senator from New Mexico on the Appropriations Committee and a Senator from Arizona, too, on the Appropriations Committee. I am sure those Senators will look well after the welfare of those Indians.

Mr. WHEELER. I have not the slightest doubt of it, but what I am trying to say to the Senator is that when those Indians have money in their coffers then the Bureau of Indian Affairs has taken out of it $126 to $163 for each Indian, but when they have not any money in their coffers then the Senator from Utah would spend only $16 upon each of them.

Mr. SMOOT. If they have not any money in their coffers, somebody has to take care of them. That has been the policy not only for this year but for years before ever the Senator came into the Senate of the United States.

Mr. WHEELER. Yes; I realize the fact that the bureau has been exploiting these Indians for years, but I am pointing out to the Senator the fact that if he would visit those Indians he would learn that as a matter of fact where he has recommended that there be only $16 spent on them when the Government had to put up the money, yet if the Indians themselves have their own funds the bureau is vastly more generous with its recommendations and is now proposing to appropriate $136,000 a year out of the Indians' own funds to take care of them.

Mr. SMOOT. Of course, I do not want to take the Senator's time, but the Senator knows why there was only $16 per capita.

Mr. WHEELER. Of course, and I have just told the Senator why.

Mr. SMOOT. The income from their property is a different matter. The nature of the property itself is quite different. It is standing timber. The reservation has nothing on it but standing timber. The Senator speaks of the Indians in Arizona. They are self-sustaining, or just as near self-sustaining as it is possible for them to be. They live just as well as a great percentage of the white people of that country.

Mr. WHEELER. I do not like to disagree with the Senator, but when he says those Indians live as well as a great majority of the white people of the country, that statement is incorrect and it can not be justified from the record. The Senator has not provided for schools on that reservation. There are places on the Navajo Reservation where there are no schools for the Indians to attend at all. The Senator stands in his place with a smile on his face, but that is the fact. It is the indisputable fact.

If he will call the Commissioner of Indian Affairs, he will find there are places down there in New Mexico, where they have no funds that the bureau could get hold of, where they have not a school, and yet there are thousands of Indian children who are not going to school to-day, because the Senator has not given them any funds with which to build schools or furnish teachers for them. But let those Indians have a little money of their own in their treasury, or let them sell some timber or some oil, and then the Senator will immediately furnish them with good school buildings, with plenty of school-teachers, with roads that crisscross the reservation, and with much more than the Indians really need for their welfare.

Mr. SMOOT. In the first place, I want to say that the Senator from Utah did not state that those Indians live better "than a majority of the people." That is what the Senator from Montana said. I did not say it.

Mr. WHEELER. What did the Senator say?

Mr. SMOOT. I said many of the white people in that territory.

Mr. WHEELER. I disagree with that statement, too.

Mr. SMOOT. Of course, the Senator would.

Mr. WHEELER. Of course, I would, because I have been there, and the Senator from Utah has not been there.

Mr. SMOOT. But I know something about the country.

Mr. WHEELER. But the Senator from Utah has merely talked with the bureaucrats up here, and they have told him that, and the Senator in his usual way believes everything they tell him with reference to what is taking place on those reservations.

Mr. SMOOT. I would just as quickly believe anything the Commissioner of Indian Affairs would say to the committee as I would Mr. Crawford, who, the Senator thinks, is as perfect a man as God ever made.

Mr. WHEELER. No, I do not think anything of the kind, but I do say when a man comes here from those Indians, the Senate ought at least to listen to his protests in behalf of the majority of the Indians on that reservation. They have protested, and not alone through Mr. Crawford. He has been elected by a majority of the Indians upon the reservation to come here to Congress and present their wishes.

Mr. SMOOT. He has a perfect right to do it.

Mr. WHEELER. I say that the Senator from Utah and the Appropriations Committee and the Bureau of Indian Affairs, notwithstanding the continuous progress for the last five years that I know of, are still maintaining this tremendously expensive bureau and doing it when the Senator and the administration are talking about economizing in every other way, but they will not economize when they come to spending the funds of the Indians.

Mr. SMOOT. The Senator from Montana must remember that this bill is written in the House of Representatives. They pass upon these items first. There is no reduction by the committee in this body. We have increased the appropriation over and above what the House provided. The Senator must understand that it is not this body which acts originally upon the bill, but the original recommendations are made by the House of Representatives.

Mr. WHEELER. I want to call the Senator's attention also to the California Indians just outside of Yuma. There the bureau spends $24.58 per capita. There the bureau spends $24.58 per capita, but on the other reservation it spends over $163.

Mr. President, I want to call attention to another fact with reference to the investigation made by the Senate Committee on Indian Affairs. The Senator from North Dakota [Mr. FRAZIER] has introduced an amendment to the bill asking that the salary which is being paid to one Mr. Hagerman shall be stricken from the bill or that no part of the appropriation shall be used for that purpose. Mr. Hagerman is only one of a large number of incompetent employees in the service of the Indian Bureau. He is just one of a number that we have suggested to the Commissioner on Indian Affairs ought to be dispensed with because of the fact that it is not only a burden upon the Indians, but it is a burden upon the Government to maintain such incompetent employees.

Mr. Hagerman was appointed by Secretary Fall and was given general supervision over each of the superintendencies located on the Navajo Reservation, and general supervision and administration of the affairs of the Navajo Tribe. About a year ago, I think it was, the Senator from North Dakota [Mr. FRAZIER] offered an amendment to an appropriation bill providing that no part of the fund should be used to pay Mr. Hagerman, charging at that time that Mr. Hagerman was incompetent. The amendment was adopted. But notwithstanding that fact, when the bill went to conference, the item was reinstated in the bill. The department kept Mr. Hagerman on in the same capacity in which he had been serving. They got out a tremendous lot of publicity to the effect that Mr. Hagerman was competent and should be retained.

Charges were filed against Mr. Hagerman by certain Indians to the effect that he had been entirely too favorable to the oil interests in leasing some of their property. I am not at all satisfied that there was any evidence sustaining the charge that Mr. Hagerman was guilty of any corruption in connection with the oil leases. Neither am I convinced at all that there was any evidence of any corruption of any kind or character against Mr. Hagerman. But I invite the attention of the Senator from Utah to the fact that we have a Commissioner of Indian Affairs here in Washington. Then we have an Assistant Commissioner of Indian Affairs here in Washington. We have a head of the forestry division and a head of the agricultural division of the Bureau of Indian Affairs in Washington, as well as the head of the educational division. Then they found a place for Mr. Hagerman and said, "You are to be a commissioner over the heads of all the agents down in the Navajo country." If an agent wanted to write a letter complaining about a situation on a reservation or if he wanted an appropriation or wanted this or that, he was compelled to take it up with Mr. Hagerman. Then when he took it up with Mr. Hagerman, Mr. Hagerman would take it up with the bureau here in Washington, and at some subsequent date perhaps the complaint of the Indians or the complaint of some of the officials on the agency would finally reach Washington.

We first heard Mr. Hagerman's story here in Washington. I challenge anybody in the Senate or elsewhere to read Mr. Hagerman's testimony given before the Committee on Indian Affairs, to read his answers to the questions propounded, and then tell the Senate what policy he pursued as superintendent over all of those agencies. I challenge anybody to read his testimony and tell the Senate what policy he adopted as a member of the Pueblo Lands Board where he was appointed by the Secretary of the Interior. Every time that he testified before that committee he told a different story. It is impossible to read his testimony and say that Mr. Hagerman knew what he was talking about when he first came before the committee or at any subsequent time excepting that the last time he came there this year, just a short time ago, he did have an outline of a policy which he alleged had been pursued. As a member of the land board he adopted one policy. That was followed for a short time and then it was changed. He and every member of that land board as a matter of fact testified differently as to what was the policy of the land board.

But the Commissioner of Indian Affairs and the Secretary of the Interior have repeatedly said, "Oh, we must keep Mr. Hagerman because he is of such tremendous importance and he is such a great man for the Bureau of Indian Affairs." They said, "He is familiar with all the Indian reservations down through the Southwest. He knows the Indian situation, he knows the wants of the Indians, he has visited all the Indians, and they all have confidence in him.

However, when the committee visited these reservations, where we had been told he had done such important work, we found that Mr. Hagerman had visited one reservation, but had been there only about 10 minutes. It was stated that he drove up in a fine automobile; that he never got out of his automobile; that he talked to the Indians for a few moments and then went on his way. So far as knowing what the conditions were on the various reservations, this man, who had general supervision over all these Indian agencies, had scarcely visited many of them, or, if he had visited them, he had spent only a very few minutes there at any one time; he had never consulted to any extent with the Indians in many places which he visited, and, as a result, all of the Indians down there had lost confidence in him, as had likewise many of the people who were working in the Indian Service.

Mr. President, Mr. Hagerman, who was appointed by the Commissioner of Indian Affairs, exercised the powers to which I have called attention until 1928, when he was removed, as I understand, by Secretary Work on a joint showing made by a representative of the Department of Justice and a high official in the Indian Bureau to the effect that Hagerman was incompetent or inactive in the Navajo matters and also insufficiently active in the Pueblo Lands Board matters. In July, 1928, however, Mr. Hagerman was restored to the office of which Secretary Work had deprived him and was given wider power, covering all jurisdictions in the four States of Arizona, Utah, New Mexico, and Colorado. I am not going to take the time of the Senate to discuss the activities of Mr. Hagerman in connection with the lands board, except to say, as the two Senators from New Mexico are here, that they know what his activities were; they know likewise how the board has failed to carry out the law as enacted by the Congress of the United States; and they likewise know how this board has spent a tremendous amount of money and accomplished practically nothing, either so far as the white settlers are concerned or so far as the Indians are concerned.

Mr. President, after testimony was adduced before the Committee on Indians Affairs, in the first instance, by Mr. Hagerman, and after he had sent statements to the press seeking to try to discredit a member of the committee, it was suggested that we should go to New Mexico. We went to New Mexico, but during the time we were there Mr. Hagerman never appeared before the committee. Notwithstanding the fact that we repeatedly asked him to come there, he did not do so, because, as it was stated, he was ill. However, it is a strange coincidence that the very day on which the committee visited Winslow, Ariz., Mr. Hagerman was in that town that very morning; and although we repeatedly called upon the Commissioner of Indian Affairs and asked him to have Mr. Hagerman present at the hearing, he neglected and failed to appear.

However, a lawyer was employed to appear before the committee, I think, at Santa Fe, although as to the place I can not be sure at the moment; but it is certainly true

that the charge against Mr. Hagerman to the effect that he was incompetent, to the effect that he had neglected the affairs of the Indians, to the effect that it is an unnecessary expense to the Government of the United States to keep him in his present position, was overwhelmingly sustained by the evidence adduced before the committee. His usefulness, so far as the Government of the United States is concerned, in trying to bring about a settlement between the whites and the Indians I am sure is at an end. As I said a moment ago, and I repeat now, from the testimony adduced at the various reservations which we visited, scarcely anyone among the Indians had ever come in contact with Mr. Hagerman or with his work upon the reservation, work which the Commissioner of Indian Affairs states is so valuable and so necessary for the benefit of the department and of the Indians as well.

So I hope when the Senator from North Dakota [Mr. FRAZIER] offers his amendment to eliminate Mr. Hagerman from the pay roll of the Government that it will be adopted. Not only should that be done with reference to Mr. Hagerman but there are a number of other employees on the pay roll of the Bureau of Indian Affairs whose services should likewise be dispensed with. The farmers who are employed on the reservation to instruct the Indians in the science of agriculture ought to be removed and their pay stopped; and furthermore, the number of employees on every single one of the reservations ought to be reduced by one-third to one-half.

Mr. COSTIGAN. Mr. President, will the Sentator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I yield.

Mr. COSTIGAN. Approximately how much will be saved if the amendment of the Senator from North Dakota shall be adopted?

Mr. WHEELER. In sums of money it will be very little, but the important thing about it is that there is being kept on the pay roll a man in whom the Indians have no confidence and in whom many of the whites have no confidence, and the Indians have petitioned time and again, saying they did not want him to represent them upon the land board or anywhere else. The Senator from Colorado will understand that Mr. Hagerman was appointed by the Secretary of the Interior, supposedly to represent the Indians in the Navajo country, and supposedly to look after their interests. He holds two offices, one as commissioner general of all the Navajo Indians, or he did hold that office quite recently, unless there has been a change, and also the office of commissioner of all the Indian reservations down there, having supervision of the reservations. He also holds a further position by virtue of which he is a member of the board called the Pueblo Land Board.

Mr. COSTIGAN. Has the committee of which the able Senator from Montana is a member submitted a report to the Senate on this subject?

Mr. WHEELER. We submitted one report, in which we recommended that Mr. Hagerman be discharged, and last year the Senate of the United States went on record on the subject and by a vote inserted in the appropriation bill then pending a provision to the effect that no part of the appropriation should be used for paying his salary; but, notwithstanding the fact that the Senate of the United States thus went on record and notwithstanding the fact that the Committee on Indian Affairs went on record to the effect that Mr. Hagerman should be discharged, the Commissioner of Indian Affairs and the Secretary of the Interior insisted upon keeping him upon the pay roll, although practically all the Navajo and the Pueblo Indians are against him and do not want him to represent them on this board and have protested against it to the committee. The Department of the Interior flaunts not only the United States Senate in the face but it flaunts the subcommittee of the Committee on Indian Affairs in the face, and it flaunts the wishes of the Indians themselves in the face, by keeping this man upon the pay roll to handle the affairs of the Indians.

In the first place, there should not be any position such as the one that has been outlined and which is now held by Mr. Hagerman. There are Indian agents in charge of each and every one of the Indian reservations, and if those agents are not competent to handle the work they ought to be discharged.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I yield.

Mr. KING. I have read most of the testimony taken by the Committee on Indian Affairs that has been investigating the Indian situation, including the testimony regarding Mr. Hagerman. Will the Senator elaborate his statement concerning Mr. Hagerman's activities in connection with the New Mexico Indians?

As I recall, there was a controversy between the white settlers and the Indians. After the Senator from New Mexico came to the Senate he aided in working out a plan for the settlement of that controversy. The settlers claimed that they had occupied for many years land the title to which was claimed by the Indians; that they had made valuable improvements thereon; and that to deprive them of the land would be a grave injustice.

A board was created, as I recall, in order to determine what should be paid by the Government to the Indians by way of compensation for the lands which would be retained by the whites. This board, after making a comprehensive examination, found the value of the Indians' holdings—that is, the land occupied by the white settlers—and recommended payment of $2,000,000 to the Indians.

Mr. Hagerman was presumed to represent the Indians, to be their guardian, charged with the duty to protect their interests. Notwithstanding the findings of the board, Mr. Hagerman so dominated it that the award was reduced from $2,000,000 to $600,000. A bill has been introduced, as I understand, by the Senator from New Mexico [Mr. BRATTON] and his colleague for the purpose of rectifying, in part at least, the wrong which had been committed, and to pay to the Indians a million dollars. Do not the facts show that Mr. Hagerman was not loyal to the Indians and, as some Indians believe, betrayed them in that controversy?

Mr. WHEELER. I do not know that I would want to go as far as the Indians referred to by the Senator from Utah and say that he betrayed them; but I will say this, and this is the fact:

This board went out and appointed appraisers to appraise the Indians' lands and their water rights. In the first case, after the appraisement was made, as I recall the testimony—the Senator from New Mexico will correct me if I am wrong—they accepted the amount that had been found by their own appraisers as the value of the Indians' water rights and their land, and paid the Indians that amount. In subsequent dealings with the Indians' lands and water rights, however, they appointed appraisers who went out and, as the testimony shows, made a very careful appraisement of the Indians' property, of their water rights, and of their lands; and then, after that appraisement was made by their own appraisers, by men who they said were competent, by men in whom they admitted they had confidence, they simply cut the appraisement to a very much lower amount. I have forgotten the exact figure.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. WHEELER. Yes; I yield.

Mr. BRATTON. In the first case, the one to which the Senator referred, the awards by the board were on the basis of $100 per acre. Thereafter the board adopted an arbitrary rule fixing $35 per acre as the maximum figure, and all awards made subsequently were governed by that rule. Thirty-five dollars per acre was the extreme limit; and with the kindness of the Senator from Montana, I may say in that connection that there is no substantial difference between the value of the lands in the first case and the value of the lands in the subsequent cases.

I do not agree with the action of the board in fixing that arbitrary figure. I think it was a mistake of judgment,

against the interest of the Indians; and the purpose of the bill which is now pending on the calendar is to correct that mistake and to do justice toward the Indians.

Mr. KING. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. KING. May I ask my friend the Senator from New Mexico if it was not the understanding of the Indians that Mr. Hagerman had been appointed as Assistant Secretary, or assistant to the Secretary and assistant to the Indian Bureau, for the purpose of looking after and protecting the rights of the Indians, including those involved in this controversy?

Mr. BRATTON. Of course Governor Hagerman held the two positions at the same time. His first position was that of special assistant to the commissioner, and as such he had supervisory control of the several Indian agencies in that section of the country. The other position was that of a member of the Pueblo Lands Board. It may be asserted that his duties in one respect did not conflict with his duties in the other respect, but at the same time I think the fact that he held both positions might well have led the Indians to believe that he would resolve every doubt in their favor. I think that is a reasonable assumption under the facts.

Mr. KING. Did not he insist upon this arbitrary figure, which reduced the appraisement of $2,000,000 to $600,000?

Mr. BRATTON. The Senator's figures are slightly in error. As I recall the facts, the $2,000,000 to which the Senator referred includes what is called the Taos claim that the Indians surrendered with the understanding that they were to be given in lieu thereof what is called the "Blue Lake area." With that eliminated, the figures total about $1,300,000. That represents in substance the appraisements made by the appraisers appointed by the board. The awards total about $600,000. Thus, the difference is approximately $700,000 between the total appraised values and the total awards. Those are the figures as I recall them.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. SMOOT. Has the Senator from New Mexico made up his mind as to the value per acre of the land involved?

Mr. BRATTON. Yes.

Mr. SMOOT. Was the land worth $100 an acre?

Mr. BRATTON. Oh, yes; Mr. President. A great deal of that land, with water rights, is worth more than $100 per acre. One hundred dollars per acre is not an excessive figure. Thirty-five dollars per acre is a grossly inadequate figure. I have no hesitancy in saying that.

Mr. SMOOT. I knew the Senator's position on the matter, because he had stated it to the committee. That is the reason why I wanted to bring out that fact at this particular time.

When the land was first appraised at $100 an acre there was no development there of a water system, was there?

Mr. BRATTON. Oh, yes.

Mr. SMOOT. I mean, to cover the whole land?

Mr. BRATTON. I think as much so in that pueblo as in any of the others. I do not think there is any substantial difference in the degree of development of water.

Mr. SMOOT. What I wanted was to get the picture just as it was. I may be wrong in my recollection about it, but it is that when the first appraisal was made of the lands it was made with no developed water rights or the use of water upon the land at that time. Was that universal on the land that was valued at $100 an acre?

Mr. BRATTON. Yes. As I recall, the first case, that is to say, the pueblo where they fixed the figure of $100 per acre, was the Tesuque Pueblo, which is located a few miles out of the city of Santa Fe. In that pueblo they fixed the value at $100 per acre for the land, plus the appurtenant water right. My memory now is that the Nambe Pueblo was the second one, and it was in connection with that pueblo that they established and first declared the $35 per acre maximum.

Mr. SMOOT. That is as I remember.

Mr. BRATTON. I think there is no substantial difference in the degree of development of water between the two pueblos.

As I understand, Governor Hagerman now says that the reason for the reduction was that the board undertook to divide the water rights into two parts, denominating one primary water rights and the other secondary water rights, and that they intended to compensate the Indians in the Nambe and all subsequent pueblos for only the secondary water rights, reserving to them the primary water rights.

I may say to the Senator from Utah that although I have spent a great deal of my time in New Mexico, and was more or less familiar with the work of the Pueblo Lands Board, I never heard that theory advanced until two or three weeks ago, when the committee was considering the bill which is now on the calendar. Then, for the first time, I heard it stated that such reduction was due to the fact that they had intended to compensate the Indians only for the secondary water rights, and reserved to them the primary water rights.

Mr. SMOOT. That is as I understood it.

Mr. BRATTON. But let me say to the Senator before we leave that subject——

Mr. SMOOT. The Senator has a bill, and it is now on the calendar, as I understand, to correct that very thing.

Mr. BRATTON. Exactly. It is on the calendar now, with a unanimously favorable report from the Committee on Indian Affairs, designed to correct that mistake, do justice by the Indians, and settle, in the best way we can devise, a very complicated situation. I am hopeful that at an early date we may pass that bill and do substantial justice by those Indians. It is long overdue. It is a grave injustice to those Indians, and should be corrected.

Mr. WHEELER. I thank the Senator.

I am not going to go further into the Hagerman matter, except to say that the testimony taken before the committee showed conclusively that at the outset the board had no plan; that they appointed their appraisers, men who they testified were competent; but after appointing them they arbitrarily disregarded all of the appraisers' work, all of their recommendations, and arbitrarily fixed, as the Senator from New Mexico says, the figure of $35 per acre; and they did it in violation of both the letter and spirit of the law.

Now, Mr. President, I am going once more——

Mr. KING. Mr. President, before the Senator leaves that subject, will he permit an interruption?

Mr. WHEELER. I yield.

Mr. KING. It seems to me the Senator ought to put into the RECORD as a part of his remarks, if he does not object to it—or, if he prefers, I will put it in at the close—the special report made by the committee of which he was a member dealing with the Hagerman matter. With the Senator's permission, I will read it at this point.

Mr. WHEELER. Very well.

Mr. KING. The report is as follows:

[Sen. Rept. No. 25, pt. 3, 72d Cong., 1st sess.]

Mr. FRAZIER, from the Committee on Indian Affairs, submitted the following partial report (pursuant to S. Res. 79 and 308, 70th Cong., and S. Res. 263 and 416, 71st Cong.):

Pursuant to said resolutions and within the limits of its authority the subcommittee of the Senate Committee on Indian Affairs has conducted its survey and investigations generally among the various Indian tribes of the United States, and in pursuance of such investigation the subcommittee has held numerous hearings in Washington and within the States of New Mexico and Arizona inquiring into the charges of neglect of duty and misconduct of one Herbert J. Hagerman, special commissioner to negotiate with Indians in New Mexico, Arizona, Utah, and Colorado, and formerly a member of the Pueblo Lands Board. At the numerous and exhaustive hearings which were held in Washington, Mr. Hagerman was present, but in New Mexico and Arizona he failed to appear.

The printed testimony is found in parts 11, 17, 18, 19, and 20, hearings of the subcommittee.

The subcommittee finds that said Hagerman in his said capacity as a member of the Pueblo Lands Board failed, neglected, and refused to comply with the mandate of Congress (act of June 7, 1924, 43 Stat. 636) creating and controlling that board, in that he failed, neglected, and refused to find the fair market value and to award fair compensation to the pueblos when ownership of land

and water rights were extinguished through the actions of the board in violation of section 6 of said act of June 7, 1924.

And by reason of such failure, neglect, and refusal to comply with the provisions of the act the Government has been put to great expense, while the board has not disposed of the claims and counterclaims of the Indians and white settlers as was intended by Congress and provided for in the act, but on the contrary has beclouded the situation, has complicated the issues by trying to read into the act and the judicial decisions an arbitrary and fantastic theory, has practically forced the Indians to institute independent suits of wholesale character, and has brought about a situation forcing Congress to legislate anew in order to accomplish the results plainly intended by the said act of June 7, 1924.

The subcommittee further finds that he has in numerous particulars neglected his duties as such special commissioner to negotiate with Indians in New Mexico, Arizona, Colorado, and Utah, with resultant serious injury to the property and the tribal interests of the Indians, and has completely lost the confidence of the vast majority of the Indians of the Southwest, who have petitioned the subcommittee that he shall no longer represent them or act in the capacity of such commissioner, and the committee is of the opinion that he is unfitted for the position assigned to him by the Secretary of the Interior.

The subcommittee further finds that the said office of special commissioner to negotiate with Indians, etc., is an unnecessary extravagance on the part of the Government. It is the belief of the subcommittee that the superintendents upon the various reservations should be held responsible for the management of the affairs of the reservations to which they are assigned and should make their reports directly to the Indian Bureau rather than through some intermediary, and that if there are superintendents or agents incapable of managing the affairs of a reservation or unable to maintain the confidence and respect of the Indians, they should be replaced by men who have the necessary qualifications to handle the business and social problems involved. The present system of having superintendents report to Commissioner Hagerman makes for delay and inefficiency, stifles the enterprise of competent superintendents, and serves as a barrier behind which the Commissioner of Indian Affairs escapes responsibility.

The subcommittee's conclusions are supported by records, complaints, allegations, and admissions contained in the printed hearings, and in records, documents, and files of the subcommittee.

Wherefore the subcommittee recommends that Mr. Hagerman's position be abolished, that there be no future appropriation for his salary and expenses, and that he be removed from the Government service.

Respectfully submitted.

LYNN J. FRAZIER, *Chairman.*
B. K. WHEELER.
ELMER THOMAS.

Mr. WHEELER. Mr. President, a moment ago I was looking for a list of the employees upon the Klamath Reservation. I did not have it at hand then. For the edification of the Senate, I want to have you listen to these salaries and to the names of these people.

C. M. Blair, the superintendent, receives a salary of $4,800.

H. L. Shilling, of the day school, receives a salary of $1,860.

E. E. Patterson, physician, receives a salary of $3,000.

C. A. Gossett, principal clerk, receives a salary of $2,700.

Mildred D. Neave, clerk, receives a salary of $1,920.

Milton L. Smith, clerk, receives a salary of $1,820.

Vera T. Lamb, clerk, receives a salary of $1,680.

Burney O. Wilson, clerk, receives a salary of $1,620.

John R. Lynn, clerk, receives a salary of $2,300.

Dorothy K. Dillstrom, clerk, receives a salary of $1,800.

Clara L. Allen, clerk, receives a salary of $1,500.

Florence J. Edwardeson, clerk, receives a salary of $1,620.

Those are all clerks in the office, and the total number of Indians, as I read a moment ago, is five or six hundred adults. There is a superintendent and there are nine clerks in the office on that reservation.

There is John W. Libby, ranger, receiving $2,000.

There is Louis C. Mueller, special officer, $2,300.

There is William A. Bonrell, carpenter, $1,800.

Those Indians have been under our tutelage for the past 25 years, and we have done so much for them, in the opinion of the Senator from Utah, and why should they not hire an Indian to do the carpentry work upon that reservation? We have had them under our tutelage for all this period of time, and yet the bureau can not find an Indian who is competent to be a carpenter out there.

There is Floyd Lovelace, stockman, drawing $1,740.

Why is it that they can not find an Indian to do the work and receive the salary of a stockman on that reservation? We have had them under our tutelage. We have been spending money for farmers, we have been spending money for stockmen, we have been spending money for schools, but they can not find an Indian, they tell us, competent to do the work of a stockman to look after the stock.

There is Bertha D. Wallace, field matron, $1,680.

David Chacktoot, private, $540. He is an Indian. I can tell that by the salary he receives.

Warren B. MacMillan, forest examiner, $2,750.

Silas O. Davis, ranger, $2,000.

Edward W. Weave, ranger, $2,100.

Edwin Wessen, junior forester, $2,000.

Arlie W. Toole, forest assistant, $2,300.

Harold Weaver, forest assistant, $2,500.

Floyd H. Phillips, forest assistant, $2,300.

Marion J. Gober, forest guard, $1,860.

Are there not any Indians on that reservation competent to be forest guards? Are there not any Indians, born and raised there and educated by the department, who are competent to be forest rangers or even forest guards?

Clarence A. Middlebusher, scaler, $1,980.

Opie K. Place, scaler, $1,920.

George C. Hepwarth, scaler, $1,920.

Frank C. Maness, scaler, $2,040.

Then we have some more rangers.

Robert D. Holtz, ranger, $2,000.

Allen E. Space, ranger, $2,300.

Then we have another forest guard—James L. Andrews, $1,740.

Then we have a supervisor—Frederick R. Moffat, forest supervisor, $3,300.

Then we have some more scalers.

Phillip J. Duffy, scaler, $1,920.

Roy Rice, scaler, $1,860.

Clyde W. Flinn, scaler, $1,980.

Floyd E. Lamb, scaler, $1,920.

Then we have senior forest ranger—Stanley J. Johnson, $2,400.

Earl L. Silver, senior forest ranger, $2,400.

Nicholas Welter, senior forest ranger, $2,300.

Just stop and think of what that means, and how that is coming out of the pockets of these Indians.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Montana yield to the Senator from Tennessee?

Mr. WHEELER. I yield.

Mr. McKELLAR. On page 192 of the Senate hearings the Senator will find that the salaries have all been raised since last year for all these people, because the salaries are stated here on page 192, and each one is very considerably less than the salaries the Senator has just been reading.

Mr. WHEELER. This is as of November 30, 1931.

Inez Rucker, head nurse; Florence Miller, nurse; Pearl I. Clark, nurse; Mattie L. Middlebusher, nurse; Anna Foust, laborer; Charles L. Mick, scaler.

Albert Christy—it does not say what his work is, but he draws $1,860.

Harry G. France, $1,860.

"Which is aside," as is pointed out in this letter furnished me, "from the agency personnel; that is, paid from the $75,000 item. As the Interior bill was reported out, $176,000 of tribal funds would be appropriated, made up as follows," and so forth.

The Indian says:

> We estimate our income during the fiscal year 1933 to be $250,000 or less under present market conditions. This would leave $74,000 to be placed to the credit of the tribe.

He said further:

> I also want to point out that if the $66,420 will be spent it is approximately 20 per cent of the annual income for forestry work, of which the department should only have 8 per cent, according to their rules and regulations.

Mr. President, I serve notice here that unless there is a reduction, unless these Indians are given some of this work on these various reservations, unless they are employed as forest guards, unless they are employed as scalers, unless

they are taken and taught how to use their own property and how to safeguard their own property, I propose to stand here and fight on every single Indian bill that ever comes here. It is an outrage upon the Indians, because of the fact that their money is being spent, their assets are being dissipated, and the Indians are getting no good out of it.

We have had these Indians under our control for 25 years or more, and fine articles are written in some of the magazines by some of the publicists for the Indian Bureau telling of the wonderful work they have done. They pick out some one single individual Indian and hold her up as a great example of what they are doing. But do they ever go to the records and say, "You have here a pay roll of thousands upon thousands of dollars for Indian guards and scalers"?

As I said on the floor yesterday, any Senator who is at all familiar with the lumber business knows that it does not take an expert, a graduate from a forestry school, to be a scaler. What do they take up in Michigan? What do they take in Utah? What do they take in Montana? They go out and find some man who has lived in the forest, who has been around the woods, a man scarcely able to write his own name, but he goes out and scales timber, and he is used in the courts of the States and the Nation as an expert witness to tell about how much timber is scaled. But when it comes to scaling the Indians' land, the bureau must go to some forestry school and pay men $1,800 to $2,500 or $4,000 a year as expert scalers. But you must not discharge them, no matter whether your timber operations are closed down or not; you must keep them on at the Indians' expense, in order to keep a white man's organization together at the expense of the Indians.

Let one of these Indians come here and complain about the superintendent, let him come here and complain against the Indian Bureau, and what do they do to him? They go out on the reservation and dig up every little, petty thing that Indian has ever done in his whole life. If he has ever brought a bottle of liquor onto the reservation—and they find it out—he is prosecuted, he is thrown into jail, he is intimidated. The record is full of the cases of Indians being persecuted because of the fact that they had the temerity to come to Congress to testify. If an Indian ever steps aside in the slightest degree, that man is shown up by the Indian Bureau, which wants to preserve jobs for its employees at the expense of the Indians.

It is no pleasure for me to go about these various Indian reservations and hold hearings and work night and day, it is not a pleasant thing, but it is a duty which somebody has to perform if the Indians are to get any kind of fair treatment from the Government of the United States at all.

The Indian Bureau can not justify these appropriations, the Committees on Appropriations of the House and of the Senate can not justify these appropriations. After 25 or 30 years of control of the Indians of the United States we find them to-day with their lands mortgaged, we find them with their oil resources gone, we find them with their timber gone, we find them poverty stricken, uneducated, and worse off than when the Government took control of them 25 or 30 years ago. They are sent out into the world with incomplete educations, unqualified even to take jobs as forest guards, to protect their own property. We find them, after 25 years of education under the Bureau of Indian Affairs, incompetent to hold jobs as nurses in their own reservations, incompetent to hold jobs as teachers under their own bureau, incompetent to hold jobs as scalers, incompetent to do anything excepting the most menial work, and then, if there is a white man upon the reservation, he generally gets the job, instead of the Indian whose money they are expending.

I would not be appealing for the Indian here if it were not for the fact that the Government is spending his money, and it has no right to do it.

The Indian is the ward of the Government, and I say without fear of contradiction that the way we have handled the Indians of the United States is a shame and a disgrace to this Government of ours, and there should be a change.

FOREIGN LOANS IN THE CHEMICAL INDUSTRY

During the delivery of Mr. WHEELER's speech,

Mr. HARRISON. Mr. President, will the Senator from Montana yield to me, in order that I may make a unanimous-consent request?

Mr. WHEELER. Yes.

Mr. HARRISON. Mr. President, I ask unanimous consent that there may be inserted in the RECORD a pamphlet issued by the Chemical Foundation of America, incorporating a letter addressed to Hon. REED SMOOT on December 31, 1931, and signed by Francis P. Garvan. It touches the question of loans of American capital to foreign interest to promote the production of foreign products to be sold in competition with our own products and to the destruction of American interests.

It is a very remarkable pamphlet and well worth reading and study.

The PRESIDING OFFICER (Mr. LOGAN in the chair). Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

AMERICAN SAVERS' MONEY LOANED TO WORLD CHEMICAL CARTEL OR ITS ALLIES FOR THE PURPOSE OF CUTTING THE THROAT OF THE CHEMICAL DEVELOPMENT OF AMERICA ESSENTIAL TO ITS NATIONAL DEFENSE, NATIONAL HEALTH, NATIONAL INDUSTRY, NATIONAL AGRICULTURE, AND NATIONAL CULTURE

[Letter received in evidence by the United States Senate Committee on Finance, January 7, 1932]

THE CHEMICAL FOUNDATION (INC.),
654 Madison Avenue, New York City, December 31, 1931.

[Chartered for the advancement of chemical and allied science and industry in the United States without financial profit to itself. Francis P. Garvan, president; George J. Corbett, vice president; William W. Buffum, treasurer and general manager; Paul Smith, secretary; Joseph H. Choate, jr., general counsel; B. Howell Griswold, jr., William G. Mahaffy, and Bradley W. Palmer, trustees]

Hon. REED SMOOT,
Chairman Senate Finance Committee,
Washington, D. C.

MY DEAR SENATOR SMOOT: As president of the Chemical Foundation, instituted by the United States Government to encourage chemical industry and research for the protection of the people of the United States in their national defense, in their public health, and in the improvement of their standard of living, it becomes my duty in reference to the subject matter now before your committee to call your attention to certain foreign loans which have been made by our bankers in direct hostility to those interests.

In the first place, the American chemical industry has been under the particular protection of this committee since the days in 1914 when the war forced upon us all the realization that we were indeed "dependent America"—dependent for our dyes, for our drugs, for our fertilizers, for our explosives, etc., etc. It is needless to refer back to Bernstorff's telegram to his home office directing the shutting off of dyes, and thus throwing 4,000,000 men in America out of work; to refer back to Hossenfelder's report that the cries of the hospitals here were growing ever louder and louder and urging upon Germany to continue her policy of shutting off drugs, such as salvarsan for our 10,000,000 syphilitics, luminal for our epileptics, etc., etc. Those days are past—one after another these powers of blackmail by foreign nations have been removed by the persistent development of our chemical industries until to-day we can safely say that our chemists have successfully conquered fertilizers (nitrates from the air, potash, etc.), drugs (100 per cent independent), dyes (94 per cent independent), iodine, artificial silk, plastics, and now, at last, rubber, leaving only coffee and tin in the hands of any foreign nation for the exertion of pressure upon the freedom of this Congress and this people.

When we state that this great national independence has been achieved by the American chemical industry, we mean with the full cooperation of this committee and of Congress, of all the administrations from President Wilson on, of all the colleges and schools in the country, and of all the people in general, with the exception of these international bankers who have never cooperated with American chemistry, but who, on the contrary, have been persistently borrowing the savings of the American people and, for the bribe of huge commissions, have been loaning these savings to the international chemical cartel, or its constituent companies or allies, the cartel whose success is necessarily based upon the destruction of our industry and our independence.

Irrespective of the present investigation, I earnestly request your committee to make a careful investigation of this great cartel, with its branches even in our own country, which is being built up and nourished by American money, handed to them by so-called American bankers.

As your committee has so well understood in reference to these foreign loans in general, the evil has been—

First. The loss forever of a great part of the $15,000,000,000 loaned abroad.

Second. The loss, during this period of great strain, of the basis of credit which this $15,000,000,000 would have constituted had it been kept at home. Economists estimate this as at least the loss of seventy-five billions of credit, or five times the base, for which this country is now suffering.

Third. The loaning of the $15,000,000,000 to foreign competitors of our own manufacturing.

Fourth. Providing the foreign competitors with credit equal to five times the loans, based on the loans.

All these evils can be seen in their intensified form in the international bankers' loans to foreign competing chemical industries. Our chemical industry is faced, not only in our own country but throughout the world, with competitors whose pockets are filled with American savers' money, and with the ability to extend long-time credit based thereon—competitors who either never intend to repay their loans or who intend to buy them up in a depreciated market or 10 or 20 cents on the dollar.

The only defense these bankers have been able to suggest for themselves is that they were encouraging foreign trade. Your Commerce Department will expose this fallacy in detail to you, but the whole fallacy appears in the fact that Germany's export trade to-day, with her natural resources and only 60,000,000 people, has been built up under these foreign loans until it equals our own export trade, with our natural resources and our 120,000,000 people—she, the borrower, and we, the lender. The truth is the world borrows in our market and buys in the cheapest market, or in the case of a monopoly, in the only market.

The following is a list of a few of the loans which I have been able to learn about with my meager facilities. I ask your committee to exert its full powers of subpœna and cross-examination to expose this menace to our people. If not exposed and checked, it threatens our national defense, our public health, and our standard of living. In addition to these loans, full examination should be made into short-term loans, direct loans upon their own securities, and every other form of subterfuge under which our own money is being used to cut our own throats:

NITRATE COMPANIES COMPETING WITH AMERICAN MANUFACTURERS WHICH HAVE BEEN FINANCED BY AMERICAN MONEY

Anglo-Chilean Consolidated Nitrate Corporation

Sixteen million five hundred thousand dollars, 20-year 7 per cent sinking fund debenture bonds.
Issue price, $100.
Present market price, $7.
Issued November 1, 1925.
Due November 1, 1945.
Issued by Lehman Bros., Blair & Co. (Inc.), and Goldman, Sachs & Co.

The Lautaro Nitrate Co. (Ltd.)

Thirty-two million dollars, first-mortgage 6 per cent convertible gold bonds, due 1954.
Issue price, $99.
Present market price, $9.
Issued July 1, 1929.
Due July 1, 1954.
Issued by the National City Co., Bankers Co. of New York, Brown Bros. & Co., Lehman Bros., and Continental Illinois Co.

Norwegian Hydroelectric Nitrogen Corporation

Twenty million dollars, refunding and improvement gold bonds, series A 5½ per cent.
Issue price, $95.
Present market price, $52.50.
Issued November 1, 1927.
Due November 1, 1957.
Issued by the National City Co.

NOTE.—Since 1907 the company has been manufacturing nitrates and fertilizers by the electric-arc process and has recently arranged with the I. G. Farbenindustrie for the adoption of the Haber-Bosch ammonia process, now in successful use in Germany, which will permit the company to increase its capacity to an equivalent of 535,000 tons of nitrate of lime a year, or over two and one-half times its present production capacity.

Ruhr Chemical Corporation (Germany)

Four-million-dollar sinking fund mortgage, 6 per cent, series A, due April 1, 1948.
Issue price, $92¼.
Present price, $20 to $25.
Issued April 1, 1928.
Due April 1, 1948.
Issued by Dillon, Read & Co., International Acceptance Bank (Inc.), and J. Henry Schroeder Banking Corporation.

Also a private loan of $34,000,000, issued by the National City Co. to the recently organized Chilean Nitrate Co., known as "Cosach," which is capitalized at $375,000,000. Twenty million dollars of this sum, according to newspaper statements attached, were sold in this country.

The Ruhr Chemical Corporation is engaged in the manufacture of ammonia, nitric acid, and fertilizer. The use of American capital to develop this company is of interest at the present time in view of an agreement recently entered into between France and Germany for the purchase of fertilizer of German manufacture. The Ruhr Chemical Corporation is a member of the German nitrogen cartel.

Before the Great War we were entirely dependent upon Chile for the nitrogen that went into our high explosives and a large part of the nitrogen which was used for fertilizers. To-day, thanks to the efforts of our chemists, we are independent of Chile or any other country for the nitrogen so necessary in either peace or war.

The effectiveness of our own production upon our imports of Chilean nitrate is disclosed by the fact that in 1928 we imported 1,032,918 long tons of Chilean nitrate of soda; in 1930 the importation had dropped to 567,894 long tons, with the outlook for the year 1931 of an even greater diminution. The production of synthetic nitrate of soda in this country has also had a tremendous effect on the price of this fertilizer to the farmer. In December, 1928, the price per hundred pounds of sodium nitrate in this country was $2.07½ per hundred pounds; now the price is $1.67 per hundred pounds.

The fixation of atmospheric nitrogen in the United States grew slowly from the close of the war until 1926, when private enterprise fixed about 13,000 tons of nitrogen. Then production began to expand. By 1928 it had risen to 26,000 tons of nitrogen. In 1929 to 84,000 tons, and in 1930 to 140,000 tons.

The figures given above are production figures. The growth of capacity is even more striking. In 1926 capacity had risen to 30,000 tons, in 1929 to 135,000 tons, and in 1930 to 175,000 tons. New plants and new units of existing plants have given us a capacity in the year 1931 of approximately 300,000 tons of pure nitrogen. This is the equivalent of more than 1,800,000 tons of nitrate of soda.

If the United States should become involved in a war of major proportions, it would require for military explosives a maximum of less than 140,000 tons of nitrogen annually. The situation in event of war, therefore, is briefly as follows:

	Tons
Needed for agriculture	350,000
Needed for military purposes	150,000
Needed for industry	100,000
Total	600,000

To meet these needs we shall have the following capacities by the close of this year:

	Tons
By-product	200,000
Synthetic	300,000
Organic	50,000
Total	550,000

In other words, there will be a shortage of only 50,000 tons, which can readily be covered by increasing the capacity of our synthetic and by-product plants. As they are readily susceptible of a 10 to 20 per cent increase, our practical independence for peace and war needs combined is assured.

The United States also has been dependent upon Chile for its supply of iodine, an indispensable antiseptic. American chemists have found a way of producing iodine in this country, and in case of an emergency could produce the amount sufficient to meet the needs of our country.

American I. G. Chemical Corporation

Thirty million dollars, 5½ per cent convertible debentures guaranteed by German I. G.
Issue price, $95.
Present market price, $59.
Issued May 1, 1929. Due May 1, 1949.
Issued by the National City Co.; International Manhattan Co.; Lee, Higginson & Co.; Harris, Forbes & Co.; Brown Bros. & Co.; Bankers Co. of New York; the Equitable Trust Co. of New York; and Continental Illinois Co.

The bonds of the American I. G. are convertible into common "A" stock. Perhaps for the first time in the history of financial issues in America the company is given the right to redeem these common "A" shares, in all or in part, in cash, at a price to be fixed by its market value, irrespective of its actual value. In other words, the German I. G. has within its power to always take back the 100 per cent ownership of the common stock of this corporation upon terms which can be manipulated by itself.

The international dye cartel until recently was composed of Germany, France, and Switzerland, but now includes England. Your committee will note that England and France, our largest foreign debtors, have joined hands with Germany in an agreement to divide the markets of the world for the sale of dyestuffs in direct competition with our American manufacturers.

Reports of this international cartel say that the agreement for a world dye cartel is designed primarily for an exchange of information and discoveries, as well as the control of competition approximately within the lines of the present division of world markets among the major companies. German chemical-trade circles believe that the reaching of this agreement is especially noteworthy, because the British interests adhered to it before the present Government had reached a decision on the future trade policy of Great Britain. The new world agreement in synthetic dyestuffs does not include the American market. The reason for this is obvious.

The inclusion of Great Britain in the international dye cartel is due to the efforts of Dr. Carl Bosch, chairman of the executive committee of the I. G. Farbenindustrie, a great German chemical monopoly. Doctor Bosch is also chairman of the board of direc-

tors of the American I. G. Chemical Corporation, which he caused to be formed in this country in 1929. This latter company is owned and controlled by the German company. Soon after its organization, a syndicate headed by the National City Co. floated the loan of $300,000,000 of 5½ per cent convertible debentures guaranteed by the German I. G.

The full board of directors of the American I. G. is as follows:

Prof. Dr. Carl Bosch, chairman of the executive committee, I. G. Farbenindustrie.

Mr. Walter Teagle, president Standard Oil Co. of New Jersey.

Mr. Charles S. Mitchell, chairman the National City Bank of New York.

Mr. Edsel B. Ford, president Ford Motor Co.

Mr. Paul M. Warburg, chairman International Acceptance Bank, Inc.

Mr. Adolf Kuttroff.

Mr. H. A. Metz, president General Aniline Works (Inc.).

Mr. W. E. Weiss, vice president Drug, Inc.

Dr. Herman Schmitz, member executive committee, I. G. Farbenindustrie.

Dr. Wilfrid Greif, member executive committee, I. G. Farbenindustrie.

According to the book American Loans to Germany, by Robert R. Kuczynski, in conjunction with the Institute of Economics, of Washington, D. C., the following private short-term loans were made to German industries in direct competition with American industries:

Date	Borrower	Creditor country	Managing banks	Nominal capital	Maturity	Interest rate
						Per cent
Sept., 1926	Elbenfeld Dye Works, chemical factory, Griesheim.	America	Dillon, Read & Co.	$2,500,000	6 months[1]	------
Dec., 1926	Dye Industry I. G.	---do---	----------	4,500,000	----------	------
Sept., 1924	Potash Syndicate	---do---	Chase National Bank.	6,000,000	----------	------
Jan., 1925	Wintershall (Potash).	---do---	---do---	10,000,000	----------	7½
Apr., 1925	Potash Industry (Inc.), Cassel.	---do---	---do---	2,000,000	9 months[1]	9

[1] April, 1925. [2] Jan. 23, 1926.

Very truly yours,

FRANCIS P. GARVAN.

[From the Oil, Paint, and Drug Reporter, December 29, 1930]

CHILEAN NITRATE LOAN COMBATED BY GARVAN—CHEMICAL FOUNDATION PRESIDENT CALLS ON BANKS NOT TO JEOPARDIZE THE UNITED STATES

Financial institutions in the United States are being urged by Francis P. Garvan, president of the Chemical Foundation, this city, to refuse to participate in the proposed financing of the Chilean nitrate of soda combine. Mr. Garvan declares that the unification and development scheme of the Chilean nitrate producers, by reason of the understandings existing between them and the German producers of synthetic nitrogen fertilizers, is nothing other than a step toward the strengthening of foreign competition against the nitrogen industry of the United States.

In a telegram sent December 22 to 5,000 banks in all parts of the United States, Mr. Garvan said:

"Information reached United States banks of country about to be asked to loan one hundred millions of money of their awards and depositors to Chilean Government and Chilean-German nitrate cartel. Request you not to foster this attempt to send our funds to aid German and Chilean interests in destroying our nitrate industry which is backbone of our national defense and agricultural progress. It is question of banking morality and patrotism. Will send you complete analysis of situation immediately offering is announced."

With a view of interesting Congress and administration officials in the national-welfare aspect—as he sees it—of the proposed Chilean financing, Mr. Garvan sent, December 23, to the Members of Congress and to a number of high Government officials the following telegram:

"In this hour of national distress certain financiers are contemplating the loan of one hundred million dollars of the savings of the American people to the German-Chilean nitrate cartel. Any examination of this loan, no matter what its disguise, will quickly show it to be in the interest of the world-wide German-Anglo-Chilean nitrogen combination and will also show that the success of that combination will be measured by the extent of its destruction of our own chemical industries, which are now able to produce the present consumption and by the summer of next year will be equal to the normal consumption of this country. This means that our agricultural independence and our national defense is threatened by this combine, and to draw on our own people's savings to our national hurt, I maintain, calls for your resistance in every possible way at your command. All essential facts are within the knowledge of the proper departments of the Government, and you can seek governmental advice if my assertions are a question."

[From the Journal of Commerce, January 15, 1931]

CHILE NITRATE AGREEMENT ON NEW BASIS NOW SEEN—FINANCE MINISTER RUIZ EXPRESSES CONFIDENCE IN OUTCOME OF CONFERENCES HERE—DELEGATES REARRANGING CAPITAL STRUCTURE—ANNOUNCEMENT OF COMPLETE PLANS IS EXPECTED IN THE NEAR FUTURE

(Special cable to the Journal of Commerce)

SANTIAGO, CHILE, January 14.—Carlos Castro Ruiz, newly appointed Finance Minister of Chile, said in his first public speech to-day that negotiations for the financing of the Cosach, or National Nitrate Co. of Chile, were nearing completion in New York and that an announcement of the revised plan could be expected in the near future. He said he was extremely confident of the success of the negotiations, which only needed approval by all parties of certain minor changes in the capital structure of the company.

The Cosach is the combine of 28 nitrate-producing companies, which, with the Government as partners, is expected to return the Chilean industry to a stable and paying basis and to strengthen its competitive position in the world markets.

FINANCIAL BASIS CHANGED

Changes are being effected in the financial arrangements underlying the development of the Cosach, it was learned in informed quarters yesterday. One of the matters receiving attention at the current conferences between delegates of the Chilean Government and representatives of the companies and the banking groups here is believed to be the reallocation of the stock of the national company, to be distributed among the 28 nitrate-producing units in the Cosach, it was said.

The plan for the financing of the combine, as announced in July by Pablo Ramirez, representative of the Chilean Government, placed the authorized capital stock of the company at the equivalent of $375,000,000. This was to be divided into two classes of equal size, one of which was to be assigned to the Government and the other to be used in acquisition by the national company of the individual producing corporations. Each class was to be of 15,000,000 shares of stock of the par value of 100 pesos. The class B stock, that to be used by the company, might be divided into 5,000,000 shares of 7 per cent preference stock and 10,000,000 ordinary shares, the plan showed.

[From the New York Times, March 19, 1931]

LOAN OF $34,000,000 FOR NITRATE DEAL—NATIONAL COMPANY OF CHILE VIRTUALLY COMPLETES PLAN FOR SALE OF BONDS—PART WILL GO TO EUROPE—LUMP-SUM PAYMENTS TO THE GOVERNMENT ARRANGED IN LIEU OF EXPORT TAX

The National Nitrate Co. of Chile has practically completed arrangements for the sale of $34,000,000, seven per cent bonds to an international banking syndicate, it was learned yesterday. It is understood that $50,000,000 of these bonds will be authorized, but that not all of them will be sold publicly. The proceeds of $26,000,000 of the issue are to go to the Chilean Government as the installment due it for 1931 in return for the cancellation of the export tax. The remainder will probably be used for working capital and additional construction.

It is believed that a substantial amount of the issue will find a market in Europe. While present plans call for the sale of one half the bonds here and the other half in England, it is understood that if the participation of French and other continental bankers is obtained the proportion allotted to the American market will be reduced to about $10,000,000.

Under the terms of the agreement with the Chilean Government through which the National Nitrate Co. of Chile was formed, the Government will receive $22,500,000 this year, $20,000,000 in 1932, and $17,500,000 in 1933 in lieu of the export tax formerly levied on nitrate and iodine. These sums represent an approximation of the revenues the Government would have received from the export tax.

The bond issue will have a sinking-fund obligation, it is said. To take care of this and other charges in connection with the issuance of the bonds, it is understood that the company will segregate a certain sum on each ton of nitrate exported.

Mr. WHEELER. Mr. President, if I had known that the Senator from Mississippi was going to be so cruel to the Senator from Utah in calling the whole Senate's attention to these loans that have been made, I doubt that I would have yielded for that purpose.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I yield.

Mr. SMOOT. The Senator from Montana need not be worried about the Senator from Utah. The Senator from Mississippi referred to foreign loans?

Mr. HARRISON. Yes; the document touches the subject matter which the Committee on Finance investigated.

Mr. SMOOT. That is perfectly all right. I want to say to the Senator from Montana that I do not know whether he would like to have those loans canceled or not. The Senator from Utah, however, is not in favor of their cancellation.

Mr. WHEELER. I am glad to know that.

Mr. SMOOT. The Senator from Montana ought to have that information for I have made the statement publicly many times.

Mr. KING. Mr. President, will the Senator from Montana yield to me?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I yield.

Mr. KING. The investigation did not relate at all to the indebtedness due the United States from foreign countries who were associated with the United States during the World War. The investigation conducted under the resolution submitted by the senior Senator from California [Mr. JOHNSON] related to loans which had been made largely through the banks of New York without due regard to the American people or to those upon whom they unloaded the securities of foreign countries. That is what this letter refers to and not the loans made by the United States to its allies during the World War. I have never heard such a statement, until my colleague just mentioned it, that there should be a cancellation of the loans made by the banks to foreign municipalities and foreign countries and to their nationals. The evidence before the committee was elicited under the resolution of the Senator from California.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the senior Senator from Utah?

Mr. WHEELER. I yield.

Mr. SMOOT. I have received many letters in relation to the cancellation of foreign debts, and the request of the Senator from Mississippi that this letter be inserted in the RECORD I thought had reference to the cancellation of those debts.

So far as the other loans are concerned, they never entered my mind; and if that is what this letter relates to, I will say I can not even recall the letter, although, no doubt, it has been received, for I receive many, many such letters.

After the conclusion of Mr. WHEELER's speech,

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

Mr. SMOOT. At the request of the junior Senator from Michigan [Mr. VANDENBERG] and the senior Senator from Tennessee [Mr. MCKELLAR] for an itemized statement of the unexpended balances of appropriations heretofore made for the items in the pending bill I have the information in detail.

The total is $3,596,577. The unexpended balance in the Virgin Islands item is $101,000; Office of Education, $5,000; Indian Bureau, $1,512,500; National Park Service, $16,000; Bureau of Reclamation, $1,962,077.

I shall put the statement into the RECORD, giving the unexpended balance in each of the items.

The statement is as follows:

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, March 9, 1932.

Virgin Islands approximate unexpended balance $101,000 at the end of fiscal year 1932, for use on projects already authorized and that will be started during the present fiscal year.

E. K. BURLEW.

UNITED SATES DEPARTMENT OF THE INTERIOR,
OFFICE OF EDUCATION,
Washington, March 9, 1932.

Memorandum for Mr. Burlew.

In response to a request from your office, I submit below an estimate of the unexpended balances of prior-year appropriations which will be transferred for expenditure in the 1933 fiscal year:

Investigation of teacher training, Office of Education, 1931	$2,800
Investigation of teacher training, Office of Education, 1932	2,200
	5,000

L. A. KALBACH, *Chief Clerk.*

Indian Bureau

	Approximate
General expenses, Indian Service (general)	$4,000
Surveying Pueblo Indian lands (general)	500
Payment to Loyal Shawnee Indians (obligation to Indians, special act of Congress)	100,000
Obtaining employment for Indians (general)	10,000
Suppressing contagious diseases among livestock (general)	3,000
Irrigation, Indian reservations, permit (general)	1,000
San Carlos irrigation system, Arizona (construction)	150,000
Drainage of Kootenai Indian lands (construction)	114,000
Flathead irrigation project, Montana (construction)	20,000
Middle Rio Grande Conservancy District, N. Mex. (construction)	59,000
Wapato irrigation project, Washington	170,000
Employees' building, San Carlos, Ariz	7,000
Improvements at Pawnee Indian School, Oklahoma	20,000
Boys' dormitory, Theodore Roosevelt School, Arizona	65,000
Employees' building, Haskell Institute, Kansas	7,000
School building, etc., Mount Pleasant, Mich	27,000
Boys' dormitory, Chilocco School, Oklahoma	15,000
Central heating plant, etc., Sequoyah School, Oklahoma	35,000
Water supply, Rapid City, S. Dak	5,000
Construction of hospitals at Pierre, S. Dak.; Albuquerque, N. Mex.; Clinton, Okla.; Winslow, Ariz., etc.	700,000
Total	1,512,500

UNITED SATES DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, March 9, 1932.

Mr. E. K. BURLEW,
Administrative Assistant and Budget Officer.

DEAR SIR: In accordance with the verbal request from your office, I have to advise you that the pending Interior Department appropriation bill provides for the reappropriation of the following amounts:

Carlsbad Caverns National Park, 1932, $13,000 for the electric system.

National monuments, 1931, $3,000 for a water supply at Chaco Canyon National Monument.

Emergency reconstruction and fighting forest fires in national parks, 1932, no unexpended balance will be available.

Sincerely yours,

A. E. DEMARAY,
Senior Assistant Director.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION.

Statement of estimated unexpended balances of fiscal years 1929, 1931, and 1932 appropriations to be continued available during the fiscal year 1933

Project or item	1929	1931	1932 (estimated)	Total
Examination and inspection of projects			$19,939	$19,939
Operation and maintenance of reserved works			35,000	35,000
Minidoka project, Idaho			100,000	100,000
Milk River project, Montana			7,000	7,000
Carlsbad project, New Mexico			20,000	20,000
Rio Grande project, New Mexico-Texas			30,000	30,000
Owyhee project, Oregon	$600,000		400,000	1,000,000
Baker project, Oregon			50,000	50,000
Klamath project, Oregon-California			40,000	40,000
Belle Fourche project, South Dakota			32,000	32,000
Salt Lake Basin project, Utah			150,000	150,000
Yakima project (Kittitas division), Washington			200,000	200,000
Shoshone project, Wyoming			17,000	17,000
Secondary projects and economic investigations			146,138	146,138
Giving information to settlers			15,000	15,000
Total, reclamation fund	600,000		1,262,077	1,862,077
Colorado River front work and levee system		$50,000	50,000	100,000
Total	600,000	50,000	1,312,077	1,962,077

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. SMOOT. I yield.

Mr. VANDENBERG. Before the Senator passes his memorandum to the desk, may I ask for the detail of the expenses of the Geological Survey with respect to the unexpended balance for topographic service? Is that item available in the Senator's information? The bill reserves $150,000 of the unexpended balance. I am anxious to know what the unexpended balance is.

Mr. SMOOT. That $150,000, from the testimony that was given, will not be needed, although they expect to have $100,000 that will be expended this year.

Mr. VANDENBERG. The Senator has not caught my question. As the language reads, there is an additional balance which is to be closed into the Treasury above and beyond $150,000, and I am wondering whether that fact is available.

Mr. SMOOT. The appropriation is to be matched by the States. Some of the States have virtually intimated that they could not match the money. The estimate would be $100,000 for that purpose. If all the States should come in, it would take $150,000, but if not, of course, it would take less than that amount.

Mr. KING. Mr. President, I have received a statement or petition from a number of Indians which I think should receive the attention of Senators.

I shall read from this statement, which bears date February 26, 1932, and is signed by a number of Indians and approved by a number of white men and women, who are friends of the Indians:

To the Members of Congress and to Friends of the Indians Everywhere:

We are Indians, spokesmen of various Indian tribes. We appeal to you because our Indian people are in a state of desperation. We know the truth about the conditions of our people.

May I say that the able Senator from Montana [Mr. WHEELER], who has just addressed the Senate, has depicted a situation upon the Indian reservations that challenges, or should challenge, the attention of the American people and result in a demand for material changes in the policies obtaining in the Indian Bureau. Statements of the character which I am about to read corroborate the position taken by the Senator from Montana. His statements are in harmony with many of the statements found in this petition.

I read:

We do not care anything about officeholders or politics, and yet we are compelled to name the officials at whose hands the Indians are suffering from old wrongs being continued and new wrongs being imposed. We have to be specific, because otherwise we would not be listened to.

Every statement which we here make is supported by records which are conclusive. None of the statements can be successfully disputed.

When Secretary Wilbur and Commissioners Rhoads and Scattergood took office in 1929 we were led to feel a wonderful hope. They announced great programs and made great promises. We assert that they have forsaken their programs. They have broken their promises. They have set up new evils of far-reaching kinds—evils which their predecessors did not sponsor.

We know that the public has been led to think differently from the statement we are making. Secretary Wilbur and Commissioners Rhoads and Scattergood for more than two years have given out throughout the press and radio speeches and otherwise misleading and misinforming propaganda. They have depended on this propaganda instead of depending on action for Indian welfare. We solemnly affirm that conditions among the Indians to-day from Oklahoma to the State of Washington and from Minnesota to Arizona, New Mexico and California are more deplorable than they have been at any time since the United States became guardian over the Indians.

We make the following charges, and we would add to the list, but we want to keep this statement as brief as we can.

THE PROMISES THEY ARE BREAKING

1. Promises were made to reorganize the Indian Bureau; officials publicly acknowledged, in 1929, that important reform legislation was needed; they pledged themselves to Congress in five long communications dated December 11 and December 17, 1929. They have abandoned the pledges contained in these December 11 and December 17, 1929, communications. They have not supported the legislation which was promptly introduced to make effective their own undertakings. On the contrary, they have fought against that legislation, in some cases openly and in other cases by procrastination and obstruction. Their action is continuing and is growing more wholesale and more intense.

The specific pledges which they have broken, which we here refer to, were as follows:

(a) To work for legislation giving to Indian tribes the largest possible voice, under new statutes, in the management of their tribal business.

(b) To work for legislation permitting the incorporation of Indian tribes.

May I say that earlier in the day I invited attention to the policy pursued in Canada by the Dominion Government in dealing with the Indians of Canada? Their tribal relations were recognized. Each tribe constituted a sort of corporate entity to manage its own affairs and had a democratic form of government or administration that was conducive to initiative and individual development, and to the progress, civilization, and moral development of the Indians. We could well emulate the example of the Dominion Government in its Indian policy.

(c) To work for legislation bringing to an end the disinheritance of Indians through the sale of their heirship lands by the Government when the allotted Indian dies.

(d) To work for legislation doing justice to the Indian tribes in their claims against the Government and promptly settling these claims.

(e) To work for comprehensive amendments of the allotment law, which law they then acknowledged to be one of the chief means of destroying Indian life.

(f) To radically reorganize the Indian irrigation and reclamation service; specifically, according to Secretary Wilbur's undertaking, to transfer most of the Indian reclamation work to the general Reclamation Service under Dr. Elwood Mead.

May I say, Mr. President, that a number of years ago Doctor Work, when Secretary of the Interior, appointed a committee to make an intensive study of the irrigation projects which had been inaugurated upon the reservations? The report of this committee was suppressed or rather was not published by the Indian Bureau after it was made. It seems to have been put into the musty archives of the Indian Bureau and was only dragged to light by the efficient and able committee of which the Senator from North Dakota [Mr. FRAZIER] is chairman.

That report, known as the Preston-Engle report, condemned much of the irrigation work and many of the reclamation projects of the Bureau of Indian Affairs, and recommended that a number of them be transferred to the Reclamation Service. Senators are familiar with the fact that the Reclamation Service has charge of a large number of governmental projects in the public land States. It is absurd to have two Federal organizations dealing with reclamation projects. There is duplication which should be avoided. The reclamation projects under the control of the Reclamation Service are in the same States as a rule where are found these so-called reclamation projects under the control of the Indian Bureau.

RECLAMATION UNDERTAKING ABANDONED

The Preston-Engle report condemned the waste, incompetency, and inexcusable negligence of the Bureau of Indian Affairs in the handling of some of its reclamation projects and, as I have said, recommended that a number of them be transferred to the Reclamation Service. Secretary Wilbur, as I recall, in one of his statements soon after his appointment, indicated that that policy would be pursued, but it has been abandoned or forgotten. That is one of the complaints found in the address, from which I continue to read:

The record of the abandonment of these undertakings by Secretary Wilbur and Commissioners Rhoads and Scattergood is complete and is known to each of the Indian committees of Congress and to the Senate Indian investigation committee, as well as to all tribal delegations in Washington.

The address continues by stating that in abandoning their legislative undertakings and contending against efforts at legislative reform, Secretary Wilbur and Commissioners Rhoads and Scattergood have ignored some of the most important features of existing law designed by Congress to safeguard the Indians against wrongful exploitation, and proceeds:

OUR TRIBAL LANDS SEIZED AND ALLOTMENT RIGHTS VIOLATED

2. Through regulations of June 4, 1931, the officials practically have seized Indian tribal lands totaling thousands of square miles. These lands, under the new regulations, are to be leased to whites, principally to white sheep owners, in open violation of the laws of Congress requiring tribal consent for the leasing of tribal lands. The officials have stood by this violation of our Indian rights and of the statutes, in the face of detailed exposures and analyses of the facts and the laws before the Senate Indian investigation committee in recent weeks.

3. Through these same regulations of June 4, 1931, the officials are proceeding virtually to coerce the allotted Indians to sign over to the Indian agents powers of attorney, under which powers

of attorney the Indian agents are to proceed to lease these allotted lands to whites. The action evades the laws of Congress and reduces the individual Indians to mere shadows, so far as the leasing of their own lands is concerned.

I might add that considerable testimony appears in the recent hearings conducted by the Committee on Indian Affairs of the Senate, of which the Senator from North Dakota [Mr. FRAZIER] is chairman, in regard to these matters.

OUR TRIBAL MONEYS DIVERTED TO BUREAU SALARIES

These officials are continuing the use of Indian tribal and trust moneys and of tribal income for the payment of salaries to Indian Bureau employees, including a great many useless employees. In a large number of cases their action diverts all or substantially all our Indian money to Indian Bureau support. Through the years these officials have refused to change their course in spite of the announcement repeatedly made by the Senate Indian investigation committee that their action is bringing about the rapid exhaustion of our tribal resources.

The Senate committee's most recent protest and report about the misuse of our tribal funds exhibited a deplorable condition on the Mescalero Apache Reservation, and was dated December 21, 1931. One of its earlier reports, dated January 6, 1930, described a bad state of affairs at the Klamath Reservation in Oregon, and obtained no result except that Commissioner Rhoads promoted the discredited Klamath Superintendent to be assistant chief forester, at Washington, with increased power over the Klamath Tribe; and thereafter, under pressure of its forestry division, the department adopted the law-breaking regulations about the leasing of Indian lands which we have specified above.

CONGRESS IS BAFFLED, AND WE ARE HELPLESS ABOUT OUR MONEYS

5. The attempt to secure legislation bringing the financial operations of the Indian Bureau into the light of day has been opposed and blocked by Secretary Wilbur and Commissioners Rhoads and Scattergood. Specifically, the Frazier bill (S. 3417), directing the Comptroller General to devise and enforce a businesslike system of accounting for Indian Bureau moneys, was blocked * * * on May 2, 1930, the facts being of record in the Senate. The Secretary and his commissioners have perpetuated that system of Indian Bureau budgeting which conceals the uses made of Indian tribal funds and practically defeats the effort of Congress to protect our Indian-owned moneys, while leaving the Indians themselves helpless and in the dark.

THE UNLAWFUL DEBTS WHICH ARE CRUSHING US ARE BEING INCREASED

6. Though admitting on December 11, 1929, that we Indians were being crushed under a debt of more than $25,000,000, and though admitting that a large part of this debt is probably unconstitutional and has been, in any event, imposed in violation of the guarantees of the allotment law and of our trust patents, the officials referred to have taken practically no steps to cancel the wrongful debt or to stop the continued increase of the debt through grants which they have continued to obtain from Congress for unjustifiable expenditures by that Indian Irrigation Service which they have refused to reorganize. They have given out propaganda concerning one solitary action which they did take, remitting approximately one twenty-fifth of the wrongful debt. * * *

The preceding administration had been justly criticized in the matter of our reimbursable debt, yet it remitted two and one-half times as much as the present administration has remitted. Meantime, their propaganda is silent about their actions in increasing the wrongful debt in many times the small sums which they have remitted while continuing to do practically nothing, either through the courts or through an appeal to Congress, to secure cancellation of the illegal millions of debt which are crushing us down.

THE BOARDING SCHOOL SYSTEM STRENGTHENED AND CONTINUED

7. The bureau has given nation-wide advertising to alleged program of cutting down boarding schools and substituting modern day school opportunities for our children. But the actual facts are these: That in three years they have closed three boarding schools with a capacity of just 2.2 per cent of the total boarding-school capacity. When they have closed two additional schools whose closing has been forecast (Hoopa and Lac du Flambeau) they will have closed 3.23 per cent of the total boarding-school capacity. The boarding schools in 1932 are receiving a more overwhelming proportion of the money spent on Indian education than they received in 1929. In 1932 the boarding schools are more crowded, beyond their stated physical capacity, than they were in 1929. And the officials have made requests for appropriations for the year 1933 which insure that the hurtful dominance of the boarding school will be maintained to the end of the present administration. Our children continue to be denied the kind of schooling which is both modern and American, and continue to be made victims, physically and morally, of the discredited boarding-school system.

We think that Dr. J. Carson Ryan, director of Indian education, is doing the best he can, but we state the facts which show that his hands have been tied in the most important part of his task.

* * * * * * *

I may say that the report refers to the leasing of a power site on the Flathead Reservation in Montana and expresses opposition to the course pursued, and also refers to the employment of Mr. Cramton who, it is alleged, has been brought into the Interior Department and has had much to do with the Indian Bureau. The petition proceeds:

HAGERMAN

10. Secretary Wilbur and Commissioners Rhoads and Scattergood have restored to high office * * * H. J. Hagerman, and are supporting him without limit in the face of the demand by the Senate Indian investigation committee that he be removed from the Government pay roll. They have placed him in charge of the fate of the Indians in four States—Arizona, New Mexico, Colorado, and Utah. They have left him in charge of Navajo oil leasing and land matters, in the face of the public record, now completed, that he, holding the power of attorney of that tribe, was chiefly instrumental in selling the Rattlesnake structure to men who are his personal friends for a $1,000 bonus paid to the tribe; and in less than one year a half interest in one-twentieth of said Rattlesnake structure was sold for $300,000, and in less than three years a half interest in the total structure was resold for $3,600,000. The forcing of H. J. Hagerman upon the Indians as their representative holding their power of attorney, in the face of the record now made, is not only a material injury, it is an insult flaunted in the face of all Indians. * * *

THE PUEBLOS BEING RUINOUSLY WRONGED

11. The officials referred to are to-day using their full power to defeat the efforts of Congress to meet its legal and moral obligation to the long-suffering Pueblo Indian Tribes by granting long-deferred compensation for lands and waters lost through derelictions of the Government. Their action appears as a sacrifice of Indian welfare and of public obligation to their determination to "save the face" of * * * Hagerman * * *. As a final blow in this matter, Commissioner Rhoads on February 19 proposed to the House Committee on Indian Affairs that Congress should immediately make payments to the whites for damages due from the Government, while referring back to the * * * Hagerman Pueblo Lands Board the subject of payment to the Indians, this proposal being plainly designed to drive a wedge between the Indians and the whites and to deprive the Indians of the support of the New Mexico delegation. We believe and are assured that the * * * course proposed by the commissioner will not be accepted by the New Mexico delegation or by the white citizens of New Mexico.

THE NAVAJOS' BITTER NEED IS BEING EVADED

12. These officials have refused, or fatally postponed, in the face of a petition (February 10) from the four Senators from Arizona and New Mexico, to submit to Congress a program for saving the Navajo livestock or, as an alternative, to enlist the help of the American Red Cross. Through inaction or willful procrastination, they are letting the sheep asset of the Navajo Indian Tribe perish, with the result, known to all, that large purchases of badly adapted sheep must hereafter be made from white sheepmen, while in the meantime the pauperized Navajos will stand in a bread line or "howl," to again quote Secretary Wilbur's words, while they try to live on some "pickle" to be handed them by the Indian Office. We are hoping the Department of Agriculture may come to the Navajos' rescue.

STARVATION IN MANY OF OUR TRIBES

13. Finally, we urge and plead that Congress and the general public shall know of the terrible physical distress among Indians in practically every part of the country. Secretary Wilbur and Commissioners Rhoads and Scattergood know the facts. * * * We are reliably informed that their own files, if Congress would subpœna them, would reveal an appalling condition of Indian distress and starvation, made known to these officials by their own superintendents and largely ignored by them.

But we do not want to place exclusive stress on the fact that 100,000 or more of our people are being damaged through starvation. We know that millions of people in the United States are now suffering hunger. * * * But our main plea is that the destruction of our citizenship rights and the destruction of such legal protections as exist for our property, be not permitted to continue, and that Congress shall energetically take hold of Indian affairs * * * and proceed to correct it through legislation enacted at the present session.

OUR STATEMENTS ARE ALL OF PROVED RECORD

We have not stated one fact that is not of proved record. There are responsible Members of Congress familiar with every fact we have stated. Congress does have the power to help us.

We believe that if there existed in Canada or in Mexico a state of affairs, in the Indian service of those countries, remotely approaching the shame and hurt which is now going on under Secretary Wilbur and Commissioners Rhoads and Scattergood, the

parliaments of those countries would be in a state of uproar. We hope that some attention can now be given to our plight by Congress and by the people of the United States.

Respectfully, in the name of all Indians,

Meade Steele, delegate, Fort Peck Indians, Montana; John M. Green, delegate, Santee Sioux Indians, Nebraska; Henry A. Johnson, councilman, Pima Tribe, Arizona; Memicio Montoya, governor pueblo of San Juan, N. Mex.; Otto Lomavtiu, president Hopi Council of Orabi, Arizona; Robert J. Hamilton, delegate, Blackfeet Tribe, Montana; Alvino Lujan, governor pueblo of Taos, N. Mex. (and the Pueblo Council); José Padilla, governor, Diego Abeita, secretary pueblo of Isleta, N. Mex.; Sotero Ortiz, chairman Council of All the New Mexico Pueblos (signature is personal until the Council of All the New Mexico Pueblos meets); Adam Castillo, president Mission Indian Federation of California ("have visited reservations of southern California and send unanimous indorsement of the Mission Indian Federation to the petition"); Ralph White and William Guyton, Standing Rock Reservation, N. Dak.; Caville Dupuis, chairman Tribal Council of the Flathead Tribe, Montana; Charles Kie, Laguna Indians at Gallup, N. Mex.

To the petition is appended the following statement:

The undersigned white friends of the Indians have carefully read the petition of the Indian tribes dated February 26, 1932. We are familiar with the situation through the report of the Institute for Government Research, the many volumes of printed testimony and the reports of the Senate Indian investigation committee, and through other literature available to any citizen. We believe that the statements in the Indians' petition are accurate as fact and just and moderate as opinion. We desire to add our plea to the plea of the Indians, that Congress and the entire public shall come to the Indians' rescue at this time.

Lieut. Col. GEORGE P. AHERN,
United States Army, Washington, D. C.
Mrs. H. A. ATWOOD,
Riverside, Calif.
MARGARET BROWN, *New York City.*
JOHN COLLIER, *Washington, D. C.*
HAVEN EMERSON, M. D.,
New York City.

Doctor Emerson is a member of the Indian Defense Association, and, as I understand, is a friend of Secretary Wilbur.

Frederick W. Hinrichs, jr., Pasadena, Calif.; Henry Webster Gillette, M. D., New York City; Nathan R. Margold, New York City; Ernst Huber, M. D., Baltimore, Md.; Mr. and Mrs. H. R. Prather, La Jolla, Calif.; Harold Von Schmidt, Westport, Conn.; Clifford McCarthy, Santa Fe, N. Mex.; Elizabeth Chute, Minneapolis, Minn. Robert Gessner, New York; Eda Lou Walton, New York.

My understanding is that those signing the statement are interested in the progress and civilization of the Indians.

PROPOSED ANTI-INJUNCTION LEGISLATION

Mr. NORRIS. Mr. President——

Mr. KING. I yield to the Senator from Nebraska.

Mr. NORRIS. I ask unanimous consent that we take up H. R. 5315, now on the Vice President's desk, an act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, and that it be amended by striking out all after the enacting clause and inserting in lieu thereof the bill passed by the Senate on the same subject, S. 935.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. If it leads to no discussion, I have no objection. I should not want the bill to displace the appropriation bill.

Mr. NORRIS. I do not think it will lead to any discussion. The course I suggest is so manifestly fair that, so far as I know, no one is objecting.

Mr. BINGHAM. Mr. President, will the Senator explain what would be done by his suggestion?

Mr. NORRIS. Yes; I shall be very glad to do that.

The Senate, as we all know, passed the other day the anti-injunction bill. It went to the House, and was left on the Speaker's table. It is there yet. The House proceeded to consider a House bill on the same subject, which was practically the same bill, and passed with a very few amendments—only one or two of any importance—a bill identical with the Senate bill, ignoring the Senate bill entirely, and has sent the House bill over here.

Of course, everybody acquainted with the fundamental principles of parliamentary law knows that that was not a right way to legislate. The House ought to have sent back the Senate bill. In a parliamentary sense, the Senate is in exactly the same position that it would be in if we had done nothing; but it is universally conceded that we do not want to go all over that ground again, as we would have to do if this bill went to a committee and were reported again.

My proposal is, by unanimous consent, to take up the House bill, to strike out all of the text—and that is included in my unanimous-consent request—except the title and the number, so that it will still be a House bill, and to insert in lieu of the House bill the Senate bill that we passed.

Mr. SMOOT. Then it will go to conference.

Mr. NORRIS. Then, if that is agreed to, I am going to move that the Senate insist on its amendment and ask for a conference with the House, and that the Chair appoint the conferees on the part of the Senate.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. NORRIS. Yes; I yield to the Senator from Rhode Island.

Mr. HEBERT. If that procedure is to be followed, as I understand, the amendments to the House bill, which in its original state was not unlike the bill as it came to the Senate, would not be considered by the Senate under any circumstances. In other words, we would not have before us in the Senate the amendments to the bill adopted by the House.

Mr. NORRIS. No; the entire matter would then go to conference. It would be just the same.

Suppose the House had proceeded as it ought to have proceeded and had taken up the Senate bill, struck out all after the enacting clause, and inserted a new bill, the same one that is here now, except that it would be under a Senate title instead of a House title, then it would have been in order for me to move, and I would have moved, that the Senate disagree to the House amendments and ask for a conference with the House; so that the same parliamentary situation would have arisen then that will arise if this request is agreed to.

Mr. HEBERT. But let me say to the Senator that in the contingency to which he refers the Senate would have before it the amendments that have been adopted by the House.

Mr. NORRIS. Yes.

Mr. HEBERT. In the proposal now made by the Senator the Senate will not have before it the amendments that were adopted by the House.

Mr. NORRIS. It has the House bill before it now.

Mr. HEBERT. Yes; but the proposal of the Senator is to disregard the House bill and substitute the Senate bill for it.

Mr. NORRIS. Yes, sir.

Mr. HEBERT. So that the amendments adopted by the House will not be before the Senate for consideration at any time. Is that true?

Mr. NORRIS. Yes; I think that is true, but in a technical sense that would have been true if the regular course had been followed.

Mr. HEBERT. But if the House had followed the regular course the Senate would have had before it the amendments adopted by the House to the Senate bill.

Mr. NORRIS. Yes.

Mr. HEBERT. In following the course now suggested by the Senator we shall not have before us the amendments adopted by the House to the House bill.

Mr. NORRIS. In a technical sense we do have. If the House had passed our bill and amended it, when I made the motion to disagree to the House amendments it would have been in order to debate everything there was in the bill; and in a technical sense, a parliamentary sense, it is in order now, if this matter is taken up, to debate the entire House bill. The debate would be unlimited in either case.

Mr. SMITH. Mr. President, may I call the Senator's attention to the fact that almost identically this thing occurred in reference to the Reconstruction Finance Corporation bill. The House passed a bill and sent it over here after we had

passed our bill; and we struck out all after the enacting clause and inserted the Senate bill, so that the two would then be in conference.

Mr. NORRIS. Yes.

Mr. SMOOT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. Yes.

Mr. SMOOT. Every provision in the House bill will be in conference if we strike out all after the enacting clause and insert the Senate bill. In other words, the conferees then will have before them both the Senate bill and the House bill; and under the rules governing conferences they can adopt a part of a provision in the House bill and a part of a provision in the Senate bill, if that is the final agreement of the conferees.

Mr. NORRIS. Yes.

Mr. SMOOT. So that the whole matter will be in conference.

Mr. HEBERT. There is this about it, if I may interrupt the Senator——

Mr. NORRIS. Yes; I yield to the Senator.

Mr. HEBERT. I am not informed as to the exact effect of the House amendments. I do not know what they are. Would the Senator be willing to let this matter go over until to-morrow in order to give me an opportunity to study the House amendments?

Mr. NORRIS. I have no objection to that, excepting that the Senator will be in the same position to-morrow that he is in to-day.

Let me call the Senator's attention to what will happen, as I understand the rules of the Senate, in case objection is made to this request. Let me preface that by saying that I do not suppose there is a Member of the Senate who desires to take up the anti-injunction bill again and go through with it as we did before. I do not believe anybody wants to do that. We have had a fair test on it, we have debated everything, and we have reached a conclusion.

If this request is objected to, my understanding of the rules is that the House bill will go to the calendar, and it will be on the calendar like any other bill, and of course I will make a motion to take it up, and it may be debated and discussed just the same as we debated and discussed the Senate bill. Another week will be devoted to that debate, all of which it seems to me all of the Senators want to avoid. Unless we do something of this kind, however, we can not avoid it.

I am just as sorry as anyone can be that the bill is in this parliamentary situation; but, of course, the Senator realizes that I am entirely helpless, as the Senate is, and in no way responsible for the way the House has treated the Senate in taking up this bill and passing a new bill.

Mr. HEBERT. Mr. President, I desire to say to the Senator that I have no disposition to have the bill brought before the Senate for discussion again, but having taken some part in the debate and having given some consideration to the measure, I should like very much to acquaint myself with the changes that have been made in the House bill before agreeing to the request to substitute the Senate bill for the House measure. If the Senator will let his motion go over until to-morrow——

Mr. NORRIS. Would not the Senator be willing to let me state—I think I have the matter correctly—what I believe to be the only two differences of any importance whatever between the two Houses?

Mr. HEBERT. Certainly.

Mr. NORRIS. Sections 11 and 12, as we had them here, together provided for a jury trial in all cases of contempt, regardless of the kind of a case in which the contempt arose. Section 12 applied particularly to persons making a charge against the judge, making it outside the court. We referred to it usually as the newspaper part of the bill. Although it applied to everybody, yet as a matter of practice it probably never would occur—so far as I know, it never has occurred so far—in any case except that of a newspaper that made a comment upon the trial, upon the character or the methods of the judge in conducting the trial. In that case, under the Senate bill, the editor or the person making this charge who was arrested for contempt would be entitled to two things: He could have a jury trial on the contempt, and if he made the right kind of an affidavit the judge could not proceed any further, but another judge would have to be called in to try the contempt proceeding. Under the House provision he would not be entitled to a jury trial, as I understand the House amendment. He could still secure the change in judges that is provided, however.

In section 11 the Senate bill provided that anyone charged with a contempt would be entitled to a jury trial, regardless of the kind of a case in which it arose, whether it was a labor case or any other kind of a case. Under the House amendment he would not be entitled to a jury trial in anything except cases arising under this bill.

I think I have correctly stated those amendments, and they are, as far as I know, the only material amendments in the bill. I believe there is one other material matter. We put in an amendment offered by the Senator from Georgia [Mr. GEORGE] which had relation to mandatory injunctions. The House has nothing on that subject in its bill.

The House started with the same bill that we did. The Member of the House who introduced the bill there got his copy from me and introduced it in the House. The only thing that brought about this difficulty is that the House has ignored the Senate bill and passed a House bill; and, of course, unless somebody gives up and surrenders and submits to the humiliation involved, if there be humiliation involved in it, neither the House nor the Senate will get any legislation.

If my request for unanimous consent is not agreed to, this bill will go to the calendar. Just as soon as under the rules that can be done—the bill would have to be there one day before it would be subject to that motion—I am going to move to take it up, of course; and I shall expect then, if the Senate votes in favor of taking up the bill, to take it up in the same way that we originally took up the other bill and go through with it and eventually dispose of it.

Mr. FESS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Ohio.

Mr. FESS. If the Senator's request is denied, the Senate will be left to take up the House bill and either adopt its provisions or amend it and send it back?

Mr. NORRIS. Yes, sir.

Mr. FESS. If the Senator's request is granted, he will move to strike out of the House bill all after the enacting clause and insert the Senate bill, and it will immediately go to conference?

Mr. NORRIS. Yes; that is the whole thing.

Mr. FESS. That would seem to me to be the logical course.

Mr. NORRIS. In other words, I am asking the Senate in this case to do nothing except what it has already done, as a matter of fact. It does not occur often that this kind of a parliamentary predicament arises, but it always does occur where one House disregards the action of the other House. Something of this kind must be done or we never will get legislation, as every parliamentarian knows.

Mr. HEBERT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. NORRIS. I yield.

Mr. HEBERT. The Senator has explained the amendment proposed by the House to the provision for a jury trial. Would it be fair to ask the Senator if he would favor such an amendment if that bill were before the Senate?

Mr. NORRIS. If I am a member of the conference committee, I will, of course, stand by the Senate bill; but I will say frankly that I would not consider it my duty, unless some definite instruction to that effect were given me by the Senate, to stand by that and prevent legislation if I could not have my way. I realize, as the Senator does, that in order to accomplish anything in a conference both sides must be willing to surrender some of the things they want; and, whether I wanted it or not, if I were a Senate conferee, I should try to secure in the conference report provisions that would conform to the action of the Senate.

I do not think it probable, I will say to the Senator, if this goes to conference, that I will be able to bring back the bill which passed the Senate, because I am going into the conference, if I go at all, with an open mind, and with the understanding that, in order to get any legislation, everybody must be willing to compromise; and I apply that to myself.

Mr. HEBERT. Mr. President, I take it, then, the Senator concedes that if a jury trial in contempt cases is to be afforded to those engaged in labor disputes, it should be afforded to every other citizen?

Mr. NORRIS. That is my belief; yes.

Mr. HEBERT. With that understanding, I do not object.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Connecticut?

Mr. NORRIS. I yield.

Mr. BINGHAM. The Senator will remember that the senior Senator from Pennsylvania [Mr. REED] took a leading part in the discussion of the bill, as being one who was more familiar with it than most of us. Would the Senator from Nebraska yield to me to suggest the absence of a quorum, in order that the Senator from Pennsylvania might be present?

Mr. NORRIS. I yield for that purpose.

Mr. BINGHAM. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bailey	Dale	Kendrick	Sheppard
Bankhead	Davis	Keyes	Shipstead
Barbour	Dickinson	King	Shortridge
Barkley	Dill	La Follette	Smith
Bingham	Fess	Lewis	Smoot
Black	Fletcher	Logan	Steiwer
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McKellar	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Moses	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walcott
Capper	Hastings	Nye	Walsh, Mont.
Carey	Hawes	Oddie	Watson
Connally	Hayden	Patterson	White
Coolidge	Hebert	Pittman	
Copeland	Howell	Reed	
Costigan	Johnson	Robinson, Ark.	

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

Is there objection to the unanimous-consent request of the Senator from Nebraska?

Mr. BINGHAM. Mr. President, I wish the Senator from Nebraska would explain his request again. A good many Senators have come in since he preferred it previously.

Mr. NORRIS. Mr. President, at the request of the Senator from Connecticut, and perhaps to the annoyance of Senators who were present before, I will go over the matter again.

The Senate the other day passed Senate bill 935, the so-called anti-injunction bill; it went to the House and is on the Speaker's desk in the House at this moment. The House has never taken the Senate bill up and has never considered it. The House of Representatives, however, passed a House bill on the same subject. With a few exceptions, it is word for word the same as the Senate bill. They sent the House bill to the Senate as it was passed in the House.

I have asked unanimous consent that the Senate proceed to the consideration of the House bill; and if that is agreed to, I will move that everything after the enacting clause be stricken out and that the bill which passed the Senate be inserted in lieu of the part stricken out. If the bill is passed in that form, I will move that the Senate insist upon its amendment to the House bill, ask for a conference, and that the Chair appoint the conferees on the part of the Senate.

The bill as it passed the Senate is now dead, and my request is that we proceed to the consideration of the House bill. The Senate bill is on the Speaker's desk and will probably stay there. The House bill on the same subject, with a few exceptions, is word for word the same as the bill which passed the Senate, and it is the bill which passed the House that I have asked we now consider.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. NORRIS. Certainly.

Mr. REED. I notice that the bill which passed the House contains provisions which, when we were considering the Senate bill, everyone agreed should be amended; for example, the provision in section 7 requiring that all public officers whose duty it is to protect property be notified. Of course, as we made plain when the matter was discussed during the consideration of the Senate bill, that meant that if, for instance, the Industrial Workers of the World were fomenting an attack upon the property of the Western Union Telegraph Co., every constable, every duty sheriff, and every policeman in the United States would have to be notified before the Western Union Telegraph Co. could enjoin the head of the Industrial Workers of the World.

I trust that when the Senator moves that we insist upon the Senate amendment, he means that very literally.

Mr. NORRIS. Before the Senator came into the Chamber, prior to the roll call, I was asked a question, not about that particular amendment, but about others. The Senator from Pennsylvania has been on conference committees himself and knows how legislation is brought about, and he realizes that it would not be proper for me to say now that I would never agree to a conference report unless this or that were agreed to.

Mr. REED. Of course.

Mr. NORRIS. I have said that if I am a member of the conference committee, I will do the best I can to bring back the bill which passed the Senate; but, at the same time, I realize that in order to get an agreement I will have to be just as reasonable as I expect others to be, and will very likely have to recede on this thing or that thing.

Mr. REED. That is the situation.

Mr. NORRIS. I should think there would be no trouble about the amendment to which the Senator refers. I had not mentioned it before, but I am glad the Senator called attention to it. I have regarded it as a fact that the Senate provision is far superior to the House provision in that particular respect.

Mr. REED. Of course, what the Senator said about the attitude of the conferees toward the coming conference is absolutely correct. The Senator can not promise that he will never yield in conference; if so, there would be no use of having a conference. But that same obligation does not extend to those of us who are not on the conference committee, and for what it is worth I shall have to say that unless these matters are corrected in the House text by the conferees I shall feel it my duty to fight the conference report just as long and as hard as is within me the power to do.

Mr. NORRIS. I am glad to have the Senator make his statement thus publicly, because we will be able to show from the RECORD just what the Senator said when we get into conference.

The VICE PRESIDENT. The Senator from Nebraska proposes a unanimous-consent request, which will be read for the information of the Senate.

The Chief Clerk read as follows:

That the bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, be regarded as having been read twice; that all after the enacting clause be stricken out and the engrossed text of Senate bill 935, to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, be inserted in lieu thereof; that the amendment be engrossed, and the bill as amended read the third time, and passed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. NORRIS. I move that the Senate insist upon its amendment, ask for a conference with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed the Senator from Nebraska [Mr. NORRIS], the Sena-

tor from Wisconsin [Mr. BLAINE], and the Senator from Montana [Mr. WALSH] conferees on the part of the Senate.

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The clerk will state the pending committee amendment.

The CHIEF CLERK. On page 20, line 12, the committee proposes to strike out "$382,000" and insert "$407,000," so as to read:

For the purpose of developing agriculture and stock raising among the Indians, including necessary personnel, traveling and other expenses, and purchase of supplies and equipment, $407,000, of which not to exceed $15,000 may be used to conduct agricultural experiments and demonstrations on Indian school or agency farms and to maintain a supply of suitable plants or seed for issue to Indians.

Mr. FRAZIER. Mr. President, the pending amendment is on page 20, line 12, where the committee proposes to increase the appropriation $25,000 for the purpose of employing some so-called expert agriculturists in the Indian Service. The advisability of such an appropriation and the appointment of men of that kind depend largely upon circumstances and upon the kind of men that will be appointed. There have been some of these agriculturists appointed who have made some very good reports, while there have been some other reports that were not favorable at all. The Indians have protested against the appointment of some of the men and against the attitude they have taken.

In view of the present depressed situation and the lack of money for various branches of the Indian Service, especially where they have had such hard times during the present winter, it seems to me the additional money might a great deal better be spent for additional livestock for the Indians where they have lost so heavily as the Navajos and some other tribes have during the present winter, and for food and care for Indians who are practically on a starvation diet at the present time. Therefore I hope the amendment will not be agreed to.

Mr. KING. Mr. President, I was about to observe in behalf of the junior Senator from Montana [Mr. WHEELER], who, perhaps, aside from the chairman of the Committee on Indian Affairs [Mr. FRAZIER], the Senator from Oklahoma [Mr. THOMAS], and one or two others who live in the States where there are many Indians, knows as much as or more about Indian affairs than most of us, that he was compelled to leave the Chamber and to leave the city for a few days. He is opposed to this increase; and I was authorized to state in his behalf that he hopes it will not be made.

Speaking for myself, I concur in the view just expressed by the chairman of the Committee on Indian Affairs [Mr. FRAZIER]. It will be observed that only $15,000 of the appropriation is to be used for conducting agricultural experiments and demonstrations on Indian lands. If the bill is examined from beginning to end, it will be found that there are very large appropriations carried in other provisions of the bill for agricultural work and for experiments and for farm activities. This is merely a pretext under sort of a glittering title to get more money for the bureau. I hope the amendment will be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee. [Putting the question.] The noes seem to have it.

Mr. SMOOT. Let us have the yeas and nays.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Blaine	Carey	Dale
Bailey	Brookhart	Connally	Davis
Bankhead	Broussard	Coolidge	Dickinson
Barbour	Bulow	Copeland	Dill
Bingham	Byrnes	Costigan	Fess
Black	Capper	Couzens	Fletcher
Frazier	Jones	Norbeck	Thomas, Idaho
George	Kean	Norris	Thomas, Okla.
Glass	Kendrick	Nye	Townsend
Glenn	Keyes	Oddie	Trammell
Goldsborough	King	Pittman	Vandenberg
Gore	La Follette	Reed	Wagner
Hale	Lewis	Robinson, Ind.	Walcott
Harrison	Logan	Schall	Walsh, Mont.
Hastings	McGill	Sheppard	Watson
Hayden	McKellar	Shipstead	White
Hebert	McNary	Smith	
Howell	Metcalf	Smoot	
Johnson	Moses	Steiwer	

Mr. McKELLAR. I wish to announce that the Senator from West Virginia [Mr. NEELY] is necessarily detained from the Senate on official business.

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present. The Senator from Utah has demanded the yeas and nays. Is the demand seconded?

The yeas and nays were ordered.

Mr. SMOOT. Mr. President, the pending amendment which is about to be voted on is to be found on page 20 of the bill and is for the purpose of increasing the development of agriculture and stock raising among the Indians. It proposes to increase the item from $382,000 to $407,000. This has been the policy since the first appropriation of $25,000 was made. Since that time there has been $25,000 appropriated in excess of the previous amount for the purpose I have already named. If reports are true, there is no money spent to better advantage than that provided for in this particular item. I was not aware there was any objection to it at all.

Mr. KING. Oh, yes, indeed.

Mr. McKELLAR. Mr. President, can the Senator refer me to the Senate hearings where this particular item was discussed?

Mr. SMOOT. The Senator will find it on page 83 of the committee hearings. Here is what the department said about the proposed increase:

Five years ago we obtained an initial appropriation of $25,000 for the purpose of obtaining agricultural employees of the extension type to do work on Indian reservations. Successive increases of $25,000 have been granted, and we have proceeded on the assumption that these increases would be requested each successive year until such time as we have an agricultural extension agent on each Indian reservation where conditions warrant such employment or in the case of two or more small reservations, one agent for the combined work. Large expenditures are being made in carrying forward the educational and health programs among the Indians, but the program for development of the Indian in the home has not until the last two or three years received any special attention. We are frequently called upon to provide subsistence supplies for able-bodied Indians who have allotments of land but make no effort to produce even subsistence crops therefrom. Until such time as we educate the Indians to utilize their allotments for the purpose of raising subsistence in quantities sufficient to supply the needs of their families, the charge against the Federal Treasury for aid to Indians is going to be heavy. The reduction in this item postpones the placing of extension agents on other reservations where they are sorely needed at this time and likewise delays the time when Indians of these reservations will begin to utilize their own lands to better advantage. We urgently recommend that this $25,000 be restored.

Mr. NORBECK. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from South Dakota?

Mr. SMOOT. I yield.

Mr. NORBECK. I am glad that the Bureau of Indian Affairs have taken a different view of what they call "Indian education." We all remember the time when it was the general opinion that if an Indian could be taught geometry and Latin grammar he was equipped as well as white men and therefore ought to get along all right. We are now beginning to recognize the fact that he has got to start just as the white man started; he has got to find a way to earn his living. We have taken his living away from him, and we have sent him out on the land and said, "You have got to cultivate it like the white man." He does not know how. The purpose of this item is to help him get started to earn a living, to educate him in the work of providing his own food, and to relieve the Government from this burden. It is probably the most important item in the whole bill. That is my view of it.

Mr. McKELLAR. Mr. President, I find on page 83 of the hearings there appears to be the only reason given for this additional appropriation. I quote from the testimony of Mr. Dodd:

AGRICULTURE AND STOCK-RAISING DEVELOPMENT

Mr. DODD. The next item is on page 20.

That has to do with the development of agriculture and stock raising among the Indians.

From this appropriation we pay our farmers and stockmen and agriculture extension agents.

We ask for an increase of $25,000 in this appropriation to provide for the salaries and expenses of six additional agricultural extension agents for Indian reservations.

This appropriation was initiated about five years ago, when we had an appropriation of $25,000 for the employment of the first six of these extension people. Successive increases of $25,000 have been granted each year to extend this activity. We have reports from the supervisor of extension, Mr. Cooley, indicating that where these employees are stationed there has been a tremendous increase in the interest of Indians in utilizing their own lands. We are simply asking that this $25,000 allowed by the Budget be restored, because until such time as we get some of the Indians who have lands interested in raising gardens which will provide them with subsistence for themselves the Government is going to be called upon to appropriate money to provide subsistence and supplies for them.

It is hoped that this will be allowed.

Senator THOMAS. On that point, Mr. Dodd, does this bill carry any item for relief of needy, hungry, naked Indians?

Mr. DODD. It carries $175,000 in the general-support appropriation.

Senator THOMAS. Set aside for that particular use?

Mr. DODD. Set aside for that particular use.

Senator THOMAS. There is carried an item in this bill for $160,000?

Mr. DODD. $175,000 is carried in this bill, Senator. Congress has already passed the deficiency bill, carrying $275,000 for emergency relief of Indians, and we have under consideration at this time an additional estimate of a minimum of $255,000 more which is required.

Senator THOMAS. You are giving that similar item consideration?

Mr. DODD. Yes, sir.

Senator SMOOT. That is about $555,000?

Mr. DODD. Yes, sir.

Senator McKELLAR. How much was the entire item; $275,000?

Mr. DODD. $255,000 is our present estimate on the additional amount required for the remainder of this year.

I now turn to page 152 of the hearings for the purpose of showing the attitude of this particular official in reference to the Indians. He was asking for a fund for the Klamath Reservation when I interrupted him. I quote as follows:

Senator McKELLAR. Where are we going to get all of this money?

I asked that question this morning. I will ask Senators to listen to his reply to the question:

Where are we going to get all of this money?

Here is what this man said:

Mr. DODD. This money does not come from the Treasury, Senator; it is a part of the fund derived from their timber sales.

Senator McKELLAR. Of course; it comes out of the Treasury itself.

Mr. DODD. This comes from funds of the tribe; this is not a Treasury item.

Mr. President, I just want to say that I have not any confidence in any official of the Indian Bureau who talks that way about where these funds come from. Of course, he was right about it. The funds do come from the Indians themselves; they come from the income of the Indians derived from the property which they own; but I say that Mr. Dodd and every other Indian Bureau official ought to be more careful about expenditures when they come from funds of the Indians themselves than when they come from the Federal Government. The idea I got from Mr. Dodd as to his attitude while I was questioning him was this: "Oh, Senator, it does not make any difference about this appropriation because the Government does not have really to provide the money; it comes out of the Indian funds; it is their money, and there ought not to be any objection to the item."

So when I find that the Indian Bureau wants an increase, as shown in the item on page 20, for farm-extension agents, I do not think we ought to grant the additional amount.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON of Indiana in the chair). Does the Senator from Tennessee yield to the Senator from Utah?

Mr. McKELLAR. I yield.

Mr. SMOOT. The Senator first read from testimony that had reference to the pending item, and then he turned a number of pages and read from testimony that has nothing at all to do with this item.

Mr. McKELLAR. It has this to do with it——

Mr. SMOOT. It has nothing whatever to do with it.

Mr. McKELLAR. Just a moment. It has this to do with it, namely, it shows the attitude of this official; it shows the attitude of the Indian Bureau generally. We found upon examination, as shown by the record on pages 152 and following, a most remarkable situation in regard to the Klamath Indians. We found that some of the employees on that reservation, such as measurers of timber, were receiving salaries of $2,000 a year and more, the highest official getting as high as $5,000, all coming out of the Indian funds. Not only that, but we found that the Indian Bureau's agents and employees out there, almost every one of them, had automobiles. Scalers, clerks, and other white employees on this reservation were not only receiving salaries, but they had automobiles which were bought out of the Indian funds. In addition to that, the upkeep of the automobiles, the gasoline for their operation, the oil for them, came out of the Indian funds. The record further shows that when such employees went from one portion of the reservation to another they got a per diem for food. Yet it seems to be thought that Congress ought not to interfere with such activities, because the funds to provide for them come out of the Indians. I do not think our Government agents have a particle of right to despoil the Indians of what has been given to them, and I am not going to vote for any increase of appropriations to be put in the hands of these agents. I hope the Senate will defeat this amendment.

Mr. SMOOT. Mr. President, I merely want to say that the item now under consideration has not a single solitary thing to do with the Klamath Indians. It does not refer to them in any shape or form. What the Senator has said refers to appropriations made under the provision which has to do with the Klamath Indians, which provision is in another part of the bill entirely.

Mr. NORBECK. And it deals with the management of a forest on the Klamath Reservation, from which there is derived very large revenue. The men who supervise the work have to have automobiles in order properly to perform their duties. It is a profitable undertaking, and not a burden on the Indians. But the Klamath item is, so to speak, a thousand miles removed from the item about which we are now talking.

Mr. SMOOT. Not only that, but I will say to the Senator from Tennessee that the Klamath Indians make a million dollars out of their timber sales in an ordinary year.

Mr. FLETCHER. Mr. President, may I ask the Senator where the money for the appropriation comes from? Does it come out of the Indian funds or out of the Treasury of the United States?

Mr. SMOOT. These particular funds come out of the Treasury. They are appropriated in pursuance of a policy which was started years ago in an effort to educate the Indian so that he might farm his land, in order to enable him to raise food with which to sustain himself and his family. More good has been derived from this appropriation than from almost any other appropriation in the bill. If we are going to educate the Indians along this line, let us do it. Let us teach them how to take care of themselves and not compel the Government to continue doing so longer than is necessary. That is what this appropriation is for. It is designed to carry out what I think is the best policy the Government ever pursued toward the Indian, a policy which is intended to educate them, to show them how they can cultivate their lands and how they may become independent.

The Klamath Indians have the greatest timberlands there are in the United States. The timber cut from those lands

is the best that is cut anywhere in this country. Their lands are timberlands and not agricultural lands. What we are trying to do is to create irrigation systems in sections where irrigation is absolutely necessary; we are trying to teach the Indians how to cultivate their land and to put them in a position where they will at least be partially independent of appropriations from the Treasury of the United States, such as have been necessary in the past.

Mr. FRAZIER. Mr. President, I want to ask the Senator from Utah if these so-called "expert agriculturalists" do not also include in their work supervision of stock raising?

Mr. SMOOT. Wherever there is stock upon the reservation they may do so.

Mr. FRAZIER. I think they do; and on the Klamath Reservation, where there is not so very much agricultural land, there is some stock raising.

Mr. SMOOT. There is very little, not sufficient to enable the Indians to take care of themselves.

Mr. FRAZIER. There is enough so that there was undertaken an irrigation project, which was kept going for years, although it lost money every year.

Mr. SMOOT. The Senator was not in favor of it in the first place.

Mr. FRAZIER. No; I was not in favor of it. Furthermore, they have a good deal of grazing land and considerable numbers of cattle and sheep. At the present time the executive council of the Klamath Indians object—and their position is supported by a petition signed by a large majority of the adult Indians on that reservation—to their grazing lands being leased to white sheepmen and cattlemen, especially to sheepmen. They presented their objection to the committee and to the department. They wanted the sheepmen kept off in order that the grass might come back so that they, themselves, might engage more extensively in the sheep and cattle business.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FRAZIER. Yes.

Mr. McKELLAR. In reference to the Klamath Indians, I will cite another reason why we should not grant this additional money to the Indian Bureau for the purposes named. I read from the report submitted by the Committee on Indian Affairs, signed by LYNN J. FRAZIER, W. B. PINE, B. K. WHEELER, ROBERT M. LA FOLLETTE, Jr., and ELMER THOMAS, dated February 7, 1930, as follows:

> From the evidence taken the subcommittee is convinced that there has been a decided lack of cooperation on the part of Superintendent Arnold and Financial Clerk Wheat with the Indians; that these officials have ignored the wishes and regards of the Indians; that they have been extravagant with the money and wasteful of the property intrusted in their supervision; that the great majority of the Klamath Indians have lost all confidence in their officials, thus making it impossible to have anything like a satisfactory situation.

I understood that this man, Superintendent Arnold, has not only been retained in the service, contrary to the recommendation of the Indian Affairs Committee of the Senate, but that he has absolutely been promoted and is one of the managers of the bureau at this time. If such is the case, surely we ought not to pay any attention to the recommendation of bureau officials who take that view about the Indians. We are trustees for the Indians, and we ought to discharge that trust honestly and faithfully and see to it that they are properly taken care of.

Mr. FRAZIER. Mr. President, on practically every Indian reservation in the United States, at least where there is any agricultural land, there are what are termed "farmers—boss farmers." There are several on each of the large reservations. In each district there is one of these so-called farmers. The junior Senator from Montana [Mr. WHEELER] made the statement yesterday that the investigating subcommittee of the Committee on Indian Affairs had not found any instance where these farmers were approved by the Indians, or where they were doing anything for the Indians. I think his statement was a little bit strong. We have found a few such cases.

I remember that a couple of years ago, when a delegation of Indians were down here from the State of South Dakota, one question I put to that delegation was whether or not the farmers that they had were of any benefit to the Indians, and whether they were doing anything for them. The sentiment of all those Indians—and they came from the various reservations of South Dakota—was that, generally speaking, these farmers did not do anything to help the Indians; that they merely acted as clerks or subagents; but that there was one exception in South Dakota, and that was a man who was an Indian himself. They said he was a farmer there who had been doing mighty good work; that he called upon the farmers and helped them, and explained to them how they should do certain things—how they should raise gardens, how they should care for livestock, how they should put in crops, and so forth—and was doing mighty good work.

Since that time, however, a number of protests have come from various reservations in South Dakota against the farmers there, asking for their removal. There are reservations in North and South Dakota and Montana and other States where for years the Indians themselves have protested against these farmers, and up to date have failed to have them removed from the service.

Mr. FESS. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield.

Mr. FESS. The Senator from North Dakota is chairman of the Indian Affairs Committee?

Mr. FRAZIER. Yes.

Mr. FESS. Does the Senator think this additional appropriation is not essential?

Mr. FRAZIER. Mr. President, in answer to the Senator from Ohio, I will say that in normal times, if conditions were as they were a few years ago, I should approve of an appropriation of this kind; but not when conditions are as they are now, when we are short of money, when there is a deficit in the Treasury, when the Indians in many reservations are on the verge of starvation at the present time, when over 2,000 sheep have starved to death out on the Navajo Reservation, and more will starve to death. It is estimated that as high as 50 per cent of the sheep owned by some of those bands of Navajos will die undoubtedly because they are not being taken care of, because the Indians can not get the money necessary to take care of those sheep, to feed them, to keep them going until grass comes.

Mr. FESS. May I put the question in this form: From the standpoint of the Indians, does the Senator think this amount is essential?

Mr. FRAZIER. At the present time I do not think it is. I think the money could be much better spent to feed Indians who are practically starving to death than to hire so-called agricultural experts.

Mr. SMOOT. Mr. President, this is not Indian money at all. This is a direct appropriation of money.

Mr. FRAZIER. Well, we need some direct appropriations to take care of the Indians to-day.

Mr. SMOOT. That is exactly what we think, and that is what we put this provision in there for. They ought to be taken care of.

Mr. FRAZIER. Before they can be taught to farm they have to have enough food at least to live upon, to keep body and soul together.

Mr. SMOOT. That has nothing to do with this proposition. This proposition is to appropriate $25,000 more in order to prepare the Indian so that he can raise his own food.

Mr. FRAZIER. As I stated before, we have had these farmers for years and years, and under the present law they must be graduates of an agricultural school.

Mr. SMOOT. Mr. President, so far as that is concerned, the Senator does not deny that the result of making these appropriations for teaching the Indians how to farm has been a splendid one, does he?

Mr. FRAZIER. In cases where they have been taught properly, and under certain conditions, the result has been very good. Out on some of the western reservations, where they have irrigation, they have gotten along very well.

Mr. NORBECK. Mr. President, a part of this money is to be used to furnish the Indians seed.

Mr. FRAZIER. No; not this money.

Mr. NORBECK. The language is:

> And to maintain a supply of suitable plants or seed for issue to Indians.

Mr. FRAZIER. That is $15,000 for that purpose. That is not this increased appropriation.

Mr. SMOOT. Not to exceed $15,000 of the appropriation we are talking about is for that purpose.

Mr. FRAZIER. The Senator from Utah stated yesterday emphatically that this $25,000 additional was for expert agriculturists. That does not mean seed.

Mr. SMOOT. I did not say that was all it was for.

Mr. FRAZIER. Oh, yes; that was all that the $25,000 could be used for.

Mr. SMOOT. The wording of the proposed section is very simple, Mr. President.

Mr. FRAZIER. The wording of the proposed section has nothing to do with this increased appropriation. The wording of the proposed section is to provide $15,000 without this increased appropriation.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield.

Mr. McKELLAR. Mr. Dodd testifies as to what is to be done. There can not be any mistake about it. He says:

> That has to do with the development of agriculture and stock raising among the Indians.

Mr. SMOOT. That is what I said.

Mr. McKELLAR. Then he goes on to say:

> We ask for an increase of $25,000 in this appropriation—

To provide seed, and other things like that, for the Indian farmers? Not at all. He says:

> We ask for an increase of $25,000 in this appropriation to provide for the salaries and expenses of six additional agricultural extension agents for Indian reservations.

No seed; nothing else. What we are doing is adding to the employees of the bureau to look after these Indians, at good salaries.

Mr. SMOOT. The Senator is reading testimony that refers to another part of the bill.

Mr. McKELLAR. Oh, no; oh, no! This is agriculture and stock raising development.

Mr. SMOOT. I know; but this is a special appropriation for a special purpose for all the Indians.

Mr. McKELLAR. Then Mr. Dodd is not telling the truth about it, and I see no reason to say he is not telling the truth about it, because the Senator asked him for the next item, and he states:

> The next item is on page 20.

And that is the page we have here, and the only page.

Mr. SMOOT. Oh, no, Mr. President! Out of the $407,000, if the amendment is agreed to, it says:

> Of which not to exceed $15,000 may be used to conduct agricultural experiments and demonstrations on Indian school or agency farms and to maintain a supply of suitable plants or seed for issue to Indians.

Mr. McKELLAR. Oh, no; it applies to the $382,000. That provision was in the House bill. The $15,000 provision was in the House bill; and it refers to the $382,000, and not to the $407,000 at all. The $407,000 is an additional amount to the $25,000, as shown here by Mr. Dodd.

Mr. FRAZIER. The $15,000 is in this paragraph and in this item, regardless of whether this increase is made or not.

Mr. SMOOT. Yes; that is true.

Mr. FRAZIER. Then why try to pass the buck by saying that the $15,000 is included in this amendment?

Mr. SMOOT. There is no passing the buck at all. If it were a decrease, the $15,000 would have been paid, and it would have come out of the total amount; and if it is an increase to $407,000, it comes out of that amount. It makes no difference whether it is an increase or a decrease; $15,000 of the appropriation is to be used for that purpose.

Mr. FRAZIER. Mr. President, the idea of putting out these so-called district agriculturists is just another case of duplication in the Indian Service. We have farmers on every reservation, whether there is any agricultural land there or not. They are supposed to teach the Indians how to farm. Then the Indian Bureau wants to put in agricultural experts to give these farmers some additional instruction as to how to teach the Indians. It is all unnecessary, in my opinion. If we have the right kind of farmers, if we have the right kind of superintendents, who are honestly interested in the Indians, we will not need these so-called experts to go around and check up on them.

There is altogether too much duplication in the Indian Service. There is altogether too much money spent on the Indians for the benefit the Indians get out of it. What we want is money for the Indians, and not to hire some high-priced white-collar man at a high salary to drive around in a Government car.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee on page 20, line 12. On that amendment the yeas and nays have been demanded and ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HASTINGS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. HEBERT (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. LONG]. In his absence I withhold my vote.

Mr. JONES (when his name was called). I transfer my general pair with the senior Senator from Virginia [Mr. SWANSON] to the senior Senator from Colorado [Mr. WATERMAN] and will vote. I vote "yea."

Mr. McNARY (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mrs. CARAWAY]. Not knowing how that Senator would vote, I withhold my vote.

Mr. McKELLAR (when the name of Mr. ROBINSON of Arkansas was called). The senior Senator from Arkansas [Mr. ROBINSON] is necessarily detained from the Senate this afternoon.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote.

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. I do not know how that Senator would vote if present, so I withhold my vote. If permitted to vote, I would vote "yea."

Mr. WAGNER (when his name was called). I have a pair with the junior Senator from Missouri [Mr. PATTERSON], which I transfer to the senior Senator from Arizona [Mr. ASHURST], and vote "yea."

The roll call was concluded.

Mr. SHEPPARD. I desire to announce that the senior Senator from Alabama [Mr. BLACK] is necessarily detained from the Senate by illness in his family.

I also desire to announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from New Mexico [Mr. BRATTON], the Senator from South Carolina [Mr. BYRNES], the Senator from Georgia [Mr. GEORGE], and the Senator from Missouri [Mr. HAWES] are detained on official business.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I am informed that that Senator would if present vote as I intend to vote, and therefore I am permitted to vote. I vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from West Virginia [Mr. HATFIELD] with the Senator from North Carolina [Mr. MORRISON];

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY];

The Senator from New Mexico [Mr. CUTTING] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from New Mexico [Mr. BRATTON].

Mr. METCALF. I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. REED (after having voted in the affirmative). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], and in his absence I transfer that pair to the junior Senator from New Hampshire [Mr. KEYES] and allow my vote to stand.

Mr. COSTIGAN. The junior Senator from West Virginia [Mr. NEELY] is absent on official business. He has authorized me to say that if present he would have voted "nay."

The result was announced—yeas 20, nays 38, as follows:

YEAS—20

Blaine	Dickinson	Kendrick	Smith
Broussard	Hale	Norbeck	Smoot
Bulow	Hayden	Oddie	Wagner
Copeland	Johnson	Reed	Watson
Davis	Jones	Sheppard	White

NAYS—38

Austin	Couzens	Kean	Schall
Bailey	Dale	King	Shipstead
Bankhead	Dill	La Follette	Steiwer
Barbour	Fess	Logan	Thomas, Okla.
Bingham	Fletcher	McGill	Trammell
Brookhart	Frazier	McKellar	Vandenberg
Capper	Glenn	Moses	Walcott
Connally	Gore	Norris	Walsh, Mont.
Coolidge	Harrison	Nye	
Costigan	Howell	Pittman	

NOT VOTING—38

Ashurst	George	Lewis	Stephens
Barkley	Glass	Long	Swanson
Black	Goldsborough	McNary	Thomas, Idaho
Borah	Harris	Metcalf	Townsend
Bratton	Hastings	Morrison	Tydings
Bulkley	Hatfield	Neely	Walsh, Mass.
Byrnes	Hawes	Patterson	Waterman
Caraway	Hebert	Robinson, Ark.	Wheeler
Carey	Hull	Robinson, Ind.	
Cutting	Keyes	Shortridge	

So the amendment of the committee was rejected.

ANNIVERSARY OF THE BIRTH OF NEAL DOW

Mr. SHEPPARD. Mr. President, Sunday, March 20, 1932, will be the one hundred and twenty-eighth anniversary of the birth of Gen. Neal Dow, a pioneer champion of prohibition. I desire to insert in the RECORD a letter relating to this subject from Mr. Arthur Charles Jackson, of Portland, Me., president of the Neal Dow Association for World Peace and Prohibition.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PORTLAND, ME., *March 9, 1932.*

Hon. MORRIS SHEPPARD,
Washington, D. C.

MY DEAR SENATOR: Portland, Me., this year celebrates the tercentenary of its first settlement and the centenary of its city charter.

Portland is known to a million teachers and other millions of young and old as the birthplace of the world's best-loved poet, Longfellow.

It is also the birthplace of the Christian Endeavor Society, which now has more than 4,000,000 members in 80,000 unions.

It is also the birthplace of the father of prohibition, Gen. Neal Dow, who was born March 20, 1804. Sunday, March 20, 1932, is the one hundred and twenty-eighth anniversary of his birth. It will be observed by many of the quarter of a million churches in the United States, which have an aggregate membership of more than 50,000,000, many of whom cherish the memory of Neal Dow as one of the greatest benefactors of the human race.

The Portland Historical Society and the International Longfellow Society have placed a tablet upon the home where he was born.

The Neal Dow Association for World Peace and Prohibition urges all believers in world peace, temperance, and prohibition to actively seek these blessings for every state and nation, to the end that peace and prosperity may become more abundantly the common lot of all.

And, my dear Senator, permit me to join with the multitude of others in heartfelt appreciation of the untiring and successful service you have rendered one of the greatest endeavors in the history of legislation. "The noblest motive is the public good."

Most sincerely,

ARTHUR CHARLES JACKSON,
President Neal Dow Association for World Peace and Prohibition.

ADJOURNMENT

Mr. McNARY. I move that the Senate adjourn, the adjournment being until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 50 minutes p. m.) adjourned until to-morrow, Thursday, March 10, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 9, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thy love inspires our prayer to Thee as our Father. Thou wilt never abandon Thy children. Every cloud will have its rainbow, and every rock will yield sparkling fountains of refreshment. Oh, let us possess that which is far better than earthly gems—the fruit of the matured graces—and then all duties will be put under contribution to the greatest good and our highest possibilities. In these days—days in which our faith is burdened and we just wonder—may our wisdom and our sympathy work helpful transformations. The good Lord direct the soul of Columbia. May we not lose heart nor allow our great institutions to be made ugly by passion or pessimism. Oh, may our love melt selfishness and our brotherly spirit soften the hardened heart. For the erring, faulty, failing one may we have the outstretched hand. Incline us to help carry the burdens of the weak, the sorrows of the poor, and thus fulfill the divine commandment. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7912. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 28. Concurrent resolution to publish a comparative print of the bill (H. R. 10236) entitled "The revenue bill for 1932," as reported to the House, showing the changes to existing law, as a House document.

The message also announced that the Senate had passed the following resolution:

Senate Resolution 184

Resolved, That the Senate has heard with deep regret of the death of John Philip Sousa, late a lieutenant commander in the Navy, who was universally recognized as the world's greatest composer of march music.

Resolved, That a committee of five Senators be appointed by the President of the Senate to join a similar committee on the part of the House of Representatives to attend the funeral of the deceased.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

JOHN PHILIP SOUSA

Mr. RAINEY. Mr. Speaker, on Sunday of this week in a hotel room in Reading, Pa., Lieut. Commander John Philip Sousa died.

Yesterday, while a mountain storm played a requiem to his memory, a long, snow-covered train brought his remains to this Capital City. Seventy-nine years ago he was born in Washington, D. C., and as we assemble here to-day his body lies in state in the Marine Barracks in this city, two blocks from the spot where he was born. His active career covers a period of 60 years of time, and during that time his musical compositions number over 300. He was the greatest bandmaster, the greatest composer of martial music that ever lived in this world. To-morrow, escorted by a military guard and by a guard from the American Legion, a long procession, composed also of representatives of the Masonic Order and of civic organizations, will conduct his body to its last resting place in this city, while a

military band plays in his memory the dirges he himself composed.

Most of us remember a few days ago, on Washington's Birthday, when, apparently in excellent health, he led the massed military bands of the Capital City in front of the Capitol here, while thousands listened to the military music he himself composed.

In his death the world has lost a great musical composer; in his death this country has lost a man whose military music led its armies in the World War.

To-day, all over the world, wherever the American flag floats, on sea or on land, military and naval bands play the marches and the dirges he composed.

I have thought it proper to make this mention in order that the RECORD may show that the House of Representatives appreciates the fact that this country and the world has lost one of its great men. [Applause.]

PROFITS OF WAR

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to insert in the RECORD recommendations submitted by me for adoption by the committee appointed in compliance with Public Resolution No. 98 for the elimination of profits during war.

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, may I ask the gentleman whether his views appear with the report as minority views?

Mr. COLLINS. My views were so incorporated, but these are views that I submitted to the commission for adoption.

Mr. LAGUARDIA. I understand.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following recommendations submitted by me for adoption by the committee appointed in compliance with Public Resolution No. 98, for the elimination of profits during war:

In compliance with Public Resolution No. 98, I submit for adoption by the commission the following:

(1) The establishment of a National Economic Council.

The commission recommends: (a) That an advisory economic council shall be established. Its functions shall be to study economic and social conditions of the United States and to formulate policies which will tend to promote cooperation among all the participants in agriculture, industry, and business; and a more just and equitable participation in and sharing of the fruits of the Nation's wealth, industry, and economic opportunities by all of the people of the United States. (b) This council shall also cooperate with existing agencies in working out economic policies which may serve to promote peaceful trade relations with other nations. (c) The national economic council shall advise with the economic councils of other nations for the purpose of studying ways and means of carrying on trade and otherwise maintaining international trade relations in the interest of continued peace between nations.

(2) The recommendation to Congress of the passing of a joint resolution proposing an amendment to the Constitution of the United States, which reads:

"ARTICLE —

"During a war in which the United States is engaged Congress shall have the power to take private property without compensation therefor."

(3) The recommendation to Congress of the passing of a joint resolution proposing an amendment to the Constitution of the United States, which reads:

"ARTICLE —

"The making or renewal of any loan to the Government or national of any nation engaged in armed conflict is prohibited, unless the United States is engaged in such conflict as an ally of such nation.

"Congress shall have the power to enforce this article by appropriate legislation."

THE KIDNAPING OF THE LINDBERGH BABY

Mr. KARCH. Mr. Speaker, I ask unanimous consent to proceed for 12 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KARCH. Mr. Speaker, organized society and organized government, lost in a sense of utter impotency, have capitulated completely and abjectly, and, acknowledging a power higher than themselves, now beg on bended knees of underworld lords to do what cities, counties, States, the National Government, and millions of citizens admit they can not do—rescue the Lindbergh baby.

What does this shameful surrender to the alleged powers of the so-called underworld mean?

Why, sir, it is notice to the parents of every child in America who may have money enough to tempt the cupidity of some lawless gangster that our Government can no longer protect them, and that they must hereafter provide at their own expense their own protection for their babies.

Civilization in America, in this year A. D. 1932, has, by a mere handful of desperadoes, been actually hurled back into the cave days when every man had to protect and to fight for his own household—his own offspring. Jungle law will have superseded the law of civilization if this handful of organized criminals can thus set at naught the powers of organized society.

Organized crime has arrogantly raised its hideous insolence and has spewed corruption and terror throughout the body politic, while in our selfishness and our greed, our lust for place and power, we have pandered to this corruption, we have closed our eyes to the hellish danger and the utter ghastliness of this rising claim of power by a few organized terrorists.

We have been so assiduous in pursuing and in prosecuting the possessor of a pint of liquor that we had not time to crush this monster which has blown its unspeakably vile breath of withering crime across the fair face of the boasted "land of the free, and the home of the brave."

Complacent, preoccupied in our mad struggle for gold, we have been utterly heedless of the rising menace of organized crime directed from high places, crushing with fear, buying with part of the loot of the crimes, controlling through corrupt political influences the very law-enforcement agencies we have depended upon to protect us.

Supine and selfish, society has murmured, then lapsed back into indolent repose and self-centered interest in pursuit of gold, while this evil crime trust has grown and fattened. And now in its arrogant contempt for society and the corrupted and weakened law-enforcement agencies this hideous monster reaches its claw into the peaceful, happy nursery of that quiet home among the trees at Hopewell, N. J., and snatches with cruel jeer that child from its cradle.

Into the home of the hero of the Nation—nay, of the world—and his happy wife reached the slimy claw of unrebuked evil, and from the arms of a brave boy whose whole record discloses not a single act of wrong against his fellow man, from the bosom of that inoffensive wife and mother was snatched their only child.

Charles Lindbergh, fearless Lone Eagle, was turned into a heartsick father. His lovely, modest wife, preparing for the advent of another little one, is transformed into a stricken mother, brave though she is.

Every governmental, State, county, municipal, and social agency, at last aroused by this outrage, the audacity of which has left civilization stunned, turned to the task of apprehension to achieve—what?

Why, Mr. Speaker, to achieve abject surrender to a criminal minority, admitted now to be more powerful than organized society and organized government.

On bended knee, with streaming eyes, this Nation beseeches this new oligarchy to bring our baby back.

"Name your price, dictate your terms, demand your immunities for the agony, the shame, the expense you have perpetrated upon us—anything, anything you will, but for God's sake bring our baby back!" cries a whole Nation to those dastardly, unidentified captors of Baby Lindbergh.

Shame be upon us!

Do not misunderstand me, Mr. Speaker. Lindbergh is right. His child—our child—is infinitely more precious than any amount of money. Get the baby back at all costs.

Lindbergh's happiness, his wife's happiness, the unborn child's future, are precious beyond all computation. Get the baby back!

I have no condemnation at this moment for Salvatore Spitale and Irving Bitz for the part they play in this drama. Lords of vice and crime, as they are alleged to be, they are what we permitted them to be, what society, perhaps, has made them.

Indeed, it may be that those two gangsters, touched by the pathetic grief of a hero and his wife, will play a more manly part than some of the law officers in this great American tragedy.

But after Baby Lindbergh is back safely in his parents' arms, after the ransom money is paid, after the agony of the world's hero and his wife is ended, what then?

Is this Nation going once again to settle back into drowsy indifference, accepting the horrible fact that abject surrender, pleas on bended knees, tears, treasure, and immunity for evildoers will always bring back the stolen babies or the abducted men and women?

No. A thousand times no! While we are aroused, while the incredible audacity, horror, ghastliness of this thing still burns and sears us, let this Government, this Congress, turn to and with merciless determination stamp into nothingness this hideous thing called organized crime, this false power that parades as a force greater than law and government; this viper that we have permitted—aye, encouraged—to work its sinuous coils about us until to-day we find this Nation begging: "Name your terms, but do not strangle our baby; bring it back to us unharmed!"

This is war, Mr. Speaker, war between human rights and the forces of good government on the one side, and the boast of corruption, lawlessness, bribery, murder, arson, rapine, abduction, robbery on the other.

On the one hand is the Government and the whole of society aroused. On the other is an exceedingly small but incredibly insolent minority. Are we ready, Mr. Speaker, to say to organized crime, to this handful of lawless characters, "You have won the war; you have successfully attacked that home whose desecration you knew would arouse the greatest storm of public indignation; the power is yours to do what you will, so name your indemnities, tell us your terms, impose your reparations, we surrender!"

Good government has not failed. Justice is not prostrate. This country can not, will not be ruled by a vicious minority! Society has not surrendered to crime. Good has not capitulated to evil in America. A handful of vicious desperadoes can not rule the mass of American manhood and womanhood.

Well, then, what are we to do?

We have a bill pending before this body providing for Federal intervention if the mails are used by kidnapers to demand their ransom. Good, but not enough! The mails can be avoided by gangsters.

We have another bill pending before this body providing for Federal intervention if State lines are crossed by criminals who steal babies. Good, but not enough. We would have to find the baby to prove the Federal violation.

We have another bill pending before this body providing the death penalty for kidnaping. Let us go carefully, lest we make murder of the kidnaped victim and destruction of his body the way to escape for the kidnaper by that measure. Think that over well.

We now know that crime in this country is organized, financed, directed from high places.

We know that the coke-sniffing, opium-ridden, crime-fouled rats of sewer and gutter are only the tools with which these high criminal syndicalists work. When we apprehend the actual kidnaper or murderer we seldom reach the master gangster; we get only the knife or the gun, so to speak, which they used. We put some drug-sodden rat in the electric chair and the real planners and directors of crime, snug and smug, in their luxurious surroundings, safe in their haven of corrupt political and police protection, chuckle at their immunity and turn to new deviltry.

The American crime trust is as surely a trust in restraint of trade, in restraint of human liberties, human life, human happiness, as any trust ever investigated and broken up by the Federal Trade Commission was in contravention to the Sherman Act.

Every line of business is the prey of the organized gangster and racketeer. Nobody—no business is to-day safe from the depredation of the crime trust.

All right, then, the way is pointed out. Let this Congress through its best intellect work out an anticrime trust act that will sweep aside all barriers, all legal quibbling, and strike directly at this appalling menace. Let such a commission as may be necessary be created to investigate and to run down those who plan, who conspire, who direct the crimes which befoul and terrorize our Nation.

Then, having created that commission, let us vote enough money, secure enough experienced specialists to coordinate every law-enforcing agency of this Government into one vast machine of detection and punishment. Let us vote all the millions necessary for the task and annihilate this octopus which has too long terrorized and strangled our society.

This is not an insurmountable task. Crime is not a real force. This is not a great aggregation of powerful men. This is not a supergovernment. It is a slimy and cowardly bluff, using human derelicts as its tools, corruption as its traffic, crime as its avenues of gain, and stealth as its highways.

Mr. Speaker, let us act now.

If we will, if we enact now an anticrime trust statute as broad and powerful as the Sherman Antitrust Act, we will wipe out this foul stain from our land, and, having done that, the agony of our Lone Eagle and his mate will not have been in vain. I verily believe that such power is inherent in this Government, above and outside of our Constitution. [Applause.]

ECONOMY

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting a radio address on economy, delivered March 8.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

The United States is passing through one of the most tragic periods of economic readjustment in its history. There have been in other years so-called depressions and panics, but never before perhaps has the descent from the heights of prosperity, or what we thought to be prosperity, been so sudden, so continuous, and so disastrous. There is not a business, an industry, nor, indeed, an individual, who has not felt the stinging lash of these strenuous times. Many citizens have seen the work and savings of a lifetime wiped out. The cry of the auctioneer and the wail of broken hearts blend with the ceaseless tramp of the vast army of the unemployed. With it all, however, Americans, with their characteristic optimism and courage, are not without hope, and even now a faint gleam appears on the horizon that presages the coming of a brighter day.

Nor has industry, business, and the citizen, in his individual capacity, been the only ones to suffer. Government resources have suffered a sharp decline. City, county, and State governments have been brought up suddenly face to face with the problem of adjusting their expenditures to reduced incomes.

The Federal Government has been no exception. On one hand, we have a prospective deficit in the Public Treasury variously estimated up to $2,000,000,000. On the other hand, we are faced with the necessity of passing relief measures calling for large sums of money in an effort to stimulate business and relieve unemployment. Added to this are the insistent demands from various groups for large appropriations for particular projects. The legislative branch of the National Government is faced with an economic problem that overshadows everything else.

A BALANCED BUDGET

In the affairs of government, as well as individuals, a balanced budget is the keystone in the arch of economic solidarity. The problem of balancing the Federal Budget has presented many difficult and oftentimes unpleasant aspects. The first and major problem confronting the Congress has been to reduce public expenditures to an absolute minimum. If, when that has been done, there is still a deficit, as there will be, then Congress is faced with the unpleasant duty of passing a tax bill that will raise sufficient revenue to substantially meet the expenditures through the coming year.

The Appropriations Committee of the House of Representatives, of which I have the honor to be a member, immediately

upon the convening of Congress set about the task of reducing public expenditures in the annual appropriation bills. Under the able and courageous leadership of the chairman of our Appropriations Committee, Mr. JOSEPH BYRNS, of Tennessee, this committee has worked day and night in an effort to discharge its duty to the public. I am very happy to be able to say that in its deliberations partisan politics have been laid aside, and the membership of this great committee has labored shoulder to shoulder with the single purpose of reducing expenditures to the absolute minimum consistent with the efficient operation of Government.

THE POLICY

In approaching the subject of reduction of expenditures certain fundamental rules have been adhered to. In the first place, the committee has in no instance increased the estimates of the Bureau of the Budget approved by the President. Nor has any new project been added in an appropriation bill that has not been approved and estimated for by the Bureau of the Budget and the President. So far the Appropriations Committee has adhered strictly to these principles.

In the second place, the estimates submitted to Congress by the Bureau of the Budget, with the approval of the President, for the various bureaus, departments, and activities of the Government, are scrutinized carefully and reduced wherever possible, consistent with the public interests.

Third, all projects or proposed expenditures not absolutely necessary are either abandoned or postponed.

Fourth, surplus personnel, not absolutely necessary for the efficient conduct of the public business, is dispensed with. (This is indeed a most unpleasant duty, but there can be no justification for continuing upon the pay roll personnel that can be dispensed with.)

Fifth, the committee has written into each appropriation bill passed so far a provision that during the coming fiscal year there shall be no automatic promotions or increases in the salaries of the Government employees.

FIVE BILLS REPORTED

Following these principles five major appropriation bills have been reported to the Congress by the committee, as follows: The Department of Agriculture, the Interior Department, the State, Justice, Commerce, and Labor Departments, the Treasury and Post Office Departments, and the independent offices appropriation bills. The first four of these have passed the House and now await action by the Senate. In these five bills the estimates for the coming fiscal year have been reduced by the Budget $358,088,831.85 less than the appropriations for the same activities during the present fiscal year.

In these five bills the Appropriations Committee of the House of Representatives made further total reductions (including the first deficiency bill) under Budget estimates of $114,579,052.56, or, to summarize, the total reductions in these five appropriation bills less than the appropriations for the present fiscal year, exclusive of the first deficiency bill, are $458,496,764.41.

The last of these five bills to be reported to the House of Representatives was the independent offices appropriation bill. I have the honor to be chairman of the subcommittee which reported this bill. This legislation provides the appropriations for 30 Government bureaus and departments, including such important activities as the Veterans' Administration, Interstate Commerce Commission, Federal Trade Commission, Federal Tariff Commission, Radio Commission, and others. Our committee, in reporting this bill, made total reductions less than the estimates which had been approved by the Bureau of the Budget and the President of $54,498,535.

INDEPENDENT OFFICES BILL

It might be of interest now to comment briefly on the independent offices bill, which, as I have said, is now before the House for consideration. The subcommittee framing this bill, of which I have the honor to be chairman, conducted long and exhaustive hearings on this legislation. The printed hearings cover more than 700 pages of printed matter. We think it constitutes an exhaustive analysis of these several activities and their requests for appropriations. The total amount of the bill as it came to us from the Bureau of the Budget, with the approval of the President, was $1,041,395,041. From this the committee has made reductions which total $54,948,535. Some drastic cuts have been made, yet the committee does not feel that any needed and useful function of the Government has been crippled.

Time does not permit a detailed examination of these several items, but I shall comment briefly on several of them in passing.

INTERSTATE COMMERCE COMMISSION

The Interstate Commerce Commission was given a cut of $1,533,321, and $1,483,321 represents a cut because of the opinion of the committee that the commission should suspend work on recapture of excess earnings until the policy of the Government is definitely established with reference to this subject. The committee is of the belief that recapture will be retroactively repealed at this session of the Congress, since the legislation for the repeal has the full indorsement of the Interstate Commerce Commission and there has not developed any substantial opposition to the repeal.

The transportation act of 1920 requires that one-half of all earnings by railroads over 6 per cent on the value of railway property be turned over to the Interstate Commerce Commission to be loaned by it to roads that can justify the loan and to build equipment which can be leased to railroads needing it. This recapture money does not go into the general Treasury of the Government, nor can it be returned to shippers to reduce the rate burden.

This provision has been in effect for 12 years. Experience has demonstrated that it is unworkable and it has already cost the Government $37,000,000 and the railroads $136,000,000, a total of $173,000,000, and the principles of valuation have not yet been determined by the United States Supreme Court. The Interstate Commerce Commission has repeatedly advocated its repeal because it is unworkable, provokes litigation, and "hangs like a cloud over the credit of many companies when times are bad."

FARM BOARD

Another of the principal cuts in the bill was a reduction of the appropriation for the Federal Farm Board of $1,880,000. The committee reduced this item to $1,000,000. If we have erred, it has been because the reduction has not been sufficiently drastic. It is not the function of the Appropriations Committee to make fundamental changes in the basic law. Therefore the much-agitated question of whether the Federal Farm Board should be abolished or whether it should be consolidated with the Department of Agriculture was not before our committee for consideration.

We did feel, however, that upon a careful audit of their estimates for expenditures there had been included in their estimates requests for appropriations that were not needed and that could have very well been eliminated without material injury to the primary purpose of the Farm Board, which is twofold: First, to handle the $500,000,000 revolving fund which is loaned to cooperative associations to assist in stabilizing prices and marketing their crops; and, second, in the activities of the Farm Board in assisting cooperatives in perfecting marketing organizations.

The sum of $1,000,000 will be ample for this purpose if it is so used by the Farm Board.

VETERANS' ADMINISTRATION

The other reduction in the appropriations in the sum of $51,161,732 was in the estimates for the Veterans' Administration.

The total amount carried in this bill for the Veterans' Administration, which includes the veterans of all wars, pensions, compensation, hospitalization, and domiciliary care, is $928,387,735. Of this sum approximately $800,000,000 is paid directly to the veterans in cash. On the first day of every month 1,400,000 checks go out of the offices of the Veterans' Administration to beneficiaries aggregating an amount more than $60,500,000 monthly. Since the World War Congress has authorized new hospitals and domiciliary construction for veterans totaling an amount of $127,391,991.85. Of this sum the entire amount has been allocated with the exception of $8,430,000, and when the entire new construction has been completed it will provide for 37,187 beds.

The Veterans' Administration, including its own facilities and the hospital facilities which are provided for in Army, Navy, and Public Health Service hospitals, has an average of 50,000 hospital and domiciliary beds in use. An interesting statement in connection with the veterans' expenditures is that out of the total amount appropriated for the Veterans' Administration only 5 per cent is expended in administrative costs. The remaining 95 per cent goes to the veterans either in direct cash benefits or in hospitalization or domiciliary care and attention.

The committee cuts of $50,000,000 in the estimate for the adjusted-service certificate fund and of $1,161,732 in the administrative appropriation do not involve any reduction either in the amount or quality of benefits to the veterans.

The reduced amounts were agreed upon after a very careful consideration by the subcommittee and the Administrator of Veterans' Affairs, General Hines, of the actual requirements on the basis of the present situation, which is materially different from that existing six months ago, when the estimates were made up. General Hines asssured the subcommittee that no veteran will suffer any diminution in the amount of loans on their adjusted-service certificates or in the number of available beds or other hospitalization services or in the quality of such services.

There are five major appropriation bills to follow, namely, District of Columbia bill, the legislative bill, the War and Navy Departments, and the second deficiency bill. It is the ambition of the Appropriations Committee that when we shall have finished with these regular appropriation bills savings and reductions under the estimates approved by the Budget and the President will aggregate $200,000,000. While this is a substantial and credible showing, it will not be sufficient to balance the Federal Budget, and there has just been reported to the House of Representatives a tax bill which will shortly come up for consideration and action.

It should be noted at this point that the House of Representatives has given to the Appropriations Committee very splendid and patriotic support in its effort to curtail public expenditures, with one notable exception. On Saturday last the House of Representatives by a vote of 160 to 155 struck out of the Post Office-Treasury appropriation bill the provision against automatic promotion and salary increases for Federal employees during the coming fiscal year.

This action was taken by the House of Representatives over the protest of the Appropriations Committee. Unless this section can be reinstated in this bill when it is considered in the Senate, an important part of the economy program of the Appropriations Committee will be lost. The result will be an added cost of many millions of dollars to the Federal pay roll during the next fiscal year.

This committee views with alarm and disappointment the action of the House of Representative in striking this section from this

bill. It had been carried in the other bills so far passed by the House. It should be made clear that it called for no reductions in the salaries of the employees of the Federal Government, and it only provided that during the present crisis the employees of the Government forego the right of automatic promotion and salary increase.

SALARY REDUCTION

Speaking personally, as a Member of Congress, I feel that if this action of the House of Representatives accurately reflects the attitude of the Federal employees that they have failed to show a degree of patriotic interest in the financial recovery of the Government and the welfare of the American people that they might be expected to exhibit. Every line of business and industry and every profession has felt the stinging lash of the present economic distress. County, city, and State government employees and officials have had to take decreases in their salaries, and, in fact, the only group of American citizens who have come through so far without any reduction in their income or loss of time are the employees of the Government.

It now appears to me to be the duty of Congress to immediately pass legislation which will make a proper reduction in the Federal pay roll, during the present emergency, and that this reduction should apply to all employees of the Government from the Cabinet down, Members of Congress of course included. This is not a pleasant thing to contemplate or suggest. So far as I can see, there appears to be no alternative.

As a further means of reducing public expenditures there has been appointed by authority of Congress a Committee on Economy and Reorganization, which is conducting daily hearings with a view to abolishing useless bureaus and departments and making reorganizations and consolidations wherever possible in the interests of economy and efficiency. Undoubtedly this is a fertile field for operation, and it is hoped that before the adjournment of the present session of Congress, this committee will have a constructive report to make to the House of Representatives.

If what I have said presents a pessimistic outlook, it is only because the true facts justify such statements. It is to be sincerely hoped that the individual American citizen and the groups and organizations who are looking to the Federal Treasury for appropriations will bear in mind the present condition of the Federal Treasury and cooperate with the national legislative body to the extent of not insisting upon additional appropriations in the present emergency.

LIMITATION OF INJUNCTIONS

Mr. KELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, the declaration of public policy contained in this bill is a further and more explicit recognition than any yet made that industry is a national matter. More and more are we going to recognize this all-important fact.

This law will be accepted gladly by every just and upright judge. This law will be accepted with thanksgiving by all men and women who labor, and it will not be abused by them.

It is indeed an expression of democracy and justice which has only been too long delayed.

The privilege of voting for this anti-injunction measure is worth all the years I have spent in advocating its enactment.

SPECIAL APPLICATION FEES

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

The Clerk called the committees, and when the Committee on the Post Office and Post Roads was reached,

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 8817) to provide for fees for entry of a publication as second-class matter, and for other purposes.

The SPEAKER. This bill is on the Union Calendar, and the House automatically goes into Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MAJOR in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

H. R. 8817. To provide for fees for entry of a publication as second-class matter, and for other purposes.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Chairman, I yield one-half of the time to the gentleman from New York [Mr. SANDERS]. This is a bill to provide fees for the entry of publications as second-class mail matter; it was recommended by the Postmaster General. In his letter to the committee recommending the legislation he makes these observations:

There are received each year approximately 2,500 applications for entry of publications as second-class matter; 2,000 applications for reentry on account of change in title, frequency of issue, office of publication, and for other reasons; 100 applications for registry as news agents; and 15,000 applications for permits to mail matter without stamps affixed. About 3,900 second-class publications are discontinued each year and about 100 news agents' permits and 3,000 permits to mail without stamps affixed are abandoned each year.

In this proposed legislation we provide that an applicant for second-class mail privileges shall pay a fee of $100, and for a request for reentry a fee of $10.

The Postmaster General estimates that this will add $500,000 to the revenues of the department. The committee reported the bill unanimously.

Mr. HASTINGS. What are the present fees?

Mr. MEAD. There are no fees at present. This is new revenue. The fees are to cover the cost of the work done by the department in connection with these requests.

Mr. HASTINGS. And the report is unanimous?

Mr. MEAD. Yes.

Mr. FINLEY. What class of publications does this include?

Mr. MEAD. Newspapers and magazines, all second-class mail.

Mr. LAGUARDIA. The permit to use mail without affixing stamps is quite a saving, because no cancellation is necessary.

Mr. MEAD. These fees are to cover the proceedings necessary before granting the request.

Mr. LAGUARDIA. There is no $10 charge now?

Mr. MEAD. No. I understand not.

Mr. LAGUARDIA. The $100 fee is not credited later on to their account for services?

Mr. MEAD. No. The fee is for the application; and on this class of mail we lose considerable money, according to the ascertainment cost commission report.

Mr. STAFFORD. I have had considerable difficulty in recalling the service for news agents, for which you require a fee of $20?

Mr. KELLY of Pennsylvania. At the present time news agents registered in the Post Office Department enter their publications as second-class matter. At the present time no fees are paid for that right. Under this bill when any new attempt is made to secure that right by a news agent there will be a fee charged.

Mr. STAFFORD. Do I understand the gentleman to convey the idea that the news agent enters the publication the second time?

Mr. KELLY of Pennsylvania. He gets second-class rates on certain publications. They are sent to the news agent by the publisher at the second-class rate.

Mr. STAFFORD. I think I must be rather obtuse, because I have not as yet got a clear idea of just what function these news agents perform for which a fee is required, as far as second-class matter is concerned.

Mr. KELLY of Pennsylvania. There are eight subclassifications under the second-class rate. One rate schedule is based on zone and is figured for the zone rates. There are eight subclassifications. News agents get their rate on account of being registered in the Post Office Department. They have applied for it and have been given that right.

Mr. STAFFORD. Does this pertain to the character of service which was called to my attention when I served on the Committee on the Post Office and Post Roads nearly 25 years ago, as, for example, where the Curtis Publishing Co. would send the Saturday Evening Post by freight or express, say, to Kansas City, and then deposit it there in the mails for local delivery?

Mr. KELLY of Pennsylvania. A number of publications have what is known as an additional office of entry, which they now get without any payment whatever. Under this bill they must pay a fee for each additional office of entry.

Mr. STAFFORD. Then I assume that is the character of service the gentleman refers to. A publishing house names some news agent to receive his publications in large quantities, so that that news agent may distribute them locally, within a radius of perhaps 100 miles, whenever it is economical or to their advantage to have them distributed by post.

Mr. KELLY of Pennsylvania. That is done under additional offices of entry.

Mr. LAGUARDIA. Is that the answer the gentleman wishes to give?

Mr. KELLY of Pennsylvania. That is covered in the next clause on additional offices of entry, which provides a fee for that. These news agents are on a different basis. They now have the second-class rate.

Mr. STAFFORD. Will the gentleman tell us what the news agent does that requires him to be registered and for which he makes an application? Is it the ordinary news agent who sells periodicals or newspapers or is it a large central agency like the Central News Co. that has some privilege connected with the distribution?

Mr. KELLY of Pennsylvania. That is it exactly, the wholesale concerns, these large distributing agents. There are only a few in the United States.

Mr. LAGUARDIA. What I can not understand is this. Is it to give the publisher the right to send periodicals or second-class matter in bulk to the agent and stop there, or is it to give the agent the right to distribute from his point on?

Mr. KELLY of Pennsylvania. As I understand it, these registered news agents take the publications and magazines and send them out themselves.

Mr. STAFFORD. It is a matter of redistribution?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. But in their zone?

Mr. KELLY of Pennsylvania. Yes.

Mr. THATCHER. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. THATCHER. It may have been stated, but I did not catch it. How much revenue will the operation of this law yield annually to the Post Office Department?

Mr. KELLY of Pennsylvania. Half a million dollars a year. It will not do any injustice to anybody, but in the future those who expect this privilege will be obliged to pay a fee.

Mr. THATCHER. And the bill has the approval of the Post Office Department?

Mr. KELLY of Pennsylvania. Yes; and has the unanimous report of the Committee on the Post Office and Post Roads.

Mr. MEAD. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That hereafter each application for entry of a publication as second-class matter shall be accompanied with a fee of $100; each request for reentry of a publication as second-class matter on account of a change in title, frequency of issue, office of publication, or for other reason, and each request for additional entry of a publication as second-class matter shall be accompanied with a fee of $10; each application for registry of a news agent shall be accompanied with a fee of $20. Each application for a permit to mail matter without stamps affixed as provided by sections 273 and 291, title 39, United States Code, Supplement V, and section 295, title 39, United States Code—

With the following committee amendment:

Page 2, line 3, strike out "sections 273 and 291, title 39, United States Code, Supplement V, and section 295, title 39, United States Code," and insert: "the act approved June 9, 1930 (46 Stat. 526; U. S. C., Supp. V, title 39, secs. 221a, 273, and 291a), section 6 of the act approved May 29, 1928 (45 Stat. 941; U. S. C., Supp. V, title 39, sec. 291), and section 13 of the act approved May 18, 1916 (39 Stat. 162; U. S. C., title 39, sec. 295), and the regulations made pursuant thereto by the Postmaster General, shall be accompanied with a fee of $10."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. MAJOR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8817, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. MEAD. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TRANSIENT SECOND-CLASS MAIL MATTER

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 8818) to amend section 287 of title 39 of the United States Code, Supplement V.

The SPEAKER pro tempore. The gentleman from New York calls up the bill H. R. 8818, which the Clerk will report.

The Clerk reported the title of the bill.

Mr. MEAD. Mr. Speaker, this bill is on the Union Calendar, and I ask unanimous consent that it be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I think this should be considered in the Committee of the Whole. I object.

The SPEAKER pro tempore. The gentleman from Wisconsin objects. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8818, and the gentleman from Arkansas [Mr. GLOVER] will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8818, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MEAD. Mr. Chairman, this bill (H. R. 8818) has been unanimously reported by the Committee on the Post Office and Post Roads. It merely changes the prevailing rates as applicable to this form of mail matter. The present rate is 1 cent each for 2 ounces of such mail matter, regardless of weight or distance. This law authorizes the users of this class of mail matter to utilize the parcel post and parcel-post rates, which will result in a reduced rate of postage, and, according to information that reaches us from the department, will result in increasing the revenue.

The Postmaster General, in a report on the bill, states:

The purpose of the bill is to modify the rate of postage of 1 cent for each 2 ounces or fraction of 2 ounces now applicable to second-class matter mailed under the conditions set forth in the bill so that the fourth-class or parcel-post rates will apply when the postage at the latter rates would be lower.

Experience has shown that the present transient second-class rate works to exclude mailings of the heavier weights, and it is believed that the modification proposed would increase the volume of such mailings sufficient to bring in additional revenue of approximately $500,000 annually. Therefore, the bill has the approval of this department, and its enactment into law is recommended.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. KELLY of Pennsylvania. The class of mail matter that this bill applies to, of course, is transient second class, which consists of publications sent out by others than publishers and registered agents.

Mr. MEAD. That is correct.

Mr. KELLY of Pennsylvania. The rate at the present time, 1 cent for 2 ounces, means a rather high rate, and has excluded a great deal of mail matter, so that by reducing this rate the Post Office Department estimates additional revenue will be received of $500,000.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. LAGUARDIA. Can it be carried at the reduced rate without loss?

Mr. MEAD. We took the figures given us by the department.

Mr. KELLY of Pennsylvania. The Postmaster General makes a different argument on another class of mail matter than he makes on this. I agree with him on this contention.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. Can the gentleman inform the committee as to the reason why Congress some years back provided that a complete newspaper could be sent in the mails at a lower rate than a fractional part of a newspaper?

Mr. KELLY of Pennsylvania. I can answer the gentleman. That may be possible where this second-class transient rate is higher than the regular publisher rate.

Mr. STAFFORD. When I wish to send any part of a newspaper, after I have purchased it, to some other part of the country I am charged a higher rate than if it is the entire paper. I have no desire to send the advertising supplement, but when I take it to the post office they ask me, "Is it a complete paper or is it but a part of a paper? If it is a complete paper it bears a lower rate than if it is a fractional part." Why that discrimination in rates?

Mr. KELLY of Pennsylvania. The reason for that is that the paper which is only a part of a paper is third-class matter, which rate is 1½ cents for 2 ounces. The complete paper as received from the publisher is transient second class, which has a rate of 1 cent for 2 ounces. Therefore the one-half cent states the difference to which the gentleman refers.

Mr. STAFFORD. Mr. Chairman, I ask for recognition.

The CHAIRMAN. Is there any member of the committee who is opposed to the bill? [After a pause.] If not, the Chair will recognize the gentleman from Wisconsin, Mr. STAFFORD.

Mr. STAFFORD. Mr. Chairman, I merely take the floor for a few moments to direct the attention of the committee to the fact that in the proviso we are seeking to recognize the right to send ad libitum, sample copies of publications. For years certain publishers of advertising sheets have been desirous of securing the privilege of sending through the mails at the pound rate sample copies in excess of the prescribed minimum. I notice the distinguished gentleman from Pennsylvania [Mr. KELLY], who follows this legislation closely when it is brought up on the floor, reading very intently the proviso that I refer to. Will the gentleman explain whether that is the purpose of the proviso?

Mr. KELLY of Pennsylvania. The gentleman knows that now, under the law, there are provisions by which sample copies of a publication may be sent at regular second-class rates. Where it goes over 10 per cent, this rate shall apply.

Mr. STAFFORD. Yes. That is why I have taken the floor. I will ask the gentleman from Pennsylvania whether the committee gave any thought to that recommendation of the Post Office Department?

Mr. KELLY of Pennsylvania. Yes. I will say that at the present time 10 per cent of the total circulation through the mails may be sent at the regular second-class rates. Under this provision if more than 10 per cent goes through, then we are providing that they may use these rates, which are considerably higher than the second-class rates.

Mr. STAFFORD. How much higher?

Mr. KELLY of Pennsylvania. Well, it is the difference between 1½ cents a pound in the first and second zones, for instance, and a rate of 7 cents on parcel post for the first zone. So that this rate is much higher than the rate now given the 10 per cent.

Mr. STAFFORD. Where will we find the provision that would charge 7 cents for these sample copies over the 10 per cent limit now authorized by law?

Mr. KELLY of Pennsylvania. This bill does increase the rate—that where it is less than 8 ounces the rate shall be 1 cent per 2 ounces; but where it goes over that the amount, it shall pay the parcel-post rate.

Mr. STAFFORD. One cent for 2 ounces?

Mr. KELLY of Pennsylvania. That is, up to 8 ounces.

Mr. STAFFORD. I think, gentlemen, we have a very serious proposition before us. I remember—and I am merely giving the benefit of the information I gleaned nearly 30 years ago when I served for 8 years on the Committee on the Post Office and Post Roads—that the so-called advertising-sheet publishers requested us to grant them the free use of the mails. They were willing to pay not only 1 cent a pound, but many times that rate. Now the gentleman is opening the flood gates to these advertising sheets; not to legitimate publications, but to advertising sheets.

He is opening the floodgates so that instead of a limitation of 10 per cent of bona fide subscribers they will be able to send as many publications as they desire to send. At what rate? At a compensatory rate? No. I do not think the rate that is prescribed here, of 1 cent for 2 ounces, is at all compensatory. We know that the second-class mail is paying nothing comparable to the burden of expense imposed upon the Government; that that is where the loss comes; that the first-class mail pays the burden for all this subsidized second-class mail matter.

I see nothing in the report which shows the amount of revenues that would be received by opening the floodgates to these advertising sheets. By this we are permitting the publishers of all newspapers to send through the mail an excess quantity of their publications, regardless of the number of bona fide subscribers. I think that is a serious question for the Congress to consider, especially at this time when we are being confronted with a deficit in the revenues.

It is true we will get more money, but we will pay out more money for the service. It is true we will get more money than we get under the 1-cent-a-pound rate, but the rate as herein provided is not compensatory for the service given.

Here is a letter carrier getting a maximum salary of $2,100 per annum. He can only carry so much. In prosperous times he is weighted down with first-class matter. You pass this bill and you are going to require additional letter-carrier service for advertising purposes and for advertising purposes alone.

I have not gone into the intricacies as to how much additional cost will be imposed by conferring this additional privilege, but I know the rate is not compensatory and that we are opening wide the privileges of the mails and permitting the sending out of an excess over the limit that has been the limit for years and years. Ten per cent of the bona fide subscribers has been the limit to which publishers could send sample copies.

The gentleman from New York said this was a minor bill. Unfortunately it is one of the few bills I did not have on my list to which I could give consideration. That was my reason for asking that the bill be considered in the Committee of the Whole.

It is a rather major bill because of the extent to which it is going to open the mails to second-class publications.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. FULBRIGHT. I would like to ask the gentleman if he knows whether or not this class of mail is now being carried at a loss?

Mr. STAFFORD. It has been acknowledged for years and years that second-class mail matter is the one burden upon

the post-office service, and which this year is occasioning a deficit of more than $150,000,000. If we were only carrying first-class mail, there would not be a deficit.

Mr. KENDALL. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Pennsylvania, a member of the committee.

Mr. KENDALL. The true deficit is $98,000,000 instead of $150,000,000.

Mr. STAFFORD. The gentleman says the true deficit is $98,000,000, but the postal year has not been finished. The true deficit for the last fiscal year was $98,000,000, but I venture to predict—and I do not believe the gentleman from Pennsylvania will challenge the statement—that for the fiscal year 1932 the deficit will be more than $150,000,000. It has been estimated by the Postmaster General that the deficit will be more than $150,000,000.

Mr. KENDALL. I understood the gentleman to say that the deficit of the year just past was $150,000,000.

Mr. STAFFORD. I am referring to the threatened deficit, which makes it necessary to introduce a tax bill which calls for the levying of a sales tax upon every consumer in this country, and that tax is imposed on almost everything except the breakfast table. I ask the gentleman whether it is the purpose to open wide the privilege of sending second-class matter above the present limit of 10 per cent of the bona fide subscribers, that having been the limit for 100 years. The gentleman from Pennsylvania says the rates are increased, but what are those increased rates? That this class of mail shall pay 1 cent for 2 ounces or fraction thereof.

Mr. KELLY of Pennsylvania. The gentleman is under a misapprehension, I am sorry to say. The gentleman should not understand we are doing anything here different from what is being done now as far as volume of mail is concerned. At the present time a publisher can send any number of his publications above 10 per cent through the mails at the third-class rates provided by law. We are providing in the bill that he may send them by parcel post at regular rates, which run as high as 12 cents a pound.

Mr. STAFFORD. What is the rate at which the publisher is now privileged to send this excess number above 10 per cent?

Mr. KELLY of Pennsylvania. At the third-class rate of 1½ cents for 2 ounces.

Mr. STAFFORD. What is the rate in the bill?

Mr. KELLY of Pennsylvania. In some cases it will be 12 cents, which is the parcel-post rate that now prevails, and the lowest rate will be 7 cents, which will pay the cost of transportation and handling.

Mr. STAFFORD. Seven cents a pound, gentlemen, for a little advertising sheet which does not weigh an ounce, and with 16 ounces to the pound, this means 16 copies or more that they are privileged to send a great distance for less than a cent. If you send a circular letter even for local delivery, you are obliged to affix a 1-cent postage stamp, and it can not be sealed.

The gentleman's statement only confirms what I have stated, that while this provision may increase the revenue slightly, it is throwing open the gates to these advertising sheets and permitting these advertising houses to utilize the mails, which we have been guarding against for years and years.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. FULBRIGHT. Does the gentleman think this legislation would increase or reduce the deficit?

Mr. STAFFORD. If the premise of the gentleman from Pennsylvania is correct, which I have some reason to question, that the publishing houses to-day have the privilege of sending ad libitum through the mail above the 10 per cent, I am frank to say that, perhaps, a little additional revenue would be derived; but I was predicating my argument upon the assumption—and I was right in that particular—that newspaper publishers could only send through the mails at the pound rate to the extent of 10 per cent of their paid subscribers. I am rather inclined to believe that the gentleman is right that they could send as third-class matter any amount.

Of course, this is new to me. I have not studied this minutely for years and years. I am projecting this discussion to the House so as to bring out the respective merits of these proposals.

The publishers up to 10 per cent would have to pay merely at the pound rate, but at the third-class rate it would be 1½ cents for each 2 ounces or less—or is it 2 ounces and more?

Mr. KELLY of Pennsylvania. Up to 2 ounces.

Mr. STAFFORD. And for every additional ounce, what is the rate?

Mr. KELLY. The same rate.

Mr. STAFFORD. I have taken this opportunity to bring this matter to the attention of the committee. I hope the chairman will reply, if reply is necessary, to the position I have taken.

Mr. Chairman, I reserve the balance of my time.

Mr. MEAD. Mr. Chairman, our committee had representatives of the department explain the provisions contained in the bill and were advised that the revenues of the department would be increased $500,000 annually. This measure will not work a hardship on anyone. It will merely permit the use of the parcel-post rates when those rates are lower than the rates now applicable to this particular form of mail matter.

I think the gentleman from Wisconsin [Mr. STAFFORD] is under a misapprehension and is discussing a matter that, in my judgment, has no bearing upon the proposed legislation.

With the gentleman from Wisconsin, I disagree with the Postmaster General occasionally when he informs us that reducing rates will reduce revenue. Here is one instance, however, where I take the word of the Postmaster General when he tells us that reducing the rates or making the lower rates applicable will increase the volume, and in that way increase the revenue. The members of your committee in reporting this bill unanimously felt that the added revenue would, at least in a small degree, contribute to a reduction of the deficit, and for that reason favors the passage of the bill.

Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, it is with a great deal of sorrow that I have to call the attention of the House to a most tragic occurrence—tragic because it was avoidable.

A few days ago I referred on the floor to the conditions prevailing in the Century Airlines. I gave this House direct information of the ruthless method being employed by that company under the direction of Mr. Cord, in his cruel attempt to bring down the standard of his pilots. He first came to Washington with a suggestion that he could carry the mails for one-half the rate, received a courteous and attentive hearing, returned to Chicago, called in his pilots, told them he would take the romance out of aviation, reduced and slashed the pay of the pilots 40 per cent, and stated he would bring them down to $150 a month, which is less than a truck driver receives in a city.

Arbitration was suggested by the pilots, they even went so far as to call upon the Bureau of Conciliation in the Department of Labor. Before the agreed time of truce had expired, the company, on orders of Mr. Cord, discharged all the pilots.

I pointed out to the House on two occasions the conduct of the company and warned the public to keep off of these machines, because they were employing men who did not have experience, compelling them to work under unbearable and dangerous conditions, and it would be simply impossible to operate an air line with any degree of safety under such conditions.

Yesterday two men were killed and five injured in an airplane accident, which was avoidable. The plane was owned and operated by the Century Line in their attempt to lower the standards of aviation. The three injured were being

trained in night flying preparatory to taking passenger planes.

Gentlemen, I can tell you from actual experience that men can not be trained for night flying by the methods employed by this company. I was trained in night flying myself, and under conditions that could not be compared to peace-time conditions. I can assure the House that in peace-time passenger service night flying requires the greatest skill and care. Men must be thoroughly trained and have long experience in night flying before being intrusted with human lives.

Two of the pilots were killed and three were injured. Now, this company has brought disaster and confusion in the aviation industry. It has destroyed the confidence of the public in air transportation. Aviation does not want that kind of people in charge of operations of air lines.

All I can do again is to sound a warning to the public that it is unsafe to travel on Century Airway planes until the company is willing to establish order and until experienced, competent pilots are put back to pilot these planes. [Applause.]

Mr. MEAD. Mr. Chairman, I ask for the reading of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 287 of title 39 of the United States Code, Supplement V, be amended to read as follows:

"The rate of postage on publications entered as second-class matter, when sent by others than the publisher or news agent, shall be 1 cent for each 2 ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply: *Provided*, That these rates shall also apply to sample copies of publications entered as second-class matter mailed in excess of the quantity entitled by law to be sent at the pound rates, and to copies mailed by publishers to other than subscribers or to persons who are not properly includable in the legitimate list of subscribers required by law."

With the following committee amendments:

That the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes," approved May 29, 1928 (45 Stat. 941, U. S. C., Supp. V, title 39, sec. 287), be amended to read, as follows: Page 1, at the beginning of line 5, insert "SEC. 203."

Amend the title of the bill so as to read:

"To amend the second paragraph of section 5 of the act entitled 'An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes.'"

Mr. STAFFORD. Mr. Chairman, I must confess that I did not have the bill on my list, otherwise I would have been better prepared to discuss its provisions. The gentleman from Pennsylvania says that the rate of postage will be higher on this additional quantum that would be privileged to be sent by publishers in excess of the 10 per cent limit.

Since I had the floor a moment ago, I have looked at the report and notice that the only change in existing law is that which is embodied in the bill, on page 2, fourth line, after the word "thereof," "except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply."

Then there is this proviso, which is new law:

Provided, That these rates shall also apply to sample copies of publications entered as second-class matter mailed in excess of the quantity entitled by law to be sent at the pound rates.

What rates—the existing rates now applicable to second-class matter of 1 cent for 2 ounces or fraction thereof?

Mr. KELLY of Pennsylvania. The parcel-post rate, which is a zone rate, 7 cents for the first zone, and up.

Mr. STAFFORD. Does the gentleman believe that by the added burden of this second-class mail to the post office, even though additional revenue will come into the postal funds, it would still make a real saving and that the cost of the service would not be greater than the rates herein prescribed?

Mr. KELLY of Pennsylvania. Mr. Chairman, the gentleman from Wisconsin [Mr. STAFFORD] is mistaken about this bill. At the present time a publisher sends out any amount of second-class mail matter over the 10 per cent allowance and pays the regular third-class rate, which is high enough to cover the expense. We have in this case established the parcel-post rates as applying. There is no opening of the gates. The difference between expense and income will show $500,000 clear gain, according to the department.

Mr. STAFFORD. I hope the gentleman is correct, but I have serious doubts about it. I withdraw the pro forma amendment.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8818 and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read:

A bill to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes."

A motion to reconsider the vote by which the bill was passed was laid on the table.

MONEY-ORDER FEES

Mr. MEAD. Mr. Speaker, I call up the bill H. R. 10246, to fix the fees to be charged for the issuance of domestic money orders, which I send to the desk and ask to have read.

The SPEAKER pro tempore. The gentleman from New York calls up the bill H. R. 10246, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10246, and the gentleman from Arkansas [Mr. GLOVER] will please take the chair.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10246, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MEAD. Mr. Chairman, this is a bill to fix fees to be charged for the issuing of domestic money orders. It was recommended to us by the Postmaster General. In his recommendation he sought to have authority to fix the rates left with the Post Office Department. The committee, however, decided to fix a schedule of rates, and they are contained in the bill. It is estimated that this bill, which increases the first two rates, will augment the revenues of the department by $1,250,000. The bill comes before us with the unanimous report of the committee.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. When the hearing was had on this bill, did the postal authorities make any suggestion that the rates on the larger amounts for which money orders are authorized to be issued should be increased, or did the postal authorities request the privilege of authorizing the issuance of money orders in excess of $100, which is the limit at the present time?

Mr. MEAD. The recommendation of the department was given in the annual report. The department did not appear on this bill before our committee. We asked the department to suggest a schedule of rates and explained that we did not see fit to report out a bill giving authority to the Postmaster General to fix the rates. Then the committee took that matter up in executive session and reported out this bill.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. KELLY of Pennsylvania. In further answer, the highest amount set on money orders has been $100, and in a later bill the gentleman will find that we have taken care of the increased amount sent through the mail under registered mail, and provide a new bracket on that.

Mr. STAFFORD. This is not embodied in the bill under consideration.

Mr. KELLY of Pennsylvania. No.

Mr. STAFFORD. And you are seeking to raise this additional million and a quarter dollars by raising the rates on money orders below $5?

Mr. KELLY of Pennsylvania. Below $5; and 63 per cent of all money orders now being sent are less than $5. The loss runs into millions on those smaller money orders. We put 1 cent on those two brackets up to the $5 money order.

Mr. STAFFORD. Did the committee give any consideration to the thought of increasing the charge for money orders in amounts ranging from $40 to $60, from $60 to $80, and from $80 to $100?

Mr. KELLY of Pennsylvania. The committee did, but the difficulty about that is that we run into some commercial companies who send money under insurance, and we found out the best we could do was to deal with those small money orders, where the loss in 1931 was $11,000,000. We endeavored to go on those lower money orders as high as we could.

Mr. STAFFORD. The gentleman states the loss of operation of the money-order service of the Post Office Department is $11,000,000.

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Does the gentleman mean to connote that such loss is due to the fees being under the cost rate, or that loss was also incurred due to the loss of money orders?

Mr. KELLY of Pennsylvania. The entire receipts are about $16,000,000, while all the expenses amount to $27,000,000, showing a discrepancy of about $11,000,000. However, we are in competition with certain commercial companies on this business.

Mr. STAFFORD. Has the gentleman's committee given any consideration to the comparative rates charged for the dispatch of money by express companies?

Mr. KELLY of Pennsylvania. We are dealing with that in the registration bill.

Mr. STAFFORD. I think if there is such a tremendous loss as $11,000,000 in the operation of the money-order service, and the bill only provides for an increased revenue of $1,250,000 to make up that deficit, and that $1,250,000 is to be derived from money orders under $5, that the committee might well have considered increasing the rates on the money orders above the $5 limit.

All that is done in this bill is to increase the rate by 1 cent on money orders below $5, yet it is not increased above $5. Why would it not be advisable, if we are going to receive $1,250,000 from all these money orders under $5, to increase the rate on the money orders from $5 to $10, now 10 cents, 1 or 2 cents? It would be impossible to get a check or any kind of medium of exchange from an express company for $10 at a fee of 10 cents. If the loss is so tremendous, as the gentleman says, why would it not be advisable to increase the present 10-cent rate 2 cents? For instance, on money orders from $20 to $40, for which the rate is 15 cents, why not increase it 1 cent? Will we be doing any serious havoc to the operation of the Postal Service by increasing those rates nominally?

Mr. KELLY of Pennsylvania. The loss is largely in the money orders under $5. The real answer to the gentleman's question is under consideration by the Committee on the Post Office and Post Roads, and that is the substitution for these smaller money orders of postal notes, which at one time were in use in the Post Office Department, but were discontinued, where there would be no accounting, where the money would go through the mail and be cashed at face value. That would remove a great deal of the loss on these money orders under $5.

Mr. NELSON of Missouri. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. NELSON of Missouri. The object, as I understand, is to raise more revenue?

Mr. KELLY of Pennsylvania. And to avoid losses.

Mr. NELSON of Missouri. Perhaps this question is not germane, but I wish my colleague would tell me whether or not the Government makes a profit from the printing of stamped envelopes?

Mr. KELLY of Pennsylvania. They report to us that they do make a profit over all costs. However, that question is under consideration.

Mr. NELSON of Missouri. Are those envelopes printed by the Government or printed by private contract?

Mr. KELLY of Pennsylvania. Under contract, four years at a time.

Mr. NELSON of Missouri. When does that contract expire?

Mr. KELLY of Pennsylvania. I think it expires this year.

Mr. MEAD. Yes; I believe it expires this year—1932.

Mr. NELSON of Missouri. I want to say that I hope we may take steps to take the Government out of competition with private business in the printing of stamped envelopes.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. HOGG of Indiana. I have introduced a bill to that effect, and it is scheduled for hearing in the near future.

Mr. NELSON of Missouri. I was aware of that, and I pledge my entire support to the gentleman's bill.

Mr. STAFFORD. That subject has been under consideration for many years, and is still dangling in the air without getting anywhere. That has been in force for 30 or 40 years. In the sales of these embossed envelopes in large quantities, where they do not take up the additional postage rate, the postmaster gets the fee as an additional increment to his salary, or is it now, under the regulations, turned over to the postal revenues?

Mr. MEAD. As I understand, it goes in with the revenues of the local post office as apply to stamps.

Mr. STAFFORD. In years back that little increment of profit went to the postmaster. I did not know whether any recent postal regulation had provided for it to go to postal revenues or not. For instance, the postmaster buys twenty-five 2-cent embossed envelopes for 56 or 59 cents. If he sells each one at 3 cents, he has a gain of 16 cents on the 25 sold. In years gone by that went to the postmaster. In that event the Government does not make any profit from the sale of embossed envelopes.

Now, I wish to direct the gentleman's attention to the bill under consideration. I am rather impressed with the idea that we should increase these rates above the $5 money order. We would not do any violence by such action, because there is no competitive agency that can meet that condition. Under existing law, we charge 10 cents for money orders from $5 to $10. Now, we have a large deficit here. What harm would be done by increasing that, as was done in the other, by 1 cent or even 2 cents? Let us make some gesture toward getting revenue. It does not require any hearing.

Mr. MEAD. I may say that the committee considered the entire rate structure as applying to money orders and found that the losses sustained were mainly attributed to these two classes, and these two classes were increased 1 cent each. That will increase the revenues $1,250,000. We

found it is just about as expensive, as far as the Post Office Department is concerned, to handle a small money order as it is to handle a large money order. We are making some revenue on the larger money orders and we are losing considerable on the lesser ones, so without doing violence to the entire structure, we thought this bill would be acceptable. I concede that the gentleman is making a very good point; the committee may later consider his suggestion and perhaps revise the entire rate structure. But for the present I hope the gentleman will permit us to consider this bill.

Mr. STAFFORD. But here is the practical situation, as admitted by the gentleman from Pennsylvania [Mr. KELLY]: In the operation of the money-order service there is a deficit of $11,000,000. The chairman of the committee says that most of that loss arises from the issuance of money orders under $5. The committee raises the rate on those money orders 1 cent. If the rate in each of the next brackets were raised 1 cent, about how much would that make?

An additional quarter of a million dollars, and there is still dangling in the air a deficit of $10,000,000, and no attempt is being made to meet that deficit. The gentleman says eventually—but why not now? Why not now increase those rates? I do not mean to increase the 5-cent rate. But I mean to go into the next two brackets, from $5 to $10 and from $10 to $20. Why not increase those rates 1 cent? If I were on the committee I would move to increase the 10-cent rate to 12 cents, and not only a 1-cent increase. If we did that, I do not believe it would mean much to those who buy money orders in the denominations of $10, $15, and $20, and I believe they are the ones which are mostly used.

I do not want to project my thought on this committee unless it meets with favor, but I think that is a conservative suggestion which the committee could well accept.

There is no private agency anywhere through which you can send a money order for less than 15 cents, probably not for less than 25 cents.

I appeal to the gentleman. I am for economy, and I am only making this suggestion as to those two brackets, increasing the proposed rate from 10 cents to 11 cents and from 12 cents to 13 cents. If that were done the committee could not be charged with having increased the smaller rates, mostly paid by poor people who use money orders amounting to $5 or below. I can not see any objection to it, and I really think it is a businesslike, practical suggestion. If I offer such an amendment I would like to have the approval of the committee. I do not want to do anything violently objectionable to the committee. My suggestion is to increase the rate for the issuance of money orders amounting to $5 to $10 from 10 cents to 11 cents, and on the $10 to $20 money orders from 12 cents to 13 cents.

Mr. KELLY of Pennsylvania. I hope the gentleman will not press that amendment, because we have been faced with the situation that money is being sent now by private companies at about what this rate will be.

Mr. STAFFORD. What private company sends the money order amounting to $10 for 10 cents?

Mr. KELLY of Pennsylvania. There are travelers' checks and money orders of one kind and another.

Mr. STAFFORD. Not in denominations of $10. As I had about won the support of the chairman of the committee, then I find the opposite effect on this side.

Mr. KELLY of Pennsylvania. It will change the structure.

Mr. STAFFORD. It will not change the structure. I am carrying out the theory because I am leaving the next rate from $20 to $40 at 15 cents, but from $10 to $20 it will be 13 cents. Therefore I am carrying out the very principle the committee is suggesting. Because I have suggested this on the floor I hope the gentleman is not going to kick it to the rear.

Mr. UNDERHILL. Will the gentleman yield to me so that I may ask some questions?

Mr. MEAD. Yes; I yield.

Mr. UNDERHILL. Has the committee in contemplation raises on other lines of business which the Post Office Department is carrying on, increasing the revenue to some degree in order to meet the deficit incurred in carrying on these lines of business?

Mr. MEAD. I will say to the gentleman that we have a number of bills on our calendar to-day, and we estimate the total increased revenues will be $15,770,000 providing the bills are enacted into law.

Mr. UNDERHILL. Would it be unethical or any betrayal of confidence if the chairman of the committee stated what influences, if any, are brought to bear upon the committee in inducing it to accept the rate for the carrying on of these ordinary business transactions which is below the cost to the Government of carrying on such transactions?

I do not say the Government should make a profit, but I do feel that if it is going into competition with people who handle a similar line of business, the least the committee could do would be to make both ends meet. As the gentleman from Wisconsin said, the mere increase of 1 cent does not begin to wipe out the deficit, so why not increase it enough to wipe out the deficit, or nearly so, and see what the effect will be? Heretofore the policy of the Post Office Department has been, when they found a deficit in any one of these activities, to immediately increase the volume of business and make for a bigger deficit. That is what they did as to parcel post, money orders, and insurance. It is a ridiculous proposition for Congress to allow the Post Office Department to go into the insurance business and lose from $5,000,000 to $10,000,000 on that business, and at the same time the people it is supposed to benefit really have to pay the bill. In reality they do not benefit. Most of this benefit goes to the department stores, the mail-order houses, and those who really ought to meet the cost of transportation, of insurance, and of the banking business. They ought to meet it and not pay it out to their stockholders in dividends, when they create it out of the taxpayers of the country.

I hope the committee will accept the suggestion of the gentleman from Wisconsin and let us see what we can do along this line, because I think it would be a mighty good step in the right direction.

Mr. MEAD. I will say to the gentleman that the committee has been very diligent in holding meetings and hearings on bills applying to the rates of postage; but, in view of the fact that our Calendar Wednesday approached so rapidly, it was impossible for us to get any more bills upon the calendar than we now have here. We are considering other bills that coincide with the ideas expressed by the gentleman, and the committee is trying to place the Post Office Department on a better financial basis.

During the last two or three years the revenues of the department, as a result of the depression, have decreased approximately twenty-five or thirty million dollars a year; that is, considering the expected normal annual increase as against the recent decrease. Had the normal increase in volume continued, we would have eliminated most of the deficit by this time.

Mr. UNDERHILL. The gentleman may answer this question or not, as he wants, and I shall consider it no discourtesy whatever if the gentleman declines to answer; or if it is unethical, the gentleman need not answer. Is the Post Office Department itself or its representatives responsible, largely, for this inactivity on the part of Congress, or do they oppose such businesslike methods as will bring the department under a business administration and put it on a business foundation? Does the gentleman find that he has difficulty in the committee in dealing with the Post Office Department itself?

Mr. MEAD. I will say to the gentleman, considering the many activities of the Postal Service, we might be in agreement on one particular matter and in disagreement on another. We have our conflicts, just like any other committee. The department makes its recommendation to the committee and to the Congress in its annual report, and we have taken from their annual report such suggestions as would carry out the thought underlying the gentleman's argument. We have written those suggestions into bills, and we have brought them in here with the idea of raising the revenue

and decreasing the deficit and placing the department on a better business basis.

Mr. UNDERHILL. I compliment the committee for what it has done, and I am trying to be helpful, if it is possible for one outside of the committee to be helpful; but the policy of the department has been that when they lose $5,000,000 on express and freight business designated as parcels post, they raise the limit from 5 pounds to 10 pounds, and then when they have $10,000,000 deficit, they raise it to 50 pounds, and then when they get a $20,000,000 or a $25,000,000 deficit they raise it to 70 pounds, and still increase the deficit all the time. I do not know whether the Committee on the Post Office has the power to say to the head of the Post Office Department, "Thus far shall thou go and no further. If you are going to increase this deficit and continue to do so by increasing the business you carry at a loss, we are going to stop you" or not.

Then there is one further thing, and I suppose this is a very embarrassing situation, but I want to emphasize it more than I did the other day on the floor of the House. Congress is constantly criticized as being unfair and unjust to the taxpayer through the use of the franking privilege, which costs about $550,000 a year. This is about the cost to the Post Office Department, and yet Congress through the Post Office Department accords to the newspapers and the periodicals and the magazines franking privilege to the extent of $96,000,000, and the very newspapers that are criticizing Congress are the beneficiaries of such liberality.

Mr. HASTINGS. If the gentleman will permit an interruption, I have read the Postmaster General's report for the past year, and the Postmaster General, as I understand from his report and from his interviews and releases, favors increasing the rate of postage on first-class mail matter.

Mr. UNDERHILL. On which the department makes 500 per cent.

Mr. HASTINGS. I am pleased to note that the gentleman is in favor of increasing the rate only on the mail matter that creates the deficit.

Mr. UNDERHILL. Absolutely.

Mr. HASTINGS. And, of course, the gentleman from Massachusetts knows that there is no deficit in the first-class mail, and therefore that rate on that class of mail ought not to be increased or raised.

Mr. UNDERHILL. Oh, I will say to the gentleman from Oklahoma that if any private concern or any corporation or any individual had the power and made a profit on a necessity, such as the carrying of the mail, of 500 per cent on first-class business, this Congress would get up on its hind legs and raise Cain and would not allow it to continue; and yet the only way the Postmaster General says we can wipe out this deficit is to increase the rate on first-class mail and make a profit of 700, 800, or 1,000 per cent. Now, this is not right.

Mr. HASTINGS. I am pleased to know that the gentleman from Massachusetts agrees with me and others that the rate on first-class mail should not be increased.

Mr. UNDERHILL. In other words, first-class mail is a necessity. It is a necessity to the people of this country, but we have other mediums of transportation. We have express companies, we have banks, we have insurance companies that can carry on these various lines of business that create such a tremendous deficit, and we ought to restrict our business along that line or else put the cost at a price which would wipe out the deficit.

Mr. HASTINGS. If the gentleman will permit, I heartily agree with him, and I think a careful study by the Postmaster General should be made of every class of mail and the cost of each class ascertained, and, so far as we can by legislation, Congress should make every class pay its fair proportional part of the expenses.

Mr. UNDERHILL. Can the gentleman, can anybody tell me, and I issue a challenge to everyone here to tell me, why the country newspapers should be carried free? We are spending something over $8,000,000 to frank country newspapers. Why should we spend that amount of money to carry the Saturday Evening Post and the Ladies' Home Journal and such other publications that carry a tremendous amount of advertising, for which they get anywhere from $500 to $1,500 a page?

Mr. HASTINGS. The gentleman is touching a very tender spot.

Mr. UNDERHILL. I am not afraid of that tender spot.

Mr. HASTINGS. I recollect that some years ago Claude Kitchin made a gallant fight, attempting to make those large publications pay the expense of transportation through the mails, but my recollection is that he was unsuccessful.

Mr. STAFFORD. I beg the gentleman's pardon, he was successful.

Mr. UNDERHILL. They say that the racketeers have got us by the throat, and here are the leaders of education, who are playing a good racket on the Government and on the people of the United States, a greater racket than any kidnapers or others engaged in the practice of racketeering.

It is costing hundreds of millions of dollars, and it ought to be stopped. They got it simply because they had the power to reach out and say to the people, "You can not get this magazine or this paper for 5 or 20 cents if Congress is going to add to the postage rate. If they do, we have got to charge it back to you." And then the Members of Congress are flooded with propaganda telling us that we must not increase the cost of magazines.

Mr. HASTINGS. The gentleman from Wisconsin corrects me and says that Mr. Kitchin was successful in raising the rate a few years ago. I was under the impression that he was not successful.

Mr. STAFFORD. Let me say that a subsequent Congress, however, lowered these high rates which Claude Kitchin advocated and succeeded in putting into the law.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman five minutes.

Mr. HOGG of Indiana. Mr. Chairman, we are getting far afield from the amendment suggested by the gentleman from Wisconsin. Let me clear up one or two matters which he has raised. The gentleman from Massachusetts seems to think that we can make a hard-and-fast rule for postal charges as easy to solve as the multiplication table. Fixing rates is not as simple a matter as that. A few years ago it was called to the attention of Congress that the rates on postal cards of 1 cent should be increased, and it was figured that by an increase from 1 cent to 2 cents $20,000,000 would be derived, or an increase of $10,000,000. Congress increased the rate from 1 cent to 2 cents on postal cards, and the result was that during the following year there was a falling off in the postal-card receipts of $6,000,000. Now, let us go back to the proposition of the gentleman from Wisconsin.

Mr. UNDERHILL. How can the gentleman say that there was a loss of that amount? By saving 2 cents I would rather write a letter and put it in a sealed envelope than send it on a post card.

Mr. HOGG of Indiana. All of us would; but Congress passed the law believing the public would look at it in a different way. There are many leaks in post-office receipts. I say to my friend from Massachusetts [Mr. UNDERHILL] that his figures are altogether too large as to what the department loses on the transmission of second-class mail. I shall not take the time now to go into that proposition in detail.

Mr. UNDERHILL. I took my figures of ninety-six and a half million dollars from the RECORD, which figures, in turn, were submitted by the gentleman from Illinois [Mr. ARNOLD], who got them from the Post Office Department.

Mr. HOGG of Indiana. In regard to another matter, before returning to the item under discussion, I do not know of any reason, and I do not know of anyone who can give a reason, why the Government ought to indulge in printing returns on envelopes, whether it does it itself or farms out the contract, any more than the Government should indulge in selling shoes or sugar to the people of the United States.

If we arbitrarily increase this postal money-order rate to a point where it will not be patronized by the public, then

we will have deprived ourselves of the very object we are seeking to accomplish. We ought to go slow in increasing rates, that we may not call into use the potential competition in this matter which exists on every hand.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. HOGG of Indiana. I yield.

Mr. HARLAN. Has the gentleman the figures as to whether or not the Government receives any money in the printing of returns on envelopes?

Mr. HOGG of Indiana. The Government does not spend any money direct, but it carries the printed envelopes from Dayton, Ohio, to California, Maine, and Alaska free. The Government lets a contract to the detriment of printers in every town and city in the Nation except one printing plant in Dayton, Ohio.

Mr. HARLAN. It is paid for by the people who get the envelopes, is it not?

Mr. HOGG of Indiana. Theoretically only.

Mr. HARLAN. How can you pay for anything theoretically? It is paid for, and it renders a profit, does it not——

Mr. HOGG of Indiana. It does not.

Mr. HARLAN. To the firm that does the printing; and is it not a fact that this is not done by the Government but it is done by a private concern under contract?

Mr. HOGG of Indiana. It is done under contract.

Mr. HARLAN. Why did the gentleman make the remark that the Government should not be in the printing business?

Mr. HOGG of Indiana. There are good printers out of work in every town in the United States. The Government should not be in the printing business in competition with printers throughout the country. There are 57 other varieties of business in which the Government ought not compete.

Mr. UNDERHILL. How does the gentleman draw the distinction between the printing business and the insurance business and the transportation business and the express business and the banking business?

Mr. HOGG of Indiana. Congress would indeed render a needed service if it would divorce government from competitive business. The function of government is to govern and not to indulge in competitive business with its citizens.

Mr. KELLY of Pennsylvania. As to the question asked by the gentleman from Massachusetts [Mr. UNDERHILL], since no one seemed to answer concerning the weekly newspapers, which are given the free privileges, I will say that that privilege was granted in 1851 by the Congress to help the small papers in the country districts. To-day it applies only to those offices where there is no delivery service, so that it does not cover every place. It does cost about $8,000,000, due to the policy of Congress. In regard to the Saturday Evening Post, which with other large magazines is always under fire, it is admitted by the Post Office Department, after long study, that any publication that weighs 8 ounces or more pays its full cost of handling and that the loss on second-class matter is entirely due to those smaller publications that go through the mail in vast quantities, each requiring handling and delivery service.

Mr. MEAD. Mr. Chairman, I now yield five minutes to the gentleman from Oklahoma [Mr. MCCLINTIC], and then I shall be obliged to ask the House to refrain from these extraneous discussions in order that we may get on with our calendar.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, much has been said about the cost of the circulation of the small country newspaper. I distinctly recall that the small newspapers take quite an active interest in matters relating to their own little home surroundings, to the extent that they use very large amounts of space for which they receive no pay. I have also noticed that they likewise publish articles about Members of Congress, and we who are Members of Congress are always pleased when they print something complimentary that relates to our service. In my time I want to read a short statement from a county newspaper in my district.

Mr. UNDERHILL. Mr. Chairman, I do not object to the gentleman reading this article, if he will agree to leave out the advertising feature in connection with it and not name the source of his article.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I do not yield.

Mr. UNDERHILL. I rise to a point of order. I have a perfect right to object to the gentleman reading into the RECORD any matter which he attempts to read. I do not object to his reading this matter into the RECORD, but I do object to using the RECORD as an advertising medium for either country or city newspapers or any other printed article. Unless the gentleman will agree to eliminate the name of the paper from which he quotes, I shall have to object.

The CHAIRMAN. The gentleman will proceed in order.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, the distinguished gentleman from Massachusetts has sought to take me off my feet because I had in mind making some complimentary statements about a country newspaper that is published in the district which I have the honor to represent. I likewise desire to give credit to the editor of this paper, because this statement was published in his paper without my notice, and inasmuch as it referred more to my service rather than to myself as an individual, I thought it would be beneficial to put it into the RECORD. But in view of the attitude of the gentleman from Massachusetts, in view of the fact that he feels that this country newspaper should not receive any recognition by name, under the circumstances I will yield to the gentleman's desires.

Mr. UNDERHILL. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. UNDERHILL. The gentleman knows that everyone of us is impressed with the value of the gentleman's services, none more than I. It does not need the indorsement of a country newspaper to tell Members of Congress how valuable the gentleman is to the Nation.

Mr. McCLINTIC of Oklahoma. This statement did not refer to me so much personally as it did to the character of service a person is capable of rendering who has had the same length of service as myself.

Mr. OLIVER of New York. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. OLIVER of New York. What is the name of this country newspaper?

Mr. McCLINTIC of Oklahoma. The paper is the Beckham County Democrat, published at Erick, Okla.

Mr. OLIVER of New York. And who is the editor?

Mr. McCLINTIC of Oklahoma. A distinguished gentleman by the name of J. B. Miller.

Mr. OLIVER of New York. And he agrees with all the rest of us, that the gentleman's service in the House of Representatives has been excellent? I would be glad to hear the remarks which the gentleman had to make.

Mr. McCLINTIC of Oklahoma. He made a very nice statement in this connection, which was to the effect that only a few understood congressional rules and regulations, and that a Senator or Congressman can better benefit his district after he has had a long service, because this allows him to be placed on important committees, and such assignments enable the Senator or Representative to have a voice in taking care of many public questions of importance. He was also nice enough to call attention to the fact that I am the ranking member of an important committee, and that other districts that have retained their Members in Congress for long periods were the ones that profited the most, concluding with a statement which, in substance, is that a district that changes its Representative after he has reached a high place loses not only prestige but all that has been gained by long service. This article was not personal, because it contained a statement that he had no personal interest in the candidacy of any man, and that he did not owe me anything but respect for that which had been achieved. Therefore, I think it would have been beneficial for the entire House to have read this article; but in view of the fact that the gentleman from Massachusetts does not think this ought to go into the RECORD, I am hoping that this will answer the questions asked by the gentleman from New York.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. I yield.

Mr. HOGG of Indiana. I wish to call the attention of the House to the fact there are 32,000 free issues of the CONGRESSIONAL RECORD. There are only 700 people in the United States who pay for the RECORD, and I think something in it occasionally about country newspapers would be valuable.

Mr. McCLINTIC of Oklahoma. I have always taken the position that the country newspaper is entitled to a great deal of consideration, and especially do I agree with the gentleman with respect to his viewpoint on contracts for stamped envelopes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MEAD. Mr. Chairman, I ask that the Clerk read the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to modify the postal money-order system, and for other purposes," approved March 3, 1883, as amended (U. S. C., title 39, sec. 716), is amended to read as follows:

"SEC. 3. A money order shall not be issued for more than $100, and the fees for domestic money orders shall be as follows:

"For orders—

"From $0.01 to $2.50, 6 cents;

"From $2.51 to $5, 8 cents;

"From $5.01 to $10, 10 cents;

"From $10.01 to $20, 12 cents;

"From $20.01 to $40, 15 cents;

"From $40.01 to $60, 18 cents;

"From $60.01 to $80, 20 cents; and

"From $80.01 to $100, 22 cents."

Mr. STAFFORD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Page 2, line 2, strike out the numeral "10" before the word "cents," and insert "11"; in line 3, strike out the numeral "12" before the word "cents" and insert "13."

Mr. MEAD. Mr. Chairman, I accept the amendment and ask its adoption.

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders, and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion by Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

FEES FOR DOMESTIC INSURED AND COLLECT-ON-DELIVERY MAIL OF THIRD AND FOURTH CLASSES

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 10247) prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes.

The SPEAKER. The gentleman from New York calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House automatically resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10247, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MEAD. Mr. Chairman, this bill prescribes certain fees and indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes. It is recommended by the Postmaster General in his annual report. It was considered and unanimously recommended by your Committee on the Post Office and Post Roads. We are advised that the additional revenues to be produced as a result of this legislation will amount to $2,500,000.

The bill increases the fees for insurance from 8 cents to 10 cents for indemnification not to exceed $25. It increases from 10 cents to 15 cents the charge for indemnification not to exceed $50. It also adds some new rates, and provides for additional services.

The fee for collect-on-delivery service, which is now 12 cents for collections not to exceed $10, will be changed to read "the fee for collect-on-delivery service for domestic third and fourth class mail shall be 12 cents for collections and indemnity not to exceed $10," and for several other new rates not contained in the present law.

The new rates can be found on the last page of the report. They are 17 cents for collections and indemnity not to exceed $25; 22 cents for collections and indemnity not to exceed $50; 32 cents for collections and indemnity not to exceed $100; 40 cents for collections and indemnity not to exceed $150; and 45 cents for collections and indemnities not to exceed $200.

This bill is an effort to make up for some of the losses sustained in this service. As I said before, it has been recommended both by the department and the committee.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. Has the gentleman any estimate as to the amount of revenue that will be derived from these two respective services by increasing the rate, one for indemnification and the other for collect on delivery?

Mr. MEAD. I have not a copy of the cost-ascertainment report here.

Mr. KELLY of Pennsylvania. It is estimated that this bill will raise $2,500,000.

Mr. STAFFORD. I want to know if the gentleman has any estimate of the segregated services. You increase the rate on indemnifications in the lower amounts from 8 cents to 10 cents and from 10 cents to 15 cents, but you increase them materially on the collect-on-delivery mail. Can the gentleman give us any figures as to the additional revenues resulting from these respective services?

Mr. KELLY of Pennsylvania. Yes. Those changes on insured mail will bring in additional revenues of $1,455,000. The changes in collect-on-delivery mail will bring in $1,045,000.

Mr. STAFFORD. I assume the gentleman has figures as to the amount of money the service is losing in the operation of these two respective services. If the gentleman has those figures, I would like to have them.

Mr. KELLY of Pennsylvania. I have those figures, because I thought they would be interesting to the committee. The insurance mailings last year brought in $7,613,000, and the expenditures in connection with it were $10,655,000, leaving a deficit or discrepancy of $3,041,000. That is on the insured mail. On the collect-on-delivery mail the deficiency in the cost, according to the cost ascertainment, was $5,000,000. So, as to the two services there was a loss in 1931 of some $8,000,000.

Mr. STAFFORD. Then the collect-on-delivery mail had a net loss of $5,000,000?

Mr. KELLY of Pennsylvania. Five million three hundred and twenty-one thousand dollars.

Mr. STAFFORD. Then there will still be a deficit notwithstanding the increased rates which the committee proposes.

Mr. KELLY of Pennsylvania. There will still be a deficit; and we are trying to get that deficit cut down as much as possible without at the same time injuring the service and destroying it to the public.

Mr. STAFFORD. What comparable service in private business comes in conflict with the collect-on-delivery service?

Mr. KELLY of Pennsylvania. There are private insurance companies that will take mail and insure it at small fees.

Mr. STAFFORD. The express companies do that to a large extent in connection with the collect-on-delivery mail?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Has the gentleman any information, from his long and close study of the operations of the Postal Service, as to whether the large department stores utilize the parcel-post service, or do they utilize the express companies for collect-on-delivery service?

Mr. KELLY of Pennsylvania. They are patronizing the parcel post and third-class mail very largely. I think they prefer it wherever they can get the service, but in some cases they can not get insurance beyond a certain amount.

Mr. TILSON. Is it correct that the Post Office Department, without additional legislation, can change the rates on parcel-post matter?

Mr. KELLY of Pennsylvania. They can not do anything without the Interstate Commerce Commission. Under the law as it stands at present the Postmaster General can go to the Interstate Commerce Commission, present his case, and the Interstate Commerce Commission can then increase or decrease rates.

Mr. TILSON. Is it not a fact that the Government loses on its parcel-post service as a whole?

Mr. KELLY of Pennsylvania. Well, the cost ascertainment for 1931 indicates a loss of $21,000,000 on fourth-class mail. However, there is considerable question as to the apportionment of the cost; that is, as to whether it can be as high as that. The Postmaster General desires to raise $12,000,000 through increased rates by the Interstate Commerce Commission.

Mr. TILSON. Does not the gentleman think when the Government delivers a package at a residence miles away from the post office, after having carried it for more miles on the train, that it is losing money?

Mr. KELLY of Pennsylvania. Well, I will say to the gentleman the provision of the law is that where the rates are losing money and where it is preventing the shipment of articles desirable to be shipped, the Postmaster General is permitted to go to the Interstate Commerce Commission and get higher rates. All that it is necessary to prove is that we are losing money and then the mandatory provision of the law comes into effect.

Mr. TILSON. Many parcel-post packages are delivered for 10 or 15 cents some distance from the post office, and it seems to me that the Government must certainly lose money in delivering these packages miles away from the post office, especially when there may be but few packages in a large, heavy truck.

Mr. KELLY of Pennsylvania. I agree with the gentleman. The cost ascertainment shows a great loss on packages in the first, second, and third zones, but a profit on the zones farther away.

Mr. TILSON. Are not the rates rather low in the first and second zones?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. When the service was first established the rate in the first zone for the delivery of a 1-pound package, as I recall, was 5 cents?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. At that time it was absolutely impossible for my imagination, no matter how wild it would run, to conceive how the Postal Service, paying a letter carrier at that time $1,800 per annum——

Mr. KELLY of Pennsylvania. One thousand two hundred dollars.

Mr. STAFFORD. At that time we had increased the salaries of postal employees in the first-class offices. That was away back in 1910. It was based on population and at that time we increased them from $1,200 to $1,800. At that time the Hon. Jesse Overstreet was chairman of the committee, and I served on that committee. That was during the period from 1903 to 1911. As I am getting along in years, I recognize that sometimes I may be mistaken, and in this particular I will yield to the keen intellect of the younger gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. I thank the gentleman.

Mr. STAFFORD. It is almost impossible of conception that the Postal Service, no matter how large the volume in the carriage of parcel post, could carry 1-pound packages at a fee of 5 cents, and that is where the loss was then, has been, and still is, and I can not understand why the Post Office Department in these many years has not sought to increase to a paying basis the rate on this class of merchandising which is availed of not by the public generally but by the storekeepers in certain localities, who use it in the distribution of their merchandise. Instead of operating delivery service themselves at a higher expense, they utilize the Postal Service for that purpose, and the Postal Service is performing this service at a much less compensatory rate than is received.

Mr. KELLY of Pennsylvania. As the gentleman knows, since 1912, when the parcel post law went into force, the only increases that have been made in rates have been made by Congress, so that the Congress of the United States has increased them. However, the Postmaster General is now asking for an increase.

Mr. STAFFORD. Yes; those increases were made, as referred to a little while ago, just following the war, under the courageous leadership of the Hon. Claude Kitchin, who was then the majority leader and chairman of the Ways and Means Committee. He had the moral stamina to increase rates on parcel post in all the zones except the lower ones.

Mr. KELLY of Pennsylvania. No; the gentleman is mistaken. There was no increase at that time in parcel post. The increase was on second-class matter and the zone system was then established.

Mr. STAFFORD. I stand corrected. It was on second-class mail matter, and instead of applying the pound rate universally throughout the country they adopted and extended the parcel-post feature of zone charges to second-class mail.

Mr. MEAD. Mr. Chairman, I ask for the reading of the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That paragraph (a) of section 211 of Title II of an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (43 Stat. 1069; U. S. C., title 39, sec. 245), as amended (U. S. C., Supp. V, title 39, sec. 245), is further amended to read as follows:

"SEC. 211. (a) The fee for insurance shall be 5 cents for indemnification not to exceed $5; 10 cents for indemnification not to exceed $25; 15 cents for indemnification not to exceed $50; 25 cents for indemnification not to exceed $100; 30 cents for indemnification not to exceed $150; and 35 cents for indemnification not to exceed $200. Whenever the sender of an insured article of mail matter shall so request, and upon payment of a fee of 3 cents at the time of mailing, or of 5 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail matter, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That upon payment of the additional sum of 20 cents at the time of mailing by the sender of an insured article of mail matter, a receipt shall be obtained for such insured mail matter, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery:

Provided further, That no refund shall be made of fees paid for return receipts for registered or insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the Postal Service."

SEC. 2. That paragraph (b) of section 211 of Title II of an act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (U. S. C., title 39, sec. 246), is amended to read as follows:

"(b) The fee for collect-on-delivery service for domestic third and fourth class mail shall be 12 cents for collections and indemnity not to exceed $5; 17 cents for collections and indemnity not to exceed $25; 22 cents for collections and indemnity not to exceed $50; 32 cents for collections and indemnity not to exceed $100; 40 cents for collections and indemnity not to exceed $150; and 45 cents for collections and indemnity not to exceed $200."

SEC. 3. This act shall become effective April 1, 1932.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

I do this for the purpose of directing the attention of the Chairman and the members of the committee to the effective date that is provided in the bill. April 1 is only a few weeks ahead, and I question whether this bill will be enacted into law before that time. Would it not be better, in view of the fact that this bill may not be considered for perhaps a month or more in the other body, to have this measure go into effect July 1, 1932?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Mr. Chairman, I offer an amendment to strike out in line 16, page 3, the word "April" and insert in lieu thereof the word "July."

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 3, line 16, strike out the word "April" and insert in lieu thereof the word "July."

Mr. MEAD. Mr. Chairman, I accept the amendment.

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. BANKHEAD] having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 10247) prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes, had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

DOMESTIC REGISTERED MAIL

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 10244) fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10244, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The bill is as follows:

Be it enacted, etc., That section 3926 of the Revised Statutes of the United States as amended by the act of February 27, 1897 (ch. 340, 29 Stat. L. 599), providing limited indemnity for loss of registered mail matter, and by the act of March 3, 1903 (32 Stat. L. 1174), fixing such indemnity at not exceeding $100, and that portion of the act of March 4, 1911 (36 Stat. L. 1337), making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1912, and for other purposes, and providing indemnity for the loss of third and fourth class domestic registered matter, which laws were jointly amended by section 3 of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 381a), are hereby further amended to read as follows:

"For the greater security of valuable mail matter the Postmaster General may establish a uniform system of registration, and as a part of such system he may provide rules under which the senders or owners of any registered matter shall be indemnified for loss, rifling, or damage thereof in the mails, the indemnity to be paid out of the postal revenues, but in no case to exceed $1,000 for any one registered piece, or the actual value thereof when that is less than $1,000, and for which no other compensation or reimbursement to the loser has been made: *Provided*, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of $1,000, but not in excess of $10,000, when such mail is not insured with any commercial insurance company or other insuring agency and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to $1,000: *Provided further*, That the Postmaster General in his discretion may cause to be underwritten or reinsured in whole or in part with any commercial insurance companies any liability or risk assumed by the Post Office Department in connection with the mailing of any particular registered article or articles.

"SEC. 2. The full value of all registered mail or insured mail treated as registered mail shall be declared by the mailer at the time of mailing unless otherwise prescribed by the Postmaster General, and any claim for indemnity in any amount involving such mail, when the full value knowingly and willfully was not stated at the time of mailing, shall be invalid. All claims for indemnity involving registered mail, or insured mail treated as registered mail, or other insured mail, or collect-on-delivery mail, which is also insured with commercial insurance companies or other insuring agencies, shall be adjusted by the Post Office Department on a pro rata basis as a coinsurer with the commercial insurance companies or other insuring agencies."

SEC. 2. Section 3927 of the Revised Statutes of the United States, as amended by section 209 of the act of February 28, 1925 (43 Stat. L. 1068), and by the first section of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 384), be, and the same is hereby, amended further to read as follows:

"Mail matter shall be registered on the application of the party posting the same. The registry fees, which are in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by law shall be as follows:

"For registry indemnity not exceeding $5, 15 cents;

"For registry indemnity exceeding $5 but not exceeding $25, 18 cents;

"For registry indemnity exceeding $25 but not exceeding $50, 20 cents;

"For registry indemnity exceeding $50 but not exceeding $75, 25 cents;

"For registry indemnity exceeding $75 but not exceeding $100, 30 cents;

"For registry indemnity exceeding $100 but not exceeding $200, 40 cents;

"For registry indemnity exceeding $200 but not exceeding $300, 50 cents;

"For registry indemnity exceeding $300 but not exceeding $400, 60 cents;

"For registry indemnity exceeding $400 but not exceeding $500, 70 cents;

"For registry indemnity exceeding $500 but not exceeding $600, 80 cents;

"For registry indemnity exceeding $600 but not exceeding $700, 85 cents;

"For registry indemnity exceeding $700 but not exceeding $800, 90 cents;

"For registry indemnity exceeding $800 but not exceeding $900, 95 cents; and

"For registry indemnity exceeding $900 but not exceeding $1,000, $1:

"*Provided*, That for registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid there shall be charged additional fees, as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than $50, 1 cent; by more than $50 but not more than $100, 2 cents; by more than $100 but not more than $200, 3 cents; by more than $200 but not more than $400, 4 cents; by more than $400 but not more than $600, 5 cents; by more than $600 but not more than $800, 6 cents; by more than $800 but less than $1,000, 7 cents; and if the excess of the declared value over the maximum indemnity covered by the registry fee paid is $1,000 or more, the additional fees for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

"For local delivery or for delivery within the first zone, 8 cents;
"For delivery within the second zone, 9 cents;
"For delivery within the third zone, 10 cents;
"For delivery within the fourth zone, 11 cents;
"For delivery within the fifth or sixth zones, 12 cents;
"For delivery within the seventh or eighth zones, 13 cents.

"All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter upon the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge."

SEC. 3. The Postmaster General may make such rules and regulations in accordance with this act as he may consider necessary or advisable.

This act shall become effective April 1, 1932.

Mr. MEAD. Mr. Chairman, this bill fixes the fees and limit of indemnity for domestic registered mail, based upon actual value and length of haul, and creates an additional service by increasing the present maximum of $1,000 to $10,000. This increase in amount and rates is explained in the second and third pages of the report.

It is recommended by the department and the committee, and it is estimated that it will increase the receipts of the Post Office Department $7,000,000. It is in keeping with our committee program of reducing the deficit and putting the Post Office Department on a more businesslike basis. The committee has conferred with the department and agreed upon the fees stated in the bill.

If any time is required on that side, I will yield to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman, this bill is one which provides a new feature in addition to the change of rates. At present we have a limited registration, and in this bill we have added a provision which makes it possible for one to register an amount above $1,000, and you will find included in it the rates provided in the bill which are believed to be sufficient to pay the cost of handling the extra amount.

In 1931 the department received from registered mail matter $11,846,000, and the expenditure was $20,214,000, which left a deficit of $8,516,000. The increased rates of registered matter up to $1,000 will bring in an additional revenue of $2,000,000 per year. The cost of the service on amounts above $1,000 will bring in $5,000,000, according to the estimates of the department, which would mean that there would be an additional revenue of $7,000,000.

The registry service, as Members know, originated in 1864. It has been changed from time to time, but has been growing greater each year. There have been losses, which the committee is trying to curtail. We are not endeavoring to curtail the entire amount of the loss, and there will be a slight loss in this service. I believe that these changes will add value to the Postal Service in its registration service.

Mr. STAFFORD. The new policy of registration is to be extended through the zone feature?

Mr. KELLY of Pennsylvania. That is true.

Mr. STAFFORD. Will the gentleman explain the reason of this operation of the registered mail by zones?

Mr. KELLY of Pennsylvania. As the gentleman says, this is a new feature, where we are attempting to handle sums of more than $1,000. In the past we did not attempt to register sums over $1,000, although the banks and others desire to transmit much larger sums through the mail. In the past they have had them insured by private organizations, which insured for a profitable rate. The post office transacted the business and the private companies collected the profit.

After a thorough hearing in the last Congress we have thought it safe for the Government to register these sums over $1,000. The committee thought there should be a zone system where this mail goes a great distance, where they have transfer points, which would give a chance for desperadoes or bandits to take this money. We therefore thought that the zone system should be put into force. The last zone runs the rates up to 13 cents above the regular charge.

Mr. STAFFORD. Will the gentleman direct me to that part of the bill which authorizes the Government to carry amounts in registered mail in excess of $1,000?

Mr. KELLY of Pennsylvania. I refer the gentleman to the proviso on page 5—

That for registered mail or insured mail received as registered mail having a declared value in excess of the maximum indemnity—

Which is $1,000—

covered by the registry fee paid, there shall be charged additional fees as follows—

And so forth.

Mr. TILSON. Mr. Chairman, on page 2, in lines 20 and 21, we find reference to—

Mail treated as registered mail in excess of $1,000, but not in excess of $10,000.

This is the provision the gentleman from Wisconsin refers to, I think.

Mr. KELLY of Pennsylvania. That is true; and the rates are in the proviso that I referred to.

Mr. TILSON. The provision permitting it is on page 2.

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. Mr. Chairman, I ask for recognition in opposition to the bill.

The CHAIRMAN. The gentleman from Wisconsin is recognized for an hour.

Mr. STAFFORD. Mr. Chairman, if this bill merely increased the rates of the amount of registered mail that the Government is now authorized to carry, I would not rise at this time in opposition to any part of the bill, but for a long time I have thought it is a mistake for our Government, through the Postal Service, to undertake to carry through the mails vast sums of money. I well recall many years ago when Mr. Burleson, later Postmaster General, then a Member of the House, offered an amendment upon the floor which permitted the Postal Service to carry large sums of money through the mails. At that time we were providing in the sundry civil appropriation bill some $200,000 for the carriage of Government funds by private agencies. The amendment was to authorize those large funds to be carried through the mails. Now it is proposed to go one step farther in this paternalism of the Government in competition with private enterprise, particularly where vast sums of money are involved, and have the Government carry these funds through the registry system.

From my observation of the operation of the two agencies carrying funds, by express companies and by registered mail, I have thought that the private agencies are far better prepared to safeguard the conveyance of large sums of money than is the Postal Service. We have in recent times suffered tremendous losses by holdups of registered mail. One comes to my mind in the operation of a mail train on the Milwaukee Road leaving Chicago for St. Paul about midnight, which was held up at Roundout, about 20 miles from Chicago. It cost the Government many thousands of dollars.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. KELLY of Pennsylvania. One of the difficulties we were faced with was the practice now of sending these huge sums of money through the mails, registering them up to $1,000, and then getting a private insurance or indemnity company to handle the insurance on the amount above $1,000, which put the expense and danger on the Post Office Department without any of the revenue.

Mr. STAFFORD. I do not exactly follow the position of the gentleman. In case of loss, who would receive the benefit or indemnity?

Mr. KELLY of Pennsylvania. I am making the point that we take all of the danger of handling these great sums of money which are insured by private companies. Of course, if a loss is incurred the private company has to stand the loss, but the danger to the employees and the service comes through those vast sums of money being carried as they are now.

Mr. STAFFORD. I understood that under existing law the Postal Service could carry amounts only up to $1,000.

Mr. KELLY of Pennsylvania. In registration; yes. But sometimes millions of dollars are carried through the mails and the amount above $1,000 is insured by private companies.

Mr. STAFFORD. But the Government does not stand sponsor for safe delivery of those million dollars.

Mr. KELLY of Pennsylvania. No.

Mr. STAFFORD. The risk is upon the private insurance company or the private bank.

Mr. KELLY of Pennsylvania. The gentleman was making the point about the danger of money in the mails.

Mr. STAFFORD. Yes.

Mr. KELLY of Pennsylvania. The money is in the mails now.

Mr. STAFFORD. But the Government is not responsible for the safe carriage, except for $1,000.

Mr. KELLY of Pennsylvania. That is true.

Mr. STAFFORD. Now, you are making the Government the insurer. Of course, if I had a million dollars I might send it through the mails if I wanted to, but I would have to take the loss or secure other means of indemnity in case of loss. You are now making the Government the indemnifying agent. This is one of the bills where the report was made at midnight under special order made late yesterday afternoon.

Mr. KELLY of Pennsylvania. If the gentleman will permit, we have had this bill under hearing for the last three years and have thoroughly gone into it. We have tried to safeguard it by providing that the Post Office Department may reinsure if it believes it wise to do so, and the gentleman will find that provision on page 3 at the top of the page, so that we are not taking any undue risk in this matter, and will get some of the returns now going to private companies who insure the money.

Mr. STAFFORD. This is one of the bills where Members did not have a report upon it available until this morning. It is my practice to have all bills and the reports so that I may scan them before they are brought up for consideration. Nevertheless, I believe that we are launching on a very dangerous policy when the Government becomes the guarantor of millions and millions of dollars that may be carried in the mails.

The Government is not as well qualified to safeguard the carriage of great amounts of money as is a private agency, and in the nature of things it can not safeguard the carriage of these huge deposits as well as a private agency.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. KELLY of Pennsylvania. We are using every possible safeguard.

Mr. STAFFORD. There is nothing in this bill that compels the Government to take out indemnity insurance for these tremendous amounts of money that will be transported in the mail and for which the Government will be liable. It rests entirely upon the discretion of the Postmaster General, and if he is socialistically inclined he will not call upon a private insurance company to guarantee the payment of any money that may be lost.

I venture this assertion—and this is merely an assertion: That as between the rates to be charged by a private surety company for the transportation of money by a private agency, such as an express company, and that by Postal Service, the rates will be much higher for the transportation of money in the mails than by a private agency. I lay that down as a postulate, based upon my observation of the care with which money is transported by express companies and the way registered mail matter, not known to the persons guarding it, is transported by the Postal Service now.

Mr. COYLE. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. COYLE. Is it the point of view of the gentleman that the express companies covered all points where this service would be called for?

Mr. STAFFORD. Mostly. Until the Government went into the business of competing with private agencies, private agencies reached almost every available place in the country, but when the Government went into the business of carrying merchandise and carrying large funds of money, that of itself drove the private agencies out of business, and at whose expense? At the expense of the taxpayers of the country, because ever since the Parcel Post Service was adopted it has been operated at a loss. The mail has been carried at a great loss, and for the benefit of whom? The users, the department stores, at the expense of the taxpayers.

Now we are attempting to balance the Budget. Why do we not attempt to balance the Postal Service?

Mr. COYLE. Will the gentleman yield further?

Mr. STAFFORD. I yield.

Mr. COYLE. I am seriously interested in the gentleman's point of view, because I happen to know of some instances where the express service for this class of transportation was canceled and shortly thereafter the mail service endeavored to cancel their rates for exactly the same transportation. I do not like particularly to mention the point, because I do not want to give it undue publicity but is it the gentleman's opinion that if the express company does not serve any large community, the Post Office Department, with its general monopoly, should serve that community?

Mr. STAFFORD. I am protesting here and now against the Government indemnifying the banks of the country for the transportation of millions and millions of dollars through the mail, as the surety of those companies, rather than forcing the banks to go to a private surety company for their own indemnification. I do not want the Government to go into this business of indemnification; and, if I had my way, I would oppose it, just as I opposed it when Mr. Burleson, the gentleman from Texas, advocated the socialistic proposal that, because we were operating an agency for the transportation of first, second, third, and fourth class matter, we should then and there transport the money of the Government from New York to Philadelphia and other places. That was the entering wedge to this socialistic venture. Now, we have its full fruition of having the Government go into the insurance business.

The gentleman from Pennsylvania [Mr. KELLY] says we do to-day transport these huge amounts of money, and we only stand sponsor to the extent of $1,000. I say that we should not go beyond that $1,000 but should throw it upon the banks to look to their sureties for their indemnification.

Mr. COYLE. I agree very closely with what the gentleman says.

Mr. STAFFORD. The gentleman being from Pennsylvania and being a Republican could not aught do else, and those from Pennsylvania are Republicans.

Mr. COYLE. I would like to ask the gentleman this further question: The gentleman would not think that the Post Office Department ought to entirely cancel its transportation to any point that could not otherwise be served, whether it is the transportation of money or ordinary matter?

Mr. STAFFORD. Oh, no. It is not attempted to check or dwarf the present facilities. Even before the Government proceeded upon indemnifying any person or the Government itself for the transportation of Government funds by mail, any third party using the mail could, if he wished, take the risk of sending money in an envelope. We tried to educate the public that there is risk in connection with that and they should buy money orders. Now, we are taking the position that they should utilize the registry service to the extent of millions and millions of dollars, and the Government, for a fee, should indemnify them. The essence of this is whether the Government should go into the insurance business.

Mr. KENDALL. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. KENDALL. The Government indemnity applies only up to $10,000; not into millions and millions, as the gentleman says.

Mr. STAFFORD. Well, only $10,000; but at one time it was only $1,000. A bank, instead of sending one hundred $1,000 bills in one package, can send 10 packages containing $10,000 each, and the Government be obligated as indemnitor

to the extent of $100,000. The banks will easily get around that. The question is whether we should go into the insurance business of indemnifying private agencies for the hazard of sending large sums of money through the mails. I say that the postal agency is not as well suited for safeguarding the carriage of large sums of money in the mail as the express companies are.

I regret that last night I gave consent to having the committee present reports up to midnight. It does not give the Members of this House an opportunity to study the bills. I understood the gentleman to say they were only minor bills. This is a bill of great essential consequence. I was busy in a special committee framing Muscle Shoals legislation this morning, and I do not have time on the floor to prepare the necessary amendments that I think are worthy to safeguard the interests of the Government. It is an instance showing we should be wary of granting leave to committees to file reports up to midnight so that the Members can not have an opportunity to study the bills thoroughly.

Mr. Chairman, I reserve the balance of my time.

Mr. MEAD. Mr. Chairman, the committee asked unanimous consent to file reports after the adjournment of the House because of the fact that we were filing a number of reports during the afternoon, and it was thought we might not be able to file them all before adjournment. Our committee filed the last two reports just a few minutes after adjournment.

This bill has been considered by our committee for several years. It is recommended by the Postmaster General in his last annual report. That recommendation can be found on pages 7 and 49 of his report.

It is a service we are already giving the country. This bill merely extends it; we are in a better position to serve every section of the country than any other agency.

Our committee is endeavoring to balance the postal budget. We are trying to do just what the gentleman from Wisconsin stated he is trying to do.

This bill permits slight increases in rates up to $1,000. It then gives a new service and adds new rates up to $10,000. It will raise $3,000,000 in revenue for the department.

The department, as I said before, is in a position to take care of this added work and serve the country better than any other agency. As the gentleman from Pennsylvania said, the department is now authorized to reinsure. We are not depriving insurance companies of business.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. KELLY of Pennsylvania. Is it not also true that the danger at the present time comes because of the fact that we are carrying more than $1,000? For instance, there are shipments now being made of $1,000,000 in postal mail bags, and the fact that that large amount of money is carried puts an additional danger on the $1,000 which we now indemnify.

Mr. MEAD. The gentleman is correct. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 3926 of the Revised Statutes of the United States as amended by the act of February 27, 1897 (ch. 340, 29 Stat. L. 599), providing limited indemnity for loss of registered mail matter, and by the act of March 3, 1903 (32 Stat. L. 1174), fixing such indemnity at not exceeding $100, and that portion of the act of March 4, 1911 (36 Stat. L. 1337), making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1912, and for other purposes, and providing indemnity for the loss of third and fourth class domestic registered matter, which laws were jointly amended by section 3 of the act of May 1, 1928 (45 Stat. L. 469; U. S. C., Supp. V, title 39, sec. 381a), are hereby further amended to read as follows:

"For the greater security of valuable mail matter the Postmaster General may establish a uniform system of registration, and as a part of such system he may provide rules under which the senders or owners of any registered matter shall be indemnified for loss, rifling, or damage thereof in the mails, the indemnity to be paid out of the postal revenues, but in no case to exceed $1,000 for any one registered piece, or the actual value thereof when that is less than $1,000, and for which no other compensation or reimbursement to the loser has been made; *Provided*, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of $1,000, but not in excess of $10,000, when such mail is not insured with any commercial insurance company or other insuring agency, and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to $1,000; *Provided further*, That the Postmaster General in his discretion may cause to be underwritten or reinsured in whole or in part with any commercial insurance companies any liability or risk assumed by the Post Office Department in connection with the mailing of any particular registered article or articles.

"SEC. 2. The full value of all registered mail or insured mail treated as registered mail shall be declared by the mailer at the time of mailing unless otherwise prescribed by the Postmaster General, and any claim for indemnity in any amount involving such mail, when the full value knowingly and willfully was not stated at the time of mailing, shall be invalid. All claims for indemnity involving registered mail, or insured mail treated as registered mail, or other insured mail, or collect-on-delivery mail, which is also insured with commercial insurance companies or other insuring agencies, shall be adjusted by the Post Office Department on a pro rata basis as a coinsurer with the commercial insurance companies or other insuring agencies."

Mr. STAFFORD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: On page 2, line 17, after the word "made," strike out the proviso ending with the figures "$1,000" in line 24, which reads as follows:

"*Provided*, That the Postmaster General may in his discretion provide for the payment of indemnity for the actual value of registered mail or insured mail treated as registered mail in excess of $1,000, but not in excess of $10,000, when such mail is not insured with any commercial insurance company or other insuring agency and may fix the fees chargeable for the risks assumed ratably at the rates fixed up to $1,000."

Mr. STAFFORD. Mr. Chairman, the striking out of this proviso will leave the operation of the Postal Service as is, other than that higher rates of indemnity will be charged.

This proviso, as you will notice, would authorize the Post Office Department to carry sums in excess of $10,000 in the event that the Postmaster General, through any commercial insurance agency, would insure those amounts.

I do not want by direction or circumvention to allow the Post Office Department to be held responsible for the carrying of amounts in excess of $1,000, certainly not to the extent of $10,000, for which no indemnity is required, certainly not to the extent of $10,000, and being repeated ad infinitum, which would probably run into hundreds of thousands of dollars.

I think it is a most serious innovation to have the Government, under the guise of increasing the revenues, go into the insurance business. That is what this provision means.

The argument is made by the gentleman from Pennsylvania and the gentleman from New York that banks to-day use the service for the transportation of huge sums of money. Granting that they do use this convenience, nevertheless they must go to a private surety for indemnity. However, under this bill you are permitting the Postmaster General to carry amounts up to $10,000 without securing any indemnity.

I know just as sure as I am here that we are going to be confronted time after time with heavy losses if this insurance feature is adopted as a policy of the Postal Service.

It is acknowledged that this service is not self-sustaining. Why should we invade the province of private industry to that extent, and which will make it less sustaining under the guise that you are going to authorize the Government to charge a fee for the indemnification?

This is socialism. It is paternalism. We have seen the effects of this proposal. It was made 25 years ago, or thereabouts, by Mr. Albert S. Burleson, when he was a Member of this House. It was tainted in a slight degree—I will use that qualifying clause because he is not present, though I am glad to say he is still alive and enjoying good health—it was tainted to a slight degree with the socialistic proposal that because the United States Government was operating a Postal Service it ought to permit funds to be transported by the Postal Service, whether that service was suited to that purpose or not. It was not suited to it then, and while it may be suited in a degree to carry on such a service now, it can never qualify to carry on such service with the same protection as is given by a private agency.

Mr. KELLY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Wisconsin has offered an amendment striking out the service which the Post Office Committee, after complete deliberation, believes to be worthy on several grounds.

It certainly can not be more socialistic to insure up to $10,000 than it is to insure up to $1,000. If any principle of that kind is involved, it applies to a service which has been in existence since 1864 and has been growing more and more valuable every year.

The second point is that we take all the chances. We have all the dangers now in handling these large sums of money that are being sent through the mail without any of the advantages whatever which come from the returns that may be received from it.

The gentleman from Wisconsin refers to the fact that we must turn the post-office machinery loose if we pass this bill. We must do that now. With an indemnity up to $1,000, when a package of registered mail is stolen, this brings into force every agency of the department. The inspection force must scour the country for years, if necessary, to run down the depredators who take money from the mails.

This will not add one additional cent of that kind of expense to the Government in raising the limit to $10,000. What it will do will be to give us a proper rate on the increase from $1,000 to $10,000.

The Post Office Department has figured that this one provision which the gentleman seeks to strike out will mean $5,000,000 in clear, additional revenue.

Mr. STAFFORD. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. STAFFORD. How much loss will ultimately come to the Government of the United States?

Mr. KELLY of Pennsylvania. That is included in the calculation of the $5,000,000. The amounts paid out as indemnities on registered mail for 50 years have been considered as to the possible cost of the new registration. It is uncertain, of course, whether raising the limit from $1,000 to $10,000 will multiply the losses; but if on a regular basis there are no more losses up to $10,000 than there have been proportionately on $1,000, there will be a clear gain of $5,000,000.

Your committee feels this is well worth the consideration of the Congress with respect to a service that is now losing money. We should establish such rates and such new accommodations for the public as will bring in a total under this bill of $7,000,000, which will very largely reduce the deficit in the registered mail special service.

We believe this is justified. Hearings have been held on the bill. We have listened to representations from various interests and have finally brought out this bill for due consideration. I hope the amendment of the gentleman from Wisconsin will not be adopted because it would completely destroy this new accommodation that we desire to give the public.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The amendment was rejected.

The Clerk read as follows:

SEC. 3. The Postmaster General may make such rules and regulations in accordance with this act as he may consider necessary or advisable.

This act shall become effective April 1, 1932.

Mr. COYLE. Mr. Chairman, I move to strike out the last word.

I do this, Mr. Chairman, for the purpose of calling the attention of the committee to the fact that the Post Office Department, through its inspectors, has done within the last few days a very fine job. We all think that the Northwestern Mounted police of Canada is a particularly fine body of men, because their boast is that they always get their man. I want to say that the Post Office Department, according to the papers yesterday, proved that they, too, are a body that we can be proud of. Their boast is that they always get the man that interrupts or breaks down the mail service, and yesterday they did get the man who apparently was responsible for the bomb outrages in the Easton post office in my district on December 30, last and I think this is worthy of note, when the Post Office Department itself is under some criticism as not being a safe custodian of the mails.

Mr. GOSS. Mr. Chairman, I would like to ask a question in connection with the rates proposed here. I would like to ask if this is a case of the camel getting his nose under the tent in connection with first-class mail rates and whether there are going to be any increases in that feature of the service.

Mr. MEAD. No; on the other hand, this is an effort on the part of the committee to avert any increase in first-class rates.

Mr. GOSS. Then any such increases will be confined to special items of registered mail and so on?

Mr. MEAD. Yes; the committee has made a definite decision on that question.

Mr. GOSS. That is what I wanted to know.

Mr. STAFFORD. Mr. Chairman, I wish to suggest to the chairman of the committee the advisability of postponing the effective date of this enactment to July 1, as we did in the other bill.

Mr. MEAD. Mr. Chairman, I shall accept such an amendment.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment: Line 17, page 6, strike out the word "April" and insert "July."

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 6, line 17, strike out the word "April" and insert the word "July."

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having taken the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10244) fixing the fees and limits of indemnity for domestic registered mail, based upon actual value and length of haul, and for other purposes, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

TO CURE THE PRACTICE OF DEPOSITING MATTER IN LETTER BOXES WITHOUT THE PAYMENT OF POSTAGE

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 9262) to amend section 321 of title 18 of the United States Code.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 321 of title 18 of the United States Code be, and the same is hereby, amended to read as follows:

"Whoever shall willfully or maliciously injure, tear down, or destroy any letter box or other receptacle intended or used for the receipt or delivery of mail on any mail route, or shall break open the same, or shall willfully or maliciously injure, deface, or destroy any mail deposited therein, or shall willfully take or steal such mail from or out of such letter box or other receptacle; or shall knowingly, willfully, or feloniously deposit any mailable matter such as statements of account, circulars, sale bills, or other like matter, on which no postage has been paid, in any letter box or other receptacle established, approved, or accepted by the Postmaster General for the receipt or delivery of mail matter on any mail route, with intent to avoid payment of lawful postage thereon; or shall willfully aid or assist in any of the aforementioned offenses, shall for every such offense be punished by a fine of not more than $1,000 or by imprisonment for not more than three years."

With the following committee amendments:

In line 3, page 1, strike out "section 321 of title 18 of the United States Code" and insert in lieu thereof "section 198 of

the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916 (U. S. C., title 18, sec. 321)."

Strike out "or other receptacle" wherever it appears in the bill; strike out "or" at the end of line 11, page 1, and "feloniously" at the beginning of line 1, page 2, and insert "or" between "knowingly" and "willfully" in line 11, page 1; strike out "$1,000" and insert in lieu thereof "$300" in line 9, page 2, and strike out "or by imprisonment for not more than three years" in lines 9 and 10 on page 2.

Amend title so as to read:

"To amend section 198 of the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916."

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. Will the gentleman explain just what is sought to be done by the proposed amendment?

Mr. MEAD. Let me read what the Postmaster General says. I am quoting a paragraph from a letter regarding this measure:

> The purpose of this bill is to curb the practice of depositing statements of account and circulars, sale bills, etc., in letter boxes or other receptacles established for the receipt or delivery of mail, without the payment of postage thereon, by making this a criminal offense. Much matter of this kind is, of course, now deposited in private mail boxes, thus depriving the Postal Service of considerable revenue which it would receive if the matter was sent through the mails.

Our committee decided to reduce the penalty in the original bill from $1,000 to $300 and to eliminate the provision for imprisonment altogether. So the extent of the penalty now is a fine of not more than $300. The practice of public-utility companies and others, who have withdrawn a very profitable business from the Postal Service, is to make deliveries by messenger service. We believe if they withdraw this business from the Post Office Department they should refrain from using the mail boxes. The withdrawal of this mail has reduced our revenues about $4,000,000 a year.

We have sufficient law now to prevent that practice on rural routes, and we aim to apply the law to city mail boxes.

Mr. STAFFORD. The gentleman states it was the desire to discontinue the practice of depositing mailable matter in other receptacles in the country and city. I believe the gentleman is in error, because the committee does not go to the extent of the Postmaster General's recommendation, in that he suggested that they provide not only for letter boxes but other receptacles. The committee has stricken out "other receptacles."

Mr. MEAD. We struck that language out because we felt we were going too far in enacting legislation which would prevent an individual from dropping a circular or a bill in a slot in the door or in some receptacle not used exclusively as a mail box.

We felt that if the bill covered a mail box erected for the purpose of receiving mail we were going as far as we could in this connection, and so the committee struck out the language "or other receptacle," and we also struck out the language "knowingly, willfully, or feloniously."

Mr. STAFFORD. And substituted "knowingly or willfully."

Mr. MEAD. Yes; that is correct.

Mr. STAFFORD. I wish to get a clear concept of the gentleman's intendment of this legislation. It is the practice in the country local to Milwaukee and local to Detroit, and local, I should say, to most of our metropolitan centers, for the newspaper publishers to provide a separate receptacle for the delivery by their agent of their newspapers in these boxes. Certainly the gentleman does not intend to ban the delivery of those newspapers in boxes furnished by them?

Mr. MEAD. Not at all. The newspapers are setting up their own receptacles; they are not using the mail boxes along rural routes. We want the public-utility companies to take care of their bills without using the mail boxes in the cities.

Mr. STAFFORD. There is nothing here that will prevent any private agency from distributing mailable matter direct to the home or in a private receptacle that was erected by the patron, provided that receptacle is not used for the receipt of mailable matter. Many of our rural delivery route boxes are provided by—in fact, all cases—and erected by the patron himself.

Mr. MEAD. The gentleman is correct.

Mr. STAFFORD. But that box could not be used for the deposit of any other character of matter. If the patron wanted to have the deposit of other character of matter, he would have to erect a separate box, which would not be used for mailable purposes.

Mr. MEAD. That is right.

Mr. BLANTON. Mr. Speaker, I ask recognition on the amendment. I am wondering if the gentleman from New York [Mr. MEAD], who is chairman of the committee, would be willing to permit an amendment so as to add the word "commercial" before the word "circular," so that it would apply only to commercial circulars. There are some circulars that it is to the interest of the patrons of the Post Office to receive, which are matters of interest in a local community. For instance, there are thousands of communities where notices out in the country to the effect that a church sociable is going to be held or that there is to be singing on Sunday afternoon are put in the mail boxes. This ought not to apply to things of that kind, and it ought to be limited to commercial circulars.

Mr. MEAD. If the gentleman will yield for a moment, permit me to say it is now contrary to law to deposit such circulars as the gentleman has in mind in letter boxes on a rural route.

Mr. BLANTON. That is exactly what I am complaining about, and I am hoping the gentleman from New York in his great experience and wisdom would see fit to stop it from being a violation of the law, because it is to the interest of all the owners of these boxes to receive these little community notices. Of course it is done in spite of the law, but it ought not to be a violation. They ought to have the right to put a little community notice in the box, and if the gentleman would limit this to commercial circulars he would carry out the purpose of the committee and the purpose of the Post Office Department, and still give these people the right to use their mail boxes for little notices that benefit the entire community.

Mr. MEAD. The gentleman will see that the effort being made by the committee is in another direction altogether. We are not in this bill concerned with the law that applies to mail boxes on rural routes. We are trying to apply the law that now applies to rural mail boxes apply to city letter boxes.

Mr. BLANTON. What time is a better time than right now to rectify this little injustice to the rural people? Is there any better time than now? I take it that the gentleman has never lived in a rural community.

Mr. MEAD. That is where I live some of the time.

Mr. BLANTON. Then he realizes the problems that beset the rural people. Some of them get their mail only twice a week, people who live away off in the mountains, and it is unfair to say to them that when they have a notice of high importance to the community, it can not be placed in the boxes. Suppose they were getting up a dance for the young people in the community. That is the only way they have to get word about it. They run around the circuit and put the notices in the boxes. Every time they do it they violate the law, but they do it just the same. We ought to stop it from being a violation of the law.

Mr. MEAD. At such time when the committee takes up the matter of revising the law as it applies to rural mail boxes, I shall be glad to consider the gentleman's amendment, but we are considering now only the application of the law to city mail boxes, and that is the only idea conveyed in the bill.

Mr. BLANTON. Does not the gentleman realize that such an amendment is a good one?

Mr. MEAD. Except that it would in my judgment conflict with the purpose of this bill which applies only to city mail boxes.

Mr. BLANTON. Does this restrict the entire legislation to city letter boxes?

Mr. MEAD. Yes; it does.

Mr. BLANTON. It has no application to rural boxes?

Mr. MEAD. None whatever.

Mr. SEGER. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. SEGER. I am in sympathy with the general purpose of the bill, but does the gentleman mean that this would apply to boxes erected inside the vestibule of apartment houses?

Mr. MEAD. Any mail box that is designated for receiving mail matter. We eliminated some of the language in the bill so that it would not apply to slots in doors and various other contrivances; we apply the law that exists in rural communities to city mail boxes, boxes set up by the patron for the receipt of mail matter only.

Mr. SEGER. On the porch or in an apartment house?

Mr. MEAD. Wherever the city letter carrier delivers mail to the patron, whether in the hallway or on the veranda, as long as it is a mail box.

Mr. SEGER. Is that not a broad interpretation? Suppose I was going to visit a friend and he was not home and I left a note in his letter box, would I be punishable under this law?

Mr. MEAD. Well, as the gentleman from Texas said, they now deposit circulars in the local letter boxes and they are not interfered with; but where some large corporation withdraws a volume of mail from the Post Office Department and sets up a service of its own, we restrict the use of the mail receptacles to mail matter handled by the Post Office Department.

Mr. SEGER. I can see where there would be considerable revenue taken from the Post Office Department, but I think the bill is so broad that it would take in the receptacles in every apartment house in a city.

Mr. MEAD. On line 5, page 2, of the bill the gentleman will find we struck out the language "or other receptacle," and narrowed it down to apply to mail boxes only.

Mr. BOYLAN. Will the gentleman yield?

Mr. MEAD. Yes; I yield to my distinguished colleague.

Mr. BOYLAN. Does the gentleman not believe that the penalty is excessive? The idea of penalizing a person to the extent of $300, to my mind, would be entirely unjust because it is too severe. If that penalty were reduced to about $3 it would be more in keeping.

Mr. MEAD. The original penalty provided in the bill was that every such offense should be punished by a fine of not more than $1,000 or by imprisonment for not more than three years. The committee struck out that language and inserted in lieu thereof a fine of $300 and no imprisonment.

Mr. BOYLAN. That is true, but the original proposition would be atrocious. The idea of fining a man a thousand dollars or sending him to jail for three years, although at the present time many people would be better off in jail on account of the depression, seems absurd to me. The gentleman knows that the Federal jails are woefully overcrowded now, due to the enforcement of the prohibition act, and we can not build jails fast enough. Even with a penalty of $300, suppose a man is not able to pay the $300, then he must go to jail, must he not?

Mr. MEAD. No. He probably would be warned not to use the mail boxes hereafter. I have never heard of anyone going to jail for a trivial matter as the gentleman has in mind. We have reduced the fine to a minimum. I understand existing law with regard to rural mail boxes is much more severe, but the committee, moved by the same humanitarian spirit as that which moves the gentleman from New York, reduced it to what they believed a reasonable minimum.

Mr. BOYLAN. Well, just imagine where would a man get $300 in these days of depression? If he did not pay the $300, perhaps he would be committed to jail. The jails are now overcrowded.

Mr. MEAD. I agree with my colleague; they are crowded, but with the amendment which we have adopted no one can be sent to jail. I for one objected to such a provision. Nor will it be necessary to levy a fine of $300, for the bill states that not more than $300, which will permit of a fine from $1 up.

Mr. BOYLAN. Then I suggest that the penalty be reduced from $300 to $3 for each offense. Will the gentleman accept such an amendment?

Mr. MEAD. I am afraid I could not at this time, because we are aiming to curb a very bad practice, a practice that has withdrawn $4,000,000 from the revenue of the Post Office Department. I feel sure there will be no injury caused to any constituent of the gentleman from New York for depositing a card in a mail box, but it may prevent large companies from taking business away from the Post Office Department.

Mr. BOYLAN. But, knowing the gentleman as I do, and knowing his wonderful humanity and generosity of spirit, I feel that his zeal in securing additional revenue for the Government has carried him away from his first principles. Just imagine mulcting a man or a woman to the extent of $300 in these hard times for a simple misdemeanor of this kind.

Mr. MEAD. I doubt whether that would be applicable in this case, and I for one would resent it.

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the remaining committee amendments.

The Clerk reported the remaining committee amendments.

Mr. KELLY of Pennsylvania. Mr. Speaker, I move to strike out the last word for the purpose of adding to the statement made by the chairman of the committee and to reassure my friend the gentleman from New York [Mr. BOYLAN] that the law has had much heavier penalties than this bill carries for many years, and it has worked out in practice in this way: The department has a regulation that where this mail matter is put into a rural box covered by law, it is carried back to the post office and is there rated up, as if it were sent by mail, and the mailer notified. Without doubt these bills of the public utility companies, and so forth, will be taken back to the office by the carrier and rated up and the company notified and the postage will be paid on them.

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. MEAD. Mr. Speaker, I move the previous question on the bill to final passage.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion by Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read as follows: "A bill to amend section 198 of the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916."

LEAVES OF ABSENCE TO SUBSTITUTES IN THE POSTAL SERVICE

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 4719) granting leaves of absence with pay to substitutes in the Postal Service.

The SPEAKER pro tempore. The gentleman from New York calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4719) granting leaves of absence with pay to substitutes in the Postal Service, with Mr. GLOVER in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That hereafter, when substitute postal employees have worked a total of 1,224 hours, they shall be entitled throughout their period of substitution in each fiscal year to leave with pay at the rate of one and one-quarter days for each

204 hours' service rendered and sick leave with pay at the rate of five days for each 1,224 hours' service, to be cumulative throughout period of substitution and continued, if not used, to the credit of the substitute after his appointment to the regular force.

Mr. MEAD. Mr. Chairman, in explanation of this bill I will say it was reported by our Committee on the Post Office and Post Roads at the last session. It passed the House without objection but failed of being reached on the Senate calendar.

It grants substitutes in the Postal Service sick leave and vacation-time allowance provided they are employed six months or more in any one year.

For the last two or three years, as a result of the falling volume of business in the Post Office Department, substitutes are not as a rule receiving six months' employment, and therefore the bill would not apply to many cases. We therefore estimate that the cost would be negligible compared to normal years, but it would give the substitutes the same rights now enjoyed by the regulars in the service; they would be considered regular civil-service employees.

When the Second Assistant Postmaster General came before our committee he was asked if the substitutes in the Postal Service were not in reality regular employees, and in reply to that question he said, "If they are not regular employees, you tell me what they are."

This bill aims to give to the substitutes in the service some consideration for the many times they report for work. They are always ready to take the place of a regular in order to keep the mail moving. They render a valuable service and many, many times they are forced to return to their homes without putting in any time, only to report again the next day.

This bill will affect those substitutes who work at least six months out of every year, and will give them proportionate consideration in connection with sick leave and vacation allowance.

As I said before, the bill was reported out in the last Congress; it passed the House but failed to be reached on the calendar of the Senate. I hope it will be approved at this time.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes. I yield.

Mr. STAFFORD. I notice from the letter of the Postmaster General, a very brief letter, that he estimates, if this bill is passed, there will be an added burden on the Treasury of $1,894,723 a year. I assume that is predicated upon the operation of this law under normal conditions.

Mr. MEAD. The gentleman is correct. The gentleman realizes that under present conditions, except in rare cases, only regulars in the department are employed, and our committee believes the estimate of the Postmaster General is excessive and applies, as the gentleman has indicated, only in normal years.

Mr. STAFFORD. Has the gentleman any estimate as to what expense would be entailed if it were put into operation at once under existing conditions?

Mr. MEAD. Our committee estimated that it might reach a maximum of $600,000, but that is a mere conjecture, because, as I said before, most of these substitutes are doing nothing but reporting night and morning and receive very little employment in most cases.

Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. HOGG].

Mr. HOGG of Indiana. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a short petition from the postal employees of the Indianapolis, Ind., post office.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOGG of Indiana. Mr. Chairman, I call the attention of the House to some facts in connection with the substitute employment question in the Postal Service.

Many substitutes are now regularly employed at lower pay rates than the regulars receive and pending legislation is designed to require their appointment. My hope is it will be liberally construed to bring the greatest possible relief to the substitutes.

Owing to the variations in mail fluctuations and work requirements, it is necessary to have a flexible working force—one that can be expanded or contracted to meet actual work needs. For this reason the Post Office Department employs substitutes, taking them from the civil-service eligible lists when needed. The existing ratio is one substitute clerk for every seven regular clerks and one substitute carrier for every four regular city letter carriers. The substitutes are paid at the rate of 65 cents per hour. Their period of substitution is not definitely fixed, which I believe is a mistaken policy.

Substitutes should be assured of a minimum number of hours of work weekly. I have fixed this minimum at 30 hours in a bill I have introduced—H. R. 5110. At 65 cents an hour this would mean only a weekly minimum of $19.50. Obviously this amount, even as a minimum, is far too low to attract the type of worker needed in our Postal Service.

My hope is the minimum in my bill will be exceeded at least to the extent of 15 hours—or 45 hours' work for substitutes each week. Further, there should be a definite limit placed on the length of substitute service, not to exceed two years.

The Post Office Department can within a reasonable time establish a satisfactory substitute force that could be kept at a numerical level to permit of appointments within two years, and in the meantime the substitutes could be guaranteed 30 hours' work weekly. This may necessitate a larger auxiliary or temporary force during rush periods, but such an arrangement would be far more satisfactory than the present one. In most communities there is an ample supply of labor that could be utilized for short periods on brief notice when required in the post offices. Such workers, as now, would have no civil-service status, and consequently the Government would be under no moral obligation to provide employment for them. This situation does not apply with the substitutes, all of whom have taken successfully an examination with the expectation of securing postal employment, and many of whom have relinquished other jobs as a consequence. This temporary or auxiliary help would not depend upon the Postal Service as a means of livelihood. These workers, where they are now utilized, are largely recruited from among the college students or workers who have other employment that does not take up all of their time. In short, a larger temporary and auxiliary force would permit the department to keep its substitute force within reasonable bounds.

In addition to my bill to guarantee substitutes a minimum amount of work weekly, I favor heartily, as a necessary supplementary measure, the Sweeney bill (H. R. 6183) limiting substitute service to one year. I favor also the Kelly leave bill (H. R. 4719), which would give substitutes the same leave privileges as regulars. These three measures would go far toward improving economic conditions.

PETITION FROM INDIANAPOLIS

I include in my statement at this point a petition signed by 56 substitutes of the Indianapolis post office urging action on the Kelly and the Sweeney bills. This petition is a fair sample of countless petitions which I have received from many parts of our Nation in regard to my own bill:

NATIONAL FEDERATION OF POST OFFICE CLERKS,
Indianapolis, Ind., February 20, 1932.

A PETITION

DEAR SIR: In addressing you on a subject that is nearest our hearts we wish this petition to be regarded by you as an expression of our confidence in the sincere efforts you are putting forth to secure the legislative ends so vital to us as substitute clerks.

We wish hereby to establish the fact that we shall be known to be earnestly in accord with the provisions for sick and annual leave contained within the Kelly bill, H. R. 4719. We believe this will be the nearest approach obtainable at this time in the direction of remedying the injustice of the present system.

The Sweeney bill, H. R. 6183, appeals to us as an ideal measure in rightly interpreting the functions of a substitute and definitely controlling the term of service as such.

We hope to see a speedy end to the practice by which appointments to regular clerkships are deferred for an unreasonable period

of time; for instance, some of our group are rounding out their eighth year as substitute clerks.

We heartily indorse these two bills and commend your efforts in their behalf.

Fraternally yours,

Dewey R. Morgan, Elmer V. Klaiber, Varjo A. Anderson, Ralph B. Thompson, Arthur C. Langer, Jess Brown, Harry Anderson, Paul Becker, Lloyd L. Locke, M. R. Burnworth, P. H. Lawvere, Carl F. Zuchert, F. J. Schooler, jr., O. K. Jenkins, E. C. Elliott, Walter A. Johnson, Roscoe E. McNutt, Oscar Pollard, Isard Spall, Paul D. Gillum, Myron W. Starn, Encil P. W. Burnworth, Neil T. Kershner, C. L. McMurray, S. P. Markland, Chas. J. Sanns, Chas. C. Smith, Arthur B. Lewellen, R. L. Melick, E. G. Bennett, Lester Byfield, Clarence G. Myer, George A. Baltzell, W. S. Sweaney, James W. Cranz, Lee Snyder, R. L. Newhouse, H. H. Newman, Geo. T. Davis, Julius L. Rockever, Charles A. Bell, Arthur M. Johnson, Jos. W. Baird, Roscoe Kukwar, Hamilton Powell, Cliffie Glunt, Samuel Wilmer, Wm. N. Seits, S. G. Tulley, Alice McCarthy, Ivan Whitesell, Geo. W. LaFerney, G. Jerrson, Robert D. Fee, Clifford E. Powell, Wm. A. Carter, Indianapolis post office substitute clerks.

Attest:

HARRY ESTLE,
President Local No. 130.
HERMAN L. KETTLER,
Chairman Legislative Committee.

Mr. Thomas Flaherty, the exceedingly able legislative representative of the National Federation of Post Office Clerks, has given very valuable testimony to the Post Office Committee on this subject. He has shown that many employees in the smaller second-class offices have been dropped through relegation of this office to temporary third class; that thousands of substitutes who have worked as such for years are now earning little or nothing; that they have been dropped off the pay roll, if not off the civil-service list. That by restoring 8 and 9 hour working schedules for regulars and removing the speed-up system under which one clerk must do the work; that by making Saturday a half holiday, as the Kendall law was intended, will help the situation. Mr. Flaherty has explained to the committee that the problem of substitutes is largely one of sympathetic and intelligent administration.

Because of his comprehensive knowledge of the subject, his integrity and fairmindedness, his testimony to the committee merits fullest consideration.

MANY PETITIONS AND PROTESTS

The many petitions and protests from post-office substitutes in Los Angeles, Brooklyn, Pittsburgh, and other places requesting legislative relief are to the same effect, namely, that the falling off in mailings and the department's economy program, whereby the hours of regular employees in many instances have been increased by a change in working schedules, have greatly reduced work opportunities for the substitutes.

It is incumbent upon the Congress to now give some legislative relief to these substitutes by enacting these measures.

RELEGATION OF SECOND-CLASS POST OFFICES

I call the attention of the House to a bill that I have introduced (H. R. 8684), which is intended to prevent the relegation of second-class offices to third class due to a falling off in receipts. This condition is a by-product of the present depression, and I believe the Congress should lower the existing fiscal requirement in the interests of the postmasters and employees affected. The law now fixes $8,000 as the requirement to maintain a second-class designation. I would lower this to $6,500 for the present and the next fiscal year. This would give the postmasters and employees in the smaller offices an opportunity to retain their present status during the depression period.

As near as can be estimated, 125 offices will be relegated on July 1 next, unless this legislation is enacted. This would mean that approximately 400 employees and postmasters would either be without employment or would have their earnings greatly reduced. Inasmuch as the Congress has very properly seen fit to come to the aid of other groups, I believe we should not overlook these faithful employees in the smaller communities where, if thrown out of employment, there would be little opportunity to find it elsewhere at present.

I bespeak the support of H. R. 8684 by the House membership as a constructive measure to lessen unemployment. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill for amendment.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 4719) granting leaves of absence with pay to substitutes in the Postal Service and had directed him to report the same back to the House with the recommendation that the bill do pass.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

PAYMENT OF MONEY ORDERS

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn.

The SPEAKER. The gentleman from New York calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MEAD. Mr. Chairman and members of the committee, this bill permits the Post Office Department to make a charge equal to the original charge when a money order is paid at a post office other than the one on which the order is drawn. This merely compensates the department for the extra work involved.

It has been recommended by the Postmaster General in his last annual report. It was considered by the Post Office Committee and unanimously reported.

As I said in the beginning, it is an attempt to provide compensation for service not heretofore compensated for and given by the Post Office Department to those who use this particular class of service.

Mr. FOSS. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Massachusetts, the author of the bill.

Mr. FOSS. I simply want to call attention to the fact that this bill passed the House last year.

Mr. STAFFORD. The gentleman's remark occasions my rising to propound the inquiry whether this proposal was not somewhat contested last year when it was brought up for consideration?

Mr. HOGG of Indiana. If the chairman of the committee will yield, I may say it was only objected to by two, or perhaps three, Members and at that time the fee was explicitly fixed in the bill.

Mr. STAFFORD. And now it is proposed to leave the amount of the fee to the determination of the department?

Mr. HOGG of Indiana. No; according to the bill, the fee will be the same at the other end.

Mr. MEAD. In other words, a charge equal to the money-order fee now charged is made when a patron requests the cashing of a money order at an office other than the office upon which the order was drawn.

Mr. STAFFORD. Will the gentleman yield me a few minutes on the bill?

Mr. MEAD. Mr. Chairman, I yield the gentleman from Wisconsin five minutes.

Mr. STAFFORD. Mr. Chairman, this is one of the bills that was under consideration last year, and was reported late last evening so as to be on the calendar for to-day.

When this bill was up for consideration last year I questioned whether it was proper to charge the same fee for payment at a different office from that of issue because conditions might mean that that fee would be much larger than the service would warrant. Take, for instance, you charge 40 cents for the payment of a postal money order of $100, and the expense occasioned by having it paid at some other office would be just the same whether the amount is $2.50 or whether it is $100, and yet under this bill you would require the payment of a larger amount, although the expense would be the same, because there is no greater clerical service required.

I ask the author of the bill what is his idea about charging the same fee as the initial fee when the cost is no different regardless of the amount of the money order.

Mr. FOSS. It is simply because the fee is already established.

Mr. STAFFORD. The gentleman will agree, I believe, with my position that there is no further cost whether the money order is for $2.50 or $100.

Mr. FOSS. As I recall, last year we did fix a definite fee for that purpose. As I recall, in the last Congress the Post Office Department wished it left to them to determine the amount of the fee for this service, and the committee did not believe that the department should have such discretion.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. HOGG of Indiana. Does not the gentleman from Wisconsin believe that if a person purchases a money order at Washington payable at New York and then puts that in his pocket and takes it to San Francisco the Government ought not have a fee for balancing the accounts when it makes payment at San Francisco?

Mr. STAFFORD. Yes. I take the position that you should compensate the department for the extra service, but you should leave it to the department to determine what the charge for the extra service is to be.

Mr. HOGG of Indiana. We brought in such a bill last year, and it was objected to because the objectors did not want to leave the fixing of fees to the department.

Mr. STAFFORD. No.

Mr. LAGUARDIA. Yes; I objected.

Mr. HOGG of Indiana. The able gentleman from New York [Mr. LAGUARDIA] objected to that.

Mr. STAFFORD. I understood the policy of the committee last year was not to submit this to the decision of the department, but to recommend a definite fee.

Mr. FOSS. Yes; that is right.

Mr. STAFFORD. The gentleman from Massachusetts [Mr. Foss] confirms my statement.

Mr. FOSS. And we did recommend a definite fee on all such bills.

Mr. STAFFORD. Here is a money order, issued in New York, for $100, payable in Philadelphia. The person happens to cash it in Baltimore. Why should he be charged a different fee for payment in Baltimore? If the money order is for $2.50 he only pays 7 cents, whereas if it is for $100 he would pay 40 cents.

Mr. HOGG of Indiana. Simply because the sendee is asking the Government to do something that it did not contract to do, and a larger fee is just when larger amounts are involved.

Mr. STAFFORD. I am in favor of the primal idea of this bill in requiring an extra charge for the payment of a money order at a different office from that at which the money order was originally intended to be paid.

Mr. HOGG of Indiana. If the gentleman will yield further I will answer the gentleman's inquiry. There must be a fixed and arbitrary charge of some kind. I submit to the gentleman that there is no method of arriving at a more reasonable charge than to fix the same fee which was originally charged the sender of the money order. If the sender pays a certain fixed fee for sending $100 from one city to another city surely the sendee should pay a like fee for cashing the money order in a third city.

Mr. STAFFORD. I would much rather leave it to the department to establish one uniform fee, based upon certain conditions as to distance and the like.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to regulate the payment of postal money orders," approved February 6, 1913 (38 Stat. 280; U. S. C., title 39, sec. 727), is amended to read as follows:

"That under such rules and regulations as the Postmaster General shall prescribe postal money orders may be issued payable at any money-order post office, and on and after the date upon which such rules and regulations become effective all money orders shall be legally payable at any money-order post office, although drawn on a specified office; and as compensation for the extra labor involved in paying a money order at an office other than that on which the order is drawn the Postmaster General is authorized to exact a fee of the same amount as that charged for the issue of the order; and that all laws or parts of laws in conflict herewith are hereby repealed."

With the following committee amendment.

Page 1, line 4, strike out "1913" and insert "1914" instead.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which orders are drawn, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The commitee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MEAD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LIMITATION OF THE PURCHASES OF THE POST OFFICE DEPARTMENT

Mr. MEAD. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5612) to limit the purchases of the Post Office Department, so far as possible, to articles of the growth, production, or manufacture of the United States be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TO DEFER REDUCTIONS IN CLASS OF POST OFFICE AT SALARIES OF POSTMASTERS AND EMPLOYEES

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 6305) to amend the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustments, and for other purposes, and I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. STAFFORD. Mr. Speaker, this is an important bill involving a $600,000 charge on the Treasury, and it is too important to be considered in the House as in Committee of the Whole.

The SPEAKER. Does the gentleman from New York think this bill will take any extended time?

Mr. MEAD. I do not believe so. The gentleman from Wisconsin, I think, is mistaken in his estimate of the total cost of this bill.

Mr. STAFFORD. I direct the gentleman's attention to the report, in which it is said that its enactment would involve an approximate additional expense of $691,422 for the fiscal year 1932, and it is believed that greater additional expense for the fiscal year 1933.

The SPEAKER. The Chair desires to call attention to the colloquy yesterday afternoon, in which it was suggested that in the latter part of the day the Speaker would be authorized to recognize gentlemen to take up the rule on the moratorium-irrigation proposition. If this bill is to take up two hours, it would then be 6 o'clock. If there is real opposition, it could not be passed in an hour.

Mr. BYRNS. Mr. Speaker, the Assistant Postmaster General says that the enactment of this bill would involve an approximate additional expense of $691,422 for the fiscal year 1932, and it is believed greater additional expense for the fiscal year 1933, and he is opposed to the bill.

Mr. BRUNNER. Mr. Speaker, at the hearing this statement was made:

Mr. TROTTER. This would reduce $234,000. However, there would be some offset, because when they went back to the third class they would pay, then, from the appropriation for third-class postmasters $184,178. So these officers would cost only $60,622.

Mr. BYRNS. Mr. Speaker, I have just read from the letter addressed to the committee by the First Assistant Postmaster General.

Mr. MEAD. The bill takes effect the 1st of July next; if the depression continues, it might reach the figures suggested by the chairman of the Committee on Appropriations. But, in view of the fact that we are supposed to have reached the bottom and are about to rise, it will not have any effect, except, if we increase the revenues, it will increase salaries.

It is merely to protect them from a further reduced classification. It protects the second-class offices from going into the third class, thereby losing their civil-service status.

Mr. KELLY of Pennsylvania. It does not mean the taking of an additional dollar out of the Treasury more than was provided for the fiscal year which we are covering in this bill.

Mr. BYRNS. That may be true; but if we do not take that dollar and pay it out in an increased salary to the postmaster, it will help to take care of the deficit to the extent of whatever is saved in that respect, and even if it is only $60,000, I do not think this is a good time to increase salaries.

Mr. KELLY of Pennsylvania. If the gentleman will yield, the gentleman's own committee brought in the appropriation which will be used, if this bill goes through, upon the basis that the revenues would be on a stable basis. Instead of that, they have dropped almost $50,000,000 for the year.

Mr. BYRNS. What has the gentleman to say in regard to the position of the Post Office Department as to this bill? I think we ought to trust some things to the Post Office Department. They have written a letter saying that they are opposed to this bill. I do not believe it ought to pass without due consideration.

Mr. KELLY of Pennsylvania. We have passed this afternoon measures which will increase the revenues of the Post Office Department more than $15,000,000, and this bill does not take an extra dollar out of the Treasury above the amount provided by the regular appropriation.

Mr. BYRNS. Then let us not now begin to chip off what we have saved in the way of revenues. Let us make it a real saving, and not turn around and give it away in salaries.

Mr. KELLY of Pennsylvania. There is no increase whatever. The gentleman seems to think that we are increasing salaries. All we are doing is maintaining salaries at the level which the gentleman's committee appropriated for the fiscal year 1932–33.

Mr. BYRNS. But under the law these salaries are fixed according to receipts, and when we undertake to change the law and provide that a lesser amount of receipts shall not affect the salaries, then we are increasing the salaries contemplated by Congress when it passed the original legislation, and I assume that that is one of the major reasons which influenced the Post Office Department to recommend this bill be not adopted.

Mr. KELLY of Pennsylvania. There is another point involved in this bill, and that is that these postal revenues have reached such a stage now that certain second-class offices, which have civil-service employees of many years' standing, have been reduced automatically to third class. Immediately all the rights of those civil-service employees—their retirement and their standard pay—falls and they become employees of the postmaster and no longer have a civil-service status. These employees are protected in this bill, and they well deserve it.

Mr. MEAD. Mr. Speaker, in view of the opposition and the possibility of considering the unanimous-consent request made last night, I ask unanimous consent that this bill be temporarily laid aside.

The SPEAKER. Without objection, it will be so ordered. There was no objection.

THREATENING COMMUNICATIONS IN THE MAILS

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 96) to punish the sending through the mails of certain threatening communications, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That whoever, with intent to extort or without justification to demand from any person money or other thing of value, shall deposit or cause to be deposited in any post office, or station thereof, or street or other letter box of the United States, or authorized depository for mail matter, to be sent or delivered by the post-office establishment of the United States, any written or printed letter or other communication with or without a name or designating mark subscribed thereto, addressed to any other person and containing any threat (1) to injure the person, property, or reputation of the addressee or of another or the reputation of a deceased person, or (2) to kidnap any person, or (3) to accuse the addressee or any other person of a crime punishable by law, or (4) to expose any infirmities or failings of any person or to charge any person with infirmities or failings shall be fined not more than $1,000 or imprisoned not more than five years: *Provided*, That the accused may be indicted and tried either in the district in which the unlawful matter is deposited as aforesaid or in the district to which it is carried by mail for delivery, according to the directions thereon, or in the district to which it is directed to be delivered by mail by the person to whom it is addressed.

With the following committee amendments:

Page 2, line 8, strike out "$1,000" and insert "$5,000."
Page 2, line 9, strike out "five" and insert "20."

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EQUIPMENT ALLOWANCE TO THIRD-CLASS POSTMASTERS

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 4602) granting equipment allowance to third-class postmasters, which I send to the desk.

The SPEAKER. The gentleman from New York calls up the bill H. R. 4602. This bill is on the Union Calendar.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, this is one of the bills reported late yesterday. I object.

The SPEAKER. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union and the gentleman from Arkansas, Mr. GLOVER, will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4602, with Mr. GLOVER in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That on and after July 1, 1932, postmasters at third-class offices in which post-office fixtures and equipment are not provided by the Post Office Department shall be paid, as

allowances for personally owned or rented post-office fixtures and equipment, an amount equal to 50 per cent of the box rents collected at such offices, the allowances to be paid quarterly, under such rules and regulations as the Postmaster General may prescribe: *Provided*, That when post-office fixtures and equipment are furnished by the Post Office Department at post offices of the third class, the provisions of this act shall become inoperative.

With the following committee amendment:

Page 1, line 3, strike out "1932" and insert "1933."

Mr. MEAD. Mr. Chairman, this bill permits third-class postmasters to retain 50 per cent of the box rents collected from their patrons. All this equipment is furnished by the postmaster at no expense to the Government. The local postmaster pays taxes and insurance on the equipment and is not reimbursed by the department. We believe this legislation is meritorious and should be approved. The Committee on Appropriations cut out an item which would enable the Postmaster General to purchase a certain amount of this equipment during the next fiscal year. If that practice continues and these postmasters are forced to furnish their own equipment they should share in the revenues resulting in the use of the equipment. We provide in this bill that 50 per cent of the revenue from the box rents shall be turned over to the Government and 50 per cent retained by the postmasters. It is his own property. When he is appointed postmaster he must buy this equipment and is not reimbursed by the department. When he leaves the service, in many cases he finds it impossible to sell his equipment, even at a sacrifice. It occurs to me it is an injustice to expect third-class postmasters to provide their own equipment when we provide the equipment for other postmasters. I feel that the department should standardize this equipment, own this equipment, and this legislation is intended to bring that condition about.

We have amended the bill so that it will not take effect during the next year and will only go into effect in July, 1933. This is a discrimination that should be corrected, and the committee aims to make that correction by this bill. I hope it will be favorably approved by the House.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the bill.

The CHAIRMAN. Is there any member of the committee opposed to the bill? [After a pause.] If not, the gentleman from Wisconsin is recognized for one hour.

Mr. STAFFORD. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. BYRNS] such time as he desires.

Mr. BYRNS. Mr. Chairman, I am not going to discuss the merits of this bill so much as I am the question of passing bills of this kind at this particular time. I am going to read to you the report of the Postmaster General on this particular bill. Then if you feel that the opinion of the Postmaster General, who is the head of the department, is not to be considered and that we should pass the bill notwithstanding his opposition, of course, that is the privilege of the House.

This is the letter of the Postmaster General, set forth in the report:

POST OFFICE DEPARTMENT,
Washington, D. C., January 26, 1932.

Hon. JAMES M. MEAD,
Chairman Committee on the Post Office and Post Roads, House of Representatives.

MY DEAR MR. MEAD: Replying to your letter of the 14th instant, requesting an expression of my views on bill H. R. 4602, providing for an equipment allowance to postmasters at third-class post offices in an amount equal to 50 per cent of the box rents at such offices, I have to advise that in view of the additional expense involved, approximately $1,000,000 per annum, it is recommended that adverse action on the bill be taken.

Very truly yours,

WALTER F. BROWN.

Now, the Postmaster General ought to know more about this bill and its effect than any other person. He tells you that when you put it into the law it is going to cost the taxpayers of the country $1,000,000 per annum.

The gentleman from New York [Mr. MEAD] says he will provide that it shall not go into effect until the fiscal year 1933, or next July 1; but I call attention to the fact that we are now not only in a state of intense depression and a big deficit but on to-morrow we will take up a tax bill which taxes everything that every man and woman in this country eats and wears, with a very few exceptions. In face of that are we going to add another million dollars to the deficit that will occur on June 30, 1933? That is what we are going to do if we pass this bill.

Now, Mr. Chairman, the Committee on Appropriations considered this matter a year ago. Third-class postmasters who have been seeking increases in salary were allowed $300,000 for the purchase of equipment in their offices. There are about 9,000 of them, as you can realize by the amount involved in this bill. They will have provided for 200 third-class postmasters this coming year in that $300,000. It will require a period of about 20 years before we ever get through providing equipment, and before half that time elapses Congress would be appropriating more money for those who first got the equipment, and it would cost $15,000,000 to complete the program. Your Appropriations Committee recommended, and this House without question ratified, their recommendation and cut that appropriation out of the appropriation bill for next year. Now, you are asked to pass a bill which will provide not for $300,000 but for a million dollars next year. Gentlemen, when are we going to stop?

Mr. DYER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. DYER. I understood from the press that the so-called policy committee of the House, which I take it to be the leaders, including, of course, the gentleman from Tennessee, has advised chairmen of the various committees not to bring in legislation, generally speaking, that would put a tax upon the Treasury?

Mr. BYRNS. No; not as far as I know. I have not attended every meeting of the policy committee, but I do not think the matter has been broached in the policy committee. I do recall a letter which the papers stated was written by the Speaker and the majority leader to the chairmen of the various committees requesting them not to report legislation involving authorizations unless there were vital reasons for doing so.

Mr. DYER. We of the Judiciary Committee took that as law and have been following it strictly so far; but if other committees are not going to do it, of course, then our committee should not be expected to do so.

Mr. TABER. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. TABER. Does the gentleman think that the people back home who are protesting against increased taxes will be pleased by this legislation?

Mr. BYRNS. I certainly do not; and I think, if we continue to pass this kind of legislation, somebody will answer for it in November when we go before the people.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. EATON of Colorado. Does not every third-class postmaster mentioned here enter into competition for his appointment, knowing that he has to pay for these things himself?

Mr. BYRNS. Of course he does; and I daresay you gentlemen on this side of the Chamber, who are in political sympathy with the present administration, and therefore who have devolved upon you, probably, the recommendation of applicants to fill those offices, are overwhelmed every time a vacancy occurs by the number of applicants who want it. All of them, as the gentleman from Colorado says, understand what he will have to supply and what their compensation will be when they enter office.

Now, why should we undertake to increase the third-class postmasters in this way? It is said that they buy the equipment and therefore they should have half of the receipts.

Suppose they do? They get a salary based on their receipts, and under the law they are required to furnish their equipment. As the gentleman from Colorado [Mr. EATON] says, they know what they are required to do when they are appointed.

I can not see any possible reason for the passage of this bill increasing, as the Postmaster General says, the expenses of the Government for 1933 and 1934 in the sum of $1,000,000 every year.

Now, gentlemen, we have got to call a halt. I am not any more interested in economy than you are.

I heard that great old statesman, Uncle Joe Cannon, say once on the floor of this House that the only way to reduce was to reduce. There is nothing truer in the world. We can not reduce when we come along and pass bills increasing salaries and increasing allowances. For goodness' sake, let us wait until this depression is over and then if you wish give these third-class postmasters this increase, if you think they are entitled to it. This is no time to increase salaries here, when salaries are being cut in various places. I have never up to this time asked for a reduction. I did not ask it last week. All I was asking was that we do not enter upon the policy of increasing salaries. Let me tell you something. A naval officer said last week—and I am not going to call his name—in talking about reductions, that there was no reason why Congress should not, under the present stress of circumstances, temporarily reduce all salaries, and he cited this instance. He said:

> I have a brother who took a four years' academic course; then he took a course in theology; now he is the pastor of an Episcopal Church at $1,800 a year, and his church has cut his salary 10 per cent.

Mr. SWEENEY. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SWEENEY. In line with the sentiment expressed by the gentleman from Tennessee when he said let us wait until this depression is over, may I ask the gentleman from Tennessee whether he will agree that I submit an amendment to make this act effective July 1, 1934, and reduce the per cent from 50 to 25?

Mr. BYRNS. Of course, that is up to the committee. But why put it into effect now? I do not know what the conditions are going to be then. I do not know whether the tax bill is going to balance the Budget or not, and I do not know whether the tax bill is going to pass or not, or anything of that sort. I do not know what the conditions will be then. However, Congress will be in session a year from now just as it is in session at this time. Why, therefore, undertake to provide that in 1934 this increase shall be made? Let that be decided when Congress comes to it.

Gentlemen, we ought to kill this bill and tell the country we have stopped increasing salaries for the time being; that we are not going to have any more increases in salaries under the present circumstances. [Applause.]

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Chairman, it had not been my intention to have anything to say with respect to this bill; in fact, I had some assurance from those in charge of the legislation that was going to be proposed to-day that, instead of creating additional charges upon the Post Office Department, the bills contemplated were for the purpose of increasing some legitimate revenues in order to meet the already tremendous deficit in the operation of that department.

I want to submit this for the candid consideration of the members of this committee on both sides of the aisle, because this is not a party question. The deficit that exists in the Treasury of the United States is an actual deficit. I think it is the part of sound statesmanship, looking at it from the standpoint of the immediate future and in the long-range view, that we undertake just as soon as possible to devise some means by which we may balance our National Budget and pay as we go.

Mr. MEAD. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. MEAD. In view of the opposition to this bill, and with the gentleman's permission, I would like to withdraw it and call up another bill. [Applause.]

Mr. BANKHEAD. I am very happy the gentleman has determined to do that.

Mr. STAFFORD. Mr. Chairman, I will not use any of the time allotted to me if the gentleman will move that the committee do now rise.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly, the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 4602) granting equipment allowance to third-class postmasters and had come to no resolution thereon.

TRANSPORTATION OF MAIL BY MOTOR VEHICLE IN LIEU OF BY TRAIN

Mr. MEAD. Mr. Speaker, I call up the bill (H. R. 9636) to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

Mr. STAFFORD. Mr. Speaker, this bill was defeated in the last Congress. I object, Mr. Speaker.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9636, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Chairman, in explanation of this bill, permit me to say that the Post Office Department has conducted a survey and is able to furnish fairly accurate figures as to just what effect this bill will have on the appropriations for the department. All this information was not available at the time the bill was discussed here in the last Congress.

This bill grants the department authority to carry the mail on bus and truck lines established by railroads where passenger-train service has been discontinued. If this authorization is not given, it will be necessary for the department to advertise for star-route contract service at an added expense of $125,000 per annum.

Here is a paragraph from the Postmaster General's report which explains the statement I have just made:

> It may be stated that at the present time railroad and electric-car companies are providing satisfactory service by bus or truck over the highways in lieu of service by train at many points throughout the country, and that the total compensation for this service at regular railroad rates is approximately $250,000 per annum. We have had a recent survey made by our field officers and it is indicated that if the present manner of handling were discontinued and service placed under star-route contracts the additional cost would be approximately $125,000 per annum.

In many cases railroad and electric-car companies have been forced to discontinue passenger-train service and have substituted service by busses and trucks to those communities that formerly had railroad passenger service.

The Comptroller General has ruled that the Postmaster General is without authority to continue the practice of reimbursing the railroads for carrying the mail under these circumstances, but has permitted the Postmaster General to do so until the beginning of the next fiscal year, after which time the Comptroller General will no doubt require legislative authority. To give the Postmaster General such authority this bill has been reported by our Committee on the Post Office and Post Roads.

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the bill.

Mr. Chairman, we had this bill up last year, and I may say to the chairman of the Committee on the Post Office that we had a long debate on it. The bill was defeated on the floor of the House. I do not want to go into details at this time because there is an important measure coming up under a rule and it would not be fair; but I submit to the chairman that a bill of this kind ought to be thoroughly debated.

Gentlemen, this is what it means. It means that the railroads can obtain contracts to carry mail and then sublet them, or carry the mail by bus, and there will be no real competitive bidding between bus lines or between bus lines and railroads, and it will cost the Government more money instead of saving any money. The gentleman from Michigan [Mr. MICHENER] is on the floor and will remember when this bill was up last session. The bill was thoroughly debated at that time and was defeated.

Instead of saving any money this is going to cost more money, because the Government will pay railroad rates for bus transportation, which is cheaper.

Where you have a situation between two points where mail is carred by busses, if we have competitive bidding we will get the lower rate. Bus transportation permits competitive bidding. If a railroad as such obtains the original contract and then carries the mail by busses or sublets the carrying of the mail to some bus line, the Government does not get the benefit of the decreased cost of transportation.

At this late hour we can not go into this matter very thoroughly, but I want to say to the gentleman from New York that it puts many of us in a most embarrassing position. We do not want to use time that has been promised to a great many Members who have a bill in which they are very much interested and about which they are very much concerned, and I wish the gentleman could withdraw this bill. The bill is highly controversial.

Mr. MEAD. I will say to the gentleman from New York we discussed this measure last year, but we did not have an exhaustive report which we now have from the department.

Mr. LAGUARDIA. We had exactly the same bill.

Mr. MEAD. But the department has since made a survey, and they now say it will save the department $125,000 a year.

I hold no brief for railroads, but let me say to the gentleman there are many places in sections of the country where service is given only by railroads or by bus and truck lines which have been put on by the railroads to render such service.

Mr. LAGUARDIA. Yes.

Mr. MEAD. And I believe if we retain the present rates by preventing the Post Office Department from paying the railroads a rate in excess of the rate they are now receiving to carry the mail we are moving in the right direction.

Mr. LAGUARDIA. Let me say to the gentleman, Why are the busses displacing the railroads? For the simple reason that they are more economical in operation. Here you are providing under the guise of economy permission to the railroads to come in and receive railroad rates for mail transported by the busses, when the busses can operate at a cheaper rate.

Mr. MEAD. This is only where the railroads have established bus service in lieu of passenger-train service.

Mr. LAGUARDIA. Let them get the bus rate then. The transportation of mail is based on capitalization and the cost of operation, and if you compare that with the bus business the bus cost of operation and bus capitalization is so much less, and that is why the railroads can not compete with the busses. But if the Government is to use busses for mail, we should pay bus rates. This bill is not for Government economy but for greater profits to railroads.

Mr. MEAD. The representatives of the Government say that they will save money by this provision. We must take the word of the Postmaster General.

Mr. HASTINGS. Will the gentleman yield?

Mr. MEAD. I will yield five minutes to the gentleman from Oklahoma.

Mr. HASTINGS. Mr. Chairman, I hope the bill will not be withdrawn. This is a most important bill to the West and the agricultural sections. The gentleman from New York may not appreciate the importance of it, but I represent an agricultural section, and I know that a great many trains have been taken off and the people of the smaller towns are deprived of adequate mail facilities. What they are asking for is the carrying of mail by bus when the towns can not be reached by train.

There is nothing in this bill to be alarmed about. The bill does not increase the rates. It provides for no higher rates than that received by the railroads for carrying the mail.

I did not know that this bill was coming up for consideration to-day, but let me say that the railroads have taken off a great many trains in my district. I dare say that in many towns the people are deprived of adequate mail facilities. This bill only gives them the same mail by bus that they have heretofore had by train, and at the same rate and no higher. It is a very important bill to the agricultural sections of the country.

A great many trains over the small lines throughout the country have been discontinued. That is true of a number of counties in my State. The Post Office Department reports that the mail could be carried by bus where the trains had been taken off.

I hope that the gentleman from New York [Mr. MEAD] will not consent to the bill being withdrawn. I know, as well as you do, that if this bill is withdrawn to-day it is dead. Why? Because you can not get a rule for it; it will be regarded as too unimportant to secure a rule for its consideration, and if it is put on the Consent Calendar there will be objections to its consideration. This is Calendar Wednesday, and the call is with the Post Office Committee. This is a very important bill to the agricultural sections and the smaller towns throughout the country visited by busses where trains have been taken off, and where they have no other mail facilities, and where mail can be delivered at no increased cost to the Government.

Mr. LAGUARDIA. There is nothing to prevent busses carrying the mail by direct contract.

Mr. HASTINGS. The bill does not increase the rates; the busses do not get any higher rates for the same service. I can not see any possible objection to the bill, and I sincerely hope the chairman [Mr. MEAD] will insist on its consideration and keep it before the House until we get a vote on it.

Mr. ALLGOOD. Could not the Postmaster General have such mails carried by star route, and give the contract to the lowest bidder?

Mr. HASTINGS. That requires advertising, takes time, and causes delays. There are no star routes connecting many places. In any event, here is a bill that has been reported by the committee and has a favorable report from the Postmaster General. It is in the interest of better mail facilities and at no higher rates, and it ought to receive the favorable consideration of this House. I have always favored adequate mail facilities.

Mr. FOSS. And, in addition, this would only be in effect for the balance of the life of the contract.

Mr. HASTINGS. No longer.

Mr. LAGUARDIA. Will the gentleman show where that is provided in the bill?

Mr. FOSS. A railroad, we will say, has a contract for carrying the mail. Let us suppose that it has already carried the mail for a length of time. They take off the trains, and this bill extends the service by bus.

Mr. LAGUARDIA. The bill should have a proviso that it would apply only to existing contracts. Then it would not be so bad. The trouble is that you are paying more for this service than you should be paying.

Mr. FOSS. But no more than we are paying for the train service.

Mr. LAGUARDIA. No; but you are entitled to a cheaper rate if it is transported by bus.

Mr. HASTINGS. But in the meantime you deny the rural sections adequate mail facilities if you do not pass this bill.

Mr. MEAD. Mr. Chairman, I ask for the reading of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Postmaster General is hereby authorized, in his discretion, to permit railroad and electric car companies to provide mail transportation by motor vehicle over highways in lieu of service by train, the compensation for such service to be at a rate not in excess of the rate that would be allowed for similar service by railroad or electric car, payment therefor to be made from the appropriate appropriation for railroad transportation and mail messenger service or electric and cable car service.

Mr. MEAD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with a favorable recommendation.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9636) to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The SPEAKER resumed the chair.

TEMPORARY RELIEF OF WATER USERS ON IRRIGATION PROJECTS

Mr. BANKHEAD. Mr. Speaker, I rise to submit a unanimous-consent request, but before doing so I shall make a brief explanation. The Committee on Irrigation and Reclamation reported unanimously a bill to the House that is now on the calendar providing for a temporary moratorium in the payment of some of the construction charges. They asked the Committee on Rules for a special rule to consider this bill, which has been granted.

If the unanimous consent which I propose to ask is not granted, it is my purpose this afternoon immediately to ask for the consideration of the rule. This legislation, in my opinion, is clearly emergency legislation, from the facts presented to the Committee on Rules. The emergency consists of the fact that in some sections of the irrigated portions of the country the time has now arrived when the farmers must have water turned on their land before they can begin their crop production. The bill does not involve any expenditure of money out of the Treasury. It is merely asking an extension of payment for this year on 50 per cent of the amount due now and last year. I trust, in order to save time, that Members will agree to a unanimous-consent agreement to take the bill up and consider it in the House at this time.

Mr. O'CONNOR. Mr. Speaker, I reserve the right to object. Are the proponents of the bill willing to put in some interest even for one year?

Mr. BANKHEAD. Mr. Speaker, I think it is proper for me to state this, inasmuch as that inquiry has been made by a member of the Committee on Rules. Negotiations were had in an unofficial way between some members of the Committee on Rules and those responsible for this legislation to see whether the legislative committee reporting the bill would agree to an amendment providing for one year's interest on these deferred charges. I think possibly a tentative arrangement was made by which the sponsors of the bill would make that agreement. However, my friend will recall that when we took final action on the Committee on Rules on this proposition, no agreement was imposed with reference to that matter. Of course, it is an amendment that any member of the Committee of the Whole may offer to the bill. I can not answer for the sponsors of the bill with reference to what they have in mind.

Mr. O'CONNOR. If the gentleman will yield for a minute, I have been heartily in favor of the bill because of the emergency involved.

Mr. BANKHEAD. That is true.

Mr. O'CONNOR. But as I have maintained all of the time in the Committee on Rules, in good faith some interest should be included in the bill. I am not in sympathy with the proposition that interest should be included for the 25 or 30 years which are involved in this postponement of payment, but I think for this year 1932, during which this payment is not to be collected, at least one year's interest at, say, 3 per cent, should be included.

Mr. BANKHEAD. That has been the consistent attitude of the gentleman from New York. I am not in a position to dispute the equity of it. I trust that matter may be given consideration by the chairman of the committee reporting the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, is the gentleman from Georgia, Judge Cox, who has some very definite opinions on this matter, aware that this bill is to be brought up at this time?

Mr. BANKHEAD. Yes; I think so.

Mr. SWING. It is in the RECORD.

Mr. MICHENER. I am not talking anything about the RECORD. This matter has been before the Committee on Rules. It was not secret. It was open. It was the judgment of some members of the Rules Committee that interest should be included. This was not in executive session. Then it was found that the gentlemen who were for the bill would rather not have the bill than pay interest, or it was so stated there.

Mr. BANKHEAD. Oh, no.

Mr. SMITH of Idaho. Interest is carried on all delinquent payments under the general law, but this is a bill to give special consideration for one year, 1931, and 50 per cent of the charges for 1932, and we feel that it would be unfair to charge interest on those payments when under the general law the payments that are delinquent have to bear interest.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, has the gentleman from Alabama [Mr. BANKHEAD] read the bill; has he information other than the statements that were made before the Committee on Rules?

Mr. BANKHEAD. I will say that I have given no intensive study to the details of this bill. I did read it when we had it under consideration.

Mr. MICHENER. Like the gentleman from Alabama, I had not read the bill, but long bills of this type are brought before the committee——

Mr. BANKHEAD. Will the gentleman permit me to say that I am inclined to sympathize entirely with the attitude of the gentleman from New York [Mr. O'CONNOR], and I have so expressed myself to the sponsors of this bill.

Mr. MICHENER. My question was if the gentleman understood what the bill provided. As a member of the Rules Committee, I did not. I listened to the splendid statements made by the gentleman from Texas [Mr. THOMASON] and others, but I did not know there was a provision in section 3 which provides for an extension of time for one year for the beginning of construction of drainage on certain projects, and so forth. There are things put in here that do not have a thing to do with emergency relief. Here is a project that has always been a bad one; it has not been a profitable one; it does not pay, and finally, there is a bill enacted here permitting new construction. The terms of the legislation can not be complied with this year. They can not construct, and this bill is brought in giving them permission to have another year in which to begin construction.

Mr. BANKHEAD. The gentleman knows that I am not in any way responsible for the provisions of this bill. We did vote to give them a rule for the consideration of this bill.

Mr. SMITH of Idaho. This is the exact bill that was considered by the Committee on Rules, and that section was in the bill when it was considered.

Mr. MICHENER. When the gentleman appears before the Committee on Rules he should state concisely what his bill contains; he should state all those things and not take an appealing part of the bill only. The Committee on Rules can not read and study all of the details of these bills. We have to rely on what the gentlemen tell us.

Mr. BANKHEAD. Mr. Speaker, I do not care to extend this argument indefinitely. I demand the regular order.

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. Will the gentleman permit the Chair to make a suggestion? The only proposition before the House at the present time is whether or not you will give this bill a privileged status. If there is material opposition to this bill, in view of the fact that we are to have a session to-night, the Chair does not think it would be quite fair to the membership to take it up and run it into a late hour. The only proposition is, Will the House give this bill a privileged status? Then the question is when it will be considered in the House. The Chair understands that the gentlemen who are interested are anxious for early action. Just when the House could consider it in case there is material opposition, the Chair can not state, but if it is given a privileged status, then it would be in the discretion of the Chair when it would be taken up.

Is there objection to giving the bill S. 3706 a privileged status?

Mr. MICHENER. Reserving the right to object, I am not going to object, I want to make this statement. I do think that it is hardly the proper thing to bring a bill of this kind up when everybody who is for the bill is here, and just a scattering 75 Members in the House.

Mr. LAGUARDIA. That always happens. That is nothing new on Calendar Wednesday.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have no objection to the bill being granted a privileged status, but it is upon the understanding that the bill will not be brought up this afternoon.

The SPEAKER. Upon the assumption that the bill will not be brought up this afternoon, is there objection to giving it a privileged status?

There was no objection.

THE LATE JOHN PHILIP SOUSA

Mr. RAINEY. Mr. Speaker, I have been advised that the Senate has messaged over a resolution with regard to the death of John Philip Sousa, and I offer a resolution.

The SPEAKER. The gentleman from Illinois offers a resolution, which the Clerk will report.

The Clerk read the resolution, as follows:

House Resolution 171

Resolved, That the House has heard with deep regret of the death of John Philip Sousa, late a lieutenant commander in the Navy, who was universally recognized as the world's greatest composer of march music.

Resolved, That a committee of five members be appointed by the Speaker of the House of Representatives to join a similar committee on the part of the Senate to attend the funeral of the deceased.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Mr. Speaker, I reserve the right to object.

Mr. SMITH of Idaho. Mr. Speaker, a parliamentary inquiry. What is the status now of the bill S. 3706, for which a special rule was granted by the Committee on Rules, and the chairman of that committee is ready to call up the rule?

The SPEAKER. The bill has a privileged status and that is all the rule gave it.

Mr. SMITH of Idaho. The gentleman from Alabama is ready to call up the rule.

The SPEAKER. When the question was put whether or not this bill should be given a privileged status, which was equal to adopting the rule, the Chair thought this was the quicker method. If the gentlemen interested in the bill want to withdraw that, the Chair has no objection. The Chair was trying to facilitate the passage of the bill, but the Chair does not think the bill could be passed this afternoon.

Mr. SMITH of Idaho. Mr. Speaker, if this bill has a privileged status, I ask for the present consideration of the measure.

The SPEAKER. The Chair will not recognize the gentleman for that purpose. The Chair does not believe at this late hour that it would be fair to the membership to take up a bill of this nature, with the amount of opposition there is to it and with the debate that would be necessary. There would be two hours of debate and that would extend the consideration of the bill to 7 o'clock this evening, with a meeting at 8 o'clock for the consideration of the Private Calendar. The Chair for this reason must decline to recognize the gentleman for that purpose.

Mr. O'CONNOR. Mr. Speaker, I desire to submit a unanimous-consent request. I ask unanimous consent that this bill be considered under an amendment of the rule providing for one-half hour of debate.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

The SPEAKER. Gentlemen, we must first dispose of the pending resolution. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object to make a statement. I am very sorry that this resolution was brought up at this time. I appreciate the services of Mr. Sousa, and in a general way I dislike to object to the resolution; but I think this would be establishing a very bad precedent; and if we start with this resolution, we would have to do the same thing many times in the future. It will be a precedent that will come back to plague us, and for that reason I object.

Mr. SMITH of Idaho. Mr. Speaker, a parliamentary inquiry. If this bill has a privileged status and the Speaker does not wish to recognize the chairman of the committee to call it up this afternoon, would it be possible to call the bill up to-morrow during the morning hour?

The SPEAKER. Let the Chair say to the gentleman from Idaho that the Chair has tried to facilitate the passage of this legislation with all the earnestness possible. The Chair wanted to give the measure a privileged status, and hoped that it could be considered this afternoon, but there has developed some opposition to the bill. Now, in order that the opposition may have a fair opportunity to present their views to the House, it would hardly be just to those gentlemen who are coming back at 8 o'clock to-night to consider bills on the Private Calendar to consider the measure at this time. As to when it can be taken up in the future is a question which the future must decide. Speaking for himself and as the one who can recognize the gentleman to call it up, the Chair hopes it can be taken up at a very early date, but the Chair does not think the advocates of the bill ought to insist on taking it up this afternoon.

Mr. SMITH of Idaho. Mr. Speaker, will it be subject to being called up to-morrow?

The SPEAKER. It could be called up to-morrow if the gentleman could get recognition from the Chair, which the Chair does not now propose to promise.

LIMITATION OF INJUNCTIONS

Mr. DOUGHTON. Mr. Speaker, one day last week my colleague the gentleman from North Carolina [Mr. HANCOCK] mentioned to me that he was very deeply interested in the anti-injunction bill (H. R. 5315). At the same time the gentleman stated it was possible that he might be away when the bill was considered, and requested that I pair him in favor of the bill, and also stated that if he were present he would support the measure. In justice to my colleague the gentleman from North Carolina [Mr. HANCOCK], I am making this statement.

HOUSE JOINT RESOLUTION 317

Mr. MORTON D. HULL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to the joint resolution (H. J. Res. 317).

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MORTON D. HULL. Mr. Speaker, House Joint Resolution 317, introduced by me, making it lawful for the President to proclaim that a conflict exists in violation of, or threatened violation of, the Kellogg pact, and then to prohibit loans or extension of credit to the nation which is engaged in such violation, has two important implications: First, its general effect; second, its application to the present Far Eastern crisis.

The general effect of such a resolution would be greatly to strengthen the peace machinery of the world for the following reason: No President given the authority of this resolution will exercise that authority except in cooperation with the other nations. Although the resolution does not explicitly so provide, it would in actual practice be a multilateral undertaking. It would enable our State Department to confer with the other nations in a crisis. If it should seem advisable to the group to take the action provided for in this resolution, then the nations could vote to do so, knowing that the representative of the United States would have the backing of the administration, which in turn would have the power to put into effect the policy voted.

As it is now, there is no one who can speak with any authority at such a conference as to what the United States will do. Any action determined on by the nations can not be followed by the United States without congressional action. This situation is a very serious handicap to international action, and it would be at least partly removed by the passage of this resolution.

The second point is the relation of the resolution to the present crisis. If this resolution should be passed promptly, it would give Japan great cause to pause in her apparent policy of overrunning China in flagrant violation of the Kellogg pact.

It would work something like this: All the nations are loath to consider an economic boycott on Japan. Moreover, if they did consider it, there is no telling what the United States will do. The other nations could not take such action without us, and we ourselves can not say what we would do.

But the proposed resolution would make easy a practical, simple form of international action not so severe as an economic boycott, with no uncertainty of application or possible encounter that would lead to war, no unfavorable reaction on the nations taking the action, and yet very powerful in its psychological and actual effect on Japan. If the assembly of the league now meeting should vote to withhold loans or credit to Japan, with the United States concurring, such action would be a positive, definite step making it clear to the Japanese people that practically the whole world condemns their policy. That would be very important psychologically. Moreover, there are many, many things that Japan needs to carry on such campaigns as she seems to be contemplating in China and Manchuria.

These can not be secured in any quantity except by credit. Her credit would be cut off. Her exports to China have already dropped to about 20 per cent of what they were a year ago. Her exports of silk to us are dropping; she could pay for the things she needs in gold, and her gold is fast disappearing.

Of course, by internal loans and by local manufacture of munitions, Japan could keep up some sort of military campaign for some time even if her foreign credit were shut off. But such course would be a struggle against overwhelming odds with the whole world lined up against her, not in a military way, not even in any physical blockade or prohibiting of shipments of goods, but simply by the stopping of credit. The effect would be very great in making it evident to the Japanese people that they are being led astray by their military leaders.

SCHOOL SUPERINTENDENTS AND THE EIGHTEENTH AMENDMENT

Mr. REILLY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REILLY. Mr. Speaker, there recently came to my desk a circular containing a resolution adopted by the school superintendents of our country at their convention held several days ago in Washington, on law enforcement and the eighteenth amendment.

This circular, a copy of which was received by all the Members of this House, contained large headlines, which read as follows: "Educators back eighteenth amendment."

A few days ago one of the militant defenders, if not the most militant defender of the eighteenth amendment in this House, the distinguished gentleman form Texas [Mr. BLANTON] took occasion to call to our attention the said resolution as a protest by the school superintendents of our country against the movement in this House to ask a vote on the proposed amendment to the eighteenth amendment.

This superintendents' resolution, that is alleged to approve the eighteenth amendment and has brought joy to the hearts of the friends of the eighteenth amendment reads, as follows:

> The department of superintendence urges teachers to continue to impart respect for the Constitution of the United States and for all of its various amendments. We urge the continued vigorous and impartial enforcement of the entire Constitution of the United States as the supreme law of the land, and we reaffirm our belief in the principles of the eighteenth amendment and in the habits of life and conduct which it is intended to inculcate.

I must confess my inability to find in the said resolution any condemnation or censure of the efforts of this House to bring before this body for debate a proposal to amend the eighteenth amendment so as to give the States of this Union the right to regulate or prohibit the liquor traffic within their own borders.

The declaration by the school superintendents in favor of the vigorous and impartial enforcement of the entire Constitution of the United States as the supreme law of the land certainly contains no commendation of the eighteenth amendment.

The American Bar Association, that has come out in favor of the repeal of the eighteenth amendment, is also strongly in favor of the continued vigorous and impartial enforcement of the entire Constitution of the United States as the supreme law of the land.

Seven members of the Wickersham Commission in their individual reports condemned the eighteenth amendment as unworkable and affirmed their belief that the amendment should immediately be repealed or amended so as to permit States that desired traffic in intoxicating liquor to have it under congressional supervision, and yet these same opponents of national prohibition strongly affirmed their belief in favor of the strict and vigorous enforcement, not only of the Constitution of the United States but of all its amendments, including the eighteenth amendment until it was amended or repealed.

The affirming of the school superintendents' belief in the principles of the eighteenth amendment and the habits of life and conduct which it is intended to inculcate, likewise is no statement on the part of these educators that they are at the present time in favor of national prohibition or opposed to the efforts being made in this House to submit to the people of the country an amendment for its repeal or amendment.

Millions of American citizens who believe in the principles of the eighteenth amendment and approve the habits of life and conduct which it was intended to inculcate and who were at one time in favor of the eighteenth amendment have now joined the army of American citizens who are demanding its amendment or repeal.

This change of attitude on the part of such a large body of our citizens is not due to the fact that they do not agree with the affirmations of these educators in this particular resolution, but because they are now convinced that the eighteenth amendment has dismally failed to develop the habits of life and conduct which it was intended to inculcate; that the amendment has not been enforced and can not be enforced in our country.

This organization of school superintendents has been meeting annually for a great many years. At its meeting in

Detroit in February, 1931, was the first time it passed a resolution specifically pertaining to the eighteenth amendment.

The Wickersham report that gave to national prohibition a blow from which it has not recovered and never will recover, was given to the public on January 20, 1931. The convention of superintendents assembled in that year on February 20, 1931, and passed the following resolution relative to the eighteenth amendment:

> We reaffirm our belief in the eighteenth amendment as the most effective means yet devised to curtail the distribution and use of alcohol.

This is the way the resolution reads in the report of the proceedings of this meeting of the superintendents. It is quite manifest that the printer or somebody made a mistake and that the resolution was intended to read:

> We affirm our belief in the eighteenth amendment as the most effective means yet devised to curtail the consumption and use of intoxicating liquor.

It is altogether probable that these superintendents at that time had learned nothing more about the Wickersham report than what they gathered from the misleading newspaper headlines as to what the report contained.

It is also probable that at that convention the friends of prohibition were frantically appealing to these educators to do and say something about national prohibition that would tend to offset the findings of the Wickersham Commission that national prohibition had proven a failure.

One year later, February, 1932, these superintendents came together again in their annual convention. During this year the eighteenth amendment was being enforced not by the Treasury Department, but by the Department of Justice, a change that it was claimed would revolutionize the situation in this country as to the workings of the eighteenth amendment.

Now, what happened? Would these superintendents reaffirm their belief in the eighteenth amendment as they did a year before, although they said but little at that time in favor of the eighteenth amendment? No; apparently the new enforcement régime had not bettered the situation as far as the superintendents viewed the results, and possibly many of the superintendents had read and studied the Wickersham report in the meantime and had learned what the report had really done to national prohibition.

Anyway, these superintendents could not be brought to repeat even the little that they had said in favor of prohibition in 1931 and dropped the prohibition question by affirming their belief in the principles of the eighteenth amendment and in the habits of life and conduct which it is intended to inculcate. They studiously avoided commending the eighteenth amendment on its record even feebly as they did in 1931. They had nothing to say for or against the wisdom of resubmitting the eighteenth amendment to the people of this country again through a new amendment to the Constitution.

They evidently were sorry and regretted very much what they had been led to say in praise of the amendment in 1931 and would not go one step farther than to deal with ancient history as far as the eighteenth amendment was concerned, and that was to reaffirm their belief and approve of what the amendment was intended to do but unfortunately has not done for our country.

Other resolutions adopted by our school superintendents during the past few years are interesting as throwing some light on the actual workings of national prohibition in our country. In 1923, three years after the adoption of the eighteenth amendment, this organization of educators urged teachers to inculcate obedience to established law.

In 1924 this organization says:

> We recognize that our civilization is in danger of being undermined by the failure of our people to observe the laws of our country and the communities in which they live.

In 1927 this same organization urges teachers to teach respect for law and order.

Not until the eighteenth amendment was written into the Constitution of the United States did these educators feel concerned about disobedience to law and feel compelled to urge upon the teachers of this country the necessity of teaching respect for law. Such action on the part of our school superintendents was rendered necessary by the growing disrespect for law in our country that began to develop about one year after the commencement of our national prohibition era.

Of course, the great question before the people to-day is not as to the principles of the eighteenth amendment or to the pious reforms it was intended to accomplish in this country but rather how has it worked out; in other words, what are the fruits of national prohibition?

When the members of this House vote on next Monday to discharge the Judiciary Committee from a further consideration of an amendment to repeal the eighteenth amendment, they will not be voting on theory and promises, but they will be voting as they view the cold facts indicating the complete breakdown of national prohibition.

Of course, this resolution on the eighteenth amendment recently adopted by our school superintendents in Washington was sent to the Members of this House by the prohibition advocates for propaganda purposes.

Its large headlines were intended to deceive the casual reader and to intimidate some of the Members of this House who have yet to reach a decision as to how they will vote when the proposal to amend the eighteenth amendment comes before this body for consideration. It will fail of its purpose, because the misrepresentation and deception will be detected.

The friends of national prohibition may continue their propaganda; they may continue to misrepresent in headlines in the public press the contents of reports and resolutions concerning the eighteenth amendment, but their efforts will be in vain.

American public opinion as regards our liquor problem is on the march toward the goal of a restoration of this problem to the various States for solution. The foolish attempt to regulate the social lives of our peoples by law under one standard has proven to be a dismal failure.

RECESS

Mr. RAINEY. Mr. Speaker, I move that the House do now stand in recess until 8 o'clock this evening.

The motion was agreed to; accordingly (at 4 o'clock and 48 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION

The recess having expired, the House was called to order by the Speaker pro tempore, Mr. BANKHEAD.

The SPEAKER pro tempore. Under the unanimous-consent agreement heretofore entered into, the House is in session until 10.30 p. m. for the purpose of considering bills on the Private Calendar unobjected to, beginning at the double star.

STATEMENT ON ANTI-INJUNCTION BILL

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to speak for half a minute out of order to correct an item in the RECORD.

The SPEAKER pro tempore. Under the unanimous-consent agreement the time is to be devoted exclusively to the Private Calendar.

Mr. STAFFORD. I think the gentleman had better take that up in the morning.

Mr. BLANTON. If it does not affect the Journal, the gentleman has the right to correct it at the desk.

The SPEAKER pro tempore. The gentleman from Ohio only desires to make a brief statement. Is there objection?

There was no objection.

Mr. HARLAN. Mr. Speaker, this has reference to the roll call on the LaGuardia bill. I had a speaking engagement yesterday evening when the vote was taken on the anti-injunction bill, and it was practically impossible for me to be present. However, it was apparent in the House that nearly everyone was in favor of the bill and there was no possibility of its defeat. I found to-day that I was paired with the gentleman from Ohio [Mr. LAMNECK], but it was later announced by the gentleman from Illinois [Mr. RAINEY]

that Mr. LAMNECK was in favor of the bill, and on the record it looks as if I were opposed to the bill. I wish to say that if I had been present I should have voted for the bill, and that if there had been the slightest chance of the defeat of the bill I would have been present regardless of any engagement.

C. M. WILLIAMSON ET AL.

The Clerk read the first bill on the Private Calendar, H. R. 4391, for the relief of C. M. Williamson, Mrs. C. E. Liljenquist, administratrix, Lottie Redman, and H. N. Smith.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, I would like to have some explanation from the author of the bill.

Mr. SMITH of Idaho. Mr. Speaker, in view of the fact that this bill has twice passed the Senate, has been twice favorably reported by the House committee, and the further fact that one of the claimants is sitting in the gallery, where he has been sitting through four consecutive sessions of Congress waiting for a hearing, I ask unanimous consent that I may make a brief statement.

Mr. STAFFORD. I yield to the gentleman for that purpose.

Mr. SMITH of Idaho. This bill is for the relief of four settlers on the Fort Hall irrigation project who entered into a contract, along with other people on this project, with the Government to place water on their land.

When the project was under construction and the laterals were being laid out, it was found that these people lived on a small rise in the land, which made it impossible to bring the water by gravity to the land.

Consequently, while waiting for the Government to fulfill its contract, they purchased an electric pump and pumped the water on the land for nine years, and when the Commissioner of Indian Affairs on reconsideration concluded that the contract required that water be placed on the land, water was placed on the land without additional expense to the settlers.

During the time that they were having to pump the water the settlers paid for the annual operation and maintenance charges required of all water users and, in addition, incurred expense of buying a pump, and paying monthly for the electric power to pump the water.

They come now to Congress, because there is no other tribunal to hear their case, and they appeal to Congress to reimburse them for the amount of money they expended in bringing water to the land which the contract required the Government to do.

Mr. BLANTON. Will the gentleman permit me to ask a question?

What is the gentleman going to say to the House about this adverse report by the Secretary of the Interior, which says that the facts in this case do not place the Government under any obligation to pay these landowners the sums expended by them in constructing and operating pumping machinery for their own private benefit? The Secretary recommends that the bill do not receive favorable consideration. That comes from the Secretary of the Interior, and the gentleman from Idaho, who is a strict party man—and I admire him for that—must have seen in the paper this morning the castigation that the President has given Congress for not taking steps to reorganize matters and stop extravagance and expenditures where they ought to be stopped.

This bill involves over $8,000. If this is a just debt, it ought to be paid, but the Secretary of the Interior who has had charge of the whole matter, who made the contract with these people, who knows more about it than anybody else, who has his men on the ground, says it is not just, says there was no obligation on the part of the Government to refund these people for furnishing a pump for their own private benefit, and he recommends that the Congress do not pass it. What are we going to do in a case like that?

Mr. SMITH of Idaho. But the reason we come to Congress for relief is because the Secretary of the Interior takes that position. We contend that the Congress is superior to the Secretary of the Interior in a matter of this kind.

Mr. BLANTON. There is just as much responsibility resting on the shoulders of the gentleman from Wisconsin [Mr. STAFFORD] and the other members of the Republican administration to stop the waste and to balance the Budget as there is on anybody else.

Mr. STAFFORD. The reservation of objection has been made. Mr. Speaker, I have gone over this most carefully and for the reasons set forth in the letter of the Commissioner of Indian Affairs dated June 8, 1929, I feel constrained to object.

Mr. SMITH of Idaho. Has the gentleman read the contract which is printed in the report between the Government and these individuals, wherein the Government agreed to deliver water to these lands?

Mr. STAFFORD. I read the copy of the contract as set forth on pages 2 and 3. I object.

CAPT. W. B. FINNEY

The next business on the Private Calendar was the bill (H. R. 1296) for the relief of Capt. W. B. Finney; and there being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Capt. W. B. Finney, of 920 Grand Avenue, Kansas City, Mo., the sum of $479.14, out of any money in the Treasury not otherwise appropriated, to reimburse him for money paid out by him in line of his duties as captain Company A, Seventieth Regiment United States Infantry, Camp Funston, Kans.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HEIRS OF THOMAS G. WRIGHT

The next business on the Private Calendar was the bill (H. R. 1996) for the relief of the heirs of Thomas G. Wright.

The SPEAKER pro tempore. Is there objection?

Mr. ALLGOOD. Mr. Speaker, this is a Civil War bill, and as chairman of the Committee on War Claims I ask unanimous consent that the bill be recommitted to the Committee on War Claims for further consideration.

The SPEAKER pro tempore. Is there objection?

Mr. BLAND. Mr. Speaker, I reserve the right to object.

Mr. STAFFORD. Mr. Speaker, I wish it understood that there is a reservation of objection to the consideration of the bill.

The SPEAKER pro tempore. The gentleman from Virginia is recognized.

Mr. BLAND. Mr. Speaker, this bill has passed the House on one occasion. It has been before the House, reported favorably from the committee, on two occasions. In the last Congress it was rejected. Having been placed now in a status for passage, I do not feel that I ought to permit the request to recommit to be granted. Is the gentleman going to object to the consideration of the bill?

Mr. ALLGOOD. This is a Civil War bill, and it inadvertently came out on the calendar from the old Congress. I want to put it on all fours with Civil War matters. I should have to object.

Mr. BLAND. This party has been waiting a long time for the settlement of his claim.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama that the bill be recommitted to the Committee on War Claims?

Mr. BLAND. Is the gentleman from Wisconsin going to object to the consideration of the bill?

Mr. STAFFORD. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

MAJ. LESTER L. LAMPERT

The next business on the Private Calendar was the bill (H. R. 2572) for the relief of Maj. Lester L. Lampert.

The SPEAKER pro tempore. Is there objection?

Mr. COLLINS. Mr. Speaker, I object.

Mr. REILLY. Mr. Speaker, will the gentleman reserve the objection?

Mr. COLLINS. Yes.

Mr. REILLY. This bill was first introduced by the late Florian Lampert for the relief of Major Lampert. It was passed by this House in the Seventieth Congress and has been passed by the committee twice. It is recommended by the War Department. There is no doubt at all about the liability of the Government for the damages which this officer suffered by the destruction of his own personal property in a cyclone in Texas while he was engaged in saving Government property.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. BLANTON. My investigation of this case shows that this officer did save property for the Government and did splendid service. The claim is for less than $500. I do not know whether my friend from Mississippi was closely associated with the late Florian Lampert or not. I was. He was one of the hard-working men of Congress. While I differed with him many times on policies while on the District Committee, yet I must say that there was not a more sincere, earnest, hard-working man in Congress than Mr. Lampert.

Mr. COLLINS. For the benefit of both of the gentlemen who have spoken for this bill, I will state that the War Department appropriation bill carries items of appropriation that could be applied to the payment of any claim for damages, provided the damages accrued while the man was actually engaged in saving Government property himself. This case must fall without that rule; otherwise it would have been paid prior to this time.

I have made it a rule to object to all bills of this particular type. If an officer, either in the Army or the Navy, wants protection against fire or cyclone, he can protect himself by taking out insurance, just like the gentleman can, or just as I would have to do. I do not see any reason for singling out Army and Navy officers and protecting them against loss by fire or by cyclone or against damages when they can protect themselves by the exercise of ordinary business judgment by taking out insurance as other citizens are required to do.

Mr. REILLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. The Chair desires to state that if a bill is objected to it remains on the calendar.

Mr. STAFFORD. Mr. Speaker, I object.

IDA E. GODFREY

The Clerk called the next bill on the Private Calendar, H. R. 3033, for the relief of Ida E. Godfrey and others.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill has been before the House of Representatives for a long time. The report of Secretary Weeks back in 1923 was not very favorable to the merits of the claim that this cranberry bog was set on fire by a Government locomotive. I will be glad to have the gentleman reporting the bill make further explanation as to the merits.

Mr. SINCLAIR. I will say to the gentleman that I reported this bill, and that by supplemental evidence before the committee after the report of Secretary of War Weeks was made I think it was very clearly proven that the locomotive operated by the Government did cause the fire and was responsible for the destruction of this bog.

Mr. STAFFORD. One of the evidentiary facts that inclined me to the opinion that it was not caused by a spark from the Government locomotive was that there was a space of more than 300 yards between the burned portion and the railroad tracks which were not affected at all.

Mr. SINCLAIR. That is in the first report made by the Army engineer, by those who were responsible for the fire, but it was proven to the satisfaction of the committee that there was not that space and that the fire did not jump that space, but that it ran right straight across.

Mr. STAFFORD. Upon the statement of the gentleman that later testimony showed that the facts which were before the Secretary of War when he wrote his report in 1923 were not correct, I will withdraw the reservation of objection.

Mr. BLANTON. Mr. Speaker, we want it understood, as it has always been understood, that where a bill has been reduced by a committee amendment the amendment is always to be accepted, and that there will be no attempt to override the committee amendment and still pass the bill in its original form.

Mr. SINCLAIR. I understand that has been the custom.

Mr. BLANTON. With that understanding, I shall not object.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ida E. Godfrey, of Cookstown, N. J., the sum of $750, to the estate of Annie L. Davis, of Wrightstown, N. J., the sum of $500, to Thomas N. Emley, of Cookstown, N. J., the sum of $750, damages by fire on June 11, 1921, to certain cranberry bogs adjacent to the rifle range at Camp Dix, N. J.

Mr. STAFFORD. Mr. Speaker, I offer an amendment, which is at the desk.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: At the end of the bill insert the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

W. J. SHIRLEY

The Clerk called the next bill on the Private Calendar, H. R. 3265, for the relief of W. J. Shirley.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLLINS. Reserving the right to object, Mr. Speaker, from a reading of the committee's report, this claim should be $60.77 instead of $100. If the gentleman who introduced it is willing to amend it to comply with the amount recommended by a board of officers who made a thorough examination and recommended $60.77, I shall not object. Otherwise, I will.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. J. Shirley the sum of $100 in reimbursement for value of his personal property destroyed by fire in the military service of the United States at Brest, France, on the 21st day of July, 1919, and for which loss he was in no wise responsible.

Mr. COLLINS. Mr. Speaker, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: Line 6, strike out "$100" and insert in lieu thereof "$60.77."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

OSCAR C. OLSON

The Clerk called the next bill on the Private Calendar, H. R. 3566, for the relief of Oscar C. Olson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of the Treasury of the United States, from any money not otherwise appropriated, to Oscar C. Olson, the sum of $52.50, being compensation for loss on May 23, 1918, of his personal effects, baggage, and clothing while en route to France on the British ship *Moldarra*, under military orders, when said ship was torpedoed and sunk in the English Channel.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GUY GOODIN

The Clerk called the next bill on the Private Calendar, H. R. 3568, for the relief of Guy Goodin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Guy Goodin, late of the construction division, Quartermaster Corps, the sum of $484.50 as per diem allowance from September 26, 1919, to June 9, 1920, while on duty at McAllen, Tex., in the service of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CLARA E. WIGHT

The Clerk called the next bill on the Private Calendar, H. R. 3580, for the relief of Clara E. Wight.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, what is the policy of the committee in recommending a lump-sum appropriation to the mother of this former employee of the navy yard?

Mr. SINCLAIR. The mother would have been dependent upon this young man had he not died. The policy of the War Claims Committee is to allow a certain amount in cases of that kind.

Mr. STAFFORD. At the time of the death of the injured employee the widow was living, and for some time she drew the compensation as authorized by the compensation act.

In this case you are not voting any regular monthly allowance as authorized by the compensation law, but you are voting a lump-sum appropriation.

Mr. ALLGOOD. This is insurance. Instead of the full amount of insurance, $5,000, this is the balance due on the insurance.

Mr. STAFFORD. Is there anything in the report which supports that position?

Mr. ALLGOOD. Yes.

Mr. STAFFORD. Where in the letter of the Secretary of the Navy does it appear that this is insurance?

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I have reserved the right to object in order to get information.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

HARRIET M. MACDONALD

The Clerk called the next bill, H. R. 3703, granting compensation to Harriet M. MacDonald.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, I want to ask the author of the bill whether he will consent to an amendment in line 7 striking out the words "and insurance benefits"?

Mr. BOLTON. I will be glad to accept such an amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 200 of the World War veterans' act, 1924, as amended, the Administrator for Veterans' Affairs is authorized and directed to pay to Harriet M. MacDonald, formerly a nurse, such compensation and insurance benefits, effective October 31, 1929, as she would have been entitled had she been an American citizen at the time of her embarkation with the American Expeditionary Forces; and that she be entitled to hospitalization and such other benefits provided in the veterans' acts for members of the Nurse Corps.

Mr. EATON of Colorado. Mr. Speaker, I offer an amendment. On page 1, in line 7, strike out the words "and insurance benefits."

The SPEAKER pro tempore. The gentleman from Colorado offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EATON of Colorado: Page 1, line 7, strike out the words "and insurance benefits."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

CLARA E. WIGHT

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 152, H. R. 3580, for the relief of Clara E. Wight, a bill to which I just objected.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent to return to the bill referred to by him. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the author of the bill informs me—which confirms the statement made by the gentleman from Alabama—that these are insurance funds; that the widow obtained a certain amount, and that the $3,360 is the balance due on the $5,000 policy. It is shown, though not very clearly, in the letter of the Secretary of the Navy that the claimant did not put in her application until the statute of limitations had run.

Mr. ALLGOOD. That is right.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clara E. Wight the sum of $3,360 in full compensation for the death of her son, Ralph L. Wight, who was a civilian employee of the Navy, and was overcome by gas and burned while working in submarine S-44 at the navy yard, Portsmouth, N. H., on January 10, 1919, as a result of which he died January 15, 1919.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

HERMAN H. BRADFORD

The Clerk called the next bill, H. R. 4039, for the relief of Herman H. Bradford.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLLINS. Mr. Speaker, reserving the right to object, the committee makes its report on this bill recommending that $451.55 be paid this claimant, but the bill has never been amended by the committee reducing the amount from $1,348.10 to that amount. In other words, the bill as proposed here does not carry out the recommendation of the committee.

Mr. HOUSTON of Delaware. Mr. Speaker, I have no objection to such an amendment.

Mr. BLANTON. Mr. Speaker, I will further state to our friend that the usual attorney's fees clause should be added at the end of the bill, and I shall offer such an amendment.

Mr. HOUSTON of Delaware. I have no objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Herman H. Bradford, late No. 1747092, private, Company G, Three hundred and twelfth Infantry, United States Army, out of any money in the

Treasury not otherwise appropriated, the sum of $1,348.10, said sum to be in full and final settlement for his services in said Army from March 31, 1918, to July 2, 1921, and from March 23, 1928, to June 25, 1928, and for loss of clothing and money taken from him at Fort Du Pont, Del., and not returned, about March 23, 1928.

Mr. COLLINS. Mr. Speaker, I offer the following amendment: On page 1, line 8, strike out "$1,348.10" and insert "$451.55."

The SPEAKER pro tempore. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. COLLINS: In line 8, strike out the figures "$1,348.10," and insert in lieu thereof the figures "$451.55."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer an amendment which was suggested by the committee. In line 9, strike out the words "to July 2, 1921."

The SPEAKER pro tempore. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 9, after the figures "1918," strike out "to July 2, 1921."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer another amendment. In line 10, strike out up to the comma following "June 25, 1928," and insert in lieu thereof "to February 7, 1919."

The SPEAKER pro tempore. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 10, after the figures "1928," strike out "to June 25, 1928" and insert in lieu thereof "to February 7, 1919," so that as amended it will read, "said sum to be in full and final settlement for his services in said army from March 31, 1918, to February 7, 1919."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer the usual attorney's fees amendment.

The SPEAKER pro tempore. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 12, after the figures "1928," strike out the period, insert a colon, and add the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

META DE RENE M'LOSKEY

The Clerk called the next bill on the Private Calendar, H. R. 4199, for the relief of Meta De Rene McLoskey.

Mr. SCHAFER. I object, Mr. Speaker.

Mr. LUDLOW. Mr. Speaker, will the gentleman withhold his objection?

Mr. SCHAFER. I reserve an objection.

Mr. LUDLOW. Mr. Speaker, among the thousands of cases that have engaged the humanitarian activities of the American Legion I am sure I am quite right in saying that none is closer to the heart of the Legion than this particular case. This is the case of a boy who disappeared from the face of the earth in 1918, and there is every reason to believe he died at that time. This is a bill to give his mother the benefit of his insurance which was in force at the time of his disappearance and which was paid up until several months after his disappearance.

Capt. Watson B. Miller, whom we all know, representing the American Legion, and who, I am sure, has our entire respect, is so much interested in this case that he gave me a statement, with the privilege of reading it to the House, and I should like to do that. Captain Miller says:

The documentary evidence in the case, consisting to some extent of letters from the boy to his mother immediately after entering the service, nowhere gives a picture of a man who would desert and step out of his responsibilities and away from his relatives. I have seen several hand-written letters from the veteran expressive of loyalty and love, as well as patriotism. I can't set up the contention that I believe this boy was killed in France, although there is in the picture a possibility that he went over with the identification tags of some other soldier and, for all I know, he may be buried there under another name.

It is an extremely baffling case. The mother and father are aged and I am truly of the opinion that justice would be served by the approval of a statute granting the Government insurance to the beneficiary. I have in my possession the great amount of minutiæ and correspondence concerning the effort to locate this boy or to ascertain his fate. I can't prove that he was killed or died while his policy was current as to premium payments, but after an experience of 10 years in contact with hundreds of thousands of cases which pass over our desks here, I can't believe that he deliberately deserted the service. I am deeply convinced that there are some strong considerations of equity involved in the situation.

In this connection, may I please say that, having headed up the effort for the disabled on the part of the American Legion very nearly since the beginning, I have never seen fit to attempt to advocate more than half a dozen special measures for relief of veterans or veterans' dependents. Of course, there are many hundreds of claims as to which we can not secure settlement administratively, and I might ask for legislative consideration for many of them, but it has not been my policy to do so.

This case has enlisted my deep interest and sympathy. I truly think that no violence would be done by permitting the bill to pass. It is unnecessary for me to tell you that I have no relationship or even close contact with the mother of this soldier. In point of fact, I have never seen her.

So Captain Miller, who goes into these cases with the most extreme care, and whose services to humanity merit our highest tribute advocates the passage of this bill and enumerates it as among six, and only six, in his long and useful career that he has brought to the attention of Congress.

Mr. SCHAFER. Will the gentleman yield there?

Mr. LUDLOW. I yield.

Mr. SCHAFER. The records show that this man entered the military service on March 29, 1918, and disappeared while assigned to a station in this country on May 7, 1918.

Mr. LUDLOW. That is right.

Mr. SCHAFER. He was in the service about 40 days and the gentleman and Capt. Watson Miller ask the Congress to vote out of the insurance fund in which all of the veterans carrying insurance are interested $10,000, without one scintilla of evidence indicating that this man is not a deserter. Would the gentleman be willing to pass general legislation paying $10,000 war-risk insurance in the case of every veteran carried on the records of the War, Navy, and Marine Corps as deserters because they had disappeared and seven years have elapsed since their disappearance?

Mr. LUDLOW. I will say to the gentleman that if his insurance was in force at that time, as the record shows it was, the time he was in the service is not the controlling factor. Furthermore, there is not a scintilla of evidence in the entire record to show that this soldier was a deserter. There is every reason to believe he died in May, 1918.

Mr. SCHAFER. Mr. Speaker, this is the most indefensible bill I have ever seen on this Private Calendar. The last argument of the gentleman could with equal force be applied to every veteran or member of one of the regular establishments who disappeared and is now carried on the records as a deserter.

JOLIET NATIONAL BANK, COMMERCIAL TRUST & SAVINGS BANK, AND H. WILLIAM, JOHN J., EDWARD F., AND ELLEN C. SHARPE

The Clerk called the next bill on the Private Calendar, H. R. 4355, for the relief of Joliet National Bank, Commercial Trust & Savings Bank, and H. William, John J., Edward F., and Ellen C. Sharpe, of Joliet, Ill.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to call attention to the report made by the Shipping Board.

The report states that the claim of the Joliet National Bank, and so forth, has been rejected repeatedly; in fact,

both the War Department and the Shipping Board granted rehearings and gave them every opportunity to submit facts and arguments; and it goes on to show that there is no merit in this claim, Mr. Speaker; this bill seeks to take out of the Treasury $86,163.21, and I object.

Mr. COX. Will the gentleman withhold his objection?

Mr. SINCLAIR. Will the gentleman from Texas reserve his objection?

Mr. BLANTON. Certainly; for the gentleman to speak. But I shall object, as this $86,163 should not be taken from the Treasury.

Mr. SINCLAIR. I will say to the gentleman this bill has been given very careful hearings, and the evidence shows conclusively that this old man, Sharpe, went to the two banks and borrowed money at the instance of the War Department.

Mr. BLANTON. I will state to my friend that the War Department gave a careful hearing and it gave a careful rehearing, and turned it down once and then turned it down twice. The Shipping Board has given a careful hearing and a careful rehearing.

Mr. SINCLAIR. If the gentleman will permit, the only time they turned it down once was when it was improperly before them.

Mr. BLANTON. It first turned it down and then granted them a rehearing and then turned it down again.

Mr. SINCLAIR. I had not heard about that.

Mr. BLANTON. And the War Department turned it down and gave a rehearing and turned it down again.

Mr. SINCLAIR. The evidence in the matter discloses that a representative of the War Department went with this man to the two banks and helped him to borrow $25,000 from one bank and $15,000 from another bank in order to enlarge his plant and take on contracts to manufacture forgings at the instance of the department.

Mr. COX. Will the gentleman from Texas yield?

Mr. BLANTON. Certainly.

Mr. COX. I want to say that in spite of the finding of the War Department this is a just claim and one that ought to be paid, because the agents of the Government, if the gentleman will take the time to examine the records in the case, blackjacked this bank and these others into the making of these loans to this concern which they had threatened to take over unless they enlarged their plant.

Mr. BLANTON. I will state to my friend that I regret it very much, but I shall be compelled to object.

Mr. COX. There have been a number of hearings held and they have arrived at the conclusion embodied in the report, after becoming fully advised of the action taken by the War Department.

Mr. BLANTON. I am a personal friend of the author of this bill, but I must object.

Mr. SINCLAIR. As a matter of fact, I may say to the gentleman from Texas, the bill passed both Houses, but failed of enactment on account of the jam at the end of the session.

Mr. BLANTON. I will admit that I am the objection goat.

Mr. COX. The gentleman was picked out last year.

Mr. BLANTON. I regret to object, but we should not let this bill pass.

Mr. COX. The author of the bill is ill and can not be here to-night. In view of that fact, will not the gentleman ask that the bill go over?

Mr. BLANTON. No. I must object.

Mr. O'CONNOR. Mr. Speaker, I object.

THE CONCRETE STEEL CO.

The Clerk read the next bill on the Private Calendar, H. R. 4407, for the relief of the Concrete Steel Co.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object——

Mr. SOMERS of New York. Let me say to the gentleman that this seems to me to be a perfectly proper claim. It has been before Congress for some time. The gentleman from South Carolina [Mr. HARE], a good attorney, has given it careful consideration. These people had a contract to furnish steel to the Caldwell-Marshall Co. That company went into bankruptcy. The material was furnished them to use in the construction of barges for the Government.

Mr. STAFFORD. In reading the report I was influenced by the fact that they entered into an adjustment with the Government for the settlement of this claim. The attorney was present. The Government made a settlement, and as evidenced by a letter from the Director General of the Railroad Administration, they settled it for $30,000, and this claimant received his portion of that amount in full settlement of the matter in dispute.

Mr. SOMERS of New York. There is a question that you must decide. The attorney vigorously protested against that forced settlement.

Mr. STAFFORD. Now, that attorney has reversed himself, when he said it was in full settlement. I object.

KENNETH A. ROTHARMEL

The Clerk read the next bill on the Private Calendar, H. R. 4811, a bill for the relief of Kenneth A. Rotharmel.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I reserve the right to object. I notice there is no letter from the War Department that shows that this individual after he resigned from the French Army, held a commission issued by the American Army.

Mr. CHINDBLOM. This claimant had enlisted in the French field service in Paris, and, after serving several months in the ambulance field service, he enlisted in the Lafayette Flying Corps of the French Army, attending their flying schools and training camps. A board of three majors of the American Army visited the camp in September, 1917, asking the claimant and other American flyers in the French service to transfer to the American Army for the purpose of forming a nucleus for the American aviation units. Said board advised claimant that arrangements had been made with the French Army to release him and it would require about two weeks for the transfer and issuance of commissions promised to be arranged.

The claimant executed the forms requesting his release from the French Army, submitted to a medical examination by the said board of majors, who passed and accepted him for the American Army. The board directed him to stay with the French Army until the commissions and orders came through. He continued his service with the French Army with the Lafayette Flying Corps until February, 1918, when he was given his release. The expected American orders did not arrive until April 4, 1918. During the period from January 26, 1918, to April 4, 1918, by reason of the above arrangements and the delay, the claimant received no pay or compensation of any sort, either from the French or the American Army, although he served constantly in actual combat during that period in the French Army.

On April 4, 1918, he was advised there were too many first lieutenants in the Air Service; that the promise of a first lieutenancy made to him in September, 1917, by the board of majors was canceled, and he was sworn in as a second lieutenant in the American Army on April 4, 1918, the commission referred to above, and received pay as a second lieutenant in the American Army after April 4, 1918.

Mr. BLANTON. It is a fact that our boys, because at first we had no Air Service over in France, enlisted in the French Escadrille?

Mr. CHINDBLOM. That is true.

Mr. STAFFORD. During the interim for which the bill seeks to remunerate him he was actually in the French service.

Mr. CHINDBLOM. Yes. This bill has passed the House three times, and this time I hoped to get it through in time to have it passed in another body.

Mr. STAFFORD. Mr. Speaker, in view of the explanation by the author of the bill, I withdraw the reservation.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kenneth A. Rotharmel,

of the city of Chicago, in the county of Cook, and State of Illinois, the sum of $433.50 in full compensation for arrears to pay, including regular pay, foreign-service pay, and flying pay, during his military service under appointment and commission as a second lieutenant, aviation section, Signal Officers' Reserve Corps, from January 26, 1918, to April 4, 1918.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. CHINDBLOM, a motion to reconsider the vote was laid on the table.

GEORGE B. MARX

The next business on the Private Calendar was the bill (H. R. 4854) for relief of George B. Marx.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. I object.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman reserve his objection?

Mr. BACHMANN. Yes.

Mr. BLANTON. If the gentleman will permit, the War Department has found on an audit that there is actually due this party much less than the amount claimed in the bill.

Mr. HANCOCK of New York. That is correct.

Mr. BLANTON. The gentleman should reduce the amount in the bill.

Mr. BACHMANN. Oh, the committee has already recommended that amendment and I still object to that amount, because the Secretary of War is opposed to the passage of this bill. The Judge Advocate General has found against the merits of the bill. In addition to that, the attorney for the claimant, when he received $139,000 on this claim, admitted it was in full settlement. I can not see any justice now in coming back and asking the Congress as a mere matter of grace to pay $76,000.

Mr. HANCOCK of New York. I will be very glad to explain that feature of the bill.

Mr. BACHMANN. I reserve the objection.

Mr. HANCOCK of New York. It is a fact that this is an effort to obtain equitable relief. The claimant in this case probably has not a good case in a court of law. Settlement was made, but it was a partial settlement, made as such, and understood as such by both parties, but, as we all know, to get any money from the Government it is necessary to sign releases and satisfactions, and as a matter of fact I think everybody in this room has signed a receipt in full for salary for a year in advance. If the gentleman will read the affidavits in the last part of the report made by the two captains of the Signal Corps, who negotiated the settlement, it will be clear to him then that it was only a partial settlement. At the time the settlement was made, General Carmichael refers to the audit as having been based on numerous errors. The War Department did reaudit this claim, because they were so impressed with the fact that an injustice had been done.

That reaudit was made; and as the gentleman from Texas [Mr. BLANTON] has pointed out, they found that a balance of some $58,000 is actually due and owing. This man wants nothing except payment of an honest debt. We all feel that the Government should be as honorable in its dealings with citizens as citizens are compelled to be with each other. This money is due and owing. That can not be contradicted. The only defense is a technical defense which the Judge Advocate General naturally raises as the law officer. He says there is no legal claim, and that it rests entirely with the grace of Congress. This is the last court of appeal. The man has no recourse except in Congress. You can not get equity anywhere against the Government except through Congress.

Mr. BACHMANN. This claimant was represented by an attorney before the War Department and they agreed on a settlement for $139,000.

Mr. HANCOCK of New York. The gentleman is in error.

Mr. BACHMANN. I direct the gentleman to page 12 of the report, signed by Colonel Stallings, chief, civil affairs, section No. 2, of the Army. I read from the last paragraph of the report:

> This statement by the attorney for Mr. Marx is a confession that in his opinion the settlement is legally binding upon the parties.

Mr. HANCOCK of New York. That has no reference to the original settlement that was made. That has reference, however, to this bill which is now before Congress.

Mr. BACHMANN. Is it not a fact that Mr. Marx, represented by an attorney, agreed with officials of the War Department to accept $139,000 in round numbers, and that money was paid?

Mr. HANCOCK of New York. That is the amount that was paid in partial payment in 1919.

Mr. BACHMANN. And now, some 12 or 13 years afterwards, he comes to Congress and asks Congress to pay an additional $76,000 which has been reduced to $58,000. I think, in the first place, the claim is too large to be handled here on the Private Calendar, where quick consideration must be given to items of this kind.

Mr. HANCOCK of New York. An immense amount of testimony has been produced, and it was carefully studied by the War Department and by the Committee on War Claims. It is true that it has taken 12 or 13 years to reach this point, and because of that I am extremely reluctant to have all that effort and work thrown into the discard, because proper attention can not be given on this floor to the merits of the bill.

Mr. BACHMANN. Does not the gentleman think that this is a just claim?

Mr. HANCOCK of New York. I am certain that it is a just claim.

Mr. BACHMANN. If it is a just claim, in addition to the $139,000 already received, I think we ought to take this matter up with the War Department, that has all the facts, and get a favorable report from the Secretary of War, who has gone over it, who has all these accounts before him, who is familiar with the original settlement, rather than come here before Congress and in a few minutes ask the House for that sum of money.

Mr. HANCOCK of New York. May I read just a sentence from the report of the committee?—

> After repeated efforts to have the claim reaudited, the War Department finally, on January 19, 1929, consented to a reaudit, with a view of determining to what extent, if any, the contractor was inadequately compensated. The War Department auditor found that Marx was entitled to an additional sum of $56,259.02, the amount carried in the present bill.

Then it quotes Judge Advocate General Carmichael.

Mr. BACHMANN. Who finds against that holding?

Mr. HANCOCK of New York. No; that is not so.

Mr. BACHMANN. He does not recommend payment of this claim.

Mr. HANCOCK of New York. I wish the gentleman would take time to read this report.

Mr. BACHMANN. I have read the report two or three times.

Mr. HANCOCK of New York. I do not want to take the time of the House in this manner. If the gentleman will withhold his objection and let me go into this a little more thoroughly, I think I can explain it to him.

Mr. BACHMANN. Mr. Speaker, I object.

STANLEY A. JERMAN, RECEIVER

The Clerk called the next bill on the Private Calendar, H. R. 5185, for the relief of Stanley A. Jerman, receiver for A. J. Peters Co. (Inc.).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object.

STANTON & JONES

The Clerk called the next bill on the Private Calendar, H. R. 5738, for the relief of Stanton & Jones.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I object.

WARREN BURKE

The Clerk called the next bill on the Private Calendar, H. R. 4103, for the relief of Warren Burke.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like some explanation of this bill. I have it marked for qualified objection, which means subject to some explanation.

Mrs. KAHN. If the gentleman has read the report—it was reported unanimously by the Committee on Naval Affairs. There is a report from the Navy Department recommending its passage.

Mr. STAFFORD. But what does it seek to do? Will the gentleman from Pennsylvania [Mr. COYLE] supplement the information given by the lady from California?

Mr. COYLE. May I explain to the gentleman this young man was serving as an aviator on one of the big airplane carriers. He was in the Naval Reserve but was assigned to regular duty as an aviator on one of these big carriers and was serving for nearly a year in exactly the same status as if he had been in the regular service.

At the time they were launching a large number of planes from the deck of the carrier. All of the motors were turning over at the same time. He either lost his balance or was blown from the cockpit of his plane as he tried to climb into it, and was blown back into the propeller of the plane immediately in the rear of him, and his arm was taken off at the shoulder. His status as a naval reservist does not entitle him to retirement pay. He is not entitled to any compensation, because it was not in war time, but, just as much as any man serving with a regular commission in that rank, he was doing his part, and he is seriously damaged for the rest of his life.

Mr. STAFFORD. Is not this measure on all fours with the emergency officers' relief proposal, seeking to give to the reservist the same retirement privileges as if they were in the enlisted Army?

Mr. COYLE. I can not follow the gentleman that far, because the emergency officers' retirement was a measure for war-time officers. This is a measure for a young peace-time officer serving in the aviation service.

Mr. STAFFORD. Now, the gentleman has given considerable thought to this subject. Suppose a national guardsman during encampment maneuvers suffers an injury; would the gentleman say he was entitled to three-quarters pay?

Mr. COYLE. If the National Guardsman was called into the Federal service for regular duty and not for training, then I should say he was entitled to similar benefits.

Mr. STAFFORD. But this young man, as I understand, was not in training to be called into the regular service.

Mrs. KAHN. Yes. He had been for a year on the *Saratoga*. He had been in regular service on the *Saratoga*. He was there for a whole year.

Mr. STAFFORD. But merely in training.

Mrs. KAHN. They were short of aviators. He was in active service.

Mr. STAFFORD. I want to get this clear, because this establishes a principle. In the Army we send men in the Reserve Officers' Training Corps service to the various camps for training for three months or six months and the like. Is it purposed that when they are injured in that service we are going to retire them on three-quarters pay?

Mrs. KAHN. This is entirely different.

Mr. STAFFORD. But this is a comparable service.

Mrs. KAHN. May I read the last paragraph of the report from the Secretary of the Navy?

> The status of Ensign Burke at the time of his injury was materially different from that usually occupied by reserves. He was a qualified naval aviator and was performing active duty with the Battle Fleet Air Squadrons. His orders to this duty contemplated continuous duty for one year, most of which had elapsed at the time of injury. While performing this duty he was not in a student status but was an active member of a combatant unit of naval forces performing duties identical with those required of officers of the regular service with similar rank. The effect of the assignment of Ensign Burke and other reserve officers performing similar duty was to alleviate the shortage of naval aviators in the regular service and to bring up to required strength the active fleet aviation units.

Mr. STAFFORD. Then this could not be taken as a precedent for others in naval or military service who are being given training?

Mrs. KAHN. No. The Secretary of the Navy says:

> In view of the exceptional circumstances of this case, the Navy Department recommends that the bill H. R. 4103 be enacted.

Mr. STAFFORD. Oh, they are very free with their recommendations.

Mr. SCHAFER. Will the gentleman yield for a brief question? I think I will have to object to the bill.

My colleague from Wisconsin has brought up a very pertinent point. Let us look at the facts in this case instead of looking at it in the light of sympathy. Take the officer personnel of the National Guard assigned to the border in 1916. That officer personnel was taken into the active Federal service. The captains were rendering the same service as Regular Army captains, and the lieutenants were rendering the same service as Regular Army lieutenants. Are we going to single out this one man, who has the same status as anybody else temporarily in the active military or naval service, and retire him on three-fourths of his base pay for the rest of his life, when we do not extend the same benefits to those in the National Guard and others who were temporarily in the active military or naval service of the United States and who were performing the same duties as officers in the Regular Establishment?

Furthermore, are we going to establish the policy, by special act of Congress, of granting relief to a naval reservist who has been injured in line of duty simply because he might have been called into the active service for two or three weeks or a year, and give him the status of a Regular officer, and if he is injured in line of duty retire him for the rest of his life at three-fourths of his base pay and fail to do the same for others having the same status? If that is the policy of the Naval Affairs Committee then I would suggest that they bring in general legislation, because I take the position that what is sauce for the goose should be sauce for the gander.

Mr. COYLE. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. COYLE. This boy lost his arm, and he is entirely disabled. I know that if an Army officer on the Texas border, while in Mexico in action, had lost his arm the gentleman would be the last one in the world to object to having that man taken care of.

Mr. SCHAFER. I positively would object to picking out one single officer and extending to him special benefits which you deny to the many officers having the same status, simply because some influential Member of Congress introduces a special bill. I do not believe in the policy of picking out one individual and giving him a special status that is not given to all others in the same class.

Mr. COYLE. If the gentleman will show me another boy who has lost his right arm at the shoulder I will be very glad to introduce a similar bill.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. Mr. Speaker, I object.

RELIEF OF CONTRACTORS AND SUBCONTRACTORS

The Clerk called the next bill (H. R. 793) to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes," approved August 25, 1919, as amended by act of March 6, 1920.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, this would open up the way for numerous claims which accrued prior to the World War, would it not?

Mr. LANKFORD of Virginia. No. They have practically all been settled. There are only two or three of those old

claims left. This man's claim should have been taken care of with the others and he should have been paid. This is an old man. He took that contract and he lost his home by reason of it. He is now the object of charity. Practically all of these claims have been settled. Special bills were passed taking care of others similarly situated. This bill does not appropriate a cent. It simply gives this man the privilege of going before the Treasury Department and proving his claim. I hope the gentleman will not object.

As I have stated, this man is now the object of charity. He lost his home by reason of this contract. He was compelled to compete with cost-plus contracts and they simply took all of his labor and all of his material and ruined him. It is a just claim.

Mr. GRISWOLD. This would change the status of a lot of claims, according to the statement of the Treasury Department.

Mr. LANKFORD of Virginia. I inquired at the Treasury Department and I was informed there are few of these claims left.

Mr. GRISWOLD. The Treasury Department states in its report that this would open up the way for the allowance of other claims.

Mr. LANKFORD of Virginia. There are no more of those claims in existence, or, at least, very few of them.

Mr. BLANTON. If the gentleman will permit, the department does not make any recommendation.

Mr. GRISWOLD. However, the Treasury Department states that this will open up numerous claims.

Mr. LANKFORD of Virginia. This only gives him the right to prove his claim. This is about the only claim left, so it will not open up a lot of other claims. This will only give him the right to go before the Treasury Department and prove his claim if he can.

I am frank to say I doubt very much, after this lapse of time, whether he will ever be able to prove it, but it will be a great relief to him to have the bill passed.

Mr. GRISWOLD. I object, Mr. Speaker.

WALTER S. WEST

The Clerk called the next bill on the Private Calendar, H. R. 1700, for the relief of Walter S. West.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged marines Walter S. West, who was a member of Marine Guard, U. S. S. *Marblehead*, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of the United States Marine Corps on the 14th day of January, 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FRANK WOODEY

The Clerk called the next bill on the Private Calendar, H. R. 1804, for the relief of Frank Woodey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized and directed to accept for reenlistment in the Navy, Frank Woodey, 134-69-80, boilermaker, first class, and to immediately transfer him to the Fleet Naval Reserve in accordance with the laws existing at the time of his discharge from the naval service on the 10th day of February, 1922.

Mr. SUTPHIN. Mr. Speaker, I move to strike out the last word. As a Member of the Seventy-second Congress, elected in 1930 from the third district of New Jersey, a district which is perhaps as important, unusual, and interesting as any in our entire country, I wish to bring to your attention some of the existing conditions. Part of my district is highly industrial and contains some of the country's largest industries; another part is a rich agricultural section where the farmers largely engage in the raising of fruit and vegetables for the metropolitan markets. This section also produces annually a vast amount of poultry and eggs, which are widely distributed. There is also the seashore section of New Jersey, the playground of the East, which not only furnishes recreation and pastime for thousands of our citizens during the summer months but during the other parts of the year is the scene of great activity in the fishing industry. From this brief description of the district I know you will appreciate the diversified interests of my constituency. Since my election in 1930 I have spent a lot of time in finding out from the people of my district their views regarding the public issues of the day. Frankly and freely have we talked over problems, and the thoughts expressed to you to-day are what might be called the gleanings from conferences with members of both major parties.

Since I have been a Member of the House I have assisted in every way within my power to bring about the enactment of legislation which was thought would be helpful in relieving the depression, and especially the unemployment from which millions of workers are suffering through no fault of their own. We have put through what we know as the reconstruction program. We have passed the Reconstruction Finance Corporation act, an act designed to ease the strained situation of banks, building and loan associations, the railroads, and insurance companies; we passed the Glass-Steagall bill, to end deflation by easing the credit situation by thawing out frozen assets. We have assisted agriculture in numerous ways. In short, we have done what it was agreed might be done for the farmer, the banker, the railroads, and the big corporations; and I feel that the time has now arrived when some measures should be taken to relieve the distress of the working classes—in a word, to do something for the plain people.

How can this be accomplished? In my judgment it can be done, in so far as the Federal Government is concerned, by the enactment of legislation which will permit the laying down of a broad and comprehensive building program. But here we are up against the opposition of the President, for we find that he has issued instructions that no more authorizations shall be made for building projects.

The President states that he will veto our road construction bill, which will prevent the appropriation for Federal aid in highway construction. And, is it not true that only by the adoption of such projects as this can the Federal Government do anything toward providing work for men who are idle? This will also set an example to private industry, which should stimulate a revival that would provide a great deal more employment than the Government, in its necessarily limited sphere of activities, can ever be able to do. Only through such means can we assist labor, both skilled and unskilled, and help it over the depression, which has continued so long that it has taken as its toll the lifetime savings of hundreds of thousands of worthy families.

We hear a great deal said about living in a machine age and of its effect upon labor. We know that machines are doing work formerly done by man power. The measure of benefit that goes to the working classes as a result of construction projects is only a fraction of what it would be if we did not have the many wonderful inventions of to-day. In a road-construction job, for example, the number of men that could be employed would be very much greater were it not for the steam shovel and the concrete mixer.

I realize that the suggestion which I am about to make may seem a backward step, but in a situation as we have to-day, with millions of men begging for employment in order to provide food for their children, would it not be well to require upon every Federal construction project, whether road construction or building or what not, that machinery be replaced by man power in every possible instance? It might slow down construction somewhat; it might even make it a little more costly, though probably not greatly so; but it would do an infinite amount of good and be infinitely better for the working people, the class for which the Government has not yet legislated. It would give employment to thousands now idle, thereby providing food and fuel for thousands of families, and that is what must be done eventually by one means or another.

The Federal Government is faced with the greatest Treasury deficit in its history, at least in time of peace. For the last fiscal year it is in excess of a billion and a half. There is every indication that by the close of the present fiscal year on June 30 next the accumulated deficit for two fiscal years will be in the neighborhood of $3,000,000,000.

This is a staggering sum. It has been accumulated during the administration of the President now occupying the White House, and he and his party must accept the responsibility therefor, because by no stretch of the imagination can it in any degree be charged to the party now in control of the House of Representatives. Nevertheless that party, my party, is confronted with the disagreeable duty of finding additional revenue through new or additional taxes with which to meet this deficit, balance the Budget, and preserve unimpaired the credit of the Federal Government.

This huge $3,000,000,000 deficit is due, on one hand, to an enormous falling off in revenue from income and other taxes, and, on the other, to the orgy of expenditure which has been indulged in during the recent years; expenditures which have steadily mounted until for the last two fiscal years they have reached the staggering sum of $5,000,000,000 annually.

To meet this deficit, at least in part, and to finally balance the Budget, the Ways and Means Committee of the House is now searching for new and additional sources of revenue. I desire here and now to express the hope that not one more dollar of new and additional taxes will be levied than is absolutely imperative, because we must never forget that we are going to levy these additional taxes at a time when they will constitute a very great hardship upon the taxpayers. All taxation is vexatious, but when taxes are levied at a time when the people are least able to pay they are doubly burdensome.

We hear a great deal about balancing the Budget, and I am in favor of balancing the Budget in a reasonable time, because we must do nothing that will impair our national credit in the slightest degree. But we do not have to balance the Budget to-day, or even this year. We should not lose sight of the fact that under this and the preceding Republican administrations a great to do was made about reducing the national debt. In seeking to make a record in that respect, the administrations of Presidents Hoover and Coolidge, and even that of President Harding, imposed more taxes than were necessary to pay the Government's running expenses, and in consequence found huge surpluses on hand, with which the national debt was reduced more than the law required.

The result is that we are more than six years ahead of the debt-retirement schedule, as fixed by law. Possibly that was justified when times were good and everybody was prosperous. But now that times have changed, now that the tax money is doubly hard for the taxpayers to find, would it not be wise to reduce our national-debt payments for two or three years, and to that extent ease the burden upon the people? If we do this we will still be two or three years ahead of the statutory requirements for debt reduction, and will have given the taxpayers the benefit of this relief at a time when they need it more than they have ever needed it in the past or probably ever will need it again.

Take the case of thousands of people in my district in New Jersey. As I stated earlier, the raising of fruits and vegetables is a most important industry. These producers are in difficult circumstances. They received very low prices for their products last year. Many of them did not make the cost of production. They are in difficulty. Taxes are more burdensome to them than they have ever been and the same is true of office workers and others we sometimes call the "white collar" class.

They should not be called upon to pay, and with my vote never will pay, a penny more in taxes than is absolutely necessary for governmental requirements. They are not concerned about income taxes, for many of them seldom, if ever, make enough to place them in the income-tax paying class. But they pay many other taxes—their land, State, and local taxes; they pay heavy indirect taxes because of the tariff. To add special excise taxes or sales taxes or any other special taxes to what they are already paying would work a great hardship on many and might even help throw some of them into bankruptcy.

One of the pledges upon which the Democratic Party came into control of this body last December was that of the strictest economy possible in governmental expenditures. We are keeping that pledge, and whatever the sum total of appropriations for the next fiscal year may be, it will be many millions of dollars less than would have been the case had not the Democrats gained control of the House.

As I have already pointed out, Federal appropriations have mounted steadily during the last several years until the Seventy-first Congress appropriated more than $10,000,000,000; more than $5,000,000,000 for the cost of Government for each of the past two years. The people were staggered by the size of these appropriations. They protested, and their protests became effective at the polls. So it was that the Democratic Party came into control in the House, pledged to strict economy.

The record of the Democratic-controlled House and the Democratic-controlled Appropriations Committee, under the leadership of Chairman JOE BYRNS, of Tennessee, stands out like a beacon of hope. That committee and this House have not yet finished with the consideration of the annual appropriation bills, but they have gone far enough to have made a record that challenges comparison. The appropriation bills already passed by the House, or reported out by the Appropriations Committee, carry appropriations for approximately $440,000,000 less money for the next fiscal year than the last Republican Congress passed for the same Government departments for the present fiscal year. That alone justified the faith which the people demonstrated in my party when they voted it into control of this body. But not only have we reduced appropriations under those made by the last session of Congress so as to effect a saving of over $400,000,000, but we have actually reduced the appropriations recommended by the Budget Bureau and approved by the President by nearly $115,000,000. And we are not yet through, for other appropriation bills remain to be considered, and additional savings will be effected which will compare favorably with those already made.

I am certain, too, that these savings have been made without impairing the efficiency of any activity of the Government in the slightest degree, for during even the relatively brief time I have been in Washington I have formed the opinion that many of the Federal departments are overly populated and that there is so much overlapping and waste that I firmly believe no private corporation could long exist if it managed its affairs in a similar manner. Convinced as I am of this fact, I have whole-heartedly supported the Democratic leadership in the House in the steps it has taken to cut out this overlapping, both with respect to the filling of vacancies in the Federal service and in the effort now being made to bring about consolidations and transfers that, it is hoped, will lessen the evil about which there is so much complaint.

Speaking generally, I know that the taxpayers of my district favor these efforts for retrenchment and economy, but I regret to say that there are a few individual cases where there is a complaint when a reduction or curtailment affects some activity of the Government in which they are particularly interested. Anxious as I am to please, I recognize that we can not play favorites and every Government department and bureau must share in this reduction, not only in the expenditures but sometimes in personnel, if real economy is going to be effected, and if the taxpayers are going to ever get any relief.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PARRAMORE POST, NO. 57, AMERICAN LEGION

The Clerk called the next bill on the Private Calendar, H. R. 4515, extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building and correcting street location.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I would like to inquire from the author of the bill whether or not this extension will bring about any expense on the Government?

Mr. STAFFORD. Why not inquire of the gentleman reporting the bill?

Mr. BACHMANN. All right; I will make the inquiry of the gentleman reporting the bill, but I thought the gentleman introducing the bill would prefer to explain it.

Mr. BLANTON. Mr. Speaker, if the gentleman will permit, several years ago I got Congress to pass an act granting Parramore Post of the American Legion in my home city of Abilene, Tex., the right to construct a memorial building on one corner of Federal Square. This entire square was donated to the Government. The corner upon which the Parramore Post got permission to construct its memorial building was the northwest corner, when it should have been the northeast corner, the use of which would not interfere with any of the rest of the use or activities of the Government in connection with the property. This bill extends the time and corrects the location and was approved by the Treasury Department, approved by the Post Office Department, and has the unanimous report of the committee. The committee gave me a hearing on the bill and reported it unanimously.

The reason Parramore Post did not construct their building within the time authorized by the former act was because there were years of depression, continuous droughts, and hard times in that section. They were hard hit financially, and they failed to raise the necessary money within the time required, but during the last few years they have been raising funds by giving entertainments and otherwise accumulating their building fund. This bill is simply to extend their time for construction and to correct the location.

Mr. BACHMANN. The gentleman assures the House that this extension will not cost the Government any additional money?

Mr. BLANTON. Not one dollar.

The SPEAKER pro tempore. If the gentleman from Texas will permit, the Chair desires to call the attention of the gentleman to the fact that the bill does not undertake to define the location of this post. The Chair would suggest that an amendment might perhaps be appropriate.

Mr. BLANTON. Mr. Speaker, this language has been deemed sufficient by all concerned, and there is but one Parramore Post, and I would not like to change the bill as approved by the department and the committee.

Mr. BACHMANN. Does not the bill substitute the words "west side of Walnut" for "east side of Pine"?

Mr. BLANTON. Yes; that definitely locates it at a certain point in Abilene, Tex., and it is perfectly satisfactory to all concerned.

Mr. BACHMANN. Is the gentleman satisfied with the bill in its present form?

Mr. BLANTON. Yes; I am.

Mr. BACHMANN. In view of the explanation, I have no objection.

Mr. BLANTON. I thank my friend from West Virginia and my other colleagues here for allowing the bill to pass. When I got the original act passed, our former good friend, the late distinguished gentleman from Illinois, Mr. Jim Mann, at first raised several objections to the bill, but after extended discussion he approved it, and he helped me materially to pass it. I will appreciate it very much if my colleagues will let this bill pass now, as it may be some time before this committee reporting the bill may have a call on Calendar Wednesday.

Mr. COLLINS. Mr. Speaker, reserving the right to object, does not the gentleman think this is a bad practice?

Mr. BLANTON. Mr. Speaker, I am not going to be razzed about a bill by my friend from Mississippi just because I am the author of it. This is a just and proper bill to allow Parramore Post to construct their building. I feel sure the gentleman does not want to object to it, and now that he has razzed me about it, I hope he will let it pass.

Mr. COLLINS. I want to ask the gentleman a serious question: Does not the gentleman think it is a bad practice for post-office sites to be littered up with private buildings?

Mr. BLANTON. If the gentleman could see this big oversized block which was given to the Government without costing the Government a penny he would realize that this American Legion building will in no way interfere with Government needs and necessities.

Mr. COLLINS. Was the site donated by the municipality?

Mr. BLANTON. Yes; by the people of Abilene.

Mr. COLLINS. Then I have no objection.

Mr. BLANTON. I thank my friend from Mississippi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the limit of time within which Parramore Post, No. 57, American Legion, may erect its memorial building as provided in the act approved August 24, 1921, being Public, No. 70, Sixty-seventh Congress, be, and the same is hereby, extended three years from and after the date of the final passage and approval of this bill; and that said act be, and it is hereby, further amended by striking out in line 9 of said act the words "East side of Pine" and substituting therefor the words "West side of Walnut."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

M. A. SPRENGEL

The Clerk read the next bill on the Private Calendar, H. R. 6334, for the relief of Lieut. M. A. Sprengel, Supply Corps, United States Navy.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, although the allowance in this bill is very small, $17.36, nevertheless, there is a principle which I think the House should consider before we pass this bill under unanimous consent. The Comptroller General withheld the item of this amount from this man's account because it was shown that he was ordered to play tennis. The law only authorizes the Navy Department to grant transfers as a basis for mileage for public business. Here they are seeking to override the determination of the Comptroller General, the directing officer of the Government in matters of this kind.

Mr. GAMBRILL. Mr. Speaker, I will say that this man was ordered from the naval station at Hampton Roads in 1927 to take part in a lawn-tennis contest at the Naval Academy at Annapolis. He was under orders to go there, he could not refuse, and incurred an expense of $17.36. That amount was paid him by Lieutenant Sprengel, of the Supply Corps. That item has been disallowed by the Comptroller General.

The only question involved here is whether this was public business. The Comptroller General says that he was not engaged in the public business. But we must consider the situation of the supply officer, who has paid the man, and this involves no appropriation out of the Treasury of the United States.

Regardless of how you may consider the matter, this is not a controversy between the Navy Department and the Comptroller General. It is a question of whether this man was engaged in public business.

Mr. STAFFORD. Is it the gentleman's contention that going from Norfolk to Annapolis to play tennis is public business?

Mr. GAMBRILL. When he is ordered to go; yes. He could not refuse, he incurred this expense, and it was paid by the supply officer, and this is to credit the account of the supply officer.

Mr. BLANTON. Playing tennis is much more laudable than some other things that he might indulge in. This only involves $17.36.

Mr. STAFFORD. I am at a loss to know what the gentleman from Texas refers to. Coming from Milwaukee, I know that there are some things indulged in by naval officers, but I do not know whether the gentleman, being a dry, refers to that or not. [Laughter.]

Mr. Speaker, I withdraw the reservation of the right to object.

The Clerk read the bill, as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized and directed to credit the accounts of Lieut. M. A. Sprengel, Supply Corps, United States Navy, in the amount of $17.36, which amount represents payments made to Lieut. C. T. Simard, United States Navy, for mileage performed under orders of the Bureau of Navigation of the Navy Department dated May 21, 1927.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CAPT. CHESTER G. MAYO

The next business on the Private Calendar was the bill (H. R. 6337) for the relief of Capt. Chester G. Mayo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized and directed to allow the sum of $115 in settlement of the accounts of Capt. Chester G. Mayo, Supply Corps, United States Navy, this sum being the amount paid by the said Captain Mayo on account of floral wreaths purchased in connection with the funerals of the late Congressmen Lemuel P. Padgett, Daniel J. Riordan, and James R. Mann, and disallowed by the General Accounting Office.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

G. W. WALL

The next business on the Private Calendar was the bill (H. R. 882) for the relief of G. W. Wall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to have issued and delivered to G. W. Wall, of Spartanburg, S. C., a duplicate certificate of mutilated temporary coupon bond No. 13491081 for $50 of the third 4¼'s, the said bond having been partially destroyed: *Provided*, That the said G. W. Wall shall furnish, if the Secretary of the Treasury require it, a bond to hold the Government of the United States harmless against any loss that it might sustain by reason of said mutilated temporary coupon bond.

With the following committee amendment:

Strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem in favor of George W. Wall, of Spartanburg, S. C., United States temporary coupon bond No. 13491081 for $50 of the third Liberty loan 4¼ per cent per annum bonds of 1928, with interest from September 15, 1919, to September 15, 1928, without presentation of the upper portion of the bond, the lower portion of said bond having been presented to the Treasury Department with coupon No. 4, due March 15, 1920, attached: *Provided*, That the upper portion of the said bond shall not have been previously presented or ascertained to be in existence and that no payment shall be made hereunder for any coupons which may have been attached to the temporary bond other than coupon No. 4 mentioned above: *And provided further*, That the said George W. Wall shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal of the said bond and the interest payable thereon from September 15, 1919, to September 15, 1928, inclusive, in such form and with such corporate surety as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the mutilated bond hereinbefore described.

The committee amendment was agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EDWARD BODECK

The next business on the Private Calendar was the bill (H. R. 2238) for the relief of Edward Bodeck.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I reserve the right to object. I think the Government employee in driving this truck was negligent. I think the claimant is entitled to some compensation, but I can not agree that the amount of compensation provided in the bill, $5,000, is correct because, as I read the report, the injuries that the claimant received do not warrant the sum of $5,000. I say this especially in view of the fact that the gentleman's committee is on record as well as the Members of the House of granting only $5,000 in case of death. This injury is not of such a permanent nature as to warrant the payment of $5,000. I would have no objection if the chairman of the committee would agree to an amendment making the amount $2,500 instead of $5,000.

Mr. BLACK. Mr. Speaker, this is the bill of my colleague from New York [Mr. GRIFFIN], who is at present in a hospital in Washington. I do not know whether or not he would accept the suggested amendment. The injuries here were pretty serious. It was an outrageous piece of negligence on the part of the Army truck.

Mr. BACHMANN. I think there is no question as to the liability.

Mr. BLACK. Excepting for his negligence, the claimant would be a sound and well man to-day, and would not be seeking relief. He was badly battered up by the Army truck. He was on the sidewalk, and the truck was trying to pass another vehicle on the right side and went off on the sidewalk and struck this man and knocked him down. The man was in the hospital for some time, treated for several days. He had concussion of the brain and several other injuries. His eyesight is impaired. The original bill was for $10,000 and the committee cut it to $5,000.

Mr. BLANTON. Will the gentleman yield?

Mr. BLACK. Certainly.

Mr. BLANTON. I am sure our colleague, the gentleman from New York [Mr. GRIFFIN], would rather have the bill passed at this time even though reduced; and if it does not suit him, he can get it changed in the Senate, because this bill will not be reached again for a long time. I suggest that the gentleman from New York reach an agreement with the gentleman from West Virginia.

Mr. BACHMANN. Does the gentleman from New York believe, as chairman of the committee, and from the facts as he knows them, that this is a claim which would warrant Congress in paying $3,500 instead of $2,500?

Mr. BLACK. I feel that way, or I would not report the bill.

Mr. BACHMANN. I will accept the statement of the gentleman from New York if he will accept an amendment making it $3,500 instead of $5,000.

Mr. BLACK. Mr. Speaker, I accept the amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $10,000 to Edward Bodeck, of New York, N. Y., on account of injuries sustained when struck by an Army truck November 8, 1928.

With the following committee amendment:

Line 6, page 1, strike out "$10,000" and insert in lieu thereof "$5,000."

Mr. BLACK. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. BLACK: Strike out "$5,000" and insert in lieu thereof "$3,500."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

Mr. BACHMANN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BACHMANN: On line 6, before the word "against," insert the words "of all claims."

The amendment was agreed to.

The SPEAKER pro tempore. The Clerk will read the remaining committee amendment.

The Clerk read as follows:

Committee amendment: Line 9, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or

receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

EDNA B. ERSKINE

The Clerk called the next bill on the Private Calendar, H. R. 4406, for the relief of Edna B. Erskine.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLACK. Mr. Speaker, I move to table that bill. That bill should not have been reported.

Mr. BACHMANN. Mr. Speaker, will the gentleman yield?

Mr. BLACK. I yield.

Mr. BACHMANN. The bill should be stricken from the calendar. It became law at the last session.

Mr. BLACK. I made a motion last session to strike a bill from the calendar, under similar circumstances, and the Speaker ruled that the proper motion was to lay on the table.

The SPEAKER pro tempore. The question is on the motion of the gentleman from New York [Mr. BLACK].

The motion was agreed to.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA (INC.)

The Clerk called the next bill on the Private Calendar, H. R. 5054, for the relief of the International Manufacturers' Sales Co. of America (Inc.).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. I object, Mr. Speaker. This bill would unjustly appropriate $968,748.12.

Mr. BACHMANN, Mr. ARENTZ, and Mr. COLLINS objected.

Mr. BLANTON. Mr. Speaker, a bill of this magnitude, seeking to appropriate $968,748 should not ever come up for consideration on a unanimous-consent calendar. A case in court involving such a tremendous amount, would be hotly contested, and it would usually take a whole week to try it. The committee report does not have in it any communication whatever from any department of Government. The committee report does not show that any executive of the Government has given to it his approval. If the House should pass bills of this importance, taking practically a million dollars of the people's money out of the United States Treasury, on a unanimous-consent calendar, it would be absolutely impossible for us ever to balance the Budget. Every dollar that we appropriate must be taken out of the pockets of the people through taxation. And if we do not stop spending, our Government will face bankruptcy. These are my reasons for objecting to the bill.

ANNA MARIE SANFORD

The Clerk called the next bill on the Private Calendar, H. R. 1275, for the relief of Anna Marie Sanford, widow of William Richard Sanford, deceased.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Reserving the right to object, I have been following a certain form with regard to all of these bills where we seek to grant compensation to individuals, by reason of the running of the statute of limitations. I want to know whether the gentleman would be willing to accept this amendment?

That the United States Employees' Commission is hereby authorized to consider and determine the claim of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C., in the same manner and to the same extent as if said William Richard Sanford had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof, provided that no benefits shall accrue prior to the approval of this act.

That is the form adopted at this session.

Mr. BLAND. I have no objection to the form, except there is one feature of this situation that I desire to bring to the attention of the gentleman.

The man first developed symptoms of tuberculosis in 1919. He was continued at work, and then in 1929 he developed tuberculosis. One question is when the tuberculosis first developed. He filed within one year after 1929.

Mr. STAFFORD. We are waiving by the proposed substitute the statute of limitations. We leave it to the United States Employees' Compensation Commission to determine whether he received injuries for which he would be entitled to compensation if he had filed his claim in time.

Mr. BLAND. I will accept the gentleman's amendment, but, Mr. Speaker, I ask unanimous consent to substitute for the House bill an identical Senate bill, S. 2822, which has been passed. Then with the amendment to the Senate bill it may go to the Senate for concurrence.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C.: *Provided*, That compensation, if any, shall commence from and after the date of passage of this act.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from Wisconsin offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out all after the enacting clause and insert:

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C., in the same manner and to the same extent as if said William Richard Sanford had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act."

The SPEAKER pro tempore. The question is on the substitute amendment.

The substitute amendment was agreed to.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHARLES THOMAS

The Clerk called the next bill, H. R. 3724, for the relief of Charles Thomas.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BACHMANN. Mr. Speaker, reserving the right to object, this bill provides for the payment of two amounts, one of $2,500 for injuries to the boy and another $2,500 to his father. I do not think this case warrants the payment of any additional sum to his father. If the gentleman will accept an amendment providing relief for this claimant to the extent of $2,500, I will have no objection to the bill.

Mr. BLACK. I really think the amount awarded to the boy is too low. This boy lost his leg.

Mr. BACHMANN. I am inclined to believe that, I will say to the chairman of the committee. I think he is right in that. I think there is a liability on behalf of the Government for injury to this boy, but my objection is to the payment of two special sums for the same injury. I have no objection to increasing the amount to $3,500 for payment to this boy.

Mr. BRUNNER. I will accept that amendment.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Thomas the sum of $2,500 in full settlement for injuries sustained by him;

and the additional sum of $2,500 is hereby appropriated for loss of services and expenses of Edgar Thomas, as a result of a collision in which Charles Thomas was struck by an Army truck on Bell Avenue at Maxwell Avenue, Bayside, Long Island, on October 8, 1928: *Provided*, That no part of the amount of any item appropriated in this act in excess of $200 thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered or advances made in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum which exceeds $200 of the amount of any item appropriated in this act on account of services rendered or advances made in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "to," insert the words "the legal guardian of."

The committee amendment was agreed to.

Committee amendment: On page 2, in line 15, after the figures "$1,000," insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

Mr. BACHMANN. Mr. Speaker, there is another provision in this bill providing for attorneys' fees. There is no necessity for having two provisions for attorneys in the bill. I think, however, the provision inserted by the committee for attorneys' fees is a proper one. I offer an amendment to strike out the first provision contained in the bill for attorneys' fees.

The SPEAKER pro tempore. The gentleman from West Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BACHMANN: On page 2, beginning in line 2, after the colon strike out the proviso ending in line 15.

The amendment was agreed to.

Mr. BLACK. Mr. Speaker, I move that the bill be amended in line 6 by striking out the figures "$2,500" and inserting "$3,500." Further that the bill be amended in line 7 by striking out the semicolon after the word "him" and all the language down to the word "as" in line 9.

The SPEAKER pro tempore. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK: Strike out, on page 1, beginning in line 7 after the word "him," the semicolon and the remainder of line 7, all of line 8, all of line 9, and line 10 down to the word "struck" and insert the words "by being."

Mr. BACHMANN. Mr. Speaker, I desire to be heard on the amendment. I am afraid the amendment as read by the Clerk strikes out the important part of the bill, the injury part of the bill.

Mr. STAFFORD. Mr. Speaker, the amendment as reported by the Clerk will carry the following language:

The sum of $3,500 in full settlement for injuries sustained by him by being struck by an Army truck on Bell Avenue—

And so forth. I prepared the amendment in advance and I think it is in proper shape.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

LIEUT. JAMES FLOYD TERRELL

The Clerk called the next bill on the Private Calendar, H. R. 4280, for the relief of Lieut. James Floyd Terrell, Medical Corps, United States Navy.

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. MONTAGUE. Mr. Speaker, will the gentleman withhold his objection?

Mr. EATON of Colorado. I will reserve the objection.

Mr. MONTAGUE. I would like to say to the gentleman that this bill passed the House last year.

Mr. STAFFORD. Did it pass at this amount?

Mr. MONTAGUE. No; it was passed at the amount of twelve hundred and some dollars.

Mr. EATON of Colorado. Mr. Speaker, here is a man who is a lieutenant of the Navy and goes out at 8 o'clock in the evening and comes back after a while and finds there has been a fire. His goods are destroyed, and he puts in a bill for $280 worth of books 4 years old that cost $280; 3 pajama suits, 4 months old, cost price $5 per suit, $15; bathing suit, 6 months old, cost price $5, value $5; raincoat, cravenette, cost $60, value $60 after 6 months' use; marine uniform, whipcord, purchase price $80, value after 1 year $80; and so he goes on down through the list.

I thought the gentleman from Virginia wanted to hear the complaint about the bill.

Mr. MONTAGUE. I did wish to hear the comments of the gentleman about the bill and the reasons for the gentleman's objection to the bill.

When this gentleman made the account up, he just stated what the things had cost him. He had no time to go into other detail. He just took the matter up before the Military Board and stated the matter in that way. The bill, as originally introduced by me, was for this amount, but I agreed to reduce it, according to the statement before the committee, from $1,600 to $1,250. I think this would amply cover the items which the gentleman thinks are extravagant. I did not at all correct the original report, because I had just offered the bill as I had introduced it last year, and the bill was offered last year for $1,250 and passed.

Mr. EATON of Colorado. I have not had time to go over and revalue all these items, but I think the $250 or $300 reduction suggested is entirely out of line with the amount of loss, if there was a compensable loss. I believe it should be so materially reduced that I think the bill should go over at this time.

Mr. BACHMANN. Will the gentleman suggest an amendment that, in his opinion, would cover the amount of the loss?

Mr. MONTAGUE. Let me say to the gentleman that the Navy Department, when it reported on the bill, stated that $1,250 was the proper amount.

Mr. STAFFORD. Does not the gentleman think it is a rather high-handed method of action for a naval officer, after he has had a library for a number of years, to put the loss of the library at the cost price?

Mr. MONTAGUE. I know this man, and he is a very high-toned man.

Mr. STAFFORD. Oh, there is no question of his high tone.

Mr. BACHMANN. There is no question about the liability here, and there ought to be some compensation made for this loss.

Mr. MONTAGUE. The only question raised about this bill last year was by the distinguished gentleman from Wisconsin [Mr. STAFFORD], when he said that this man ought to have insured these goods. I stated at that time that the man had insured his goods, but his policies were canceled as soon as he was ordered to go to Panama. He had not been in Panama more than a week or two weeks when the fire occurred in the barracks. He was on leave for an hour or so and came back and found the barracks on fire. His superior officer ordered him at once to go and look after the wounded and sick and the killed or injured, and he had to leave his own quarters. He could have saved every piece of his property, but was put on this duty by his superior officer and lost his property without any negligence on his part.

Mr. BACHMANN. And this loss occurred while he was performing the duty of helping somebody else whose place was on fire. There is no question but what there ought to be compensation in this case. Would the gentleman agree

to an amendment in the amount he thinks proper, say, $800 or $900, or whatever the gentleman thinks is right in the matter? There is no doubt that this man ought to have some compensation.

Mr. EATON of Colorado. Mr. Speaker, there is a page and a half of fine print here, and I object to the bill being considered to-night.

Mr. BACHMANN. Would the gentleman accept $800 as an amendment?

Mr. EATON of Colorado. No; I think the entire compensation should only be a very few hundred dollars, if any. Everything involved here was old and secondhand, and he has priced the articles at their full cost value in most instances. The cost price is put in here and also the claimed price.

I object, Mr. Speaker.

WILHEMIA WILKIE

The Clerk called the next bill on the Private Calendar, H. R. 5198, for the relief of Wilhemia Wilkie.

Mr. STAFFORD. Mr. Speaker, I object.

I. L. LYONS & CO.

The Clerk read the next bill on the Private Calendar, H. R. 4246, for the relief of I. L. Lyons & Co.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. I reserve the right to object.

Mr. BLANTON. The gentleman will note that the Treasury suggested an amendment, and the committee has amended the bill according to the suggestion of the department.

Mr. BACHMANN. There is no difference in the amount, but there is a further provision that they must return the liquor to the Government that the marshal of the district court turned over to the company that produced it. I want to inquire of the gentleman who introduced the bill whether they still have possession of the liquor?

Mr. MALONEY. They have possession of the liquor.

Mr. STAFFORD. What, in New Orleans? [Laughter.]

Mr. MALONEY. Yes. And the bill provides for the return of the liquor to the Government, before they can get the money back.

Mr. BLACK. Mr. Speaker, I ask unanimous consent to substitute Senate bill 1473 on the Speaker's desk.

The Clerk read the Senate bill.

Mr. STAFFORD. I understood that the committee was going to suggest the committee amendment to the original House bill, as a substitute for the Senate bill.

Mr. BACHMANN. I reserved the right to object to the unanimous consent to substitute the Senate bill. I only withdrew my objection because they accepted the amendment of the Treasury Department.

Mr. MALONEY. Mr. Speaker, I ask unanimous consent to substitute the committee amendment for the Senate bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the amendment as a substitute amendment for the Senate bill, as follows:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to I. L. Lyons & Co. the sum of $3,793.07, in full settlement of all claims against the Government of the United States, which sum represents the amount paid to the United States by the said company for certain liquors sold to it by order of the United States district court authorizing the marshal for the eastern district of Louisiana and the Customs Service, port of New Orleans, to make such sale, and which liquors were later found and held to be unfit for medicinal purposes and not salable by the said I. L. Lyons & Co. as permittee wholesale druggist.

SEC. 2. That the payment directed under section 1 of this act shall not be made until the liquor involved is surrendered to the Federal prohibition administrator at New Orleans, La., for destruction.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GRANTING OF CERTAIN LANDS TO THE CITY OF NEW ORLEANS

Mr. FERNANDEZ. Mr. Speaker, I desire to make a unanimous-consent request.

The SPEAKER pro tempore. The gentleman from Louisiana says there is a local emergency, and he desires unanimous consent to make a statement. The Chair recognizes the gentleman from Louisiana.

Mr. FERNANDEZ. Mr. Speaker, I rise for the purpose of asking the House to consider H. R. 8779, Private Calendar 408, out of order. I would not impose this request upon the House were it not in the nature of emergency legislation.

Mr. BACHMANN. Will not the gentleman withhold that until those of us charged with the responsibility of checking up bills have had an opportunity to make some examination of the matter? I do not know anything about it.

Mr. FERNANDEZ. I will withhold it for the present.

SAMUEL SCHWARTZ

The next business on the Private Calendar was the bill (H. R. 2514) for the relief of the estate of Samuel Schwartz.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Mr. Speaker, I object.

Mr. O'CONNOR. Mr. Speaker, will the gentleman reserve his objection?

Mr. BACHMANN. I do.

Mr. O'CONNOR. Mr. Chairman, this bill was on the calendar in the last session of Congress. The deceased was hit by a mail truck in New York City and lost his life. His estate is claiming damages on account of that. It is true that the Postmaster General and the post-office inspector say on the report of the driver of the truck that it was the fault of the deceased, but in the report there is an affidavit by an eyewitness who says that the truck was going at an excessive rate of speed, and that it was the driver's fault.

I do not believe that the Post Office Department, either the Postmaster General or anybody in his department, can be relied upon as witnesses in his own case. Naturally the driver of the truck wants to exonerate himself. If he should confess to being negligent, if he should admit his culpability for the accident, he would be discharged. If that is what the gentleman from West Virginia [Mr. BACHMANN] is relying on, then I submit to him that in these cases where people are killed or injured by an agency of the United States Government and their only relief is in Congress, the unsworn statement of the Postmaster General is not entitled to much weight. Of course he knows nothing about it, nor does the Post Office inspector know anything about it. The only witness who could be sworn and whose testimony would be accepted in a court of justice—as the gentleman well knows, because he is one of the ablest lawyers in the House—is the witness, Antonio Cervini.

Mr. BACHMANN. Mr. Chairman, I feel as the gentleman from New York does, so far as I am personally concerned. We have a great number of people who are injured and killed by postal employees who are operating Government trucks, as well as by soldiers who are operating Government automobiles and trucks. These people have no way of being compensated except by coming to Congress and asking for relief. Knowing that the gentleman from New York introduced the bill, knowing that he is a lawyer occupying a high standing at the New York Bar, I did not think that he would introduce a bill unless it was meritorious. I have read the report and I have read the affidavit of the Italian witness.

Mr. O'CONNOR. Do not emphasize the Italian part of it, just say the witness.

Mr. BACHMANN. Very well, the witness. I have risen to ascertain the true facts. As I understand this case, the deceased, carrying two bundles of newspapers, one on his shoulder and the other on his arm, started across the street at an intersection diagonally from one corner to another, instead of going across the street in the proper way. If he had been going across the street properly, he would not have contributed to this accident.

Mr. O'CONNOR. Admit all the gentleman says, if you will, do you think one of these poor, unfortunate people who makes a living carrying newspapers is going to deliberately throw himself in front of a United States mail truck?

Mr. BACHMANN. Certainly not.

Mr. O'CONNOR. Why emphasize the matter of negligence? In New York and other States we have provisions of equity by which damages may be awarded for injuries irrespective of negligence. If the gentleman wants to go on the strict fact of negligence, he puts his Government in the position of the railroads, who dispute accident cases on technical grounds of negligence. The gentleman does not want to do that, I am sure.

Mr. BACHMANN. No; but let us talk about the facts in this case. What has the gentleman to say about the case that was referred for prosecution and the man was found not guilty? If the truck was going 50 or 60 miles an hour, he violated the law.

Mr. O'CONNOR. In answer to that I call on my colleagues from New York, who are lawyers, who represent plaintiffs in negligence cases, where the defendant, a drunken or reckless driver, is haled into the magistrate's court. The last thing we want to have happen is to have him convicted. If he is convicted of a criminal charge or of reckless driving, we may lose our negligence case.

Mr. STAFFORD. Mr. Chairman, I examined this bill and report, not knowing who the author of the bill was until a few minutes ago.

Mr. O'CONNOR. I did not know that it was on the calendar until a few minutes ago.

Mr. STAFFORD. There is this harmony of testimony between the witness and the post-office driver.

Mr. O'CONNOR. Oh, there is no testimony of the post-office driver.

Mr. STAFFORD. Yes; there is the report of the inspector of the Post Office Department, who represents the Government, who got the testimony of the driver.

Mr. O'CONNOR. He was not there, of course.

Mr. STAFFORD. He has the testimony of the driver, and we have every reason to believe that the post-office inspector set forth the facts as the driver stated them to him. It is agreed that this news dealer was carrying newspapers in the dark, early morning, when it was raining, two bundles, one under his arm and one on his shoulder. It is agreed that he did not cross the street at the regular crossing, but diagonally. It is agreed also, if I know anything about New York traffic, the way it courses down Fifth Avenue, with automobiles going at 40 miles an hour, at the excessive speed of speedy New York——

Mr. O'CONNOR. It is a violation of all law.

Mr. STAFFORD. But the fact is that automobiles come coursing down Fifth Avenue, as I can testify, at 40 and 50 miles an hour.

Mr. BACHMANN. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BACHMANN. The gentleman does not mean to say that because an automobile is going 40 or 50 miles an hour, therefore, this man ought not to have his claim passed?

Mr. STAFFORD. I claim that the testimony supports the position of the post-office inspector, which contains the report of the motor driver. He says he was going only 15 miles an hour.

Mr. O'CONNOR. He was not there.

Mr. STAFFORD. The motor driver was not there?

Mr. O'CONNOR. The inspector was not there. The accident occurred on Third Avenue, in my district, where there are two rows of elevated pillars in the street. Anybody who goes 30 miles an hour there is criminally guilty.

Mr. SCHAFER. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SCHAFER. Did the gentleman ever find a motor-car driver who had an accident who did not claim that he was going only 10 or 15 miles an hour?

Mr. O'CONNOR. Of course, they all claim that. Now, one of the menaces to life in New York City, which the city has tried to stop, is the mail trucks. Mail trucks are the greatest menace to life in New York, and when New York City has tried to stop them the Post Office Department has said, "You have no control over us; we are an entirely different government. Mind your own affairs."

It is presumptive evidence of negligent operation when anybody is killed by a mail truck in New York City.

Mr. STAFFORD. Let me ask the gentleman this question: Here is a news dealer transporting newspapers that had been dropped on one corner over to his news stand. It is dark and raining, in the early hours of the morning. He is carrying a big package on his shoulder. He can not see the coming truck. Does the gentleman say that he is free from negligence?

Mr. O'CONNOR. Does the gentleman not think that the same obligation of care, because of the rain and the darkness, and so forth, devolves on the driver of the mail truck?

Mr. STAFFORD. Yes; I grant that.

Mr. O'CONNOR. Now, all things being equal, would the gentleman say that a citizen would run in front of a mail truck and commit suicide?

Mr. STAFFORD. No.

Mr. O'CONNOR. Any jury in the land, under the circumstances, would find a verdict for this man.

Mr. BLACK. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. BLACK. I think the thing which influenced the committee more than anything else was the testimony of the post-office inspector to the effect that the driver blew his whistle. He said he was traveling at only 9 miles an hour. He saw the man, he blew his whistle, and he was only going 9 miles an hour and he could have put on his brakes and stopped the wagon.

Mr. STAFFORD. He only went 10 feet after he struck the man.

Mr. O'CONNOR. You can stop in 10 feet going at 25 miles an hour. If the gentleman will stop these mail trucks from endangering the lives of our citizens, he will be doing a great service.

The regular order was demanded.

Mr. BACHMANN. Mr. Chairman, I wish to say to the gentleman from New York that it is usual in cases of this kind to ask for either $5,000 or $10,000.

Mr. O'CONNOR. This bill asked for $10,000 and the committee cut it down to a miserable $3,500.

Mr. BACHMANN. In view of the fact that they are only asking $3,500 I will withdraw my objection in this instance.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Samuel Schwartz the sum of $10,000. Such sum shall be in full satisfaction of all claims against the United States for damages resulting from the death of Samuel Schwartz, who, on January 23, 1926, died from injuries received when run down and struck by a United States post-office truck January 22, 1926, in New York City.

With the following committee amendments:

On page 1, line 6, strike out "$10,000" and insert in lieu thereof "$3,500."

Page 1, line 11, at the end of the bill, insert the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MARGARET B. KNAPP

The Clerk called the next bill on the Private Calendar, H. R. 2036, for the relief of Margaret B. Knapp.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. CELLER. Will the gentleman withhold his objection until I can make an explanation of the bill?

Mr. EATON of Colorado. I will withhold the objection.

Mr. CELLER. I will say to the gentleman that this is a bill wherein a petition is made to Congress to pay a woman, Margaret B. Knapp, $5,000.

After 19 years of faithful service, during which time, as the result of unremitting toil in the compilation of most important records, subsequently used in the war in the Quartermaster Corps, this woman developed a condition that brought on blindness. While it is true she wore glasses for a portion of her life, as a result of the very close attention she gave to her work, as indicated by the records in this case, particularly the medical testimony and the statements of the Compensation Commission, she is unable now to earn a livelihood, and in the evening of her life, after she is 50 years of age, she is thrown out of employment because of her disability, and the Government, to which she has given 19 years of faithful service might, if the gentleman's objection obtains, be so ill considerate of her needs as to give her nothing except the small amount she receives under the retirement act, something like $37 per month.

I ask the gentleman to close his eyes for just half a minute and see how the world is shut out, and then picture to himself the closing of those eyes while life persists to the end of his days, and then he will realize the dreadful plight in which this woman finds herself.

Now, just bear with me and I will read to you what the chairman of the Compensation Commission recites in one of her letters that was submitted to the Committee on Claims:

> The work Mrs. Knapp did for the Government during 1914 and 1915 appears to have been of such a nature that it might well be considered the proximate cause of her present disability. While she had been very nearsighted for many years previously, this eye condition had been nonprogressive.

I emphasize the word "nonprogressive," and parenthetically state that Bessie P. Brueggeman's letter—she being chairman of the commission—was submitted after she had read and studied the testimony of the medical experts, particularly those experts of the United States Army schooled in medicine. She goes on to say:

> This eye condition had been nonprogressive until she was required to do unusually close eye work, from 1913 to 1915. As a direct result of that work she lost the vision of her right eye from an industrial standpoint. Also there seems to be no question that the special task to which she was assigned was the direct cause of the progressive development of the change of eye symptoms which subsequent medical reports confirm. The most recent medical report, that of May 15, 1930, by Dr. J. N. Greear of this city shows that Mrs. Knapp is for practical purposes industrially blind in both eyes.

[Here the gavel fell.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to further explain the bill, because this bill passed the Senate during two previous sessions, and it has been on this calendar for many years. The woman lives in San Francisco, and she came here after a great deal of difficulty to testify before the subcommittee. I beg the indulgence of the House in order that I may endeavor to change the mind of the gentleman who objects to this bill.

Mr. EATON of Colorado. Mr. Speaker, I have the greatest sympathy for the lady in her affliction. In the report it appears that in March, 1924, this claimant, Mrs. Knapp, was granted an annuity at the rate of $432 per annum, having been found upon medical examination to be totally disabled for useful employment. That is the report of the Compensation Commission. There is nothing in the bill which shows anything except that this $5,000 is to be added to the award heretofore made. There should not be two awards in this case, one a lump sum and the other an annuity. The least you should do, if you want a lump sum, is to cancel the annuity; if you have a case where sufficient annuity is withheld, then redraft the bill along that line. But unless and until there is some kind of a change in the pending bill I shall continue to object.

The SPEAKER pro tempore. Objection is heard. The Clerk will report the next bill.

JAMES RIVER BRIDGE CORPORATION

The Clerk called the next bill, H. R. 796, for the relief of the James River Bridge Corporation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, we have no report from any member of the United States Shipping Board. I notice we have a report from the attorney of the interested claimant.

Mr. LANKFORD of Virginia. This bill passed the House last year and that report was not asked for. If it did not belong to the Shipping Board, there would be no suit. This bill simply gives them the right to prosecute the case in admiralty.

Mr. STAFFORD. Instead of incorporating the views of the attorney for the corporation, why not have the views also of the Government representative?

Mr. LANKFORD of Virginia. This is the first time I have had such a request. I would be very glad to have that, but this is the first time any request of that kind has been made, and I did not know it was going to be required. The bill passed the House last year and, as I have said, all it does is to give the admiralty court jurisdiction, a court that is used to handling claims of this kind. At present a bridge is not a subject of admiralty, but a ship ran into it and they want the admiralty rules to apply in the trial of the case. I am sure this vessel belonged to the Shipping Board. I do not know why there is not a letter here from them.

Mr. STAFFORD. The report is incomplete. I dislike to object because the bill merely submits the matter to the court.

Mr. LANKFORD of Virginia. I hope the gentleman will not object, because it is getting late in the session and I would like to have the bill passed.

Mr. STAFFORD. We ought to have a full report, but in this case I shall withdraw my reservation of objection.

There being no objection, the Clerk read the bill as follows:

> *Be it enacted, etc.*, That the claim of the James River Bridge Corporation, a corporation organized and existing under the laws of the State of Virginia, for damages suffered by reason of injuries alleged to have been inflicted upon the draw fender of the Newport News James River Bridge, near Newport News, Va., by the steamship *Vittore Emanuelle III*, alleged to belong to the United States, in a collision with said fender by the said steamship, occurring on or about the 9th day of April, 1929, may be submitted to the United States court in the district in which said bridge is, and in compliance with the rules of said court sitting as a court of admiralty; and the said court shall have jurisdiction to hear and determine the whole controversy and to enter a judgment or decree for the amount of the damages sustained by reason of said collision; and if any shall be found due either for or against the United States, upon the same principles and measure of liability with costs, as in like cases in admiralty between private parties, and with the same right of appeal: *Provided, however*, That any suit hereunder shall be instituted within four months after the passage of this act.
>
> SEC. 2. That the mode of service of process upon the United States shall conform to the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the United States."

With the following committee amendment:

> Page 2, line 6, after the word "damages," insert the words "if any."

The committee amendment was agreed to.

Mr. COLLINS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. COLLINS: Page 2, line 13, after the word "act," insert "*Provided further*, That no judgment can be rendered against the United States unless the said steamship was operated by the United States or by some governmental agency."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

GRANTING OF CERTAIN LANDS TO THE CITY OF NEW ORLEANS

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to take up out of order the bill (H. R. 8779) granting certain lands to the board of commissioners of the Orleans

levee district in the city of New Orleans, State of Louisiana, for levee and street purposes.

Mr. BACHMANN. Mr. Speaker, reserving the right to object, I want to permit the gentleman from Louisiana to make a statement and then I shall make an inquiry, and, I think, following that, I can withdraw my objection.

Mr. FERNANDEZ. Mr. Speaker, this legislation is necessary to change and move the levee at the foot of Esplanade Street for a distance of about half a mile. This requires the moving back of three railroad tracks, a street, and a sidewalk, and it is necessary to take 30 feet of property belonging to the Government.

Mr. BACHMANN. Will the gentleman yield?

Mr. FERNANDEZ. Yes.

Mr. BACHMANN. Has the gentleman taken this matter up with the Treasury Department and also with the Attorney General; and if so, what recommendation did he receive from the departments?

Mr. FERNANDEZ. The bill, in fact, was written by the Department of Justice, and I have their letter here, which I shall be pleased to put in the RECORD, and also the letter of the Treasury Department.

Mr. BACHMANN. If the gentleman will incorporate with his remarks the letter of the Treasury Department and the letter of the Department of Justice, and if the gentleman states now that there is absolute necessity for the passage of the bill on account of an emergency by reason of flood conditions and to prevent an overflow at this point in the levee, I shall withdraw any objection.

Mr. FERNANDEZ. I shall be pleased to do that.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-described land, to wit: A strip of land 210.02 feet in length and 30 feet in depth, fronting on North Peters Street, between Barracks Street and Esplanade Avenue, being a part of the Old Mint Site, transferred to the control and custody of the Department of Justice by the Secretary of the Treasury on May 15, 1931, and shown on a plan made by the chief engineer of the Board of Levee Commissioners, dated January 2, 1932, be, and the same is hereby, granted to the board of commissioners of the Orleans levee district, of New Orleans, La., for levee and street purposes; and the Attorney General is, upon the passage of this act, authorized to execute a proper quit-claim deed upon due proof of the organization and legal existence of the board of commissioners of the Orleans levee district.

SEC. 2. That the said lands are granted solely for levee and street purposes, and shall revert to and become the property of the United States of America, if used for any purpose whatsoever other than or foreign to those for which this donation is made.

SEC. 3. The transfer of this property and its use for the purpose mentioned shall be without expense to the United States of America.

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein the letters referred to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. FERNANDEZ. Mr. Speaker, the bill under consideration by unanimous-consent request, H. R. 8779, Private Calendar No. 408, is for the purpose of acquiring an easement over a strip of land 210.02 feet in length and 30 feet in depth, fronting on North Peters Street, between Barracks Street and Esplanade Avenue, being a part of the old mint site transferred to the control and custody of the Department of Justice by the Secretary of the Treasury on May 15, 1931, and now used as a jail.

This 30-foot strip of land runs in front of the old United States mint site along North Peters Street. The acquisition of this strip of land will in no way interfere with the accessibility to and from the building.

The entire square of ground on which this strip of land is located was donated by the city of New Orleans, State of Louisiana, to the United States Government in 1835 for the purpose of erecting a branch of the Mint of the United States and was used as a mint for a number of years. Only recently the Treasury Department authorized the transfer of this square of property to the Department of Justice for use as a jail.

The present existing levee, from Toulouse Street to Esplanade Avenue, the point where this land is located, is the one remaining portion of the levee line in the whole city of New Orleans that is not up to the standard height and cross section, and it is desired by the Orleans Levee Board, parish of Orleans, city of New Orleans, State of Louisiana, that this piece of construction be undertaken immediately following the high-water season of 1932 and completed as soon thereafter as practicable. It requires the moving back of railroad tracks, the street, and the sidewalks. However, none of this work can be commenced until authority is granted by Congress to use this small strip of land to set back the sidewalk and street. For this reason I have asked the unanimous consent of the House to consider the bill out of order so that the legislation may be enacted by this Congress which will grant the necessary right of way and in order that the Levee Board of the Parish of Orleans, city of New Orleans, State of Louisiana, can proceed as expeditiously as possible with their work.

It would be interesting, I believe, to state that Orleans Parish is building the levees on its 26 miles of Mississippi River front without any assistance or contribution from the United States.

As suggested by my friend, Congressman BACHMANN, and under the permission granted by the House, I include in my remarks a letter from Hon. Ferry K. Heath, Assistant Secretary of the Treasury, dated January 13, 1932, also letter from Hon. W. D. Mitchell, Attorney General, dated January 29, 1932.

Letter from the Assistant Secretary of the Treasury, Mr. Heath:

TREASURY DEPARTMENT,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, January 13, 1932.

Hon. J. O. FERNANDEZ,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Receipt is acknowledged of your letter of January 4, 1932, relative to the proposed conveyance by the United States to the Board of Commissioners of the Orleans Levee District for street and levee purposes of a strip of land of a uniform width of 30 feet off the North Peters Street side of the old United States Mint Building site at New Orleans, La.

I have the honor to inform you that the aforesaid building is now in the custody and care of the Department of Justice, the formal transfer of said mint building for use as a jail having been approved by this department, effective as of May 15, 1931.

In view of the foregoing, it is suggested that the question as to whether or not the proposed transfer of the aforesaid 30-foot strip of the site to the Orleans Levee District commissioners would affect the occupancy and use of the aforesaid building be submitted to the Department of Justice.

Draft of bill for the proposed transfer and sketches showing the dimensions of the 30-foot strip in question are returned to you herewith.

Very truly yours,

FERRY K. HEATH,
Assistant Secretary of the Treasury.

Letter from the Attorney General, Mr. Mitchell:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., January 29, 1932.

Hon. J. O. FERNANDEZ,
House of Representatives, Washington, D. C.

DEAR MR. CONGRESSMAN: This will acknowledge the receipt of your letter of January 19, 1932, inclosing draft of bill to transfer to the Board of Levee Commissioners of the Orleans Levee District a strip of land in front of the old mint building, now being remodeled for use as a Federal jail, for the purpose of rebuilding the levees in that region to protect the city of New Orleans from the Mississippi River.

This bill has been studied by the department, and I am inclosing another draft containing a few suggestions which we believe clarified to some extent the draft submitted by the Orleans Levee Commission.

Yours very truly,

W. D. MITCHELL, *Attorney General.*

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes p. m.) the House adjourned until to-morrow, Thursday, March 10, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Thursday, March 10, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

General legislation.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(10 a. m.)

Bill to fix the rate of postage on certain periodicals exceeding 8 ounces in weight (H. R. 6688).

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Merchants' airship bill (H. R. 8681).

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

Depressed value of silver (H. Res. 72).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

Bill to reduce certain naturalization fees (H. R. 9498).

Bill to provide for review of the action of consular officers in refusing immigration visas (H. R. 8878).

Bill to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purpose of service and protection on American ships (H. R. 6710).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. OVERTON: Committee on Flood Control. H. R. 9451. A bill to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods; without amendment (Rept. No. 751). Referred to the Committee of the Whole House on the state of the Union.

Mr. OVERTON: Committee on Flood Control. H. R. 9452. A bill to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods; without amendment (Rept. No. 752). Referred to the Committee of the Whole House on the state of the Union.

Mr. OVERTON: Committee on Flood Control. H. R. 9453. A bill to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods; without amendment (Rept. No. 753). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUTLER: Committee on Irrigation and Reclamation. H. R. 8164. A bill for the rehabilitation of the Stanfield project, Oregon; with amendment (Rept. No. 755). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 8694. A bill to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes; without amendment (Rept. No. 756.) Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. NOLAN. Committee on the Public Lands. H. R. 8219. A bill for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota; with amendment (Rept. No. 750). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 9331. A bill for the relief of Octavia Gulick Stone; with amendment (Rept. No. 754). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8889) granting a pension to Reuben Franklin and the same was referred to the Committee on Invalid Pensions.

By Mr. GOODWIN: A bill (H. R. 10358) to amend an act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes"; to the Committee on Ways and Means.

By Mr. PALMISANO: A bill (H. R. 10359) to amend sections 5 and 6 of the act of June 30, 1906, entitled "An act to prohibit the killing of wild birds and wild animals in the District of Columbia," and thereby to establish a game and bird sanctuary of the Potomac River and its tributaries in the said District; to the Committee on the District of Columbia.

By Mr. GOODWIN: A bill (H. R. 10360) to amend an act entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes"; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GILLEN: A bill (H. R. 10324) to amend the civil service retirement act in regard to eligibility for retirement in case of ex-service men, and for other purposes; to the Committee on the Civil Service.

By Mr. KNUTSON: A bill (H. R. 10325) to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota; to the Committee on Indian Affairs.

By Mr. LANKFORD of Georgia: A bill (H. R. 10326) to provide for the settlement of past-due interest and installments due Federal land banks, to prevent foreclosure of loans due such banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. REILLY: A bill (H. R. 10327) to provide a separate promotion list for the Judge Advocate General's Department of the Army, and for other purposes; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H. R. 10328) to prohibit loans or advances by the Federal Farm Board to any cooperative association or stabilization corporation paying salaries in excess of $15,000 per annum, and for other purposes; to the Committee on Banking and Currency.

By Mr. RAYBURN: A bill (H. R. 10329) to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and to provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes," as applied to the Virgin Islands of the United States; to the Committee on the Merchant Marine, Radio, and Fisheries.

By Mr. DICKSTEIN (by request): A bill (H. R. 10357) to amend the act of February 25, 1927 (44 Stat. 1234), entitled "An act to confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto," to clarify the application thereof to certain persons born in the Virgin Islands, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. CHRISTOPHERSON: Resolution (H. Res. 170) requesting the United States Tariff Commission to investigate and report on the effect of the differences in rate of

exchange on the tariff on butter; to the Committee on Ways and Means.

By Mr. HOWARD: Joint resolution (H. J. Res. 324) relating to wheat held by the Wheat Stabilization Corporation; to the Committee on Agriculture.

By Mr. CHASE: Joint resolution (H. J. Res. 325) providing certain restrictions as to aliens becoming citizens of the United States; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 10330) granting a pension to Lucretia M. Phelps; to the Committee on Invalid Pensions.

By Mr. ARNOLD: A bill (H. R. 10331) authorizing Walter S. Crosley, rear admiral, United States Navy, to accept the award of the Order of the Crown of Italy tendered him; to the Committee on Naval Affairs.

By Mr. BOWMAN: A bill (H. R. 10332) granting an increase of pension to Eva Shaver; to the Committee on Invalid Pensions.

By Mr. CARDEN: A bill (H. R. 10333) granting a pension to Ollie Wilhelm Smith; to the Committee on Invalid Pensions.

By Mr. COLLINS: A bill (H. R. 10334) for the relief of Hunter George Taft; to the Committee on Naval Affairs.

By Mr. CONNOLLY: A bill (H. R. 10335) for the relief of Gottfried J. Maier; to the Committee on War Claims.

By Mr. CROWTHER: A bill (H. R. 10336) for the relief of LeRoy C. Sherman; to the Committee on Claims.

By Mr. DIES: A bill (H. R. 10337) for the relief of W. B. Terry; to the Committee on Claims.

By Mr. FREAR: A bill (H. R. 10338) granting a pension to Edwin H. Tarbox; to the Committee on Pensions.

By Mr. GASQUE: A bill (H. R. 10339) granting a pension to Josephine Hammond; to the Committee on Pensions.

By Mr. GUYER: A bill (H. R. 10340) granting an increase of pension to Frances Edna Morrow; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H. R. 10341) granting a pension to Paul D. Bogle; to the Committee on Pensions.

By Mr. IGOE: A bill (H. R. 10342) granting a pension to Sarah F. Roth; to the Committee on Pensions.

By Mr. KENDALL: A bill (H. R. 10343) granting an increase of pension to Mary E. Wetmiller; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 10344) granting a pension to Mary Singleton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10345) granting an increase of pension to Barbara Martin; to the Committee on Invalid Pensions.

Br Mr. LUDLOW: A bill (H. R. 10346) to correct the military record of William A. Bise; to the Committee on Military Affairs.

By Mr. MILLIGAN: A bill (H. R. 10347) granting an increase of pension to Nancy A. Smalley; to the Committee on Invalid Pensions.

By Mrs. OWEN: A bill (H. R. 10348) to incorporate the Women's National Aeronautical Association of the United States of America; to the Committee on the Judiciary.

By Mr. SHANNON: A bill (H. R. 10349) for the relief of Albert P. Dunbar; to the Committee on Military Affairs.

By Mr. SIMMONS: A bill (H. R. 10350) granting a pension to Edward P. Gillespie; to the Committee on Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 10351) approving and confirming contract for apportionment of waters of Ahtanum Creek, Wash., between Yakima Indian Reservation and lands north thereof, dated May 9, 1908; to the Committee on Irrigation and Reclamation.

By Mr. SWICK: A bill (H. R. 10352) granting an increase of pension to Sarah M. Armstrong; to the Committee on Invalid Pensions.

By Mr. THOMASON: A bill (H. R. 10353) for the relief of William W. Baird; to the Committee on Military Affairs.

By Mr. WELSH of Pennsylvania: A bill (H. R. 10354) for the relief of James H. Conlin; to the Committee on Military Affairs.

By Mr. WHITE: A bill (H. R. 10355) granting an increase of pension to Mattie Talbot; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Texas: A bill (H. R. 10356) for the relief of the heirs of J. G. Lane; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3888. By Mr. ANDREWS of New York: Resolution adopted by the American Hotel Association of the United States and Canada, asking restoration to the several States of the right of the people to enact such liquor laws as they may respectively choose; to the Committee on the Judiciary.

3889. By Mr. BEAM: Memorial of Group No. 2368 of the Polish National Alliance, memorializing Congress to enact House Joint Resolution 144 directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3890. By Mr. BLANTON: Petition of Hon. R. E. Johnson and 265 other citizens and officials of Burnet County, Tex., urging Congress to pass immediately a bill to require the Government to pay off in cash at once the adjusted-compensation certificates due the veterans of the World War; to the Committee on Ways and Means.

3891. Also, petition of the Chamber of Commerce of Abilene, Tex., in the form of resolution adopted February 29, 1932, and presented by its president, Hon. P. A. Tower, and its secretary, Hon. T. N. Carswell, under seal, requesting Congress to repeal the recapture provisions of section 15(a) of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

3892. Also, petition of the Lions Club of Winters, the Winters Chamber of Commerce, the Board of Trustees of the Winters Independent School District, the Diversity Club, the Literary and Service Club of Winters, the Board of Aldermen of the City of Winters, the Parent and Teachers Associations, and 100 leading citizens of Winters, Tex., urging Congress to pass immediately the Patman bill, H. R. 1, to pay off in cash the adjusted-compensation certificates; to the Committee on Ways and Means.

3893. Also, petition of the members of the Roy Scoggins Post, No. 261, American Legion, of Winters, Tex., presented through Dr. Roy C. Maddox, post commander, and J. A. Huffine, adjutant, and of the Ladies' Auxiliary of the American Legion, presented by Mrs. M. Luther Owens, president, and Mrs. Roy C. Maddox, secretary, urging Congress to pass the Patman bill, H. R. 1, to pay immediately in cash the adjusted-compensation certificates; to the Committee on Ways and Means.

3894. Also, petition of 59 leading citizens of Marble Falls, Tex., presented by Walter Cox, urging Congress to pass immediately the Patman bill, H. R. 1, to pay off in cash the adjusted-compensation certificates; to the Committee on Ways and Means.

3895. Also, petition of the county officers, the city officials, the chamber of commerce, the Parent-Teachers Association, and leading citizens of Llano, Tex., urging Congress to pass immediately the Patman bill, H. R. 1, to pay off in cash the adjusted-compensation certificates to veterans of the World War; to the Committee on Ways and Means.

3896. By Mr. BOYLAN: Resolutions adopted by American Hotel Association of the United States and Canada, through its executive council in session at Chicago, Ill., urging the restoration to the several States of the right of the people to enact such liquor laws as they may respectively choose, or if they wish, for the prohibition of the liquor trade, providing such legislation shall not conflict with the duty of the Federal Government to protect each State against violation of its laws by citizens of other States; to the Committee on the Judiciary.

3897. Also, letter from the New York Employing Printers' Association (Inc.), New York City, N. Y., favoring the passage of House bill 8576; to the Committee on Printing.

3898. Also, letter from the Brooklyn Printers' Group, Brooklyn, N. Y., favoring the passage of House bill 8576; to the Committee on Printing.

3899. Also, letter from the International Photo-Engravers' Union of New York, N. Y., favoring the passage of the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

3900. By Mr. BRUNNER: Resolutions of the Community Councils of the City of New York (Inc.), favoring the enactment by Congress of House bill 8765, to protect labor in its old age, etc.; to the Committee on Labor.

3901. By Mr. BUCKBEE: Petition of Group No. 112 of the Polish National Alliance of the United States, St. Hyacinth's School, LaSalle, Ill., asking Congress to enact House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3902. By Mr. CONNOLLY: Petition of Group No. 342 of the Polish National Alliance of the United States, Philadelphia, Pa., praying for passage of House Joint Resolution 144, directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

3903. By Mr. CULLEN: Petition of the American Hotel Association of the United States and Canada, favoring the restoration to the several States of the right of their people to enact such liquor laws as they may respectively choose, or if they wish, for the prohibition of the liquor trade, provided such legislation shall not conflict with the duty of the Federal Government to protect each State against violation of its laws by citizens of other States; to the Committee on the Judiciary.

3904. By Mr. EVANS of California: Petition signed by approximately 24 persons, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

3905. By Mr. FERNANDEZ: Petition of citizens of New Orleans, La., opposing Senate bill 1202 and House bill 8092, providing for closing of the barber shops on Sundays in the District of Columbia, or any other compulsory religious measures; to the Committee on the District of Columbia.

3906. By Mr. GARBER: Petition of the National Cooperative Council, protesting against limitation of appropriations for Federal Farm Board; to the Committee on Appropriations.

3907. Also, petition of the Blackwell (Okla.) Unit of Disabled American Veterans; E. J. Behrend, of Boise City; Golmon M. Rhodes and Clarence Leverick, of Enid; James Hennessy Post, American Legion, of Braman; Tarrant Murphy Post, American Legion, of Hooker; Beaver Post, No. 194, American Legion, of Beaver; American Legion, Post No. 19, of Woodward; H. C. Doherty, cashier, Bank of Burlington, Burlington; John C. Jacobs, of Perry, all of the State of Oklahoma; and Texas Pay Bonus Now Organization; urging payment of the adjusted-compensation certificates without deduction of interest on outstanding loans; to the Committee on Ways and Means.

3908. By Mr. GARRETT: Petition of Farmers of Navasota, Tex., supporting the agricultural act; to the Committee on Agriculture.

3909. By Mr. GIBSON: Petition of Peter O. George and 34 other residents of Barre, Vt., protesting against the increased tax on gasoline; to the Committee on Ways and Means.

3910. By Mr. JOHNSON of Texas: Petition of Carrie Hostrasser, of Hearne, Tex., opposing any change in present limitation on prescriptions of physicians relative to medicinal liquors; to the Committee on the Judiciary.

3911. Also, petition of Texas Cotton Cooperative Association, O. M. Lowry, editor of Texas Cooperative News, and Texas Cooperative Council, opposing proposed reduction of appropriation for Federal Farm Board; to the Committee on Appropriations.

3912. By Mr. LAMNECK: Petition of Harold B. Leonard, Stacey Wieman, Samuel Horney, and 25 other citizens of the city of Columbus, Ohio, petitioning Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3913. Also, petition of Glenn M. Logsdon, Raymond F. Turner, Edward C. Fraas, and 25 other citizens of the city of Columbus, Ohio, petitioning Congress to enact such legislation at this time as is necessary to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

3914. By Mr. LINDSAY: Petition of Legislature of the State of New York, referring to tax on savings and loan associations; to the Committee on Banking and Currency.

3915. Also, petition of the American Hotel Association, favoring the Beck-Linthicum bills; to the Committee on the Judiciary.

3916. Also, petition of State Legislature of the State of New York, referring to the Federal estate tax; to the Committee on Ways and Means.

3917. Also, petition of John J. Daly, of New York City, favoring the continuance of the Sea Service Bureau; to the Committee on Appropriations.

3918. By Mr. MURPHY: Letter from H. E. McFadden, cashier, National Exchange Bank of Steubenville, Ohio, protesting against the placing of an admission tax on tickets to moving-picture theaters and other low-priced amusements; to the Committee on Ways and Means.

3919. Also, telegram from Will T. Blake, of East Liverpool, Ohio, stating, "Condition of theaters here could not stand tax, feel certain this would work unwarrantable burden on this industry"; to the Committee on Ways and Means.

3920. Also, telegram from William M. Tallman, of East Liverpool, Ohio, protesting against placing an admission tax on tickets to theaters and other low-priced amusements; to the Committee on Ways and Means.

3921. Also, telegram from C. V. Hughes, of East Liverpool, Ohio, protesting against a 10 per cent tax on tickets to moving-picture theaters and other low-priced amusements; to the Committee on Ways and Means.

3922. Also, telegram from W. A. Mills, manager Chamber of Commerce of Steubenville, Ohio, protesting against the placing of a luxury tax on admissions to moving-picture theaters and other low-priced amusements, the sole source of entertainment of the average industrial worker; to the Committee on Ways and Means.

3923. Also, telegram from George J. Barthold, opposing an admission tax on tickets to moving-picture theaters selling for 50 cents or less; to the Committee on Ways and Means.

3924. Also, telegram from Harry L. May, protesting against placing an admission tax on tickets to amusements costing 50 cents or less; to the Committee on Ways and Means.

3925. Also, telegram from Wilma Sinclair Le Van and Frank D. Sinclair, of Steubenville, Ohio, protesting against the luxury tax to moving-picture theaters costing 50 cents or less; to the Committee on Ways and Means.

3926. Also, telegram from J. C. McMasters, mayor of Steubenville, Ohio, protesting against the luxury tax on admission tickets to moving-picture theaters and other low-priced amusements; to the Committee on Ways and Means.

3927. By Mr. PATMAN: Petition of John Griffin and 267 other citizens and veterans of Youngstown, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3928. Also, petition of E. E. Brown and 2,449 other citizens and veterans of Akron, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3929. Also, petition of Harry C. Norgen and 590 other citizens and veterans of Cincinnati, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3930. Also, petition of Joe Merritt and 36 other citizens and veterans of Washington, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3931. Also, petition of Frank Klesh and 335 other citizens and veterans of Cleveland, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3932. Also, petition of W. E. Loftin and 389 other citizens and veterans of Springfield, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3933. Also, petition of Earl Mock and 80 other citizens and veterans of Lima, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3934. Also, petition of W. G. Hipe and 30 other citizens and veterans of Harrod, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3935. Also, petition of J. B. Anderson and 251 other citizens and veterans of Bainbridge and Greenfield, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3936. Also, petition of Charles W. Gorra and 27 other citizens and veterans of Marietta, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3937. Also, petition of Robert S. Nance and 40 other citizens and veterans of Sabina, Leesburg, Highland, Wilmington, and Washington, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3938. Also, petition of H. O. Davis and 14 other citizens and veterans of Buffalo and Cambridge, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3939. Also, petition of John L. Livingston and 45 other citizens and veterans of Alhambra, San Gabriel, Rosemead, Pasadena, Temple City, Taft, and Los Angeles, Calif, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3940. Also, petition of W. O. Birdsell and 56 other citizens and veterans of Santa Barbara and Carpenteria, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3941. Also, petition of Vina J. Blumberg and 46 other citizens and veterans of Redondo Beach and Lawndale, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3942. Also, petition of Robert Blackman and 55 other veterans of Palo Alto, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3943. Also, petition of J. W. Sturgron and 27 other citizens and veterans of Santa Barbara, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3944. Also, petition of M. A. Baird and 27 other citizens and veterans of San Jose, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3945. Also, petition of W. B. Ekesen and 135 other citizens and veterans of San Francisco, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3946. Also, petition of Thomas Jackson and 209 other citizens and veterans of Stockton, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3947. Also, petition of E. F. Rodgers and 99 other citizens and veterans of Delhi, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3948. Also, petition of William J. Kearney and 69 other citizens and veterans of Sacramento, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3949. Also, petition of Paul I. Robinson and 100 other citizens and veterans of Oakland, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3950. Also, petition of George E. Mallow and 300 other citizens and veterans of Long Beach, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3951. Also, petition of James E. Walton and 83 other citizens and veterans of Burbank, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3952. Also, petition of George Ringwald and 174 other citizens and veterans of Salem, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3953. Also, petition of Floyd T. Terrill and 23 other citizens and veterans of Eugene, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3954. Also, petition of Edwin O. Kjos and 17 other citizens and veterans of Lake Grove, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3955. Also, petition of Paul O. Doyle and 55 other citizens and veterans of Portland, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3956. Also, petition of Cary L. Farquhar and 36 other citizens and veterans of Newark, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3957. Also, petition of Bernard Nill and 321 other veterans of Dayton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3958. Also, petition of Raymond L. Baiter and 125 other citizens and veterans of Cincinnati and Norwood, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3959. Also, petition of C. W. Evans and 139 other citizens and veterans of Urbana, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3960. Also, petition of Austin Wheeler and 1,135 other citizens and veterans of Cleveland, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3961. Also, petition of Dallas P. Welch and 994 other citizens and veterans of Canton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3962. Also, petition of H. Arthur Wagner and 310 other citizens and veterans of Zanesville, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3963. Also, petition of George Shumiko and 55 other citizens and veterans of Bellaire and Martins Ferry, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3964. Also, petition of Wilmer C. Johnson and 55 other citizens and veterans of Chippewa Falls, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3965. Also, petition of Paul J. Lozon and 174 other citizens and veterans of Superior, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3966. Also, petition of E. R. Daniels and 18 other citizens and veterans of Milwaukee, Wis., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3967. Also, petition of Alexander F. Chavez and 31 other citizens and veterans of Madison, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3968. Also, petition of R. L. Allen and eight other citizens and veterans of Hurley, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3969. Also, petition of Otto J. Kramer and 134 other citizens and veterans of Baraboo, Wis., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3970. Also, petition of F. W. McMahon and 559 other citizens and veterans of Casper, Wyo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3971. Also, petition of Albert W. Wolf and 199 other citizens and veterans of Washington, D. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3972. Also, petition of Neil A. McGee and 324 other citizens and veterans of Erwin, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3973. Also, petition of Raymond Snyder and 449 other disabled veterans of Oteen, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3974. Also, petition of James S. Burton and 223 other citizens and veterans of Greensboro, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3975. Also, petition of Edward D. Smith and 21 other business men of Durham, N. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3976. Also, petition of F. A. Plummer and 42 other citizens and veterans of Asheville, N. C., and vicinity, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3977. Also, petition of J. J. Connor and 223 other citizens and veterans of Manchester, N. H., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3978. Also, petition of Thomas B. Henry and 49 other citizens and veterans of Roswell, N. Mex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3979. Also, petition of Howard K. Shime and 59 other citizens and veterans of Tucumcari, N. Mex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3980. Also, petition of Joseph W. Stevens and 30 other citizens and veterans of Fremont, Nebr., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3981. Also, petition of Charles H. Guyger and 139 other citizens and veterans of Omaha, Nebr., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3982. Also, petition of A. L. Herbert and 139 other citizens and veterans of Lincoln, Nebr., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3983. Also, petition of Charles Blakely and 324 other citizens and veterans of Shawnee, Okla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3984. Also, petition of J. W. Maddux and 60 other citizens and veterans of Circleville, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3985. Also, petition of N. K. Stevens and 31 other citizens and veterans of St. Clairsville, New Philadelphia, Midvale, Clinton, and Dover, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3986. Also, petition of Edward G. Jones and 55 other veterans of Sandusky and Erie, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3987. Also, petition of James Neitzelt and 55 other citizens and veterans of Barton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3988. Also, petition of Harry Freeman and 34 other citizens and veterans of North Lewisburg, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3989. Also, petition of J. O. Maxwell and 11 other veterans of Dallas, Tex., indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3990. Also, petition of Hanson American Legion Post, Amarillo, Tex., and signed by R. R. Nation and 23 other members of said post, 1,000 strong, urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3991. Also, petition of D. E. Young and 160 other citizens and veterans of Cleveland, Liberty County, Tex., urging immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

3992. Also, petition of Jay W. Barr and 41 other citizens of Palacios, Tex., urging immediate full payment of the adjusted-service certificates; to the Committee on Ways and Means.

3993. Also, petition of A. P. McDaniel and 17 other business men and veterans of Beaumont, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3994. Also, petition of J. M. McLaurin and 24 other business men and veterans of Port Arthur, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3995. Also, petition of C. F. Williams Co., jewelers; Sun Pharmacy; Corpus Christi Press; White-Fry Realty & Insurance Co., of Corpus Christi; Retail Merchants Association and the First National Bank, of Weslaco; Palacios State Bank & Trust Co., Palacios; and Sheet Metal Workers International Association, Houston, all of the State of Texas, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3996. Also, petition of Willey J. Pope and 39 other citizens and veterans of DeKalb, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committe on Ways and Means.

3997. Also, petition of E. R. Walsh and 134 other citizens and veterans of Houston, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3998. Also, petition of Henry Cooper and 92 other citizens and veterans of Beaumont, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

3999. Also, petition of J. S. Sanford and 959 other citizens and veterans of Terrell, Tex., and vicinity, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4000. By Mr. ROBINSON: Petition signed by J. E. Armstrong, 1103 Logan Avenue, and 100 other citizens of Waterloo, Iowa, urging, first, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; third, the elimination of every bureau, position, and function of the Federal service, the maintenance of which is not consonant with strictest economy; in brief, we hereby record our conviction that Congress and other Government

officials must find ways and means to reduce taxes and that such reduction must come about principally through a wholesale reduction in the expenditures of the Federal Government; to the Committee on Ways and Means.

4001. Also, petition signed by Harold B. Plumb, 601 Broadway, and 35 other citizens of Waterloo, Iowa, urging, first, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; third, the elimination of every bureau, position, and function of the Federal service, the maintenance of which is not consonant with strictest economy; in brief, we hereby record our conviction that Congress and other Government officials must find ways and means to reduce taxes and that such reduction must come about principally through a wholesale reduction in the expenditures of the Federal Government; to the Committee on Ways and Means.

4002. Also, petition signed by A. H. Head and 635 other citizens of Waterloo, Iowa, urging, first, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; third, the elimination of every bureau, position, and function of the Federal service the maintenance of which is not consonant with strictest economy; in brief, we hereby record our conviction that Congress and other Government officials must find ways and means to reduce taxes and that such reduction must come about principally through a wholesale reduction in the expenditures of the Federal Government; to the Committee on Ways and Means.

4003. By Mr. RUDD: Petition of New York Employing Printers Association (Inc.), New York City, favoring the passage of the Romjue bill, H. R. 8576; to the Committee on Ways and Means.

4004. Also, petition of the Legislature of the State of New York, favoring amending section 5219 of the United States Revised Statutes in such a manner that, as amended, it will (a) relieve the several States of the necessity of imposing a tax upon savings and loan associations of the purely mutual type, being a tax which under present conditions the State must impose, etc.; to the Committee on Banking and Currency.

4005. Also, petition of the Legislature of the State of New York, favoring substantial increase in rates of the Federal estate tax; to the Committee on Ways and Means.

4006. Also, petition of William Nitschke, Long Island City, N. Y., opposing the 10 per cent tax on theater admissions; to the Committee on Ways and Means.

4007. Also, petition of International Photo-Engravers Union of North America, favoring the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

4008. Also, petition of the American Hotel Association, favoring the Beck-Linthicum bills; to the Committee on the Judiciary.

4009. By Mr. TIERNEY: Petition of Council No. 11, Sons and Daughters of Liberty, of Danbury, Conn., protesting against communists; to the Committee on the Judiciary.

4010. By Mr. WEST: Petition of 23 members of the Ohio Railroad Employees and Citizens League, protesting against the unjust, unreasonable, and discriminatory operation of inadequately regulated and taxed busses and trucks engaged in interstate commerce, and against the subsidizing of water and other competitive transportation with taxpayers' money against well-regulated railroads; to the Committee on Interstate and Foreign Commerce.

4011. By Mr. WYANT: Petition of Arles Linsey, of Hannastown, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4012. Also, petition of William D. Colston, of Monessen, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4013. Also, petition of Sara Harvey, Cokeville, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4014. Also, petition of Fernando Zanetti, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4015. Also, petition of Glenn A. Amend, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4016. Also, petition of D. J. C. O'Donnell, commander Department of Pennsylvania, Veterans of Foreign Wars of the United States, urging support of veteran legislation providing pensions for widows, orphans, and dependents of World War veterans, and immediate cash payment of adjusted-service certificates to World War veterans; to the Committee on World War Veterans' Legislation.

4017. Also, petition of C. R. Barclay, adjutant, William Harr Davidson Post, No. 114, the American Legion, Vandergrift, Pa., opposing any reduction whatever in national defense program, and opposing Rankin bill 8578; to the Committee on World War Veterans' Legislation.

4018. Also, petition of William Schuster, of Scottdale, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4019. Also, petition of Samuel J. Austin, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4020. Also, petition of Earnest Long, Arthur Johnson, and Joe Harvey, of New Kensington, Pa., urging support of immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4021. Also, petition of Thomas B. Anderson Post, No. 515, the American Legion, Latrobe, Pa., urging immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4022. Also, petition of Harry B. Lessig Post, No. 330, Veterans of Foreign Wars, of Leechburg, Pa., urging support of immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4023. Also, petition of B. Ray Bitz, of United, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4024. Also, petition of Paul C. Watte, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4025. Also, petition of William Humelsine, of Irwin, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4026. Also, petition of Chestnut Ridge Post, No. 444, Veterans of Foreign Wars, Derry, Pa., urging immediate full cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4027. Also, petition of Group No. 1100 of the Polish National Alliance, Mount Pleasant, Pa., urging support of House Joint Resolution 144 proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4028. Also, petition of Philip J. Vogel, district commander, Department of Pennsylvania, Veterans of Foreign Wars, urging support of House bill 1 providing immediate cash payment of adjusted-compensation certificates to World War veterans; to the Committee on Ways and Means.

4029. Also, petition of R. R. McKowen, of Derry, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4030. Also, petition of Group No. 1147 of the Polish National Alliance, Smithton, Pa., urging support of House Joint Resolution 144 proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4031. Also, petition of Martha C. Beattie, of New Alexandria, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4032. Also, petition of Charlie J. Robinson, of Hannastown, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4033. Also, petition of Harry Ashbaugh, New Alexandria, Westmoreland County, Pa., urging full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4034. Also, petition of J. B. Lucker, of Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4035. Also, petition of Mr. and Mrs. Harry H. Cosil, of Monessen, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4036. Also, petition of M. Pavlo, disabled Pennsylvania veteran, now in veterans' hospital, Fort Bayard, N. Mex., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

4037. Also, petition of Isaac W. Luther, of Ligonier, Westmoreland County, Pa., urging immediate full cash payment of adjusted-service certificates to World War veterans; to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 10, 1932

The Chaplain, Rev. Zebarney T. Phillips, D. D., offered the following prayer:

Unto Thee, O Father of the world, who hast made and lovest all, we commit the keeping of our souls, desiring of Thee whatsoever things are necessary for ourselves and for all men. Grant to us this day to know the joy that comes to those who serve, the joy that overtakes us when, in response to the call of duty, we hold fast to the truth that is revealed to us, however difficult and exacting its demands may be, and follow the guidance of Thy Holy Spirit, which ever lures us from the realm of lower impulse with its heat of passion to the higher, clearer atmosphere of sober judgment.

Again we invoke Thy blessing upon our President, Vice President, Members of the Congress, all who bear rule in our beloved land, every home and fireside, every citizen and sojourner in our midst, that peace and prosperity may abound and righteousness exalt us as a nation among the nations of the world. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

LIMITATION OF FEDERAL POWERS TO ENJOIN STATE REGULATORY COMMISSIONS

Mr. JOHNSON. Mr. President, I ask leave to have printed in the RECORD a letter to me from Hon. Clyde L. Seavey, president of the Railroad Commission of the State of California, and an address delivered by him, together with a statement of authorities upon the proposed amendment of section 24 of the Judicial Code, legislation for which is now pending before the Congress.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA,
San Francisco, Calif., December 9, 1931.

Hon. HIRAM W. JOHNSON,
Washington, D. C.

MY DEAR SENATOR JOHNSON: For many years past it has been the desire of this commission—and, we venture to say, the desire of practically all State public utility regulatory commissions throughout the country—that Congress enact certain legislation designed to limit the powers now possessed by the United States district courts to enjoin State regulatory orders. It is the view of State regulatory commissions generally that State courts in the first instance should be permitted to pass upon the validity of State regulatory orders, and that the Federal courts should be without jurisdiction to enjoin such orders when the State procedure affords to the utilities a plain, speedy, and adequate remedy.

Jurisdiction of the Federal courts to restrain State administrative action is derived from United States Code, title 28, section 41 (formerly Judicial Code, sec. 24), and United State Code, title 28, section 380 (formerly Judicial Code, sec. 266). Historically it should be noted that the courts of each State enjoyed full power prior to 1875 to construe their statutes and say what they meant. Before that date decisions of the State courts were reviewed by writs of error on which the Supreme Court of the United States determined whether or not the State law, as interpreted by the State court, violated the Federal Constitution. In 1875, however, the power of the State courts to construe State laws was impaired and diminished by the act of March 3, 1875 (18 Stat. 470) (Judicial Code, sec. 24), which conferred original jurisdiction on the Federal courts in cases arising under the Constitution, laws, and treaties of the United States.

The grant of power to the Federal courts in 1875 permitted a single Federal judge to restrain State officers and prevent the enforcement or construction of a State law whenever a complaint was brought in the Federal court alleging that the State statute violated some provision of the Federal Constitution. To acquire jurisdiction it was enough for the plaintiff to allege that there was a violation of the Federal Constitution, and so allege with sufficient plausibility to enable the Supreme Court to say that the Federal question was substantial. As a practical matter it was thus possible for the Federal courts to decide such cases under State law without even considering the Federal question presented (Chicago G. W. Ry. *v.* Kendall, 266 U. S. 94, 97). It was quite natural that after 1875 a large number of cases which had formerly been dealt with by State courts came before the Federal courts, with the result that a single Federal judge was permitted to restrain State officers from enforcing the statutes and to effectively prevent the construction of State statutes by the courts of the State itself.

In 1910, Congress enacted section 266 of the Judicial Code (36 Stat. 539, 557) (United States Code, title 28, section 380), which curbed the powers of the Federal courts to some extent. Under this enactment the power of a single judge to set aside State legislation was taken away, and it was provided that no application for an interlocutory injunction should be granted unless a majority of three judges concurred. "This was a compromise between the wish on the part of the House to deprive the Federal courts entirely of this jurisdiction, and the insistence of the Senate to the contrary." (41 Harvard Law Review 625.)

We know of no sound reason why the Federal courts should be permitted to construe and interpret regulatory commission orders and restrain such commissions where the State procedure affords to the public utilities a plain, speedy, and adequate remedy by granting to the courts of the State an opportunity to independently review the commissions' orders on both the law and the facts. State regulatory orders are State statutes under the decisions of the United States Supreme Court, and it is logical that they should first be construed by the State courts. This practice would insure uniformity of construction. In Gilchrist *v.* Interborough Rapid Transit Co. (1928) 279 U. S. 159, the Supreme Court recognized the desirability of permitting State courts to first determine questions of State law. Under Federal court practice injunctions are frequently issued upon affidavits, and the issues generally determined upon a record which is wholly or in part different from the record which was made before the State regulatory commission. The Federal court tries the matter de novo and as of a date later than the date of the regulatory commission order. The practice of a trial de novo in the Federal court results in great delay and unnecessary cost to the various State commissions and other parties. Not infrequently many years' time is required for the trial of a case before a master in the Federal court.

To accomplish the desired reform which has been discussed hereinabove, section 24 of the Judicial Code should be amended in the following form:

Section 24 of the Judicial Code, as amended by the act approved March 3, 1911 (36 Stat. 1091), is hereby amended by the insertion at the end of the first paragraph thereof the provision following:

Notwithstanding the foregoing provisions of this paragraph no district court of the United States or judge thereof shall have jurisdiction to entertain any bill of complaint to enjoin, suspend, or restrain the enforcement, operation, or execution of any order affecting the rates to be charged by a public utility, not interfering with interstate commerce, made by an administrative board or commission of any State when acting under and pursuant to the statutes of such State, on the ground of the unconstitution-

ality of such order, where such order has been made after hearing upon notice and where a plain, speedy, and efficient remedy may be had at law or in equity in the courts of such State.

We are confident that some such bill would command the support of practically all State public utility commissions of the various States.

In opposition to such a bill it is conceivable that reference may be made to a proviso which is found in the Judicial Code, section 266 (U. S. C., title 28, sec. 380) wherein the following language appears:

"It is further provided that if before the final hearing of such application a suit shall have been brought in a court of the State having jurisdiction thereof under the laws of such State, to enforce such statute or order, accompanied by a stay in such State court of proceedings under such statute or order pending the determination of such suit by such State court, all proceedings in any court of the United States to restrain the execution of such statute or order shall be stayed pending the final determination of such suit in the courts of the State. Such stay may be vacated upon proof made after hearing, and notice of 10 days served upon the attorney general of the State, that the suit in the State courts is not being prosecuted with diligence and good faith."

The proviso has proven to be impracticable, and until recently no State legislature has undertaken to enact legislation which would enable the use of the proviso.

There are three obvious reasons why the proviso is impracticable: (1) The provisions thereof apply only where an interlocutory injunction is sought restraining the action of any officer of a State in the enforcement of a State statute or of an order made by an administrative board or commission acting under the statutes of the State. It does not apply where a permanent injunction alone is sought or where the State action which is attacked is manifested in some way other than by a statute or order, i. e., as by local ordinance; (2) To be effective for the purpose of defeating the Federal court jurisdiction, the stay granted by the State court must be as broad as the relief asked for in the Federal court, Dawson *v.* Kentucky Distilleries Co. (255 U. S. 288, 297). It is thus possible to prevent a general stay from being granted by the State court by praying for a relief in matters for which no stay could reasonably be granted; (3) Under the language of the proviso no suit at all can legally be begun in a State court after a Federal district judge issues a temporary restraining order, Union Light, Heat & Power Co. *v.* Railroad Commission (17 Fed. (2d) 143). It thus appears that the possibility of bringing a State suit may be defeated by the issuance of a restraining order by a single judge.

For your aid in this matter we are transmitting to you herewith a paper which has been prepared by Messrs. George, Rowell & Cassidy, attorneys for the commission, on the subject of "Judicial Review of State Administrative Action." This article is a critical study of the development of the constitutional requirement of due process of law as applied to the action of State administrative commissions, and particularly that mode of judicial review given to the Federal courts by the injunctive process, and embraces certain suggested congressional legislation to meet the demands of the States for relief against the existing procedure.

We are also transmitting to you herewith copy of an address made before the National Association of Railroad and Utilities Commissioners at their forty-third annual convention at Richmond, Va., on October 21, 1931. In this address there are set forth at considerable length the personal views of the members of the commission on the subject in question.

The subject under discussion is indeed a live one with the members of the national association, and in addition to having addressed the association upon the subject, we have personally discussed it with individual members on different occasions. We have been urged from many sources to endeavor to obtain your sponsorship to legislation such as proposed hereinabove. The Railroad Commission of California is confident that such a bill is constructive and will meet with the approval of other State commissions and commissioners.

Very truly yours,

C. L. SEAVEY, *President.*

ADDRESS BEFORE NATIONAL ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS BY CLYDE L. SEAVEY, PRESIDENT CALIFORNIA RAILROAD COMMISSION

STATE COMMISSIONS AND FEDERAL COURTS

It is the purpose of this discussion to look at the relationship of the State commissions and the Federal courts in the matter of the "due process of law" clauses of the Constitution from the historical, practical, and comparative standpoints; to draw conclusions therefrom and make suggestions; confining ourselves, of course, primarily to the question of confiscation of property through the fixation of public-utility rates.

The first due-process clause in the Federal Constitution and addressed to the Federal Government occurs in the fifth amendment, which was added in 1778. This provision was not called into question before the Supreme Court until the year 1856—a period of 78 years. It came up in the case of Murray *v.* Hoboken Land Co. (18 How. 272). Here the Supreme Court held as conclusive the findings of the Comptroller of the Treasury, who had determined after a special proceeding that over a million dollars was due from the collector of customs at New York and had seized and sold lands belonging to the collector that the findings might be satisfied. Such findings, the court said, by an executive officer, under authority of Congress, is not a denial of due process of law.

The second due-process clause is addressed to the States, and occurs in the fourteenth amendment, adopted in 1866. Litigation very soon arose under this provision. The condition is indicated by Mr. Justice Miller in Davidson *v.* New Orleans (96 U. S. 97), wherein, after calling attention to the fact that although under the fifth amendment the powers of the Government had been under jealous scrutiny for nearly a century the provision had rarely been invoked, he said:

"But while it (the fourteenth amendment) has been a part of the Constitution as a restraint upon the power of the States only a few years, the docket of this court is crowded with cases in which we are asked to hold that the State courts and the State legislatures have deprived their own citizens of life, liberty, or property without due process of law. There is here abundant evidence that there exists some strange misconception of the scope of this provision as found in the fourteenth amendment."

The first and leading case decided by the Supreme Court in this barrage to escape State jurisdiction was Munn *v.* Illinois (94 U. S. 278), in which the court held that where property has taken on a public interest and the legislative action has taken place, then this legislative judgment was binding upon the courts as well as upon the people, and that recourse was not to the courts but to the legislature or to the polls.

This was a clear announcement that the reasonableness of rates may be left to the legislative branch of government and that the legislative conclusion on that question is final. Here we have a consistent position of the court upon the two amendments at a time when the meaning and intent of the fourteenth amendment was clearly in mind. But we will see later how this position was receded from and the rights to State legislative judgment eclipsed by the process of injunction.

Concurrent with the consideration of these first cases in the Supreme Court there was passed without apparent contest the judiciary act of 1875, giving a new and enlarged jurisdiction to the whole Federal judicial system. And here for the first time inferior Federal courts were clothed with original jurisdiction in equity to actually restrain the States in the administration of their legislative enactments.

This was a time when champions of the rights of States were either cowed, asleep, or dead.

At this same period the granger movement was under way to stop the imposition of exorbitant transportation rates and to prevent discriminations. And, too, during this time the States, after the Munn *v.* Illinois decision, saw the necessity and began the movement to delegate the rate-fixing function to expert boards or commissions, where facts adequately could be determined and scientific rate structures carefully worked out and applied.

Among those States so acting was Minnesota. Its railroad and warehouse commission, upon complaint and after hearing, issued an order fixing railroad rates on milk. This was taken to the State supreme court, which construed the State statute as making final and conclusive the finding of the commission on the question of the equality and reasonableness of the rates fixed. From this decision appeal was taken to the United States Supreme Court in the case of Chicago M. & St. Paul R. *v.* Minnesota (134 U. S. 418), a decision being rendered in 1890. A majority of that court held that the railroads had been deprived of a judicial investigation in violation of the requirement of the Constitution. So 12 years after the Munn *v.* Illinois decision the Supreme Court reversed its position. What caused this recession is not clear from the opinion of the court. The only distinctive feature suggested was that the rates had been fixed by a State commission rather than by the legislature, a distinction apparently without foundation in law or principle.

The line of decisions starting with this Minnesota case was soon augmented by decisions testing and invoking the new Federal injunctive power. In Regan *v.* Farmers Loan & Trust Co. (154 U. S. 362) it was determined that such a suit was not against the State itself as prohibited by the eleventh amendment, nor was it an injunctive interference with a State judicial proceeding prohibited by provisions of the Judicial Code. The principle of the Regan case was definitely determined by the Supreme Court in 1908 in the case of ex parte Young in which case the Minnesota commission had refused to recognize an order of a Federal district judge enjoining the State's officers from enforcing certain rates which had been fixed by the commission. The court here saw a distinction between the power of the Federal courts to restrain individual State officers even though performing functions required of them by State law, and the power to entertain a suit against the State itself. But in this latter case the majority of the court gave some evidence of uneasiness and remarked that there was "nothing in the case before us that ought to breed hostility to the customary operation of Federal courts of justice in cases of this character." To which Mr. Justice Harlan, in a dissenting opinion forcefully replied that it was just such interference with the prerogatives of the States as would breed hostility and resentment. To him it appeared inconsistent with the whole scheme of our Government that the Federal judiciary could thus effectively close the doors of the State courts against the State itself. As a result of public indignation and criticism some attempted concessions were made through congressional action in Judicial Code amendments in 1911, 1913, and 1914. These were palliative rather than curative. In addition the Supreme Court developed a doctrine of comity

as stated in the case of Prentiss v. Atlantic Coast Line Railway (211 U. S. 210), requiring that the evidence in such cases "be laid in the first instance before the body having the last legislative word." This sounds generous but actually means very little. And it should be noted that this comity was to apply only to legislative action. It would seem that comity also should require that the Federal courts respect the rights of the States in their judicial action. But in confiscation cases involving utility property we find no application of such comity.

In 1920 the case of the Ohio Valley Water Co. v. Ben Avon Borough (253 U. S. 287) was decided by the Supreme Court in which was presented the question as to whether due process of law had been accorded in the administrative and judicial tribunals of Pennsylvania. The procedure in that State provided for a review of orders of the public service commission, in the superior court and then in the State supreme court. The commission evaluated the water company's property and established rates. Upon appeal the superior court reversed the commission, finding a higher value. On appeal to the State supreme court the lower court was reversed and the order reinstated upon the ground that upon careful examination of the voluminous record there was found therein ample evidence to sustain the commission. The difference in value was found to be simply a substitution of judgment. In the Supreme Court of the United States, the State supreme court was reversed, Mr. Justice McReynolds saying—

"We are compelled to conclude that the Supreme Court (of Pennsylvania) interpreted the statute as withholding from the courts power to determine the question of confiscation according to their own independent judgment. * * * The order here involved prescribed a complete schedule of maximum future rates and was legislative in character. (Cases.) In all such cases if the owner claims confiscation of his property will result, the State must provide a fair opportunity for submitting that issue to a judicial tribunal for determination upon its own independent judgment as to both law and facts; otherwise the order is void because in conflict with the due process clause of the fourteenth amendment."

Following this in 1923 the case of Prendergast v. New York Tel. Co. (262 U. S. 43), was decided. Here the New York utility took exception to an order of the public service commission and sought relief by bill of equity to the United States district court. Mr. Justice Sanford said regarding that procedure—

"The application for the injunction was heard by the district court upon the pleadings and affidavits relating to the cost and value of the company's property, its revenues, and expenses. It was not necessary that the company offer in evidence the voluminous testimony that had been taken by the commission on the legislative question prior to making the orders in question. The bill did not challenge the orders of the commission on the ground that it acted arbitrarily without any evidence. The sole issue presented was whether or not the orders were confiscatory; which was to be determined by the court upon evidence submitted to it."

And so we see the Supreme Court of the United States construing the due process clause of the fourteenth amendment to require not only that there be a judicial review of State commissions' orders to ascertain as to fair hearing and sufficiency of evidence to sustain findings of fact but also that the court itself consider all or such evidence as it decides upon and exercise its independent judgment thereon. Should the review be in a court of the State, due process is not satisfied by that court's careful examination of the record made before the commission for the purpose of ascertaining whether there was competent evidence to sustain its findings. If judicial review is obtained by injunction suit in a Federal district court, the record made before the State commission need not be reviewed at all, but the independent judgment of the court may be predicated upon new evidence, or even upon affidavits alone. Not only is there no finality accorded to the conclusions of the State commission but apparently not even a presumption indulged that its conclusions are correct.

Thus we see the complete reversal of legal principle on the part of the Supreme Court, and the continual drawing in of Federal lines to the exclusion of any independent State legislative or State judicial determination of local utility rates.

We State commissions find ourselves in the anomolous position of having our judgment set aside by a legally superior judgment based upon records which were never before us for consideration. But let us digress slightly to complete this brief historical picture and discover what is the attitude of the Federal courts as to Federal administrative functions.

We have already referred to Murray v. Hoboken Land Co., giving finality to the findings of the Comptroller of the Treasury. The same principle was enunciated in sustaining the Secretary of Commerce in matters of immigration and deportation of aliens. The famous case of United States v. Ju Toy (198 U. S. 253) was decided in 1905. The same finality of the findings of the Postmaster General was sustained in 1904 in Public Clearing House v. Coyne (194 U. S. 497). The Supreme Court here found that "due process of law does not necessarily require the interference of the judicial power." The same is true with administrative acts of the Secretary of the Interior in matters involving land entries and withdrawals, and it is true in customs and taxation determinations by Federal officials. These cases may possibly be distinguished from those involving State administrative action on the theory that the Federal Government may entirely exclude all immigrants; may refuse all entries on public lands; and may permit only those it chooses to use the Federal postal system; and, therefore, that it may delegate to its officials authority to make all findings of fact without restraint of due process. But the determination of the fact of citizenship, or the fraudulent conduct in the use of the mails, certainly may result in as serious a deprivation of life, liberty, or property as the findings of a State administrative body in the regulation of a utility.

There are other Federal bodies, however, all or part of whose functions are entirely similar to State bodies—the Public Service Commission of the District of Columbia, the Interstate Commerce Commission, the Federal Trade Commission, the Federal Radio Commission, the Secretary of Commerce, and the Secretary of Agriculture, and others. Congress has expressly provided for the particular type of review which shall be given the findings of each of these bodies. The Supreme Court has held in ex parte Bakelite Corporation that Congress has power of control over matters of this class. "Congress may reserve to itself the power to decide, may delegate that power to executive officers, or may commit it to judicial tribunals."

In the case of Federal Trade Commission v. Curtis Publishing Co. (260 U. S. 568) the Supreme Court defined the extent of the judicial review required under such statute and held that if the findings of fact are supported by evidence they are conclusive.

In the case of Tagg Bros. v. Morehead (280 U. S. 420), where an action sought to enjoin the Secretary of Agriculture from enforcing certain rates prescribed by him, the Supreme Court held that the district court was bound by the findings of fact by the Secretary, and that they could not be reviewed by the district court in a trial de novo with the independent judgment of the court substituted for that of the administrative officer.

The United States district courts have been given jurisdiction to enforce and to restrain the action of the Interstate Commerce Commission. In the enforcement of reparation orders the statute provides that the findings of the commission shall be prima facie evidence of the facts found. In the enforcement of other orders it is provided that if, after hearing, the court determines that the order was regularly made and duly served the court shall enforce obedience. In suits to restrain enforcement of orders made by the commission the court is not limited in its review by any express provisions of the statute except that in valuation proceedings its finding of value is made prima facie evidence of the value of the carrier's property. In all such cases, however, the Supreme Court holds that the district court may not set aside an order of the commission on the ground that the weight of the evidence does not support the findings.

While these and many other cases involving the orders of the Interstate Commerce Commission do not raise the question of confiscation, the Supreme Court has made no distinction and imposed no broader review of the facts in a valuation case than in others. In the O'Fallon case for instance, which raised the question of confiscation, the court made no such distinction.

It seems, therefore, within the sphere of Federal administrative action due process under the fifth amendment is satisfied if a regular hearing is had and the conclusion of the administrative body is based upon some competent evidence.

It is also interesting to discover what has happened in the field of State administration other than utility regulation, involving in particular the valuations in taxation and condemnation proceedings. In an Indiana case decided in 1894 (Pittsburgh, etc., Ry. v. Backus, 154 U. S. 241) the Supreme Court upheld a statute creating a board of tax commissioners empowered to pass finally upon valuations made for tax purposes. In that case Mr. Justice Brewer said:

"Wherever a question of fact is thus submitted to the determination of a special tribunal its decision creates something more than a mere presumption of fact, and if such determination comes into inquiry before the courts it can not be overthrown by evidence going only to show that the facts were otherwise than as so found and determined."

Also in a Nebraska case in 1907 (C. B. & Q. Ry. v. Babcock, 204 U. S. 585), coming up from an injunction suit in the United States district court and involving a tax valuation, Mr. Justice Holmes said:

"Within its jurisdiction, except, as we have said, in case of fraud or a clearly shown adoption of wrong principles, it (the State board of equalization) is the ultimate guardian of certain rights. The State has confided those rights to its protection and has entrusted to its honor and capacity as it confides the protection of other social relations to the courts of law. Somewhere there must be an end."

In the case of Doheny v. Rogers rendered in 1930 (281 U. S. 362) involving a valuation of State commissioners appointed to value property condemned under the Michigan highway commission act, the Supreme Court upheld the State body. Mr. Justice Stone had this to say:

"The due-process clause does not guarantee to a citizen of a State any particular form or method of State procedure. Under it he may neither claim a right to trial by jury, nor a right of appeal. Its requirements are satisfied if he has reasonable notice and a reasonable opportunity to be heard and to present his claim or defense, due regard being had to the nature of the proceeding and the character of the rights which may be affected by it."

From this sketchy historical discussion it is clearly apparent that in protecting due process, the Federal courts have established different requirements for judicial review, (1) as between utility commissions and other administrative bodies within the State, (2) as between judicial and administrative bodies within the State, (3) as between State and Federal utility regulatory bodies, and (4) as between the application of the fifth amendment and that of the fourteenth amendment.

The language of the due-process clause in each of these amendments is of the same significance and practically the same language. The powers and duties of the State and Federal regulatory bodies are essentially of the same nature. The functioning of the different administrative bodies within the State are of the same general character and importance within their spheres. Why are the distinctions made?

The court has set up a line of demarcation between State legislative and State judicial acts. In the matter of valuation for taxation or condemnation their findings and judgments based on competent evidence are conclusive. In the matter of valuation for utility rates the judgment of the regulatory body has no standing before the court.

Either of these judgments, however, is potentially confiscatory. In the case of tax valuation, the tax is levied and collected beyond recovery. In that of condemnation valuation the property is taken and forever removed from any corrective act. But in the valuation for rate purposes the matter remains always open for equitable adjustment. It would seem if any restrictive measures were necessary, primarily they should be applied to other than rate cases. In California the regulatory commission may determine compensation for the taking of public-utility property by condemnation and its judgment upon competent evidence is respected as conclusive. But when it steps across an artificial line to fix a value upon that same property for the purposes of establishing utility rates then its judgment is puerile, and of no effect. The reason for such discrimination against and the setting aside in a class by itself of the State rate-making power of the State remain lost in the unspoken majority of the court. Why private property dedicated to public use is more sensitive to confiscation than other property, or more important and susceptible to abuse than a private person's life or liberty, is not explained.

Historical data might suggest a reasonable answer. Direct regulation by a legislative body as at first applied was crude and unsatisfactory. The pressure of concentrated wealth against control is always continuously strong and persistent. Economic bugaboos and hysteria are usually effective in emphasizing rights except those of the naked individual or the inconsequential consumer. Long distances and long periods of time from the scene of action and the occasion change practical knowledge and reason into academic fantasy. That would be a natural human result if there were no other causes.

Following the past trend of legal procedure there seems no reason why the courts consistently should not take another step and substitute their judgment directly on a claim that current rates were presently confiscating utility property. There are established rulings against such a step, but it is not impossible, as we have seen, for court-made law to be changed. Fortunately there seems to be no danger of this and there is hope for a modification of judicial restraint in the present complexion of the court.

There can be, as has been pointed out heretofore to this association and otherwise, no proper and equitable fixation of rates by the substituted judgment of court, unless the court substitutes wholly in an administrative way. The courts as constituted are without the facilities and the experience to form a complete judgment. State utility commissions do not and can not form a true judgment merely upon a cold record. They and their staffs of experts follow the operations of the utilities from month to month and year to year. They form a judgment based upon experience. An experience which no court can have, an experience which is broader than the lone results of one utility. They gather a basis for judgment from many separate utilities and in many instances are better equipped to determine the reaction certain rate changes will have on the consuming public and their effects upon the individual utility. And while the courts continually in the production of affidavits and evidence by utility experts give particular weight because of experience in utility operation, nowhere have we seen allowance made for the possible bias of their employment. And neither do we seem to find allowance made for the possible unbiased experience of commission experts or for the unusual opportunity of the commissioners themselves to form an experienced judgment.

It truthfully can be said that if the courts would apply the same principle to themselves as judges of rates as they apply to sustaining utility experts, they would immediately disqualify themselves to sit in judgment.

The commissions themselves are undoubtedly to blame in not pressing these and other points before the tribunals and educating the courts and the people to facts underlying the actual operation of State regulation.

As a matter of fact it is extremely doubtful if under State regulation actual confiscation could take place because of commission action. Confiscation more probably would come from other causes. The economic necessity of proper service alone, if injury were done, would finally compel a recovery.

It is safe to say that in practically none, if any, of the cases in which there have been permanent injunctive orders issued by the Federal courts would actual confiscation have followed the commission findings. This is stated not only from general knowledge of the facts but from specific knowledge of the experience in California. A study of the court opinions indicates beyond reasonable doubt that in practically every major rate case in the last 17 years in that State the findings of the commission could not have withstood the test imposed by the Federal tribunals. And yet we find the affected utilities able adequately to finance, operating at relatively low rates, and giving good service. The same thing undoubtedly may be said of other States.

Only recently has the injunctive process been attempted in California. The first instance of permanent injunction was in the case of a street-railway system, which at present neither court nor commission can aid. The second is an injunctive action now before the 3-judge court in a gas-rate case.

What the outlook for future cases is, no one of course can predict. In California we are convinced that a potent factor against the injunction has been the liberal provision in the State constitution for municipal ownership and general sympathy toward public ownership. The utilities in that State have shown much wisdom. How long that wisdom will continue after change of management, or otherwise, may or may not be measured by the increasing difficulty to finance public ownership projects.

At any rate in California, as in other States, we face actual and potential dangers in the functioning of State regulation. We face more than the mere hurt of feelings at a substituted judgment. We face the elimination not only of State control of State rates but of effective State control of service and safety, and the maintenance of proper relationship between various groups and communities. If control of rates breaks down, the whole fabric breaks down. This form of regulation is a new venture. It has accomplished much as an impulsive movement. But to pass the final test in the minds of the people, as well as the courts, it must be clothed with some dignity and grounded on permanent authoritative substance.

Facing this situation, what is there to be done?

At the start may it be said that it is primarily incumbent upon the State commissions themselves to put their houses in order that no just cause may arise for criticism because of their acts or their omissions.

It is also equally incumbent upon the State commissions and those interested in the question of State regulation to carefully consider some remedy, if one is available, through congressional legislation for the correction of a condition which threatens to destroy the effectiveness of State regulatory action. As we have seen, the Supreme Court looks upon commission rate making as a legislative rather than a judicial act, and it construes due process of law to require a complete judicial review of such State commission action when confiscation of property is claimed. While we may believe this is neither good law nor equitable legal procedure, still it stands as the law unless some way be devised to overcome it. It is worthy of trial to see if Congress by statute may not effectively moderate such court definition.

The general grant of jurisdiction to lower Federal courts was accomplished by the enactment of section 24 of the Judicial Code. Congress, thus having granted this power, may either withdraw completely the extension of the jurisdiction or modify it and prescribe the procedure of such courts. This power of Congress is clearly expressed in Kline *v.* Burke Construction Co. (260 U. S. 226) wherein the court says:

"Only the jurisdiction of the Supreme Court is derived directly from the Constitution. Every other court created by the General Government derives its jurisdiction wholly from the authority of Congress. That body may give, withhold, or restrict such jurisdiction at its discretion, provided it be not extended beyond the boundaries fixed by the Constitution."

To the end of so modifying the procedure of the Federal courts, section 266 of the Judicial Code was amended in 1913, with the object of giving the States the privilege of first testing the validity of their statutes in the courts of the State. Some able discussions have been had upon this provision, and the opinion seems to be general that it is a makeshift—that it does not meet the practical situation confronting the States. It certainly does not meet the general opposition to Federal courts taking jurisdiction. It imposes the condition that a stay must be granted by the State court whether equity requires it in a given case or not. It does not provide that the final judgment of the State court will thereafter be res adjudicata and reviewable only by appeal to the United States Supreme Court. And, lastly, the provision obviously applies only to suits wherein an interlocutory injunction is sought.

It seems to be, then, the avowed policy of Congress to permit the States to have transferred to their own courts those causes which the utilities see fit to take in the first instance to the Federal courts of equity. It must have been the intention and expectation of Congress when enacting such proviso in section 266 that the States might take full advantage of that right to stay a Federal injunction proceeding. If the principle thus expressed is proper, but the procedure provided for its exercise has in fact been found unavailing, why should not Congress now clearly and fairly meet the fundamental demands of the States by withdrawing the Federal injunctive power in such cases entirely? A great and increasing burden now imposed upon the specially constituted 3-judge Federal courts may be removed, and the demands of the States be met in the only satisfactory manner, by a single amendment to the Judicial Code. Such an amendment would prohibit any Federal injunctive interference with the administrative officers of a State in the enforcement of a State statute or administrative order wherever the State itself affords an adequate review on claims of constitutional right in its own courts.

The alternative procedure now available to utilities and others for testing the validity of State administrative action by way of the Federal injunctive process is an anomaly. Before State administrative action is questioned under the Constitution, the issue should first be presented to the highest court of the State, and from that court appeal taken, as in other cases, to the highest court of the land.

With such a change in the Judicial Code, State commissions would be freed of the present intolerable interference by lower Federal courts.

JUDICIAL REVIEW OF STATE ADMINISTRATIVE ACTION

A critical study of the development of the constitutional requirement of due process of law as applied to the action of State administrative commissions, and particularly that mode of judicial review given to the Federal courts by the injunctive process; with suggested congressional legislation to meet the demands of the States for relief against the existing procedure.

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There are two ways in which an order of a State utility commission may finally reach the Supreme Court of the United States for review. In one the appeal from the administrative order is first taken to the highest tribunal of the State, as provided by appropriate State procedure, and thence, if a Federal question is involved, directly to the highest court of the United States. In the other the utility, without having first applied for a judicial review in the courts of the State, seeks injunctive relief in the inferior courts of the United States, and from such courts an appeal lies either directly or indirectly to the Supreme Court.[1]

In a few cases of this type the Federal question presented, giving the Federal courts jurisdiction, is a claimed violation of constitutional right under the commerce or impairment of contract clauses. In a vast majority of cases, however, the issue is one of confiscation of property, and the constitutional protection invoked by the utility is the due process clause of the fourteenth amendment.

The purpose of this discussion is to trace the development of the due process requirement of the Constitution as applied to judicial review of State administrative action, particularly the action of State regulatory commissions empowered to fix the rates of public utilities. If it be found that due process of law and public policy do not necessarily require that degree or form of judicial review which has in fact been accorded by the judiciary, it will be proper then to inquire whether a change in such procedure is demanded or should be effected.

In the year 1920 the Supreme Court rendered its decision in the case of Ohio Valley Water Co. *v.* Ben Avon Borough.[2] The question presented was whether the utility had been accorded due process of law in the administrative and judicial tribunals of the State of Pennsylvania. By the State procedure provided a judicial review of the Public Service Commission's order might be had first in the superior court and then in the supreme court of the State. The commission had found the value of a water utility to be $924,744, and on that value had established a schedule of rates to yield a return of 7 per cent. Upon appeal the superior court placed a value of $1,324,621 thereon and reversed the commission. Upon further appeal the supreme court of the State reversed the lower court and reinstated the order of the commission. There was a voluminous record, which the State supreme court said it had examined carefully, and found therein competent evidence to sustain the commission's findings. In the items, it said, wherein the superior court differed from the commission upon the question of value, there had been merely the substitution of its judgment for that of the commission. Yet, even after such a careful review of the commission's action by the highest court of Pennsylvania, the Supreme Court of the United States concluded that the utility had not been afforded an adequate judicial hearing.

"Looking at the entire opinion," said Mr. Justice McReynolds, "we are compelled to conclude that the supreme court (of Pennsylvania) interpreted the statute as withholding from the courts power to determine the question of confiscation according to their own independent judgment * * *."

"The order here involved prescribed a complete schedule of maximum future rates and was legislative in character. (Cases.) In all such cases, if the owner claims confiscation of his property will result, the State must provide a fair opportunity for submitting that issue to a judicial tribunal for determination upon its own independent judgment as to both law and facts; otherwise the order is void because in conflict with the due-process clause, fourteenth amendment."

A New York utility shortly thereafter followed a different procedure to obtain judicial review. Feeling aggrieved by a rate order made by the public service commission, the utility did not seek relief in the courts of the State but at once presented its bill in equity to the United States district court, claiming confiscation and praying for an interlocutory and permanent injunction. Accompanying the pleadings were affidavits relating to the cost and value of its property and its revenues and expenses. Although the commission had based its order on voluminous testimony, the commission's record was not placed before the district court. An interlocutory injunction was granted. The commission appealed, and, in Prendergast *v.* New York Tel. Co.,[3] this is what Mr. Justice Sanford, for the court, had to say of such procedure:

"The application for the injunction was heard by the district court upon the pleadings and affidavits relating to the cost and value of the company's property, its revenues, and expenses. It was not necessary that the company offer in evidence the voluminous testimony that had been taken by the commission on the legislative question prior to making the orders in question. The bill did not challenge the orders of the commission on the ground that it had acted arbitrarily, without any evidence. * * * The sole issue presented was whether or not the orders were confiscatory, which was to be determined by the court upon the evidence submitted to it."

Thus we find the Supreme Court of the United States construing the due process of law provision of the fourteenth amendment to require not only that there be a judicial review of State regulatory commission action to ascertain whether a fair hearing has been accorded and evidence adduced to sustain the findings of fact, but also that the judicial tribunal shall itself consider all the evidence and exercise an independent judgment thereon.[4] If the review be in a court of the State due process is not satisfied by that court's careful examination of the record made before the commission for the purpose of ascertaining whether there was any competent evidence before it to sustain its findings. And should judicial review be obtained by the filing of an injunction suit in a district court of the United States, the record made before the State commission need not be "reviewed" at all, but the independent judgment of that court is obtained upon new evidence, or even upon affidavits alone. Not only is there no finality accorded to the conclusions of the State administrative body, but, apparently, not even a presumption indulged that its conclusions are correct. From these decisions of the Supreme Court, taken alone, it would appear that due process requires not merely a judicial review of the proceedings in the administrative forum below, but rather a judicial review going to the very substance of the administrative action in which an independent judgment is exercised on both the law and the facts.

This has not always been the concept of due process approved by the Supreme Court. Nor is it the requirement of due process to-day that all administrative or executive action be subjected to such judicial test. It is within the field of State utility regulation alone, and within comparatively recent years as well, that such concept has been developed.

DEVELOPMENT OF THE DUE PROCESS CONCEPT

In both the fifth and fourteenth amendments to the Constitution there is found the admonition that no person shall be deprived "of life, liberty, or property without due process of law." One is addressed to the Federal Government and the other to the States. The two phrases have a common origin and the same meaning, and, therefore, restrict Federal and State governments alike.[5]

The fifth amendment was added to the Constitution in 1778. Not until 1856, however, was the Supreme Court called upon to define the meaning of the due-process clause. This was in the well-known case of Murray *v.* Hoboken Land Co.[6] One Swartwont was then the collector of customs at the port of New York. The Comptroller of the Treasury had an audit made of the collector's accounts and found a balance due of more than $1,000,000. Such finding was made at a special proceeding before the comptroller. Thereupon a distress warrant was issued by the Solicitor of the Treasury and the lands of Swartwont seized and sold. It was claimed that such procedure was without due process of law. The matter coming before the Supreme Court, it was held that this was an act of a Federal executive officer under authority of Congress, and, although it was a matter susceptible of judicial determination, Congress has seen fit to leave it to the executive. Hence the finding of the comptroller as to the fact that there was a sum due and the amount thereof was conclusive. And such finding by an executive officer, it was said, upon a matter committed to his determination is not a denial of due process of law.

The fourteenth amendment was added to the Constitution in 1866. It was scarcely more than a decade later that Mr. Justice Miller, in a decision for the Supreme Court,[7] made this significant statement:

"It is not a little remarkable that while this provision has been in the Constitution of the United States (referring to the due process clause in the fifth amendment) as a restraint upon the authority of the Federal Government for nearly a century, and while, during all that time, the manner in which the powers of that government have been exercised has been watched with jealousy and subjected to the most rigid criticism in all its

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[1] By sec. 226 of the Judicial Code, U. S. C., title 28, sec. 380, a direct appeal may be taken only when both temporary and permanent injunctions are sought. See Moore *v.* Fidelity Deposit Co. (1926), 272 U. S. 317; Ex parte Hobbs (1920), 280 U. S. 168; Stratton *v.* St. Louis & Southwestern R. (1930), 282 U. S. 10.

[2] 253 U. S. 287 (1920).

[3] 262 U. S. 43 (1923).

[4] But see Napa Valley Elec. Co. *v.* Railroad Commission (1920), 251 U. S. 366, in which the Supreme Court had previously sustained a judgment of the Supreme Court of the State of California, which had sustained a rate order of the State commission by the mere denial of a writ of certiorari and without reviewing the record at all. And compare also Lehigh Valley R. Co. *v.* Board of Public Utility Commissioners (1928), 278 U. S. 24.

[5] Wight *v.* Davidson (1901), 181 U. S. 371; Tonawanda *v.* Lyon (1901), 181 U. S. 389; Cass Farm Co. *v.* Detroit (1901), 181 U. S. 396.

[6] 18 Howard 272 (1856).

[7] Davidson *v.* New Orleans (1878) 96 U. S. 97.

branches, this special limitation upon its powers has rarely been invoked in the judicial forum or the more enlarged theater of public discussion. But while it (the fourteenth amendment) has been a part of the Constitution, as a restraint upon the power of the States, only a very few years, the docket of this court is crowded with cases in which we are asked to hold that State courts and State legislatures have deprived their own citizens of life, liberty, or property without due process of law. There is here abundant evidence that there exists some strange misconception of the scope of this provision as found in the fourteenth amendment."

It is enlightening to examine some of those cases which then crowded the Supreme Court, and brought there, as stated by Mr. Justice Miller, under some strange misconception of the scope of the due process clause.

In the preceding year (1877) the court had rendered its decision in a case which is the foundation stone for all State regulation of public utilities. The facts giving rise to the case of Munn *v.* Illinois[8] are known to all. One of the questions presented was whether the warehousemen were deprived of due process of law when the legislature fixed maximum charges for their services. The answer of the Supreme Court on that point was this:

"In countries where the common law prevails, it has been customary from time immemorial for the legislature to declare what shall be a reasonable compensation under such circumstances, or, perhaps more properly speaking, to fix a maximum beyond which any charge made would be unreasonable. Undoubtedly, in mere private contracts, relating to matters in which the public has no interest, what is reasonable must be ascertained judicially. But this is because the legislature has no control over such a contract. So, too, in matters which do affect the public interest, and as to which legislative control may by exercised, if there are no statutory regulations upon the subject, the courts must determine what is reasonable. The controlling fact is the power to regulate at all. If that exists, the right to establish the maximum of charge, as one of the means of regulation, is implied. * * *

"We know that this is a power which may be abused; but that is no argument against its existence. For protection against abuses by legislatures the people must resort to the polls, not the courts."

This principle was expressed even more concisely by Mr. Justice Waite in one of the companion cases to Munn *v.* Illinois rendered on the same day.[9] His statement was as follows:

"As to the claim that the courts must decide what is reasonable, and not the legislature. This is not new to this case. It has been fully considered in Munn *v.* People of Illinois. Where property has been clothed with a public interest, the legislature may fix a limit to that which shall in law be reasonable for its use. This limit binds the courts as well as the people. If it has been improperly fixed, the legislature, not the courts, must be appealed to for the change."

Thus at that time, a little more than a decade after the fourteenth amendment was added to the Constitution, the interpretation given by the Supreme Court to the due process clause was not that the question of the reasonableness of rates be determined in every case by a judicial body. On the other hand, it clearly announced the principle that the reasonableness of rates may be left to the legislative branch of government, and that the legislature's conclusions on that question is final. Like the finding of a Federal executive officer, the Comptroller of the Treasury, in an accounting with a customs collector, due process was had even without the intervention of the judiciary.

From that position, as will be shown presently, there was an immediate recession, at least in the application of the due process clause to the regulation of utility rates by the States. Following through briefly that transformation of the constitutional requirement of due process, we will consider only a few of the most important pronouncements of the court.

After the principle of the right of a State to regulate public utilities was established by the eventual decision in Munn *v.* Illinois, some of the progressive States saw the necessity of delegating the rate-fixing power to an expert board or commission. Minnesota was one of such States. Its railroad and warehouse commission, after complaint filed and hearing thereon, made an order fixing certain railroad rates for the transportation of milk. The railroads took the matter to the highest State court, claiming that the order was unreasonable and deprived them of their property without due process of law. The State court construed the statute which created the commission to make the finding of the commission final and conclusive on the question of the equality and reasonableness of the rates fixed. From this decision an appeal was taken to the Supreme Court of the United States. That court, in a decision by Mr. Justice Blatchford,[10] held that the carriers had been deprived of a judicial investigation in violation of the constitutional requirement. This was the language of the Justice:

"The question of the reasonableness of a rate of charge for transportation by a railroad company, involving as it does the element of reasonableness both as regards the company and as regards the public, is eminently a question for judicial investigation, requiring due process of law for its determination. If the company is deprived of the power of charging reasonable rates for the use of its property, and such deprivation takes place in the absence of an investigation by judicial machinery, it is deprived of the lawful use of its property, and thus, in substance and effect, of the property itself, without due process of law and in violation of the Constitution of the United States; * * *."

From that judgment Mr. Justice Bradley dissented in this vigorous manner:

"I can not agree to the decision of the court in this case. It practically overrules Munn *v.* Illinois and the several railroad cases that were decided at the same time. The governing principle of those cases was that the regulation and settlement of the fares of railroads and other public accommodations is a legislative prerogative and not a judicial one. This is a principle which I regard as of great importance. * * *

"But it is said that all charges should be reasonable, and that none but reasonable charges can be exacted, and it is urged that what is a reasonable charge is a judicial question. On the contrary, it is preeminently a legislative one, involving considerations of policy as well as of remuneration; * * *.

"* * * I repeat: When the legislature declares that the charges shall be reasonable, or, which is the same thing, allows the common-law rule to that effect to prevail, and leaves the matter there, then resort may be had to the courts to inquire judicially whether the charges are reasonable. Then, and not till then, is it a judicial question. But the legislature has the right, and it is its prerogative, if it chooses to exercise it, to declare what is reasonable. * * *

"* * * Due process of law does not always require a court. It merely requires such tribunals and proceedings as are proper to the subject in hand. * * * It is complained that the decisions of the board are final and without appeal. So are the decisions of the courts in matters within their jurisdiction. There must be a final tribunal somewhere for deciding every question in the world. Injustice may take place in all tribunals. All human institutions are imperfect—courts as well as commissions and legislatures. Whatever tribunal has jurisdiction, its decisions are final and conclusive unless an appeal is given therefrom."

This case is significant. The views of the majority of the court, as declared in the dissent of Mr. Justice Bradley, were undoubtedly in conflict with their distinct expressions a few years before to the effect that the judiciary had no power to interfere with such legislative action. What may have influenced the court to thus reverse its position does not appear from the decision itself. The only distinctive feature suggested was that here the rates had been fixed by a State commission rather than by a legislature, a distinction without foundation in law or principle.[11]

The explanation for the reversal may be found only in a study of the political and economic changes of that era. Federal supremacy was triumphant. The bitter conflict which had waged for a century over the authority of the Supreme Court to exercise even an appellate jurisdiction over State decisions[12] had at the close of the war ended in complete victory for the proponents of a strong Federal judiciary. With the passage by Congress without a struggle of the new judiciary act of 1875,[13] a new and enlarged jurisdiction was given to the whole Federal judicial system which was to be of momentous importance. Not only were the appellate powers originally granted in the first judiciary act of 1789 confirmed, but to the inferior courts there was granted for the first time original jurisdiction in equity to actually restrain the States in the administration of their legislative enactments. It was an era, it seems, when the cause of States rights was without a champion.

Thus it was that this decision of the Supreme Court in 1890, holding that the Railroad and Warehouse Commission of Minnesota could not finally determine the reasonableness of rates, together with the new broad power granted to the Federal judiciary, which marked the beginning of a new form of judicial review of State legislative and administrative action. It was the beginning of what might be termed the Federal injunctive era.

It was not long before the new Federal injunctive power was tested and found effective. In Regan *v.* The Farmers Loan & Trust Co.[14] it was determined that such a suit was not one against a State itself, prohibited by the eleventh amendment to the Constitution. Neither was it an injunctive intereference with a State judicial proceeding prohibited by another provision of the same judicial code.[15]

In the Regan case the reasoning of the court was significant. Before that time, as we have seen, it had been held, first, that the question of reasonableness was not one for judicial review, and then, completely reversing itself, the court held that the question of reasonableness was eminently a question for judicial investigation. But in the Regan case a new theory was developed.

"It is doubtless true," the court said through Mr. Justice Brewer, "as a general proposition, that the formation of a tariff of charges for the transportation by a common carrier of persons or property is a legislative or administrative rather than a judicial

[8] 94 U. S. 113 (1877).

[9] Peik *v.* Chicago & N. W. Ry. Co. et al. (1877) (94 U. S. 97.)

[10] Chicago, M. & St. P. Ry. Co. *v.* Minn. (1890), 134 U. S. 418.

[11] Budd *v.* New York (1892), 143 U. S. 517.

[12] See articles by Pogue, 41 Harvard Law Review 623 (1928), and by Warren, 43 Harvard Law Review 345 (1930). See also Warren, History of the Supreme Court, Vol. I, pp. 422–453; Vol. II, pp. 538–540, discussing Supreme Court's decision in Martin *v.* Hunter's Lessee, 1 Wheaton 304, and ibid, Vol. II, pp. 1–24, discussing Cohens *v.* Virginia, 6 Wheaton 264.

[13] Act of March 3, 1875. 18 Stat. 470. See Law Review articles, note 12, supra.

[14] 154 U. S. 362 (1894). This principle was definitely determined by the decision in Ex Parte Young (1908), 209 U. S. 123.

[15] Judicial Code, sec. 265; 36 Stat. 1162 (1911); U. S. C., title 28, sec. 379. See Prentis *v.* Atlantic Coast Line, 211 U. S. 2100 (1908).

function. Yet it has always been recognized that, if a carrier attempted to charge a shipper an unreasonable sum, the courts had jurisdiction to inquire into the matter and to award to the shipper any amount exacted from him in excess of a reasonable rate; and also in a reverse case to render judgment in favor of the carrier for the amount found to be a reasonable charge. The province of the courts is not changed, nor the limit of judicial inquiry altered, because the legislature instead of the carrier prescribes the rates. The courts are not authorized to revise or change the body of rates imposed by a legislature or a commission; they do not determine whether one rate is preferable to another, or what under all the circumstances would be fair and reasonable as between the carriers and the shippers; they do not engage in any mere administrative work; but still there can be no doubt of their power and duty to inquire whether a body of rates prescribed by a legislature or a commission is unjust and unreasonable, and such as to work a practical destruction to rights of property, and if found so to be, to restrain its operation."

Apparently this was thought to be a concession to the States to permit them in the first instance to perform the legislative function of fixing what they deemed to be reasonable rates, but with a reservation still to the judiciary of the power to declare the rates so fixed unreasonable when it is claimed that they work a practical destruction to rights of property. Therefore, the court held it is not within the power of the lower Federal court to declare what the rates should be or to prepare a new schedule, but only to condemn or sustain the rates fixed as a whole and, if condemned, to restrain the State commission and the officers of the State in their enforcement.

As might have been expected, such a compromise doctrine did not satisfy the States. What privilege was it to be permitted to expend the effort of fixing rates if their labors were to be nullified by the Federal judiciary? They pressed their claim for a more effective recognition of their right to be unrestrained by the Federal judiciary. Again it was the State of Minnesota which led the fight. It openly refused to recognize an order of a Federal district judge enjoining the State's officers from enforcing certain rates which had been fixed by its commission. It was urged that such an interference by the judiciary was in effect a restraint upon the State itself expressly prohibited by the eleventh amendment. But again the Supreme Court in 1908[16] held that such power had been committed to the courts. It saw a distinction between the power of the Federal courts to restrain individual State officers, though performing functions required of them by State legislative act, and the power to entertain a suit against the State itself.

Conscious, however, of the storm of protest which had accompanied the assumption of such judicial authority and which might be certain to follow with renewed intensity, the court, in the majority opinion, somewhat ingeniously remarked:

"There is nothing in the case before us that ought to breed hostility to the customary operation of Federal courts of justice in cases of this character."

But to this remark Mr. Justice Harlan, in a forceful dissenting opinion, replied that it was just such an interference with the prerogatives of the States as this which would breed hostility and resentment. He said:

"Surely the right of a State to invoke the jurisdiction of its own courts is not less than the right of individuals to invoke the jurisdiction of a Federal court. The preservation of the dignity and sovereignty of the States, within the limits of their constitutional powers, is of the last importance and vital to the preservation of our system of government."

To Mr. Justice Harlan it appeared inconsistent with the whole scheme of our Government that the Federal judiciary could thus effectively close the doors of the State courts against the State itself.

The popular resentment against such acts by the Federal judiciary did in fact continue unabated. Also, a division of opinion continued within the court itself. But in the face of such criticism, the majority of the court did not recede from the position so taken. The flow of injunction cases to the Federal district courts continued.[17] However, for a time at least, there was some concession made to the demands of the States. Some were obtained through Congress in the form of restrictions placed upon the Federal judiciary in amendment to the Judicial Code.[18] Other concessions came from the Supreme Court itself in response, obviously, to the popular protest. A doctrine of comity was developed. The Federal courts, it was said, should not take jurisdiction in such cases too soon. In the well-known Prentis case,[19] it was said by Mr. Justice Holmes:

"The State of Virginia has endeavored to impose the highest safeguards possible upon the exercise of the great power given to the State corporation commission, not only by the character of the members of that commission, but by making its decisions dependent upon the assent of the same historic body that is intrusted with the preservation of the most valued constitutional rights, if the railroads see fit to appeal. It seems to us only a just recognition of the solicitude with which their rights have been guarded that they should make sure that the State, in its final legislative action, would not respect what they think their rights to be before resorting to the courts of the United States."

Therefore, it was said further, comity requires that the evidence in such cases "be laid in the first instance before the body having the last legislative word."[20]

It should be noted, however, that this rule of comity applies, as expressly stated, to legislative action. Rate making, it was definitely declared, is legislative, not judicial action, whether performed directly by the legislature or by other administrative tribunals. It may be asked why comity does not require also that the Federal courts respect the rights of the States in their judicial action. If a just recognition of the solicitude with which the rights of utilities have been guarded by the States in their provision not only for deliberate rate-fixing proceedings before competent administrative bodies, but also for adequate judicial review thereon in the courts of the State, why does not comity equally require that the utilities first make sure that the States in their final judicial action as well would not respect what they think their legal rights under the Constitution to be? Of course, it is true the utilities would then, after taking their case to the State courts, be foreclosed from going into the lower Federal courts to obtain an interlocutory injunction, but their right to an ultimate review by the Supreme Court of the United States would remain. And the right to an immediate restraining order in any case is only an equitable one, granted at the discretion of the court, and may be granted or denied by the State as well as the Federal judiciary.

DUE PROCESS IN FEDERAL ADMINISTRATIVE ACTION

It will be helpful in this discussion to go back at this point and examine another class of cases which follow the principle announced in Murray *v.* Hoboken Land Co., already discussed; cases defining the requirements of due process of law for the judicial review of legislative or executive action by Federal officers and commissions.

As already pointed out, the requirement of due process is a limitation upon Federal as well as State action. The same finality which was accorded, as we have seen, the findings of the Comptroller of the Treasury, has uniformly been accorded the findings of other Federal officers to whom Congress has delegated quasi-judicial authority. To the Secretary of Commerce, for instance, there has been given authority over matters of immigration and deportation of aliens. In the famous case of U. S. *v.* Ju Toy[21] the Secretary had heard the claim of Ju Toy, a Chinese, that he was an American citizen and might not be excluded from entry into the country, and the Secretary had found as a fact that Ju Toy was not a citizen. The Supreme Court held that this was not a reviewable matter judicially. The finding of the Secretary on this question was held final and conclusive. This was not a denial of due process of law, said Mr. Justice Holmes, for Ju Toy had been given a hearing, and due process does not require that such fact be determined by the judiciary, citing Murray *v.* Hoboken Land Co.

The same finality is accorded the findings of the Postmaster General. A corporation in Chicago was deprived of the privilege of using the United States mails because, as determined by him, the purpose of the use was to defraud the public. The Supreme Court was called upon to review such action by the Postmaster, General and held that his finding was conclusive.[22] "Due process of law," it was said "does not necessarily require the interference of the judicial power."

The same principle has been applied in reviewing the administrative acts of the Secretary of the Interior in matters involving land entries and withdrawals.[23] The same is true in customs and taxation determinations by Federal officials.[24]

Possibly these cases may properly be distinguished from those involving State administrative action on the theory that the Federal Government may entirely exclude all immigrants, may refuse all entries on public lands, and may permit only those whom it chooses to use the Federal Postal System, and, therefore, that it may delegate to its officials authority to make all findings of fact without restraint of due process. However that may be, the determination of the fact of citizenship, or of fraudulent conduct in the use of the mails, certainly may result in as serious a deprivation of life, liberty, or property as the findings of a State administrative body in the regulation of a utility corporation.

Another line of cases now to be considered can not, however, possibly be so distinguished.

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[16] *Ex parte Young* (1908), 209 U. S. 123.

[17] See Pogue, State Determination of State Law and the Judicial Code, 41 Harvard Law Review 623 (1928).

[18] In 1911 (36 Stat. 1087, 1162) the provision taken from the Federal commerce act providing for the convening of a special 3-judge court in injunction cases was incorporated in sec. 266 of the Judicial Code. In 1913 (37 Stat. 1013) a proviso was inserted permitting a State in certain cases to stay the proceeding in the Federal court. And in 1914 (38 Stat. 737, 738) amendment was made to require a bond to secure costs and damages, and requiring the court to set forth its reasons for every injunction issued.

[19] Prentis *v.* Atlantic Coast Line Ry. (1908), 211 U. S. 210.

[20] This principle, however, was later given a very restricted application. See Bacon *v.* Rutland Ry. (1914), 232 U. S. 134; Oklahoma Nat. Gas. Co. *v.* Russell (1923), 261 U. S. 290; Railroad Commission *v.* Duluth St. Ry. (1927), 273 U. S. 625. But recently, in Gilchrist *v.* Interborough Rapid Transit Co. (1929), 279 U. S. 189, strictly followed the Prentis case.

[21] 198 U. S. 253 (1905).

[22] Public Clearing House *v.* Coyne (1904), 194 U. S. 497.

[23] Whitcomb *v.* White (1909), 214 U. S. 15; Ross *v.* Day (1914), 232 U. S. 110.

[24] Hilton *v.* Merritt (1884), 110 U. S. 97; Luckenbach S. S. Co. *v.* U. S. (1926), 272 U. S. 533; Niles Bement Pond Co. *v.* U. S. 281 U. S. 357 (1930).

To certain Federal commissions Congress has delegated administrative powers comparable in every respect to those exercised by various State commissions—power to regulate business in the same manner as that which may be undertaken by the States themselves within the sphere of State authority. To the Public Service Commission of the District of Columbia, for example, there has been given the power to regulate the public utilities within the District. Similar regulatory powers, in the field of interstate commerce, have been conferred upon the Interstate Commerce Commission, the Federal Trade Commission, the Federal Radio Commission, and others. Upon the Secretary of Commerce regulatory powers are conferred over commerce by air, and upon the Secretary of Agriculture the power to regulate packers and stockyards.

Congress has also expressly provided for the particular type of "review" which shall be given the findings of each of these bodies. In some cases a review of the findings of the administrative officer or body is in a court specially constituted by Congress, designated "legislative courts," which do not proceed "judicially," but may revise the action of the tribunal below and substitute their own conclusions, and, therefore, are declared to be merely a part of the machinery for carrying out the administrative purpose.[25] No judicial question is there presented, and, apparently, in some instances, no purely judicial review is possible.[26]

From the findings of others of these Federal administrative bodies, however, Congress has provided for a judicial review in constitutional courts, and has expressly defined the extent of such review. In such cases the evident intention of Congress was to make the findings of the administrative body, when made within the scope of its authority and supported by evidence, conclusive upon the judicial tribunals. Judicial review is not upon the law and the facts, permitting the reviewing court to weigh the evidence and to arrive at an independent judgment thereon, but is a review of the proceeding below for the purpose only of ascertaining whether the administrative body has accorded a proper hearing and has based its conclusions upon competent evidence—in other words, whether there was due process of law.

But, since the question before the legislative court in such cases is administrative and not judicial, the Supreme Court will not grant a judicial review. No purely judicial review having been provided for by Congress, the question arises whether all judicial review is not withheld, and whether the procedure provided, and approved by the Supreme Court, is not wholly opposed to the ruling in the Ohio Valley case.

For example, the Federal Trade Commission act[27] provides for the certification of the entire record made before the commission to the circuit court of appeals. It provided that the findings of the commission shall be final if supported by testimony. New testimony may be introduced upon review, if material, but the court may order such evidence to be first taken before the commission with the privilege of modifying its findings accordingly. In the case of Federal Trade Commission *v.* Curtis Publishing Co.[28] the Supreme Court denied the extent of the judicial review required under such statute in the following words:

"Manifestly, the court must inquire whether the commission's findings of fact are supported by evidence. If so supported they are conclusive."

Concerning further remarks made by the court in the main opinion relative to the duty of the court when additional evidence is offered, Justices Taft and Brandeis, doubting, stated in their separate opinion:

"* * * I think it of high importance that we should scrupulously comply with the evident intention of Congress that the Federal commission be made the fact-finding body, and that the court should, in its rulings, preserve the board's character as such, and not interject its views of the facts where there is any conflict in the evidence."

Another decision particularly pertinent to this discussion is that in Tagg Bros. *v.* Moorehead.[29] This case was brought up to the Supreme Court by appeal from a decree of the United States District Court for the District of Nebraska in an action brought to enjoin the Secretary of Agriculture in the enforcement of certain rates prescribed by him for the services performed by commission agents at the Omaha stockyards. Proceeding under an act of Congress conferring upon him such administrative duties, the Secretary of Agriculture had on his own motion suspended a tariff of charges filed by such agents at Omaha, and had voluminous testimony taken before an examiner. Upon the record made he concluded that some of their expenses were wasteful and unnecessary, and that the return of 7 per cent on their investment was unreasonable. He therefore suspended the tariff of charges filed and substituted one drawn by him. The 3-judge district court refused to restrain the enforcement of the order. The district court based its judgment upon a review of both the evidence taken before the Secretary and of additional evidence received before a special master. Appeal was taken to the Supreme Court, the contention of the agents being that the rate order of the Secretary was not supported by the evidence taken and was confiscatory.

Thus two important questions of procedure were presented; whether the district court was bound by the findings of fact made by the Secretary if supported by any evidence, and whether further testimony on the question of confiscation was admissible in the hearing before the court. On the latter point the Supreme Court refused to express an opinion, stating merely that there was thereby presented a serious question of procedure not argued by counsel. However, it stated, since the conclusion of the lower court conformed to the evidence, its decree denying an injunction should be sustained. But on the first point presented, the court's opinion is of greatest importance. Speaking for the undivided court, Mr. Justice Brandeis stated:

"A proceeding under section 316 of the Packers and Stockyards Act is a judicial review, not a trial de novo. The validity of an order of the Secretary, like an order of the Interstate Commerce Commission, must be determined upon the record of the proceedings before him—save as there may be an exception of issues presenting claims of constitutional right, a matter which need not be considered or decided now. * * * On all other issues his findings must be accepted by the court as conclusive, if the evidence before him was legally sufficient to sustain them and there was no irregularity in the proceeding. To allow his findings to be attacked or supported in court by new evidence would substitute the court for the administrative tribunal as the rate-making body. Where it is believed that the Secretary erred in his findings because important evidence was not brought to his attention, the appropriate remedy is to apply for a rehearing before him or to institute new proceedings. He has the power and the duty to modify his order if new evidence warrants the change."

Here we have a recent and unequivocal declaration of the Supreme Court that the findings of fact of such an administrative officer, like those of the Interstate Commerce Commission, are not to be reviewed by a district court in a trial de novo, with the independent judgment of the court substituted for that of the administrative officer.

We will now turn to those cases which deal with the nature of the judicial review to be accorded the decisions of the Interstate Commerce Commission.

To the district courts of the United States there has been given jurisdiction both to enforce and to restrain the action of that commission. In the enforcement of reparation orders it is provided by statute that the findings of the commission shall be prima facie evidence of the facts found.[30] In the enforcement of other orders it is provided that if, after hearing, the court determines that the order was regularly made and duly served, the court shall enforce obedience.[31] In suits to restrain enforcement of orders made by the commission, the court is not limited in its review by any express provisions of the statute, except that in valuation proceedings its finding of value is made prima facie evidence of the value of the carrier's property. In all such cases, however, the Supreme Court holds that the district court may not set aside an order of the commission on the ground that the weight of the evidence does not support the findings. A typical declaration to that effect is found in Virginian Railway Co. *v.* United States[32] as follows:

"* * * There was clearly substantial evidence to support every fact specifically found. To consider the weight of the evidence before the commission, the soundness of the reasoning by which its conclusions were reached, or whether the findings are consistent with those made by it in other cases, is beyond our province. Whether a rate is unjustly discriminatory is a question on which the finding of the commission, supported by substantial evidence, is conclusive, unless there was some irregularity in the proceeding or some error in the application of rules of law."

Numerous cases containing similar language need not be cited.[33] It is a principle uniformly adhered to by the courts in reviewing orders of the Interstate Commerce Commission.

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[25] Keller *v.* Potomac Elec. Power Co. (1923), 261 U. S. 428; Ex parte Bakelite Corporation (1929), 279 U. S. 438; Federal Radio Commission *v.* General Electric Co. (1930), 281 U. S. 464. See article by Katz, Federal Legislative Courts, 43 Harvard Law Review 894 (1930).

[26] The power of Congress to confer legislative powers upon such special courts is upheld. In the Bakelite case there is this statement:

"Legislative courts also may be created as special tribunals to examine and determine various matters arising between the Government and others, which from their nature do not require judicial determination and yet are susceptible of it. The mode of determining matters of this class is completely within congressional control. Congress may reserve to itself the power to decide, may delegate that power to executive officers, or may commit it to judicial tribunals."

[27] 38 Stat. 719, Sept. 26, 1914; U. S. C., title 15, sec. 45.

[28] 260 U. S. 568 (1923).

[29] 280 U. S. 420 (1930).

[30] 24 Stat. 379, 384, 385; U. S. C., title 49, sec. 16 (2).

[31] Ibid. Sec. 16 (12).

[32] 272 U. S. 658 (1926).

[33] The cases are collected and excerpts therefrom quoted in a note to the opinion written by Mr. Justice Brandeis in the O'Fallon case (279 U. S. 461, 493), as follows:

"Alleged errors of the Interstate Commerce Commission in weighing evidence or drawing inferences therefrom have been urged as grounds for reversal in many cases. This court has consistently held that the commission's decisions as to such matters are not the proper subject for judicial review. See e. g. Cincinnati, H. & D. R. Co. *v.* Interstate Commerce Commission, 206 U. S. 142, 154, 51 L. ed. 995, 1000, 27 Sup. Ct. Rep. 648; Illinois C. R. Co. *v.* Interstate Commerce Commission, 206 U. S. 441, 51 L. ed. 1128, 27 Sup. Ct. Rep. 700; Interstate Commerce Commission *v.* Illinois C. R. Co., 215 U. S. 452, 470, 54 L. ed. 280, 287, 30 Sup. Ct. Rep. 155; Los Angeles Switching case (Interstate Commerce Commission *v.* Atchison, T. & S. F. R. Co.), 234 U. S. 294, 58 L. ed. 1319, 34

An attempt may be made to distinguish these various cases wherein the court has declared the findings of the Interstate Commerce Commission, if supported by evidence, are conclusive. The point may be made that there was no question of confiscation involved. Although the commission's orders resulted in an immediate reduction of the carriers' net revenue, they did not involve the entire body of rate charges so as to deprive them permanently of an adequate return on their entire schedule of rates. But would such an argument be sound? Is there any valid basis, under the due-process requirement, for imposing a broader judicial review of the facts in a valuation case than in others? The Supreme Court itself has made no such distinction, but, on the contrary, in United States against Los Angeles & Salt Lake Ry.,[34] a valuation case, has reaffirmed the same principle in these words:

"The mere fact that Congress has, in terms, made 'all final valuations * * * and the classification thereof * * * prima facie evidence of the value of the property in all proceedings under the act to regulate commerce * * * in all judicial proceedings for the enforcement of the act * * * and in all judicial proceedings brought to enjoin, set aside, annul, or suspend, in whole or in part, any order of the Interstate Commerce Commission,' is, obviously, not a violation of the due-process clause justifying proceedings to annul the order."

And again, in the O'Fallon case,[35] one raising the question of confiscation, the court did not make such a distinction. The majority of the court decided the case solely upon the basis of statutory interpretation. And in the opinions of the dissenting justices there is no evidence that they were of the opinion that the fact of valuation must be found by the judiciary. Justice Brandeis, in his dissent, remarked:

"The commission is a fact-finding body. The question whether it must give to confessedly relevant facts evidential effect is solely one of adjective law.

"* * * But no case has been found in which this court has set aside an order on the ground that the commission failed to give effect to evidence which seemed to the court to be of probative force, or on the ground that the commission had drawn from the evidence an inference or conclusion deemed by the court to be erroneous. On the contrary, findings of the commission involving the appreciation or effect of evidence have been treated with the deference due to those of a tribunal 'informed by experience' and 'appointed by law' to deal with an intricate subject."

It clearly appears, therefore, that within the field of Federal administrative action the due-process requirement of the fifth amendment of the Constitution does not demand a judicial review of the administrative body's findings of fact to determine whether the weight of the evidence supports the findings made. Due process is completely satisfied if a regular hearing is had before the administrative body, and its conclusions based upon some competent evidence. For the judicial body, upon review judicially, the question is not whether the evidence supports the findings, but whether, merely, there is any evidence in the record to support them. The concern of the judiciary is not with the substantive result of the administrative action. It is entirely inappropriate, therefore, as the Supreme Court has declared, for the judicial tribunal to hear the evidence and try the issues de novo, or to substitute its conclusions for those of the administrative body.

OTHER STATE ADMINISTRATIVE ACTION

There is just one other class of cases on the question of due process of law to which reference need be made. These, again, are in the field of State administrative action, and are related closely to the State utility regulation cases. They are those involving valuations in taxation and condemnation proceedings.

In Pittsburgh, Cincinnati, Chicago & St. Louis Ry. *v.* Backus,[36] the Supreme Court held valid a statute of the State of Indiana creating a board of tax commissioners to pass finally upon valuations made for tax purposes. Concerning such statute Mr. Justice Brewer stated:

"A hearing before judgment, with full opportunity to present all the evidence and the arguments which the party deems important, is all that can be adjudged vital. Rehearings, new trials are not essential to the due process of law, either in judicial or administrative proceedings.

"* * * If a single hearing is not due process, doubling it will not make it so; * * *.

* * * * * * *

"Whenever a question of fact is thus submitted to the determination of a special tribunal, its decision creates something more than a mere presumption of fact, and if such determination comes into inquiry before the courts, it can not be overthrown by evidence going only to show that the fact was otherwise than as so found and determined."

The case of C., B. & Q. Ry. Co. *v.* Babcock[37] came up to the Supreme Court from an injunction suit in the United States district court for Nebraska. Again the question concerned a valuation made by a State board of equalization. This was the forceful language of Mr. Justice Holmes:

"It is said that this valuation is absurd and due to a misunderstanding of the table. But we have nothing to do with complaints of this nature, or with anything less than fraud, or a clear adoption of a fundamentally wrong principle. * * *

"* * * The board was created for the purpose of using its judgment and its knowledge. * * * Within its jurisdiction, except, as we have said, in case of fraud or a clearly shown adoption of wrong principles, it is the ultimate guardian of certain rights. The State has confided those rights to its protection and has trusted to its honor and capacity as it confides the protection of other social relations to the courts of law. Somewhere there must be an end."

Dohany *v.* Rogers[38] involved a valuation by commissioners appointed to value property taken under the Michigan Highway Commission act. Mr. Justice Stone made this declaration on the requirement of due process:

"The due-process clause does not guarantee to a citizen of a State any particular form or method of State procedure. Under it he may neither claim a right to trial by jury nor a right of appeal. Its requirements are satisfied if he has reasonable notice and a reasonable opportunity to be heard and to present his claim or defense, due regard being had to the nature of the proceeding and the character of the rights which may be affected by it."

THE RATE-MAKING FUNCTION

Thus far we have examined a few of the leading cases to develop historically a problem which has given rise to much discussion and one which remains vital to-day. We have seen that the due-process requirement for judicial review of administrative action is not uniform. The basis for the variation in the application of this constitutional provision defies analysis. There is no explanation for the variation in the extent of judicial review demanded between different types of State administrative action, or the difference between similar classes of State and Federal action, both restricted by the same constitutional requirement.

It must be true, as recently said by Mr. Justice Stone, that the requirements of due process are satisfied if a citizen has been given a reasonable opportunity to be heard and to present his claim or defense, "due regard being had to the nature of the proceeding and the character of the rights which may be affected by it." And so, having due regard for the nature of the proceedings before State regulatory bodies, whose members are "appointed by law and informed by experience," the question naturally arises: Why must the determination of such bodies be subjected to a review before a judicial tribunal on the law and the facts when not required of other administrative bodies exercising similar functions?

Coming back for a moment to the Ohio Valley case; it should be observed that the court has accepted for its major premise the doctrine of the separation of powers. Rate making, it has been said, is legislative action. A judicial review of a rate order on both the law and the facts is required not because it is an order of a body which does not bear the title of a court of law, but because a rate order, whether by commission or court, looks to the future and prescribes a rule for the future, and, therefore, is legislative in character. As expounded in the well-known Prentis case,[39] the distinction between a legislative and a judicial act is found, not in the name or nature of the body rendering judgment, but in the nature of the act itself. Some inferior courts, both State and Federal, as we have seen, have been empowered to aid commissions in their administrative functions. Yet, when so acting, they are not judicial tribunals. Within their judicial sphere their findings, based on competent evidence, are conclusive. But when a State court or commission renders a judgment in aid of the legislative process, its findings, seemingly, are entitled to no respect whatever when appeal is taken to a purely judicial tribunal.[40]

Sup. Ct. Rep. 814; United States *v.* New River Co., 265 U. S. 533, 68 L. ed. 1165, 44 Sup. Ct. Rep. 610; Western Paper Makers' Chemical Co. *v.* United States, 271 U. S. 268, 70 L. ed. 941, 46 Sup. Ct. Rep. 500; Virginian R. Co. *v.* United States, 272 U. S. 658, 71 L. ed. 463, 47 Sup. Ct. Rep. 222; Chicago, R. I. & P. R. Co. *v.* United States, 274 U. S. 29, 71 L. ed. 911, 47 Sup. Ct. Rep. 486; Assigned Car cases (United States *v.* Berwind-White Coal Min. Co.), 274 U. S. 564, 71 L. ed. 1204, 47 Sup. Ct. Rep. 727. The following excerpts from recent opinions succintly express the court's position in the matter: 'The courts will not review determinations of the commission made within the scope of its powers or substitute their judgment for its findings and conclusions.' United States *v.* New River Co., 265 U. S. 533, 542, 68 L. ed. 1165, 1172, 44 Sup. Ct. Rep. 610. 'To consider the weight of the evidence is beyond our province.' Western Paper Makers' Chemical Co. v. United States, 271 U. S. 268, 271 70 L. ed. 941, 942, 46 Sup. Ct. Rep. 500. 'This court has no concern with the correctness of the commission's reasoning, with the soundness of its conclusions, or with the alleged inconsistency with findings made in other proceedings before it.' Virginia R. C. *v.* United States, 272 U. S. 658, 665, 666, 71 L. ed. 463, 467, 468, 47 Sup. Ct. Rep. 222. 'But if the determination of the commission finds substantial support in the evidence, the courts will not weigh the evidence nor consider the wisdom of the commission's action.' Chicago, R. I. & P. R. Co. *v.* United States, 274 U. S. 29, 33, 34, 71 L. ed. 911, 914, 915, 47 Sup. Ct. Rep. 486."

[34] 273 U. S. 299 (1927).

[35] St. Louis & O'Fallon Ry. *v.* U. S. (279 U. S. 461) (1929).

[36] 154 U. S. 421 (1894).

[37] 204 U. S. 585 (1907).

[38] 281 U. S. 362 (1930).

[39] Prentis *v.* Atlantic Coast Line (1908), 211 U. S. 210.

[40] The Federal courts may enjoin State officers in the enforcement of a regulatory order whether the matter has first been taken to the State courts or not, so long as the legislative process of fixing rates has not ended and purely judicial review begun. (See Oklahoma Natural Gas Co. *v.* Russell (1923), 261 U. S. 290; Bacon *v.* Rutland Ry. (1914), 232 U. S. 134; Pacific T. & T. Co. *v.* Kuykendall (1924), 265 U. S. 196; Railroad Comm. of Minn. *v.*

The rule of the Ohio Valley decision has almost uniformly been criticized by legal reviewers.[41] It is grounded upon the false premise that commission rate making must, under the separation of powers concept, be classified as a wholly legislative function. Even should that premise be accepted, it does not follow that the findings of the legislative branch must, under the due-process requirement, be subjected to full judicial review. That was not the requirement of due process prior to 1890, nor is it a requirement consistently applied by the Supreme Court to-day, except in the field of State utility regulation.

In many respect, it is submitted, a State administrative commission is a judicial body. It determines legal rights in disputes between adversary parties; it awards reparations; it passes upon the reasonableness of rates. All of these are functions belonging also to the courts.[42] In their primary field of rate regulation, such tribunals are adequately equipped as expert fact-finding bodies. In their hearings they observe all the essential safeguards known to courts of law for the presentation and examination of evidence. The record made is open to inspection, and their conclusions thereon preserved in written opinions, which in many States now constitute a considerable body of precedent in an important and technical field. To their judgments, therefore, there should be accorded a very wide margin of finality, the same finality which is readily conceded to the judgments of inferior courts of law, and certainly equal to that accorded to similar administrative bodies of Federal creation. Review should be for the correction of error, not for the substitution of another judgment.

Before the rendition of the decision in the Ohio Valley case it was taken for granted that the determinations of a State administrative body were to be treated by the courts as at least presumptively correct. The Supreme Court had repeatedly so declared. In spite of the acceptance of the doctrine that State commission action was restrainable by the Federal judiciary, the Supreme Court theretofore had frequently stated that the right was not without some restraint. A rule for the guidance of the courts was laid down which had in some measure allayed the antagonism which naturally followed the injunctive process. In San Diego Land & Town Co. *v.* National City, for example, it was declared:

"But it should be remembered that the judiciary ought not to interfere with the collection of rates established under legislative sanction unless they are so plainly and palpably unreasonable as to make their enforcement equivalent to the taking of property for public use without such compensation as under all the circumstances is just both to the owner and to the public; that is, judicial interference should never occur unless the case presents, clearly and beyond all doubt, such a flagrant attack upon the rights of property under the guise of regulations as to compel the court to say that the rates prescribed will necessarily have the effect to deny just compensation for private property taken for the public use."

Again in Louisville & Nashville Ry. *v.* Garrett,[44] another injunction case, it was said:

"The rate-making power necessarily implies a range of legislative discretion; and, so long as the legislative action is within its proper sphere, the courts are not entitled to interpose and upon their own investigation of traffic conditions and transportation problems to substitute their judgment with respect to the reasonableness of rates for that of the legislature or of the railroad commission exercising its delegated power."

In Darnell *v.* Edwards,[45] there is this statement:

"It is well established that in a question of rate-making there is a strong presumption in favor of the conclusions reached by an experienced administrative body after a full hearing."

And in People ex rel. New York & Queens Gas Co. *v.* McCall,[46] decided just three years before the Ohio Valley case, the Supreme Court admonished the lower Federal court in these plain words: "* * * the action of the commission complained of was not arbitrary or capricious, but was based on very substantial evidence, and therefore that, even if the courts differed with the commission as to the expediency or wisdom of the order, they are without authority to substitute for its judgment their views of what may be reasonable or wise."

We need not pause to consider what has been the trend since that unexpected decision in the Ohio Valley case. The decision remains unreversed and unexplained. The State courts have accepted it reluctantly. The subordinate Federal courts, it may be implied, have usually followed its principle without question. Occasionally, it is true, a more liberal Federal court has appreciated the result certain to follow from the exercise of such authority and has been disposed to accord to the findings of the State body some degree of conclusiveness.[47] Such cases are, however, the exception rather than the rule, and the flow of State utility regulation cases to the Federal courts by the injunctive process continues without sign of abatement.[48]

The State administrative tribunals, quasi-judicial as well as legislative, are no longer entitled to a respected place in the administration of State affairs. The Federal courts sit as boards of censors on every State enactment or administrative order that affects the property of utility corporations. Precisely that result which evidently was earlier feared by the Supreme Court when it rendered its decision in Ex parte Young[49] but did not, nevertheless, deter it when it said:

"There is nothing in the case before us which ought properly to breed hostility to the customary operation of the Federal courts of justice in cases of this character,"

has become a reality. State officers, in the administration of the duties imposed upon them by statute have not only become timid and subservient in the performance of those necessary duties, but have become actually hostile to the Federal judiciary.

And it is not surprising that this feeling of antagonism toward the Federal courts should exist. Not only do the qualified officers of the States naturally resent the usurpation of their functions by the judiciary, particularly the Federal judiciary, but they see their sincere efforts in the regulation of utilities to be a futile endeavor. The great initial expense incurred in valuing the utility's property in the usual rate proceeding before a State commission is needlessly doubled in a trial of the same issues before the judicial body, an expense which ultimately falls upon the rate payers themselves. Restraining orders and interlocutory injunctions are issued upon affidavits alone, and final injunctions granted usually not upon a consideration of the record made before the commission, but upon evidence adduced anew; evidence involving highly technical issues of valuation, accounting, depreciation, cost of financing, and a myriad issues pertaining to expenses of operation. And upon these highly technical issues the courts express their conclusions with an assurance that they are mere questions of legal right upon which they are given preeminent control.

The objections to such procedure are summed up in the report of William J. Donovan, counsel for the Commission for the State of New York for the Revision of the Public Service Commission Law, page 155 (1930), as follows:

"The reason for popular dissatisfaction with this system of revaluation by special masters in chancery is not hard to see. There are two distinct objections to this type of judicial review:

"(1) The second valuation of the utility property by the master is not only costly and time-consuming but serves no useful purpose.

"(2) The second basic objection to Federal judicial review in its present form rests on the theory that rate making is not only a problem of the mere interpretation of established law. The law demands that the utility rate or charge be fixed only after a proper weighing of various indices of value. Accountants, economists, and engineers dispute over these indices and their application. To resolve these disputes is the task of the judge. Plainly the proper resolution of these disputed theories requires understanding of matters far removed from the construction of statutes and the reconciliation of previous judicial decisions. The judge must himself appreciate the significance of certain economic phenomena. This important social problem should be preserved in the hands of the State judges. The State should not be required to surrender to the judges of the national courts so essential a key to the welfare of its people. We are convinced that some method should be evolved to insure to the courts of this State an oppor-

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Duluth St. Ry. (1927), 273 U. S. 625.) Only when the utility elects to obtain a purely judicial review in the State courts is it met by the plea of res judicata when the Federal injunctive power is invoked. (See Detroit & Mackinac Ry. Co. *v.* Michigan R. R. Co. (1914), 235 U. S. 402; Napa Valley Elec. Co. *v.* Railroad Comm. of Calif. (1920), 251 U. S. 366; Grubb *v.* Public Service Comm. of Ohio (1930), 281 U. S. 470.)

[41] See the following Law Review comments: Albertsworth, Judicial Review of Administrative Action, 35 Harvard Law Review 127; Curtis, Judicial Review of Commission Rate Regulation, 34 Harvard Law Review 862; Brown, The Functions of Courts and Commissions in Public Utility Rate Regulation, 38 Harvard Law Review 141; Hardman, Judicial Review as a Requirement of Due Process in Rate Regulation, 30 Yale Law J1. 681; Freund, The Right to Judicial Review in Rate Controversies, 27 West Virginia Law Review 207; Weil, Administrative Finality, 38 Harvard Law Review 447.

[42] It is interesting to note that it has been held by a Federal district court that a State industrial accident commission is so far a judicial tribunal as to prevent its proceedings from being enjoined under section 265 of the Judicial Code; U. S. C. Title 28, sec. 379. North Pacific S. S. Co. *v.* Industrial Accident Comm. (1918) 23 Fed. (2d) 109.

[44] 231 U. S. 298 (1913).

[45] 244 U. S. 564 (1917).

[46] 245 U. S. 345 (1917).

[47] For example, it was said by the District Court for the District of Maryland in Chesapeake and Potomac Tel. Co. *v.* Whitman (1925), 3 Fed. (2d) 938, that "The law wisely makes the findings of the commission presumptively correct." And see also the statement of the District Court for the Southern District of Indiana in Greencastle Water Works *v.* Public Service Commission of Indiana (1929), 31 Fed. (2d) 600, to the effect that it would not review the action of the commission for the purpose of substituting its judgment for that of the commission.

[48] For a list of all injunction cases in the district courts reviewed finally by the United States Supreme Court by direct appeal under section 266 of the Judicial Code (U. S. C., title 28, sec. 380), see article by Pogue, 41 Harvard Law Review, 623 (1928). An analysis of the work of the Supreme Court for the 10-year period from 1921 to 1930, inclusive, reveals that 52 injunction cases went up to the Supreme Court from inferior Federal courts involving public utility regulations alone. About 60 more involved other forms of State administrative action. Only 23 utility regulation cases reached the Supreme Court by way of review of decisions of highest State courts. There were, of course, numerous injunction suits in the Federal district courts which did not reach the Supreme Court.

[49] 209 U. S. 123 (1908).

tunity to make a judicial determination of the matters involved in rate cases before any such determination shall be made by the Federal courts."

CONCLUSIONS

We arrive now to the problem of answering the question first proposed: What remedy may properly be applied for the correction of this condition so provocative of friction and conflict between State and Federal jurisdictions. That there exists a demand for a revision of our judicial machinery which permits the judiciary to thus revise the determinations of duly appointed State administrative bodies is evidenced by the various proposals made in Congress designed to effect such result.[50] These proposals will now be considered.

In designing a remedy two considerations must be borne in mind. First, there must be preserved within the States an adequate judicial review for the protection of utilities against invasion by the administrative branch of constitutional rights. This is a problem for the States themselves and need not here be considered. Most of the States now have adequate procedure to that end.[51] Unduly restrictive as the rule in the Ohio Valley case seems to be, it does not prevent these States from distributing legislative and judicial powers as they see fit nor does it circumscribe their right to create special regulatory bodies which shall in the first instance find the facts and declare rights within their special fields unrestricted by other State judicial tribunals except upon questions of constitutional right.

The second consideration is purely one of Federal policy. Whatever may be required by due process of law in the way of judicial review of administrative action in the courts of the States, it does not require also that all State administrative action be reviewable in the inferior Federal courts by the injunctive process. And certainly there is no constitutional requirement in such a suit that the facts adduced before the State body be ignored, nor that a hearing de novo be had before the Federal tribunal with the substitution of its judgment for that of the State body on all the facts commonly in dispute in a rate proceeding. It is here that we find the chief cause of the existing resentment against the Federal system and the end to which remedial legislation should be directed.

That Congress possesses full authority to revise the Federal injunctive procedure to meet the demands of the States can not be questioned. It has the power to limit the jurisdiction of subordinate Federal courts, or to deprive them of their injunctive jurisdiction entirely. They derive their power solely from authority of Congress.[52]

A review of the legislation proposed to date by Congress reveals that the demands of the States for remedial legislation have so far been based upon the belief that the Federal courts should be entirely deprived of jurisdiction to grant injunctions in such cases. Although the bills proposed have taken various forms, the effect of each is to deny injunctive power to the Federal courts if adequate judicial review exists in the courts of the State. Yet no attempt has been made to make the prohibition applicable to all cases involving the validity of State statutes or administrative orders made pursuant to such statutes. Injunctive power is denied only in cases affecting public utilities, and, by a few of the bills, further restricted to cases involving the validity of an order fixing the rates of public utilities.[53]

If the issue is primarily one of "State rights," the right of a State to have the question of the validity of its own statutes and administrative orders under the Federal Constitution first tried in the courts of the State, no basis exists for limiting the injunctive power of the Federal courts to statutes or orders affecting public utilities alone.

As an abstract principle of political or legal theory it may be contended that the original jurisdiction granted to the Federal courts in 1875 to restrain State officers in the enforcement of a State law alleged to be in violation of the Constitution should now be wholly withdrawn.[54] In such event there would appear to be no reason for the singling out of State utility commissions from other perhaps equally important State administrative bodies. The fundamental right of the States to construe their own laws and to pass judicially in the first instance upon all State administrative action would require that not only orders affecting utilities, but all other State administrative action be freed from Federal injunctive interference. Constitutional rights might still be fully protected by appeal from the highest State tribunal to the highest Federal tribunal, but the fundamental rights of the States, nevertheless, be observed. If, as has been suggested, there be added to such a broad withdrawal of injunctive power the proviso that a plain, speedy, and efficient remedy be available in the courts of the States, no constitutional rights of citizens affected by any State administrative order could possibly be jeopardized.

If it is, however, deemed advisable and proper not to urge such a broad measure withdrawing from the Federal courts all injunctive power over State action, but to confine such limitation to cases involving State utility regulation, Senate bill No. 3085, introduced by Senator WAGNER, of New York, in the last session (Seventy-first), in general, meets the requirements.[55]

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[50] In the Seventy-first Congress 9 bills were introduced designed to limit the power of the Federal courts to issue injunctions in such cases: House bills Nos. 132, 135, 161, 9185, 9228, 9330, 9484, 9501, and Senate bill No. 3085. A similar measure was proposed in the Sixty-seventh Congress following the Ohio Valley decision. (H. R. 10212.) Hearings on this bill were had before the Committee on the Judiciary of the House of Representatives on Apr. 25, 1922 (serial 34, pt. 2).

[51] Lilienthal: State Regulation of Public Utilities, 43 Harvard Law Review, 379, 412.

[52] The power of Congress to withhold or restrict the jurisdiction of the lower Federal courts is clearly expressed in Kline *v.* Burke Construction Co., 260 U. S. 226 (1922), as follows:

"The right of a litigant to maintain an action in the Federal court on the ground that there is a controversy between citizens of different States is not one derived from the Constitution of the United States, unless in a very indirect sense. Certainly it is not a right granted by the Constitution. The applicable provisions, so far as necessary to be quoted here, are contained in Article III. Section 1 of that article provides: 'The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time establish.' By section 2 of the same article it is provided that the judicial power shall extend to certain designated cases and controversies, and, among them 'to controversies * * * between citizens of different States. * * *.' The effect of these provisions is not to vest jurisdiction in the inferior courts over the designated cases and controversies, but to delimit those in respect of which Congress may confer jurisdiction upon such courts as it creates. Only the jurisdiction of the Supreme Court is derived directly from the Constitution. Every other court created by the General Government derives its jurisdiction wholly from the authority of Congress. That body may give, withhold, or restrict such jurisdiction at its discretion, provided it be not extended beyond the boundaries fixed by the Constitution."

[53] Senate bill No. 3085, introduced by Senator WAGNER of New York, reads as follows: "To amend section 24 of the judicial code, as amended, with respect to the jurisdiction of the district courts of the United States over suits brought by or against public utility corporations.

"*Be it enacted, etc.*, That the first paragraph of section 24 of the judicial code, as amended, is amended by adding at the end thereof the following: 'Notwithstanding the foregoing provisions of this paragraph, a district court shall not have jurisdiction thereunder of a suit brought by or against a public utility corporation, and/or any director, officer, employee, or receiver thereof in his capacity as such (1) if the corporation is engaged in business as a public utility solely within one State or if the suit relates solely to the intrastate business of the corporation, and jurisdiction is based solely upon the ground that the suit arises under the Constitution or laws of the United States, or treaties made, or which shall be made, under their authority, or (2) if the suit is brought by or against a citizen of a State in which the corporation is engaged in business as a public utility, and jurisdiction is based solely upon the ground that the suit is between citizens of different States.'

"SEC. 2. The provisions of this act shall not affect suits commenced in the district courts, either originally or by removal, prior to its passage; and all such suits shall be continued, proceedings therein had, appeals therein taken, and judgments therein rendered, in the same manner and with the same effect as if this act had not been passed."

Two bills introduced in the House by O'CONNELL of New York, Nos. 9228 and 9501, are similar to the above, but are limited to orders affecting rates.

[54] See article by Lockwood, Maw, and Rosenberry, 43 Harvard Law Review, p. 426, in which the following addition to the Judicial Code was suggested:

"No injunction suspending or restraining the enforcement, operation, or execution of any statute of a State or ordinance of a municipality by restraining the action of any officer of such State or municipality in the enforcement or execution of such statute, or in the enforcement or execution of an order made by an administrative board or commission acting under and pursuant to the statutes of such State or ordinance of such municipality shall be issued or granted by any Justice of the Supreme Court or by any district court of the United States, or by any judge thereof, upon the ground of the unconstitutionality of such statute or ordinance where a plain, speedy, and efficient remedy may be had at law or in equity in the courts of the State.

"*Provided*, That in any case in which it is satisfactorily shown, after 10 days' notice to the State attorney general, that there is unreasonable and prejudicial delay in the accordance of the aforesaid remedy in the State courts it shall be competent for the Federal court to entertain a suit for injunctive relief in manner and form as if there had been no adequate remedy in the State court."

[55] The following bill, similar to the Wagner bill, is suggested: "Section 24 of the Judicial Code, as amended by the act approved March 3, 1911 (36 Stat., p. 1091), is hereby amended by the insertion at the end of the first paragraph thereof the provision following: 'Notwithstanding the foregoing provisions of this paragraph, no district court of the United States or judge thereof shall have jurisdiction to entertain any bill of complaint to enjoin, suspend, or restrain the enforcement, operation, or execution of any order affecting the rates to be charged by a public utility, not interfering with interstate commerce, made by an administrative board or commission of any State when acting under and pursuant to the statutes of such State, on the ground of the unconstitutionality of such order, where such order has been made after hearing upon notice and where a plain, speedy, and efficient remedy may be had at law or in equity in the courts of such State.'"

Another approach to a solution of the problem may be made by revising the existing machinery whereby the Federal courts exercise injunctive control over State administrative action, rather than to deny the power entirely. If the necessity for some Federal injunctive power is conceded, the question remains as to what equitable procedure in such cases will best protect constitutional rights and at the same time be most conducive to comity and good will between State and Federal bodies.

Should the review of State commission action given by subordinate Federal courts in injunction cases be in fact a review to determine merely whether the utility has had due process of law, much of the resentment, no doubt, now entertained by the States against the existing procedure would be allayed.

If this is the end to be attained, the remedy is apparent. It is necessary only to revise the injunctive procedure so as to make the review accorded by the Federal courts identical with that now given to comparable Federal administrative bodies. Congress has already shown the way.[56]

Only one other observation need be made. It may be suggested that if the States entertain any resentment toward the Federal system which permits State statutes and administrative orders to be tested in the Federal courts without permitting the State judiciary first to pass upon their validity, the States may take advantage of a privilege already accorded them by a proviso contained in section 266 of the Judicial Code to try such questions in their own courts.[57] But it is doubtful whether the use of that procedure, even if actually available, would dispel the resentment against the assumption of jurisdiction by the Federal courts in the first instance.

But we believe that it can be conclusively shown that such proviso, as it stands, does not meet the practical situation confronting the States.[58] Until recently no State has attempted to revise its procedure so as to meet the terms of the provision. It imposes the condition that a stay must be granted by the State court whether equity requires it in a given case or not. It does not provide that the final judgment of the State court will thereafter be res adjudicata, and reviewable only by appeal to the Supreme Court as are other judgments of the State tribunal. And, moreover, the provision obviously applies only to suits wherein an interlocutory injunction is sought.[59]

Should the Federal injunctive power not be withdrawn altogether, some amendment to this proviso may remedy its more obvious defects, and may encourage the States to invoke the procedure permitted.

[56] Section 266 of the Judicial Code (U. S. C., title 28, sec. 380), with suggested additions in italic and omissions in parentheses, is here given in full:

"No interlocutory injunction suspending or restraining the enforcement, operation, or execution of any statute of a State by restraining the action of any officer of such State in the enforcement or execution of such statute, or in the enforcement or execution of an order made by an administrative board or commission acting under and pursuant to the statutes of such State, shall be issued or granted by any justice of the Supreme Court, or by any district court of the United States, or by any judge thereof, or by any circuit judge acting as district judge, upon the ground of the unconstitutionality of such statute, unless the application for the same shall be presented to a justice of the Supreme Court of the United States, or to a circuit or district judge, and shall be heard and determined by three judges, of whom at least one shall be a justice of the Supreme Court or a circuit judge, and the other two may be either circuit or district judges, and unless a majority of said three judges shall concur in granting such application. Whenever such application as aforesaid is presented to a justice of the Supreme Court, or to a judge, he shall immediately call to his assistance to hear and determine the application two other judges: *Provided, however,* That one of such three judges shall be a justice of the Supreme Court or a circuit judge. Said application shall not be heard or determined before at least five days' notice of the hearing has been given to the governor and to the attorney general of the State, and to such other persons as may be defendants in the suit: *Provided,* That if of opinion that irreparable loss or damage would result to the complainant unless a temporary restraining order is granted, any justice of the Supreme Court, or any circuit or district judge, may grant such temporary restraining order at any time before such hearing and determination of the application for an interlocutory injunction, but such temporary restraining order shall remain in force only until the hearing and determination of the application for an interlocutory injunction upon notice as aforesaid. The hearing upon such application for an interlocutory injunction shall be given precedence and shall be in every way expedited, and be assigned for a hearing at the earliest practicable day after the expiration of the notice hereinbefore provided for. An appeal may be taken direct to the Supreme Court of the United States from the order granting or denying, after notice and hearing, an interlocutory injunction in such case. The requirement respecting the presence of three judges shall also apply to the final hearing in such suit in the district court; and a direct appeal to the Supreme Court may be taken from a final decree granting or denying a permanent injunction in such suit: *Provided, however, That in all suits brought to enjoin, suspend, or restrain in whole or in part any orders made by an administrative board or commission of a State acting under and pursuant to the statutes of such State, the record made before such board or commission shall be admissible in evidence before the court, and the findings of such board or commission, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such evidence is material, the court may permit such additional evidence to be received upon such terms and conditions as the court may deem proper.* It is further provided that if, before the final hearing of (such application) *any suit brought to enjoin, suspend, or restrain the enforcement or execution of a statute of a State or of an order made by an administrative board or commission acting under and pursuant to the statutes of such State,* a suit shall have been brought in a court of the State having jurisdiction thereof under the laws of such State to enforce such statute or order, accompanied by a stay in such State court of proceedings under such statute or order pending the determination of such suit by such State court, all proceedings in any court of the United States to restrain the execution of such statute or order shall be stayed pending the final determination of such suit in the courts of the State. *Upon the final determination of such suit in the courts of the State, the proceeding in the court of the United States shall be dismissed.* Such stay *in the court of the United States* may be vacated upon proof made after hearing and notice of 10 days served upon the attorney general of the State, that the suit in the State courts is not being prosecuted with diligence and good faith."

[57] See last proviso in sec. 266 with suggested changes, note 56, supra.

[58] See article by Pogue, note 48, supra. The futility of any attempt on the part of the States to pursue the course provided under this section has been ably presented by counsel of the New York Transit Commission in his recommendations to the commission for the revision of the Public Service Commission Laws of New York, 1930, pp. 156–158.

[59] The ineffectiveness of the proviso is seen by the holding in the only case in which it has been construed. See Union Light, Heat & Power Co. *v.* Railroad Comm. of Kentucky (1926), 17 Fed. (2d) 143.

PROPOSED AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. McKELLAR. Mr. President, I desire to offer an amendment to the pending Interior Department appropriation bill in order that it may be printed and lie on the table. I move to amend, on page 97, after line 20, by inserting:

Areas to be established as national parks under the act of May 22, 1926 (U. S. C., title 16, sec. 403).

The VICE PRESIDENT. The amendment will be printed and lie on the table.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Reed
Austin	Couzens	Jones	Robinson, Ark.
Bailey	Cutting	Kean	Robinson, Ind.
Bankhead	Davis	Kendrick	Schall
Barbour	Dickinson	Keyes	Sheppard
Barkley	Dill	King	Shipstead
Bingham	Fess	La Follette	Shortridge
Black	Fletcher	Lewis	Smith
Blaine	Frazier	Logan	Smoot
Borah	George	McGill	Steiwer
Bratton	Glass	McKellar	Thomas, Idaho
Brookhart	Glenn	McNary	Thomas, Okla.
Broussard	Goldsborough	Metcalf	Townsend
Bulkley	Gore	Morrison	Trammell
Bulow	Hale	Moses	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Wagner
Caraway	Hatfield	Norris	Walcott
Carey	Hawes	Nye	Walsh, Mont.
Connally	Hayden	Oddie	Waterman
Coolidge	Hebert	Patterson	Watson
Copeland	Howell	Pittman	White

Mr. McKELLAR. The junior Senator from Tennessee [Mr. HULL] is detained on account of illness. This announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. SHEPPARD. I desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily out of the city.

Mr. COOLIDGE. I wish to announce that the senior Senator from Massachusetts [Mr. WALSH] is necessarily detained from the Senate by illness.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills, each with an amendment, in which it requested the concurrence of the Senate.

S. 1473. An act to authorize an appropriation for the relief of I. L. Lyons & Co.; and

S. 2822. An act for the relief of Anna Marie Sanford, widow of William Richard Sanford, deceased.

The message also announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 96. An act to punish the sending through the mails of certain threatening communications;

H. R. 273. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn;

H. R. 796. An act for the relief of the James River Bridge Corporation;

H. R. 882. An act for the relief of G. W. Wall;

H. R. 1296. An act for the relief of Capt. W. B. Finney;

H. R. 1700. An act for the relief of Walter S. West;

H. R. 1804. An act for the relief of Frank Woodey;

H. R. 2238. An act for the relief of Edward Bodeck;

H. R. 2514. An act for the relief of the estate of Samuel Schwartz;

H. R. 3033. An act for the relief of Ida E. Godfrey and others;

H. R. 3265. An act for the relief of W. J. Shirley;

H. R. 3566. An act for the relief of Oscar C. Olson;

H. R. 3568. An act for the relief of Guy Goodin;

H. R. 3580. An act for the relief of Clara E. Wight;

H. R. 3703. An act granting compensation to Harriet M. MacDonald;

H. R. 3724. An act for the relief of Charles Thomas;

H. R. 4039. An act for the relief of Herman H. Bradford;

H. R. 4515. An act extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building, and correcting street location;

H. R. 4719. An act granting leaves of absence with pay to substitutes in the Postal Service;

H. R. 4811. An act for the relief of Kenneth A. Rotharmel;

H. R. 6334. An act for the relief of Lieut. M. A. Sprengel;

H. R. 6337. An act for the relief of Capt. Chester G. Mayo;

H. R. 8779. An act granting certain lands to the board of commissioners of the Orleans levee district in the city of New Orleans, State of Louisiana, for levee and street purposes;

H. R. 8817. An act to provide for fees for entry of a publication as second-class matter, and for other purposes;

H. R. 8818. An act to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066; U. S. C., title 39), regulating postal rates, and for other purposes";

H. R. 9262. An act to amend section 198 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916;

H. R. 9636. An act to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train;

H. R. 10244. An act fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes;

H. R. 10246. An act to fix the fees to be charged for the issue of domestic money orders; and

H. R. 10247. An act prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes.

INVITATION OF THE PORTLAND (ME.) HISTORICAL SOCIETY

The VICE PRESIDENT. The Chair lays before the Senate an invitation from the Historical Society of Portland, Me., and affiliated organizations, which will be printed in the RECORD and lie on the table.

The invitation is as follows:

To the Senate and House of Representatives of the United States:

The Portland Historical Society and affiliated organizations, on behalf of the people of Portland and the State of Maine, extend to you, your families and friends a most cordial invitation to attend the celebration on July 4, 1932, at the City Hall auditorium and any of the many subsequent exercises during the year in observance of the three hundredth anniversary of the first settlement of the world's best-loved poet's "beautiful town that is seated by the sea" and the one hundredth anniversary of its city charter.

ARTHUR CHARLES JACKSON,
President.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram from Gen. Wilder S. Metcalf, T. J. Sweeney, sr., Irving Hill, Chancellor E. H. Lindley, A. B. Weaver, W. C. Simons, and E. G. L. Harbour, dated Lawrence, Kans., the 7th instant, favoring the retention of the appropriations for the Board of Indian Commissioners in the Interior Department appropriation bill, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted at the annual meeting of the Young Women's Christian Association, at Pasadena, Calif., favoring the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the American Hotel Association of the United States and Canada, through its executive council in session at Chicago, Ill., favoring the passage of legislation restoring to the several States the control of the liquor trade, provided such legislation shall not conflict with the duty of the Federal Government to protect each State against violation of its laws by citizens of other States, which were referred to the Committee on the Judiciary.

He also laid before the Senate a telegram in the nature of a petition from the United States Patriotic Society, of New York City, N. Y., praying for the making of appropriations to distribute free of charge "The Constitution of the United States and What It Contains" in simplified form, "Makers of History," including messages from George Washington and other great Americans, etc., for the purpose of teaching the people, especially children, their rights and duties under the law, so that recourse will be had to the Government for relief in trying times and not to criminals and communists, etc., which was referred to the Committee on Appropriations.

Mr. REED presented the petition of Chapter II of the Colonial Dames of America, of Wakefield, Germantown, Philadelphia, Pa., praying for the making of adequate appropriations for the national defense and also opposing any reductions in the Regular Army, Navy, Marine Corps, or their components or civilian supplements, which was referred to the Committee on Appropriations.

Mr. HARRISON presented resolutions adopted by the south-wide meeting of the State Cotton Cooperatives, held at New Orleans, La., March 3, 4, and 5, 1932, protesting against the activities of persons seeking to hamper the effectiveness of the Federal Farm Board and the operation of the agricultural marketing act, which were referred to the Committee on Agriculture and Forestry.

Mr. KING presented a resolution adopted by the Clarke Fork Development Association, Bridger, Mont., favoring the passage of the legislation known as the King bill, to reinstate oil and gas prospecting permits granted prior to March 12, 1929, which was referred to the Committee on Public Lands and Surveys.

Mr. TYDINGS presented resolutions adopted by groups of the Polish National Alliance, of Baltimore, Md., favoring the passage of legislation proclaiming October 11 in each year General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of the State of Maryland, praying for the maintenance of adequate appropriations for the National Guard and military encampments, which was referred to the Committee on Appropriations.

Mr. COSTIGAN presented a petition of sundry citizens of the State of Colorado, praying for the elimination of all unnecessary and wasteful expense in the operation of the Federal Government, which was referred to the Committee on Appropriations.

He also presented memorials of 32 citizens of Kit Carson and 46 citizens of Pueblo, in the State of Colorado, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented resolutions adopted by the Free Methodist Church of Loveland, Rev. A. E. Lathrop, pastor; the Seventh Day Adventist Church of Monte Vista, representing 49 people; the Marsh Parent-Teacher Association of Monte Vista, representing 62 people; the official board of Rimm Community Church of Longmont, route 4, J. R. Jones, pastor; the First Baptist Church of Loveland, representing 400 people; the church board of the Nazarene Church of Haxtun; the Woman's Christian Temperance Union of the Baptist Church, by Mrs. Jarngin, clerk pro tempore; Luther Martin, clerk, Adventist Church; Methodist Church, W. Hanford Miller, pastor; and the First Presbyterian Church, by W. H. Hamilton, elder, all in the State of Colorado, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented resolutions adopted by the American Hotel Association of the United States and Canada, through its executive council, in session at Chicago, Ill., favoring the passage of legislation restoring to the several States the control of the liquor trade, provided such legislation shall not conflict with the duty of the Federal Government to protect each State against violation of its laws by citizens of other States, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry members of Columbia University, New York City, N. Y., remonstrating against the passage of legislation restricting the use of living dogs in scientific investigation, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by Eliza M. Stevenson Council, No. 262, Sons and Daughters of Liberty, Brooklyn, N. Y., favoring the passage of legislation for the deportation of alien communists, which was referred to the Committee on Immigration.

He also presented a letter in the nature of a petition from Cecil R. Perkins, chairman of the legislative committee, Seaboard Employees Cooperative Association, of Savannah, Ga., praying for the passage of Senate bill 2793, to regulate the transportation of persons and property in interstate and foreign commerce by motor carriers operating on the public highways, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of Jamestown, N. Y., remonstrating against the imposition of a Federal tax on gasoline, which was referred to the Committee on Finance.

He also presented a resolution adopted by the St. Lawrence County (N. Y.) Dairymen's League Cooperative Association (Inc.), at Ogdensburg, N. Y., favoring the making of a treaty between Canada and the United States for the construction of an ocean waterway on the St. Lawrence River and Great Lakes for the development of electric power, etc., which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by groups of the Polish National Alliance of Buffalo and New Brighton, in the State of New York, favoring the passage of legislation proclaiming October 11 in each year General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Fulton, N. Y., praying for the adoption of the so-called Sparks-Capper "stop alien representation amendment" to the Constitution, which was referred to the Committee on the Judiciary.

He also presented petitions and papers, in the nature of petitions, of sundry citizens and religious and temperance organizations in the State of New York, praying for the maintenance of the prohibition law and its enforcement, and protesting against proposals for the resubmission of the eighteenth amendment of the Constitution to the States, which were referred to the Committee on the Judiciary.

PER CAPITA CIRCULATION OF MONEY

Mr. FLETCHER. Mr. President, in connection with legislation proposed and pending to restore lasting confidence in banks generally and as indicating the apparent urgent need for some form of legislation which would safeguard the interests of stockholders as well as depositors, perhaps along the line of provisions contained in the bill S. 3826 introduced by me a few days ago, I request that an Associated Press dispatch which I send to the desk be printed in the RECORD. The dispatch appears in the newspapers of the 8th instant.

The VICE PRESIDENT. Without objection, it is so ordered.

The dispatch is as follows:

FUNDS IN CIRCULATION DROP BY $37,189,973—PER CAPITA CIRCULATION OF MONEY ALSO DROPS OFF 33 CENTS, TREASURY SAYS

A decrease of $37,189,973 in money in circulation on February 29, as compared with the previous month, was shown to-day in the monthly statement of the Treasury.

There was $5,604,015,073 in circulation at the end of February, as compared with $5,641,205,046 on January 31.

The per capita circulation of money dropped off 33 cents to $44.93.

Money of all kinds in the United States amounted to $9,320,790,263, a decrease of $57,212,439. Total gold coin and bullion amounted to $4,353,489,470, as compared with $4,414,818,859 at the end of January.

The Treasury had $3,441,412,861 in gold, and outside of the Treasury there was a total of $912,076,609, of which $505,289,145 was held by Federal reserve banks and agents and $406,787,464 was in circulation.

The amount of gold outside the Treasury declined $9,000,000, as compared with the previous month; that held by Federal reserve banks and agents dropped approximately $9,000,000, and that in circulation fell off $1,000,000.

REMONETIZATION OF SILVER

Mr. PITTMAN. Mr. President, I ask leave to have read at the desk a letter from Mr. A. G. Prichard, chairman of the silver committee of the Chamber of Commerce of Tacoma, Wash., who is also a member of the International Chamber of Commerce, which met here recently. It is a letter addressed to Hon. WESLEY L. JONES. I have asked the Senator from Washington [Mr. JONES] whether he has any objection to having the letter placed in the RECORD, and he said he had none; so I ask unanimous consent that it be read at the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

JANUARY 28, 1932.

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Inclosed please find article which appeared in this morning's paper showing where three banks closed their doors in Tacoma yesterday. This, coming on top of the $2,000,000,000 so-called prosperity corporation which has been formed, is certainly staggering the confidence of the people in the present administration. While I believe the formation of the corporation was perhaps necessary to alleviate conditions, yet it is not correcting the fundamental cause for the present depression.

It is to be hoped that the so-called silver bloc in the Senate can get together soon and decide on some agreed-upon plan to restore silver, so that our trade with the silver countries can again be revived. The lumber industry is in a most precarious condition on account of the falling off in foreign trade, and at the request of a meeting of business leaders in Tacoma yesterday I am writing

you urging your immediate action and help to bring about some kind of a definite program that can be announced toward the restoration of silver.

Very respectfully yours,

A. G. PRICHARD,
Chairman Silver Committee, Tacoma Chamber of Commerce.

PROPOSED THEATER-ADMISSION TAX

Mr. KENDRICK. Mr. President, I present numerous telegrams protesting against the proposed theater-admission tax, which I ask may be referred to the Committee on Finance.

The VICE PRESIDENT. The telegrams will be received, noted in the RECORD, and referred to the Committee on Finance.

The telegrams in the nature of memorials, remonstrating against the imposition of a Federal tax on theater admissions, presented by Mr. KENDRICK and referred to the Committee on Finance, are from C. W. Morgan, mayor city of Rawlins; W. L. Alcorn, editor Rawlins Republican; and J. E. Bangs, all of Rawlins; Acme Theater, by Mrs. Lee Mote, of Riverton; Fred E. Bezold, manager Lotus, of Sheridan; Walter Bradley; Charles F. Mallin; State Federation of Labor, by Paul O'Brien, secretary; Paramount Theater, by Mel Todd; J. F. Weybrecht, mayor, H. A. Brookhart, commissioner, E. J. Smalley, commissioner; Wyoming Eagle, by T. S. McCracken; the Tribune Leader, by Win Cox; Lincoln Theater, by Chet Miller, manager; and Fred E. Warren, all of Cheyenne; Barbers Local No. 726; Painters and Decorators Local No. 370; Retail Clerks Local No. 102; Bakery Workers Local No. 350; Butcher Workers Local No. 306; Motion Picture Projectionists Local No. 426, by E. R. Trollope, secretary; the Casper Times, by C. W. Barton; the Casper Tribune-Herald; Laundry Workers Local No. 85; Casper Trades and Labor Assembly; J. Kent Kinniburgh, secretary-manager Casper Chamber of Commerce; Rialto Theatre (Inc.), by E. J. Schulte; and P. P. Anderson, chairman Theater Owners, all of Casper, all in the State of Wyoming.

PROPOSED MODIFICATION OF THE PROHIBITION LAW

Mr. KENDRICK. I also present memorials signed by hundreds of people of my State remonstrating against any modification of the eighteenth amendment of the Constitution or the prohibition law. One of the interesting features of the memorials is that hundreds of the signers are young people in schools who will cast their first votes at the next election.

The VICE PRESIDENT. The memorials will be referred to the Committee on the Judiciary.

ALLEGED DISCRIMINATION AGAINST SPANISH-SPEAKING WORKERS

Mr. COSTIGAN. Mr. President, I present for appropriate reference a petition signed by E. M. Quintana, Jacobo Arcelono, Jose T. Analla, M. M. Pacheco, Rumaldo Lopez, Patricio Cordova, and J. I. Padilla, representing the board of directors of the Spanish-American Citizens' Association, in the State of Colorado. I ask unanimous consent that the body of the petition may be printed in the RECORD.

There being no objection, the petition was referred to the Committee on Education and Labor, and the body of it was ordered to be printed in the RECORD, as follows:

The undersigned members of the board of directors of the Spanish-American Citizens' Association respectfully present the following facts and petition that such action as can within the limits prescribed by law be taken to correct the conditions hereinafter set forth:

The Spanish-American Citizens' Association is an organization composed of 800 Spanish-speaking citizens of the United States and of the State of Colorado, and this active membership represents some 15,000 American citizens residing in and near Denver and some 90,000 within the limits of the State of Colorado.

The undersigned directors respectfully show that there is now being practiced by practically all industrial organizations within the State of Colorado an unjust discrimination against Spanish-speaking workers, who are consistently refused opportunities for employment for no other reason or upon no other grounds than that the applicant is of Spanish descent and Spanish-speaking. The undersigned petitioners are descendants of the original settlers and colonizers of six States of the Union, which are represented by that number of stars in the American flag. Our people are not limited to the city wards or any particular industrial field, but are an integral part of entire States. We further assert that our rights to equal treatment with all other citizens were ratified by treaty 83 years ago and that the descendants of all white Spanish-American settlers and colonies must be received and recognized as in all respects the equals industrially, politically, and socially with all other Americans.

Your undersigned petitioners further protest against the influx into the State of Colorado of foreign labor brought into the State for the sugar harvest and at the conclusion thereof left without adequate means or opportunity to support themselves thereafter, and this influx of foreign labor has in the past seriously prejudiced the Spanish-speaking citizens in the industrial crisis above complained of.

Your undersigned petitioners in this connection further declare themselves in favor of all enacted laws for the restriction of the hours of labor throughout American industries and insist on the maintenance in all respects of American standards, including fair and living wages.

Conditions and opportunities for honest labor and honest employment have been steadfastly growing worse over the last few years, and some measures must be resorted to if the Spanish-speaking citizenry of the State is to survive and maintain respectability of any kind whatsoever.

Your undersigned petitioners show that the Spanish-American Citizens' Association is strongly opposed to the employment of child labor and the working of children in the fields or elsewhere, and they desire to keep their children in school and educate them to the end that they may grow up and become substantial American citizens. By reason of the industrial discrimination now being practiced against these people, many citizens have been required to take their children from the public schools because of their inability to maintain them there.

Your petitioners earnestly petition that such appeal as lies within the power of the United States Senator to whom this petition is addressed to take any such measures as can be taken to correct the deplorable conditions existing among law-abiding Spanish-American citizens be forthwith made and resorted to. This protest is primarily made against the discrimination of industry against Spanish-speaking labor, the importation into the State of the foreign labor by whose labor the sugar industry and other industries profit at the expense of the American Spanish-speaking citizens, and lastly the widespread use and employment of children of tender years in such work, thus depriving adults of a means of livelihood.

Conditions of the Spanish-speaking citizens must in some way be corrected and opportunities must in some way be presented for them to become self-sustaining.

Very respectfully submitted.

THE SPANISH-AMERICAN CITIZENS' ASSOCIATION.

RETRENCHMENT IN GOVERNMENT EXPENDITURES

Mr. KEAN. Mr. President, I hold in my hand and send to the desk petitions from sundry citizens of New Jersey making the following request:

First, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; and, third, the elimination of every bureau, position, and function in the Federal service the maintenance of which is not consonant with the strictest economy.

The VICE PRESIDENT. The petitions will be received and referred to the Committee on Appropriations.

OPERATIONS OF THE FEDERAL FARM BOARD

Mr. BROUSSARD presented resolution adopted at the south-wide meeting of the State Cotton Cooperatives held at New Orleans, La., March 3, 4, and 5, 1932, which were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Resolution adopted at the Southwide meeting of the State Cotton Cooperatives held at New Orleans, La., March 3, 4, and 5, 1932

Whereas the movement among farmers to cooperatively market their own products is rapidly gaining in momentum, volume, and efficiency in accordance with the newly established national policy toward agriculture; and

Whereas the organized opposition of the merchants, traders, and speculators in such products are endeavoring to hamper and embarras the progress of this movement in the interest of their own selfish ends; and

Whereas the activities of those referred to consist of attempts to prejudice Congress and the public against the agricultural marketing act and the Federal Farm Board, while in reality they are endeavoring to undermine the effectiveness of cooperative marketing; and

Whereas another part of these activities consists in embarrassing the Farm Board in its financial operations: Therefore, be it

Resolved, By the south-wide conference of the officers and directors of the State Cotton Cooperatives from California, New Mexico, Texas, Oklahoma, Louisiana, Arkansas, Missouri, Tennessee, Mississippi, Alabama, Georgia, North Carolina, and South Carolina, representing 208,052 actual grower members, in annual meeting assembled at New Orleans this 5th day of March, 1932, do hereby express our resentment of the tactics used by our enemies in carrying out their selfish and unpatriotic purpose, and we are amazed that many of the individuals and firms with whom we have in the past carried on mutually satisfactory business relations in the

handling of our cotton permit themselves to be parties to such a campaign; be it further

Resolved, That we call upon our Senators and Members of Congress to guard themselves against the misrepresentations of the operations of the Farm Board and the cooperatives, and we particularly call the attention of our congressional delegations to the following attempts of the special interests referred to, which we ask our friends in Congress and the public to vigorously resist and overcome:

First, the reduction in the appropriation for the operating expenses of the Federal Farm Board. We call to the attention of Congress the tremendous task laid upon the Farm Board by the Congress of the United States—that is, the task of teaching the farmers of the country the principles of cooperative effort, assisting them in the organization of cooperative enterprises, guiding them in the sound conduct of such undertakings, and in financing their operations pending the accumulation of their own operating reserves. We look upon any attempt to impair or curtail the present activities of the Farm Board in assisting existing cooperatives, and the expansion of such activities to other groups of farmers as an unfriendly act on the part of our legislative representatives, thus supporting the program of our enemies and opposing our own interests and views.

Second, we look upon the attempt to reduce the salaries of members of the Federal Farm Board 20 per cent as simply a means of harassing and embarrassing those faithful representatives of agriculture in view of the fact that this agency of the Government has been singled out from all other departments, boards, and commissions as the one to which should be applied the rule of the greater economy in administrative costs. In view of this fact we regard such an attempt as insincere and discriminatory and unworthy of our trusted legislative representatives.

Third, the passage of a bill to contribute 40,000,000 bushels of wheat, held and owned by the Grain Stabilization Corporation for the benefit of the Red Cross and its needy subjects is commendatory from the standpoint of charity, humanity, and public necessity, but we call upon our Members in Congress to appropriate an amount of money sufficient to pay for this wheat based upon existing market prices and return to the revolving fund, provided in the agricultural marketing act, the amount thus derived. The failure to so reimburse the revolving fund would result in a depletion of the fund and therefore the curtailment of the activities of the Federal Farm Board, and is in violation of the spirit of Congress when it passed the agricultural marketing act for the benefit of farmers. Such a course is in line with the wishes of those who would dissipate the revolving funds for other purposes than those contemplated in the agricultural marketing act and is contrary to the interest and wishes of farmers; be it further

Resolved, That we earnestly appeal to the spirit of justice and fair play of the American people to stand by the farmers of the country in their defensive fight against powerful and sinister interests in the struggle which the farmers are making to set up their own marketing machinery in order that the economics and profits of efficient distribution may be fairly divided between the producer and the consumer rather than to be converted into channels of distributive or speculative middlemen, who are already the richest per capita business men of the South; be it further

Resolved, That we ask all bankers, merchants, professional men, governmental agencies, and State and Federal legislative representatives, who recognize their dependence upon the primary wealth producers of the country and who profess to be in sympathy with their welfare, that they show the genuineness of their interest in the farmer by the attitude which they take in the desperate struggle which our enemies are making to crush our cooperative effort at this time of our greatest financial difficulty and at the time that cooperation among ourselves offers the greatest hope for our future; be it further

Resolved, That a copy of these resolutions be sent to our Representatives in Congress, the banks, chambers of commerce, and important trade organizations and newspapers of the South.

N. C. WILLIAMSON,
Chairman, Lake Providence, La.,
E. L. DEAL,
Montgomery, Ala.,
H. E. WOODWORTH,
Bakersfield, Calif.,
B. L. REDWINE,
Madras, Ga.,
A. D. STEWART,
Jackson, Miss.,
C. G. SMITH,
Blytheville, Ark.,
B. W. KILGORE,
Raleigh, N. C.,
H. G. BENNETT,
Stillwater, Okla.,
D. W. WATKINS,
Clemson College, S. C.,
GOWAN JONES,
El Paso, Tex.,
J. A. SMITH,
Paris, Tex.,
Resolutions Committee of Southwide Meeting of State Cotton Cooperatives.

REPORTS OF COMMITTEES

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 3536) for the relief of Jerry O'Shea, reported it without amendment and submitted a report (No. 410) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (S. 3908) to amend title 33, chapter 4, section 252, paragraph (a), of the Navigation Rules for the Great Lakes and their connecting and tributary waters, reported it without amendment and submitted a report (No. 411) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the resolution (S. Res. 44) providing for a Public Health Service investigation of District of Columbia sewage-disposal methods in the Potomac River, reported it without amendment and submitted a report (No. 414) thereon.

He also, from the same committee, to which was referred the bill (S. 1307) providing for an appropriation toward the alteration and repair of the buildings of Eastern Dispensary and Casualty Hospital, reported it without amendment and submitted a report (No. 415) thereon.

REPORTS FROM COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. BLAINE. Mr. President, from the Committee on the District of Columbia I wish to report favorably two bills, one relating to licensing of real-estate agents in the District of Columbia and the other relating to the proposition to prevent fraud in relation to securities issued in the District of Columbia. The report on the bill relating to licenses for real-estate agents is in the course of preparation, and will be ready very shortly. I therefore desire to ask unanimous consent that as soon as I receive that report it may be given precedence on the calendar over the report I now submit on the securities measure.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator would do well to withhold the request until the report shall have been submitted.

Mr. BLAINE. It is a very informal matter. I merely prefer to have the bill relating to the licensing of real-estate agents precede the other measure, the report on which I have just submitted. I think it is of no especial consequence either way.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BLAINE, from the Committee on the District of Columbia, to which was referred the bill (S. 3362) to prevent fraud in the promotion or sale of stocks, bonds, or other securities sold or offered for sale within the District of Columbia; to control the sale of the same; to register persons selling stocks, bonds, or other securities; to provide punishment for the fraudulent or unauthorized sale of the same; to make uniform the law in relation thereto, and for other purposes, reported it with amendments and submitted a report (No. 412) thereon.

He also, subsequently, from the same committee, to which was referred the bill (S. 2355) to define, regulate, and license real-estate brokers and real-estate salesmen; to create a real-estate commission in the District of Columbia; to protect the public against fraud in real-estate transactions, and for other purposes, reported it with amendments and submitted a report (No. 413) thereon.

DISPOSITION OF USELESS PAPERS

Mr. SMOOT. Mr. President, in the nature of a report from the Joint Select Committee on the Disposition of Useless Papers in the Executive Departments, I present a letter from the Secretary of the Treasury, submitting for the approval of Congress a request for the destruction of certain worthless papers. I send the letter, with a list of papers, to the desk, and ask that the request may be granted.

The VICE PRESIDENT. Without objection, it is so ordered.

ENROLLED BILLS PRESENTED

Mr. WATERMAN, from the Committee on Enrolled Bills, reported that on the 9th instant that committee presented to the President of the United States the following enrolled bills:

S. 1861. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington;

S. 2985. An act granting the consent of Congress to the Connecticut River State Bridge Commission, a statutory commission of the State of Connecticut created and existing under the provisions of special Act No. 496 of the General Assembly of the State of Connecticut, 1931 session, to construct, maintain, and operate a bridge across the Connecticut River; and

S. 3132. An act to extend the times for the commencement and completion of the bridge of the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, across the Red River of the North on the boundary line between said States.

EXECUTIVE REPORTS OF THE COMMERCE COMMITTEE

As in executive session,

Mr. JOHNSON, from the Committee on Commerce, reported favorably the following nominations, which were ordered to be placed on the Executive Calendar:

Jeremiah Strauther Morton, of Virginia, for promotion from aide (with relative rank of ensign in the Navy) to junior hydrographic and geodetic engineer (with relative rank of lieutenant, junior grade, in the Navy) in the Coast and Geodetic Survey, vice B. G. Jones, resigned; and

Capt. John G. Drinkwater, Corps of Engineers, United States Army, for appointment as a member of the California Débris Commission, provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California," vice Maj. John R. D. Matheson, Corps of Engineers, relieved.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

A bill (S. 4007) for the relief of Mildred Hull; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 4008) to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States; to the Committee on Commerce.

By Mr. McNARY:

A bill (S. 4009) granting a pension to Fred Burns (with accompanying papers); to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 4010) granting a pension to Ane Pedersen (with accompanying papers); to the Committee on Pensions.

By Mr. BAILEY:

A bill (S. 4011) granting a pension to Ella Elizabeth Dale; to the Committee on Pensions.

A bill (S. 4012) for the relief of Mrs. Mance Hardy; to the Committee on Finance.

A bill (S. 4013) for the relief of E. Walter Edwards; to the Committee on Claims.

By Mr. DILL:

A bill (S. 4014) for the relief of Mick C. Cooper; to the Committee on Claims.

A bill (S. 4015) for the relief of Edgar L. Thawaites; to the Committee on Military Affairs.

A bill (S. 4016) granting a pension to J. C. Ruark (with accompanying papers); to the Committee on Pensions.

By Mr. LA FOLLETTE:

A bill (S. 4017) granting a pension to Dora B. Mercer Ray (with accompanying papers); to the Committee on Pensions.

By Mr. PATTERSON:

A bill (S. 4018) granting a pension to Polly Ann Newton (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 4019) granting an increase of pension to Frances M. Robinson (with accompanying papers); to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 4020) to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict; to the Committee on the Judiciary.

By Mr. SHIPSTEAD:

A bill (S. 4021) granting additional war-risk insurance to Anna Christine Jones; to the Committee on Finance.

A bill (S. 4022) for the relief of Earl Lester Hall; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 4023) providing for the closing of barber shops one day in every seven in the District of Columbia; to the Committee on the District of Columbia.

By Mr. NORBECK:

A bill (S. 4024) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge (with accompanying papers); to the Committee on Indian Affairs.

EMERGENCY HIGHWAY CONSTRUCTION—AMENDMENT

Mr. BINGHAM submitted an amendment intended to be proposed by him to the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment, which was ordered to lie on the table and to be printed.

UNITED STATES ROANOKE COLONY COMMISSION

Mr. BAILEY submitted a concurrent resolution (S. Con. Res. 22), which was referred, with an accompanying paper, to the Committee on the Library, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a commission to be known as the United States Roanoke Colony Commission (hereinafter referred to as the commission), and to be composed of six commissioners, as follows: Three Senators to be appointed by the President of the Senate, and three Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The commissioners shall serve without compensation and shall select a chairman from among their number.

SEC. 2. That it shall be the duty of the commissioners to prepare and report a plan or plans and a program for the commemoration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C., with an estimate of the probable cost; to give due and proper consideration to such plan or plans as may be submitted to them for such celebration; to confer with such civic associations and organizations, and with such other commissions, Federal, State, and municipal, as may be appointed for purposes similar to the purpose of this resolution, and to take such steps as may be necessary to secure the coordination and correlation of plans prepared by such commissions; and to do all such other things as may be necessary to carry into full effect the intents and purposes of this resolution.

SEC. 3. That the commission, after selecting a chairman and a vice chairman from among their members, may employ a secretary and such other assistants as may be needed for clerical work connected with the duties of the commission: *Provided*, That said commission can so arrange that no part of the pay or expenses of such secretary and other assistants, if any, shall be paid by the United States.

SEC. 4. The commissioners shall receive no compensation for their services but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, and the same shall be paid out of the contingent funds of the House and Senate.

SEC. 5. That the said commission be, and the same is hereby, authorized to call upon the Commission of Fine Arts, in Washington, for their assistance and advice in connection with any plan or plans that may be submitted or considered, and the said Commission of Fine Arts is directed to render such assistance and advice as its other duties may permit and as may be within its power.

SEC. 6. That the commission shall, on or before the 15th day of December, 1932, make a report to the Congress in order that enabling legislation may be enacted.

SEC. 7. That the commission hereby created shall expire within one year after the expiration of the celebration.

SEC. 8. That this concurrent resolution shall take effect immediately.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 96. An act to punish the sending through the mails of certain threatening communications;

H. R. 278. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn;

H. R. 4719. An act granting leaves of absence with pay to substitutes in the Postal Service;

H. R. 8817. An act to provide for fees for entry of a publication as second-class matter, and for other purposes;

H. R. 8818. An act to amend the second paragraph of section 5 of the act entitled "An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes";

H. R. 9262. An act to amend section 198 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916;

H. R. 9636. An act to authorize the Postmaster General to permit railroad and electric-car companies to provide mail transportation by motor vehicle in lieu of service by train;

H. R. 10244. An act fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes;

H. R. 10246. An act to fix the fees to be charged for the issue of domestic money orders; and

H. R. 10247. An act prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes; to the Committee on Post Offices and Post Roads.

H. R. 796. An act for the relief of the James River Bridge Corporation; to the Committee on the Judiciary.

H. R. 882. An act for the relief of G. W. Wall;

H. R. 1296. An act for the relief of Capt. W. B. Finney;

H. R. 2238. An act for the relief of Edward Bodeck;

H. R. 2514. An act for the relief of the estate of Samuel Schwartz;

H. R. 3033. An act for the relief of Ida E. Godfrey and others;

H. R. 3265. An act for the relief of W. J. Shirley;

H. R. 3566. An act for the relief of Oscar C. Olson;

H. R. 3568. An act for the relief of Guy Goodin;

H. R. 3580. An act for the relief of Clara E. Wight;

H. R. 3724. An act for the relief of Charles Thomas;

H. R. 4039. An act for the relief of Herman H. Bradford; and

H. R. 4811. An act for the relief of Kenneth A. Rotharmel; to the Committee on Claims.

H. R. 1700. An act for the relief of Walter S. West;

H. R. 1804. An act for the relief of Frank Woodey;

H. R. 6334. An act for the relief of Lieut. M. A. Sprengel; and

H. R. 6337. An act for the relief of Capt. Chester G. Mayo; to the Committee on Naval Affairs.

H. R. 4515. An act extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building and correcting street location; and

H. R. 8779. An act granting certain lands to the board of commissioners of the Orleans levee district in the city of New Orleans, State of Louisiana, for levee and street purposes; to the Committee on Public Buildings and Grounds.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Sundry messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On March 8, 1932:

S. 3514. An act regulating the use of appropriations for the military and nonmilitary activities of the War Department.

On March 10, 1932:

S. 1861. An act authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington.

CANADIAN BANKING SYSTEM

Mr. BARKLEY. Mr. President, in the Springfield Daily Republican, of Springfield, Mass., on March 8 and 9 of this month there appeared two very illuminating articles written by Mr. M. Grattan O'Leary on the Canadian banking system. I ask that they be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The articles are as follows:

[From the Springfield (Mass.) Republican, March 8, 1932]

CANADA'S BANKING SYSTEM—I

By M. Grattan O'Leary

OTTAWA, March 5.—According to reports of the Federal Reserve Board the years 1931–2 saw 3,635 United States banks suspend operations, with a net loss to depositors of $2,404,000,000. In the light of these disastrous consequences, United States readers may be interested in the operations of Canadian banks during the same years. The Canadian banking story, summed up briefly, is this:

1. Not a single Canadian bank has closed its doors since the beginning of the depression.

2. Since confederation, a period of 65 years, there have been but 26 Canadian bank failures, with a total loss to depositors of less than $13,500,000.

3. Since 1900 there have been but 9 failures, 5 of these being but small banks carrying deposits of less than $1,000,000; and in 5 of the 9 failures depositors did not lose a dollar.

4. During the present depression not a single Canadian bank has even reduced the rate of its dividend; all of them, without exception, have added to their reserves.

What is the explanation? How comes it that while United States banks have been failing by the thousand, and United States depositors losing up to billions, the people of Canada, living under similar economic conditions, have continued to enjoy banking safety, mobility of funds, a reasonable abundance of credit?

Two main answers are given by Canadian banking experts. The first is that the unified system of Canadian national banks, as opposed to the dual United States system under a divided federal and state control, makes for greater strength. The second is that the Canadian branch banking system is superior to the small unit-bank system in force in the United States.

STRICT FEDERAL CONTROL

Owen D. Young said a few weeks ago that if all American banks could be brought under Federal control their difficulties would soon disappear. Canada has held tenaciously to this view, and the Dominion Parliament and Government exercise the strictest control over the Dominion's 10 national banks. No new bank may be started without Federal legislation, and the regulation of banking, the incorporation of banks, and the issue of paper money fall exclusively within the legislative authority of the Federal Parliament. Banking, in fact, is regulated by the bank act, which, while usually revised at the end of 10-year periods, is subject to amendment by Parliament at any time. The entire responsibility for the Canadian banking structure, therefore, rests squarely upon the Government of the day—which is directly responsible to the public.

Canadian banks, established under the bank act, are called "chartered banks" and are authorized to open branches and agencies; to deal in coin and bullion; to deal in, to discount, and to lend money on the security of bills of exchange and other negotiable securities, and on the stocks, bonds, debentures, and obligations of municipal and other corporations, and Dominion, provincial, and other public securities, and to carry on generally the business of banking. They are prohibited, however, from loaning money upon the security of shares in the capital stock of any chartered bank or upon the security of real estate. The purpose of these prohibitions is to give reality to the "paid-up capital" of the chartered banks as a whole, and to keep their resources liquid by preventing these from being locked up in immovable property.

MOST FLEXIBLE SYSTEM

The Canadian banking system is a most flexible one. The banks have perfect control of the credit situation by reason of the fact that there are but 10 chartered banks in the Dominion, which banks have over 4,000 branches located in all portions of the Dominion and in Newfoundland. Thus the banking and credit system is under the supervision of a few large and powerful and well-managed institutions headed by trained bankers. Through the branch system they are able to keep closely in touch with every part of the country and to obtain accurate information regarding the status of any industry, both local and general, and of any borrower.

Canadian banks are able to extend a line of credit to borrowers much larger than would be considered safe under any other system of banking. The secret lies in the fact that a borrower can not seek credit indiscriminately. By custom he must deal with one bank, or, at most, in exceptional cases, with two or three, and then

only by common consent; the lending bank thus becoming very closely in touch with the business of the borrower.

A Canadian bank may make loans to farmers for the purchase of seed grain, with the loans secured upon the resultant crops; may also make loans upon the security of fresh grain grown upon the farm and also upon the security of livestock. Under the operation of the law the bank becomes practically the owner of the duly pledged goods of such borrowers. The borrower retains the right to buy and sell, but in case of necessity the bank may take immediate possession of the pledged goods. And this principle applies to wholesale purchasers of or dealers in products of agriculture, the forest, mines, and manufacturing concerns. As a consequence, a large part of the commercial paper taken by the banks from borrowers is secured by what is practically title to the goods on farms and in warehouses, factories, and other places. These goods are actually the first security to the loan, while the general credit of the borrower supplements such security.

Under the bank act, Canadian banks are permitted to issue currency of their own up to the amount of their paid-up capital, plus their deposits in the central reserves of the Dominion (deposits to be in Dominion currency or in gold). Above that they are required to put into the reserve dollar for dollar in gold.

CIRCULATION REDEMPTION FUND

In order to guarantee against loss to holders of this currency, the banks founded a voluntary circulation-redemption fund in 1890. They each contribute in gold, or the equivalent, a sum equal to 5 per cent of their total currency circulation, this sum being available to meet any losses that may occur in the event of a bank failure.

It is an extraordinary fact that not $1 has been lost by the holder of a note of a Canadian bank in the past 50 years.

In the event of a bank failure, the claims upon the assets stand in this seniority:

1. The notes issued by the bank.
2. Bank debts owing to the Dominion Government.
3. Bank debts owing to the provincial governments.
4. The depositors.

At the present time, however, considering the position and assets of the 10 chartered Canadian banks, it would be necessary for them to drop nearly $1,000,000,000 before depositors would stand to lose.

Actually, there is hardly a chance in a million of a Canadian bank failure with possibility of depositors losing. All of them are in a prosperous condition. One of the 10 pays a dividend of 16 per cent, 6 pay a dividend of 12 per cent, 1 of 10 per cent, another of 9 per cent. These dividends are being well maintained, and the reserve funds, now standing at $160,000,000, are being added to.

[From the Springfield (Mass.) Republican, March 9, 1932]

CANADA'S BANKING SYSTEM—II

By M. Grattan O'Leary

OTTAWA, MARCH 8.—Next to federal or national control, the great strength of the Canadian banking system is held to be in the policy of branch banking. A centralized system gives nation-wide direction to credit; loans are made where most needed and where safest, and a glut of money can be transferred. Direction of credit is not in the hands of local men but controlled by high executives, with credit policies formulated by leading bankers and common policies adopted by all banks. Local managers, managers of branches, are restricted as to the maximum of loans they may grant, this depending upon their district, and requests for larger loans must be referred to headquarters. This, possible without undue delay, is a tremendous factor for security.

The statement has been made that if all Canadian banks had been unit institutions 80 per cent of those situated west of the Great Lakes and possibly 40 per cent of those in the East would have failed, because many Canadian branches operated more or less consistently at a loss during the past few years. As it was, these branches could operate at a loss simply because their losses were more than offset by the profits of other branches of the same bank which were operating successfully in more prosperous districts. This, it is held, is the strongest possible argument, from the standpoint of security, for the Canadian branch-bank system.

One of the marked advantages of a nation-wide system of branches is that a shifting of funds may take place from those parts where there is an excess of deposits, where deposits are not absorbed entirely by local credit needs, to other sections which need credit and are not able to finance themselves. This is one of the best qualities of the Canadian system, and has been a potent factor in the development of the grain Provinces.

AVAILABILITY OF CREDITS

From the point of view of availability of credits, the branch system would also seem to be superior to the unit system. It is sometimes contended that branch banking leads to a restriction upon local loans, but this has not been the case in Canada. S. H. Logan, general manager of the Canadian Bank of Commerce, says:

"Any suggestion that the Canadian banking system involves a concentration of loans in larger centers to the detriment of smaller communities is as far from the mark as can possibly be. The very essence of successful banking in Canada is the more widely served entire community—agricultural, commercial, industrial, and financial—this being better for banks and for the growth of their business."

An argument often heard is that where branch banking exists there is no sympathy with local needs. The answer to that, so far as Canada is concerned, is that over 95 per cent of the total number of loans in any year are dealt with by branch managers, and complaints are rare over delay in dealing with loans for amounts beyond the limits of local managerial authority.

Another argument which is often heard is that where branch banking operates there is no protection against a banking monopoly. In actual practice, however, in Canada there has developed nothing like credit monopoly. But, on the contrary, there is severe competition in getting business, establishing branches, and in securing deposits through better service and convenience of location. Interest charges are reasonable and dividends paid are lower than those of the national banks in the United States.

Branch banking is also conducive to a more extensive knowledge of economic and financial developments abroad, an advantage that is not to be gainsaid. Branch banks can afford to employ more efficient executives, whose functions are to see that loans and investments are diversified and made in accordance with sound banking practice, that incompetent managers and employees are eliminated, and that regular audits are made.

Summed up, the extensive branch system is desirable because it permits greater unity of policy and approximate uniformity in regional interest rates, a larger capital behind each office, the ability to shift funds to where they are most needed, and, possibly, smaller overhead cost.

MORE OF A PROFESSION

There is the advantage, finally, of banking being made more of a profession, more responsible, and more efficient. The organization of the chartered banks of Canada is almost military in its completeness. By preference, the ranks of the official staff, practically without exception, are filled from the clerical staff which has been trained within the bank's own organization. Thus the officials are steeped with the bank's policies and traditions. They look upon their duties as professional and conduct the affairs of the bank upon lines found to be wise and safe over a long series of years.

The general manager, who is at the head of the organization, exercises almost autocratic powers. It is his duty to define the policy of the bank toward customers and to direct the activities of the working forces. While he reports to the president and the directors, actually they are guided by his judgment and ordinarily would hesitate to urge any course of action of which he would not approve.

The local manager, the manager of the branch bank, has considerable latitude as to loans. He can appeal to the district superintendent for advice and instructions and in turn the district superintendent can draw upon the authority and wisdom of the head office. Thus the client of the little branch in a remote section of the country may have at his disposal the ripe experience of the older bankers at district headquarters or at the head office. The Canadian system of branch banking is thus peculiarly adapted to the needs of a young and developing country. Branches can be established in many places where a bank ordinarily would not be profitable, or would be so small as not to be of value in upholding the business of the neighborhood.

A MINIMUM OF RISK

Under the bank act the affairs of each chartered bank must be examined by qualified auditors selected by the shareholders and approved by the Dominion Minister of Finance. The auditor's report must be attached to the statement submitted by the directors to the shareholders and must be read at the annual general meeting. A copy of the annual statement must also be filed with the Minister of Finance, with whom also a monthly return must be filed and regularly published. The Minister may also call for special returns from any bank whenever, in his judgment, they are necessary to afford a full and complete knowledge of its conditions. The result is a minimum of risk to the banks and to their clients.

TARIFF RELATIONS WITH CANADA

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD two articles from the Seattle (Wash.) Post-Intelligencer on our tariff relations with Canada.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Seattle (Wash.) Post-Intelligencer, March 1, 1932]

CANADA'S RETALIATION FOR UNJUST UNITED STATES TARIFF

By M. Grattan O'Leary, noted Canadian journalist

(Herewith is the third of a series of special articles prepared by Grattan O'Leary, noted Canadian journalist, showing the baneful effects of the Hawley-Smoot Tariff Act and the need for reciprocal trade agreements between Canada and this Nation. The fourth article will appear at an early date.)

OTTAWA.—Study of official records reveals that the existing Canadian tariff against American goods is the highest in the history of trade relations between the two countries.

Mr. R. B. Bennett, put into office in 1930 on a high-tariff platform, and more particularly on a platform which called for high

duties against the United States, has carried out his mandate with a resolute energy. His first act was to summon a special session of Parliament to revise the tariff upward on 250 American commodities. Later on, at a regular session of Parliament, he heightened tariffs again, increased them in several cases by as much as 100 per cent.

More than that, and proceeding to copy United States fiscal methods, he secured a flexible tariff, issued 60 or more orders-in-council boosting tariff rates.

The effect of this new Canadian policy may be seen from the following table of Canada's trade with the United States during the past 10 years:

	Exports to United States	Imports from United States
1921	$560,701,936	$856,176,820
1922	304,104,177	515,958,196
1923	380,347,721	540,989,738
1924	441,642,909	601,256,447
1925	427,184,643	509,780,009
1926	485,952,235	608,618,542
1927	479,336,230	687,022,521
1928	496,786,256	718,896,270
1929	521,267,087	868,012,229
1930	536,688,181	847,442,037
1931	363,833,024	584,429,301
6 months ended Sept. 30, 1931	132,461,719	196,593,845

Thus, in one year, Mr. Bennett's tariff policies have cut Canadian purchases from the United States by more than a quarter billion dollars. Something of this, of course, may be due to the depression, but most of it is due to prohibitive tariffs, coupled with a determination by Canadians to buy their own or Empire goods.

In other words, Canadians are but doing unto Americans what Americans are doing unto them; for in this same year American purchases from Canada, chiefly in farm products and undoubtedly due to the Hawley-Smoot tariff, fell off by $172,000,000.

Nor is Mr. Bennett satisfied with merely checking imports from the United States. He went to England, offered England increased preferences; and when an English Labor Government rejected his proposals he demanded an Empire economic conference in Ottawa.

To-day, with the British Labor Party out of office, and with the Conservative Party of Joseph Chamberlain abandoning the historic British policy of free trade, that Empire economic conference is being held. Mr. Bennett, by a great stroke of political good fortune, is to have his way.

Already, laying foundations upon which the conference may build, England has offered Canada a wheat quota, a secured market for a big proportion of the Canadian wheat crop in the British Isles; has exempted Canada and the other Dominions from the new British 10 per cent tariff.

Meanwhile Mr. Bennett, between orders-in-council increasing duties on American goods, works on preferential agreements with New Zealand and Australia, exhorts Canadians to buy their fresh fruits and vegetables from the British West Indies. The United States' best customer is being lost.

Nevertheless—and Washington might well take note of it—there are millions of Canadians who have no desire for a tariff war on this continent.

They know that geographically they are in the American fiscal orbit; feel instinctively that restricted trade and tariff barriers between the Dominion and the Republic must put a hobble skirt on the prosperity of both countries.

Therefore, while they believe in Empire preferences, want to trade with the other British people, they would welcome a gesture of more friendly economic relations with their nearest and greatest neighbor.

[From the Seattle (Wash.) Post-Intelligencer, March 4, 1932]

CANADIAN RECIPROCITY WOULD REVIVE TRADE

By M. Grattan O'Leary, noted Canadian journalist

(Herewith is the fourth and last of a series of special articles prepared by Grattan O'Leary, showing the baneful effects of the Hawley-Smoot tariff act and the need for reciprocal trade agreements between Canada and this Nation.)

OTTAWA.—Americans who may be puzzled over Canada's tariff retaliation against the United States, with a consequent steep decline of trade between the two countries, and a threatened loss of one of Uncle Sam's best customers, may have their bewilderment removed by even a casual examination of the record of trade during the past 12 years.

Canada was one of the first countries to take large advantage of the reciprocal features of the Wilson-Underwood tariff. During the war, and in postwar years, Canadians built up an enormous export business to the United States, particularly in natural products and in livestock.

This trade was beneficial to both countries, for, although Canadians found the United States a ready and profitable market for their farm products, they bought in return an increasing quantity of American manufactures. The balance of trade, in fact, was heavily in favor of the United States, as shown by the following table of Canadian imports and exports:

	Imports from United States	Exports to United States
1918	$792,000,000	$440,000,000
1919	750,000,000	447,000,000
1920	801,000,000	501,000,000
1921	856,000,000	560,000,000

In 1921, without any notice to Canada or without any negotiations with Canada, Congress took steps to shut out Canadian imports.

In the tariff revision of that year cattle were taken from the free list, made dutiable at 30 per cent. Sheep were taken from the free list, made dutiable at $2 per head. Wheat was changed from free to 35 cents per bushel; bacon from free to a 25 per cent duty; butter increased from 2½ cents per pound to 6 cents per pound; apples, beans, mutton and lamb, pork, cheese, cream, potatoes, fresh milk, and a long list of other agricultural products correspondingly dealt with.

This was a staggering blow to the Canadian farm industry. Livestock men, their cattle barred from Great Britain by an embargo and largely barred from the United States by these new duties, faced bankruptcy; Canadian agriculture suffered a tremendous deflation.

Unfortunately, there was worse to come. In 1922 Congress again increased duties. The tariff went up on cattle, horses, poultry, sheep, oats, buckwheat, barley, peas, rye, flour, bacon, potatoes, eggs; went up on all dairy products. The duty on wheat was increased to 42 cents a bushel.

The havoc caused by these duties is told by the trade statistics. In 1921 Canada shipped the United States 47,000,000 bushels of wheat. In 1923, with the new duties in effect, wheat shipments fell to 2,500,000 bushels. Oats declined from 2,863,000 bushels in 1921 to 213,000 bushels in 1923. The number of cattle shipped to the United States in 1921 was 247,000 head. The number shipped in 1923 was but 123,000 head. And so all along the line. Something like $100,000,000 was cut from the Dominion's export trade to the United States.

Canada did not retaliate. Canadians believed the natural advantages of trade between the two countries would soon be realized; that the United States was passing through a high-tariff period; that more friendly relations must soon follow.

So much was this believed that Canada actually reduced her duties on certain classes of American imports, made overtures to Washington for reciprocal tariff reductions.

All these overtures failed. Even then, had the United States not resorted to still further tariff increases through the Hawley-Smoot bill, Canada would have gone on trading, and seeking to promote trade, with Americans. But when Canadians saw their farm exports to the United States, which had been cut from $174,000,000 in 1921 to about $74,000,000 in 1923, reduced an additional $60,000,000 by the Hawley-Smoot tariff—reduced to a total of about $12,000,000 a year—their attitude changed. They began to talk retaliation.

It was this sentiment which, in the fall of 1930, made Mr. R. B. Bennett prime minister of Canada.

Mr. Bennett's main election plank was a higher tariff against the United States. He did not deny the right of the United States to make its own tariff laws, or to make them to suit Americans. But he held that if Canadians were to be barred from American markets, it became their duty to conserve their own markets for themselves; to bar the competition of United States products.

It is this policy that he is now applying. Protecting the home market first of all, he has next addressed himself to the task of making the British Empire provide the export market lost in the United States. And his policies are succeeding. Canadian purchases from the United States have declined by at least 50 per cent; arrangements for Canadian markets in the British Empire are well under way.

DISARMAMENT PROSPECTS—ARTICLE BY M. FARMER MURPHY

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Nation of March 2, 1932, written by M. Farmer Murphy, foreign correspondent of the Baltimore Sun, entitled "Is There Hope for Disarmament?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS THERE HOPE FOR DISARMAMENT?

By M. Farmer Murphy

GENEVA, February 11.—Opening as it did in the shadow of the shameful failure of the League of Nations Council in the case of Japan's war against China, the pretensions of the Conference for the Limitation and Reduction of Armaments were calculated to make the cynical sneer. To be setting out to frame another treaty designed to check the savage instincts of man in company with the representatives of a nation which within a few months had deliberately violated three most solemn international agreements recently signed seemed to be an absurdity which approached the ludicrous. As Emile Vandervelde, president of the Labor and Socialist International, said in his prepared speech, which he was asked not to repeat in the conference hall, how could much be

expected from an assembly in which sat "governments whose will to power refused to make substantial concessions" and others who were responsible for the raging of violence "in flagrant violation of treaties" and who were enforcing "the right of the strongest by fire and sword"?

It was, indeed, not an auspicious augury, and the conference at first did nothing to encourage belief in its sincerity. Not only was M. Vandervelde asked to omit his reference to the events in the Orient out of consideration for Japan, but in the vote for 14 vice presidents 47 out of 54 nations gave their ballots to the country which was carrying on a war of aggression. But subsequent developments showed that the incongruous situation might work out for good. Many of the delegates were made very uneasy by it, and speech after speech referred to the war in the East as something which rendered decisive action by the conference all the more imperative. There is already discernible among a majority of the delegates a feeling of their momentous responsibility, and this might not have been so quickly or so fully produced had it not been for Japan's lawlessness coming on top of the world economic crisis.

The creeping paralysis which came over the League of Nations Council in its dealings with the Manchurian and Shanghai situation also served another useful purpose. It knocked the carefully prepared and adroitly presented French plan clear off its polished pedestal. The fragments which remained were then pulverized by Litvinov so that now nothing is left of it but dust to throw in the eyes of the French voters. It can only be guessed, of course, whether the French plan was intended to be a monkey wrench to hurl into the machinery of the conference or an instrument for use in domestic politics, but if it was aimed at the conference, it has missed. The whole structure of the French scheme was built up around the league, and with public confidence in the league destroyed by its conspicuous failure in the current emergency, the French plan falls with it. If the league can not even rise to the point of showing moral courage or exercising economic pressure, who is going to trust it with the direction of a military force? If it can not even array itself in words on the side of right, who will depend upon it to use military pressure, as Signor Grandi said, "in the service of justice"? These are questions which would riddle the French plan if it should ever be seriously pushed.

In view of the everlasting boast about "French logic," it is strange that French policy is so shortsighted. France is always exalting the league, invoking its various powers, and urging it as the proper instrument in international settlements. Yet most of the failures of the league, most of its disappointments, have been the result of secret French intrigue. If France sincerely believes in the league, the only way to strengthen it is to have it deserve public confidence. It will never have that so long as French machinations continually seek to twist its operations (and too often succeed in it) into the promotion of particular national interests, into the service of greedy enterprises, and into the vindictive perpetuation of injustices.

French politicians are forever shouting about "security," but if they were as intelligent as they profess to be they would know that fairness, magnanimity, and neighborliness are a better protection than the greatest army that could be raised. In the World War France had the sympathy and support of the impartial world, and it saved her from becoming a vassal to imperialist Germany. But by her course since the close of the war, which has been a negation of the qualities of fairness, magnanimity, and neighborliness and an assumption of Hohenzollern militarism, she has lost that sympathy and now stands friendless between her huge army and her mountain of gold. What the world needs is not security for France, but security from France, from her insolent militarism, from her blackmailing diplomacy, from her provincialism, from her malicious meddling in international relations. If the scotching of the first dramatic move made by France at this conference means that her influence will not predominate, it gives the best possible promise for creditable results to come.

It is a deplorable commentary on the present state of democratic nations that the best presentations of the case for disarmament have been made by the representatives of countries governed by dictators. Signor Grandi, for Italy, swept away the whole mass of formulas and petty technicalities which were cluttering up the scene and put the proposition on the broad basis of justice and fair dealing. In substance and form and in the moving quality of oratory his speech was superb. It contrasted vividly with the hard metallic whine of Tardieu. Litvinov, for the Soviet dictatorship, was no less effective in a different style. With unexpected moderation of tone and language he dissected the various plans of playing at disarmament and calmly but pitilessly exposed the hypocrisies of the different governments.

In discussing the French plan, he adopted the most effective method possible by making it appear ridiculous. He showed that the proposed League of Nations' military force would not be able even to assure victory to the side to whose support it went. And how to determine who the aggressor was? And if the aggressor could not be definitely labeled, would the League of Nations' force stand in the middle and fire at both sides? How could Russia be expected to contribute to an international force to aid or work with nations which were so hostile they would not even recognize her? It was devastating. He could not help but recall that the Soviet delegation to the preparatory conference had proposed total disarmament as the only real remedy, and that if it had been adopted the war in China (not yet "certified as war by any notary public") would have been impossible. But still the Soviet delegation was not going to take the attitude of all or nothing and was willing to work with others for the largest measure of disarmament obtainable.

One can not help wondering if the preeminence of these two Governments at this conference has some deep significance. Do the sonorous, desiccated, elocutionary platitudes of Sir John Simon, the routine recommendations of the United States, and the medieval proposals of France mean that democracy is far along in the process of decay? Or that they are only in the act of sloughing off the old dead skin and will appear in a new and brighter coat with the coming generations? The latter may be the case, but the circumstance that the most vital contributions made so far to this conference have been from countries operating under a changed order suggests that it is no coincidence but the writing on the wall.

The sense of great responsibility evinced by most of the delegates is an encouraging omen. There have been other heartening things, like the deposit of petitions containing 8,000,000 names collected by 15 international women's organizations representing 56 countries, the demand of students that they shall not be slaughtered on the threshold of active life, and the promise of the socialist-labor organizations that when next called to war, if they do not actually throw away their arms, they will at least not use them against one another.

The threat to substantial success, given the delegates' sense of their grave duty and the tremendous public support accorded them, lies in the fear that with the best intentions in the world the delegates will not be able to rise above the level of the befuddled statesmen in most of the governments of the world. They are trying to run a modern world according to the rules of forgotten centuries. Can the delegates to the disarmament conference be expected to perform more intelligently than their sponsors?

ARISTIDE BRIAND—EDITORIAL BY ROBERT LATHAN

Mr. BAILEY. Mr. President, I ask to have printed in the RECORD an editorial by Mr. Robert Lathan, of the Asheville (N. C.) Citizen, on the subject of Aristide Briand, the noblest and most distinguished of statesmen in the postwar period.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Asheville (N. C.) Citizen]

THE GREAT CONCILIATOR

Broken in body, wearied in mind, and sad of heart, Aristide Briand is dead. But the great ideal which he stood for lives on and will eventually triumph, because it marks the only road to world peace and world recovery.

Others during his lifetime enjoyed a greater hold upon the imagination of the French people; Clemenceau, for example, the old "Tiger" who steadied the nation when the issue of the Great War trembled in the balance and reinspired France to carry on to victory; Foch, who achieved that victory after hope of it had waned; Poincaré, who "saved the franc."

Each of these was perhaps more typically French than Briand. But each of these in his supreme hour worked with the tide of French hopes and thought and feeling and ambitions. What distinguished the service of Briand over the postwar years was that the purpose which dominated him throughout this period had to be advanced against a continuing force compounded of fears and hates and doubts.

He will be remembered in history, as he was known while he labored, as the man who above all others has toiled incessantly for conciliation, for the abatement of the passions which the war had engendered, for a better understanding among the nations, for the building up of good will, for the elimination of conditions that made for distrust and suspicion, for a recognition of mutuality of interest where that existed, for the establishment of the foundations of peace.

Again and again the exigencies of French politics were a serious embarrassment to him in this great undertaking, but through them all he stuck gallantly to his appointed mission, and not without progress, even though the fruits of his efforts may have seemed to him and to others to have been nullified by the events of the past year.

France, it is true, apparently has now rejected the policies which he preached and, as far as in his power lay, put into practice. Briand, months ago, was swept aside by the rising wave of intransigentism which surged upward following the collapse of Germany last summer. But the developments that have followed in France have not been of a character to encourage the belief, there or elsewhere, that a policy of irreconciliation can prosper. Conditions in France have grown steadily worse. She is experiencing all the symptoms which in this country and in other countries have marked the beginnings of the economic and financial upheaval by which so many nations have been humbled.

In the changing atmosphere which has resulted in consequence, it may not be too much to hope that Briand's death will remind his countrymen that it was not Poincaré's stabilization of the franc which was alone responsible for the amazing progress which France enjoyed after 1926. The rapproachement which Briand effected with Germany, acting in cooperation with Doctor Stresemann, eased the whole tension which had existed in Europe until then, creating fresh hopes and releasing new energies.

While these hopes lasted and these energies found outlet, the whole world situation showed evidences of betterment, and France profited, just as this country did. It was the blasting of these hopes, because of the multiplying obstacles which were put in the

way of the program toward which Briand and Stresemann were working, that precipitated the crisis from which we are all still suffering and from which France is doomed to suffer increasingly until the causes of the crisis are rectified.

Our own belief will not down, therefore, that France will presently return to the policies which Briand exemplified, and will return to them with an increased appreciation of their value as offering the only permanent solution of the grave problems that hang over France and the rest of the world. Briand saw this clearly from the first. There are many others in France and in other countries who see it.

A very remakable man this Aristide Briand was; a man of peasant extraction, the son of a saloon keeper; a man of no great learning as learning is measured in Europe; not a scholar, concerning himself as little as possible with details, but instinctive in his grasp of principle. "Poincaré," some one said wittily, "knows everything and understands nothing. Briand knows nothing and understands everything." Briand did understand the vital thing always; as when, in the great railroad strike of 1910, he, a Socialist, promptly called the strikers to the colors and then assigned them to operate the railroads. "The interests of the whole nation are supreme," he declared, "and must outweigh the interests of any class." So, when the Great War ended, he saw intuitively that unless France was to remain forever an armed camp, with dread forever in the hearts of the French people, it was necessary to reconstruct Europe for peace.

Against a background of intense and bitter nationalism he promulgated his doctrine of intelligent internationalism based upon mutuality of interest. He became the "apostle of peace" pointing steadfastly the only way to its achievement and maintenance. His voice has been stilled, but the echoes of its eloquence have not been stilled. His eyes which saw so clearly through the fogs and mists of confusion have been closed, but the vision which they pictured to others has not perished. Men called him an idealist, and so he was; but France's greatest need, the world's greatest need is for the idealism which he preached, the idealism which he fought for so ably and so bravely. It is an idealism of the most practical type, an idealism that provides, as Frank Simonds has shown, the one alternative for Europe to suicide.

PROPOSED ECONOMIC BOYCOTT AGAINST JAPAN

Mr. BORAH. Mr. President, I ask unanimous consent to have inserted in the RECORD an article embodying a statement by Prof. Edwin Borchard, of the Yale Law School, on the subject of an economic boycott against Japan.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, March 7, 1932]

BOYCOTT BAD POLICY, BORCHARD BELIEVES—YALE PROFESSOR SAYS IT WOULD NOT DETER JAPAN AND MIGHT DRAW US INTO A WAR—HE FEARS LACK OF SUPPORT—SAYS ONLY SOVIET BACKS OUR VIEWS IN FAR EAST—HE PUTS HOPES FOR PEACE IN CONFERENCES

NEW HAVEN, CONN., March 6.—"The continued agitation for a boycott against Japan is exceedingly harmful to the interests of the United States and to the cause for peace," declared Prof. Edwin Borchard of the Yale Law School in a statement issued here at the request of the Rev. Dr. Fleming James of the Berkeley Divinity School faculty.

"It is harmful," Professor Borchard continued, "because it is provocative, stirs up passions for war, strengthens the hands of militarists, both here and in Japan, and, though sustained by a conviction of self-righteousness and moral superiority, is not well considered. Its advocates believe themselves to be friends of peace; perhaps they are, but following their advice would soon lead this country into war."

"The economic boycott is not a peaceful measure," he continued, "but is an act of war. It would immediately violate our treaty with Japan providing for the right of trade on equal terms with other nations. We would thus put ourselves in the wrong. It could, moreover, be hardly effective, except to produce war.

"The assumption that all the great powers will join us is, I think, a delusion. England and France have other interests. Our only ally, strange to say, would be Soviet Russia, but the Russians have no interest in a boycott.

"The boycott would be harmful to the United States, for it would put many people out of work, impair still more a diminishing foreign trade, and, by helping to impoverish Japan, would not make the Japanese more reasonable in their demands on the Asiatic continent.

"The supposition that a people laboring under a sense of grievance will be deterred by preponderance of numbers or of force from incurring the dangers of war is disproved by all history, notably by the experience of the American revolutionists in 1776, the French in 1783 and 1805, the Confederates in 1861, and the Germans in 1914.

"Thus, while the agitation for a boycott will not in all probability produce the boycott contemplated, it is likely to produce the state of mind and policy which lead to armed conflict. Professed pacifists are thus, by thoughtless emotion, serving effectively the cause of militarism, hatred, and confusion. The consequence of such a mistake in 1917 is now with us, and no one can yet tell what the full price of that error is likely to be.

"Let us not invite a similar calamity in Asia. The present conflict can be settled in much more sensible and promising ways by the convoking of a conference between China and Japan, for which they seem nearly ready, and then of a conference among the signatories of the 9-power pact. Lost prestige and material interests can all be saved in such conferences."

FEDERAL AID TO STATES IN FORESTATION

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk proceeded to read the resolution (S. Res. 175) relative to the practicability of Federal aid to States in utilization of lands suitable for forestation.

Mr. MCNARY. In the temporary absence of the Senator from New York [Mr. COPELAND], I suggest that the resolution go over without prejudice.

The VICE PRESIDENT. The resolution will be passed over.

RELIEF OF NAVAJO, ZUNI, AND APACHE INDIANS IN ARIZONA

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 179) submitted by Mr. FRAZIER on the 4th instant, as follows:

Whereas a series of blizzards without precedent in the history of the Southwest has destroyed more than 200,000 of the sheep belonging to the Navajo, Zuni, and Apache Tribes, and has brought about a condition of starvation among the livestock which, unless met at once, will result in the destruction of percentages of the Indian-owned sheep running as high as 60 per cent or higher in some areas; and

Whereas the destruction of the livestock of these tribes means the destruction of their chief and frequently their only source of self-support, and if allowed to go forward will necessitate the feeding of thousands of Indians at Government expense, with the incidental demoralization of the economic system of the tribes, and ultimately will compel the Government to spend a very large sum in the purchase of sheep to restock the reservations; and

Whereas the Department of Agriculture has under its control funds which could immediately be lent to these Indians, with their sheep as security, thus making it possible for the Indians to keep their sheep alive by feeding until the spring grass comes; and

Whereas it is impossible for the Department of Agriculture to extend this aid to the Indians except with the consent and cooperation of the Department of the Interior and Bureau of Indian Affairs; and

Whereas, although informed of the facts, the Commissioner of Indian Affairs has practically obstructed the action of the Department of Agriculture through proposing that funds legally under the jurisdiction of the Department of Agriculture shall be transferred to the Department of the Interior, a proposal difficult or impossible to meet within the terms of existing law and regulations: Therefore be it

Resolved, That it is the sense of the Senate that the Secretary of the Interior and the Commissioner of Indian Affairs should move instantly to bring the help of the Department of Agriculture to the Indians in the manner which is feasible under existing law and existing regulations, by enabling the Indians to hypothecate their livestock to the Government and by assisting the Department of Agriculture with all means at their command to extend the necessary credit to the Indians in the most expeditious possible manner.

Mr. FRAZIER. Mr. President, owing to the severe storms in the Southwest, concerning which the senior Senator from Arizona [Mr. ASHURST] made a very accurate statement when the resolution was submitted several days ago, a great many sheep have been lost by the Indians, and it has been impossible to secure appropriations to take care of the situation and to feed the sheep. It now appears that under the seed and feed loan act the Agricultural Department can make some feed loans to the Indians to carry their sheep over until the grass has grown sufficiently to support the herds, but there has been some dickering going on between the Department of the Interior and the Department of Agriculture on this question for about 10 days, without any result having been accomplished. It seems to me that it is unfortunate that these two departments of the Government can not get together on an important matter such as this without taking so long. I might mention other instances of a similar nature, but will not take the time now to do so. I believe that something should be done. The Navajo Indians are perfectly willing to give a mortgage on their sheep for the feed they may obtain, and they will pay the loans back under any kind of fair cir-

cumstances; there is no question about that. I should like to have the resolution adopted.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. McNARY. Mr. President, it seems, from the reading of the resolution, that it proposes a rather novel procedure. Congress is called upon, in the recitals in the preamble of the resolution, more or less to censure the action of the Department of the Interior through the Indian Bureau for its refusal to cooperate with the Department of Agriculture. I assume that the Senator desires that the Department of Agriculture may relieve the Indians upon proper security and under the terms of the Reconstruction Finance Corporation act?

Mr. FRAZIER. That is the idea.

Mr. McNARY. But the resolution assumes that the Department of the Interior, speaking through the Commissioner of Indian Affairs, is refusing to cooperate. That presents to the Senate a controversy between two departments of the Government. I should think the procedure might be rendered harmless if the recitals of the preamble of the resolution were stricken out. Has the Senator any objection to that?

Mr. FRAZIER. I did not understand the Senator's suggestion.

Mr. McNARY. The recitals in the preamble of the resolution indicate that the Secretary of the Interior is not willing to cooperate with the Department of Agriculture to relieve the situation affecting the Indians. They constitute more or less an attack upon or, at least, criticism of the department. I suggest that the preamble be eliminated so that the resolution will merely express the hope of the Senate that there may be cooperation between the two departments of the Government.

Mr. FRAZIER. I have no objection to that course being pursued.

Mr. McNARY. With the elimination of the preamble I virtually have no objection to the resolution.

The VICE PRESIDENT. The Chair will state that if the preamble shall be stricken out it will be necessary, in order to carry out the purposes of the resolution, to amend it, because it does not clearly point out what it is intended to accomplish. Would it not be well to delay the consideration of the resolution so that that feature may be taken care of?

Mr. SMOOT. Mr. President, that is the suggestion I was about to make. It seems to me that at least the latter portion of the resolution will have to be rewritten. I have no objection to having the money loaned to the Indians, but if the preamble shall be stricken out and the resolution shall remain as it is, I do not see how that object is going to be accomplished. If the Senator would be willing to have the resolution laid aside, it might be considered later.

Mr. McNARY. Mr. President, in view of the situation, I suggest that the resolution be temporarily laid aside. I am perfectly willing, if the resolution may be properly amended, to have it considered later in the day.

Mr. SMOOT. I have no objection to the resolution if it shall be amended.

Mr. FRAZIER. Very well.

The VICE PRESIDENT. Without objection, the resolution will be passed over.

FEDERAL AID TO STATES IN FORESTATION

Mr. COPELAND. Mr. President, there is on the table Senate Resolution 175, submitted a few days ago. I should like to call it up for consideration.

The VICE PRESIDENT. That resolution was laid before the Senate a few minutes ago and passed over temporarily.

Mr. McNARY. I requested that the resolution be not then considered because of the temporary absence of the Senator from New York. I have no objection to the consideration of the resolution at this time.

Mr. FESS. Let the resolution be read.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 175) submitted by Mr. COPELAND on the 2d instant, as follows:

Whereas the consumption of the forests of the United States has progressed to a point at which their early exhaustion is threatened, it being estimated (1) that over 50 per cent of all the softwood timber cut in the United States has been cut during the last 30 years; (2) that with a population almost 60 per cent greater to-day than at the beginning of the twentieth century, the United States has been using nearly 300,000,000,000 feet of softwood lumber alone during each decade since 1900; (3) that in 1928, with a population of more than 120,000,000, the annual cut of softwood lumber alone was 28,000,000,000 feet; and (4) that there now remain in the territory east of the prairies only about 25,000,000,000 feet of original timber; and

Whereas there are great areas in the United States which, aside from their underlying minerals, are suitable for forestation only, it being estimated that of the great land area constituting the 13 Northeastern States, from Maine to and including the two Virginias, about one-half, or 75,000,000 acres, are suitable for forestation only; and

Whereas proper utilization of such lands as a public domain, under proper control, would to some extent effect a modification of the climate, substantially affect or control the run-off of water, supply a cheap and dependable supply of lumber, and, through development, with roads, camping places, leased hunting and fishing rights, and other opportunities for social activities, would afford valuable resources for entertainment and improvement in national health, besides giving wealth-producing and steady employment to a large number of persons; and

Whereas it is desirable (1) that a coordinated plan be immediately developed for the cooperation of the Federal and State Governments in the utilization of such lands suitable for forestation only, (2) that information necessary as a basis of legislation be compiled, and (3) that recommendations for legislation be made: Therefore be it

Resolved, That the Secretary of Agriculture is requested (1) to advise the Senate as soon as practicable whether, in his opinion, the Government should undertake to aid the States in the utilization for forestation purposes of those areas of land in the United States suitable for forestation only, and (2) to state fully his reasons for any opinion which he may submit, together with the facts upon which such opinion is based.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

THE CALENDAR

The VICE PRESIDENT. The morning business is closed.

Mr. McNARY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of unobjected bills on the calendar, beginning with Order of Business No. 313.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The clerk will state the first bill on the calendar under the unanimous-consent agreement.

The bill (S. 323) granting compensation to Harriet M. MacDonald was announced as first in order under the unanimous-consent agreement.

RECONSTRUCTION FINANCE CORPORATION—LOANS TO FARMERS

Mr. SMITH. Mr. President, there is on the calendar a joint resolution dealing with an emergency matter which has been unanimously reported by the Agricultural Committee. I ask unanimous consent that the Senate at this time proceed to the consideration of Senate Joint Resolution 116, relating to the allocation of funds to the Secretary of Agriculture under the Reconstruction Finance Corporation act.

This is a matter that affects every farmer in the country. The joint resolution provides that the Reconstruction Finance Corporation may advance to the Secretary of Agriculture the amount allotted to the Secretary in case the debentures are sold.

It may be that before the debentures are sold the planting time and the necessity for this assistance will have passed, and the farmer will not get the benefit that is intended. The situation is desperate, as shown by appeals coming from every State of the Union. We have allocated to the farmers for this purpose $200,000,000. The amount of $75,000,000 has been paid in. The Senate can readily appreciate the widespread collapse of credit, the inability of the farmers to get any assistance whatever, and the fact that planting time is the time when, if they are to have any assistance at all, they must have it.

In view of these facts, the Agricultural Committee unanimously agreed to recommend the passage of this joint

resolution. It is not necessary for me to take the time of the Senate to state that out of the $2,000,000,000 of dollars we have appropriated for the relief of financial institutions, only $200,000,000 was set aside for the vast number of farmers who are absolutely without any other means of credit save this.

Mr. President, there have come to me, from every State in the Union, pleas for relief under this measure.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Washington?

Mr. SMITH. I do.

Mr. JONES. I should like to hear the joint resolution read.

The VICE PRESIDENT. The Chair will have the joint resolution read as soon as the Senator concludes his remarks.

Mr. SMITH. I ask to have the joint resolution read now, Mr. President.

The VICE PRESIDENT. The joint resolution will be read.

The Chief Clerk read the joint resolution (S. J. Res. 116) relating to the allocation of funds to the Secretary of Agriculture under the Reconstruction Finance Corporation act, as follows:

Resolved, etc., That notwithstanding the provisions of section 2 of the Reconstruction Finance Corporation act relating to the allocation of funds to the Secretary of Agriculture for making loans or advances to farmers during the year 1932, the Reconstruction Finance Corporation is authorized and directed to advance to the Secretary of Agriculture for such purposes the total amount authorized to be allocated and made available to him under such section, irrespective of the amount of notes, debentures, bonds, or other obligations of the corporation that may be outstanding.

Mr. SMITH. Mr. President, this joint resolution simply provides for anticipating the sale of these bonds for the benefit of agriculture, which must get the proceeds of the bonds between now and the 1st of May, at the latest, if they are to be of any real assistance.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. SMITH. I yield.

Mr. VANDENBERG. May I ask the junior Senator from Connecticut [Mr. WALCOTT] what his view is respecting this joint resolution?

The VICE PRESIDENT. Does the Senator from South Carolina yield for that purpose?

Mr. SMITH. I yield for that purpose.

Mr. WALCOTT. Mr. President, I am sorry to say that I am not familiar with the provisions of this joint resolution. I should like to ask the Senator from South Carolina if it has been favorably reported by the Committee on Agriculture and Forestry.

Mr. SMITH. It has been unanimously and enthusiastically, because every member of the committee felt the need of it.

Mr. WALCOTT. How much additional money will the joint resolution authorize?

Mr. SMITH. It does not authorize an additional dollar—not one. It simply anticipates the ultimate payment of the amount that was allocated in the bill of which the Senator from Connecticut had charge.

Mr. KEAN. Mr. President, I ask for the regular order.

The VICE PRESIDENT. Objection is made.

Mr. SMITH. Mr. President, in behalf of the farmers of this country who are in dire distress, may I ask the Senator from New Jersey if he will not withdraw his objection? We are appropriating only $200,000,000 to assist them, and this joint resolution does not add one dollar to that amount. It simply provides for taking it at a time when it will be of benefit to the farmers.

Mr. KEAN. I object, and the reason why I object is that I do not want to spend $200,000,000.

Mr. SMITH. I should like to hear the ground of the Senator's objection.

Mr. KEAN. I object.

The VICE PRESIDENT. The Senator from New Jersey objects. The clerk will state the first bill on the calendar under the unanimous-consent agreement.

HARRIET M. MACDONALD

The Senate proceeded to consider the bill (S. 323) granting compensation to Harriet M. MacDonald, which had been reported from the Committee on Finance with an amendment.

Mr. BULKLEY. Mr. President, I ask unanimous consent to substitute for this bill an identical House bill, H. R. 3703.

Mr. MOSES. What is the calendar number?

Mr. BULKLEY. It has no Senate Calendar number. It has just been messaged over from the House.

The VICE PRESIDENT. The bill referred to by the Senator from Ohio will be read.

The Chief Clerk read the bill (H. R. 3703) granting compensation to Harriet M. MacDonald, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 200 of the World War veterans' act, 1924, as amended, the Administrator for Veterans' Affairs is authorized and directed to pay to Harriet M. MacDonald, formerly a nurse, such compensation, effective October 31, 1929, as she would have been entitled had she been an American citizen at the time of her embarkation with the American Expeditionary Forces; and that she be entitled to hospitalization and such other benefits provided in the veterans' acts for members of the Nurse Corps.

The VICE PRESIDENT. Is there objection to substituting the House bill for the Senate bill?

Mr. SMOOT. What is the calendar number of the House bill?

The VICE PRESIDENT. It has just come over from the House.

Mr. BULKLEY. It passed the House only last week, and has just been messaged over.

Mr. SMOOT. From the reading of the bill I imagine it may completely change the policy of the Government as to pensions.

Mr. BULKLEY. The House bill is absolutely identical with the bill as reported by the Senator from Utah. I have examined the bill.

The VICE PRESIDENT. The clerk advises the Chair that the House bill is identical with the Senate bill.

Mr. SMOOT. Then I have no objection.

The VICE PRESIDENT. Without objection, the House bill is substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 3703) granting compensation to Harriet M. MacDonald.

Mr. ROBINSON of Arkansas. Mr. President, an amendment has been reported by the Senate committee to the Senate bill.

Mr. BULKLEY. The same amendment was adopted on the floor of the House.

The bill was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 323 will be indefinitely postponed.

LANDS DEVISED TO UNITED STATES BY SOPHIE CHANQUET

The Senate proceeded to consider the bill (S. 694) to authorize the sale of interest in lands devised to the United States under the will of Sophie Chanquet, which was read, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is hereby authorized to sell all right, title, and interest acquired by the United States under the will of Sophie Chanquet, deceased, in lands situate in the counties of Alameda and San Francisco, State of California, upon such terms and after such public notice by advertisement as he may deem best for the public interest, and to make, execute, and deliver all needful conveyances. The net proceeds of such sale shall be paid into the Treasury of the United States as miscellaneous receipts.

Mr. ROBINSON of Arkansas. Mr. President, I think there should be an explanation of this bill. What is the object of it?

Mr. REED. Mr. President, I handled that bill. It relates to a bequest in a will made to the United States veterans' hospital at Livermore, Calif., which is not a corporate entity. This bill merely authorizes the Administrator of Veterans' Affairs, who controls that hospital, to treat it as if it were property devised to the United States.

Mr. ROBINSON of Arkansas. What is the object of selling this land?

Mr. REED. The land has no value to the hospital.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REIMBURSEMENT TO STATE OF INDIANA

The bill (S. 1528) for the relief of the State of Indiana was announced as next in order, and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the State of Indiana the sum of $9,870 in full satisfaction of all claims against the United States for reimbursement under subdivision (3) of section 202 of the World War Veterans' Act, 1924, as amended, for hospital services rendered during the years 1922, 1923, and 1924 by the Indiana State Sanatorium at Rockville, Ind., to the following-named World War veterans: Ezra Cox, Raymond Holmes, Harvey Parrish, Lowell Pfrimer, Fred Powell, Charles Richardson, Parchol Robinson, Brij VanGookins, Clarence N. Young.

Mr. McKELLAR. Mr. President, will the Senator from Utah explain that bill?

Mr. SMOOT. Mr. President, I will state briefly that the amount proposed for payment by this bill represents the total amount of all suspensions made by the Veterans' Administration from a claim of $17,793 submitted by the Indiana State Sanatorium, of Rockville, Ind., to the Veterans' Administration on August 15, 1930, through the office of the junior Senator from Indiana [Mr. ROBINSON].

Mr. ROBINSON of Arkansas. Mr. President, I note that the Administrator of Veterans' Affairs, in a communication addressed to the committee and printed in the last paragraph of the report, states:

After giving careful consideration to the proposed bill, S. 1528, this office feels constrained to suggest that the passage of this proposed measure would establish an extremely bad precedent, since it would open the way for the introduction of similar bills in the Congress that would cover thousands of claims that have been disallowed for lack of merit.

Mr. SMOOT. Mr. President, that report came in, I think, after the bill was considered by the committee. Having observed it now for the first time, I ask that the bill be recommitted to the Finance Committee for further consideration.

Mr. ROBINSON of Arkansas. I was just about to make that suggestion.

The PRESIDENT pro tempore. Without objection, the bill will be recommitted to the Committee on Finance.

BILLS INDEFINITELY POSTPONED

The bill (S. 103) for the relief of Joseph C. Shaw was announced as next in order.

The PRESIDENT pro tempore. This bill is reported adversely.

Mr. KING. I move that it be indefinitely postponed.

The motion was agreed to.

The bill (S. 104) for the relief of Frederick Roland Hickey was announced as next in order.

The PRESIDENT pro tempore. This bill also is reported adversely.

Mr. KING. I submit the same motion.

The PRESIDENT pro tempore. Without objection, the same order will be entered.

BILLS PASSED OVER

The bill (S. 140) to extend certain benefits to Robert Smith Watson and William L. V. Watson was announced as next in order.

The PRESIDENT pro tempore. This bill is reported adversely.

Mr. HATFIELD. I ask that the bill go over at this time.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 505) for the relief of Walter S. Rogers was announced as next in order.

The PRESIDENT pro tempore. This bill is reported adversely.

Mr. THOMAS of Oklahoma. I ask that the bill be passed over temporarily.

The PRESIDENT pro tempore. The bill will be passed over.

BILL INDEFINITELY POSTPONED

The bill (S. 623) providing for the payment by the Government of attorneys' fees in certain suits growing out of governmental insurance policies issued to service men or ex-service men was announced as next in order.

The PRESIDENT pro tempore. This bill is reported adversely.

Mr. KING. I move that it be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, that order will be entered.

AMENDMENT OF JUDICIAL CODE

The Senate proceeded to consider the bill (S. 2232) to amend section 126 of the Judicial Code, as amended, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 4, after the word "amended," to strike out "(a)," and in line 5, after the word "City," to strike out "and (b) by inserting at the end thereof the following new sentence: 'All appeals and other appellate proceedings which may be taken or prosecuted from the district court of the United States in the State of Utah to the circuit court of appeals for the tenth judicial circuit shall be heard and disposed of by said court at the terms of court held at Salt Lake City, except that appeals in cases of injunctions and in all other cases which, under the statutes and rules, or in the opinion of the court, are entitled to be brought to a speedy hearing, may be heard and disposed of wherever said court may be sitting,'" so as to make the bill read:

Be it enacted, etc., That section 126 of the Judicial Code, as amended, is hereby further amended by inserting after the word "Wichita" in the first sentence thereof ", Salt Lake City."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN FROST

The bill (S. 1310) granting compensation to John Frost, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. KING. I move that that bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, that order will be entered.

ABBIE DOTY

The bill (S. 1387) granting an increase of compensation to Abbie Doty, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. McKELLAR. I move that that bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, that order will be entered.

RHETTA H. GUILD

The bill (S. 1403) for the relief of Rhetta H. Guild, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. McKELLAR. I move that that bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, that order will be entered.

CHARLES A. BUSSARD

The bill (S. 1488) granting compensation to Charles A. Bussard, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. McKELLAR. I move that that bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, that order will be entered.

GEORGE HARRY STRANAHAN

The bill (S. 1602) for the relief of George Harry Stranahan, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. KING. I move that that bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, that order will be entered.

HARRY P. COOPER

The bill (S. 1670) granting Harry P. Cooper the privilege of filing application for benefits under the emergency officers' retirement act was announced as next in order.

Mr. BINGHAM. Mr. President, at the request of the Senator from North Carolina [Mr. MORRISON], who desires to present additional information to the committee, I ask that this bill be recommitted to the Committee on Finance.

The PRESIDENT pro tempore. Without objection, the bill will be recommitted to the Committee on Finance.

HARVEY WILSON

The bill (S. 1835) granting disability allowance to Harvey Wilson was announced as next in order.

Mr. JOHNSON. I ask that the bill may go over.

The PRESIDENT pro tempore. The bill will go over.

BENJAMIN F. JOHNSON

The bill (S. 2826) for the relief of Benjamin F. Johnson was announced as next in order.

Mr. WALSH of Montana. Mr. President, in the absence of my colleague, the author of the bill, I ask that it may go over.

The PRESIDENT pro tempore. The bill will be passed over.

BATTLE OF WAGON BOX, WYO.

The bill (S. 2853) to provide for the commemoration of the Battle of Wagon Box, in the State of Wyoming, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purpose of commemorating the battle which occurred at Wagon Box, in the State of Wyoming, during the Indian wars, the Secretary of War is authorized to accept title to approximately 2 acres of land on the site of said battlefield, free of cost to the United States, to fence said parcel of land or demarcate its limits, and to erect a tablet thereon. He is further authorized to do all matters incident to procurement and erection provided for herein, by contract or otherwise, with or without advertising, including also the engagement by contract or otherwise, without regard to section 3709, Revised Statutes (U. S. C., title 41, sec. 5), and at such rates of compensation as he may determine, of the services of architects, sculptors, artists, and other technical and professional personnel as may be necessary, or of firms, partnerships, or corporations thereof.

SEC. 2. There is hereby authorized to be appropriated the sum of $1,000, or so much thereof as may be necessary, to carry out the provisions of this act.

SEC. 3. The land acquired under the provision of this act shall be under the jurisdiction and control of the Secretary of War. He shall provide for the care and maintenance of said tablet and its site, and for this purpose shall submit an estimate with his annual estimates to Congress.

BATTLE OF DULL KNIFE, WYO.

The bill (S. 2854) to provide for the commemoration of the Battle of Dull Knife, in the State of Wyoming, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purpose of commemorating the battle which occurred at Dull Knife, in the State of Wyoming, during the Indian wars, the Secretary of War is authorized to accept title to approximately 1 acre of land on the site of said battlefield, free of cost to the United States, to fence said parcel of land or demarcate its limits, and to erect a marker thereon. He is further authorized to do all matters incident to procurement and erection provided for herein, by contract or otherwise, with or without advertising, including also the engagement by contract or otherwise, without regard to section 3709, Revised Statutes (U. S. C., title 41, sec. 5), and at such rates of compensation as he may determine, of the services of architects, sculptors, artists, and other technical and professional personnel as may be necessary, or of firms, partnerships, or corporations thereof.

SEC. 2. There is hereby authorized to be appropriated the sum of $5,000, or so much thereof as may be necessary, to carry out the provisions of this act.

SEC. 3. The land acquired under the provision of this act shall be under the jurisdiction and control of the Secretary of War. He shall provide for the care and maintenance of said marker and its site, and for this purpose shall submit an estimate with his annual estimates to Congress.

LANDING OF PONCE DE LEON IN FLORIDA

The bill (S. 3014) to provide for the commemoration of the landing of Ponce de Leon in the State of Florida was announced as next in order.

Mr. BINGHAM. Mr. President, in view of the fact that the report states that there is no consensus of opinion as to the point at which Ponce de Leon landed in Florida, and in view of the state of dispute among historians of Florida, and having in mind the report of the War Department, which merely says that he did land in Florida, I ask that this bill go over.

Mr. FLETCHER. Mr. President, if the Senator will withhold his request for a moment; this bill merely authorizes the War Department to determine the location of the landing of Ponce de Leon in Florida, and to put an inscription on the marker. The marker is to cost only $1,000, in accordance with the policy of the War Department adopted heretofore, and the War Department is proceeding now to determine the location of the landing. It is all left to them. Colonel Landers is now in Florida investigating the matter, to determine the point where the marker is to be placed. It is up to the War Department. This bill merely authorizes them to do this thing, and they are proceeding by their proper officers to do it now.

Colonel Landers has been in St. Augustine, yesterday he was in Jacksonville, conferring with various historical societies and people concerned about the matter, and he will reach his own conclusion. I ask the Senator to let the bill pass. It merely authorizes the War Department to take this action.

Mr. BINGHAM. Mr. President, there will be ample time to pass the bill after the information has been obtained. If Colonel Landers succeeds in doing what the leading historians have not been able to do, I should say the bill ought to be passed. Pending that, I ask that the bill may go over.

The PRESIDENT pro tempore. The bill will be passed over.

AMENDMENT OF WORLD WAR VETERANS' ACT

The bill (S. 1603) to amend section 19 of the World War veterans' act, 1924, as amended, which had been reported from the Committee on Finance adversely, was announced as next in order.

Mr. KING. Mr. President, I move that that bill be indefinitely postponed.

Mr. BLACK. I object to the indefinite postponement of the bill.

Mr. BRATTON. Mr. President——

Mr. BLACK. Mr. President, I did not know the Senator from New Mexico was in the Chamber. That was my reason for objecting to indefinite postponement.

Mr. BRATTON. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

IKE F. KEARNEY

The bill (S. 2524) for the relief of Ike F. Kearney, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. KING. Mr. President, I move that the bill be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, that order will be entered.

NEWDIGATE MORELAND OWENSBY

The bill (S. 2566) for the relief of Newdigate Moreland Owensby, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. McKELLAR. I move that the bill be indefinitely postponed.

The PRESIDENT pro tempore. The same order will be entered.

CHEROKEE INDIAN CLAIMS

The bill (S. 2405) to confer jurisdiction on the Court of Claims to hear and determine certain claims of the Eastern or Emigrant and the Western or Old Settler Cherokee Indians against the United States, and for other purposes, was

considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all claims against the United States of the Eastern or Emigrant Cherokees, and the Western Cherokee or Old Settler Indians, so called, who are duly enrolled members of the Cherokee Tribe of Indians in Oklahoma, as classes, respectively, may be submitted to the Court of Claims, and jurisdiction is hereby conferred upon the Court of Claims, notwithstanding the lapse of time or statutes of limitation, to hear, examine, adjudicate, and render judgment in any and all legal and equitable claims arising or growing out of any treaty or agreement between the United States and the Cherokee Indians, or arising or growing out of any act of Congress in relation to Indian affairs, which the said Eastern or Emigrant and Western or Old Settler Cherokees may have against the United States, which claims have not heretofore been determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States and paid in full: *Provided*, That said Eastern or Emigrant and Western or Old Settler Cherokee Indians may act together or as two bodies hereunder as they may be advised: *Provided further*, That the said Eastern or Emigrant and Western or Old Settler Cherokees may intervene in any suit or suits now pending in the Court of Claims under authority of the act of Congress approved March 19, 1924 (43 Stat. L. 27, 28), in which the Cherokee Nation is party plaintiff and the United States party defendant.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits or intervening petition shall be filed, subject to amendment, however, as herein provided in the Court of Claims within two years from the date of approval of this act, and such suit or suits shall make the Eastern or Emigrant and/or Western or Old Settler Cherokees party or parties plaintiff and the United States party defendant. The petition or petitions shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract or contracts with the said Indians approved in accordance with existing laws, and said contract or contracts shall be executed in their behalf by a committee or committees selected by said Indians or provided by existing law. Official letters, papers, documents, and records, maps, or certified copies thereof, may be used in evidence; and the departments of the Government shall give access to the attorney or attorneys of said Indians to such treaties, papers, maps, correspondence, or reports as they may require in the preparation and prosecution of any suit or suits instituted under this act.

SEC. 3. In said suit or suits the court shall also hear, examine, consider, and adjudicate any claims which the United States may have against the said Indians or any of them, but any payment or payments which have been made by the United States upon any such claim or claims shall not operate as an estoppel but may be placed as an offset in such suit or suits, and the United States shall be allowed to plead and shall be given credit for all sums, including gratuities, paid to or expended for any of said classes of Indians: *Provided, however*, That in any claim sued on by said Cherokees for any part of an interest-bearing fund upon which account any payment or payments shall have been made, such payment or payments shall first be applied to reduction or payment of interest earned to the date of such respective payments, and the balance, if any, shall then be applied to reduce the interest-bearing principal, and not otherwise.

SEC. 4. Any other tribes or bands of Indians the court may deem necessary to a final determination of any suit or suits brought hereunder may be joined therein as the court may order: *Provided*, That upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of recovery or recoveries, together with all necessary and proper expenses incurred in the preparation and prosecution of such suit or suits, to be paid to the attorney or attorneys employed as herein provided by the said Indians, and the same shall be included in the decree and shall be paid out of any sum or sums adjudged to be due said Indians, or any of them, and the balance of such sum or sums shall be placed in the Treasury of the United States, where it shall draw interest at the rate of 4 per cent per annum, and be disposed of as provided by existing law.

ABRAHAM GREEN

The bill (S. 84) for the relief of Abraham Green was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $800 to Abraham Green, of Manchester, N. H., which sum represents the loss sustained by said Abraham Green on the bail bond of Myer Gallant, who was afterwards captured and returned to the United States officers by the said Abraham Green; record of said estreatment of bond and the payment of said sum of money on April 7, 1924, are shown in the report and affidavit of the clerk of the United States Court for the District of New Hampshire.

SOPHIA A. BEERS

The bill (S. 811) for the relief of Sophia A. Beers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sophia A. Beers, widow, and the heirs at law of William H. Beers, deceased, the sum of $5,100 in full compensation and settlement for all claims and demands of William H. Beers, deceased, growing out of, or arising from, the use, destruction, and loss of certain pipe-bending machines in the United States navy yard at Puget Sound, Wash.

STANDARD DREDGING CO.

The Senate proceeded to consider the bill (S. 1274) for the relief of the Standard Dredging Co., which had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "$3,362.50" and to insert in lieu thereof "$2,531.25," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Standard Dredging Co., owner of the dredge *Long Beach* and pipe line thereto attached, out of any money in the Treasury not otherwise appropriated, the sum of $2,531.25, or so much thereof as may be necessary, to fully reimburse said owner of said dredge and pipe line for damages suffered for loss of earnings or fair rental value of its said dredging plant for the period operation of same was stopped as a result of a collision with its pipe line by the United States dredge *Chinook*, at Astoria, Oreg., May 1, 1916, under circumstances which were held after due investigation to have been such that the Government was responsible.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. HOWELL. Mr. President, the U. S. dredge *Chinook*, which had been operating at Astoria, Oreg., some distance upstream from the dredge *Long Beach*, of the Standard Dredging Co., was turning in her course downstream, when a dense fog bank settled down and obscured the lights along the water front at Astoria. Fearing to proceed down the narrow channel under this condition, the captain of the dredge determined to return to anchor. While turning for this purpose, a strong current caused the dredge *Chinook* to drift downstream rapidly. In order to avoid being carried against the plant of the company, the *Chinook's* engines were reversed hard astern, with a view to backing up around the end of the trestle supporting the pipe line of the Standard Dredging Co.'s plant. The dredge failed to clear the trestle. The result was that the operations of the Standard Dredging Co. were interfered with for some five days, and the Secretary of War recommended that the actual loss to which the Standard Dredging Co. was a victim should be paid, amounting to $2,531.25.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HOWELL. I yield.

Mr. McKELLAR. I notice on page 2 of the report that interest at 6 per cent, based on a 300-day working year, $45; profit at 20 per cent, based on a 300-day working year, $150; and overhead, including insurance at $15 per day, $55; and taxes, were all added. Did the committee think those items of profit should be added to the bill and paid by the Government?

Mr. HOWELL. The amount which the committee authorized was $2,531.25, $450 a day for five and five-eighths days. The claim was for $3,362.50. The committee amended the bill in accordance with the recommendations of the Secretary of War.

Mr. McKELLAR. So as to cut out all profits and taxes and interests?

Mr. HOWELL. No. This $450 a day includes the items to which the Senator refers.

Mr. McKELLAR. Does not the Senator think that much of the claim should be deducted?

Mr. HOWELL. That is a question of policy. This dredge was operating, and it lost five and five-eighths days due to the accident. The only question is, Do we want to reimburse the company for the loss on account of that five and five-eighths days?

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. HOWELL. Certainly.

Mr. KING. Evidently the company is not asking for compensation for the injury. It is asking for profits, which are purely speculative. I think that the payment of specu-

lative profits is a very dangerous realm to enter, assuming that a boat or a railroad train or an individual may make profits in the future. From the record it would seem to me that the occurrence was an act of God rather than negligence upon the part of the Government, and therefore the company is not entitled to anything; but if it is entitled to anything, it seems to me that the allowance ought to be confined to compensation for injury to the boat if it sustained any.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Nebraska yield to the Senator from New York?

Mr. HOWELL. I yield.

Mr. COPELAND. The dredge was a privately owned vessel which was run into by a Government vessel. The privately owned boat was in use, it was making earnings, which were made impossible during the immediate future by reason of the collision. It was clearly the fault of the Government that this accident occurred, and I hope the Senator will withdraw his objection, because the committee has reduced the amount from $3,362, as requested, to $2,500, which seemed to the committee, and seems to me, to be a much fairer adjustment of the matter.

Mr. KING. Mr. President, if I may ask the Senator a question, what proof was there before the committee that this boat would have made profits in the future of four hundred and some odd dollars a day, and what proof was there that its profits during the preceding year had been in that amount, and what proof is there of the income tax—or the corporation tax—that was paid by this corporation that is now seeking profits of four or five hundred dollars a day? Was any proof submitted of those matters?

Mr. HOWELL. Necessarily the committee was not able to go into the details of this matter, but the War Department did go into the details and submitted a report to the committee.

Mr. COPELAND. Mr. President, if the Senator from Utah will look at page 3 of the report, the letter at the bottom of the page, which was addressed to me by the admiral commandant of the Coast Guard, he will find this: That in case of collision between Coast Guard vessels and private vessels, when it is found on investigation that the Coast Guard vessel is responsible, it is now the practice to allow demurrage—that is, loss of use of the vessel—as a proper item of damage. That now is a routine matter, but it was not so at the time of this accident.

Mr. KING. Mr. President, I assume it is a routine matter, and I say that that is a very bad practice to inaugurate, and to say that that is a rule which we will follow inflexibly. Who is to fix the demurrage? It seems to me that if the claim is for profits there should be proof of profits. If I am operating a mine and somebody interferes with the operation of the mine, or any other business, and I claim damages growing out of the loss of profits, I must be compelled to furnish proof of the profits.

Mr. LOGAN. Mr. President, will the Senator from Nebraska yield?

Mr. HOWELL. I yield.

Mr. LOGAN. This matter is just as simple as a justice of the peace case. This boat tore up some pipe, and the Government ought to pay for the pipe. During the time the repairs were being made the plant was shut down for four or five days. The War Department figured that the claimant ought to have $450 a day, not profits, and the committee, after giving the matter attention, came to the conclusion that the claimant should have $2,531.25. It is as simple as A B C, and, of course, the bill ought to be paid.

Mr. KING. Mr. President, the Senator says it is as simple as A B C. Does the Senator know that the profits for the five days would amount to the sum which has been allowed?

Mr. LOGAN. We are not paying profits at all. It is not a question of profits. The expenses, depreciation, taxes, and cost of labor were all going on, and on that basis we allowed a profit of 20 per cent, but the 20 per cent profit amounts to $150 if the Senator is interested in that. That was included as a part of the loss, but the rest of it is what they actually paid out.

Mr. KING. I understood the Senator to say this was for demurrage and not for damages done, but the Government is to pay for the damage it has done, apparently.

Mr. LOGAN. The Government paid for the damages. The dredging company, when the damages had been paid, was still out the use of its property for five and a fraction days. During that time it kept its plant there ready to operate, it paid interest and taxes, and depreciation was going on, so, according to the accounting rules of the War Department, they decided they were entitled to that amount.

Mr. KING. I have no objection if the proof satisfied the committee that the company lost the profits due to negligence of the Government.

Mr. LOGAN. There is no doubt about it.

Mr. KING. There is no evidence before the Senate to show that there was a loss. There is no evidence to show what the capital was.

Mr. LOGAN. Oh, yes; the capital was $225,000. All those things appear in the record. It is all figured out in the record. I can read it to the Senator, although he has it in the report before him.

Mr. KING. This may be very simple to a justice of the peace in Kentucky, but it is not very simple to me from the evidence before us.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROAD ON THE SHOSHONE INDIAN RESERVATION, WYO.

The bill (S. 3569) to amend the act of May 27, 1930, authorizing an appropriation for the reconstruction and improvement of a road on the Shoshone Indian Reservation, Wyo., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the unexpended balance of the appropriation of $150,000 contained in the first deficiency act, fiscal year 1931, for one-half of the cost for reconstruction and improvement of the road running from Milford across the Wind River or Shoshone Indian Reservation, through Fort Washakie to the diversion dam in Wyoming, is hereby continued available until June 30, 1933: *Provided*, That not to exceed $5,000 of the said appropriation is hereby made available for payment for rights of way across Indian lands and payment of the total irrigation construction costs and accrued operation and maintenance charges on affected lands: *Provided further*, That the provision in the act of May 27, 1930 (46 Stat. 430), requiring employment of Indian labor except for engineering and supervision shall not apply to the funds provided by the State of Wyoming.

ST. PAUL'S EPISCOPAL CHURCH, SELMA, ALA.

The bill (S. 3771) for the relief of St. Paul's Episcopal Church, Selma, Ala., was announced as next in order.

Mr. VANDENBERG. Over.

Mr. BLACK. Mr. President, may I inquire who objected to the bill?

The PRESIDING OFFICER. The Senator from Michigan.

Mr. BLACK. I would like to ask the Senator to withhold the objection until I can explain the bill to him.

Mr. VANDENBERG. I will withhold the objection, and before the Senator makes his explanation may I indicate to him my purpose so he may respond to the points that I have in mind. It appears that the only report sustaining the bill is from the Court of Claims, being a report which is 24 years old. The report apparently deals with an event which is 74 years old. Twenty-four years ago the court said:

> The claim herein was never presented to any department of the Government prior to its presentation to Congress and reference to this court by resolution of the United States Senate, as hereinbefore mentioned, and no reason is given why the bar of any statute of limitation should be removed or which shall be claimed to excuse the claimant for not having resorted to any established legal remedy.

It seems to me that if the Court of Claims should raise that objection to the finding 24 years ago, a similar objection would certainly stand to-day. I submit that to the Senator.

Mr. BLACK. May I state to the Senator that an identical bill passed the Senate last year without a single objection in the Senate. It was explained. Assuming that my good friend from Michigan was as diligent then as he usually is, the chances are that he would then have objected. Of course, that has nothing to do with the situation except that I invite attention to the fact that the bill passed then without objection.

There have been presented to me perhaps hundreds of requests to offer bills relating to similar claims. This is the only bill of the kind I have ever offered in this body. I did so because it fully and completely complies with the law which has been established by Congress. The Committee on Claims has a rule that it will not take up and favorably consider Civil War claims unless they are based upon transactions which comply with what was known as the Hunter Act passed in 1887. That act was passed for the benefit of claimants. It provided that thereafter any claim based upon the Civil War should give the right to the claimant to go into the Court of Claims, and if there should be found three separate elements combined, that the claim should be paid. Those three elements were, first, loyalty to the Government; second, fault on the part of the Government; and, third, the amount.

This claim was presented in the Court of Claims. It was from a church. It is not a business organization. It would certainly not be considered subject to the rule of strict technical findings relating to a regular business organization. However, they presented their claim and it was passed upon by the court. The court found that the church was loyal, that the church was burned by reason of an unauthorized raid on the part of Federal soldiers at a time when there was not even a conflict going on. It was in one of the last battles of the war. The soldiers were there, and after the battle some of them set fire to some of the houses and other buildings, and this fire in turn burned the church. There has been no claim put in for the people who lived there because, naturally, they could not prove loyalty to the Federal Government at that time. But the facts were presented to the Court of Claims and the court found that the church was loyal, that the church was burned by the soldiers, and that the amount of damages at that time was $5,680.

Instead of the Government being injured by the delay, the Government has been aided by the delay. The church has not had the advantage of the money during all these years. The Government has had it. After that finding was made, later on the bill was presented to Congress. For some reason it did not pass. I have been unable to find exactly what happened, but we know as the years passed on the old animosity has somewhat died away. It would have been practically impossible, certainly up to 1890 or 1900, to have secured favorable action in this body on a claim of this kind.

Mr. VANDENBERG. May I interrupt the Senator?

Mr. BLACK. Certainly.

Mr. VANDENBERG. In other words, the Senator claims that this involves no precedent which is not standard and does not open the door to any new type of Civil War claims?

Mr. BLACK. If it did, I would be opposed to it.

Mr. VANDENBERG. I withdraw my objection.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the wardens and vestry of St. Paul's Episcopal Church, of Selma, Ala., the sum of $5,680, in satisfaction of the claim of such church for compensation for the destruction of its church building and furnishings by the Federal troops during the Civil War.

MARGARET CROTTY

The bill (S. 83) for the relief of Margaret Crotty was considered. The bill had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margaret Crotty, the sum of $579.60, being the amount of gratuity pay due her on account of the death of her son, John P. Crotty: *Provided*, That Margaret Crotty's dependency upon her son, John Patrick Crotty, shall be established to the satisfaction of the Secretary of the Navy.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

WILMOT CASTLE CO.

The bill (S. 221) authorizing adjustment of the claim of the Wilmot Castle Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the Wilmot Castle Co. for the cost of repairing a sterilizer furnished under contract with the Medical Department of the Army, dated September 3, 1929, for installation in the hospital at Fort Meade, S. Dak., which was damaged on November 29, 1929, while being unloaded from a railroad freight car by a detail of enlisted men of the Quartermaster Corps of the Army stationed at Fort Meade, and for reimbursement of additional freight charges thereon necessitated by the accident, and to allow not to exceed $262.10 in full and final settlement of said claim. There is hereby appropriated out of any moneys in the Treasury not otherwise appropriated the sum of $262.10, or so much thereof as may be necessary, for payment of said claim.

JOHNSON & HIGGINS

The bill (S. 252) authorizing adjustment of the claim of Johnson & Higgins was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized to settle and adjust the claim of Johnson & Higgins in a sum not exceeding $115.12 for a general average adjustment requested by the War Department to be made in August, 1922, and report of which was made in 1927. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $115.12 for payment of the claim.

TRANSFER OF JURISDICTION IN MANAGEMENT OF INDIAN COUNTRY

The bill (S. 3322) to transfer certain jurisdiction from the War Department in the management of Indian country was considered. The bill had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert:

That the provisions of section 2139 of the United States Revised Statutes and the act of January 30, 1897 (29 Stat. 506), now section 241, title 25, United States Code, be amended so as to read as follows:

"SEC. 241. Intoxicating liquors; sale to Indians or introducing into Indian country.—No ardent spirits, ale, beer, wine, or intoxicating liquor or liquors of whatever kind shall be introduced, under any pretense, into the Indian country. Every person who sells, exchanges, gives, barters, or disposes of any ardent spirits, ale, beer, wine, or intoxicating liquors of any kind to any Indian under charge of an Indian superintendent or agent, or introduces or attempts to introduce any ardent spirits, ale, wine, beer, or intoxicating liquors of any kind into the Indian country shall be punished by imprisonment for not more than two years and by fine of not more than $300 for each offense.

"Any person who shall sell, give away, dispose of, exchange, or barter any malt, spirituous, or vinous liquor, including beer, ale, wine, or any ardent or other intoxicating liquor of any kind whatsoever, or any essence, extract, bitters, preparation, compound, composition, or any article whatsoever, under any name, label, or brand, which produces intoxication, to any Indian or ward of the Government under charge of any Indian superintendent or agent, or any Indian, including mixed bloods, over whom the Government, through its departments, exercises guardianship, and any person who shall introduce or attempt to introduce any malt, spirituous, or vinous liquor, including beer, ale, and wine, or any ardent or intoxicating liquor of any kind whatsoever into the Indian country, shall be punished by imprisonment for not less than 60 days and by a fine of not less than $100 for the first offense and not less than $200 for each offense thereafter: *Provided, however*, That the person convicted shall be committed until fine and costs are paid. But it shall be a sufficient defense to any charge of introducing or attempting to introduce ardent spirits, ale, beer, wine, or intoxicating liquors into Indian country that the acts charged were done under authority, in writing, from the Interior Department or any officer duly authorized thereunto by the Interior Department."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC SCHOOL BUILDING AT NESPELEM, WASH.

The bill (S. 3323) to provide funds for cooperation with the school district at Nespelem, Wash., in the construction of a public-school building to be available to Indian children of the Colville Indian Reservation was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of the measure.

Mr. DILL. Mr. President, this is a bill whereby it is proposed that the Government shall cooperate in providing a school in a town called Nespelem, which is on the Colville Indian Reservation. Nespelem is the location of the Indian agency and its employees. In his statement on the bill the Commissioner of Indian Affairs calls attention to the fact that of the 203 children in the school, 114 of them are Indian children and 89 are white children, but in addition to that is the fact that many of the white children are children of the Indian agency employees. All of the Indian allotments and Indian property are not taxed, and the burden of carrying the school is extremely heavy upon the small number of property owners who live in that community.

The commissioner in his letter approves the idea of the appropriation. He approves the bill, but suggests it might be postponed for another year. However, we may not be able to get the appropriation, though he really thinks there ought to be an appropriation. The present school building is a poor one. The people are in real need of additional school facilities. With this appropriation they could raise enough money to construct a new building and I think maintain the school.

Mr. KING. Is there any other school building on the reservation?

Mr. DILL. Not in the immediate vicinity; nothing within several miles.

Mr. KING. Are all the Indian children living on the reservation sent to this school?

Mr. DILL. Oh, no. The reservation is quite large. Nespelem is not quite in the center of the reservation, but somewhere near the center. There is a large community of Indians and white people living on the east side of the reservation and also another on the west side of the reservation.

Mr. KING. Does the Indian Bureau have control over the school?

Mr. DILL. No; but they cooperate by paying 65 cents per day tuition for each Indian child.

Mr. KING. Do they pay the teachers or anything of that kind?

Mr. DILL. No; they do not, only tuition.

Mr. KING. May I ask the Senator why the appropriation was not included in the appropriation for the Bureau of Indian Affairs?

Mr. DILL. This is an authorization, I may say to the Senator. It is merely legislation.

Mr. KING. We have an appropriation for the Bureau of Indian Affairs in the Interior Department appropriation bill. We are trying to localize and earmark—if I may use that expression—the appropriations so we may know to which division they should be properly charged. This appropriation, if it should be made—and it seems perhaps we ought to authorize it—should properly be charged to the Bureau of Indian Affairs and included within the general appropriation made for educational purposes which is carried in the items for the bureau in the Interior Department appropriation bill.

Mr. REED. Mr. President, if the Senator will yield for a question, I should like to ask why he makes the amount so large, and why he speaks of cooperation with the local school board, when the fact would seem to be that the utmost that the local board could possibly raise would be $5,000? In other words, the United States would be paying $75,000 out of a maximum of $80,000.

Mr. DILL. That is only for the erection of the building. The local property must maintain the school, and that burden is quite great. There is practically no taxable property in this community; because it is a reservation, there is only a very small amount of this property that can be taxed, and it is of very little value.

Mr. REED. I see by the report that the Indian Commissioner says there are about 70 Indian pupils who would go to this school; that there is now a school building there; that the total value of the taxable land of the district is about $100,000, and the value of the nontaxable Indian land is $150,000. Are we justified, would anybody be justified, in spending 30 per cent of the total value of all of the taxable and nontaxable property of the district in the building of a schoolhouse?

Mr. DILL. I want to remind the Senator of the fact that the children are there; school facilities must be provided in some way, and there is no other source from which to provide them.

Mr. REED. I grant that; but why should these Indian children be provided a school building of such luxurious character as that? No city would permit the spending of over a thousand dollars per capita in the erection of school buildings within its borders.

Mr. DILL. We are not proposing to do that here; there are 203 children in the school district.

Mr. REED. There are but 70 Indian children for whom we are proposing to provide.

Mr. DILL. No.

Mr. REED. There are 203 children, but they do not all attend the school.

Mr. DILL. I call the Senator's attention to the fact that there are 114 children——

Mr. REED. Yes; but they do not all go to school. The report shows that only 70 of them go to school.

Mr. DILL. Yes.

Mr. REED. Some of them obviously are too young to do so. We are proposing here to spend over a thousand dollars per capita to build a schoolhouse for those Indian children. We would not do that for white children or black children in any other part of the United States. I do not see why we should do it here. I think the Senator ought to consent to a reduction of the amount.

Mr. DILL. We make such expenditures in all Indian areas, I think, even in places where there is a small number of Indian children. It seems there is no other way to work out the problem of educating the Indian children.

Mr. REED. To spend over a thousand dollars per capita for a schoolhouse?

Mr. DILL. It appears to work out that way. Of course, this schoolhouse is for both Indian and white children. As I said a moment ago, not all, but a majority, of the white children are the children of the employees of the Indian agency. Those people have practically no property; their children are there, and the school, of course, serves them all.

Mr. REED. I think it is a great extravagance, Mr. President; and if the Senator can not see fit to propose an amendment reducing the amount carried in the bill, I shall feel obliged to object to its consideration.

The PRESIDING OFFICER. Objection is made, and the bill goes over. The clerk will state the next bill on the calendar.

SECOND POLAR YEAR PROGRAM

The joint resolution (H. J. Res. 182) authorizing an appropriation to defray the expenses of participation by the United States Government in the Second Polar Year Program, August 1, 1932, to August 31, 1933, was announced as next in order.

Mr. KING. Without further explanation than the mere reading of the title of the joint resolution, I shall object to its present consideration.

The PRESIDING OFFICER. The Chair will state that the House joint resolution is similar to a Senate joint resolution which has been reported from the Committee on Foreign Relations of the Senate and is now on the calendar.

Mr. KING. I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

PRIVILEGES OF PRISONERS

The Senate proceeded to consider the bill (S. 3011) to authorize the Attorney General to permit prisoners to attend the funeral of a deceased and bedside of a dying relative, and for other purposes, which was read, as follows:

Be it enacted, etc., That the Attorney General or his authorized representatives may, after proper investigation, permit any prisoner serving a sentence imposed by any court of the United States to attend the bedside of a dying wife, husband, father, mother, child, brother, or sister or/and the funeral of any such relative. The Attorney General may impose any reasonable conditions upon the granting of such permission, including reimbursement of applicable appropriations for travel and other necessary expenses, and any such inmate shall be, during such absence from the institution in which sentence is being served, in the actual custody of a regular employee of the institution and during such temporary absence shall be considered to be in the legal custody of the warden or superintendent of said institution.

SEC. 2. Whenever a person convicted of crime by any court of the United States and confined in a penitentiary, jail, prison camp, or other penal institution shall be in need of special surgical or medical attention which can not be properly or safely administered in the institution at which he is confined, the warden, superintendent, or keeper shall forward with his approval a certificate signed by the physician in charge of the medical work at said institution to that effect to the Director of the Bureau of Prisons, who may, upon proper terms and conditions, authorize the removal of said inmate to a suitable hospital for operation or treatment. During the residence of any such inmate in such hospital he shall be considered to be in the legal custody of the warden, jailer, or superintendent of the institution from whence he was transferred, and the time so spent in the hospital shall be counted as part of his sentence. The Director of the Bureau of Prisons shall provide suitable forms for the application, medical certificate, transfer, and return to the institution of such person.

Mr. KEAN. Mr. President, I should like the Senator from Georgia who introduced the bill to explain it, if he will do so. What relatives of such a prisoner are specified, I will ask the Senator from Georgia?

Mr. GEORGE. The bill specifies a dying wife, husband, father, mother, child, brother, or sister. Its operation is limited in that way.

Mr. KEAN. I have no objection to the passage of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF WORLD WAR VETERANS' ACT, 1924, AS AMENDED

The bill (S. 2955) to amend the World War veterans' act, 1924, as amended, was read, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 202 (12) of the World War veterans' act, 1924, as amended, is hereby further amended to read as follows:

"SEC. 12. Where the disabled person is a patient in a hospital, or where for any other reason the disabled person and his wife are not living together, or where the children are not in the custody of the disabled person, the amount of the compensation may be apportioned as may be prescribed by regulations. Retired pay payable under Public Act No. 506, Seventieth Congress, approved May 24, 1928, may be apportioned in the same form and manner as compensation is apportioned under the provisions of this section."

PROPOSED AMENDMENT OF SECTION 19 OF WORLD WAR VETERANS' ACT, 1924

The bill (S. 2185) to amend section 19 of the World War veterans' act, 1924, as amended, which had been adversely reported from the Committee on Finance, was announced as next in order.

Mr. REED. I move the indefinite postponement of that bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania.

The motion was agreed to.

EXTENSION OF ADMIRALTY LAWS TO VIRGIN ISLANDS

The Senate proceeded to consider the bill (S. 418) to extend the admiralty laws of the United States of America to the Virgin Islands, which had been reported from the Committee on Territories and Insular Affairs with an amendment to strike out all after the enacting clause and to insert:

That there be, and is hereby, conferred upon the judicial tribunals of the Virgin Islands jurisdiction in admiralty which shall be the same as is exercised by the United States district courts, and the practice and procedure shall be the same as in the United States district courts.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. BINGHAM. I desire to submit an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Connecticut to the amendment reported by the committee will be stated.

The CHIEF CLERK. It is proposed on page 2, line 3, after the word "courts" in the committee amendment to insert "and all cases coming within the admiralty jurisdiction of said tribunals shall be determined in accordance with the general admiralty laws of the United States of America."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Connecticut to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. KING. Mr. President, there is no purpose, I assume, by this bill to deprive the court that there exists of the usual jurisdiction which courts of the United States ordinarily exercise?

Mr. BINGHAM. No, Mr. President; the fact is that we have never changed the admiralty law in force in the Virgin Islands. The result is that the admiralty law is in Danish and the admiralty procedure is in Danish. Our courts operate in English, and the present procedure has caused the very greatest confusion and difficulty in securing justice.

Furthermore, when appeals are taken from the courts of the Virgin Islands in such cases they go to the court in Baltimore, which is not familiar with the Danish law. The enactment of this bill will eliminate the difficulties and straighten out the procedure so as to put admiralty cases of the Virgin Islands under the admiralty laws of the United States.

Mr. KING. I assume that those who administer justice and exercise admiralty jurisdiction there will not be required to learn the Danish language?

Mr. BINGHAM. The object of the bill is to prevent such a condition.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM D. BARBEE AND WILLARD HENRY AMLAW

The bill (S. 1836) for the relief of William D. Barbee, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. KING. I move that the bill be indefinitely postponed.

The motion was agreed to.

The bill (S. 1879) granting compensation to Willard Henry Amlaw, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. KING. I move that that bill be indefinitely postponed.

Mr. McNARY. Mr. President, will not the able Senator from Utah, in the absence of the Senator from California [Mr. SHORTRIDGE], permit this bill to go over?

Mr. KING. Anything the Senator asks, I assent to.

The PRESIDING OFFICER. The bill will be passed over.

Mr. McNARY. I should like my request to apply also to the preceding bill, being Senate bill 1836.

The PRESIDING OFFICER. Without objection, the vote whereby Senate bill 1836 was indefinitely postponed is reconsidered, and the bill will be passed over.

BILLS PASSED OVER

The bill (S. 1881) authorizing the payment of war-risk insurance to Laura E. De Armoun was announced as next in order.

Mr. SMOOT. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1884) granting disability allowance to Dan V. Smith was announced as next in order.

Mr. SMOOT. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1886) granting an increase of compensation to Addie Weeks was announced as next in order.

Mr. SMOOT. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BILLS INDEFINITELY POSTPONED

The bill (S. 3052) for the relief of George A. Banta, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. KING. I move that the bill be indefinitely postponed.

The motion was agreed to.

The bill (S. 3151) to authorize reinstatement of war-risk insurance of John D. Deardourff, deceased, which had been reported adversely by the Committee on Finance, was announced as next in order.

The PRESIDING OFFICER. Without objection, the bill will be indefinitely postponed.

BILL PASSED OVER

The bill (S. 326) for the relief of Julia Kerr O'Bleness was announced as next in order.

Mr. SMOOT. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

AIR MARKING OF GOVERNMENT BUILDINGS

The Senate proceeded to consider the bill (S. 421) to provide for the air marking of certain Government buildings, which had been reported from the Committee on Commerce with an amendment, on line 8, after the word "an," to insert the word "essential," so as to make the bill read:

Be it enacted, etc., That paragraph (b) of section 5 of the air commerce act of 1926 is amended by adding at the end thereof the following: "The Secretary of Commerce shall place upon United States public buildings air markings of suitable standard design whenever, in his opinion, such air markings would constitute an essential aid to air navigation."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FIREMEN'S INSURANCE CO., OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2958) to amend the charter of the Firemen's Insurance Co., of Washington and Georgetown, in the District of Columbia, which was read, as follows:

Be it enacted, etc., That the charter of the president and directors of the Firemen's Insurance Co., of Washington and Georgetown, in the District of Columbia, granted by an act of Congress approved March 3, 1837, extended by an act of Congress approved February 7, 1857, and amended by an act of Congress approved February 18, 1911, is hereby further amended to permit the said insurance company to insure and reinsure risks in all the various forms authorized by section 3 of an act of Congress approved March 4, 1922, entitled "An act to regulate marine insurance in the District of Columbia, and for other purposes."

SEC. 2. That the said charter of the said the president and directors of the Firemen's Insurance Co., of Washington and Georgetown, in the District of Columbia, is hereby further amended so that the authorized capital stock of said company shall be $1,000,000, divided into 50,000 shares of the par value of $20 each.

Mr. KING. Mr. President, the bill may seem a formidable one, but a number of years ago, under the laws of the District of Columbia, private charters might not be obtained, and the insurance companies and various other corporations were compelled to obtain their charters from Congress. Since that time there has been a liberalization in existing law and corporations doing insurance business by amendment to their charters have been permitted to engage in the same kind of insurance in which the insurance company mentioned in this bill seeks to engage. The bill merely amends its existing charter.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3696) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, was announced as next in order.

Mr. REED. I ask that the bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

BILLS INDEFINITELY POSTPONED

The bill (S. 2293) including dependent sisters within classes of persons entitled to automatic insurance under the war risk insurance act, which had been reported adversely by the Committee on Finance, was announced as next in order.

Mr. REED. I move that the bill be indefinitely postponed.

The motion was agreed to.

The bill (S. 2567) for the relief of Angus M. Whatley, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. SMOOT. I move that the bill be indefinitely postponed.

The motion was agreed to.

The bill (S. 2568) for the relief of John B. McLamb, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. SMOOT. I move that the bill be indefinitely postponed.

The motion was agreed to.

BILLS PASSED OVER

The bill (S. 1317) for the relief of the State of California was announced as next in order.

Mr. SMOOT. Mr. President, as the Senator from California is not now present, I should like to have the bill go over in order that there may be some explanation of it.

The PRESIDING OFFICER. The bill will be passed over temporarily without prejudice.

The bill (H. R. 5866) to authorize the construction of a dam across Des Lacs Lake, N. Dak., was announced as next in order.

Mr. KING. Mr. President, I should like to ask the Senator from Michigan, who appears to have reported the bill, although the proposed dam is in North Dakota, whether any of the representatives of the State have objection or whether the bill infringes at all injuriously upon any activities of the State or private persons within the State?

Mr. VANDENBERG. The bill was submitted to the department and the two Senators of the State involved; there was no objection, and, on that basis, the committee reported the bill.

Mr. WALSH of Montana. Mr. President, I should like to have some explanation of the bill, and, in the absence of such explanation, I ask that it may go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Being the unfinished business, the bill will be passed over.

PHILIPPINE INDEPENDENCE

The bill (S. 3377) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BINGHAM. Mr. President, may I say that I hope that at an early date it may be possible to take up this proposed legislation, which meets the views of most of those who have been interested in it? It is a compromise measure of great value, and it meets the views of a large majority of the committee. I hope it may be possible to consider it at a very early date. I do not believe the debate on it will last very long.

The PRESIDING OFFICER. The Senator does not wish to have it considered under the 5-minute rule?

Mr. REED. Mr. President, I inquire of the Senator if the steering committee has not put the bill on its list?

Mr. BINGHAM. I think not; at least, not according to the last list which I have.

Mr. REED. I think the Senator ought to be careful to have the steering committee put the resolution that calls for information regarding the Philippines on the list before the bill granting independence to the Philippines. In the case of tariff measures the steering committee has put the tariff bill on the list first and resolutions requesting information about the tariff on afterwards. I hope that we shall get the desired information at the proper time in this instance.

Mr. KING. If we can get any more information about the Philippine question, I shall be glad to obtain it, but I rose for the purpose of indicating to the Senator from Connecticut that I intend to offer, as an amendment or as a substitute to the bill which he is seeking to have considered, the bill granting independence to the Filipinos in approximately three years, which has been pending since the beginning of the year and was here several years ago.

Mr. BINGHAM. I understand other amendments are also to be offered and possibly an entire substitute bill by another Senator, but at this time I merely express the hope that we may not delay the consideration of the bill any longer than is necessary, and that it may be possible to have this bill taken up in the near future and to consider the amendment offered by the Senator from Utah, as well as any other amendment which may be offered to the bill.

The PRESIDING OFFICER. The bill will be passed over.

BILLS INDEFINITELY POSTPONED

The bill (S. 2373) authorizing the payment to Peter C. McCartin of allotments made to his children under the veterans' act of 1924, which had been reported adversely from the Finance Committee, was announced as next in order.

Mr. SMOOT. I move that the bill be indefinitely postponed.

The motion was agreed to.

The bill (S. 1882) for the relief of Paul Little, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. SMOOT. I move that that bill be indefinitely postponed.

The motion was agreed to.

The bill (S. 1883) for the relief of Stephen Sawyer, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. SMOOT. I move the indefinite postponement of the bill.

The motion was agreed to.

The bill (S. 1885) granting compensation to John Spiropoulos, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. SMOOT. I move that that bill be indefinitely postponed.

The motion was agreed to.

WILLIAM B. THOMPSON

The bill (S. 284) for the relief of William B. Thompson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William B. Thompson, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $562.80 by reason of damages to his property caused by the dumping of spoil dredged from the Chesapeake and Delaware Canal in the lowering of the water level of the said canal at the town of Summit Bridge, New Castle County, in the State of Delaware.

JOINT RESOLUTION AND BILL INDEFINITELY POSTPONED

The joint resolution (S. J. Res. 65) extending the benefits of section 202 (10) of the World War veterans' act was announced as next in order.

The PRESIDING OFFICER. This joint resolution is reported adversely.

Mr. KING. I move that it be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1675) to amend section 19 of the World War veterans' act was announced as next in order.

The PRESIDING OFFICER. This bill is reported adversely.

Mr. SMOOT. I ask for the same order.

The PRESIDING OFFICER. Without objection, the bill will be indefinitely postponed.

EMERGENCY HIGHWAY CONSTRUCTION

The bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction with a view to increasing employment was announced as next in order.

Mr. REED. Let that go over.

Mr. HAYDEN. Mr. President, I realize that it is not proper to make any protest in view of the unanimous-consent order under which the Senate is proceeding; but this is an emergency measure of great importance. I desire to give notice that I intend to cooperate with the chairman of the Committee on Post Offices and Post Roads, the Senator from Nevada [Mr. ODDIE], and we shall use every parliamentary means possible to obtain early consideration of the bill H. R. 9642.

Mr. BINGHAM. Mr. President, may I express to the Senator from Arizona the hope that before this bill is put on the list of the steering committee, information may be obtained as to the necessity for this work, and the necessity for the distribution as proposed in the bill. The Senator will realize that under the bill this emergency relief is very much greater per capita in States which have a small number of unemployed than it is in the States which have a large number of unemployed.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

BILL PASSED OVER

The bill (S. 3508) to amend section 1 of the act entitled "An act to provide for determining the heirs of deceased Indians, for the disposition and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes," approved June 25, 1910, as amended, was announced as next in order.

Mr. WALSH of Montana. Mr. President, this is a very important measure. I ask that it go over until the next call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

LAND IN DELAWARE

The Senate proceeded to consider the bill (S. 283) to provide for conveyance of a certain strip of land on Fenwick Island, Sussex County, State of Delaware, for roadway purposes, which was read, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to transfer and convey to the levy court of Sussex County, State of Delaware, the following-described parcel of land situate in Sussex County and being a part of the Fenwick Island Lighthouse Reservation: A strip of land 60 feet wide and 660 feet long, extending from the west boundary line of the Fenwick Island Lighthouse Reservation to the east boundary line of the lighthouse reservation with the center line running parallel to and 330 feet northerly from the east and west boundary line between the States of Delaware and Maryland, which boundary line is the southerly boundary of the Fenwick Island Lighthouse Reservation; the same to be held and made available permanently by said levy court of Sussex County, State of Delaware, as a roadway under such rules and regulations as may be necessary and proper for the use thereof by the public, and that the Lighthouse Service shall have an unrestricted right at all times to use the said roadway for the purposes of access to and egress from the lighthouse reservation: *Provided*, That should the levy court of Sussex County, State of Delaware, fail to keep and hold the said strip of land for roadway purposes or devote it to any use inconsistent with said purposes, then title to said land shall revert to and be reinvested in the United States.

Mr. KING. Mr. President, I should like to ask whether this bill will involve the United States in any expense or require it to make any contribution to the construction of the road?

Mr. TOWNSEND. It will not. The bill simply authorizes the conveyance to the commissioners of Sussex County of the land necessary to enable them to build a road over the

Government property. It entails no expense whatever to the Government.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN ARIZONA

The bill (S. 2428) to provide for the confirmation of a selection of certain lands by the State of Arizona for the benefit of the University of Arizona was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the selection by the State of Arizona under the grant for university purposes made by the act of June 20, 1910 (36 Stat. 557), filed in the Phoenix (Ariz.) United States land office July 7, 1930 (Phoenix serial No. 068540), for the south half of the northeast quarter, the north half of the southeast quarter, and the west half of section 9, township 14 south, range 16 east of the Gila and Salt River meridian, Arizona, be ratified and confirmed, and the Secretary of the Interior is hereby authorized and directed to approve such selection.

JOSEPH F. SHEAMAN

The bill (S. 2754) to authorize the issuance of an unrestricted patent to Joseph F. Sheaman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cause to be issued to Joseph F. Sheaman an unrestricted patent for the northeast quarter of section 20, and the northwest quarter of section 21, township 39 north, range 60 west, sixth principal meridian, Wyoming. Said patent shall be of such legal effect and in such form as to vest in said Joseph F. Sheaman such rights as were reserved to the United States in the oil and gas in said land under the act of July 17, 1914 (38 Stat. 509), by the issuance of patent No. 930851 to said Joseph F. Sheaman for said land on January 30, 1924.

Mr. KING. Mr. President, may I inquire if the bill just passed relates to an Indian. I have not had time to examine the report. [A pause.] I will move to reconsider the bill if I discover that an Indian is involved.

LANDS IN WYOMING

The Senate proceeded to consider the bill (S. 3475) to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 6, after the word "than," to strike out "10" and insert "20," so as to make the bill read:

Be it enacted, etc., That section 5 of the act approved July 10, 1890 (28 Stat. 664), be, and the same is hereby, amended to read as follows:

"That all lands herein granted for educational purposes shall be disposed of only at public sale, the proceeds to constitute a permanent school fund, the interest of which only shall be expended in the support of said schools. But said lands may, under such regulations as the legislature shall prescribe, be leased for mineral, grazing, agricultural, or other purposes, provided that the term of agricultural and grazing leases shall not exceed 5 years; mineral leases, including leases for exploration for oil and gas and the extraction thereof, for a term not longer than 20 years; and leases for the development of hydroelectric power for a term not longer than 50 years; and such land shall not be subject to preemption, homestead entry, or any other entry under the land laws of the United States, whether surveyed or unsurveyed, but shall be reserved for school purposes only."

SEC. 2. Anything in the said act approved July 10, 1890, inconsistent with the provisions of this act is hereby repealed.

Mr. KING. Mr. President, will the Senator from Wyoming [Mr. CAREY] make an explanation of this bill? I desire to know whether it would constitute a precedent with respect to other public-land States. I should like to know the purpose of the bill.

Mr. CAREY. Mr. President, I can say to the Senator from Utah that a similar bill was passed a short time ago relating to the State of Montana.

The enabling act of Wyoming provided that the school lands should not be leased for a greater period than five years nor in amounts greater than 640 acres. Since the State was admitted it has been customary for the State land board to lease lands in larger tracts than 640 acres. This has been done by granting leases to so-called "dummies," or people who leased the lands for others for the purpose of combining them into larger leases. In fact, these lands have always been leased in larger acreages than the 640 acres permitted in the enabling act.

Also, our enabling act was drawn with the thought that all our lands were grazing lands, and that such leases should not exceed five years. Consequently, with the development of the oil business it has not been possible to lease oil lands for a longer period than five years, which has held back our oil development and has also made considerable trouble and confusion when these leases expired. This bill is simply to permit the State to do what it has been doing with its grazing lands, and to grant mineral leases for a suitable period, which I think is 20 years.

Mr. KING. The bill does not relate at all to the public domain?

Mr. CAREY. No.

Mr. KING. Merely to the lands which have passed by grants from the Federal Government to the State?

Mr. CAREY. Yes; that is correct.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OSAGE INDIANS OF OKLAHOMA

The Senate proceeded to consider the bill (S. 3085) relating to the tribal and individual affairs of the Osage Indians of Oklahoma, which had been reported from the Committee on Indian Affairs with an amendment, on page 4, line 19, after the word "repealed," to insert:

And that part of section 1 of the act of March 2, 1929, which reads as follows:

"The lands, moneys, and other properties now or hereafter held in trust or under the supervision of the United States for the Osage Tribe of Indians, the members thereof, or their heirs and assigns, shall continue subject to such trust and supervision until January 1, 1959, unless otherwise provided by act of Congress," is hereby amended to read as follows:

"That the restrictions against alienation, sale, and disposal of all lands and other properties of members of the Osage Tribe of Indians which were inalienable and nontransferable without the approval of the Secretary of the Interior on December 31, 1931, are hereby continued until January 1, 1959, unless otherwise provided by Congress."

So as to make the bill read:

Be it enacted, etc., That hereafter the Secretary of the Interior shall cause to be paid to each adult member of the Osage Tribe of Indians not having a certificate of competency his or her pro rata share, either as a member of the tribe or heir or a devisee of a deceased member, of the interest on trust funds, the bonus received from the sale of oil or gas leases, and the royalties therefrom, received during each fiscal quarter, not to exceed $1,000 per quarter, except where such adult member has a legal guardian, in which event his current income not to exceed $1,000 per quarter may be paid to the legal guardian or direct to such Indian in the discretion of the Secretary of the Interior: *Provided*, That where an adult restricted Indian has surplus funds in excess of $10,000 there shall be paid such Indian sufficient funds from his accumulated surplus in addition to his current income to aggregate $1,000 quarterly: *Provided further*, That the Secretary of the Interior may cause payment to be made of additional funds from the accumulated surplus to the credit of any Osage Indian under such rules and regulations as he may prescribe. Where minor members of the Osage Tribe of Indians have funds or property subject to the control or supervision of the Secretary of the Interior the said Secretary may pay or cause to be paid to the parents or legal guardian having actual custody of such minors such amounts out of the income or funds of the said minors as he deems necessary. Where both parents of a minor 18 years of age or over are dead, the Secretary of the Interior may in his discretion cause disbursement of funds for support and maintenance or other specific purposes to be made direct to such minor. The payments above provided for shall be subject to such control and supervision as the Secretary of the Interior shall deem proper. Rentals due such adult members from their lands and their minor children's lands and all income from such adults' investments, including interest on bank deposits to their credit, shall be paid to them in addition to the current allowances above provided.

The Secretary of the Interior may invest the accumulated funds to the credit of restricted members of the Osage Tribe, after paying the taxes of such members, in United States bonds, Oklahoma State bonds, real estate, first mortgage real-estate loans not to exceed 50 per cent of the appraised market value of such real estate (where the member is a resident of Oklahoma, such loans shall be on Oklahoma real estate), stock in building and loan associations in

Oklahoma, livestock, or deposit the same in banks (banks in the State of Oklahoma to be preferred), or expend the same in such other way as may be for the best interest of such members, such expenditures, investments, and deposits to be made under such rules and regulations as the Secretary of the Interior may prescribe: *Provided,* That no investment of any of the funds of such members shall be made without their consent.

SEC. 2. That part of section 17 of the act of May 25, 1918 (40 Stat. L. 561–579), which provides for the change of designation of homestead allotments of Osage Indians to an equal area of their unencumbered surplus is hereby amended to read as follows: "That the members of the Osage Tribe may change the present designation of homesteads to an equal area of their unencumbered surplus, inherited, purchased, or otherwise acquired, lands in Osage County, upon application to, and under such rules and regulations as the Secretary of the Interior may prescribe: *Provided,* That each tract after the change and designation shall take the status of the other as it existed prior to the change in designation, as to alienation, taxation, or otherwise, and that any order of change or designation shall be recorded in the proper office of Osage County: *Provided further,* That the Secretary of the Interior be, and he is hereby, authorized, where the same would be for the best interests of the Osage Indians, allotted or unallotted, to permit the sale of surplus and homestead allotments or any other lands, wholly or in part, of such Osage Indians, and to remove the restrictions, under such rules and regulations as he may prescribe and upon such terms as he shall approve."

SEC. 3. That section 3 of the act of March 2, 1929 (45 Stat. L. 1478), is hereby repealed, and that part of section 1 of the act of March 2, 1929, which reads as follows:

"The lands, moneys, and other properties now or hereafter held in trust or under the supervision of the United States for the Osage Tribe of Indians, the members thereof, or their heirs and assigns, shall continue subject to such trust and supervision until January 1, 1959, unless otherwise provided by act of Congress," is hereby amended to read as follows:

"That the restrictions against alienation, sale, and disposal of all lands and other properties of members of the Osage Tribe of Indians which were inalienable and nontransferable without the approval of the Secretary of the Interior on December 31, 1931, are hereby continued until January 1, 1959, unless otherwise provided by Congress."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHOCTAW AND CHICKASAW INDIAN TRIBES, OKLAHOMA

The Senate proceeded to consider the bill (S. 3655) to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Tribes, Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments, which had been reported from the Committee on Indian Affairs with an amendment, to strike out all after the enacting clause and to insert:

That the Secretary of the Interior be, and he is hereby, authorized and empowered, under rules and regulations to be prescribed by him, and upon such terms and conditions as he may deem proper, not inconsistent with this act, to lease to citizens of the United States or any association of such persons, or to any corporation organized under the laws of the United States or of any State or Territory thereof, any developed tract of the unsold coal and asphalt deposits of the Choctaw and Chickasaw Nations, in Oklahoma, such leases to be entered into on behalf of said nations by the Choctaw and Chickasaw mining trustee or such other officer as the Secretary of the Interior may designate, and said lessees, subject to the approval of the Secretary of the Interior, said leases and the mining operations thereon to be under the supervision and control of said mining trustee: *Provided,* That the rate of royalty for coal mined shall not be less than 8 cents per ton at the mine, payable monthly, and that the leases shall require the mining of a minimum of 15,000 tons of coal per annum from each tract leased, or the payment of royalty thereon at the said rate the same as if the coal had been mined: *Provided further,* That $500 of the annual minimum tonnage royalty shall be paid annually in advance, beginning with the date of approval of the lease by the Secretary of the Interior, that the royalty paid on the minimum tonnage for any year shall not be applied on the minimum royalty due for any prior or subsequent year, and all moneys received as royalties or otherwise for leases made under the provisions of this act shall be deposited in the Treasury of the United States to the credit of the Choctaw and Chickasaw Indian Nations; that no lease shall be made to extend for a period of more than 15 years from and after September 25, 1932; that the Secretary of the Interior, in his discretion, may add to any developed lease, upon application of the lessee, not more than 640 acres of the segregated unleased coal deposits, where it is shown that such additions are necessary for the successful operation of such lease; that the tracts to be added must be contiguous to the leased deposits of the lessee, such additional acreage to be subject to the rules and regulations prescribed by the Secretary of the Interior under this act; that the lease on the added area shall expire at the same time as the lease of which it becomes a part; and the rate of royalty on coal mined on the added area shall be the same as that fixed by this act.

SEC. 2. That the prior lessee of any developed lease, who has paid all moneys due on coal mined thereon, or any person or corporation which by judicial sale or otherwise has succeeded or may succeed to any right of a former lessee in any developed lease, shall be given the preference right to a new lease on such developed premises, if in the opinion of the Secretary of the Interior the granting of such right will fully protect the interest of the Indians. The said parties shall be allowed 30 days after notice from the Superintendent of the Five Civilized Tribes or other official designated by the Secretary of the Interior within which to apply for new leases.

SEC. 3. That the Choctaw and Chickasaw mining trustee, or such officer as the Secretary of the Interior shall designate, is hereby authorized to examine the books and accounts of lessees, who shall submit, upon oath, statements and reports, in such form and on such blanks as the Secretary of the Interior may require. Lessees shall report each month under oath to the Superintendent for the Five Civilized Tribes or to any other officer designated by the Secretary of the Interior, the quantity of coal mined on each lease during the previous month, and shall pay the royalty due thereon, as required by the rules and regulations prescribed under this act. The failure of any lessee to make such report and pay such royalty within 60 days after such report and royalty become due shall subject the lease to cancellation, whereupon all advance and minimum royalties to the credit of such lease shall be forfeited and become the property of the nations, and any lessee making a false report, statement, or representation shall be subject to punishment as for perjury: *Provided,* That no lessee shall assign or sublease his estate, term, or interest in any lease without the written approval of the Secretary of the Interior, and a violation of this provision shall subject the lease so assigned or subleased to cancellation by the Secretary of the Interior, whereupon all advance and minimum royalties to the credit of the lease shall be forfeited and become the property of said nation.

SEC. 4. That within 30 days from the approval of this act any person owing a balance on any tract of the tribal coal and asphalt deposits, purchased under the act of February 8, 1918 (40 Stat. L. 433), as amended by subsequent acts, may make application to the Secretary of the Interior for an extension of time within which to pay his balance, which application must be accompanied by 10 per cent of such balance, including principal and interest. Upon approval of such application by the Secretary of the Interior such purchaser may be allowed five years from May 25, 1932, to pay the remaining 90 per cent of the amount due by him, said balance to be paid annually in five equal installments, the first installment to be due and payable one year from May 25, 1932, and subsequent installments to be due and payable on or before May 25 of each year thereafter, all deferred payments to bear interest at 6 per cent per annum: *Provided,* That upon failure of a purchaser to pay any installment for a period of 60 days from the due date, the Secretary of the Interior shall cancel the sale, whereupon all payments theretofore made thereon shall be forfeited to the Choctaw and Chickasaw Nations: *Provided further,* That a purchaser may pay the entire balance due on any purchase at the time of payment of any installment, and thereupon be entitled to a patent as authorized by the statutes providing for the sale of said mineral deposits.

SEC. 5. That the purchaser of any tract on which coal or asphalt is mined shall pay each month to the Superintendent for the Five Civilized Tribes, or such other officer as may be designated by the Secretary of the Interior, a sum equal to not less than 15 cents per ton mine run for coal mined, and not less than 10 cents per ton on crude, and 60 cents per ton on refined asphalt mined, such payments to be applied on request of the purchaser on any installment of the purchase price when due.

SEC. 6. The Choctaw and Chickasaw mining trustee, or any other official designated by the Secretary of the Interior, shall have the right to examine all records of operations of any purchaser on a purchased tract; and all payments on monthly output shall be under oath to the Superintendent for the Five Civilized Tribes, the same as payments made by lessees of unsold tracts.

SEC. 7. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations not inconsistent with this act as may be deemed necessary and proper for the protection of the interests of said nations and for the purpose of carrying the provisions of this act into full force and effect: *Provided,* That upon the expiration of any developed lease, if the lessee thereof shall not apply for its renewal, or if the sale of any coal or asphalt tract upon which operations have begun shall be forfeited and canceled, the Secretary of the Interior is hereby authorized to take possession of said expired lease or canceled tract and dispose of the same under the provisions of this act, or take whatever steps may be necessary to preserve and protect such property: *Provided further,* That nothing in this act shall be construed or held to affect in any way the right to dispose of the coal and asphalt deposits of the Choctaw and Chickasaw Nations by sale as now authorized by law.

The amendment was agreed to.

Mr. KING. Mr. President, I inquire of the able Senator from Oklahoma [Mr. THOMAS] whether the Indians are fully protected against the whites who may have coal lands or lands in their neighborhood, and whether the bill protects them against the combinations that may be formed by corporations that have lands within the reservation.

Mr. THOMAS of Oklahoma. Mr. President, the Chickasaw and Choctaw Tribes have large areas of coal lands in Oklahoma. These lands are under the jurisdiction and supervision of the Department of the Interior. Many of these lands have been leased for coal. The coal business has gone into an eclipse, so to speak, and not much can be done with these lands.

The matter of handling these lands is one of administration. The Indian Office, together with the coal operators, together with the governor of the Chickasaw Tribe and the chief of the Choctaw Tribe, together with the attorneys for those two tribes, have gotten together and agreed upon this bill. It embodies an agreement among all parties in interest covering first the Interior Department, the manager; second, the governor and attorneys representing the tribes directly; and, third, the coal operators.

The bill is brought out here in the hope of permitting the coal operators to go ahead and do the best they can to dig the coal and sell it; and upon such coal as they can dig and sell, they will pay the Indians a royalty. The agreement has been made in the hope that it will give the coal operators a chance to keep the mines running. Otherwise, there is a chance of the mines being closed, and of course a coal mine once opened and closed is destroyed, just like an oil well.

Mr. KING. Mr. President, may I inquire of the Senator whether there is any limitation upon the time for which these leases are to run; and, if times should become better, and the coal business should become profitable, whether the agreements which may be made now in a period of depression will persist for an indefinite period to the disadvantage of the Indians?

Mr. THOMAS of Oklahoma. It is not thought so. In other words, this is the best agreement that all parties in interest could devise to keep some income coming in to the Indians and at the same time protect the property in the hands of the Indians and under the supervision of the Government.

Mr. KING. But is there any provision in the bill, or is there any provision in the leases, by which they may be terminated by the Indians themselves or by the Interior Department; or are they indeterminate in character, so that—repeating what I said a moment ago—if times should become profitable, and the coal business should be exceedingly profitable, the Indians then would be under the terms of a lease made when the royalties paid to them were inadequate in times of prosperity?

Mr. THOMAS of Oklahoma. Of course, many of the leases now in existence are not operative; and this legislation is proposed in the hope that the coal companies can perform some work under those leases. The leases, of course, run for an indefinite period, because no coal company would put down a shaft and set up large amounts of costly machinery to operate a lease for a year. When a coal company begins operation of a lease it is intended that it shall exhaust the territory from that one shaft.

What the future of the coal business is, nobody can tell. It is now very dark.

Mr. McKELLAR. Mr. President, in the judgment of the Senator from Oklahoma, is such a modification of the contract as this bill contemplates to the benefit of the Indians?

Mr. THOMAS of Oklahoma. There is no doubt about it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments."

A. C. MESSLER CO.

The Senate proceeded to consider the bill (S. 439) for the relief of A. C. Messler Co., which had been reported from the Committee on Claims, with an amendment, on page 1, line 6, after the words "sum of," to strike out "$16,378.68" and insert "$12,000," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. C. Messler Co., of Providence, R. I., the sum of $12,000 in full compensation for material furnished the Government during the late war by said company under contract dated April 17, 1918.

Mr. McKELLAR. Mr. President, will the Senator from Maine [Mr. WHITE] give us an explanation of this bill?

Mr. WHITE. Mr. President, to undertake to go into the legal complexities of this case, to consider the advertisement and the proposal from which this contract sprang, to undertake to reconcile the printed letter of the contract with the interlined, typewritten portions of the contract, and to reconcile the specifications which were attached to and made a part of the contract with the body of the contract, would involve us in a maze from which we would emerge more or less confused. I take it the Senator is interested not in these questions but in the facts and in the equities of the case.

The facts are that the A. C. Messler Co. entered into a contract with the Government to manufacture and deliver 15,000,000 cartridge clips in amounts and at times stated in the contract.

Mr. KING. When?

Mr. WHITE. This was in the period of the war—1918. The contract was carried out by the contractor. The cartridge clips were made and delivered to the Government. It appeared, however, that the Government did not furnish, as was contemplated by the contract, the copper and spelter from which the brass cartridge clips were to be made. The Government furnished enough to make only a little over 12,000,000 of the 15,000,000 cartridge clips. The contractor found himself faced with the necessity of not performing the contract or of going into the open market and purchasing the raw material with which to complete the contract.

Acting under the instructions of the inspector in charge at the plant, representing the Ordnance Department, and acting in conformity with what he believed to be the proper construction of the contract, the contractor went into the open market and purchased some 61,000 pounds of material from which the cartridge clips were made. This bill is to reimburse him for the amount spent by him in purchasing these additional materials for the fulfillment of the contract. The Government had the full advantage of the purchase. The Government received the cartridge clips as and when the contract contemplated. The work was done; and it seemed to the committee that the equities were altogether with the contractor, and that the Government should pay for that which it had received.

Mr. KING. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. KING. The Senator will remember that soon after the war Congress created a commission with full authority to investigate all these claims; and hundreds, if not thousands, of claims were presented to this commission or board, which made awards aggregating millions and tens of millions of dollars, all of which were paid. This claimant had full opportunity to present his claim. Why did he not do so?

Mr. WHITE. He did it, and the decision of the War Department was adverse.

Mr. McKELLAR. Just a moment, Mr. President. I want to call attention to the last paragraph of the letter of Mr. Hurley, the Secretary of War:

In view of the foregoing, and also in view of the further fact that nothing is now submitted, which has not heretofore been considered by War Department claims boards and the Secretary of War in passing upon this claim, the War Department is unable to recommend favorable consideration of the bill, S. 439. However, no objections would be interposed by this department to a bill permitting the claimant company to present its case to the Court of Claims.

The Senator will recall that right after the war we passed a bill known as the Dent Act, under which, I think, over

$700,000,000 was paid out to claimants who were in the class of the claimant here. Why was not this claim presented at that time, or was it presented at that time; and, if it was rejected at that time, why should the Government pay it now?

Mr. WHITE. It was presented. The War Department acted adversely. It is presented to the Senate now because the committee, after a careful consideration of the documents, after carefully weighing all the evidence in the case, and in view of the equities of the case, reached the conclusion that the War Department had erroneously construed the contract and were denying to this man payments which he ought to have. There is a complete divergence of view between the committee and the War Department.

Mr. McKELLAR. Under the circumstances I will ask the Senator to let the bill go over to-day, so that I may look into it. I think it ought to go over.

Mr. WALSH of Montana. Mr. President, before it goes over I inquire of the Senator from Maine why suit was not brought in the Court of Claims?

Mr. WHITE. I can not answer that question. I do not know that there is anything in the papers in the case that bears on the question of proceeding in the Court of Claims. My recollection is that the claimant had his opportunity to present the claim before the appropriate committee of the War Department set up under the Dent Act and that that was done, but there was adverse action. The contract in the case was in several copies, and there was disagreement between these copies of the contract. Your committee made an effort to reconcile the diverging forms of contract, to carefully study the other documents involved, and to arrive at a conclusion as to what was the real intent of the parties at the time the contract was entered into. Personally, I spent a good deal of time on this case, going to the War Department on two different occasions and talking with officers there of the Judge Advocate General's office and of the Ordnance Department. The committee reached the conclusion that the construction which had theretofore been put upon the contract by the War Department was a narrow and unwarranted construction, that the legal rights were really with the claimant, and that the equities were overwhelmingly with the claimant.

Mr. WALSH of Montana. I was about to remark that under the statement the Senator has made the question would be purely a legal construction of the contract, which would seem to be peculiarly a controversy for a court to determine. I would like to understand just why the claimant did not immediately proceed to sue in the Court of Claims.

Mr. WHITE. I am not sure.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. McKELLAR. I want to ask the Senator from Maine a question in my time.

Mr. WHITE. I am not sure that the case was one upon which suit could have been brought.

Mr. WALSH of Montana. Only a few years ago we passed an act giving district courts of the United States jurisdiction over controversies involving no more than $25,000, and jurisdiction of the United States District Court for the District of Maine could be invoked.

Mr. WHITE. The claim was before the committee, and upon a full and fair consideration of it the committee felt that the legal rights were with the claimant, and that overwhelmingly the equities were with him.

Mr. McKELLAR. Mr. President, if the Senator will permit me, it seems to me that after Congress had set up the tribunal under the Dent Act, had furnished the money with which to pay the claims, and a claimant went before the tribunal and failed to make out his claim there, it is now too late to come before the Congress, because if all the claimants who were refused by the commission set up under the Dent Act had the right to come before Congress and file their claims I imagine it would entail an expense to the Government of many, many millions of dollars, and perhaps many hundreds of millions of dollars.

The PRESIDING OFFICER. The Chair understood the Senator from Tennessee to object to the consideration of the bill.

Mr. McKELLAR. I object, and ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

KATHERINE R. THEBERGE

The bill (S. 914) for the relief of Katherine R. Theberge was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Katherine R. Theberge, of New Bedford, Mass., the sum of $1,284.14, in full satisfaction of her claim for damages against the United States for injuries suffered by her on December 1, 1928, when the automobile in which she was riding collided, near Beltsville, Md., with a United States Army ambulance.

EMPLOYMENT OF ATTORNEYS REPRESENTING THE CHIPPEWA INDIANS

The bill (S. 2364) to authorize the Secretary of the Interior to extend or renew the contracts of employment of the attorneys employed to represent the Chippewa Indians of Minnesota in litigation arising in the Court of Claims under the act of May 14, 1926 (44 Stat. 555), was announced as next in order.

Mr. McKELLAR. Mr. President, there appears to be no report accompanying this bill. It is a bill introduced by the Senator from Minnesota [Mr. SCHALL], and I would like to have some explanation of it. If none is forthcoming, let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

DANIEL S. SCHAFFER CO. (INC.)

The Senate proceeded to consider the bill (S. 3270) for the relief of Daniel S. Schaffer Co. (Inc.), which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out " $33,368.72 " and to insert in lieu thereof " $17,765," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Daniel S. Schaffer Co. (Inc.) the sum of $17,765 to reimburse said Daniel S. Schaffer Co. (Inc.) for losses incurred by it during 1917 and 1918 as subcontractors for metal furring, lathing, plastering, and board lining in connection with the east and south wings of Bancroft Hall, of the groined arched ceiling of the mess hall and mess-hall extension of Bancroft Hall and of Isherwood Hall, both of said buildings forming a part of the United States Naval Academy at Annapolis, Md., the said contracts in connection therewith being known, respectively, as contracts Nos. 2416, 2416T, and 2437, and said sum is hereby appropriated.

Mr. McKELLAR. Mr. President, will not the Senator from Maryland explain this measure?

Mr. GOLDSBOROUGH. Mr. President, the company making the claim in this case were subcontractors on a contract for doing certain work at the Naval Academy at Annapolis.

Mr. McKELLAR. When did the claim accrue?

Mr. GOLDSBOROUGH. In 1917, during the war. It is for increased cost of wages. The claim has been approved by the department.

Mr. McKELLAR. Why was not this claim brought before the board established under the Dent Act?

Mr. GOLDSBOROUGH. It could not have been brought before that tribunal because this firm were subcontractors, and they could not take advantage of the act.

Mr. McKELLAR. Was it recommended by the department?

Mr. GOLDSBOROUGH. Yes; the claim was originally for forty thousand-odd dollars, and was reduced to $17,000 and recommended by the Secretary of the Navy. A similar bill passed the Senate at the last session of Congress.

Mr. McKELLAR. I see that the Acting Secretary of the Navy said:

In view of the foregoing, the Navy Department recommends that no allowance be granted in excess of $17,765.90, representing the loss sustained by the claimant under subcontracts 2416 and 2437 on account of the increased cost of wages, as shown by the audit of the Navy cost inspector dated January 30, 1929.

Mr. GOLDSBOROUGH. I will say to the Senator from Tennessee that they cut out all of the items except the increased cost of wages, and allowed the $17,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE T. JOHNSON & SONS

The Senate proceeded to consider the bill (S. 563) for the relief of George T. Johnson & Sons, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out the words "damages done to wharf and boats of said George T. Johnson & Sons by seized power boats *Hiawatha* and *Whippoorwill* in charge of United States customs officers" and to insert in lieu thereof the words "claim for repairs ordered by the collector of customs at Baltimore, Md., to wharf and boats of H. F. Brannock (Inc.) due to damages done by seized power boats *Hiawatha* and *Whippoorwill* in charge of United States customs officers," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to George T. Johnson & Sons, of Cambridge, Md., out of any money in the Treasury not otherwise appropriated, the sum of $180 in full settlement of claim for repairs ordered by the collector of customs at Baltimore, Md., to wharf and boats of H. F. Brannock (Inc.) due to damages done by seized power boats *Hiawatha* and *Whippoorwill* in charge of United States customs officers.

Mr. McKELLAR. I do not know that I shall ask the Senator to explain this. It is a very small matter, involving about $180.

Mr. GOLDSBOROUGH. That is all. It is for the repair of some boats damaged by Government vessels.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANNA POKORNY

The Senate proceeded to consider the bill (S. 3147) for the relief of Anna Pokorny, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to insert the words "$30 per month for a period not to exceed 167 months," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anna Pokorny, of New York City, the sum of $30 per month for a period not to exceed 167 months, in full satisfaction of her claim against the United States on account of the death of her husband, William Pokorny, who was killed by a stray bullet fired by a member of the United States Army in target practice near Sandy Hook, N. J.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REIMBURSEMENT OF STATE OF INDIANA

The Senate proceeded to consider the bill (S. 2703) for the relief of the State of Indiana, which was read, as follows:

Be it enacted, etc., That the State of Indiana is hereby relieved from accountability for certain property belonging to the United States, of the value of $540.40, which was loaned by Battery D, One hundred and thirty-ninth Regiment Field Artillery, Indiana National Guard, at the request of the American Red Cross, for emergency relief work at the Francisco mine disaster, Francisco, Ind., on December 9, 1926, such property having been unavoidably lost or destroyed in the course of such work, and listed as property shortages in the report of survey dated March 24, 1927.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. ROBINSON of Indiana. Mr. President, this is for the reimbursement of the State of Indiana for certain property belonging to the United States Government which had been loaned for use of the Indiana National Guard. At the request of the American Red Cross, during the Francisco mine disaster at Francisco, Ind., December 9, 1926, the property was loaned to them for use in that emergency.

Mr. McKELLAR. Mr. President, as far as I am concerned, I will say to the Senator that I think this is a proper claim.

Mr. ROBINSON of Indiana. It is for a very small amount, five hundred and some-odd dollars.

Mr. McKELLAR. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMY HARDING

The bill (S. 154) for the relief of Amy Harding was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Amy Harding on account of her personal-injury damages resulting from the Army airplane accident at Langin Field, Moundsville, W. Va., July 10, 1921, and to allow said claim in an amount not exceeding $43.33, as recommended by the Comptroller General of the United States in his report to the Congress dated June 18, 1930, Seventy-first Congress, second session, pursuant to the act of March 5, 1928 (45 Stat. 1707). The sum of $43.33, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the payment of said claim.

EMERGENCY HIGHWAY CONSTRUCTION

Mr. BINGHAM. Mr. President, I ask unanimous consent to introduce an amendment to the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, the amendment providing that such appropriations shall be distributed on the basis of population. I ask that the amendment may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

MOUNT M'KINLEY NATIONAL PARK

The bill (H. R. 6485) to revise the boundary of the Mount McKinley National Park, in the Territory of Alaska, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, the chairman of the Committee on Public Lands and Surveys, the Senator from North Dakota [Mr. NYE], is absent, and it might be well to pass this bill over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF THE CRIMINAL CODE

The bill (S. 2682) to amend section 5 of the Criminal Code was announced as next in order.

Mr. McKELLAR. This seems to be a very important bill.

The PRESIDING OFFICER. The bill goes over.

EASTERN NEW MEXICO NORMAL SCHOOL

The bill (S. 1590) granting certain public lands to the State of New Mexico for the use and benefit of the Eastern New Mexico Normal School, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby granted and confirmed to the State of New Mexico 76,667 acres of surveyed, nonmineral, unappropriated, and unreserved public lands of the United States in the State of New Mexico, for the use and benefit of the Eastern New Mexico Normal School, at Portales, Roosevelt County, N. Mex., to be used solely for normal-school purposes. Such lands shall be in addition to the lands granted to the State of New Mexico for normal-school purposes under the provisions of the act entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States," approved June 20, 1910, as amended, and the grant of such lands shall be subject to the same terms and conditions as are imposed upon the grants made by such act of June 20, 1910, as amended.

CLAIMS OF LINDLEY NURSERIES (INC.)

The bill (S. 3438) authorizing adjustment of the claim of Lindley Nurseries (Inc.) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Lindley Nurseries (Inc.), Pomona, N. C., on account of damages to private property resulting from the forced

landing of Department of Commerce, Bureau of Lighthouses, airplane *N. S. 7*, at Greensboro Airport, N. C., September 10, 1931, and to allow not to exceed $77.40 in full and final settlement of said claim. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $77.40, or so much thereof as may be necessary, to pay this claim.

PUBLIC BUILDING AT PONCA CITY, OKLA.

The bill (S. 3086) relating to the construction of a Federal building at Ponca City, Okla., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the construction of the Federal building at Ponca City, Okla., authorized by an act making appropriations to supply deficiencies in certain appropriations (Public, No. 519, 71st Cong.), the Secretary of the Treasury is hereby authorized to provide facilities for the holding of terms of the District Court for the Western District of Oklahoma: *Provided*, That the total cost of said building, including the site, shall not exceed the sum of $250,000 heretofore appropriated and now available for such construction.

PUBLIC BUILDING AT HIBBING, MINN.

The bill (H. R. 375) amending the public building act approved March 4, 1931, authorizing acquisition of building sites and construction of public buildings at Hibbing, Minn., and other places was considered, read the third time, and passed.

PUBLIC BUILDING AT JACKSON, MISS.

The bill (H. R. 6739) to amend the authorization contained in the act of Congress approved March 4, 1929, for the acquisition of site and construction of building at Jackson, Miss., was considered, read the third time, and passed.

POST-OFFICE SITE AT PLATTSBURG, N. Y.

The bill (H. R. 7899) to authorize the Secretary of the Treasury to negotiate and to enter into an agreement regarding the south boundary of the post-office site at Plattsburg, N. Y., was considered, read the third time, and passed.

SALE OF ST. JOHNS BLUFF MILITARY RESERVATION, FLA.

The bill (S. 3602) authorizing the modification of certain contract for the sale and purchase of the St. Johns Bluff Military Reservation in Florida was announced as next in order.

Mr. McKELLAR. Mr. President, I will ask the Senator from Florida to explain this bill.

Mr. FLETCHER. Mr. President, the bill has reference to the sale of a reservation. It is wild land, scrub land, with no improvements on it, amounting to 117 acres. Under an act of Congress the War Department was authorized to make sale of such reservations. They appraised this property at $4,780, I think the report shows.

Mr. McKELLAR. Has the bill the recommendation of the department?

Mr. FLETCHER. Yes.

Without objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 4, to strike out the word "modify" and insert in lieu thereof the word "terminate"; on line 9, after the word "amount," to insert the words "including interest aggregating"; on page 2, line 1, after the word "sale," to strike out the words "or of an amount not less than two times the next highest bid received for said reservation at the time it was offered for sale, and (3) to relieve said A. T. Williams from further payments due under the contract," so as to make the bill read:

Be it enacted, etc., That the Secretary of War is hereby authorized, in his discretion, (1) to terminate the contract entered into June 1, 1925, between the United States and A. T. Williams, of Jacksonville, Fla., for the sale and purchase of the St. Johns Bluff Military Reservation, in Florida, (2) to execute a quit-claim deed therefor upon the receipt of an amount including interest aggregating not less than ten times the official appraised value made of said reservation prior to the time it was offered for sale.

SEC. 2. Nothing in this act shall be construed as authorizing the Secretary of War to refund any sum of money received as principal or as interest under the provisions of the contract of sale and purchase entered into with A. T. Williams for the St. Johns Bluff Military Reservation.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the termination of a certain contract for the sale and purchase of the St. Johns Military Reservation, in Florida, and for other purposes."

MILITARY AND NAVAL SECRET MATERIAL

The Senate proceeded to consider the bill (S. 3173) authorizing the President to class as secret or confidential certain material, apparatus, or equipment for military or naval use, which had been reported for the Committee on Military Affairs with amendments, on page 1, line 8, after the word "for" to insert the words "or in connection with"; on page 2, line 16, to add a proviso, as follows:

Provided further, That the provisions of section 3744, Revised Statutes, as amended, requiring the filing of copies of certain Government contracts in the returns office of the Department of the Interior (now in the General Accounting Office) shall not apply to contracts made in pursuance of this act.

SEC. 2. That the following provision of the act of May 11, 1908 (35 Stat. 125)—

"Whenever proposals are invited for the furnishing of articles of ordnance property, the character of which or the ingredients thereof are of such a nature that the interests of the public service would be injured by publicly divulging them, the Chief of Ordnance is authorized to purchase such articles in such manner as he may deem most economical and efficient,"

be, and the same is hereby, repealed.

So as to make the bill read:

Be it enacted, etc., That the President is empowered, in his discretion, to class as secret or confidential any material, apparatus, or equipment for military or naval use which is of such nature that the interests of the public service would be injured by publicly divulging information concerning them, and may authorize the purchase and award of contracts for or in connection with the development, manufacture, or procurement thereof without public advertisement for bids or notice to the trade: *Provided*, That such purchases and contracts shall not be made or awarded except under circumstances where it shall be impracticable to develop, manufacture, or procure such material, apparatus, or equipment in Government establishments: *Provided further*, That when such material, apparatus, or equipment has been classed as secret or confidential the head of any Government department, establishment, or agency shall take proper measures to maintain the secret or confidential nature thereof and of the contracts and pertinent papers relating thereto: *Provided further*, That the decision of the President as to what material, apparatus, or equipment shall be classed as secret or confidential and as to whether or not it is practicable to develop, manufacture, or procure such material, apparatus, or equipment in Government establishments shall be final and conclusive: *Provided further*, That the provisions of section 3744, Revised Statutes, as amended, requiring the filing of copies of certain Government contracts in the returns office of the Department of the Interior (now in the General Accounting Office) shall not apply to contracts made in pursuance of this act.

SEC. 2. That the following provision of the act of May 11, 1908 (35 Stat. 125)—

"Whenever proposals are invited for the furnishing of articles of ordnance property, the character of which or the ingredients thereof are of such a nature that the interests of the public service would be injured by publicly divulging them, the Chief of Ordnance is authorized to purchase such articles in such manner as he may deem most economical and efficient,"

be, and the same is hereby, repealed.

Mr. McKELLAR. Mr. President, will not the Senator from Pennsylvania explain this bill?

Mr. REED. I will be glad to, though I shall have to be brief, since it is but a few minutes before 2 o'clock.

The bill has the support of both the War Department and the Navy Department. It was unanimously approved by every member of the Committee on Military Affairs after hearing the statements of officers from both the Navy and the Army.

At the present time the Chief of Ordnance has power, within his department, and in his purchases, to do everything this bill authorizes the President to do in the other departments and in the Navy. The bill would repeal that authority of the Chief of Ordnance and put the whole responsibility upon the President. The purchases would probably not run more than five or six thousand dollars a year. The authority has resided in the Chief of Ordnance for 20 years or more and has never been abused.

We have safeguarded it to some extent. I can not say publicly—and, of course, no Senator would want me to—just what are the secrets it is desired to keep; but in executive session from both Navy and Army sources it was made

plain to us that there are many important devices which thus far the American Navy and the American Army have been able to keep secret.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER OF BUSINESS

Mr. WALSH of Montana. Mr. President, I inquire of the Senator from Utah if he will be willing to lay aside the unfinished business until we complete the call of the calendar?

Mr. SMOOT. I was in hopes we could take up the Interior Department appropriation bill promptly at 2 o'clock, but if it is not going to take very long to complete the call of the calendar I shall not object.

Mr. McKELLAR. It will take only a short time, and I hope the Senator will do so.

Mr. SMOOT. I am willing to consent if it will not take very long. If it requires very much time, however, I shall call for the regular order.

Mr. McNARY. Mr. President, I do not think that would be fair to those who are depending on the unfinished business being laid before the Senate after the hour of 2 o'clock. A number of Senators are absent at this hour because of the understanding that the unfinished business would be laid before the Senate promptly at 2 o'clock, and for that reason I shall have to object to going forward with the calendar at this time. However, may I advise the Senator from Utah and the Senator from Montana that I shall ask an adjournment this evening so we may complete the call of the calendar to-morrow.

Mr. TRAMMELL. Mr. President, may I inquire of the Senator from Oregon if we will resume consideration of the calendar at the point where we leave off to-day?

Mr. McNARY. I shall ask unanimous consent to commence with the number which we have just reached and to spend the time until 2 o'clock on completing the call of the calendar to its end, and then commencing again at the beginning of the calendar and going through it up to the point at which we began to-day.

INTERIOR DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The clerk will state the next amendment.

The next amendment of the Committee on Appropriations was under the subhead "Development of water supply," on page 24, line 4, after the word "reservations" and the semicolon, to strike out "for the Navajo and Hopi Indians in Arizona and New Mexico, the Papago Indians in Arizona, and the Pueblo Indian lands in New Mexico, $100,000" and insert "not more than $106,000 for the Navajo and Hopi Indians in Arizona and New Mexico, not more than $27,500 for the Papago Indians in Arizona, and not more than $7,500 for the Pueblo Indian lands in New Mexico; in all, $141,000," so as to read:

Developing water supply: For improving springs, drilling wells, and otherwise developing and conserving water for Indian use, including the purchase, construction, and installation of pumping machinery, tanks, troughs, and other necessary equipment, for operation and maintenance thereof, and for necessary investigations and surveys for the purpose of increasing the available grazing range on unallotted lands on Indian reservations; not more than $106,000 for the Navajo and Hopi Indians in Arizona and New Mexico, not more than $27,500 for the Papago Indians in Arizona, and not more than $7,500 for the Pueblo Indian lands in New Mexico; in all, $141,000.

The amendment was agreed to.

The next amendment was, under the subhead "Irrigation and drainage," on page 26, line 2, after the word "exceed," to strike out "$190,000" and insert "$202,000," so as to read:

In all for irrigation on Indian reservations, not to exceed $202,000, together with the unexpended balance of the appropriation for this purpose for the fiscal year 1932, which is hereby continued available until June 30, 1933, reimbursable as provided in the act of August 1, 1914 (U. S. C., title 25, sec. 385):

The amendment was agreed to.

The next amendment was, under the subhead "Education," on page 38, line 14, after the figures "$10,000," to insert a colon and the following additional proviso: "*Provided further*, That the unexpended balance of the appropriation for employees' building, San Carlos, Ariz., fiscal year 1932, is hereby continued available until June 30, 1933," so as to read:

For lease, purchase, repair, and improvement of buildings at Indian schools not otherwise provided for, including the purchase of necessary lands and the installation, repair, and improvement of heating, lighting, power, and sewerage and water systems in connection therewith, $290,000; for construction of physical improvements, $207,000; in all, $497,000: *Provided*, That not more than $7,500 out of this appropriation shall be expended for new construction at any one school or institution except for new construction authorized as follows: Cheyenne and Arapahoe, Okla., repairs and extension of heating system, $20,000; Hopi, Ariz., employee's cottage, $3,000; improvement of water system, $10,000; new day school plant, $7,500; in all, $20,500; Northern Navajo, N. Mex., water development, $35,000; Santa Fe, N. Mex., Nambe day school plant, $10,000; Shoshone, Wyo., employee's cottage, $4,500; dining room, kitchen, and bakery, including equipment, $22,000; in all, $26,500; Tongue River, Mont., new school building, auditorium, and gymnasium, including equipment, $50,000; Western Navajo, Ariz., improvements at Moencopi day school plant, $10,000: *Provided further*, That the unexpended balance of the appropriation for employees' building, San Carlos, Ariz., fiscal year 1932, is hereby continued available until June 30, 1933.

The amendment was agreed to.

The next amendment was, on page 38, line 21, after the word "available," to insert a colon and the following proviso: "*Provided*, That in the discretion of the Secretary so much of this amount as may be necessary may be used for preliminary investigations of sites for relocation or replacement of present facilities, including tests for the purpose of determining adequacy of water supplies," so as to read:

For flood protection and drainage, Leupp Indian School and Agency, Ariz., $40,000, to be immediately available: *Provided*, That in the discretion of the Secretary so much of this amount as may be necessary may be used for preliminary investigations of sites for relocation or replacement of present facilities, including tests for the purpose of determining adequacy of water supplies.

The amendment was agreed to.

The next amendment was, at the top of page 39, to insert:

The unexpended balance of the appropriation for school building, auditorium, gymnasium, heating plant, and conversion of present school building into dormitory Pawnee School, Oklahoma, contained in the Interior Department appropriation act, fiscal year 1932, is hereby continued available for the same purposes until June 30, 1933.

The amendment was agreed to.

The next amendment was, on page 40, line 17, after the figures "1933," to insert a colon and the following additional proviso: "*Provided further*, That the unexpended balance of the appropriation for employees' building, including equipment, fiscal year 1932, is hereby made available until June 30, 1933, for the construction of cottages for employees," so as to read:

Haskell Institute, Lawrence, Kans.: For 900 pupils, including not to exceed $2,500 for printing and issuing school paper, $306,000; for pay of superintendent, drayage, and general repairs and improvements, including necessary drainage work, $40,000; for shop building, including equipment, $50,000; in all, $396,000: *Provided*, That the unexpended balance of the appropriation for auditorium, including equipment, contained in the Interior Department appropriation act, fiscal year 1932, is hereby continued available until June 30, 1933: *Provided further*, That the unexpended balance of the appropriation for employees' building, including equipment, fiscal year 1932, is hereby made available until June 30, 1933, for the construction of cottages for employees.

The amendment was agreed to.

The next amendment was, on page 41, line 20, before the word "boilers," to strike out the word "two," so as to read:

Albuquerque, N. Mex.: For 850 pupils, $286,500; for pay of superintendent, drayage, and general repairs and improvements, $25,000; for repairs to heating system, replacement of boilers, rehabilitation and extension of steam mains, $12,000; for deep well and equipment, $5,000; for hog and poultry houses, $3,000; in all, $331,500.

The amendment was agreed to.

The next amendment was, on page 47, line 19, after the word "of" where it occurs the first time, to strike out "new vessel to take the place of the U. S. S. *Boxer*" and insert "vessels"; in line 24, before the word "for," to strike out "$192,600" and insert "$219,000"; on page 48, line 2, after the word "freight," to strike out "$35,000 for operation of new vessel to take the place of the U. S. S. *Boxer*" and insert "$45,000 for operation of vessels"; and in line 6, after the word "total," to strike out "$690,000" and insert "$726,400," so as to read:

Natives in Alaska: To enable the Secretary of the Interior, in his discretion and under his direction, to provide for support and education of the Eskimos, Aleuts, Indians, and other natives of Alaska, including necessary traveling expenses of pupils to and from industrial boarding schools in Alaska; erection, purchase, repair, and rental of school buildings, including purchase of necessary lands; textbooks and industrial apparatus; pay and necessary traveling expenses of superintendents, teachers, physicians, and other employees; repair, equipment, maintenance, and operation of vessels; and all other necessary miscellaneous expenses which are not included under the above special heads, including $366,900 for salaries in the District of Columbia and elsewhere, $24,000 for traveling expenses, $219,000 for equipment, supplies, fuel, and light, $25,000 for repairs of buildings, $13,000 for purchase or erection of buildings, $30,000 for freight, $45,000 for operation of vessels, $1,500 for rentals, and $2,000 for telephone and telegraph; total, $726,400, to be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Conservation of health," on page 52, line 6, after the word "in," to insert "or continued available by," and in line 9, after the word "of," to strike out "hospitals and sanatoria" and insert "hospitals, sanatoria, and other physical improvements under this heading," so as to make the further proviso read:

Provided further, That appropriations contained in or continued available by the Interior Department appropriation act, fiscal year 1932, and the second deficiency act, fiscal year 1931, for construction and equipment of hospitals, sanatoria, and other physical improvements under this heading are continued available until June 30, 1933.

The amendment was agreed to.

The next amendment was, under the subhead "General Support and Administration," on page 54, line 6, after the word "employees," to strike out "$1,596,000, including not exceeding $175,000 for relief; and including not exceeding $88,520 for the purpose of discharging obligations of the United States under treaties and agreements with various tribes and bands of Indians, as follows: Coeur d'Alenes, Idaho (art. 11, agreement of March 3, 1891), $3,960; Bannocks, Idaho (art. 10, treaty of July 3, 1868), $7,700; Crows, Montana (arts. 8 and 10, treaty of May 7, 1863), $7,660; Quapaws, Oklahoma (art. 3, treaty of May 13, 1833), $2,280; Confederated Bands of Utes (arts. 9, 12, and 15, treaty of March 2, 1868), $57,480; Spokanes, Washington (art. 6, agreement of March 18, 1887), $1,320; Shoshones, Wyoming (arts. 8 and 10, treaty of July 3, 1868), $8,120," and insert "$1,507,480," so as to read:

For general support of Indians and administration of Indian property, including pay of employees, $1,507,480.

The amendment was agreed to.

Mr. KING. Mr. President, during my temporary absence from the Chamber a number of these amendments were agreed to, and I am sure my colleague will have no objection to going back to them if I find it desirable to do so?

Mr. SMOOT. I shall have no objection.

The VICE PRESIDENT. The clerk will state the next amendment.

The next amendment of the Committee on Appropriations was, on page 54, after line 19, to insert:

For an additional amount for support of Indians and administration of Indian property, including pay of employees, $135,000, to be immediately available and to remain available until June 30, 1932: *Provided*, That the limitation of $160,000 for relief, contained in the Interior Department appropriation act for the fiscal year 1932, is hereby increased to $570,000: *Provided further*, That this appropriation shall be available for the employment of Indian labor on any necessary project or activity.

Mr. McKELLAR. Mr. President, I hope the Senator will explain this appropriation and especially why $135,000 is apparently needed for the expenditure of a $570,000 appropriation. That is the way it looks on its face, and I should be glad to hear what the Senator has to say about it.

Mr. SMOOT. Mr. President, a letter dated February 27, 1932, sent to the President with relation to this item, reads as follows:

BUREAU OF THE BUDGET,
Washington, February 27, 1932.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1932, for the Department of the Interior, Bureau of Indian Affairs, amounting to $135,000, as follows:

"Support of Indians and administration of Indian property: For an additional amount of support of Indians and administration of Indian property, including pay of employees, fiscal year 1932, $135,000: *Provided*, That the limitation of $160,000 for relief, contained in the Interior Department appropriation act for the fiscal year 1932, is hereby increased to $570,000: *And provided further*, That this appropriation shall be available for the employment of Indian labor on any necessary project or activity (acts February 14, 1931, vol. 46, p. 1137; February 2, 1932, vol. — p. —). Estimate 1932, $135,000; appropriated 1932, $1,625,000."

The Interior Department appropriation act for 1932 makes available under the above title the sum of $160,000 for the relief of needy Indians. The first deficiency act, fiscal year 1932, contains an additional appropriation of $275,000 for this purpose. This additional amount of $275,000 was required for the relief of Indians in the Dakotas, Montana, and Nebraska, where drought conditions and grasshopper infestations had caused the failure of crops, and in the Southwest, where snowstorms had caused much suffering. Since this supplemental appropriation became available, there has developed a need for greater funds for relief purposes in the northern area than was anticipated at that time, and subsequent storms in the Southwest area have brought about the need for additional funds for the relief of distress in that territory. The purpose of this estimate is to provide an additional amount of $135,000 to relieve distress among these Indian wards of the Government.

The foregoing estimate of appropriation is required to meet a contingency which has arisen since the transmission of the Budget for the fiscal year 1932, and its approval is recommended.

Very respectfully,

J. CLAWSON ROOP,
Director of the Bureau of the Budget.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 56, line 9, after the figures "$20,000," to insert a colon and the following proviso: "*Provided*, That the unexpended balance of the appropriation for eradication of noxious weeds, fiscal year 1932, is hereby continued available for the same purposes until June 30, 1933," so as to read:

Idaho: Fort Hall, $20,000: *Provided*, That the unexpended balance of the appropriation for eradication of noxious weeds, fiscal year 1932, is hereby continued available for the same purposes until June 30, 1933; Fort Lapwai, $10,000; Coeur d'Alene (Kalispel), $1,980; in all, $31,980.

Mr. KING. Mr. President, I would like to ask my colleague, who is in charge of the bill, why it is necessary to continue an appropriation beyond the period for which it was made? That is to say, the last appropriation bill carries a large number of items to be expended prior to June 30, 1932. It would seem to me, if the appropriations were not expended within the time indicated, then they should be returned to the Treasury of the United States. It seems to me it is unwise to adopt a policy of carrying over for an indefinite period appropriations made to be expended within one fiscal year.

Mr. SMOOT. It would be ordinarily if it were carried out, but this is rather a peculiar case and one which I think needs special attention. So did the President and so did the department think so.

In a letter dated January 29, 1932, the superintendent of the Fort Hall Agency brought to the attention of the department the fact that the weed-eradication campaign,

begun last year, was not entirely completed, and he recommends that the unexpended balance of approximately $3,000 be made available for use after July 1, 1932. Since the eradication work will not begin until after that date, he asks that the appropriation be extended. It is not taking a dollar out of the Treasury other than that which has already been appropriated. Of course, they want to do the work, and under the circumstances I think the Senator will admit that they can eradicate weeds better after June 30 than they can between now and June 30.

Mr. McKELLAR. Here is a new appropriation of $20,000 and a reappropriation of $3,000 for the eradication of noxious weeds. The idea of the Federal Government eradicating noxious weeds! Can not the people out there cut their own weeds?

Mr. SMOOT. It is not the people; it is the Indians.

Mr. McKELLAR. They are Indian people, and I believe they are capable of doing this work. I would like to know how much of the amount goes to employees kept there for superintending the cutting of the noxious weeds? Here the country is in a deplorable state financially, more than $2,000,000,000 behind in running expenses, and yet we are asked to appropriate $23,000 for the extermination of noxious weeds. It has been said that the amount comes out of the Indian funds and does not come out of the Treasury. Of course, it does. But we are the trustees of the Indians, and we ought to be more careful about the expenditure of their funds than we are about expending money of our own.

Mr. SMOOT. I will say to the Senator that I said out of the Indian appropriation.

Mr. THOMAS of Idaho. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield.

Mr. THOMAS of Idaho. For the information of the Senator from Tennessee, I may say that the Fort Hall project is an irrigation project. It has been found that Grimm alfalfa seed is a very valuable crop for the Indians. A great many of those lands are seeded to that crop, and now the noxious weeds are coming along. It requires careful treatment and handling by experts to get rid of them. Unless they are able to eradicate the noxious weeds the principal value of those lands will be destroyed.

Mr. McKELLAR. How long has the Government been spending these large sums for the eradication of noxious weeds—for how many years?

Mr. SMOOT. In some years there have not been any such appropriations.

Mr. McKELLAR. We have these appropriations rather constantly. As I remember, they have been with us almost ever since I have been a Member of the Senate, and I have been here for 15 years. We are constantly appropriating for such items, and now we have $20,000 this year for the eradication of noxious weeds on an Indian reservation. It seems to me that with the Government in its present plight and with 8,000,000 people out of employment, we might let the noxious weeds go for a little while and devote a little more money to human beings who are hungry and suffering.

Mr. THOMAS of Idaho. Mr. President, for the information of the Senator let me say that the noxious-weed problem is a problem that affects nearly all parts of the United States. It is not an unusual condition. The farmers everywhere have to fight in order to eradicate noxious weeds. If it were not for the continuous effort being made against such weeds, the farmers would lose their farms not only in Idaho but in Illinois and Tennessee and elsewhere.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Utah yield to his colleague?

Mr. SMOOT. I yield.

Mr. KING. I should like to ask the Senator from Idaho if it is so imperative that funds be appropriated for the eradication of these so-called noxious weeds, why was not the appropriation made last year to be expended up to June 30 of this year employed for that purpose?

Mr. THOMAS of Idaho. I suspect in this instance, Mr. President, that the lands on this particular irrigation system were put into crops last year and that it now becomes necessary to fight the weeds.

Mr. SMOOT. Mr. President, I will call my colleague's attention to the fact that three or four years ago there was a weed that very nearly destroyed the alfalfa crop in Utah County. More than likely it is the same weed which is now working havoc with the crops on the Indian lands in Idaho. Of course, in the case of Utah the State handled the problem, because there were no Indians in the locality, but I remember going from Provo to Payson and noticing that on both sides of the road the crops were absolutely destroyed.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I yield.

Mr. McKELLAR. I have a certain curiosity; it may be an idle curiosity, but it is a curiosity nevertheless, to learn how the Government spends $23,000 in getting rid of obnoxious weeds. Does it merely employ men to go there and dig them up or grub them up, as we used to grub up weeds when we were on the farm? How does the Government do it? How is the money spent?

Mr. SMOOT. There are some patches where they have to be removed entirely if they are as bad as they were in Utah.

Mr. McKELLAR. How are they taken out? I have a curiosity about it. To my mind, it is absolutely indefensible for the Congress to appropriate $23,000 for the eradication of obnoxious weeds year after year, practically the same appropriation coming before us time after time. How is the money used?

Mr. SMOOT. In many cases the money is used to poison the weeds.

Mr. McKELLAR. To poison them?

Mr. SMOOT. Yes.

Mr. McKELLAR. Would not the same chemical that poisoned the weeds poison the alfalfa?

Mr. SMOOT. Yes; in fact, in many cases it is necessary to eradicate everything.

Mr. McKELLAR. Then the farmers no doubt will bring claims against us for having destroyed their alfalfa.

Mr. SMOOT. Oh, no.

Mr. McKELLAR. So we catch it both going and coming.

Mr. SMOOT. The appropriation in this instance is for the work of eradication on Indian lands; we are not making appropriations for this purpose for the whites.

Mr. McKELLAR. Oh, we do not allow the Indians to come back and make claims for crops of theirs which may be destroyed. I do not think that is fair to the Indians.

Mr. THOMAS of Idaho. Mr. President, I hardly think it worth while to occupy the attention of the Senate to explain with extreme minuteness for the benefit of the Senator from Tennessee the details of the farming operations; but I might say to him that the operation of cleaning noxious weeds off the lands is a very technical one. Some of the weeds it is necessary to prune out and destroy in that way, and in other cases the land is simply isolated; it is allowed to lie idle for a year, and often for two years, and then chemicals are applied to kill the weeds. To eradicate the weeds on some of those lands requires treatment that costs as high as $100 or $200 an acre. It is a most serious problem for the entire community.

Mr. McKELLAR. If we have to spend $100 an acre year after year for eradicating these noxious weeds, it seems to me it would be better for the Government to move the Indians somewhere else and take care of them. Why should we make the Indians live at places where the weeds grow to such an extent that their crops are destroyed and the Government has to spend some $20,000 a year to eradicate the weeds from their alfalfa?

Mr. SMOOT. This item is not $20,000 a year.

Mr. McKELLAR. This time the appropriation is $23,000, for it is proposed to increase the amount. I think this is a bad time for increasing the expenditures of the Government,

especially for the eradication of weeds. To my mind it is absolutely indefensible, and I hope the Senate will vote it down. I am going to ask for a yea-and-nay vote on it, and let us see if we are going to spend $23,000 for the eradication of noxious weeds.

Mr. SMOOT. Mr. President, the $20,000 of which the Senator speaks——

The VICE PRESIDENT. The Senator from Idaho has the floor.

Mr. SMOOT. I thought I had the floor and yielded to the Senator. However, I yield to him now.

Mr. THOMAS of Idaho. Mr. President, I merely want to say for the information of the Senator from Tennessee—evidently he has been in the Senate so long that he has lost touch with the situation—that in many States millions of dollars are being spent to kill noxious weeds every year, and this is only a small item for an Indian reservation.

Mr. SMOOT. Mr. President, the $20,000 item to which the Senator from Tennessee refers is not for the eradication of weeds at all. The provision following the one now pending is a reappropriation of an unexpended balance of about $10,000 for that purpose which was not expended last year. The $20,000 item is for the Fort Hall Reservation, and is similar to other items for the general support of the Indians. The $20,000 is for the general support of the Indians at the Fort Hall Reservation. Then the Senate committee put in a proviso reappropriating the unexpended balance for the eradication of noxious weeds which was not expended last year.

Mr. KING. Mr. President, my inquiry has been directed to the ascertainment, if it were possible, of the reason why, if this item was so important as to be carried in the appropriation bill last year, the appropriation was not expended. I discover that the departments—not the Interior Department alone or the Indian Bureau—ask for large appropriations, not intending or expecting to expend them all, and then they come in at the end of the year, when the next appropriation is being prepared, and ask for blanket authority to continue those unexpended balances in the future. The result is, first, an invitation to ask for larger appropriations than are necessary for the coming fiscal year, and, secondly, it encourages waste and extravagance and the retention of unnecessary employees in the effort to expend the large appropriations which are made.

Mr. SMOOT. Mr. President, will my colleague yield?

Mr. KING. I yield, of course.

Mr. SMOOT. All there is involved in this item is $3,000.

Mr. KING. I am not speaking about the amount; I am speaking about the principle.

Mr. SMOOT. I was going to say that by letter of date January 29, 1932, the superintendent of the Fort Hall Agency brought to our attention the fact that the weed-eradication campaign begun last year was not entirely completed. He urges that the unexpended balance of approximately $3,000 be made available for use after July 1, 1932. Since the eradication work will not begin until after that date, he asks that the appropriation be extended. There are only $3,000 involved.

Mr. KING. Mr. President, my objection is not so much to the amount as it is to the principle. The Senator knows that there are perhaps half a dozen or more—yes, considerably more than six—provisions in the bill providing that appropriations heretofore made may be carried over and expended in the future. I repeat that the policy of making large appropriations that are not imperatively required is unwise. It leads to extortionate demands being made on the Congress by instrumentalities of the Government, and, being unable to expend them all, notwithstanding the waste and extravagance and inefficiency which too often characterize the executive departments, they obtain blanket authority to continue those appropriations, to be expended in the future. It will always be observed, however, that, notwithstanding the appropriation which is unexpended, there will be no diminution in the amount which is asked for the ensuing year.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. McKELLAR. The Senator from Michigan [Mr. VANDENBERG] pointed out yesterday that there are 29 unexpended balances reappropriated in this bill. There was put in the RECORD yesterday the number of unexpended balances thus reappropriated and the amounts involved in each case, at the request of the Senator from Michigan and others. It is very easy for the record not to show how much money is actually being appropriated, because in the sum total of appropriations the unexpended balances are never shown.

Mr. KING. Mr. President, I would be glad if my friend, the junior Senator from Idaho, would advise the Senate, for my benefit at least, of the operations upon the Fort Hall Indian Reservation, whether or not there is a considerable amount of Indian land cultivated and what success, if any, is attending the activities of the Indian Bureau in the reclamation of Indian lands by Indians—not Indian lands which are parted with and are reclaimed by whites under the leasing system or under title after they have acquired it from the Indians.

Mr. THOMAS of Idaho. Mr. President, in answer to the question, let me say that I am quite familiar with the Fort Hall Indian Reservation. I think the irrigated portion of the reservation embraces about 60,000 acres. A small acreage of those lands has been sold and is in the ownership of whites. Then, there is a large area that is being irrigated either through a leasing system or by the Indians themselves.

To answer the question direct, as to the acreage of land that is actually being farmed by the Indians and not leased I am not able to give the Senator the information. It is possible it may be found in the hearings, but it is a question I have not had time to investigate. However, there are some of the lands being farmed by the Indians themselves, and the irrigated system there is a very successful one. The land is very rich; and the principal crop which the Indians are growing is Grimm alfalfa, which is a very valuable seed, and it is being grown for seed purposes on the acreage which the Indians are now farming and for which we are asking this appropriation of $20,000 for the eradication of noxious weeds. On the lands owned by the whites the principal crops are potatoes and sugar beets.

Mr. KING. Mr. President, if the Senator will permit me, I have here the Preston-Engle report, with which undoubtedly the Senator is familiar. Some of the Senators may not be familiar with it, and I will take the liberty of occupying a moment or two in challenging attention to that report.

Mr. Preston is one of the leading engineers of the Reclamation Service; Mr. Engle was the leading engineer in the Indian Service. Then there was another gentleman whose name has escaped me who was one of the leading scientists in the Department of Agriculture. Because of the constant charges which were being made that many of the irrigation projects conducted by the Indian Bureau were failures and that waste and extravagance characterized the operations of the Government, this advisory board was created by Secretary Work soon after he came into office. They made a searching investigation of all of the irrigation projects under the Indian Bureau system, and they submitted this report, known as the Preston-Engle report. Be it said, by way of criticism of the Indian Bureau, that report was not published—it was not given to the public; and only the Frazier committee brought it to the light of day.

That report recommended that the Indian Bureau abandon a number of the reclamation projects which it had entered upon; and that a number of others, because of the inefficient method in which the system was being built and the unwise and extravagant system under which it was operated, be transferred to the Reclamation Service, of which Dr. Elwood Mead is now director.

Notwithstanding the fact that numerous recommendations, detailed and meticulous in character, were embodied in the report suggesting improvements, reforms, changes, and modifications, no attention was paid to them by the Indian Bureau. The Fort Hall Reservation is one that

was examined; and I may say that upon one of the reservations where hundreds of thousands of dollars had been expended there are only 44 acres of land being irrigated by the Indians.

Mr. THOMAS of Idaho. Of course, that is not the Fort Hall project.

Mr. KING. Now I will come to the Fort Hall project; but that is characteristic of some of them. There are, of course, some disparities.

As to Fort Hall, the record shows the following as to the ownership of irrigated lands under the project:

Indian-owned land, 7,338 acres.

Indian-owned land leased, 6,408 acres.

So that there were considerably less than 1,000 acres of land owned and irrigated by the Indians, as I have stated; and there were leased to the whites 6,000 acres of their lands, as I have stated; and the white-owned land is 13,309 acres.

Mr. THOMAS of Idaho. The Senator is speaking of the lands that are now under cultivation?

Mr. KING. I am speaking of the ownership of irrigated lands under the Fort Hall project.

Mr. THOMAS of Idaho. I am wondering if that includes also the lands that are yet to be cultivated, that are under the ditch, and the money has been expended for the purpose of irrigating them.

Mr. KING. I find, Mr. President, that in many of these projects, as stated here—and I shall read from this report before concluding—the projects contemplated the irrigation of large areas which never could be brought under cultivation by the Indians. They were projects for the benefit of the whites rather than for the benefit of the Indians; and the Indians' tribal funds and gratuities out of the Treasury of the United States were being appropriated for the benefit of the whites.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. KING. Just a moment. In this connection, it may be that there was a tremendously ambitious scheme, because Mr. Engle and those who prepared this report point out the ambitious schemes, fantastic in character, of the Reclamation Service of the Indian Bureau, under which thousands of acres of land were to be brought under cultivation in some districts where the lands were not of such a character that they could be reclaimed; the altitude was so great that they would not yield crops; and yet they have spent hundreds of thousands of dollars, and indeed millions of dollars, wastefully in some of these projects.

Mr. THOMAS of Idaho. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield.

Mr. THOMAS of Idaho. I am quite sure that the Senator from Utah and I do not disagree on the question of reclaiming arid lands, either by the Indian Bureau or by the Government service. We both agree that many, many mistakes have been made in both instances; but we also agree, I am quite sure, that many, many irrigated tracts have been entirely successful; and, in fact, if it were not for irrigation in the West, we would not have many farming sections in the West. The particular project that we are talking about, the Fort Hall project, is one of the finest pieces of irrigated land in America.

Mr. KING. I agree with the Senator as to the importance of irrigation, and, if I may be pardoned, the State of Utah was the pioneer in the irrigation development of the United States. Those sturdy pioneers who entered the Salt Lake Valley in 1847 turned out the water for the first time in the West. They constructed ditches. They did not need appropriations from the Federal Government. They developed the valleys and the farming districts of my State, and many of them, as the Senator knows, went into the Senator's State and have contributed to the development of that splendid Commonwealth.

Mr. THOMAS of Idaho. That is quite true.

Mr. KING. Of course, water is important; but the point I am making is that the Indian Bureau has been prodigal and wasteful. It has wasted the tribal funds of the Indians. It has obtained gratuities from the Government of the United States under the pretense of irrigating lands for the Indians and helping the Indians, when back of it was the desire to irrigate lands for the benefit of the whites. As the Senator will discover if he reads the reports that have been submitted, most of the lands in these reclamation projects—lands that were allotted to the Indians—have been acquired by the whites; and most of the lands which are still owned by the Indians, and which are being irrigated, are irrigated by the whites under a leasing system, to the disadvantage, in my opinion, of the Indians.

The result has been, and will continue to be, that under the present policy of the Indian Bureau the Indians are going more and more to be deprived of their holdings; the white men are going more and more to acquire, under the leasing system and under purchase, the lands of the Indians; and in 25 to 50 years, in the Senator's State and in other States, we shall find that the majority of the Indians are without property, without homes, without lands, and will become fugitives or vagrants or charges upon the respective communities in which they take refuge.

Mr. THOMAS of Idaho. Mr. President, in answer to the Senator, I am not going to argue with him as to whether or not all these projects are a success. That is not the question, because I know some of them never should have been built. There is no defense for the construction of them, but that is not a condemnation of those that are good projects.

The average Indian lands of the arid West are only good for grazing until water is put on them; and I think it was good policy to water these good lands, so as to give them some value. It is good policy, whether the Indian farms them himself or whether they are leased. If they are leased, he gets the return from the rental of the land, which enables him to have some means of living.

Mr. KING. If the Senator will yield, he will find in the Engle report, and even in supplemental reports made by the bureau that, notwithstanding the millions which have been expended, only about 108,000 acres in all of the United States are irrigated by the Indians. There are only from 4 to 8 per cent more lands irrigated by the Indians now, notwithstanding the millions which have been appropriated since 1924. The lands are passing out of the hands of the Indians. The methods which prevail do not encourage Indian development and progress.

Mr. THOMAS of Idaho. But what would the Senator suggest?

Mr. KING. According to the program of the Indian Bureau, it will take, as I recall, something like twenty-odd millions of dollars to complete the projects upon which the bureau has embarked, notwithstanding it has expended something like $40,000,000; and there are irrigated by the Indians, with all that expenditure, only from 108,000 to 112,000 acres of land.

Mr. THOMAS of Idaho. But what would the Senator suggest?

Mr. KING. I would suggest what the experts of the Government suggested—that we turn over to the Reclamation Service a number of these projects, abandon a number of others, and introduce methods of administration that are just and fair and economical. I would suggest pursuing a course that would not result in the alienation by the Indians of their lands, as they are doing to-day under the allotment system and under the heirship system, so that the Indians would have homes, instead of the whites owning all of these lands, as they will do within the next 25 years.

Mr. McKELLAR. Mr. President, I desire to ask the Senator a question.

It appears from this report that about 1,000 acres of land in that reservation are being cultivated by the Indians.

Mr. THOMAS of Idaho. I am not familiar with the report.

Mr. McKELLAR. Is the Senator familiar with the lands?

Mr. THOMAS of Idaho. I am very familiar with the lands.

Mr. McKELLAR. Can the Senator say that as much as 1,000 acres is being cultivated by the Indians?

Mr. THOMAS of Idaho. I do not know how the cultivation is divided, whether as to leases or as to ownership, but I will say to the Senator that every acre of that land under cultivation that is owned by the Indians yields a return; that it has been a profitable return and a profitable investment to the Government.

Mr. McKELLAR. What I want to know is, whether, after the Indian leases his land, this $3,000 for pulling up weeds or digging up weeds or poisoning weeds is turned over to the white lessees?

Mr. THOMAS of Idaho. Oh, no!

Mr. McKELLAR. Or is it used on the 1,000 acres of Indian land?

Mr. THOMAS of Idaho. It is spent wherever they find weeds on the reservation.

Mr. McKELLAR. Regardless of whether they are lands leased by white men or lands cultivated by Indians?

Mr. THOMAS of Idaho. It is money expended on the reservation, I am quite sure.

Mr. SMOOT. Mr. President, just so that the RECORD will show the fact, I desire to call attention to the fact that it is not "a thousand acres"; it is only 81,000 acres. That is a pretty close guess!

Mr. McKELLAR. That is the whole reservation. How many acres do the Indians cultivate? That is what we were talking about.

Mr. SMOOT. Of the total irrigable area, approximately 81,000 acres are in Indian ownership and 24,000 acres in white ownership. In the completed Fort Hall unit of 60,000 acres about 43,000 acres are in Indian ownership and 17,000 acres in white ownership. During the season of 1930 the area irrigated was 30,152 acres.

That is a pretty good guess, Mr. President—1 out of 30!

Mr. McKELLAR. How much of that 30,000 acres was cultivated by the Indians? That is what we are talking about.

Mr. SMOOT. In 1930, there were irrigated by the Indians 10,283 acres, and they had leases of 3,465 acres that were irrigated.

THE SALES TAX

Mr. DILL. Mr. President, I have in my hand a clipping from the World-Telegram of this date, entitled, "Farmers Fear the Gouger's Hand Under a New Tax." I desire to take just a few minutes to speak about the revenue bill that is hovering over Congress and over the country.

I recognize that the Senate does not and can not consider a revenue bill until it has been passed by the House of Representatives; but when there looms as a reality a tax proposal so dangerously burdensome to the masses of the American people, and a tax proposal so entirely untried in our system of taxation, I desire to sound a warning of approaching storms of public wrath in this country in a period such as this.

There will not only be storms of opposition in this body, but there will be storms of opposition from among the American people that have had no counterpart in recent years; and the public officials who may be responsible for putting upon the American people in time of peace a system of taxation that invites profiteering upon the 70,000,000 people who must go down into their pockets to buy the necessities of life will hear from them in no uncertain terms.

Even in war we never resorted to a system of general sales tax. It was never even seriously proposed. The bill now pending in the other House excludes a few articles, it is true, but it is a general sales tax to be levied upon 150,000 manufacturers, and to be passed on down to the retailers, who will pass it on to the 70,000,000 men and women who go into the stores to buy the goods, together with the profits on the investment cost including this tax.

It will be a pyramiding burden. Instead of 2¼ per cent upon the products it covers, it will amount to 6 or 8 per cent before it has fully been paid by the consumers. It is proposed to collect one-half of the additional amount of money to be raised as revenue in these hard times out of the pockets of the poor people of America by means of what is called a sales tax. The bulk of the money will not come from those who are best able to pay; it will come from the millions of wage earners who have not any wages because they have no work. It will come from the millions of farmers who have not money enough to pay their taxes and stop foreclosures of mortgages on their homes.

It will be small comfort to Democratic leaders in this body, or at the other end of the Capitol, that this innovation was suggested and proposed by the Hoover administration. We have followed the leadership of the administration far enough already; I think all too far.

The Hoover tariff bill helped to destroy what little foreign trade we had and resulted in retaliatory tariffs by 70 other nations, bringing on practical embargoes throughout the world. The Hoover farm bill, by which we lost $250,000,000, destroyed what hope there was of reasonable prices for farm products. Those things ought to be warning enough that we can not afford to follow more of his policies in a time like this. It is because of the unprecedented failures of the financial policies of the administration that these new taxes are necessary.

With a Treasury deficit of two and one-half billion or three billion dollars looming, the administration proposes, and the Democrats of the House stand ready, to try to balance the Budget by going into the pockets of every man, woman, and child in America, who must buy the necessities of life, by putting a manufacturers' tax upon the people.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. DILL. I yield.

Mr. THOMAS of Oklahoma. I have in my hand a copy of the March number of the Nation's Business, which is a magazine published by the United States Chamber of Commerce. On page 13, in the leading editorial, I find two significant statements. The first statement is this:

> This country is facing a deficit of four billions in the three fiscal years which extend from July 1, 1930, to June 30, 1933.

The first sentence in this editorial reads as follows:

> The United States is on the road to bankruptcy.

Mr. DILL. Mr. President, there will not only be bankruptcy of the United States Government but bankruptcy of office for all these men who think they are statesmen if they foist this plan upon the American people.

It seems to me that the Democratic Party, of all parties, should be the last to propose a tax of this kind in a period of depression such as we are now enduring. It is not only in direct contradiction of all Democratic principles but it is directly in the face of the declaration of the Democratic platform of 1924. I quote the language of that platform on this subject:

> We oppose the so-called nuisance taxes, sales taxes, and all other forms of taxation that unfairly shift to the consumer the burdens of taxation.

That was a protest against certain war taxes which had been specifically levied on designated articles. Yet now we are confronted with a proposal to lay a flat tax upon practically all goods manufactured in the United States.

The framing of a revenue bill is peculiarly the province of the House of Representatives. The Democratic Party is in control of the House of Representatives, and if such a bill is passed through both Houses of Congress, the responsibility will be on the Democratic Party.

I can not understand how those who have so long proclaimed as a fundamental principle of taxation the placing of the burden of taxes upon those who can best afford to pay can now come forward with a proposal to place that burden upon the masses of the people, who can not afford to pay at all in a time like this.

I shall not attempt to-day to discuss the many injustices of a sales tax, but I do not want to sit silent and see come to this body a plan indorsed by another branch of the Congress which will place upon the millions of American people

to-day a burden of taxation when it can be placed on other shoulders, and for my part I do not believe there is any necessity or even justification for such an experimental and dangerous proposal as is now being seriously made in connection with our taxation proposal to balance the Budget.

I ask to have inserted as a part of my remarks the article to which I referred, appearing in the New York World-Telegram.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMERS FEAR GOUGERS' HAND UNDER NEW TAX—REPRESENTATIVE IN CAPITAL SEES THREAT OF PROFITEERING BY SALES LEVY

WASHINGTON, March 9.—Gouging by profiteers under the proposed 2.25 per cent sales tax, by which the House Ways and Means Committee proposes to raise $600,000,000 out of the $1,100,000,000 of its 1932 revenue bill, is feared by the farmer, who contends that the levy will increase the cost of living in the United States between 7 and 10 per cent.

This is the prediction of Chester Gray, capital representative of the Farm Bureau Federation and spokesman here of 1,000,000 farmers' families.

FARM GROUPS OPPOSE IT

In spite of exemptions for fertilizer and unprocessed farm products, made as friendly gestures toward the farmers, all three of the big organized farm groups, the National Grange, the Farmers' Union, and the Farm Federation, oppose the tax. Fred Brenckman, of the Grange, calls the sales tax "unpardonable."

Mr. Gray declared to-day that the farmers are bitterly opposed to a sales tax.

It would strike at them, he said, first as consumers and then as producers, in that the canners and processors would force down the prices of raw goods to make up for the tax. Farmers, he said, are the biggest single consuming class, already burdened with general property taxes.

CITES 1930 FIGURES

He suggests that rates be greatly increased on personal and corporation incomes, inheritance and gift taxes, and that exemptions be reduced and deductions curtailed.

He said that in 1930 out of $130,000,000,000 of corporate gross income $118,000,000,000 was deductible and that out of $16,000,000,000 personal income $4,000,000,000 were deductible.

Higher rates could easily be imposed, he said, on gifts and inheritances. The approximate annual involvement in inheritances is ten billions, which at a rate of only 10 per cent would yield $1,000,000,000. We get only between $30,000,000 and $40,000,000 from inheritances.

FEARS PROFITEERS

"In America, the land of the free, we have not begun to go after the big concentrated reservoirs of wealth as they have in the monarchies of Europe," he said.

Mr. Gray added that the sales tax will encourage profiteering, that what is now an emergency may grow into a settled sales-tax policy, and that its collection will be onerous and set up a complex system, behind which middlemen can exact greater profits at the expense of the farmers and city workers.

LEADERS WORRIED

The revenue bill will be taken up on the House floor to-morrow. Progressives are marshalling their forces to combat its sales-tax features. A caucus of some 20 House Progressives met Monday night, but no plans for a campaign have been divulged.

It is no secret that House Democratic leaders are worried over the possibility of an insurrection in their ranks over the sales tax.

Mr. McKELLAR. Mr. President, I heartily indorse the statements just made by the Senator from Washington [Mr. DILL] concerning the so-called sales tax. In my judgment it is not really a tax upon manufacturers but a tax on the consumers of the country, millions of whom are now unemployed and hundreds of thousands of whom are now face to face with starvation. It is a tax on that class of people who are least able to bear it. Everyone who consumes would have to pay it. I repeat, it is not a tax upon the manufacturers; it is a tax upon the consumers. It is wholly at war with every Democratic principle of just taxation, and I was greatly astonished and grieved to learn that our Democratic friends in the House favor this obnoxious provision of the revenue bill.

I think it is very appropriate and timely to raise the question now, before the movement to impose such a tax gets too far.

Of course, it is the duty of the Members of the House to originate and pass tax bills. The part of the Senate in enacting revenue legislation is secondary, but it is an essential part, and I believe that the Senators who think the burdens of taxation should be placed on those who are best able to bear them should do everything in their power to defeat the so-called sales-tax provision, by which it is proposed to raise something like $600,000,000 of revenue. To lay an additional burden of $600,000,000 of taxes upon those least able to bear it would be utterly indefensible, unconscionable, and cruel.

Several years ago, when a revenue bill was before the Senate, a proposal was made by the distinguished senior Senator from Utah [Mr. SMOOT] for a general sales tax, and I then expressed the same sentiments I express now.

A sales tax is just as objectionable to me when proposed by Democrats as when proposed by Republicans. I was opposed to a sales tax then; I intend to oppose every provision for such a tax now; and I hope that all forward-looking, progressive Senators, irrespective of party, will join together in defeating this, the most objectionable and abominable tax that could possibly be placed upon the American people.

I realize that we are in great need of additional revenue. The existing deficit is much greater than we think. It is now substantially $2,000,000,000, and we have already spent during this session over a billion dollars more. Our revenues are exceedingly small during this depression. Our Budget ought to be balanced. But to achieve this result we should first cut down appropriations to the lowest possible point; we should cut them down at least a billion dollars, and then balance the Budget by taxing those who are best able to pay, and not by putting additional burdens upon the backs of an already overburdened part of the taxpaying public.

Mr. KEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from New Jersey?

Mr. McKELLAR. I yield.

Mr. KEAN. Will not the Senator name some of the people who are so able to pay?

Mr. McKELLAR. Yes. I think those of our people who enjoy incomes of $50,000 a year or more, should pay the greater part of this Treasury deficit. These are best able to pay. To raise the taxes on such incomes will not mean any deprivation to a man who has an income of $50,000 a year or more. He will not suffer by having to pay an additional tax. But the people who have little or no incomes, those who are out of employment, and those who are in debt, will be the ones who will suffer most if a general sales tax is imposed.

Mr. KEAN. I think the Senator will find that if the widows and orphans are left out there will be little in the way of taxes collected, that there are few business men who will pay any income taxes this year.

Mr. McKELLAR. I think the Senator is entirely mistaken. We have a system now by which all losses can be offset against all income, and what is the result? Those of the wealthy classes of our citizens who have had great losses in the falling off in the prices of stocks and bonds, in the falling off in the value of property, can offset these losses against current taxes. Therefore they can escape their just tax burdens. We ought to repeal outright the capital gains and the capital losses provision of the present revenue law so as to make those of our citizens who are actually receiving incomes pay their reasonable proportion of taxes. They get the most from the Government; they should be willing to pay the most to the Government.

I noticed in the press the other day that a citizen of New York had died three years ago and left a fortune of about $192,000,000. In the last three years, even in these hard times, that fortune has increased in value something like $50,000,000. I do not see any reason in the world why the Government in its present financial condition should not levy a succession or inheritance tax which would take a very large proportion of such an estate.

One of the great evils of the country to-day, one of the causes of hard times, is the maldistribution of wealth. It is contended that 3 per cent of our population own 97 per cent of the wealth of our country, while 97 per cent of our population own only 3 per cent of the wealth of the country. These figures may not be absolutely accurate, but they are nearly so. This is an alarming condition. It ought to be

corrected, and I know of no way to correct it, and I do not believe the Senator from New Jersey knows of any way to correct it, except by taxation—taxation on inheritances, taxation on gifts—increased taxation in the higher brackets. That and reduction of expenditures are the ways in which this deficit should be met. It should not be met by a general sales tax, under which every one who eats, every one who wears clothes, every one who uses a manufactured article would have to be burdened to help make up this great deficit, which was created without his knowledge or consent or approval.

Mr. President, this sales tax will impose virtually the same tax on the laborer and on the hard-pressed farmer that it imposes on the multimillionaire. It will bear down equally on the man with a tremendous salary and the man without employment. Each will necessarily consume about the same amount of food and clothes. To the man of wealth, to the man of large salary, the tax will be no burden at all; but to the man out of employment, to the man of small means, to the man in debt, it will be an intolerable calamity. Mr. President, a tax similar to the one here proposed almost caused a rebellion in Kentucky just a few days ago, and if such a tax is made general by our action, we should not be surprised if a nation-wide rebellion should result.

Mr. KEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from New Jersey?

Mr. McKELLAR. Certainly.

Mr. KEAN. It seems to me when we increase the income taxes that we force all these people, who are, perhaps, the best-trained minds in the United States, to go out of business and to invest all their money in tax-exempt securities. The consequence is that we not only perpetuate their wealth, but we decrease their usefulness to the community and to the business of the United States.

Mr. McKELLAR. Oh, yes! That is the perennial defense of wealth which desires to escape proper taxation. If we tax the wealthy they will quit business. They will invest in tax-free securities. They will not do business if the Government undertakes to make them bear their just proportion of taxation. These are either idle threats or they are unpatriotic threats. Such threats should not be considered by the Congress. The mind of the average wealthy man is no better trained than the mind of the average man. No man should ask to escape proper taxation because he has a trained mind.

Oh, yes; we constantly hear that excuse raised here whenever a tax bill proposing a tax on incomes is before us. That is the argument that is constantly used. What has been the result? The most remarkable season of hard times we have ever known. If the minds of these business men were so well trained, why did they not avert this depression? A few men in our country do not feel the hard times. Their incomes are secure. They are not troubled with present conditions. The very men to whom the Senator from New Jersey refers compose that class of our citizenship.

Mr. President, we should balance the Budget, but we should first reduce many of these indefensible appropriations which we are daily making, and then lay the taxes on those who are best able to pay them, and we should not lay the additional burdens upon the great consuming masses of our country, who are less able to bear them. Of course we are anticipating the bill that is to come to us, but I want to say that I am just as much opposed to the sales tax provision in the revenue bill, if it should be put there by a Democratic House, as I was to a like proposal when it was submitted here several years ago by my distinguished friend from Utah [Mr. SMOOT]. The sales tax ought not to be adopted. I hope it will not be adopted. I appeal to Senators, not only those on this side of the Chamber, but to all who want to do justice to all the people, let us not adopt the sales-tax provision. Let us defeat it.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Washington?

Mr. McKELLAR. Certainly.

Mr. DILL. I invite the Senator's attention to the fact that $1,000,000,000 of the additional expenses of the Government which will constitute a part of the deficit is for appropriations already made outside of the appropriation bills, including money to save the great financial institutions of the country, including money for the soldiers' bonus, and including money for the deficit that already existed in the expenditures of the Government.

Mr. McKELLAR. The Senator is correct. If the sales tax is laid upon the common people, the great body of those who are unable to pay will be forced to find some way to meet all those expenditures. We have a deficit now of $2,000,000,000; President Hoover has sent us in a budget for $4,601,000,000 more for current expenses; we have already appropriated about $1,000,000,000 more, largely for the great business institutions. All this and appropriations yet to be made will probably aggregate $8,000,000,000. The rich say they can pay no more. If additional taxes are put on them, they will not play further, but will go out of business and buy tax-free securities, and force the Government to tax the poor. That is the threat just made by the Senator from New Jersey. We must not be deterred by such threats.

Mr. WALSH of Montana. Mr. President, I was rather astonished at the statement made by the Senator from New Jersey [Mr. KEAN] that the widows and orphans are the only ones who have an income out of which taxes should be raised. The situation is not quite so bad as the Senator from New Jersey represents. I have to-day's New York Herald Tribune in my hand, from which I discover that the Air Reduction Co. is still paying a dividend of 4½ per cent; the American Home Products is paying a dividend of 4.20 per cent; the American Smelting & Refining Co. is paying a dividend of 7 per cent; the American Sugar Refining Co. is paying a dividend of 7 per cent; the American Telephone & Telegraph Co. is paying a dividend of 6 per cent; the American Tobacco Co. is paying a dividend of 6 per cent; the A., T. & S. F. is paying a dividend of 6 per cent; the Atlas Powder Co. is paying a dividend of 6 per cent; the Beatrice Creamery is paying a dividend of 7 per cent; the Bethlehem Steel Co. is paying a dividend of 7 per cent; the Brooklyn Manufacturing & Transfer Co. is paying a dividend of 6 per cent; the Coca-Cola Co. is paying a dividend of 7 per cent; the Continental Bank is paying a dividend of 8 per cent. So the people who hold those stocks may be able to pay some little income tax.

Mr. McKELLAR. I want to say in addition to what the Senator from Montana has so well brought out that some of these companies like the American Telephone & Telegraph Co. have made the largest earnings of their history during the past year. There are institutions in the country which are making profits, and it is that class of our taxpayers who are best able to bear the burdens of additional taxation for balancing the Budget. In my judgment we should place the burden upon them. We should not put this enormous burden of $600,000,000 on the people least able to pay it.

Mr. KEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from New Jersey?

Mr. McKELLAR. Certainly.

Mr. KEAN. In reply to the distinguished Senator from Montana I would like to say that dividends are paid out of past earnings and not out of present earnings.

Mr. WALSH of Montana. It is a matter of no consequence whence they come.

Mr. KEAN. In addition to that, I would like to say that the losses of the business men are enough to more than write off any dividends which they receive.

Mr. WALSH of Montana. It is a matter of no consequence whether the dividends are paid out of earnings or paid out of surplus. The dividends go into the hands of the stockholders, and the stockholders pay the income tax.

Mr. KEAN. If they have not had other losses.

Mr. McKELLAR. The Senator from New Jersey is mistaken about the large companies not having made earnings during the present year. I had occasion a day or two ago

to refer to the American Telephone & Telegraph Co. They are not paying 6 per cent dividends out of past earnings. They made greater earnings last year than ever before in their history, so the papers said, and the statement has not been denied, and I am quite sure can not be denied.

When the sales tax bill comes to us I hope that Senators on both sides of the Chamber will rise as one man and vote against this perhaps unfairest of all taxes which is proposed to be imposed upon those classes of our people who are least able to pay additional taxes. We must impose taxes only on those able to pay them. Let us defeat this general sales tax.

Mr. MOSES. Mr. President, listening to the fervid oratory of the Senator from Washington [Mr. DILL] and the Senator from Tennessee [Mr. MCKELLAR], with the intellectual abetment of the Senator from Montana [Mr. WALSH], there are certain implications in the discussion which seem to me wholly obvious. The sales tax measure, when it comes to us, will come to us under the ægis and with the benediction of the Speaker of the House of Representatives, who is a candidate for the Presidency of the United States. The savage and bitter assault now made—and I take those adjectives from a speech made here the other day by the junior Senator from Texas [Mr. CONNALLY], who is not now on the floor to protect the political reputation of the Speaker—the savage and bitter assault made upon the sales tax is now made by two of the most vociferous and one of the most intellectual of the supporters of the Governor of New York for the Democratic nomination for the Presidency.

They think, perhaps, in view of the result which took place in my little State two days ago, that they have disposed of the former Governor of New York and are now at liberty to fall upon the next formidable candidate, to wit, the Speaker of the House of Representatives. In the absence of the Speaker's spokesman here, the junior Senator from Texas [Mr. CONNALLY], I resent this bitter and savage attack upon the Speaker of the House of Representatives, and warn those two zealous partisans of the Governor of New York that while they may meet one by one the candidates within their own party who are seeking the Chicago nomination of the Democrats this year, and while they may possibly succeed in overwhelming them one by one, they will meet in November another candidate in another party whom they can not overwhelm.

Mr. DILL. Mr. President, I am impressed with the statement of the Senator from New Hampshire. He is quite desirous of turning the current of discussion away from the question of the sales tax as it might affect the people and centering it upon a division among Democrats as to presidential candidates. While the Democrats may have their differences of opinion as to candidates, that condition will not extend to the point of breaking the party apart, and those of us who have our preferences one way or the other do not propose that those preferences shall affect our service to the people of the country and prevent us from trying to keep from placing upon them a form of taxation that was never known in the history of the country and never tried even in time of war—a new and untried and, as I think, dangerous policy, a policy that can but result in oppression upon the masses of the people. I would much prefer that the Senator from New Hampshire would discuss that phase of it than to try to get away from the principle of the question and try to arouse differences among the Democrats as to candidates.

Let me add that whoever the Democrats may nominate in Chicago, whether he be the great Democrat whom the Senator from New Hampshire champions in the person of former Governor Smith, or whether he be the great Speaker of the House of Representatives, who seems to draw the fire of the Senator from New Hampshire, or whether he be the great Governor of New York, who, I believe, is preferable, we will unite behind him and cross lances with the gentleman who has been in the White House for three years, not upon differences among ourselves but upon a record of failures such as has not been known in modern times in any executive office in the world.

Mr. MOSES. Mr. President, I must confess I am trying to protect the former Governor of New York and the present Speaker of the House of Representatives from savage and bitter assaults being made upon them by members of their own party. As for the debate upon the sales tax, whenever it comes here it will come here as a Democratic proposal and it can not escape being discussed from that angle.

Mr. KING. Mr. President, will the Senator permit an inquiry?

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Utah?

Mr. MOSES. Yes, indeed.

Mr. KING. Will the Senator advise us of the remedies which the administration has suggested for the purpose of raising sufficient revenue to meet the terrible deficit which exists?

Mr. MOSES. There was a plan suggested by the former Secretary of the Treasury, who is about to become ambassador at the Court of St. James, which seems to me adequate.

May I say, while I am discussing the taxation plan, that I understand the Democratic Party in the House of Representatives, in order to get the sales tax, which they wanted, put into some kind of shape where it could be enacted and administered, had to call upon the Republican experts in the Treasury Department to put it together for them.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. MOSES. I yield the floor.

Mr. MCKELLAR. May I ask the Senator in my own time if he is in favor of the sales tax?

Mr. MOSES. The Senator knows very well that I am. I made a speech in favor of it 10 years ago when the tax bill of 1922 was under consideration in the Senate; and now that I see my plan taken up by the Democratic Party under the able leadership of the Speaker of the House of Representatives, who is seeking the Democratic nomination for the Presidency, I feel that in addition to my name I am entitled to some prophetic laurels.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from New Hampshire [Mr. MOSES] with characteristic flippancy has just concluded his remarks with a declaration which I think should be reviewed. He said that those who prepared the revenue bill which is now pending in the House, including a sales tax, had been compelled to rely on Republican experts in the Treasury Department to put it together.

That is a remarkable statement coming from the leader of the Republican Party, a most remarkable assertion. Everyone who knows anything knows that there are so-called experts in the Treasury Department, men who make a specialty in the study of taxation matters, and who do render assistance to committees in the preparation of bills. I see the Senator from Utah [Mr. SMOOT] nodding his head in assent. There never has been a tax bill within my memory in the preparation of which so-called experts have not participated; and it would be exceedingly difficult for one possessing the genius, the intelligence, and the breadth of information that the Senator from New Hampshire so frequently demonstrates to prepare a tax bill without such assistance. So the statement which he has made does little credit to his capacity for argument.

The Senator from New Hampshire, if he had chosen to refer to matters of real importance, might have recalled the fact that the Treasury Department during the last 8 or 10 years has never been able to make an estimate of the amount of revenues required to meet the expenses of the Government that was even approximately correct. There have been estimates, as I expect to show in another address, in which mistakes to the amount of more than $1,000,000,000 were made in a single year. There has not been one year during the last eight years in which mistakes to the amount of more than a hundred million dollars have not been made.

Proposals for meeting the deficit that exists in the Treasury have from time to time been made, but for the most part the propositions submitted by the Treasury have been erroneous in two particulars—first, in that they understated the amount of the deficit so much as to raise a question in the minds of some whether the understatement was not carelessly made; and, second, they have overestimated the amount of revenues by hundreds of millions of dollars.

It is a fact within the knowledge of the Senator from New Hampshire that the Ways and Means Committee of the House of Representatives recently caused revision of the estimates by the Treasury Department, in which there was recognition of an error to the amount of $455,000,000.

Everyone talks about balancing the Budget, but we can not balance the Budget and go on making Federal appropriations for new purposes unless we find correspondingly new sources of revenue. There is no magical process known to either the Treasury Department or to those who sit in Congress by which Federal expenditures may be increased and Federal revenues diminished, as they naturally diminish when incomes and earnings decrease, and still the necessary proportion be maintained between the revenues and expenditures.

Senators may declare themselves as unfriendly and unfavorable to certain processes of taxation, but the big problem is how are we going to find revenues with which to meet the deficit that exists, a deficit that before the end of this session will be substantially, if not greatly, increased? We can not accomplish that end by simply increasing the surtax on large incomes, no matter to what height we may elevate the standard, added to other changes in the income tax law. We can not accomplish it by adding to those changes in income tax laws increased inheritance taxes. When we shall have done all that we can do in that particular we shall not increase the revenues by more than about $200,000,000, and probably not more than $155,000,000. It is perfectly absurd to talk about running a $4,000,000,000 annual Federal Government on a $2,000,000,000 income. If we continue a $4,000,000,000 Government, we must find $4,000,000,000 in income.

It is true we may issue bonds to make temporary provision, but any sound theory of financing would require that we find sufficient taxes to pay the interest on the bonds and to provide a sinking fund. Disagreeable as it is, objectionable as it may be found, it may prove unavoidable; it may be absolutely necessary to levy a sales tax.

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

The PRESIDING OFFICER (Mr. COUZENS in the chair). The question is on the committee amendment.

Mr. KING. Mr. President, my colleague the senior Senator from Utah [Mr. SMOOT] said a few moments ago that the irrigated lands upon the Fort Hall Reservation were different from those which I indicated. I call attention to the report of the hearings before the subcommittee of the Committee on Indian Affairs, part 6, page 2224, in support of the statement which I made a few moments ago.

In order that there may be no misunderstanding in regard to the report made by the Preston-Engle commission, I will read from the columns that fall under the head of Fort Hall.

Ownership of lands under ultimate—

Ultimate—

irrigable areas, 44,203 acres.

I may say, in passing, that under many reclamation projects there may be a very large area of land susceptible of cultivation, but it may never be cultivated for various reasons, one of which is the absence of water or the lack of water. So when the surveyors state that a project is susceptible of bringing under its jurisdiction a large area of land, that does not indicate that there is ample water or that the land ever will be irrigated. So it is meaningless merely to state the acreage of lands owned by the Indians under projects, for it may be that the lands can not be irrigated; it may be that the soil is of so rebellious a character that it can not successfully be reclaimed; it may be—and that is usually the case in the arid West—that there is an inadequate supply of water for irrigation projects; and, as was stated by my friend the junior Senator from Idaho [Mr. CAREY] a few moments ago, we have observed frequently the pitiable spectacle that projects have been undertaken by the Federal Government and have failed because of the absence of water, because the cost of reclaiming the land and building the dams, canals, and ditches was too great to make the project successful.

Ownership of lands under ultimate irrigable areas owned by the whites, 15,976 acres.

Ownership of lands under constructed ditches—Indian ownership, 34,533 acres—

I may say that the Preston-Engle report shows a large number of projects where ditches have been constructed, but there was no water; the construction was a waste of money and brought down the censure of the engineers who made the survey to which I have referred.

Ownership of land under constructed ditches owned by the whites, 15,797 acres; ownership of irrigated land—

Irrigated land—

under the project—

That is what I was challenging attention to—

7,338 acres—

But of that, I think, as stated in the next column, under the head of "Indian-owned lands leased," there were 6,408 acres, and of white-owned lands that were irrigated 13,309 acres.

Assuming, Mr. President, that the leased land to which I have referred owned by the Indians is not to be subtracted from the 7,338 acres, then, under the Preston-Engle report, the amount of land irrigated by the Indians themselves would be 7,338 acres; but, subtracting the Indian-leased land, it would seem to be indicated that there would be, as I said a few moments ago, a little less than 1,000 acres. I am not sure just what is meant by those two columns.

Mr. SMOOT. Mr. President, will the Senator give the year when the Preston-Engle report was submitted?

Mr. KING. It is entitled "Status of Ownership of Project Lands, June 30, 1927." This report was made later.

Mr. SMOOT. In my remarks I am bringing the figures up to date. I will give the Senator the figures I have here again, because they come from the latest report for 1931.

Mr. KING. I stated at the time the Preston-Engle report was made in 1928, as I recall, or in 1929, but it was based——

Mr. SMOOT. It was based on the figures of 1927.

Mr. KING. It was based upon reports which they had in 1927.

Mr. SMOOT. Yes. The difference is represented by what has taken place between that time and June 30 of last year. The irrigated lands owned by the Indians, as I have previously stated, amounted to 10,283 acres; the irrigated lands in white ownership amounted to 16,404 acres, and the lands which were leased amounted to 3,465 acres.

There are about 300 families, representing approximately 1,200 Indians, who are supporting themselves by farming on the project. That is the situation to-day, and that is why I made the statement in justification of the amendment which the committee have proposed.

Mr. McKELLAR. Mr. President, may I ask the Senator from Idaho a question?

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. McKELLAR. I should like to inquire during what portion of the year are weeds cut or poisoned?

Mr. THOMAS of Idaho. Such operations are generally conducted in the summer and fall.

Mr. SMOOT. Generally they are conducted in the summer; that is, whenever the weeds begin to grow.

Mr. McKELLAR. I was wondering why the work was not done last summer or last fall.

Mr. THOMAS of Idaho. It is necessary to fight these weeds every summer.

Mr. SMOOT. I will say to the Senator from Tennessee that $7,000 was spent on the work last summer.

Mr. McKELLAR. Then they will spend that additional sum this year, or they have a right to do it, and $3,000 more, as provided in this amendment?

Mr. SMOOT. Three thousand dollars more.

Mr. McKELLAR. Making $10,000, probably, on a thousand acres of land.

Mr. THOMAS of Idaho. On 60,000 acres of land.

Mr. SMOOT. Why does the Senator say "a thousand acres of land"?

Mr. McKELLAR. Because the Senator's colleague mentioned that figure. I am not charging the senior Senator from Utah with making the statement. The junior Senator from Utah said there was about a thousand acres that the Indians themselves cultivated; and I take it for granted that this bureau never in the world would spend this money for the eradication of weeds on anything but lands that are worked by the Indians, because I think if they did they would go far beyond what was ever intended or what is provided for in this bill.

Mr. SMOOT. Mr. President, in justification of what my colleague said, I will state that he quoted the number of acres irrigated in 1927. I am quoting what was irrigated in 1930. There were 10,283 acres irrigated by the Indians, and there were 16,404 acres irrigated by white owners. That is the difference.

Mr. McKELLAR. I think it costs a good deal to cut the weeds; but, still, I want a vote on it.

I ask for the yeas and nays.

Mr. KING. Mr. President, before that is done I desire to ask a question. I am not quite clear on this matter and I ask for information.

On page 54, is the total of $1,507,480 on line 19 modified?

Mr. SMOOT. The total is in line 6, where it is given as $1,596,000. We cut off of that $88,000. That is the total.

Mr. KING. Probably I have not made myself clear. I ask the attention of my colleague to line 19, page 54. The total there is $1,507,480.

Mr. SMOOT. That is true.

Mr. KING. Is that total changed?

Mr. SMOOT. Yes. My colleague will find on line 6 of the same page that the total as reported by the House was $1,596,000. We have reduced that amount, Mr. President, by the difference between $1,596,000 and the amount of our total, which is $1,507,480, or about $88,000.

Mr. KING. One further inquiry: Is the item on the same page, beginning with line 20 and going down to and including line 3, page 55, in addition to the $1,507,480?

Mr. SMOOT. That is in addition to it. That is what the Senator was speaking of the other day.

Mr. KING. This $570,000?

Mr. SMOOT. Yes. This is an additional amount, as we stated yesterday; and we called attention to it yesterday.

Mr. KING. May I ask the Senator what this $570,000 is to be expended for—if it is to supplement the appropriation of $1,507,480?

Mr. SMOOT. It is divided in this way: $160,000 of it was appropriated last year; there was a deficiency of $275,000; and the $135,000 makes the total of $507,000. It covers the $570,000 as provided in our amendment. In other words, the $135,000 provided here is part of the appropriation of $570,000. That appropriation consists of $160,000 that was appropriated last year, a deficit of $275,000, and this appropriation of $135,000.

Mr. KING. What created the deficit?

Mr. SMOOT. It was authorized. I thought I had the papers on the subject here; but I will tell the Senator briefly what created it.

Mr. KING. If the Senator has it in his mind, that is all right.

Mr. SMOOT. The extremely hard winter, the snow, and the labor that was absolutely required here brought about that deficit. The department either had to do it or the suffering of the Indians would have been such that death would have ensued. I should have considered it inhuman if they had not done it.

Mr. KING. I am not complaining. I should like to know, though, just what was the cause of the deficit. Was any part of it expended for the Navajo Indians, or the Sioux, or for what purpose? If it is for the protection and preservation of the Indians, I think it was a very proper expenditure, and I make no complaint at all.

Mr. SMOOT. The supplemental estimate says:

> The Interior Department appropriation act for 1932 makes available under the above title the sum of $160,000 for the relief of needy Indians. The first deficiency act, fiscal year 1932, contains an additional appropriation of $275,000 for this purpose. This additional amount of $275,000 was required for the relief of Indians in the Dakotas, Montana, and Nebraska, where drought conditions and grasshopper infestations had caused the failure of crops, and in the Southwest, where snowstorms had caused much suffering. Since this supplemental appropriation became available, there has developed a need for greater funds for relief purposes in the northern area than was anticipated at that time, and subsequent storms in the Southwest area have brought about the need for additional funds for the relief of distress in that territory. The purpose of this estimate is to provide an additional amount of $135,000 to relieve distress among these Indian wards of the Government.

Mr. McKELLAR. Mr. President, will the Senator yield to answer me about the words stricken out on page 54? I was not present in the committee when this matter was taken up. I was out of the city, as the Senator will recall. Why did the committee strike out the names of the various tribes of Indians for whose relief this fund is granted?

Mr. SMOOT. The only reason for it was that some of the treaties enumerated in the House bill had expired. Those Indians had to be taken care of; that was all there was about it. The money was expended.

Mr. McKELLAR. I am not complaining of taking care of the Indians. I want the Senator to understand that. It just struck me as very peculiar that the purposes for which the appropriation has been made heretofore evidently had been in previous bills, but were stricken out of this one; and I was just wondering whether the provision was intended to apply to all Indians or just to these particular Indians.

Mr. SMOOT. These treaties have expired, and therefore there was no need of having them mentioned in the law any more.

Mr. McKELLAR. But the appropriation is to go for the Indians mentioned in this bill?

Mr. SMOOT. Absolutely. The $275,000 has already been expended and the $135,000 mentioned is for further assistance to the Indians.

Mr. McKELLAR. Very well.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 56, beginning with line 9.

The amendment was agreed to.

Mr. McKELLAR. I ask for the yeas and nays.

The PRESIDING OFFICER. The request is too late. The Chair has announced the result of the vote.

Mr. McKELLAR. Very well.

The PRESIDING OFFICER. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Roads and Bridges," on page 61, line 21, after the word "construction," to strike out the colon and the following additional proviso: *"Provided further,* That not more than 20 per centum of the amount expended on any project under this appropriation shall be expended for any purposes other than Indian labor," so as to read:

> For the construction, repair, and maintenance of roads on Indian reservations not eligible to Government aid under the Federal highway act, including engineering and supervision and the purchase of material, equipment, supplies, and the employment of Indian labor, $400,000: *Provided,* That where practicable the Secretary of the Interior shall arrange with the local authori-

ties to defray the maintenance expenses of roads constructed hereunder and to cooperate in such construction.

Mr. KING. Mr. President, may we have an explanation of the purpose of that amendment?

Mr. SMOOT. Mr. President, the Indians must purchase a tractor. They have to have a tractor. If the limitation of "20 per cent of the amount expended on any project under this appropriation" went in the bill, they could not buy the tractor.

Mr. McKELLAR. Have they not any tractors now?

Mr. SMOOT. They have some tractors but——

Mr. ASHURST. Mr. President, if the Senator will yield to me, in our recent investigations in the Indian country great numbers of Indians came and complained and said that they ought to be and desired to be employed in driving these tractors. We made a careful investigation, and found that large numbers of the Indians themselves could run the tractors, and it is quite necessary to have them.

Mr. SMOOT. We could not purchase one under that wording.

Mr. ASHURST. No.

Mr. FRAZIER. Mr. President, I should like to ask the Senator from Utah if he knows what percentage of the road work will be in labor that these Indians might perform.

Mr. SMOOT. The question never arose in the committee, so I can not tell the Senator. Nothing was said about it in the committee. I will say, however, that all that can be done will be done by the Indians themselves. I can not say what the amount will be.

Mr. FRAZIER. Personally, I am strongly in favor of seeing the Indians get as much of this labor as possible.

Mr. SMOOT. So is the department.

Mr. FRAZIER. They need the work.

Mr. SMOOT. They do.

Mr. FRAZIER. And I think they have proven that they can do the work.

Mr. SMOOT. And every one of them that can be used will be used.

Mr. FRAZIER. This provision, I take it, was put in by the House?

Mr. SMOOT. Yes.

Mr. KING. Mr. President, will the Senator advise us where the roads are to be constructed for which this $40,000 is appropriated? Does the record show that?

Mr. ASHURST. Mr. President, it will be noted that the appropriation is general, and it may be expended on any reservation in the United States. In fact, this is the third time this appropriation has been made. The first appropriation was $250,000. Sometimes, to piece out a road, a thousand dollars must be spent on this reservation, sometimes ten thousand, sometimes twenty thousand; but I think the record will show that every reservation in the United States has had a part of this expenditure.

Mr. SMOOT. I desire to say to the Senator, also, that there is not a reservation in the United States that will not receive a part of this money. I think that is true of every one of them, beginning with Arizona and taking every one—Arizona, California, Colorado, Idaho, Minnesota, Iowa, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, and Wyoming. I can tell the Senator the estimated amount, if he wishes.

Mr. KING. Is this road construction carried on by contract?

Mr. SMOOT. No, Mr. President; we use Indian labor just as much as we can possibly use it.

Mr. KING. That ought to be done; and I am very glad to know that fact.

Mr. SMOOT. That is the policy.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was on page 70, line 22, after the figures "$20,000" and the semicolon, to insert "for continuation of construction, $674,000; in all, $694,000," so as to read:

Vale project, Oregon: For operation and maintenance, $20,000; for continuation of construction, $674,000; in all, $694,000.

Mr. KING. Mr. President, I should like an explanation of that amendment. I desire to make this inquiry:

My understanding is that last year the reclamation fund was unable to meet the requirements and had to borrow $5,000,000 from the Treasury of the United States. That has not been repaid. Is it the plan now to dip into the Treasury again to help this project? Why did not the House, with the full information which came to it, include this item in the appropriation? It seems to me, with all of this pretension of economy, that we might pretermit this large appropriation until next year.

Mr. SMOOT. Mr. President, the question of these two projects, the Vale project and the Yakima project, came up before the subcommittee. Those two projects are pretty well finished, and with the amount of the appropriation made here the water can be used during the coming season. As I said the other day, the settlers in many cases are already on those projects. They are waiting for the water; and after hearing the testimony that was given the committee thought it was better to finish it right up than to take another year and keep those people there without the water.

That is the fact of the matter. After hundreds of thousands—and I was going to say millions—have already been expended on the two projects, if this amount of money will finish them both so that they will go into operation during the coming year, we thought it was a very proper thing to do.

Mr. KING. I should like to ask my colleague where the money is to come from.

Mr. SMOOT. The money is already in the reclamation fund.

Mr. KING. If it is money in the reclamation fund, why is it not applied to liquidation, in part, of the indebtedness resulting from the borrowings of the last year?

My information was that in connection with some of the projects upon which work was being carried forward, and where contracts had been let, and where stopping of work would cause very serious damage, there was apprehension that we would get no money; that we would have to stop the work because there was no money in the reclamation fund. This information which my colleague furnishes now, that there is money in the reclamation fund, is quite at variance with information I had some time ago.

Mr. SMOOT. It has all been apportioned. Part of the land on the Yuma project has been under cultivation for many years. This money is to complete the project, and the settlers are waiting there. I think the Senator from Washington will bear me out when I say that they are already on the ground, and if they do not get this assistance, and can not get it, there will be no need of them remaining there longer. They have to make a living. We took that into consideration, and thought the best thing to do was to clean up this great project, if this amount of money would do it, and the department said that it would.

Mr. JONES. I take it the Senator is referring to the Vale project. His statement is correct with reference to that.

With reference to the Yakima project, that is actually under contract; the contract was entered into last fall, and the work is going on. This appropriation is necessary to carry it on, and while the water will not be available for reclamation work this year it will be available a year from this spring. The contract will be carried out. The Yakima project is under contract, and has been under contract since last fall, and in order to do the work while the weather is fit, during the summer and fall, the $500,000 additional is necessary.

Mr. SMOOT. It is estimated that if they do not get the water this year, the result will be a 20 per cent loss in crops.

Mr. KING. Is the Yakima project the one that is discussed in the Engle report, and which is an Indian project?

Mr. JONES. No; that is not an Indian project. I do not know to what report the Senator refers, or by whom it was made. But that is not an Indian project; it is a reclamation project.

Mr. KING. The Senator knows there is an Indian project known as the Yakima project?

Mr. JONES. Yes. That is on the Yakima Indian Reservation, called the Wapato project. I am thoroughly familiar with that.

Mr. KING. When was the Yakima project inaugurated?

Mr. JONES. The Yakima project was inaugurated about 1905. The Yakima project is the name applied to all the reclamation development on the Yakima River up to its source. The work referred to here is on the Cle Elum Dam at the source of the Yakima project.

Mr. KING. How much has been expended upon all of these projects which come under the generic term "Yakima"?

Mr. JONES. There has been spent some $20,000,000 on the Yakima project. That includes the Sunnyside Canal, it includes the Tieton Canal, and it includes the Toppenish Canal and two or three other reservoirs already completed. This appropriation is to be applied on the final reservoir in that project.

Mr. KING. How many acres have been irrigated?

Mr. JONES. I think about 200,000 or 250,000 acres.

Mr. KING. What is the cost per acre?

Mr. JONES. It runs from $50 to the Sunnyside units to a little over $100 to the Tieton units.

Mr. KING. Will the Government ever receive sufficient to compensate it for the large expenditures which have been made and which will be made?

Mr. JONES. Oh, yes. Let me say to the Senator that this is one of the projects of the country which has been paying up as fast as the assessments have come due. My recollection is that only about $200,000 is due now. That project will pay practically as it goes along.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 70, line 22.

The amendment was agreed to.

The next amendment was, on page 71, line 20, after the word "construction," to strike out "$500,000; in all, $800,000" and insert "$1,000,000; in all, $1,300,000," so as to read:

Yakima project, Washington: For operation and maintenance, $300,000; for continuation of construction, $1,000,000; in all, $1,300,000.

The amendment was agreed to.

The next amendment was, on page 74, line 17, to change the total appropriation from the reclamation fund from $3,089,360 to $4,263,360.

Mr. SMOOT. Mr. President, that is a total, and I ask now that at the conclusion of the consideration of the bill the clerk be authorized to change any totals where changes are made necessary by amendments.

The PRESIDING OFFICER. Without objection, that order will be made.

The amendment was agreed to.

The next amendment was, on page 75, line 14, before the words "to be," to strike out "$8,000,000" and insert "$10,000,000," so as to read:

Boulder Canyon project: For the continuation of construction of the Hoover Dam and incidental works in the main stream of the Colorado River at Black Canyon, to create a storage reservoir, and of a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from such reservoir; to acquire, by proceedings in eminent domain or otherwise, all lands, rights of way, and other property necessary for such purposes; and for incidental operation, as authorized by the Boulder Canyon project act, approved December 21, 1928 (U. S. C., Supp. V, title 43, ch. 12A); $10,000,000, to be immediately available and to remain available until advanced to the Colorado River Dam fund, which amount shall be available for personal services in the District of Columbia and for all other objects of expenditure that are specified for projects included in this act under the caption "Bureau of Reclamation" without regard to the limitations of amounts therein set forth.

Mr. McKELLAR. Mr. President, I ask the Senator whether we could not get along with the amount the House has appropriated. This is a bad time to increase expenditures in any department.

Mr. SMOOT. I want to say to the Senator that this amount is not sufficient. We will have a deficiency appropriation for this project.

Mr. McKELLAR. It is against the law to grant a deficiency for that.

Mr. SMOOT. No; it is not against the law.

Mr. McKELLAR. We are told so all the time.

Mr. SMOOT. Doctor Mead came before the committee and stated that at least sixteen or seventeen million dollars would be needed; but the House said, "We will give you eight million now to go on with." The estimate of the department was for $10,000,000. That is what we gave them. But I do not want any misunderstanding about it. In the deficiency appropriation bill there will be an item of five or six million dollars more for this item.

Mr. McKELLAR. I do not know where we are to get the money.

Mr. SMOOT. The work is going on, and the contractors have to be paid for the wonderful work they have done. They are ahead of time, and we have to pay them no matter whether we have to borrow the money or not.

Mr. McKELLAR. I am very much in favor of this project, just as I am in favor of the reclamation projects we have just been discussing. I think they are perfectly proper projects, and the work should be done, but just at this time, when we are in the sad financial condition in which we find ourselves as a government, it seems to me that it is a bad time to increase appropriations, and that we ought to get along with the very smallest appropriation possible.

Mr. SMOOT. Even the amount granted here is not enough. There will be an estimate for five or six million more which we will have to appropriate. It is necessarily so, because the contractors have to be paid. We are asking for no more money than is actually necessary for the project.

Mr. PITTMAN. Mr. President, I want to assure my friend the Senator from Tennessee that I have been in touch with this matter ever since it started. I have letters not only from the manager of the Six Companies, the organization which is doing the work, but from the chief engineer of the Reclamation Service, and from the Secretary of the Interior, and I want to back up what the Senator from Utah has said with this statement, that this money has all been contracted to be paid.

Originally a limit of seven years was fixed as a time within which the work must be completed, and if not completed within that time, a large penalty is to attach. The penalty end of it is not the material end. The point is that the diversion of that river, which is a torrential stream in the spring, can only be made at a certain time of the year. It will either be made this summer, after the flood waters subside, or they must wait a year before they can do any other work at all, because they can not start the laying of the foundation of that dam until after the river is diverted.

The contractors are now six months ahead of their work, at least. They have about completed the four enormous tunnels. They are ready to throw in what they call their cofferdams, to drive the bed of the river between them and turn the water between those tunnels so that they may commence on the foundation of that great dam.

Every year that that is delayed adds to the interest on the money the Government is putting in. One year's time of interest on that will amount to more than this total appropriation.

There is another phase of it which is humanitarian. These contractors are ready to spend the money, but under the contract the money is to be advanced to them as the work goes on. They have informed me that if the Government desires to extend the time for the completion of that work, and will not furnish the money as it is required, it will be all right with them; but that they will have to have an extension of time, and they will have to discharge half of the employees at the dam. The discharge of those employees would throw 2,000 men upon the charity of that little community instantly, it would disrupt the splendid

organization they have, it would require a year longer to build the dam, and entail an expense on the Government, according to the estimate of the Department of the Interior, of probably six or eight million dollars.

There may be some talk of providing the appropriation in a deficiency bill, but what will be the difference between putting it in a deficiency bill and making it available now? This is the difference: Deficiency bills are sometimes caught in a jam. Now is the time to do it if it is necessary. I assure Senators that it is necessary.

Those contractors will not dare, if we turn down this appropriation, to go on with the same force, at the same expense, making the same speed. I want to say that the estimate of the Six Companies was $15,000,000 for the coming year. The estimate of the Department of the Interior cut the amount down to $12,000,000. Then the Budget, for purposes of economy, cut it down two million more, to $10,000,000. Then the House, for further economy, probably without knowing the facts involved, cut it down another $2,000,000, to $8,000,000.

The situation is serious, it is threatening, it is an emergency, and I want to say that the recent flood on the Colorado River, which was greater than has occurred there in 30 years, indicates that any day the Imperial Valley may become a lake, and it is hoped that it will not become a lake in the next six years.

Mr. ODDIE. Mr. President, I concur strongly in what my colleague [Mr. PITTMAN] has just said. I am familiar with the situation regarding the Hoover Dam operations. On February 5, 1932, I offered an amendment to the pending appropriation bill, and again on February 17, 1932, raising the amount adopted by the House of $8,000,000 to $15,000,000. I brought up the amendment before the subcommittee of the Appropriations Committee, and found that because the Budget had recommended only $10,000,000, I could not secure any more, so agreed to accept the $10,000,000 which the committee, on my request, placed in the bill.

I ask permission to insert in the RECORD some extracts from the committee hearings on this matter.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

BOULDER CANYON

Mr. P. W. DENT (assistant commissioner, Bureau of Reclamation). We have another item relating to Boulder Canyon.

Senator ODDIE. I have an amendment pending on that, Mr. Chairman.

Senator SMOOT. On what?

Senator ODDIE. Hoover Dam at Boulder Canyon.

Senator SMOOT. What page is that on?

Mr. DENT. Page 71.

Senator HAYDEN. Did I hear somebody say something about Boulder Dam?

Senator ODDIE. Yes.

Senator JONES. You are not interested in this.

Mr. DENT. Do you want to discuss first your amendment, Senator ODDIE?

Senator ODDIE. Yes. I want to ask some questions about that.

The appropriation for Boulder Canyon project in the fiscal year 1932 is $15,000,000; the estimate of the Bureau of the Budget was $10,000,000 for the fiscal year 1933. Consequently, the $8,000,000 appropriated for the fiscal year 1933 as carried in H. R. 8397, as passed by the House, is $7,000,000 less than the appropriation made in 1932, and is $2,000,000 less than the estimate of the Bureau of the Budget for 1933.

When were the estimates presented to the Secretary of the Interior which the project would require, estimates by the Bureau of Reclamation for the present fiscal year, 1933?

Mr. DENT. Well, that was submitted some time last summer.

Mr. BURLEW (secretary to the Secretary of the Interior). September 1.

Mr. DENT. On September 1 we submitted the estimate. In that estimate we asked for $12,000,000.

Senator ODDIE. $12,000,000?

Mr. DENT. Yes, sir.

Senator ODDIE. What was the estimate?

Mr. DENT. That figure was cut to $10,000,000.

Senator ODDIE. Was not your original request $15,000,000?

Mr. DENT. No, sir; our estimate to the Budget was $12,000,000.

Senator ODDIE. $12,000,000?

Mr. DENT. Yes, sir.

Senator SMOOT. You can probably do more with $8,000,000 now than you could have done with $10,000,000 two years ago.

Mr. DENT. Well, that would not be affected by this contract, because unit prices are already fixed, and we are paying the contractor at those rates. It would affect material to be furnished by the Government.

Senator SMOOT. Then that is in part true?

Mr. DENT. Yes, sir.

Senator ODDIE. The amount you requested was reduced by $2,000,000?

Mr. DENT. By the Budget.

Senator ODDIE. And the House reduced it another $2,000,000?

Mr. DENT. Yes; making the reduction $4,000,000 in all.

Senator ODDIE. What, if any, changes have occurred in the situation since your estimates for the fiscal year 1933 were originally made that would justify a reduction from $12,000,000 to $8,000,000?

Mr. DENT. Well, the rate of progress there has been much faster than we had anticipated. The earnings of the contractors have been very greatly in excess of what we had thought would be the case. For example, during January the contractor's earnings amounted to more than $3,500,000 for the one month. This very rapid progress was made in the boring of tunnels, so that the amount necessary to meet progress payments has been much greater than we thought it would be.

Senator ODDIE. Would it not be to the advantage of the Government to have that work completed sooner than anticipated?

Mr. DENT. Well, the sooner the work is finished, of course, the sooner we will begin to receive revenues from the development, and, not only that, we are paying interest on advances from the Treasury and, of course, the sooner we complete the work and begin to get revenues, the more advantageous it will be to the Government.

Senator ODDIE. It will save the Government a great deal in interest?

Mr. DENT. Yes.

Senator ODDIE. If the work is completed sooner than anticipated?

Mr. DENT. Yes.

Mr. ODDIE. Then, again, the question of the protection of the Imperial Valley from flood——

Senator SMOOT. That same thing is the case with every other one of the projects, as well as Boulder Dam. Boulder Dam is not peculiar in that respect.

Senator ODDIE. In this respect, it is, that the Imperial Valley is in constant danger of floods.

Senator SMOOT. I thought that you had given that thing up.

Senator ODDIE. No; that was one of the main arguments in getting the Boulder Canyon Dam legislation through.

Senator SMOOT. That has been worn threadbare, worn to the bone, and I never expected to hear it mentioned again.

Senator ODDIE. In order to obtain information concerning the appropriation status of the construction work at the Hoover Dam I requested the Six Companies (Inc.) to supply me with data. In reply to this request I received the following wire, dated January 27, 1932:

"Have made careful study of Hoover Dam requirement for fiscal year 1933. I find that it is extremely important that at least $15,000,000 be appropriated for the project for this period in order to keep in proper tune with the river floods and construction program with least hazard to both the United States and our company and guarantee continuous employment of employees now located at Boulder City.

"SIX COMPANIES (INC.),
"FRANK T. CROWE,
"General Superintendent."

In response to my request for information on the effect of employment at the dam of the reduced appropriation of $8,000,000 I received the following wire, February 2, 1932:

"We now have approximately 3,000 employees at Hoover Dam with representatives from every State in the Union. Will have to cut to about 1,500 if eight million appropriation is carried. Can hold up to 3,000 if fifteen million appropriated. Benefit of large appropriation is early protection of the Imperial Valley.

"F. T. CROWE."

I also submitted a statement supplied by the Six Companies (Inc.) on the labor employed at Hoover Dam as of December 31, 1931, indicating that there were 4,017 men accepted at that date, and showing the number of employees coming from every State in the Union, and that 36 per cent of the total number employed were war veterans. As of January 31, 1932, a check-up with the United States employment office at Las Vegas, Nev., through which employees working on the Hoover Dam are obtained, indicates that of the 3,006 men on the pay roll on that date, 1,060 were war veterans. On the basis of the $8,000,000 appropriation it is obvious that at least 1,500 men recruited from all States in the Union, of which at least 500 will be ex-service men, will be put out of work.

It is highly inconsistent with the Government's responsibility in these conditions of economic stress to create unemployment. Every effort should be made to increase rather than to diminish employment, and here is one of the most constructive enterprises of the Government, which at least should be maintained if not expanded.

Now, Mr. Chairman, I feel that it is a highly important matter that this appropriation be increased. The Boulder Canyon operation has been held out to the people of the United States as a shining light, a place where employment can be had. Men have come there by thousands from all over the country and the city of Las Vegas has been placed at a tremendous disadvantage because it has had to feed great numbers of these men who have

come in there looking for this work and have not been able to secure it.

They are there, invited by the Government to come in there, by a general invitation through the press, extending over months.

Senator SMOOT. The Government has not done that.

Senator ODDIE. News of that work has gone out in the press and these men have come in there in good faith, hunting for work from every State in the Union. I submit this list of men employed.

(The list referred to is as follows:)

Physical examinations, recapitulation sheet, December, 1931

	Previous recapitulation	This report	Total to date
Number examined	3,544	670	4,214
Number rejected	173	24	197
Number accepted	3,371	646	4,017
Rejections:			
Hernia	65	5	70
Heart and blood	32	5	37
Vision and hearing	55	13	68
Manual deficiency	7	1	8
Other causes	14		14
Total	173	24	197
Married	1,735	337	2,072
Single	1,636	309	1,945
United States citizens	3,290	641	3,931
Foreign	81	5	86

Geographical distribution

Alabama	15
Arizona	185
Arkansas	35
California	1,029
Colorado	98
Connecticut	12
District of Columbia	6
Florida	16
Georgia	9
Idaho	162
Illinois	100
Indiana	30
Iowa	29
Kansas	60
Kentucky	22
Louisiana	12
Maine	2
Maryland	8
Massachusetts	18
Michigan	56
Minnesota	54
Mississippi	6
Missouri	117
Montana	140
Nebraska	38
Nevada	519
New Hampshire	3
New Jersey	10
New Mexico	22
New York	27
North Carolina	30
North Dakota	22
Ohio	44
Oklahoma	127
Oregon	78
Pennsylvania	35
Rhode Island	3
South Carolina	2
South Dakota	16
Tennessee	20
Texas	115
Utah	215
Virginia	6
Washington	118
West Virginia	12
Wisconsin	41
Wyoming	34
Not stated	110
Foreign	86
Total	4,017
Number of ex-service men this month	233

Average age, 33 plus.

Senator ODDIE. The cut in this appropriation will mean throwing 1,500 men out of employment, as the contractors have informed me, and will result in a very serious problem. This means adding to the army of the unemployed, and doing a grave injustice to these men brought in there.

I feel, because the work has been done well and rapidly, that the contractors should not be penalized. They should be encouraged. It is saving money to the Government, saving millions of dollars to the Government, if this work can be completed ahead of time, and we hope it can be. It is a vitally important matter that this appropriation be increased.

Senator JONES. The money for Boulder Dam does not come from the regular reclamation fund.

Mr. DENT. No, sir.

Senator ODDIE. May I call the committee's attention to the fact that the Boulder Canyon project act was passed for the purpose of protecting life and property in the Imperial Valley from the floods of the Colorado River. The sooner, therefore, this great dam can be built the sooner will protection be afforded to that section. This year the West has had exceptional snowfall, which will result in a heavy flow in the Colorado River. It is important, therefore, that every effort be made on the part of the Government to expedite the construction work at the dam so as to remove the menace of floods at the earliest possible moment.

In all large construction work the scale of operations at any given time must be of sufficient size to reduce the overhead cost of the work to the minimum if economy in the cost of construction is to result. Any reduction in the present scale of operations at Hoover Dam will result directly in increasing the overhead cost on the work that will be done, which will result in permanently increasing the cost of the dam itself.

Another matter which should be given careful consideration is the interest charge which is being annually accumulated on the funds which have already been and are to be invested up to the time when the dam is completed and the power plant installed. This interest charge must necessarily enter into the total cost of the dam and is, therefore, a permanent charge against the principal invested in the enterprise. The sooner, therefore, the dam can be completed, the power plant installed, and the project put on a revenue-producing basis the less the cost to the Government and the more remunerative the enterprise. If a commercial concern were undertaking this development there is no question but what it would be pressed at every turn to speed it up as much as possible consistent with good engineering work and, certainly, economy to the Government will result by the same intensive methods of construction and by the appropriation of sufficient funds so as not to retard the completion of the work by reducing the present scale of operations. To fail to appropriate the $15,000,000 would ultimately result in an added cost of several million dollars to the Government on account of interest and an increased cost on the current work on the reduced basis of operation and postponement of the time when protection can be afforded to the Imperial Valley and the whole project put on an earning basis. It is Government waste of a most serious character on the $8,000,000 appropriation basis and Government economy of the highest degree on the $15,000,000 appropriation basis.

Senator JONES. What will be the effect if we do not appropriate the money?

Mr. DENT. The contractor will either have to slow up his work or will have to finance it.

It seems to me of tremendous importance that sufficient funds be made available to meet the contractors' earnings as they accrue; otherwise it will be necessary to request the contractor to slow up in its work or it will be under the necessity of financing these operations itself. Because of the large amount of money necessary that would be a rather difficult thing, because, as I have already stated, for the month of January the earnings amounted to more than $3,500,000. It would be quite a burden for the contractor to be called upon to carry that.

SWIMMING POOL AND BATHHOUSES

Senator ODDIE. Now, I have introduced another amendment providing $50,000 for construction, operation, and maintenance of swimming pool and bathhouses. It reads:

"On page 73, line 14, before the period insert a colon and the following: '*Provided further*, That of this fund not to exceed $50,000 shall be available for the construction, operation, and maintenance at Boulder City, Nev., of a swimming pool, together with bathhouses and other facilities, for the use of the residents of such community.'"

In the hearings of the Interior Department appropriation bill, before the Appropriations Committee of the House, on page 190, the officials of the Reclamation Service estimated the cost of constructing a swimming pool at Boulder City, Nev., to be $35,000. This includes no item for necessary facilities, such as bathhouses and other equipment and for maintenance and operation. This is estimated for the current year to be $15,000, and I have added the amount, making a total of $50,000 for the entire item. It will not be necessary to make a separate appropriation of funds for this purpose as it can be taken out of the appropriation made available for the construction of the Boulder Canyon project. It is merely necessary to consider whether such an expenditure should be authorized, so that the Reclamation Service may proceed to construct, maintain, and operate a swimming pool, and this is what my amendment provides.

On January 31, 1932, there were 3,006 men employed on the Boulder Canyon project. There are more family men than single ones included in this pay roll, and there are of this number 1,060 war veterans. Including the wives and children of men employed on the dam, there would be at least 6,000 people who would benefit by the construction of a swimming pool, and in the course of construction this number may be greatly increased. The summers at Boulder City are very hot, and those who work in the canyon are exposed at times to almost unbearable working conditions. There is no place in the United States where a swimming pool would accomplish so much in relieving the serious climatic conditions and increasing the efficiency of labor than at Boulder

City. The cost of the pool would be many times returned in increased labor output in the course of a single season, and, therefore, it is a great economy for the Government to provide such recreational facilities.

What is your idea on that, Mr. Dent?

Mr. DENT. We think that item is meritorious. We believe the construction and operation of these pools is important because of the conditions there. As the members of the committee undoubtedly know, it is a very severe climate and the necessity for swimming pools there is more urgent than they would be ordinarily elsewhere, and we feel that that is something really not in the way of a luxury, but that it is more in the nature of a necessity.

Senator ODDIE. It would increase the efficiency of the working force, would it not?

Mr. DENT. Oh, undoubtedly.

Senator ODDIE. Has the department made an estimate or a recommendation on that item?

Mr. DENT. We submitted an estimate originally for the construction of one pool. I believe our estimate was $35,000.

Senator ODDIE. I have asked for $15,000 for the maintenance of bathhouses.

Mr. DENT. Yes, sir. Our original estimate on that item was $35,000.

SCHOOLS

Senator ODDIE. There is another item, Mr. Dent.

The House added an amount of $45,000 for schools on the amendment of Congressman ARENTZ, of Nevada. That is now carried in the bill. I understand that that amount would not provide for the maintenance of the school, and I have introduced an amendment, as follows:

"On page 73, line 7, strike out '$45,000' and insert '$146,000,' so as to read:

"'*Provided*, That of this fund not to exceed $146,000 shall be available for the erection, operation, and maintenance of necessary school buildings and appurtenances on the Boulder Canyon Project Federal Reservation, and for the purchase and repair of required desks, furnishings, and other suitable facilities; for payment of compensation to teachers and other employees necessary for the efficient conduct and operation of the schools on said reservation.'"

I have requested the department to report on that, and Doctor Mead, under date of yesterday (February 23, 1932), wrote a letter which I will put in the record.

(The letter referred to is as follows:)

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, February 23, 1932.

Hon. TASKER L. ODDIE,
United States Senate.

MY DEAR SENATOR ODDIE: In accordance with a request by Mr. Lawrie of your office for information as to what amount will be necessary to have inserted in the Interior Department appropriation bill for elementary schools at Boulder City, Nev., the following telegraphic inquiry was sent to Mr. Walker R. Young, construction engineer of the Boulder Canyon project, and his reply immediately follows:

"Boulder Canyon project appropriation in pending Interior bill carried following proviso: 'That of this fund not to exceed $45,000 shall be available for the erection, operation, and maintenance of necessary school buildings and appurtenances on the Boulder Canyon project Federal reservation and for the purchase and repair of required desks, furnishings, and other suitable facilities; for payment of compensation to teachers and other employees necessary for the efficient conduct and operation of schools on said reservation.' Wire Saturday morning sure what amount should be substituted for the $45,000 to take care of all matters included in proviso. Hearings start to-morrow and Senator ODDIE desires to sponsor amendment."

"Re telegram 19th, school appropriation. Nearly 800 houses certain immediately. Estimate for 800 elementary pupils follows: Permanent building and equipment, $45,000. Twelve additional rooms, less permanent type, with equipment, $36,000; total elementary construction, $81,000. High school estimated 100 pupils; construction temporary building and equipment, $25,000. Annual operation, 21 elementary teachers, $45,000. Maintenance and supplies, $20,000; total annual cost elementary, $65,000. High school annual cost, four teachers, $12,000. Maintenance and supplies, $7,000; total high school annual cost, $18,000. Grand total recommended for appropriation, $190,000."

Due to the fact that Boulder City is a temporary construction camp and the employees are on a fixed and sufficient salary, the department believes that it should not attempt to provide high-school instruction; that those having children of high-school age should subscribe the necessary amount to send these children to high schools at Las Vegas, or make other arrangements for such education.

With respect to elementary education, however, provision should be carried in the Interior Department appropriation bill before Congress at this time, for an expenditure of $146,000, for a set-up for 800 elementary pupils about as follows:

8-room permanent school building and equipment	$45,000
Temporary buildings providing 12 additional rooms and their equipment	36,000
Annual operation elementary school system, 21 teachers	45,000
Maintenance and supplies	20,000
Total	146,000

On the basis of 800 pupils and 20 classrooms, we have an average of 40 pupils to the class. This is higher than for the country as a whole and it is thought, with the changes during school years, the problem of adjustment of pupils will be intensified and the number of pupils to a class could not be increased by a reduction in the number of teachers to be employed.

The office of education of this department advises that the average annual salaries for the State of Nevada for principal, supervisor, and classroom teachers is $1,500. It is believed the necessary teachers for Boulder City can be secured from civil-service register or otherwise for this amount.

If the amendment with reference to schools, now in the Interior Department appropriation bill, is further amended by increasing the authority for expenditures in this connection to $146,000, we would be in a position to set up the type of educational system above outlined.

Very truly yours,

ELWOOD MEAD, *Commissioner.*

Senator ODDIE. This item is for an elementary school and not for a high school. I had to leave that out of this for the time being. It can come up later on.

Mr. DENT. That, I understand, is solely for an elementary school.

Senator ODDIE. And really is a part of the construction work.

Senator HAYDEN. Does the State of Nevada get any income from the work that would help the State to pay for the maintenance of the schools?

Senator ODDIE. No. It has been ruled by the department that no taxes shall be paid the State in this reservation. There is a case in the Federal courts now which has a bearing on this question.

Senator HAYDEN. I can understand the necessity for building these schools in a district where they can not organize an independent school district and vote bonds. That would be all right if the State had any kind of income from the activities going on there and was collecting taxes. Then, of course, it would be the duty of the State to educate the children; but the State gets nothing?

Senator ODDIE. It gets nothing from there now.

Senator HAYDEN. That is an entirely different situation.

Senator ODDIE. Since the hearings before the Appropriations Committee of the House, where this subject was discussed by the Director of the Bureau of Reclamation on page 188, Doctor Mead has made an inspection trip to Boulder City and finds that the number of school children who will have to be cared for is 300 instead of the 500 or 600 who were under consideration in the House. Further information was obtained through wires sent by the Reclamation Service to Mr. Walker R. Young, construction engineer of the Boulder Canyon project, and this is made available in a letter addressed to me under date of February 23, 1932, by Doctor Mead. I have submitted this letter for inclusion in the record.

The estimate totals $146,000 and includes an item of $45,000 for an 8-room permanent school building and equipment; an item for temporary buildings providing 12 additional rooms and their equipment, $36,000; an item covering annual operating elementary school system, 21 teachers, $45,000; and an item covering maintenance and supplies, $20,000. It will not be necessary to make a separate appropriation of funds for this purpose as it is an integral part of the construction of the dam and my amendment is so designed that it can be taken from the funds appropriated therefor. This amount of $146,000, however, will supply only schools and facilities for elementary pupils. With reference to high-school pupils, Doctor Mead, in his letter of February 23, makes the following observation:

"Due to the fact that Boulder City is a temporary construction camp and the employees are on a fixed and sufficient salary, the department believes that it should not attempt to provide high-school instruction; that those having children of high-school age should subscribe the necessary amount to send these children to high schools at Las Vegas or make other arrangements for such education."

In the first place, I wish to call attention to the fact that Boulder City, while it is a construction camp at the present time, will probably become the center of a very extensive industrial activity by those companies which locate plants there to avail themselves of the cheap power to be sold at Hoover Dam. If the dam were being constructed for the sole purpose of impounding water for irrigation, Boulder City would be a temporary construction camp and dismantled upon the completion of the dam, but under the existing conditions where such a large amount of very cheap power will be available for sale by the Government, industries will come there to locate and with a large number of employees, and any educational facilities provided for during the construction period will then be available to the new industries which would be established there.

In the second place, I wish to take issue with the policy stated in Doctor Mead's letter with reference to imposing the burden of high-school education on the employees of the Government who are working on this project. Certainly, it would not be equitable to provide elementary schools and facilities for them without providing high schools. I believe, however, that the schools and facilities at Las Vegas can at least for the present take care of the high-school educational requirements of the project, but I hold the view that if these facilities are used the Las Vegas Union School District should be reimbursed for the services rendered until such time as high schools and facilities can be made available at Boulder City.

While the amount of $146,000 would seem to be a large figure to supply educational facilities on a construction enterprise, it must be borne in mind that this is a very small and insignificant part of the estimated cost of the project, $125,000,000 when completed. It is also true that the expenditure of this amount of money will be returned many times in improving the morale of the employees and in increasing their efficiency, thus lowering the cost of construction work to the Government.

LAS VEGAS (NEV.) SCHOOL DISTRICT, PAYMENT FOR FURNISHING EDUCATIONAL FACILITIES

Senator ODDIE. Here is another item, Mr. Dent, an amendment that I have introduced, for payment to the Union School District of Las Vegas for furnishing educational facilities, which reads:

"For payment to the Union School District, Las Vegas, Nev., for furnishing educational facilities during the fiscal year ending June 30, 1932, to children of employees working on the Hoover Dam and incidental works, the construction of which is authorized by the Boulder Canyon project act, $29,282.04, to be immediately available."

Doctor Mead wrote me a letter about that in answer to my request, showing how that figure is arrived at. The children living in Boulder City have to go to Las Vegas, 30 miles away, to school. It is a great hardship on them. They have loaded the schools of Las Vegas up to the point where they can not afford to carry this burden.

Senator SMOOT. You will have to offer that amendment on the floor, Senator, there is not any estimate for it.

Senator KENDRICK. He is offering it as an amendment to this bill.

Senator SMOOT. We can not handle it here.

Senator JONES. The committee can.

Senator SMOOT. If we want to take a chance.

Senator JONES. If the committee is disposed to. An item recommended by the committee is in order. That makes it in order, unless it is legislation. It is not estimated for. That is only one element of it.

Senator SMOOT. We can legislate on this bill?

Senator JONES. If it is subject to a point of order, of course, you can make it; but the mere fact that the estimate is made does not make it in order; the mere estimate does not make it in order. The report of a standing committee would also make it in order.

Senator SMOOT. I do not know about that.

Senator JONES. The rule refers the thing to a report by a standing committee as it does to an estimate.

Senator SMOOT. Could we increase the appropriation here without a bureau estimate?

Senator JONES. I think so.

Senator SMOOT. We can?

Senator JONES. This is a standing committee. We can introduce it.

Senator SMOOT. I guess that is right.

Senator ODDIE. At my request, Miss Maude Frazier, the able and efficient principal of the Las Vegas schools, has furnished me with the data on which these figures are arrived at.

STATEMENT OF DR. ELWOOD MEAD, COMMISSIONER, BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR, WASHINGTON, D. C.

Senator ODDIE. I have introduced an amendment which provides an increase in the appropriation for the Boulder Canyon operations, and I would like to ask you a few questions in regard to that work, Doctor Mead.

Doctor MEAD. Yes.

Senator ODDIE. I feel that the appropriation of $8,000,000 that has been provided in the House bill is not ample. You are naturally very familiar with those operations?

Mr. MEAD. Yes.

Senator SMOOT. Where is the amendment that you desire to be placed in the bill?

Senator ODDIE. There is an amendment before the committee, Mr. Chairman.

Senator SMOOT. Your amendment is to strike out $8,000,000 and to insert $15,000,000?

Senator ODDIE. That is correct.

Senator SMOOT. That has not been estimated. How are we going to put it in this bill?

Senator ODDIE. There is $8,000,000 in the bill.

Senator SMOOT. But when you come to putting in $15,000,000, that can not be done.

Senator ODDIE. It is asking an increase over the $8,000,000.

Senator SMOOT. But I am not willing to have a point of order raised against this bill and send it back; I am not going to take that chance.

Senator ODDIE. The Budget has estimated for $10,000,000.

Senator SMOOT. The Budget estimate is $10,000,000, but not for $15,000,000.

Senator ODDIE. But it can be discussed on the floor.

Senator SMOOT. Not on the floor of the Senate on an appropriation bill.

Senator ODDIE. Well, in the committee, to bring out the information.

Senator SMOOT. Surely; you can talk about it.

Senator ODDIE. Yes.

Senator SMOOT. I just did not want you to spend too much time, without raising that point.

Senator ODDIE. I understand, Senator; I want to ask some questions of Doctor Mead.

Doctor Mead, I asked Mr. Dent last night about the amount that was requested by the department in the first instance for the 1933 appropriation, and I would like to go into that a little further. How much did your bureau request of the Secretary for the fiscal year of 1933?

Doctor MEAD. The estimate was $12,000,000.

Senator ODDIE. Was that the original request you made?

Doctor MEAD. Yes.

Senator ODDIE. $12,000,000?

Doctor MEAD. Yes.

Senator ODDIE. What was that based on, Doctor Mead?

Doctor MEAD. It was based on the progress that had been made up to that time. You must remember that these estimates were made up back in July.

Senator ODDIE. Yes.

Doctor MEAD. And it was thought then that the $12,000,000 would be sufficient, with the existing appropriation, to carry us through to next year. Since that time progress has been much more rapid than it was previous to that time and much more rapid than either the six companies or the bureau had anticipated. They have gone far ahead of their estimated progress in the building of the four diversion tunnels. A part of that is due to the fact that it has proven to be very good material to work in. They have encountered no difficulties whatever. On the contrary, the contractors say that it is the finest material that they have ever worked in.

Senator THOMAS. What kind of material?

Doctor MEAD. Andesite. It is a very brittle volcanic substance.

Senator THOMAS. Does it have to be drilled?

Doctor MEAD. It has to be drilled and blasted, but it breaks up in very fine particles, very small particles. I do not want to take much time, but I will say that the progress that they have been making is without any parallel.

Senator SMOOT. They are ahead of time.

Doctor MEAD. Yes; and, as far as that matter is concerned, certainly we can use even more than $12,000,000 if we had it; but that estimate was cut by the Budget Bureau to $10,000,000.

Senator THOMAS. How many men are being employed there, on the average?

Doctor MEAD. Over 4,000 men, and that number will not likely be diminished.

Senator ODDIE. I want to ask you one or two more questions on this item. The work is being done faster than it was anticipated?

Doctor MEAD. Yes.

Senator ODDIE. But the work is to be a long, continuing operation that will take a number of years to complete, and you appreciate, of course, the importance of getting this work completed even sooner than anticipated; it is the saving that the Government will make in interest; the importance of having the protection for the Imperial Valley sooner than anticipated.

Doctor, the fact that this work is being done faster than it was anticipated is, I should think, a strong reason why more money would be required in order to prevent curtailment of operation in 1933.

Doctor MEAD. Yes. As I have explained, we have expended more than was anticipated that we would expend up to this time.

Senator ODDIE. Yes.

Doctor MEAD. And if they were to continue we would need more than $15,000,000; but there is no certainty that they will continue, because there will be some change and a different type of work. The tunnels will be out of the way and they will be in line to putting down the cofferdams, and nobody can tell just whether they can continue that fast or not.

Senator HAYDEN. Have you been delayed at all by flood conditions?

Doctor MEAD. No.

Senator SMOOT. The report, then, of the temporary cofferdams going out delaying you was not true.

Doctor MEAD. The temporary cofferdams in the front of the tunnel went out, but that did not amount to anything.

Senator SMOOT. No?

Doctor MEAD. It was just a little ridge thrown in front of the tunnel. The rise of water in the river came up there. I was there at the time that it happened, and the only drawback was that whereas before the working conditions were ideal, the water went through those tunnels; it went over the dam and went all the way through, and when it went through this artificial dam it did not stop there; it went all the way through and left some remnants of mud and water that made it a little bit disagreeable to work in, but did not delay them.

Senator SMOOT. Anything else?

Senator ODDIE. Doctor Mead, if this work continues as rapidly as it has been going, and your expenditures will be as you have indicated, it will leave you without funds to continue the work, will it not?

Doctor MEAD. Yes; if it stays at $8,000,000, we will have to come back for a deficiency appropriation.

Senator ODDIE. That is the point I wanted to bring out. The $8,000,000 will not be enough to take care of the necessary requirements for the year.

Doctor MEAD. No.

Senator ODDIE. And do you not think that cutting down this appropriation will be equivalent to penalizing efficiency, because this work has been done in a particularly efficient manner? Great skill and ability have been shown there with the result that this work has been done faster than was expected. I do not think that we should place ourselves in the position of penalizing the contractors for their efficiency and energy and I hope we will not do so.

Doctor MEAD. The talks that I have had with some of the members of the Appropriations Committee indicate that they anticipate

that we would have call for a deficiency estimate if we go on at the present speed; that will have to be done.

Senator SMOOT. Is it not a fact that more difficult work on that dam is to come, and a fact also that even the tunnels there were very much easier developed than anybody anticipated, even the contractors anticipated?

And the time may come, of course, when it might take just as much time as was actually estimated to build the remaining part of the dam.

Doctor MEAD. Well, the remaining dam, of course, will be beyond this appropriation.

Senator SMOOT. Of course, I know that.

Doctor MEAD. That will not be affected by it.

I would say this: That, while it is more or less speculative, the fact is that the provision they have made for rapid work is so complete that I do not expect to see the estimates very much lower, unless they have some accident with the cofferdam; because when you consider the double-track and the triple-track railroad going through that tunnel to the canyon to take out material, you must realize that there has never been anything like that in the country before.

Senator JONES. I got the impression from what you said that you thought that this $8,000,000 would carry you on without any especial diminution in the work until we could have a deficiency bill.

Doctor MEAD. I think that is true.

Senator ODDIE. But would there be any reason for doing that? Would it not be better to provide for at least the amount that was requested by the department, or authorized by the Budget, in this regular appropriation bill, which is the proper place for it rather than in a deficiency bill, which sometimes fails?

I will read a statement that the Secretary of the Interior made on this question on February 17, 1932, from which I quote:

"This project, exclusive of the all-American canal, will cost about $125,000,000. Contracts with the Six Companies (Inc.) provide for completion in seven years. From the very first it has been realized that speed was essential to relieve the lands below from the yearly menace of floods, to provide a water supply, and to make use of the power as soon as possible.

"Our progress estimates called for $37,000,000 to the end of 1933. The contractor is now six months ahead of the progress schedule and indicates completion one year in advance of the time limit stated in the contract. A telegram received from the contractor's engineer reports gross payments for the month will amount to $3,750,000, and a telegram received from the president of the Six Companies advises that the progress planned to June 30, 1933, will require $15,000,000 for the fiscal year 1933. The original appropriation of $10,660,000 has been exhausted. To pay January earnings we must draw on the $15,000,000 available for 1932. At the present rate of progress this amount will last but for four or five months. The contract is now and will be for another year in the period of maximum expense. The proposed appropriation is $8,000,000.

"Flood protection is one of the primary purposes of this development and argues for expedition. Furthermore, speed means economy in construction costs; the use of facilities one year in advance will mean a saving of $5,000,000. It would be an economic blunder not to provide sufficient money to meet the contractor's progress."

Senator SMOOT. Doctor, you do not have any idea but that when you need the deficiency, you will be able to get the appropriation for it, do you?

Doctor MEAD. No; but I agree with what Senator ODDIE said, that if we had the appropriation, we could make our plans with more security and more ease of mind, because I am confident that this work is going to proceed at practically the same rate of speed that it has been going.

Senator SMOOT. I think all of us realize that you are going to get the money.

Doctor MEAD. But I do not have any misgivings in my own mind that when the deficiency estimate is made it will be passed on, because we have to meet this contract.

Senator ODDIE. Doctor, that is a matter that Congress will have to decide on. The question now is whether this $8,000,000 is ample, or whether you think it should be at least $10,000,000, if not more, as I hope it will be to meet the requirements.

Doctor MEAD. I hope we can make it $10,000,000.

Senator ODDIE. Do you believe that would be too much? You have already stated to the House committee that it would be satisfactory if they would allow the $10,000,000.

Doctor MEAD. Yes.

Senator ODDIE. That was based on the conditions existing then, but as they exist to-day you could use the larger sum?

Senator SMOOT. Senator, I do not think there is disagreement between any member of this committee or with the doctor, but I do not want us to be charged here with making or asking appropriation of money more than the House has appropriated.

Now, in some cases there will be an estimate made and it will come up to the House committee, and we are bound to meet it, and bound to support it. I do not want us to take the responsibility of saying to the House that we want to increase these appropriations more than they provide. They had this request for the $10,000,000 and have cut it to $8,000,000.

Senator ODDIE. What is this committee for, if we have to accept the House figures? I do not see the use of the Senate committee if it is compelled to accept the figures which the House gives to it.

Senator SMOOT. Senator, if I thought that this project or the progress of the work would be affected by not changing it to $10,000,000, I think there would be no question but what we should put in that added amount, but when we come to conference and when the matter is made public to the country, it will be said that the House was trying to keep down expenses by $2,000,000 and that the Senate immediately added $2,000,000, and they will charge the Senate with being extravagant when the House was wanting to keep down expenses, when they knew at the time that they would have a deficit, at the time the provision was inserted by the House.

Senator ODDIE. But they have got to have the money.

Senator SMOOT. I do not think there is any doubt but what they are going to get it.

Senator ODDIE. Mr. Chairman, it seems to me that we should make provision for it in this bill now. This is the proper place for it rather than in a deficiency bill which is uncertain.

Senator SMOOT. There is no question but what this project will be completed.

Senator ODDIE. It must be completed without delay.

Senator SMOOT. And there is no question but what the money will be appropriated whenever it is necessary.

Senator ODDIE. But why not provide for it in this bill now when we know they will have to have it, rather than ask for a deficiency appropriation later; why not make it definitely known to them now that they can be assured of the money they will need?

Senator SMOOT. I wish I were as certain that I would be living as I am that they are going to get this additional money. I think they will need even more than the $2,000,000 additional.

Senator ODDIE. I think so, too.

Senator SMOOT. It is my opinion that they will come in here before we adjourn and ask for a deficiency and tell us that they have got to have as much as $5,000,000.

Senator ODDIE. I hope they will be able to get it.

Senator SMOOT. I want them to have every dollar that can be expended, but I do not want them raising questions over in the House that the House in making its appropriations has cut out $2,000,000, and then when it is sent over here we put it back, when it is absolutely not necessary to do that.

Senator ODDIE. I understand that it is necessary, Senator, on account of the fact that the work is going forward very rapidly.

Senator SMOOT. They will work just as rapidly if we leave this at $8,000,000 as they will if it is made $10,000,000, and I will ask the doctor; do you think there is any question about it?

Doctor MEAD. No, Senator; every statement that I have heard from any Congressman, either in the House or the Senate, is that we are assured of that money.

Senator SMOOT. Not only that, Senator, but they will want more than $2,000,000, and even if we put this in we will have a deficiency appropriation just as sure as if it is left out, and why not have it all in one and not have it reported this year that the Senate increases the House appropriation $2,000,000 and have us charged for doing so.

Senator THOMAS. What is the rate of wages now being paid to common laborers?

Doctor MEAD. The same that was paid at the beginning.

Senator THOMAS. What was that?

Doctor MEAD. It runs all the way from $4 to $10 a day.

Senator SMOOT. Four dollars is the minimum wage that is paid to anybody around the whole job?

Doctor MEAD. Yes.

Senator SMOOT. And they had a strike a while ago for $4.50.

Now, Senator ODDIE, I do not want you to get the impression that I am opposed to this $2,000,000; I know that it will not be enough. You know that, too, Doctor Mead?

Doctor MEAD. Yes; we are going to have to ask for more money.

Senator SMOOT. I think that $15,000,000 is what they will ask for and ought to have, and that is what they will get.

Senator ODDIE. Very well.

Senator SMOOT. Anything else?

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Senator ODDIE. A statement has been made in a certain Las Vegas, Nev., paper, that a representative of the Bureau of Reclamation not employed in Nevada has stated that even though this amount were not increased from $8,000,000, it could be provided for in the deficiency bill. Now, Doctor, do you know anything about that statement or any statement of that kind being made out there?

Doctor MEAD. No.

Senator SMOOT. You mean that it could not be met?

Senator ODDIE. That it could; that if they could not meet it with the present appropriation, it could be taken care of in the deficiency bill.

Senator SMOOT. Just what item are you referring to?

Senator ODDIE. The Boulder Canyon item.

Senator SMOOT. That you have just discussed?

Senator ODDIE. Yes.

Senator SMOOT. Is there any question about that?

Senator ODDIE. The statement was made in the paper presumably that a high officer in the Reclamation Bureau has made the statement that they could secure the additional funds in the deficiency bill rather than having it added on the House estimate.

Senator SMOOT. We can not do anything after the House has passed it.

Senator ODDIE. I am asking him about this statement and who is responsible for it.

Senator SMOOT. You wanted to know who made the statement?

Senator ODDIE. Yes. Do you know who made that statement?

Doctor MEAD. I do not know anything about it.

Senator ODDIE. I think that things of that kind should not go out; we have problems enough here and difficulty enough here without having to combat such damaging statements in the public press.

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STATEMENT OF HON. SAMUEL L. ARENTZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEVADA

Mr. ARENTZ. I wish to bring to the attention of the committee a matter of great importance to the city of Las Vegas, Nev., the nearest city in which schools are located to Boulder City, the Government city erected for the purpose of taking care of the work on the Boulder Dam.

Work on this great project began in earnest just about one year ago. No provision has been made for the construction of schools or for the care of school children of men who work in the Boulder Dam vicinity. For this reason Las Vegas, a city that has grown under the stimulus of an actual boom, has been compelled to take care of 159 elementary-school children and 39 high-school pupils, with the result that its school facilities have been greatly increased and the city of Las Vegas put to great expense. For the past six months this matter of reimbursing the city of Las Vegas has been pending, but it is only recently, during the visit of Doctor Mead to Las Vegas and Boulder City, that a conference could be had with the school officials in Las Vegas and Mr. Walter, chief engineer, Mr. Sims Ely, and Mr. Walker R. Young, relative to the reimbursement to Las Vegas for the extra expense of schooling these children.

This conference took place during the consideration of the Interior bill by the House. Before the figures could reach me, the bill had passed the House, making it impossible for the amount agreed upon, of approximately $29,000, to be inserted in the Interior Department bill under the head of reclamation and the item of Boulder Canyon projects, for this reimbursement would come out of the fund provided for the construction of this project.

I wish to bring to the attention of the members the importance of doing something about this reimbursement to-day rather than waiting until the consideration of the second deficiency appropriation bill. It is my opinion that the city of Las Vegas is greatly in need of these funds, and that it would be not only just and right but a very splendid thing on the part of the Government to reimburse the city of Las Vegas now rather than to take the chance of the item being missed entirely by referring it to some future time.

I know that Senator ODDIE and Senator PITTMAN have already brought this to the attention of the committee, but I would like to refer to a letter received from Miss Maude Frazier, superintendent of the Las Vegas city schools, addressed to me under date of February 11, 1932. Attached to this letter of Miss Frazier is a list of expenditures on the Las Vegas high school for the year ended June 30, 1931, and also for the Las Vegas elementary school expenditures ended June 30, 1931. From these figures the per capita cost of the 159 elementary-school children and 38 high-school pupils was estimated.

I believe the figures have been carefully arrived at. In fact, they represent the actual maintenance and expenditures from money appropriated for that purpose from the State and county school funds.

I can not express myself too emphatically on the importance of this committee taking this matter up for consideration at this time so that reimbursement may be had at the earliest possible moment.

I thank you.

Mr. ODDIE. Mr. ARENTZ, the committee thanks you for your clear and interesting statement on this question.

Senator SMOOT. Is there anything else?

Mr. ODDIE. Later the committee, by an affirmative vote, adopted my modified amendment calling for $10,000,000 in place of the $8,000,000 carried in the House bill.

I also ask to have inserted a letter from Doctor Mead regarding the result of the committee action in this matter, and also two letters which I wrote to the Secretary of the Interior and his answers in regard to two other items for which I offered amendments to this bill, one for a swimming pool at Boulder City and one to repay the schools of Las Vegas for the expense to which they have been put in educating the children from Boulder City.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, March 2, 1932.

Hon. TASKER L. ODDIE,
United States Senate.

MY DEAR SENATOR: I wish to thank you for your interest in securing the increase of $2,000,000 in the Hoover Dam item appearing in the Interior Department appropriation bill, H. R. 8397. The bill as reported authorizes the use of $70,000 for the erection, operation, and maintenance of school buildings and appurtenances, and for the purchase and repair of required desks, furnishings, and other suitable facilities. The $70,000 authorized will, I believe, be sufficient to cover the construction and equipment of the necessary school buildings. This is substantially in accordance with the estimate submitted for this purpose in my letter to you of February 23. This estimate, you will recall, was for $45,000 for an 8-room permanent school building and equipment, and $36,000 for temporary buildings, providing 12 additional rooms with equipment.

The bill, if passed and approved with these provisions, will, I believe, place us in a very satisfactory situation, of course, with the possibility that it may be necessary to request a deficiency appropriation to carry on the Hoover Dam work. This, you will remember, was very fully discussed before and understood by the Senate committee.

I take this occasion for thanking you most cordially for your interest and action in these matters. I am particularly gratified with the provisions relating to school facilities. As you know, unless appropriate provisions are made in this respect, a very embarrassing and unfortunate situation would be brought about.

Sincerely yours,

ELWOOD MEAD, *Commissioner.*

MARCH 4, 1932.

Hon. RAY LYMAN WILBUR,
Secretary of the Interior, Washington, D. C.

MY DEAR MR. SECRETARY: Herewith I inclose an amendment which I introduced on February 17 to H. R. 8397, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes, to provide $50,000 for the construction, operation, and maintenance at Boulder City, Nev., of a swimming pool, together with suitable bathhouses and other facilities, for the use of the residents of such community. I also inclose page 261 of the hearings before the subcommittee of the Appropriations Committee of the Senate when this item was being considered.

Under the serious climatic conditions existing at Boulder City I feel sure that you realize fully the importance of this swimming pool to the health and morale of the workmen at the dam. There will be great need for this swimming pool during the coming summer, and in order to provide for the same it will be necessary to have an item included in the second deficiency appropriation bill. To this end I shall greatly appreciate your submitting a supplemental estimate to the Director of the Budget.

Very sincerely yours,

TASKER L. ODDIE.

THE SECRETARY OF THE INTERIOR,
Washington, March 9, 1932.

Hon. TASKER L. ODDIE,
United States Senate.

MY DEAR SENATOR ODDIE: This will acknowledge receipt of your letter of March 4 transmitting copy of an amendment proposed to be submitted by you to H. R. 8397, for the construction, operation, and maintenance of a swimming pool and appurtenant facilities at Boulder City, Nev. Estimate for this will be included in the material submitted for the second deficiency bill.

I deeply appreciate the effective cooperation you have extended in connection with this and other items affecting matters at Boulder City.

Very truly yours,

RAY LYMAN WILBUR.

MARCH 4, 1932.

Hon. RAY LYMAN WILBUR,
Secretary of the Interior, Washington, D. C.

MY DEAR MR. SECRETARY: Herewith I inclose an amendment which I introduced on February 17 to H. R. 8397, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes, to provide $29,282.04 for the payment to the Union School District of Las Vegas, Nev., for furnishing educational facilities during the fiscal year ending June 30, 1932, to children of employees working on the Hoover Dam and incidental works, the construction of which is authorized by the Boulder Canyon project act. I also inclose pages 264 and 265 of the hearings before the subcommittee of the Appropriations Committee of the Senate when this item was being considered.

The consensus of opinion in the committee seemed to be that this item should be included in the second deficiency appropriation bill. Miss Maude Frazier, the principal of the schools of the Union School District of Las Vegas, has just advised me that the district is without funds to supply the additional school service to the children of the Hoover Dam employees. There is, therefore, an emergency need for making available at the earliest possible time the reimbursement to the Union School District of Las Vegas in the amount of $29,282.04 in order to enable the services to be continued during the current fiscal year. To this end I shall greatly appreciate your submitting this item in the form of a supplemental estimate to the Director of the Budget.

Very sincerely yours,

TASKER L. ODDIE.

THE SECRETARY OF THE INTERIOR,
Washington, March 9, 1932.

Hon. TASKER L. ODDIE,
United States Senate.

MY DEAR SENATOR ODDIE: This will acknowledge receipt of your letter of March 4, transmitting copy of an amendment proposed to be submitted by you to H. R. 8397, to provide for payment to the Union School District of the city of Las Vegas for furnishing edu-

cational facilities to children of employees working on the Hoover Dam and incidental works. Estimate for this will be included in the material submitted for the second deficiency bill.

Permit me to thank you most cordially for your cooperation in connection with matters authorized by the Boulder Canyon project act.

Very truly yours,

RAY LYMAN WILBUR.

Mr. ODDIE. Mr. President, this matter was discussed on the floor of the Senate on March 8, and the question of whether the additional $2,000,000 should be included in this bill or in a deficiency bill was discussed in some detail. I refer to page 5452 of the CONGRESSIONAL RECORD. I believe that the increase should go into this bill rather than in a deficiency bill. I know it will be very necessary that more money be secured for the Hoover Dam operations in 1933 in the deficiency bill, but sometimes deficiency bills fail. I have seen them fail in the Senate; consequently, we can not afford to take the chance of losing this $2,000,000 item at this time. We must have at least $10,000,000 in this bill.

It is necessary to secure as much as possible of the necessary money in this bill in order that the contractors will not be handicapped or delayed in going ahead with their work.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 75, line 21, after the word "exceed," to strike out "$45,000" and insert "$70,000," so as to make the proviso read:

Provided, That of this fund not to exceed $70,000 shall be available for the erection, operation, and maintenance of necessary school buildings and appurtenances on the Boulder Canyon project Federal reservation, and for the purchase and repair of required desks, furnishings, and other suitable facilities; for payment of compensation to teachers and other employees necessary for the efficient conduct and operation of schools on said reservation.

The amendment was agreed to.

The next amendment was, under the heading "Geological Survey, general expenses," on page 77, line 4, before the word "and," to strike out "$366,000" and insert "$466,000," so as to read:

For topographic surveys in various portions of the United States, $466,000, and in addition thereto $150,000 of the unexpended balance for the fiscal year 1932 is continued available for the same purpose for the fiscal year 1933, of which amount not to exceed $345,000 may be expended for personal services in the District of Columbia.

Mr. McKELLAR. Mr. President, I want to invite especial attention to the amendment just stated. It reads:

For topographic surveys in various portions of the United States, $366,000—

At that point the committee proposes to strike out "$366,000" and insert "$466,000"—

and in addition thereto $150,000 of the unexpended balance for the fiscal year 1932 is continued available for the same purpose for the fiscal year 1933—

And now here is the part to which I want to invite especial attention—

of which amount not to exceed $345,000 may be expended for personal services in the District of Columbia.

In other words, nearly all of it may be expended for personal services in the District of Columbia. Here we are appropriating nearly half a million dollars, if the amendment is agreed to, for topographic surveys in the country, and $345,000 of it is to be spent here in the District of Columbia for personal services. It seems to me that is bad business. It seems to me that is wasteful legislation. When the expense of the topographic surveys is three-fourths or four-fifths comprised of personal services in the District of Columbia, it seems to me it is bad business.

I appeal to the Senator in charge of the bill [Mr. SMOOT] not to insist on the amendment. These topographic surveys are not vital to anybody. We have been engaged in the work of topographic surveys for the country almost 50 years, certainly since the Senator from Utah has been in the Senate, and during all that time, without let and without hindrance, we have been appropriating large sums for the purpose. That in itself shows it is not vital to have an increase during these hard times, during these times of financial difficulty. It seems to me we ought not to increase appropriations for these nonessentials. This certainly is not an essential.

It is not very material whether this work be done this year or next year. Surely we ought to cut down the appropriation, however valuable topographic surveys may be in ordinary times. Surely we ought not to increase our expenditures at a time like this. I appeal to the Senator from Utah who has charge of the bill to let the amount remain where it was and let us not increase it.

Mr. SMOOT. Mr. President, there is not an appropriation in the bill that is so important to all sections of the country as this. I want to make a statement in relation to the amendment, so that the Senate can understand it.

The decrease of $100,000 in the estimate for topographic surveys will reduce this technical branch to the point where it can not fulfill the Government's obligation to the States in cooperative surveys.

Remember that every dollar we appropriate here has to be matched by the States.

Mr. McKELLAR. How could that be, when $345,000 of the $366,000 is to be spent in the District of Columbia for personal services?

Mr. SMOOT. If the Senator will let me finish my statement, he will understand.

This branch is carrying forward a great national surveying project which results in the familiar topographic maps of sections of the United States. These maps are used in a great variety of human activities. Metropolitan planning, road building, drainage and irrigation, mining, general map making, and teaching in schools are a few of the fields where they have become essential basic material. Last year the Geological Survey sold 651,907 maps and 4,009 folios, realizing to the Treasury the sum of $44,437. The States, by their cooperation on a 50-50 basis of cost, indicate in the most practical way their interest in this work.

There is not a State in the Union that would consent for a minute to a discontinuance of this work. Every State is interested, so interested that we have said to the States, "Put up $100 and we will put up $100," and that has been done for years and years. This work reaches every section of the United States. It is one of the appropriations which I think every State in the Union would complain bitterly about if we reduced it and thus retarded the work.

The reduction of $100,000 leaves an actual new appropriation of only $366,000 and assumes an unexpended balance of $150,000 to be carried forward from the fiscal year 1932. Since the House hearings additional cooperative funds for work in 1932 have been allotted by Hawaii, Louisiana, New Jersey, New York, Oregon, and Tennessee, which will reduce the previously estimated unexpended balance to nearly $86,000. Thus the appropriation, instead of being $516,000, is actually $452,000, a total reduction under estimates of $166,000.

I have not any doubt that before the year is ended the States which have not up to this time made application for the funds will do so, and how could we meet the demand if we did not make this appropriation?

The House bill also restricts funds available for cooperation with States and municipalities to $256,000. At this time we have definite pledges of $249,000 for cooperative work for 1933 by eight States: California, Illinois, Maine, Michigan, Missouri, New Hampshire, Pennsylvania, and Vermont.

Pledges of $163,000 additional are pending in California, Louisiana, New York, Oregon, Texas, and Virginia.

With the appropriations that we have we can not carry out what the States are asking for, but we did provide in the bill for just what the estimate was. Every State in the Union is interested in the work.

Mr. McKELLAR. Mr. President, it appears that the estimate of the department is much larger than the amount

stated by the Senator from Utah. The estimate of the department for the fiscal year 1933 is $616,000.

Mr. SMOOT. I just called attention to it.

Mr. McKELLAR. The Senator said it was the same as the Budget.

Mr. SMOOT. I gave what the estimate is. It is $466,000, and in addition thereto an unexpended balance of $150,000, which makes $616,000.

Mr. McKELLAR. I want to call the attention of the Senate and the country again to these bureaus. If there ever was a bureaucratic government on earth, we have it here. Here is the way we are spending this money:

One head of bureau, at a salary of $6,500; 2, at $5,800; 5, at $4,920; 5, at $4,160; 14, at $3,378; 6, at $2,783; 4, at $2,850; 3, at $2,600; 2, at $2,500; 1, at $2,400; 14, at $2,114; 1, at $2,600; 8, at $2,063; 5, at $2,100; 3, at $1,840; 2, at $1,860; 1, at $1,800; 2, at $1,260; 2 more, at $1,260; 1, at $1,020; 1, at $3,000; 1, at $2,600; 6, at $1,980; 3, at $1,920; 2, at $1,660; 1, at $1,800; and another at $1,800.

In round numbers, there are 70 employees here in Washington getting out topographic surveys of the rest of the country at a cost of $208,624, and those who are sent out on the work get enough additional to make a total of $345,000 for personal service.

Mr. President, I know from actual experience last Monday that we can not abolish the bureau. It is impossible, and it now appears it is impossible even to reduce the expenditures of any bureau. Instead of reducing expenditures, here is a large increase of $100,000 in such times as we are now experiencing. It is unwise, improvident, defenseless, and it ought not to be indulged in; but I realize that the Senate is going to vote to keep up these appropriations not only to the limit but to exceed the expenditures of past years, notwithstanding the present condition of the Treasury.

Mr. COPELAND. Mr. President, I do not know what may be the experience of other Senators, but I know I have many demands for these topographic survey maps. There is a very great demand for them. I am not advised at all as to how the figure compares with previous years, but I would be very sorry, indeed, to see any reduction in the appropriation for this purpose of serving the public—and it does serve the public. May I ask the Senator from Utah if we were to increase this appropriation to $466,000 would we be going above the appropriation provided for the present year?

Mr. SMOOT. No; we would be appropriating $164,000 less than was appropriated last year.

Mr. COPELAND. That is to say, if we made the increase proposed by the committee the appropriation would still be under the present one.

Mr. SMOOT. It would still be under the appropriation for last year.

Mr. COPELAND. I am sorry the committee did not recommend the amount carried in last year's bill; but certainly we ought to allow the amount now proposed.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 77, line 16, before the word "of," to strike out "$256,000" and insert "$356,000," so as to make the additional proviso read:

Provided further, That $356,000 of this amount shall be available only for such cooperation with States or municipalities.

Mr. McKELLAR. I am not going to oppose that amendment.

Mr. SMOOT. As in the other case, the money here proposed to be appropriated is to be matched by the States.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 78, line 12, after the words "water resources," to strike out "$560,000" and insert "$652,000," so as to read:

For gaging streams and determining the water supply of the United States, the investigation of underground currents and artesian wells, and the preparation of reports upon the best methods of utilizing the water resources, $652,000.

Mr. McKELLAR. Mr. President, I merely wish to call the attention of the Senator from New York to this item. It also involves an increase of $100,000. It is for gaging streams. It is such a very important matter that I take it the Congress must perforce add $100,000 to the item. How could we get along without gaging streams?

Mr. SMOOT. We could not get along very well in many places.

Mr. McKELLAR. Perhaps, it is thought we may restore prosperity by gaging streams; it may be we can do away with unemployment by gaging streams and adding more money in order to do that work.

Mr. President, I shall not argue against an item that is so vital as the gaging of streams; no doubt it is essential to the country that the money should be spent for that purpose, and I do not see how anyone can vote against an increase in the appropriation for such an important purpose. I presume I shall be about the only one who will do so, but I am going to vote against it.

Mr. GEORGE. Mr. President, that is merely an illustration of what we are doing. I should like to have some explanation of why so much of this appropriation is to be expended in the District of Columbia and such a comparatively small proportion in the field. Just what does it mean?

Mr. SMOOT. I should like to give the figures in detail. Not to exceed $150,000 is to be expended in the District of Columbia.

Mr. GEORGE. I think the Senate is entitled to have the information. The House provided an appropriation of $560,000 for this particular service. The Senate committee has increased it from $560,000 to $652,000.

Mr. SMOOT. The amount to be expended in the District of Columbia is not increased. That amount is just the same as under the appropriation bill for the present fiscal year. If the Senator desires to know the figures, I will give them to him.

Mr. GEORGE. I should be very glad to know why so much of the appropriation is spent in the District of Columbia and how this large sum of money is expended.

Mr. WALSH of Montana. Mr. President, while the Senator is inquiring into that, I really think we ought to have some explanation concerning the next preceding item of $466,000 for topographic surveys, of which not to exceed $345,000 are to be expended in the District of Columbia.

Mr. SMOOT. The amount to be expended in the District is for the technical work which is done here. I can tell the Senator, if he desires, exactly how the appropriation is spent.

Mr. WALSH of Montana. That is to say, there is a greater expenditure attendant upon this work in the District of Columbia than there is in the field?

Mr. SMOOT. Yes. That is so because of the necessity of preparing the data and putting them in shape so that they may be understood and published and distributed throughout the States of the Union.

Engaged in professional services, in grade 7, there is 1 employee with a salary of $7,000; in grade 6 there are 6, the average salary being $5,600; there are 4 principal engineers with salaries of $5,600 each; there are 2 principal scientists with a salary of $5,600 each.

Mr. KING. Mr. President, may I inquire of the Senator if he will pardon me, why it is necessary to have scientists in connection with balancing up the figures that are sent in as to the flow of water in streams? What kind of scientists are needed to total the sums that may be sent in? Perhaps the Einstein theory may have something to do with it.

Mr. WALSH of Montana. As I see the Senator from Utah is spending some time in examining the data, I feel like remarking in this connection that this is an extremely important item. It was because of investigations of this character that the deposits of potash a considerable depth below the ground were discovered in western Texas.

Mr. KING. By reason of gaging streams?

Mr. WALSH of Montana. By the work in connection with artesian wells and underground water supplies.

Mr. KING. I was referring to gaging streams.

Mr. WALSH of Montana. Yes; but the other items are in the same provision as the item for gaging streams, including the determination of water supplies, investigation of underground currents, artesian wells, preparation of reports of the best methods for utilizing water resources, and so forth.

Mr. SMOOT. The appropriation covers all of those items.

Mr. WALSH. So that the probability that we may eventually be freed of dependence upon imports of potash from Germany and may supply our needs in that regard makes it an exceedingly important matter. So, likewise, is the gaging of streams. However the Senator from Tennessee may regard that subject, it is an exceedingly important part of the work. What bothers me, however, is the enormous amount of money that seems to be spent in the District of Columbia instead of in the field. Take this particular item, and 25 per cent of the entire appropriation is to be spent in the District of Columbia.

Mr. SMOOT. Referring to the item about which the Senator from Tennessee wanted to know, I have the data here.

Mr. McKELLAR. I have the figures before me.

Mr. SMOOT. I am referring to the subject to which my colleague adverted and upon which I also touched. I read from the House hearings as follows:

> The item for "gaging streams" provides for collecting and making available basic information on the water resources of the United States, including the Territory of Hawaii. This information is essential not only to the economic utilization of water supplies and the administration of public laws dealing with waters but also for the systematic development of this essential natural resource. Water is necessary to all life and is of prime importance, directly or indirectly, in all forms of industrial and human activities. Water supplies for irrigation, water power, condenser uses in steam-power plants, process uses in industry, municipal and domestic purposes, navigation, and for recreation are among its most important uses. The information made available as a result of this appropriation item is needed by governmental and industrial agencies and by the public generally in connection with these uses and also with problems related to the control of floods, the damage caused by them, and to the effect of droughts.
>
> With the continued growth of the country in population, agriculture, and industry, the uses and needs for water become constantly greater. In many regions the limits of development are being approached or have already been reached because all supplies that have been made available are being utilized. The severe drought of 1930, which caused critical shortages of water supplies in many regions, and which is still acute in certain sections, serves only to emphasize the need for a comprehensive inventory of the available supplies in order that they may be developed and conserved systematically and efficiently. Some of the uses which do not deplete the flow or change the quality of the water are not in conflict with uses for other purposes. Those uses which deplete the flow or pollute the water, however, are in conflict with uses for other purposes. Information as to both the quality and quantity is therefore essential for intelligent planning of developments, for governmental administration, and as a basis for court decisions involving water rights.

The statement goes into detail as to the streams which are being gaged in all the States where the work is being carried on, and refers not only to the reports from the field but the work involved in preparing the information in the District of Columbia for distribution not only in our country but in other countries.

Mr. GEORGE. Mr. President, until a lesser percentage of the appropriations made for the Department of the Interior, as well as other departments, shall be spent outside of the District of Columbia, outside of offices, outside of publicity bureaus, outside of press agents' accounts of what various services are doing in Washington, we are not going to have any economy in government. There are, of course, in each department of the Government a great many very competent and good men, very highly skilled men, very capable men, but running all through these departments is a surplusage of man power, a surplusage of help, and the whole disposition is not to conclude anything but to continue it, to hold it over from year to year. We can not get rid of that condition unless we are willing to cut down the amount of these appropriations that may be expended in the District of Columbia. If in the appropriations made by the Congress for each one of the departments the amount which may be expended in the District of Columbia were cut 20 per cent, we would have better service and it would be easily possible to work some economy in government; but so long as one-quarter, and in many instances much more than one-quarter, of a given appropriation is to be spent here in the District of Columbia, we will have useless delay and competition between men—many times between capable men—not to conclude, not to determine, but to continue, to carry over, to prolong; and exactly that condition obtains in nearly every bureau in Washington.

This is a useful service; I never questioned that at all; but in the work of gaging the streams of the country, investigating the underground currents, artesian wells, the preparation of reports upon the best method of utilizing the water resources, and so forth, admirable and useful as that service is, it does seem perfectly ridiculous on the face of it that one-fourth of the entire appropriation should be spent here in the District of Columbia. If it were a different kind of service, a man of common sense, a business man, or any of our fellow citizens anywhere could appreciate it and could see the reason for it, but in the work of gaging the waters in the streams of the United States, studying the underground currents, studying the artesian wells, and following such studies into any related line into which they may lead, of the entire appropriation there is to be spent one-quarter, or perhaps 35 per cent, of it here in the District of Columbia. It is utterly obvious that those who make up the appropriations, who divide the expenditures between the field and the District of Columbia, are always looking out for themselves; they do not want to get outside of the District of Columbia; and so long as they can get such an unreasonable proportion of every appropriation—and this is a very mild illustration of what I am trying to show—so long as they can get such an unreasonable percentage of the appropriation for use here in the District of Columbia, we will never be able to make any headway toward real economy.

Mr. WALSH of Montana. Mr. President, I call the attention of the Senator from Georgia to the fact that in the case of the preceding item more than 50 per cent of the appropriation is spent in the District of Columbia.

Mr. GEORGE. Quite so.

Mr. SMOOT. Yes; I will say to the Senator that 50 per cent of it is spent here; but, of course, while it is not germane to this question, I think that if we begin a real study of the matter, and have a real determination to reorganize the Government departments here in Washington, we can then make some changes. I have not any doubt at all about it.

I am not able to say just what employees could be dispensed with. I do not know. It is claimed that these employees are absolutely necessary; that this work is principally done here. The whole of the information gathered by the field force has to be worked over by technical men, and those technical men must have their stenographers and other assistants.

If I were asked now, "What would you cut out of this?" I could not say. I do not know. I think the only way to handle the matter is to make a thorough reorganization of our Government departments, and then we would save some money.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. I do.

Mr. TRAMMELL. When does the Senator think we should proceed to investigate, and, where we can, to eliminate these useless expenditures, these wastes in the different departments?

Mr. SMOOT. When a reorganization takes place, and I think it will take place before long. I do not think we are going on the way we have been going. That is the time to do it.

Mr. TRAMMELL. The President and almost everybody else are crying for economy, the elimination of duplication in the work here in Washington, and the cutting out of all useless expenditures; yet from time to time we have these appropriation bills coming up, and each of them contains many items which rather looks as though they are not needed for the good of the service.

I think there is no better time to start on that than at this session. We should have started on it long ago. I know some worthy projects that it is impossible to accomplish anything in behalf of because somebody says, "Oh, well, that is contrary to the Budget." It is impossible to get appropriations for them on that account; but in these different bills it seems to me we are appropriating millions and millions of dollars that may not be of any particular service to the Government.

Mr. SMOOT. The House Appropriations Committee go into every detail and have before them men from the different departments. When the bill comes to the Senate we review what they say in their written report and what is said in the testimony that is taken. Many times I think the House cuts appropriations with the very purpose of having the Senate increase them. I am not saying positively that that is so, but I have had enough experience to know that whenever we have gone into a conference with the House that has developed. I do not say that it is the case in this bill or in any particular bill, but I know that that has been the case.

Mr. WALSH of Montana. Mr. President, I look upon services rendered in the District of Columbia in all of these activities as very much the same as the so-called overhead in a business enterprise. If anybody talked about an overhead expense of 25 or 50 per cent in any activity or business enterprise, it would be regarded as headed directly for bankruptcy.

Mr. SMOOT. Of course, there is a little difference between a mercantile organization, a bank, or anything like that, and the Government service.

Mr. WALSH of Montana. Yes; I agree that there is a little difference and yet the analogy is quite close.

Mr. SMOOT. As the Senator knows, the Government departments do not get anything for their work. They do not get anything in return for the information they furnish or the goods they deliver. That is all free to the country, wherever it is collected.

Mr. KING. Mr. President, if the Senator will yield, the Senator from Montana will remember that four or five or six years ago we examined with no little care a number of the appropriation bills, with a view to determining the proportion of the appropriations carried in those bills that was devoted to the payment of employees in the District of Columbia. In the case of a large number of those appropriations which we examined we found that a very considerable part—in some instances more than 60 per cent; in one or two instances, as I now recall, 75 per cent—of the entire amount was expended here for clerical and other services in the District of Columbia. No wonder that the army of employees in the District of Columbia has increased and is still increasing, the number added to pay rolls in the District of Columbia within the past year being several hundred, and will continue unless some radical changes are effected.

I know that my colleague—if he will pardon me for mentioning it—has on a number of occasions in conversation with me commented upon the importance of retrenchment in the District of Columbia, cutting out a large number of the employees here in the various departments, and I am sure he has not abated his enthusiasm in that regard.

When we created the Bureau of Efficiency I supposed that that organization, headed by Mr. Brown, was to go into the departments and make recommendations to Congress and to the heads of departments for the purpose of cutting down the expenses of the departments. The Bureau of Efficiency has been in existence for years. I have pending here a bill to abolish it, because in my opinion it has utterly failed to accomplish any good and to bring to our attention needed reforms or to make reports to Congress which enabled us to legislate so as to get rid of some of the parasites and the useless timber that we find in the governmental structure.

Mr. COPELAND. Mr. President, I think that in making up our Budget we ought not to overlook the difference between a permanent improvement and a current expense.

A few moments ago—I happened to be out of the Chamber at the time, but I assume it was passed—we appropriated $10,000,000 for Boulder Dam. Is that correct?

Mr. KING. Yes.

Mr. COPELAND. Why should that be charged against the current expense of this year? That is a permanent investment. That is a capital investment. No railroad, no prudent business man would think of charging against his current expenses a capital investment.

Mr. SMOOT. That is what will be found in the departments, Mr. President. In the appropriation bills we put the item under the department in which the money is expended. That is the only way we can do it in an appropriation bill, unless we want to keep books here. The accounts are kept in the departments. This is the way we do that and the way we always have done it, and I do not see any other way of doing it.

Mr. COPELAND. I think the Senator has not quite caught what I have in mind.

An appropriation of $10,000,000 is made for Boulder Dam this year. That is charged against the current Budget. We are going to go out and ask the people to pay taxes, among other things, in the sum of $10,000,000 to continue the work on Boulder Dam; and yet that is a work which will serve the next generation. It is a work which will be paid for ultimately from returns from the sale of water and power; and that ought not to be charged against the current Budget.

The items in the Budget that have to do with capital investment should be separated and a bond issue made for that purpose. It is surprising how they count up. In the appropriation bills this year we have appropriated between $400,000,000 and $500,000,000 for permanent improvements. Why should the taxpayers of this country have to pay this year enough taxes to pay the current expenses of Government and at the same time to pay $500,000,000 for improvements that are going to serve two or three generations ahead of us? That is not right. That is not scientific.

Mr. SMOOT. Mr. President, of course the Senator and I may disagree as to the advisability of it. I think the Government ought to raise every year every dollar that is expended, whether it is a capital investment or whether it is a direct appropriation for running the different departments. We have to raise the money by taxation. If the Senator's policy were carried out, or the suggestion he has just made—I do not know whether it is his policy or not—we would have a capital investment here depreciating every year, as every one of them does, whether it be a building or whether it be a reclamation project or whether it be an improvement in the way of modern machinery or anything like that. We could not separate them.

Mr. COPELAND. I do not see it, Mr. President. Frankly, I do not see it.

Take the matter of Boulder Dam: How much is it going to cost altogether?

Mr. SMOOT. It has been stated that it will cost $165,000,000; but it will cost more than that.

Mr. COPELAND. It will cost $200,000,000. Within the next four or five years the taxpayers of this country will be called on to pay $200,000,000 of taxes to pay for the building of Boulder Dam, which is going to serve our people for years and years to come, for many decades to come. If we are prudent business men, we are going to make some provision for retiring the bonds issued for a project like that out of the earnings of the project. It is not right to charge the taxpayers of this year, for instance, $10,000,000 for this particular item.

Mr. SMOOT. How in the world are we going to sell bonds on the Boulder Dam project if the interest on those bonds

is to be paid from the project itself? Nobody would ever buy a bond of that kind.

Mr. COPELAND. I would not say for a moment that there should be a special Boulder Dam bond issue; but the Government could sell the bonds, and in its bookkeeping it could make provision that the income of the project should be used for the retirement of the bonds; and that should be done.

In the case of the particular matter we are discussing now I can quite understand that in general it may be said that we spend too much money in Washington; but this project is an engineering project. It is necessary to take the material which is found in the field and collate it and analyze it and chart it. As a matter of course, a large part of that will have to be done here; and I feel strongly that we ought to provide the funds for that purpose. On the other matter of permanent improvements, however, we ought to have a reformation.

Mr. McKELLAR. Mr. President, a few moments ago the Senator from Georgia [Mr. GEORGE] asked about the part of the appropriation that was spent here. I desire to read the appropriation itself:

For gaging streams and determining the water supply of the United States, the investigation of underground currents and artesian wells, and the preparation of reports upon the best methods of utilizing the water resources, $652,000.

Here is a list of the employees that we have in that bureau here in Washington, as reported by the Budget and by the President; and, of course, the report is accurate:

One at $7,000; 6 at $5,600; 4 at $5,600; 2 at $5,600; 4 at $4,699; 3 at $4,733; 1 at $4,600; 2 at $4,000; 1 at $4,200; 1 at $3,800; 2 at $3,400; 1 at $3,500; 1 at $3,300; 11 at $2,763; 6 at $2,733; 5 at $2,800; 8 at $2,087; 5 at $2,120; 3 at $2,033; 1 at $1,800; 1 at $1,740; 2 at $1,260; 1 at $1,020; 1 at $2,900; 2 at $2,150; 1 at $2,200; 1 at $2,100; 3 at $2,040; 7 at $1,654; 6 at $1,660; 1 at $1,620; 4 at $1,455; and 4 at $1,455. In all there are 56 employees here for gaging streams, throughout the country; and the net personal services, departmental, and field salaries in the District of Columbia are $175,000.

Those are the appropriations that we are making, and making constantly, without let or hindrance, and usually without debate; and when any Senator gets up to question any one of them it is almost lese majesty.

Mr. COPELAND. Mr. President, the question here is, Are we going to gage streams? I do not know whether it is important or not. Are we going to do it? If we have determined as a matter of policy that we are, in order that water supplies may be provided for, and all that sort of thing, we have to spend the money in this way, because out in the field they are not prepared to use the instruments that are necessary to do the drafting and to make the maps. It must be inside work, and the place to do it is here.

It would seem to me that we must first determine whether we are going to gage the streams. If we are, I can see no other way than to divide the service between the inside work and the field work.

Mr. McKELLAR Of course; but when more than 25 per cent of the appropriation is used here in the District of Columbia, where there are no streams which have not been gaged, I suppose, it is quite remarkable that the recommendation was that nearly half of it should be used here in the District of Columbia.

Mr. COPELAND. Did the Senator ever carry a chain for a surveyor?

Mr. McKELLAR. No; I am not an engineer. I never even carried a chain.

Mr. COPELAND. I have done so, and I know that when that work is done out in the field, certain field notes are made, and after they are made, they are taken into the office and analyzed and laid down on a map, and their availability and usefulness will be determined, not by the notes taken in the field alone, but by the application of scientific knowledge in the office to the proper use of those particular notes and the findings out in the field.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 78, line 12.

The amendment was agreed to.

The next amendment was, on page 78, in line 14, after the word "drainage," to strike out "$40,000; in all, $600,000" and insert "$48,000; in all $700,000," so as to read:

For operation and maintenance of the Lees Ferry (Ariz.) gaging station and other base gaging stations in the Colorado River drainage, $48,000; in all $700,000, of which.

The amendment was agreed to.

The next amendment was, on page 78, line 25, after the word "that," to strike out "$400,000" and insert "$518,000," so as to make the further proviso read:

Provided further, That $518,000 of this amount shall be available only for such cooperation with States or municipalities.

Mr. KING. Mr. President, is that an increase growing out of the gaging of streams?

Mr. SMOOT. Yes; that is the total. It simply carries out what we have done.

Mr. KING. I think we had better have a quorum called on that.

Mr. SMOOT. We want an executive session in a few moments.

Mr. KING. Then let that amendment be passed over until tomorrow.

Mr. WALSH of Montana. Mr. President, has the Senator from Utah information as to the amounts appropriated for this purpose by the various States, for the gaging of streams, and so on?

Mr. SMOOT. I think it appears in the hearings.

Mr. KING. I do not want to call a quorum at this time in the evening, and will not do so if the Senator will just pass this over until tomorrow.

Mr. SMOOT. Let us pass this over until tomorrow.

Mr. McKELLAR. May we have the information in the morning?

Mr. SMOOT. I will see that it is furnished.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 82, line 13, to change the total appropriation for the United States Geological Survey from $2,279,500 to $2,527,740.

Mr. KING. That will be passed over?

Mr. SMOOT. That is only a total. I have asked that all of the totals be made to conform with the amendments which have been agreed to; so that will be taken care of.

Mr. KING. So that we need not agree to it now?

Mr. SMOOT. We might as well agree to it.

Mr. KING. I do not want to be put in the position of having to move to reconsider.

Mr. SMOOT. I will ask now that the clerk be authorized to correct the totals in accordance with the amendments in all parts of the bill.

The PRESIDING OFFICER. The Chair understood the Senator to make that request earlier in the day.

Mr. SMOOT. I did; but I will repeat it.

Mr. McKELLAR. We have not finished consideration of the committee amendments, have we?

Mr. SMOOT. No.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

Does the junior Senator from Utah want the last amendment stated to go over?

Mr. KING. Yes.

The next amendment was, under the heading "National Park Service," on page 85, line 5, after the word "the" where it occurs the second time, to strike out the word "appropriation," and insert "appropriations for Carlsbad Caverns National Park," so as to read:

Carlsbad Caverns National Park, N. Mex.: For administration, protection, and maintenance, including not exceeding $800 for the maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, $71,800; for construction of physical improvements, $57,000, and in addition thereto $13,000

of the unexpended balance of the appropriations for Carlsbad Caverns National Park for the fiscal year 1932 is continued available, including $20,000 for passenger elevator, not exceeding $19,000 for the construction of buildings, of which not exceeding $6,000 shall be available for a messhouse, $8,000 for improvements to employees' quarters, $5,000 for an addition to a bunkhouse; in all, $128,800.

Mr. SMOOT. That is only a clarification of the language.

The amendment was agreed to.

The next amendment was, on page 90, line 7, after the word "improvements," to strike out "$8,900" and insert "$11,900"; in line 8, after the word "stations," to insert "$2,000 for improvements to employees' quarters"; and in line 10, after the words "in all," to strike out "$31,600" and insert "$34,600," so as to read:

Platt National Park, Okla.: For administration, protection, and maintenance, including not exceeding $300 for the maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, $22,700; for construction of physical improvements, $11,900, of which not exceeding $1,900 shall be available for two comfort stations, $2,000 for improvements to employees' quarters, and $7,000 for a superintendent's residence; in all, $34,600.

Mr. SMOOT. That is for the improvement of employees' quarters. It is estimated for.

Mr. KING. Is that the only change?

Mr. SMOOT. That is all. The Senator from Oklahoma [Mr. THOMAS] will explain in detail if the Senator desires to have an explanation; but that is all there is to it.

Mr. KING. I think some amendment will be offered to the park service provision in the bill.

Mr. SMOOT. That can be done, of course.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment just stated.

The amendment was agreed to.

The next amendment was, on page 97, line 20, after the word "Highway," to insert a comma and "for the removal of the present Otter Cliffs Radio Station and its reconstruction within the Acadia National Park in connection with the Acadia Park motor road, Maine, at a cost not to exceed $250,000," so as to read:

Construction, and so forth, of roads and trails: For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in national parks and monuments under the jurisdiction of the Department of the Interior, including the roads from Glacier Park Station through the Blackfeet Indian Reservation to various points in the boundary line of the Glacier National Park and the international boundary, and the Grand Canyon Highway from the National Old Trails Highway to the south boundary of the Grand Canyon National Park as authorized by the act approved June 5, 1924 (43 Stat., p. 423), and including that part of the Wawona Road in the Sierra National Forest between the Yosemite National Park boundary 2 miles north of Wawona and the park boundary near the Mariposa Grove of Big Trees, and that part of the Yakima Park Highway between the Mount Rainier National Park boundary and connecting with the Cayuse Pass State Highway, for the removal of the present Otter Cliffs Radio Station and its reconstruction within the Acadia National Park in connection with the Acadia Park motor road, Maine, at a cost not to exceed $250,000.

Mr. McKELLAR. I desire to offer an amendment to the amendment at this point, after the word "highway," in line 20, to insert the following words: "areas to be established as national parks under the act of May 22, 1926 (U. S. C., title 16, sec. 403)."

Mr. SMOOT. That includes the Great Smoky Mountains Park?

Mr. McKELLAR. The Great Smoky Mountains National Park, situated partly in Tennessee and partly in North Carolina, the land in which has been conveyed, in large measure, to the Government.

Mr. SMOOT. I have no objection.

Mr. KING. Mr. President, I would like to ask for an explanation of the amendment found in lines 21 and 22 and 23 and 24, appropriating $250,000.

Mr. McKELLAR. Just a moment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. KING. I would be glad to learn the purpose of the $250,000 appropriation I have just referred to. That is an amendment offered by the committee?

Mr. SMOOT. We agreed to it. It is a request of the department, but as it applies to Maine I will ask the Senator from Maine to speak on it.

Mr. HALE. Mr. President, the amendment on line 21 is necessary for the following reasons:

Mr. John D. Rockefeller, jr., of New York, who has a summer place near the Acadia National Park, has spent a great deal of money in building roads in the park, and has given much land to the park. Up to date I think he has spent somewhere between a million and a half and two million dollars for this purpose.

Mr. Rockefeller has recently offered $4,000,000 for building certain roads in the park, and included in the area where the roads are to go, and obstructing a proposed road, is a naval radio station. Unless that can be gotten out of the way he is not willing to contribute his $4,000,000 gift.

The Navy Department is now looking over property in the park with the idea of moving the radio station so that the Government can have the use of this generous gift.

Mr. McKELLAR. Will it cost the amount named in the bill to move the naval radio station to another part of the park?

Mr. HALE. The amount stated is the limit to which they can go in moving the station.

Mr. KING. I will ask the Senator from Maine whether this is a park which is used or will be used, whether it is advantageous; and if so, why should not the State take it over? I confess I do not like the idea of the Federal Government being loaded down with parks everywhere. I think the States ought to have a little pride in having parks of their own.

Mr. HALE. This is not for the establishment of a new park. It concerns a park which has been in existence for a considerable time.

Mr. KING. A Government park?

Mr. HALE. A Government park. Every acre of which was given to the Government.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 98, line 5, to increase the appropriation for the construction, etc., of roads and trails in the national parks and monuments from $5,000,000 to $6,000,000.

Mr. WALSH of Montana. Mr. President, I desire to offer an amendment to that item of the bill, and I suggest to the Senator from Utah that perhaps it would better go over until to-morrow.

Mr. SMOOT. That is, the amendment just stated?

Mr. WALSH of Montana. Yes.

Mr. SMOOT. Does the Senator want to increase the amount?

Mr. WALSH of Montana. Yes; I want to offer an amendment to increase that item to $7,500,000, and the item on line 13 from $1,200,000 to $2,500,000, and I desire to address the Senate on it.

Mr. SMOOT. I am perfectly willing that it go over, but I want to say to the Senator that we thought we had stretched our consciences as far as we could in raising the amount a million dollars over what the House provided for. I know the importance of the work.

Mr. KING. What does that item cover?

Mr. WALSH of Montana. Approach roads to the park.

Mr. SMOOT. Let the amendment on page 98, line 5, go over.

Mr. WALSH of Montana. If we are to go on with the bill, I am perfectly willing to present the matter now.

Mr. SMOOT. Oh, no; we have only five minutes more.

Mr. COPELAND. Mr. President, I am not clear as to what is happening about this amendment on line 5.

Mr. SMOOT. The Senator from Montana desires to offer an amendment to the amendment increasing the $6,000,000 to $7,500,000.

Mr. COPELAND. Mr. President——

Mr. SMOOT. We are not going to consider it to-night. The Senator asked that it go over until to-morrow.

Mr. COPELAND. This is another one of the items for permanent improvements, is it not?

Mr. SMOOT. Yes.

Mr. COPELAND. In other words, they will be charging another $7,000,000 against the new tax bill for improvements which ought to be paid for by posterity.

Mr. SMOOT. No; this is for roads and trails in the national parks.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, under the subhead "Temporary government for the Virgin Islands," on page 105, line 22, after the figures "$110,000," to insert a colon and the following additional proviso:

Provided further, That should the revenues of the municipality of St. Thomas and St. John, during the fiscal year 1933, exceed $112,032, and/or the revenues of the municipality of St. Croix exceed $124,355, such excess revenues may be expended for municipal improvements and operating costs of the municipalities under such rules and regulations as the President may prescribe: *Provided further*, That the unobligated balance of the appropriation for expenses of the temporary government for the Virgin Islands contained in the second deficiency act, fiscal year 1931, shall be available for the fiscal year 1933 for such projects for the further development of agriculture and industry, and for promoting the general welfare of the islands as may be approved by the President, including the acquisition by purchase, condemnation, or otherwise, of land and the construction of buildings for use in administering the affairs of the islands; the purchase of land for sale as homesteads to citizens of the Virgin Islands; and the making of loans for the construction of buildings, for the purchase of farming implements and equipment, and for other expenses incident to the cultivation of land purchased for resale as homesteads.

The amendment was agreed to.

The next amendment was, under the heading "Howard University," on page 109, after line 21, to strike out:

For construction and completion of a heat, light, and power plant at Howard University, $300,000, to be immediately available.

Mr. SMOOT. I ask that this committee amendment be rejected, as well as the amendment on page 110, for the completion of construction and equipment of a general library building, $100,000.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 110, to strike out:

For the completion of construction and equipment of a general library building, $100,000, to be immediately available.

Mr. SMOOT. I ask that that amendment be rejected.

Mr. LEWIS. What does the Senator want substituted?

Mr. SMOOT. I want this amendment rejected. Then the amount as the House passed it will be appropriated, the $300,000 for Howard University, and $100,000 for the general library building.

Mr. LEWIS. May I be so bold as to interrupt the Senator from Utah? That means that the Howard University will be returned the amount which the House bill provided?

Mr. SMOOT. That is what it means.

Mr. COSTIGAN. Mr. President, I suggest that that matter go over until to-morrow, because I have an amendment to the amendment offered by the Senator from Utah.

Mr. SMOOT. The Senator can offer that amendment. The Senator does not object to the committee amendment?

Mr. COSTIGAN. Not at all.

Mr. SMOOT. The Senator can offer his amendment to-morrow.

Mr. McKELLAR. The Senator from Utah suggests that we disagree to the committee amendment?

Mr. SMOOT. Yes.

Mr. McKELLAR. I hope it will be disagreed to.

The amendment was rejected.

Mr. LEWIS. I wish to support the amount given by the House in behalf of Howard University.

Mr. McKELLAR. Then I understand that the language of the House has been restored?

Mr. SMOOT. It has.

Mr. McKELLAR. I am glad of that; but I was wondering whether the Senator from Colorado was going to propose to increase the appropriation for the general expenses of the Howard University.

Mr. COSTIGAN. I have an amendment for that purpose.

Mr. McKELLAR. I will be very glad to support it.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LA FOLLETTE. The committee amendments having been rejected, amendments offered to the text in question will be in order when individual amendments are in order?

The PRESIDING OFFICER. That is correct.

Mr. SMOOT. Certainly.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the Committee on Appropriations was, under the heading "Freedmen's Hospital," on page 111, line 2, after the word "equipment," to strike out the colon and the following proviso:

Provided, That no part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses, station wagons, and ambulances) at a cost, delivered and completely equipped for operation, in excess of $750, including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes, and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary, and then only when the same is approved by the head of the department. This section shall not apply to any motor vehicle for official use of the Secretary of the Interior.

And, on page 111, after line 20, to strike out:

SEC. 3. No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act (1) to increase the compensation of any position within the grade to which such position has been allocated under the classification act of 1923, as amended; (2) to increase the compensation of any position in the field service the pay of which is adjustable to correspond so far as may be practicable to the rates established by such act as amended for the departmental service in the District of Columbia; (3) to increase the compensation of any position under such act through reallocation; (4) to increase the compensation of any person in any grade under such act through advancement to another position in the same grade or to a position in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation; or (5) to increase the compensation of any other position of the Federal Government under such department. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes, but shall be impounded and returned to the Treasury, and a report of the amounts so impounded for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

And on page 112, after line 24, to strike out section 4 in the following words:

SEC. 4. No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply to absolutely essential positions the filling of which may be approved in writing by the President of the United States. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

Mr. VANDENBERG. Mr. President, I desire to offer a substitute for sections 3 and 4, so I prefer to have those sections go over if any of the bill is going over.

Mr. SMOOT. Those sections will go over if the Senator so desires.

The PRESIDING OFFICER. The amendment involving those sections will be passed over.

Mr. SMOOT. Mr. President, I have a statement prepared by Secretary of Interior Wilbur relative to statements made about the Interior Department appropriation bill, which I ask may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

STATEMENT PREPARED BY THE DEPARTMENT OF THE INTERIOR IN ANSWER TO CHARGES MADE IN MEMORANDUM OF FEBRUARY 26, 1932, PRESENTED BY SENATOR KING ON THE FLOOR OF THE SENATE, MARCH 9, 1932

It has almost become an American habit to find fault with the Indian Office in its efforts to handle its many difficult and intricate problems. These attacks have come from those who are interested in the Indian's welfare and those who have a selfish interest in his property. The statement of February 26, 1932, presented to the Senate by Senator King, March 9, 1932, although apparently coming from Indians, bears the clear earmarks of many similar assaults. Throughout it is a series of distorted misrepresentations almost approaching blackmail.

Everyone familiar with Indian affairs knows that they offer some of the most intricate and difficult administrative problems in the Government. It is easy to complain and to blame either Congress or the Indian Office, as the case may be, for every hardship or difficulty, real or imaginary, confronting two or three hundred thousand people. Specifically, even though the charges and statements made are vague, unfair, and misleading, the Department of the Interior has brought together answers showing an entirely different state of affairs than that indicated by the statement to Congress.

1. THE SO-CALLED BROKEN PROMISES

Under "the promises they are breaking" it is charged that the Secretary of the Interior and the Commissioner of Indian Affairs have failed to recognize the Indian Bureau and to secure the passage of legislation which they sponsored. The implication that some "promise" to reorganize the Indian Bureau has not been kept fails to recognize the plain fact that the service has been thoroughly overhauled.

The basic reorganization of the Indian Bureau was promulgated in an order issued March 9, 1931. A reorganization does not take place by the stroke of a pen; the revamping began before that date and is still in process. Three of the five major field divisions have been put in the hands of new directors, men who are nationally recognized in their fields. The plan of organization gives them scope and responsibility in their respective fields. District superintendents have been eliminated to insure a more direct relation between the superintendents and the Washington office. New appointments have been made throughout the field service. Greater responsibility and local initiative is gradually being impressed on field officers.

The fate of legislation recommended by the department is not the responsibility of the Secretary of the Interior or the Commissioner of Indian Affairs. The letters of December 11 and 17, 1929, are references to communications presented to the Senate and House Committees on Indian Affairs by the Secretary of the Interior on December 18, 1929. They deal with the need for a revision of laws relating to property, the handling of claims of Indians, the general allotment act, and the necessity of relieving tribes of reimbursable charges for irrigation and other purposes. An examination of these letters will not indicate that there was any pledge made in them. They set forth the views of the department with reference to the perplexing problems mentioned and ask consideration of the Senate and House Committees on Indian Affairs toward a solution. Several bills were introduced in the House as a basis for consideration of these questions, none of which has been enacted.

With reference to the alleged broken pledges, the following statement by paragraph reference is made:

Tribal business

(a) The charge is made that the secretary and the commissioners are breaking a "specific pledge to work for legislation giving to Indian tribes the largest possible voice under new statutes in the management of their tribal business."

No pledge was made, however, to secure legislation to give greater authority to tribal councils. Tribal councils can not suddenly be vitalized by any law that is general and mechanical. These numerous organizations are in various stages of development or decline. The very term "tribal council" is ambiguous, referring in some instances to the entire tribe and in others to a smaller group of elected representatives.

The present administration has tried to emphasize the importance of consulting Indians in handling their affairs. An entirely new staff of field representatives has been recruited with this policy in mind. One of these is himself an outstanding leader of the Indian race.

Examples of cooperative planning with Indian tribes are:

1. School planning with the Choctaws of Oklahoma.

2. Work with the Menominees in the management of their timber operations.

3. Annual sessions of the Navajo Council attended by Commissioner Rhoads for the discussion of important issues.

The Indian commissioners seek consistently to bring the Indians into a closer participation in their affairs. Progress along this line will come only through persistent effort in individual situations. Where there has been little experience in self-government a sudden change to complete self-direction is disastrous.

The major obstacle has been, and continues to be, the interference with tribal affairs by self-appointed groups making a profession of exploiting Indian grievances.

Indian corporations

(b) The criticism of the Secretary of the Interior and Commissioners Rhoads and Scattergood for not pressing legislation permitting the incorporation of Indian tribes may be leveled at the department at this time to secure support on the bill S. 3588, introduced February 9, 1932, to establish the Klamath Indian corporation. The criticism is not warranted.

On October 30, 1929, Senate bill 2142, having for its purpose the incorporation of the Klamath Tribe of Indians in Oregon, was introduced. While this bill was being considered, at the request of the committee representing the Klamath Tribe an attorney in the department was designated by Secretary Wilbur to assist the Indians in drafting articles of incorporation that would represent their ideas. After several weeks of study and consultation with them articles of incorporation were drafted and introduced on April 14, 1930, as Senate bill 4165. Hearings were held on this bill before the Senate Committee on Indian Affairs, but the assistant clerk of the committee advised the Commissioner of Indian Affairs that "if enacted into law no doubt other Indian tribes would work for similar legislation. This, perhaps, is the beginning of a decided change in the handling of the affairs of the Indians."

No further action has been taken by this Senate committee. The entire matter, therefore, rests with the Senate Committee on Indian Affairs.

Heirship lands

No pledge was made "to work for legislation bringing to an end the disinheritance of Indians through the sale of their heirship lands by the Government when the allotted Indian dies." Congress was requested to cooperate in framing legislation to prevent the loss of allotted land in settling estates through sale to whites on the death of an allotted Indian with more than one heir. The Indian Office has carefully considered the problem and has suggested a revolving fund to be appropriated to purchase heirship lands for resale to Indians willing and able to live on such lands; these sales to be made to Indians on easy terms of repayment. This plan involves a very large initial appropriation. An unsuccessful attempt was made to secure an appropriation for this purpose on the Southern Ute Reservation in Colorado. Other reservations offer equal opportunities.

In the absence of any specific legislation and as a step toward providing some landless Indians with land without asking the Government to finance the proposal, an attempt has been made to secure for landless Fort Berthold Indians these heirship lands. This group of Indians received a payment of approximately $1,200 each from the proceeds of a Court of Claims judgment. Following a campaign of education, the funds of heads of families are being used largely to build homes, barns, and other permanent improvements and to purchase implements, livestock, and other agricultural equipment. There are a large number of Fort Berthold children born after allotments were made and the per capita payments of these children are being used, whenever the circumstances are such as to make it advisable, in the purchase of land with the understanding that the funds derived by the parents are to be used in improving their homes and otherwise placing them in a position to better care for their children during their minority.

Indian claims

(d) It is charged that the Secretary and commissioners are breaking a promise to "work for legislation doing justice to the Indian tribes in their claims against the Government." This is a complete misstatement.

To the contrary, on May 26, 1930, the Secretary forwarded to the chairman of the House Committee on the Judiciary an Indian Service memorandum of May 20, recommending the establishment of a board or commission, wholly independent of the Interior Department, to examine Indian claims, weed out the fallacious ones, and speed the meritorious ones to trial before the Court of Claims. It was pointed out that neither the bureau nor the department wants to be under the necessity, as at present, "to prejudge these claims for or against the Indians" in making reports on separate claims bills. It was said that "standing as we do as the next friend of the Indian and the first intermediary to whom he naturally turns in his dealings with the Government, we would like very much to be relieved of the necessity of passing in any manner upon the merits or demerits of these claims by the Indians, which claims in a great many cases turn on the alleged action or inaction of the administrative officers of the Indian Service or other branches of the Federal Government."

Congress has taken no action on this suggestion.

The report quoted was made on H. R. 7693, an Indian Court of Claims bill, which would have involved a tremendous increase

in the cost of handling the claims, would not have expedited action, and was disapproved by the Department of Justice. The Bureau of the Budget reported that the expenditures contemplated by the bill would be in conflict with the financial program.

Amendments to the allotment law

(e) It is charged that the Secretary and commissioner are breaking a promise "to work for comprehensive amendments to the allotment law."

Again no pledge was made. The department, as a matter of fact, has stopped making further allotments except where statutes require it. In the case of the Eastern Cherokees, on the recommendation of the department, Congress repealed the mandatory allotment on that reservation.

In an effort to secure general modernization of existing law, the department recommended H. R. 15498 at the last Congress. This bill authorized the necessary appropriations for the employment of technically trained personnel qualified to make an unbiased study of all laws relating to Indian matters. This was a prerequisite to a revision and codification of statutes affecting American Indians, including their property laws. The bill passed the House on February 4, 1931. It was the subject of hearings before the Senate Committee on Indian Affairs and the department appeared in support of it. Furthermore, on March 5, 1931, the chairman of that committee was addressed by the Secretary of the Interior as follows:

"We want to make available what might be called a 'blue print' for each reservation. Out of all these blue prints would come an orderly pattern for the Indian administration as a whole.

"An analysis of the existing statutes, recommendations for clarification, and a readable codification are the first necessary steps. The objective is clarification and not investigation. Starting with this analysis of existing laws, judicial decisions, regulations, etc., a comprehensive recommendation by an informed commission covering the whole field of Indian law could be obtained."

No response has been made to this letter, nor has the Senate Committee on Indian Affairs acted on the measure.

Irrigation

(f) It is charged that the Secretary of the Interior and the Indian Office has abandoned "the undertaking to transfer most of the Indian reclamation work to the general Reclamation Service under Dr. Elwood Mead." Following the announcement of the Secretary that he would endeavor to consolidate the Indian irrigation service with the Bureau of Reclamation, the House Appropriation Committee inserted the following prohibitive provision in the Interior appropriation act for the fiscal year 1931:

"Appropriations herein for irrigation and drainage of Indian lands shall be available only for expenditure by and under the direction of the Commissioner of Indian Affairs."

This deterrent against the administrative transfer of this activity was also included in the appropriation act for 1932. On the recommendation of the Secretary, however, the Appropriation Committees have revised the language in the appropriation bill for 1933, as follows:

"Appropriations herein for irrigation and drainage of Indian lands shall be available only for expenditure by and under the direction of the Commissioner of Indian Affairs, except for such engineering and economic studies and construction work as the Secretary of the Interior decides may be more advantageously performed by the Bureau of Reclamation."

This authority would permit a partial consolidation of the irrigation work of the two bureaus.

The internal organization of the Indian Irrigation Service has nevertheless been readjusted within the past year. A new Director of Irrigation was appointed in January, 1931. He has within a short time made many advantageous changes in the administration of that branch, such as transferring the field headquarters to a more central location, abolishing one district office, and changing personnel from Los Angeles to Denver. A complete appraisal is being made of every project. Fundamental legislation is being drafted to correct some of the existing faults which will prevent costly errors in the future.

2-3. THE "SEIZURE" OF LANDS AND "VIOLATION" OF ALLOTMENT RIGHTS

(2) The claim that tribal lands were seized through grazing regulations of June 4, 1931, is a distortion of fact. These regulations do not contemplate any change whatever in the status of Indian tribal lands, nor do they provide for any increase whatever in the amount of stock owned by white men occupying tribal ranges except in those instances where the range is not being used and the Indians do not have stock to graze.

The whole purpose of the grazing regulations is to conserve the natural resources of the Indians and to encourage them to engage in stock raising. Grazing units with natural boundaries were blocked out, to insure the greatest good for the greatest number of Indians, under a cooperative arrangement not unlike the communal system prevalent among Indians. Every Indian whose allotment lay within a grazing unit was invited to join in the cooperation plan.

(3) Nothing in these grazing regulations can be construed as an attempt to coerce any Indian allottee into signing a power of attorney. Each Indian is as free to exercise his own discretion for the use of his allotment as under a leasing system. The regulations announce that no allotment is to be covered by a grazing permit without the full and written consent of the allottee, unless he is legally incompetent. For several decades the permit system for grazing has been used on many Indian reservations; on others leases have been used. The best records available show that during the fiscal year 1929 the amount of non-Indian stock on Indian reservations comprised 850,400 sheep and goats, 84,480 cattle, and 11,150 horses and mules.

Near the close of the fiscal year 1929 a detailed study of range conditions on Indian reservations was commenced. In 1930 careful study was made of more than 40 reservations to ascertain the area available for use and other facts, which showed that on several reservations there was serious overgrazing and on others only partial utilization. Another serious fault was that on reservations where leases were in effect the control of stock and the protection of the range was receiving inadequate attention. Under the leasing system it was found that allotments having water or hay meadows were leased and the stock of the lessees ranged over large areas of adjacent unleased allotments from which the owners received no income. Quite frequently those owning the unleased allotments were full-blood indians in special need of protection. Thus the leasing system accentuated the difficulties.

In practice the permit plan had proved more flexible and had enabled the authorities to protect the allottees and the members of tribes far better than was possible under the leasing plan. It also seemed impracticable to overcome certain faults under the leasing plan and the department decided to extend the permit plan to all reservations. The regulations of June 4, 1931, were therefore adopted for the sole purpose of giving a larger measure of protection to the Indians than they had previously enjoyed.

The former superintendent of the Klamath Indian Agency was transferred to a position on the administrative side of forestry work. He has no control over affairs of the Klamath Reservation. His work is subject to supervision and review; as a superintendent he had more latitude for independent action.

4. TRIBAL MONEYS DIVERTED TO BUREAU SALARIES?

The Indian Office has always opposed the use of tribal funds for expenditures not directly benefiting the Indians. Tribal funds are of many kinds. Some are derived from oil and gas bonuses and royalties, sales of timber, and farming and grazing leases; other funds have come through treaty provisions, from sale of surplus land, and Court of Claims judgments. The latter type of funds usually by act of Congress specify the method of expenditure.

The use of tribal funds for administrative purposes has had the approval and direction of Congress for many years. Formerly, tribal funds were used for administrative purposes without specific annual authorization. This was changed by the act of May 18, 1916 (39 Stat. 158–159), which required that a statement showing estimated receipts and expenditures of Indian tribal funds should be submitted to Congress and expenditures therefrom made by specific appropriation except for equalization of allotments, education of Indian children in accordance with existing law, and per capita and other payments.

Reports were submitted annually thereafter in accordance with this provision of law until its repeal through the act of May 29, 1928. The funds so appropriated have been used for salaries of employees engaged in general administrative work, physicians, nurses, farmers, stockmen, and other employees assigned to activities designed to assist the Indians toward advancement and self-support. Large expenditures from such funds have been for direct benefit to the Indians in the way of subsistence supplies for the old and indigent, hospitalization, water development, loans to Indians, road and trail work on reservations. Frequently Congress has charged to a tribal fund expenditures for which the Indian Office has requested Federal money. The viewpoint in the past has been that as the taxpayers of the United States were contributing large sums for the Indians' benefit the Indians should contribute out of their own funds at least part of the costs, especially as the Indian property is usually exempt from all taxation.

Except in isolated cases, expenditures from Federal funds have far surpassed expenditures from tribal moneys. This ratio of expenditure varies, depending upon the activities carried on and the amount of direct benefit to the Indian through reservation improvement, care of tribal property, or support of the sick and indigent. Until such time as Congress reverses the policy and goes on record as favoring outright gratuity appropriations for all purposes, it is not within the power of the department to make the change. In the 1933 appropriation bill more than $300,000 has been added from gratuity money to replace tribal funds heretofore used.

The criticism of the administration of the Mescalero-Apache Reservation is based on the amount of expenditure per capita. This reservation has a population of 690 Indians, and the approximate total value of all property is $2,982,800. Over a 4-year period, 1928 to 1931, a total of $280,907.43 was expended from tribal funds, an average annual expenditure of $70,226.85. The gross amount expended can be divided into four groups, as follows:

General administrative expenses, including pay of certain agency personnel, telegraph and telephone expense, purchase of materials and supplies, and employment of irregular labor	$95,896.95
Industrial purposes, including development of water for Indian stock, fencing of pastures, and building corrals, purchase of additional livestock for the Indians or the tribal herd, and personnel to care for tribal herd	162,927.85
Purchase of supplies for issue to old and indigent Indians	7,970.50
Educational purposes	14,112.13

During 1928, 1929, and 1930 a total of $307,700 was distributed in the form of per capita payments to the Indians.

During the period 1928 to 1931, inclusive, a total expenditure of $431,756.56 was made from Federal money for general administrative purposes, industrial activities, health, and education. The theory of calculating the expenditures at Mescalero on a per capita basis is wholly unsound. The expense of maintaining the boarding school runs well over $300 per pupil and includes food, clothing, lodging, medical and dental care, textbooks, and other necessary expenses in connection with an educational institution. The expenditures from tribal funds for general administrative purposes is small compared to the value of property of the Indians.

5. BUDGETING AND ACCOUNTING

Neither the Secretary of the Interior nor the Commissioner of Indian Affairs is responsible for the present system of accounting for the Indian Service. It was installed in 1917 by the United States Bureau of Efficiency under the act of May 18, 1916 (39 Stat. 159), and is in compliance with the provisions of section 26, act of June 30, 1913 (38 Stat. 103). Since the establishment of the National Budget System, July 1, 1922, Indian Office accounting has followed the standardized classification of expenditures prescribed by General Accounting Office bulletin of May 11, 1922, and the revision of August 26, 1927.

By the act of May 29, 1928 (45 Stat. 887), the General Accounting Office received an appropriation of $20,000 to enable it to report to Congress the amount of funds of the several Indian tribes, the investment thereof, and the rate of interest thereon, and such additional information as might be pertinent and essential. This report, dated February 28, 1929, covers the subject completely and was printed as Senate Document 263, Seventieth Congress, second session. It states that the conditions under which the accounting system in the field must function would seem to be the principal cause of the difficulties encountered rather than the system itself, due principally to the large number of separate appropriations and funds available to the field units requiring separate accounts to be kept with each fund from which allotments are made.

The department reported adversely on Senate bill 3417 on March 1, 1930. This bill provided for a separate method of accounting for the Indian Service to be devised by the Comptroller General, and an additional segregation of items of expenditure, which would make it impossible to comply with the standard accounting system of the Government. The special features of the proposed system could all be met at the present time if personnel were available.

In these proposals for change, which are all based on new segregations of expenditures, the integrity of the accounts themselves is not in question.

The department has announced repeatedly that the present method of appropriation for the Indian Service should be simplified, and in reporting on S. 3417 the need for this change was again emphasized. The department itself can not reform the appropriation system. This action requires the cooperative assistance of the General Accounting Office, the Bureau of the Budget, and the congressional appropriation committees.

The budget and accounting law provides that Budget estimates shall be prepared and submitted each year according to the order and arrangement of the appropriation acts for the preceding year. The congressional appropriation committees likewise are required to follow the general order and arrangement of preceding appropriation acts as far as practicable. While it has not been possible to secure the coordinated action required to secure a general revision of the Budget and appropriation systems, numerous changes by way of improvement have been made each year in individual items.

6. THE SO-CALLED "UNLAWFUL DEBTS"

The charge that "the unlawful debts which are crushing us are being increased," is vague and general. Obviously no items are cited to support the charge.

The fact is that the Secretary reported on H. R. 150 (71st Cong.) by specifically recommending that this bill authorize "an investigation of reimbursable charges against Indian tribes and the lands on Indian reclamation projects and report to Congress on or before the first Monday in December, 1931, those tribes and project lands which should in his opinion be relieved either in whole or in part of such charges." He asked an appropriation of $50,000 for carrying out such a mandate.

The bill was not enacted.

The problem is one of infinite detail. Congress has directed expenditure of large sums for improvements on Indian projects, totaling possibly $25,000,000, which it has directed shall be repaid by the Indians. The department has repeatedly pointed out such so-called "reimbursables" might be in conflict with the allotment laws and with Indian trust patents.

Congress has, however, authorized increased personnel to the Indian Service for studying property problems, and progress has been made. Thus roads and bridges, one of the many items, have been covered by a statement given the Senate Committee on Indian Affairs on April 30, 1930, totaling over $800,000. Congress has not yet acted on this report.

Furthermore, legislation has been secured granting actual remission of large debts. The Indian Office recommended the bill which became the act of March 4, 1931, which canceled charges aggregating over $1,370,000 against Gila River Indian lands in Arizona. A full study had been completed of lands on the Gila River project and the facts were presented to Congress for action. (See S. Rept. No. 1510, 71st Cong.)

Again, studies and segregations of the items which should be charged off are under way on the Fort Peck project, Montana; the Klamath Reservation, Oreg.; and the Crow Reservation, Mont.

The statement that the preceding administration remitted "six times" as much as the present one is based upon distortion of figures. In round figures the old sum was $3,000,000; whereas the single act of March 4, 1931, remitted nearly half that during this administration.

Congress must have full facts before it before it writes off accumulated charges. The large task of assembling these facts is proceeding as fast as available funds allow.

7. BOARDING SCHOOLS

The charge that "the boarding-school system" is being "strengthened and continued," deliberately ignores the facts.

In the last year alone 341 local school districts were added to the list of those in which the Indian children attend public white schools, and additional facilities were thus made available for 10,055 more Indian children in white schools. In reservation boarding schools the school year 1929–30 saw 5,300 children in elementary grades, whereas there are now 4,179, a decrease of over 20 per cent. These younger children are being kept at home and are attending public schools where possible.

Three boarding schools were closed in 1930–31 and three or four more will be closed this year. In those remaining, facilities are being devoted to high-school work. Whereas there were 6,258 in high school in these schools in 1929–30, there are now 7,778. As in white communities, we are endeavoring to see that children who have to go out of their communities for school facilities are at least of preparatory school age.

It must be realized that the program of community education can be carried out only as rapidly as other facilities can be provided. Congress must provide the authority. Where local communities resent losing a Federal institution, their Congressmen have a difficult problem. Our existing system of specific appropriations makes it almost impossible to apply funds now spent for boarding schools to any other purposes. If funds were available, more children could be put into local public schools rather than Government boarding schools.

To say under these circumstances that Doctor Ryan's hands are being tied displays sheer ignorance. He has been given every support in making effective the department's announced policy as rapidly as appropriations and statutory changes will allow.

8. FLATHEAD POWER

The charge that the Secretary and commissioner have joined in "turning over" the Flathead power site "under conditions which have violated the rights of the Flathead Tribe," "blocked Federal regulations through a dummy arrangement," and so on, is pure fabrication. Actually an exceptionally good business deal for the Indians, securing for them $2,845,000 over a 20-year period, has been made in spite of stubborn propaganda.

Two parties competed for the Flathead No. 1 site. The Rocky Mountain Power Co. already had a permit to explore the site. It applied for a license. Walter H. Wheeler asked for a preliminary permit to investigate this and four other sites. His application for a permit and the power company's application for license were heard together in November, 1929.

The power company originally offered a rental of $1 per horsepower per year for an average use of 68,000 horsepower. It had an existing power system ready for distribution. Wheeler had no market, but hoped to develop one by inducing new industries to locate there. He estimated site No. 1 would develop 105,000 horsepower and offered $1.125 per horsepower as rental. License ultimately issued on May 23, 1930, to the Rocky Mountain Power Co., but on terms far more advantageous to the Indians than Wheeler's offer or the power company's original offer. This license and an exhaustive summary of the case were printed as Senate Document No. 163, Seventy-first Congress, second session.

Under this license the power company pays $60,000 per year the first year for an estimated 50,000 horsepower, works up to $125,000 for the fifth year, pays during each of the next five years $150,000, during the next five years $160,000 each year, and during the final 5-year period $175,000 each year. The total rentals for 20 years are thus $2,845,000. After this 20-year period the rate will be readjusted. In addition, the power company has agreed to supply up to 15,000 horsepower for pumping on the Flathead irrigation project for 1 mill per kilowatt-hour for 10,000 horsepower and 2½ mills for the next 5,000 horsepower. They have also agreed to reimburse the Government for a partially constructed tunnel.

Furthermore, development costs are to be strictly supervised by the Federal Power Commission. A separate corporation, the Rocky Mountain Power Co., will build and operate the power plant. The Power Commission can thus strictly regulate the rates for which it sells power to the Montana Power Co. and thus give the State railroad commission accurate figures of the costs of this power which the Montana Power Co. sells to its consumers.

These tangible results of the Indians can be contrasted with the purely theoretical advantages offered by Wheeler. The feasibility of his plan admittedly depended upon his being able to undersell the existing Montana Power Co. by selling at $15 per horsepower to nonexistent industries which he hoped would locate around his power plant. He thought they would be principally fertilizer companies. In view of the fact that fertilizer is produced as a by-product at the Anaconda smelters near by and in view of the uncertainties of the synthetic fartilizer business in any event, this was obviously a hopeful forecast by Wheeler.

The Rocky Mountain Power Co. has to date expended on construction $1,500,000 toward an ultimate total of $8,000,000. It has

pending before the Power Commission an application to delay construction work by one year, because the power market of the Montana power system has fallen from 230,000 kilowatts in October, 1928, to 116,300 kilowatts in February, 1932. This does not necessarily mean that the Indian rental will be decreased during the postponement if granted.

9. LOUIS C. CRAMTON

The statement that Louis C. Cramton "exercises a dominating influence in Indian matters" is a misrepresentation of fact. The nature of his employment was announced publicly in departmental press release of March 23, 1931.

Mr. Cramton was appointed special attorney to the Secretary of the Interior on March 21, 1931. As his official title signifies, he is employed exclusively on special assignments. He does not participate in the administration of the department nor does he act in an advisory capacity to the Commissioner of Indian Affairs. Only two of his assignments have touched on Indian matters.

From the date of his appointment until October 1, 1931, Mr. Cramton was engaged wholly on preliminary work connected with the planning of Boulder City, the Government town established by the Bureau of Reclamation on the Hoover Dam project. His work related principally to the appraisement of lands and the making of leases for residential and business property. Since October 1, 1931, he has acted as intermediary on behalf of the Secretary between the Bureau of Reclamation and the office of Indian affairs in the adjustment of conflicting water rights on the upper Owyhee River. (See hearings, Interior Department appropriation bill, 1933.) This work affected the Indians on the western Shoshone Reservation in Nevada and Idaho, and the white settlers on the Owyhee Federal reclamation project in Oregon. The Secretary of the Interior was confronted with opposing claims from the two bureaus and required a disinterested fact-finding report. The controversy is one of long standing and has not yet been settled, although Mr. Cramton has completed his study. His report is an exhaustive discussion of the problem, and his recommendations are considered to be so favorable to the Indians that the Bureau of Reclamation has not yet agreed to them.

Mr. Cramton's only other Indian assignment has been as liaison officer between the department and a Senate committee considering the subject of taxation of Indian property by local communities. At present his time is devoted largely to special studies pertaining to national-park problems.

10. H. J. HAGERMAN

The attack on H. J. Hagerman is one of a series of misrepresentations and is entirely unjustified. He has not been "restored" to office, but has been continued in service by Secretaries Work, West, and Wilbur as their representative on the Pueblo Lands Board and as special commissioner to negotiate with Indians, particularly assigned to the Navajo Indians in New Mexico, Arizona, Colorado, and Utah. In this latter connection he coordinates programs affecting other Indian tribes in these States.

As the result of numerous hearings, no evidence has been produced justifying his removal, but it has been proved that Hagerman has zealously protected the rights of the Indians against aggression.

He has not been forced on the Navajo Indians. On the contrary, at the general tribal council meeting in 1929, a resolution was passed that Hagerman be continued as special commissioner to the Navajo Tribe as long as he remained in the service, and in July, 1931, the council delegates again requested his presence at the meeting.

Since the sale at public auction of the Navajo oil leases, all transactions have been handled by the Indian superintendents and the Washington office direct, with Hagerman acting as a consultant to see that the contracts are carried out.

The story of the auction sale of the Rattlesnake lease has been so often reviewed it seems absurd to revive it. Briefly, the facts are as follows:

In October, 1923, oil and gas leases on 13 tracts on the Navajo Reservation were sold at public auction, after 30 days' wide advertisement, by an expert oil-lease auctioneer from Oklahoma. The sale was well attended. On most of the tracts offered there was good competitive bidding; on the Rattlesnake at first there were no bids. Later in the day, upon being reoffered, it was knocked down at $1,000 bonus, the minimum sum fixed in the advertisement. The auctioneer sold the oil leases. Hagerman did not sell any of the leases, he merely signed the leases as an attorney for the Navajo Tribe, as authorized so to do by resolution of the tribal council; all leases were approved by signature of the Secretary of the Interior.

Of the 13 leases sold only 2 are producing. On the lease which brought the largest bonus—the Tocito, amounting to $46,000—no oil was found, and the lease was surrendered. The first well drilled on the Table Mesa structure was also nonproductive, but later drilling discovered oil. On the Rattlesnake tract oil was found, although at the time the other tracts were believed to be better prospects by the oil experts who bid. The other 11 leases sold brought a total of $24,100 bonus. All leases called for one-eighth royalty to the Navajos on oil produced. The Indian Office records show a total of $1,030,795.34 received from oil and gas leases on Navajo Reservation up to January 31, 1932. On January 27, 1932, the superintendent of the Northern Navajo Reservation reported total oil royalties on the Rattlesnake lease amounting to $439,813.

As each lessee was required to drill at his own expense, there is no significance in the report that after oil was discovered in paying quantities the owner of the lease disposed of part of his interests to others. It is not known whether the lessees have yet recovered their capital investment.

11. PUEBLOS

The charge that the Secretary and commissioner are lobbying to "defeat the efforts of Congress to meet its legal and moral obligation to the long-suffering Pueblo Indian Tribes" is a deliberate distortion. To the contrary, they have endeavored to secure adequate compensation for the Indians without yielding their water priorities in return for it.

The Pueblo-lands controversy is simply this: Is the seven years exhaustive work of the Pueblo Lands Board, which resulted in the quieting of title to 98,000 acres of disputed land, the reservation of an all-important water priority to the Indians, and awards for losses to both the Indians and non-Indians (which have been before the courts repeatedly), now to be rejected; and instead is a larger award to be made on the theory that the Indians have lost their invaluable water rights and should further be paid present-day land values instead of values at the time they lost possession; and, in addition, should Congress authorize a 10 per cent fee to the lobbyists who secure the legislation and take this fee out of the control of the Secretary of the Interior and out of the pockets of the Indians?

Briefly, the Indian Service's position has been that, in any event, the specific water priority reserved for the Indians but which the lobbyists say has been lost should be protected against a repetition of such irresponsible admissions by a specific amendment; that if more money is to go to the Indians, the Indian Service will welcome it, but wants an orderly review made by the board under a new standard of damages, to be fixed by Congress, instead of using figures which admittedly contain a duplication of at least $33,566.47, contain sums for lands lost before American sovereignty, and hence before any possible claim against the United States could have arisen, and are entirely unsatisfactory; that both the Indians and non-Indians should be promptly paid at least what the board has awarded; and that the lobbyists' fee should be stricken out of the bill. A recent suit, purportedly on behalf of the Indians, by these lobbyists, but without the department's approval, has been characterized by the United States District Court for New Mexico as "frivolous and vexatious and an abuse of the process of this court." The salutary requirements of present statutes requiring acknowledgment of the attorneys' contract by the Indians before a court of record, and approval by the Secretary of the Interior, were designed for just this sort of situation and should not be cast aside.

12. NAVAJOS

Since the beginning of the storm troubles in the Navajo country last November the following amounts have been authorized for expenditure for relief among the Indians in that section, and additional amounts will be required for the continuation of the relief program, including seed and other necessities for spring farming and gardening operations:

Northern Navajo	$3,340
Southern Navajo	58,000
Eastern Navajo	48,000
Western Navajo	17,380
Hopi	8,000
Leupp	5,150
Zuni	7,000
Total to 1932	146,870

The director of Indian agricultural and extension work was sent to the storm area to study conditions there, particularly the loss of Indian sheep, and to assist in determining what the relief policy for the Indians and their flocks should be for the balance of this year. In the meantime the Indian Office will continue relief along the lines heretofore followed.

Participation by the Navajos in the distribution of seed and feed loan money has been presented to the Department of Agriculture, although no final decision has been made by that department on the extent of assistance available from that source.

13. "STARVATION"

The files of the Indian Office are open for inspection of its program for meeting distress among Indians this winter. The statement that conditions as revealed by the superintendents were "largely ignored" by "top officials" is fantastic. Since the Indian Office in July, 1931, first received reports of the effect of the drought and grasshoppers, it has been pressing a relief program based upon studies of actual conditions rather than sensational reports. From some sections has come the statement that the Indians were better provided for than the whites in the same area.

As far as possible the Indian Office has attempted to dispense help according to the best standards of large-scale relief programs. The officers have felt that it was a solemn duty to preserve the self-respect of the Indians, remembering the disastrous effect of the ration policy upon many Indian tribes. Publicity on the relief program has been purposely avoided. The attempt to secure a popular hearing by resorting to unsubstantiated assertions on the relief situation is a distinct disservice to the American Indian. It is the quickest way to make the Indian Office a "bread line" rather than a constructive social service.

The following statistics show the scope of the relief activities:

Five hundred thousand dollars for road construction, carried as an immediately available item in the 1932 appropriation act.

Approximately $535,000 for direct relief for humans and care of stock.

One hundred thirty-two thousand and six hundred dollars spent by the Red Cross in Nebraska, North and South Dakota and Montana, November 1, 1931, to February 1, 1932.

Sixty thousand dollars from American Red Cross for nonward Indians, February 1, 1932 to June 30, 1932.

More than 50 carloads of Army clothing were distributed throughout the Indian country. (There were enough overcoats in this supply to furnish one for every other male adult of all Indians under the jurisdiction of the service.)

School warehouses have been emptied of surplus clothing to be supplied to the needy.

Boarding schools have taken in older unemployed Indian young people, admittedly overcrowding them in the emergency.

One hundred and thirty-five thousand dollars has been added to the 1933 appropriation bill for immediate use with the understanding that more would probably be needed before July 1, 1932.

A small amount of reimbursable money is available for seed and other needs this spring, and negotiations are under way to secure additional money through the Department of Agriculture for feed and seed loans.

Negotiations are under way to secure for the Indians a share of the 40,000,000 bushels of Federal Farm Board wheat both for humans and stock.

Many day schools have been serving two instead of one meal a day for Indian pupils.

Missions and other private groups have extended relief to Indians.

On at least four reservations the employees have themselves contributed special funds for Indian relief.

In addition to this record of activity, the following approximate per capita payments have been made or are under way from Indian tribal funds:

Fort Berthold	$1,718,402.41
Pawnee (Otoe)	5,372.89
Fort Totten	32,970.00
Sisseton	92,820.00
Shawnee (Iowa)	2,000.00
Colville	57,750.00
Shoshone	44,000.00
Shawnee (Sac and Fox)	22,200.00
Fort Peck	19,500.00
Flathead	33,618.00
Chippewa (Minnesota)	400,000.00
Crow	35,360.00
Standing Rock	36,720.00
Total	2,500,713.30

The Indian Office always welcomes constructive criticisms, but vague and unsupported accusations made by persons without any responsibility for the spending of other people's money or without a proper sense of the true social welfare of the Indians retard the development of the Indian race.

Mr. KING. Mr. President, my colleague has just asked permission to have inserted in the RECORD a statement issued by the Secretary of the Interior. If the Senator indicated the character of the statement, I failed to hear him. I assume, however, that it was a statement given to the press by Mr. Wilbur attacking Mr. John Collier and criticizing the junior Senator from Montana [Mr. WHEELER] and myself. In justice to Mr. Collier, I purpose reading Mr. Collier's reply.

Mr. McNARY. Would not the Senator be willing to have it inserted in the RECORD without reading?

Mr. KING. First let me say to my friend that Mr. Wilbur's statement was given rather wide publicity, as I am advised, and was intended, I assume, as an answer to the facts presented by the Senator from Montana and myself during the discussion yesterday of various items in the pending bill relating to the Indian Bureau. It was also an assault upon Mr. Collier, because of the petition or address, signed by a number of Indians and by Mr. Collier and several members of the Indian Defense Association, which was brought to the attention of the Senate yesterday.

In my opinion the statements made by the junior Senator from Montana upon the floor of the Senate yesterday are supported by the testimony given before the Frazier committee, as well as before other committees of the House and the Senate.

It is also my opinion that the petition or address referred to presents facts which rest upon credible testimony and upon records and documents to which the attention of officials in the Indian Bureau and committees of Congress have been challenged. The Senator from Montana is absent from the city but he can take care of himself and needs no defense. I shall not at this time say more in reply to Mr. Wilbur's press statement other than a few words concerning the organization of which Mr. Collier is secretary. In view of the charge made by Mr. Wilbur, I desire to add that the American Indian Defense Association is a nation-wide organization which seeks to protect the rights of the American Indians.

Dr. Haven Emerson, of New York, is its president, and among its board of directors are—

Col. George P. Ahern, retired, former secretary of the War College and former secretary of the interior for the Philippines.

Robert E. Ely, director of the Town Hall of New York.

Dr. Ernst Huber, professor of anatomy, Johns Hopkins Medical School, Baltimore.

Dr. Jay B. Nash, head of the School of Physical Education, New York University.

Lester F. Scott, national executive secretary of the Camp Fire Girls of America.

James W. Young, professor of business history at Chicago University.

Irving Bacheller, the popular American writer.

F. W. Hinrichs, jr., dean of the California Institute of Technology, Pasadena.

There are other members of the board, all men and women of character and high standing in their respective communities.

The National Advisory Board numbers men and women of national standing. I have their names here——

Mr. McNARY. Mr. President, the letter, when printed in the RECORD, will show for itself who these parties are, if that is the desire of the Senator.

Mr. KING. It is not my purpose to ask to have my letter inserted in the RECORD. I was simply calling attention to the high character of the persons who are part of the organization of which Mr. Collier is a member. The letter has no relation to the petition or statement to which I have referred.

The organization has a membership of 1,700 persons, and has branches with their local boards in a number of cities.

In San Francisco the president of the local organization is Charles de Y. Elkus; in Los Angeles the president is Dr. John R. Haynes, regent of the University of California, and member of the Los Angeles Water and Power Board; in Santa Barbara the president is the Rev. O. H. Bronson. Mrs. James A. Hogle, one of the most distinguished women of my State, is president of the Salt Lake City organization.

The legislative adviser is Mrs. H. A. Atwood, of Riverside, Calif., for a number of years chairman of Indian welfare for the General Federation of Women's Clubs in the United States. The treasurer is Fred M. Stein, of New York, well known as a philanthropist and a leader in Jewish social work.

These names indicate the character of the members of the organization. Secretary Wilbur charges that an "endowment fund" exists. May I say that the organization spends only $22,000 a year for all purposes, of which about one-half is devoted to legal-aid services and the balance covers all executive, travel, research, publication, and other costs.

I ask that Mr. Collier's reply to Mr. Wilbur's statement be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The reply is as follows:

STATEMENT BY JOHN COLLIER, SECRETARY OF THE AMERICAN INDIAN DEFENSE ASSOCIATION, IN REPLY TO A STATEMENT BY SECRETARY RAY LYMAN WILBUR, OF THE INTERIOR DEPARTMENT, ISSUED MARCH 9, 1932

MARCH 10, 1932.

The Secretary of the Interior, Dr. Ray Lyman Wilbur, has replied to the statement signed by Indian tribes, through a personal attack on myself, a white man, secretary of an Indian welfare organization.

The Secretary's dignity, and the nature of the statement signed by the tribes and read on the Senate floor yesterday, would seem to call for a different kind of rejoinder from him. The Indians' statement clearly laid down a series of charges, with facts given and records cited, 13 in number. The Senate debate of yesterday contains charges by three Senators hardly, if at all, less grave than the charges made in the Indians' petition.

It is to these factual charges that, it would appear, Secretary Wilbur's reply should be directed. His reply will be awaited

with keen interest not only by the white friends of the Indians, but by the Indian tribes.

Secretary Wilbur states that the department has made "every effort" to get constructive legislation. The Indians' petition cites the promises made by Secretary Wilbur and Commissioner Rhoads, and alleges that these promises have been violated, and goes into the details of good legislation which the department has blocked and bad legislation and alleged violations of law which it has promoted. How can these charges be disposed of by throwing a smoke screen of attack against an individual white man?

SECRETARY WILBUR'S FACTUAL ERRORS

Secretary Wilbur's interview makes one statement, relative to the Pueblo Indian contest, which is totally inaccurate, and another which is totally misleading.

He states that "Mr. Collier * * * has recently been trying to pass legislation * * * that would provide a $75,000 fee to one of the attorneys helpful to his organization."

Neither I nor anybody has been trying to pass such legislation, and Secretary Wilbur must be presumed to know it. There is a group of attorneys who have served the Pueblos from 1924 to date at great sacrifice and to whom the Pueblos have made no payment. The Senate Indian Affairs Committee amended the Pueblo relief bill to permit these Indians, if they so desired, to pay to the attorneys who had served them an amount not in excess of 10 per cent of certain increased compensations to the tribes provided in the bill. Secretary Wilbur knows, because it is of record in his own office, as well as in the printed hearings, that the attorneys served, and now serve, under contracts which expressly exempt the Pueblos from any financial obligation past, present, or prospective. The amendment to the bill in question has been exhaustively dealt with in the House Indian Committee, and I repeat that Secretary Wilbur must be presumed to know that the Pueblo relief bill does not "provide a $75,000 fee to one of the attorneys helpful to his (Collier's) organization," or to any other attorneys.

Secretary Wilbur's highly misleading statement, connected with the above, is as follows: "He (Collier) has been trying to pass legislation regarding the Pueblo Indians that would not insure the priority of their water rights."

Secretary Wilbur must be presumed to know, because it is in the Senate and House hearings on the Pueblo relief bill, that I personally proposed the following language:

"Nothing in this act shall be construed to affect any question concerning priority of water rights as between Indians and non-Indians, or to impair or affect any adjudication of a court of competent jurisdiction relative thereto."

Secretary Wilbur's lawyers, if they know anything, should know that Congress by legislation can go no farther, with any legal effect, than the above language. Congress can not settle a question of ownership, title, or vested right by legislation. That is for the courts, under the due process of law clause of the Constitution. The pending bill neither establishes nor disestablishes any ownership or water or water priority, whether of Indians or whites. The matter has been so abundantly dealt with in the hearings, and the fact is of so elementary a nature, that the misapprehension of Secretary Wilbur is difficult to comprehend.

Secretary Wilbur suggests that it is time for the American Indian Defense Association to dispense with my own services. His suggestion will be duly transmitted to the association's board of directors. Yet it is a strange suggestion for Secretary Wilbur to make, inasmuch as an indorsement of the Indians' petition was read on the Senate floor, and it contained among its signers the name of Dr. Haven Emerson, president of the American Indian Defense Association, as well as the names of other directors of the association and other persons not directors or members of the association.

For three years, the association whose secretary I am has cooperated with the Indian Bureau in all matters where cooperation was possible. The association will go on cooperating to the extent that the facts permit. The association naturally can not indorse actions by the Interior Department and Indian Bureau which are destructive of Indian rights and hurtful to Indian well-being. These actions have accumulated at an appalling rate, especially during the last year. The association has a duty to the Indians and the public, which undoubtedly it will continue to perform.

JOHN COLLIER,
Executive Secretary,
American Indian Defense Association (Inc.),
37 Bliss Building, Washington, D. C.

LITERARY DIGEST POLL ON PROHIBITION

Mr. BINGHAM. Mr. President, the latest issue of the Literary Digest has just come to hand this afternoon, which gives the result of the poll which they are taking on the prohibition question. It gives the result of some two million and sixty-three thousand votes that have been received. I ask unanimous consent that it may be printed in the RECORD at this point. It is extremely interesting because it shows that as the poll now stands some 39 States have reported, all but one of them in favor of the repeal of the eighteenth amendment, while Kansas still remains the only State in which a majority of those who have sent in their votes to the Literary Digest are in favor of the eighteenth amendment as it now stands.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The poll is as follows:

Fourth report of the Literary Digest prohibition poll

State	Favor continuance of eighteenth (prohibition) amendment	Favor repeal of eighteenth (prohibition) amendment	Total
Alabama	2,119	2,812	4,931
Arkansas	4,888	5,155	10,043
California	8,573	29,559	38,132
Colorado	930	1,619	2,549
Connecticut	6,306	32,449	38,755
Delaware	1,270	3,452	4,722
District of Columbia	1,027	3,841	4,868
Florida	1,743	5,056	6,799
Georgia	5,051	10,287	15,338
Illinois	29,974	128,748	158,722
Indiana	29,804	64,244	94,048
Iowa	14,598	24,373	38,971
Kansas	17,596	15,864	33,460
Kentucky	6,640	15,630	22,270
Maine	3,718	7,373	11,091
Maryland	7,519	27,659	35,178
Massachusetts	25,902	91,600	117,502
Michigan	16,629	57,037	73,666
Minnesota	4,598	14,555	19,153
Mississippi	2,626	4,322	6,948
Missouri	2,790	10,217	13,007
Nebraska	5,497	9,336	14,833
New Hampshire	3,409	6,818	10,227
New Jersey	22,487	131,181	153,668
New York	57,020	348,227	405,247
North Carolina	12,480	14,936	27,416
Ohio	51,036	131,643	182,679
Oklahoma	10,157	12,214	22,371
Oregon	1,722	4,266	5,988
Pennsylvania	80,401	255,757	336,158
Rhode Island	1,762	9,181	10,943
South Carolina	2,416	4,606	7,022
Tennessee	10,070	11,211	21,281
Texas	7,482	11,310	18,792
Vermont	2,451	5,596	8,047
Virginia	10,796	21,456	32,252
Washington	2,760	5,344	8,104
West Virginia	7,613	14,094	21,707
Wisconsin	4,475	21,748	26,223
Total	488,335	1,574,776	2,063,111

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. FESS in the chair) laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

REPORTS OF THE POST OFFICE COMMITTEE

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

The calendar is in order.

THE CALENDAR—TREATIES

The legislative clerk proceeded to read Executive KK (70th Cong., 2d sess.), a treaty of friendship, commerce, and consular rights between the United States and Norway, signed at Washington on June 5, 1928, and an additional article thereto, signed at Washington on February 25, 1929.

Mr. McNARY. Let the treaties go over.

The PRESIDING OFFICER. The treaties will be passed over.

FEDERAL FARM BOARD

The legislative clerk proceeded to read sundry nominations for the Federal Farm Board.

Mr. McNARY. Let the Federal Farm Board nominations go over.

The PRESIDING OFFICER. The nominations will be passed over.

CUSTOMS SERVICE—FRED A. BRADLEY

The Chief Clerk read the nomination of Fred A. Bradley to be collector, customs collection district No. 9, Buffalo, N. Y.

Mr. COPELAND. Let the nomination go over.

Mr. WATSON. Mr. President, my friend from New York asks that the nomination may go over. This nomination was sent to the Senate on the 10th of December last. It was reported from the Finance Committee to the Senate on the 9th day of February, over one month ago. As a matter of courtesy to the Senator from New York, of course I have deferred even attempting to secure any action in the matter. While something, of course, is due to the Senator from New York, yet something is due to the nominee, something to the President who sent his name here, and something to the committee which considered the case and reported it. All I want the Senator from New York to do or agree to do is to fix a time for the consideration of the nomination.

Mr. COPELAND. Mr. President, I am not impressed by what the Senator said about the date the nomination came to us, because I find the nominations for the Federal Farm Board were here for a month before this nomination came to us.

Mr. WATSON. That does not alter the situation.

Mr. COPELAND. No; it does not, and I have no disposition to delay the matter a single day beyond the time when I have my material ready. I have taken pains to go into all the Government records in connection with the criticisms passed upon this nominee, and when I tell the Senator that I have a pile of records a foot high he can believe that it has taken a long time to study them.

I am approaching the end of that study. I will say to my distinguished friend from Indiana that I worked on this question last night until 1 o'clock, but it takes time to do the work because I am trying to do what never was done before in this case, and that is to make a complete investigation of the facts. There was never any other investigation of this nominee that was ever completed.

It is my intention to bring to the Senate a bare outline of the facts. I am going to strive to have the nomination sent back to the committee with instructions to have an authoritative investigation made of conditions at Buffalo. I think in the interest of good government that is the thing which every Senator will want to have done when he knows as much about it as I have learned.

I hope that within a reasonable time—and I do not mean by that a month, and I do not mean several weeks—I may be ready to proceed with the consideration of the nomination. It perhaps may be sometime next week. If so, I shall bring the facts here then, but at most it will be only a matter of a few days beyond that time in case there should seem to be necessity for prolonging the study.

Mr. WATSON. I am quite satisfied with the Senator's explanation and, so far as I am concerned, the matter may go over until he is thoroughly prepared.

The PRESIDING OFFICER. On objection, the nomination will be passed over.

CUSTOMS SERVICE—CARL EASTWOOD

The Chief Clerk read the nomination of Carl Eastwood, to be collector, customs collection district No. 35, Minneapolis, Minn.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL RADIO COMMISSION

The Chief Clerk read the nomination of Thad H. Brown to be a member of the Federal Radio Commission.

Mr. COUZENS. Over.

The PRESIDING OFFICER. The nomination will be passed over.

THE JUDICIARY

The Chief Clerk read the nomination of Charles A. Jonas to be United States attorney, western district of North Carolina, reported adversely.

Mr. McNARY. The nomination may go over.

The PRESIDING OFFICER. On objection, the nomination will be passed over.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of J. Lindley Green to be register, Land Office, Anchorage, Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST GUARD

The Chief Clerk read the nomination of Preston B. Mavor to be ensign, Coast Guard.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

EXECUTIVE NOMINATIONS BEFORE THE SENATE

Mr. WATSON. Mr. President, may I interfere with the call of the calendar to ask the Senator from Oregon when he thinks the Farm Board nominees may be considered?

Mr. McNARY. I have an agreement with the senior Senator from South Dakota [Mr. NORBECK] that we may consider the matter on Saturday next. I think that is agreeable to the convenience of the Senator from Utah [Mr. SMOOT].

Mr. WATSON. May I ask the Senator from Oregon and also the Senator from North Carolina [Mr. BAILEY] when they will be willing to consider the Charles A. Jonas nomination to be United States attorney, western district of North Carolina?

Mr. McNARY. I am only endeavoring to accomodate the Senator from North Carolina [Mr. BAILEY], whose colleague is ill.

Mr. BAILEY. Mr. President, I should be ready and willing to-day but for the absence of my colleague the senior Senator from North Carolina [Mr. MORRISON] on account of illness. I shall be ready at any time.

Mr. WATSON. Now, may I ask my friend the Senator from Michigan [Mr. COUZENS] when he will be ready in the matter of the nomination of Thad H. Brown to be a member of the Federal Radio Commission?

Mr. COUZENS. The Senator may ask, but he will not get an answer to-day.

Mr. WATSON. Of course, being a Senator and being a member of the committee of which the Senator from Michigan is chairman, may I suggest that I am entitled to some kind of an answer as to whether it may be next week or the week after?

Mr. COUZENS. The Senator will recall that this is the first time the nomination has been called on the calendar.

Mr. WATSON. All of which is true.

Mr. COUZENS. I do not desire to be hurried on this nomination when other nominations may be held up for months on the calendar.

Mr. WATSON. I have no desire to hurry the Senator. I merely was asking him a courteous question. The committee by a vote of 10 to 1 favored the confirmation of the nomination, and as a member of the committee of which the Senator from Michigan is chairman, I think it my duty to submit to him the inquiry which I have.

Mr. COUZENS. Of course the Senator submitted a courteous inquiry and he received a courteous answer to the effect that I am not prepared to state. If he is not satisfied with that answer, he will have to wait until some other time and ask the question again.

Mr. WATSON. Then before very long, with due deference to the Senator from Michigan, I shall move to proceed to the consideration of the nomination.

Mr. COUZENS. The Senator may submit his motion to-night, so far as I am concerned.

Mr. WATSON. No; of course I do not care to do that.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. ODDIE. I move that the nominations of postmasters be confirmed en bloc, with the exception of one from North Dakota, being Calendar No. 2860, Albert F. Harris, of Reeder, N. Dak. I suggest that the exception be made on request of the Senator from North Dakota.

Mr. ROBINSON of Arkansas. Mr. President, I have no objection to a request for unanimous consent to confirm the nominations en bloc, but I do not think it is in order to move that they be confirmed en bloc.

The PRESIDING OFFICER. The Senator from Nevada asks unanimous consent that the nominations be confirmed en bloc except the one indicated by him.

Mr. ROBINSON of Arkansas. No; the Senator from Nevada moved that the nominations be confirmed en bloc. I am suggesting that he ask unanimous consent to have that done.

Mr. ODDIE. I did not quite understand the suggestion of the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I say I have no objection to agreeing by unanimous consent to confirm the nominations of postmasters en bloc, but I do not think it a good precedent to establish the practice of moving to confirm them en bloc.

Mr. ODDIE. I withdraw the motion and ask unanimous consent that the nominations of postmasters be confirmed en bloc, with the exception I have indicated.

Mr. ROBINSON of Arkansas. Very well.

The PRESIDING OFFICER. The Senator from Nevada asks unanimous consent that the post-office nominations may be confirmed en bloc, with the exception noted by him. Is there objection? The Chair hears none, and it is so ordered.

THE ARMY

The Chief Clerk proceeded to read the nominations of sundry officers of the Army.

Mr. REED. I ask unanimous consent that all Army nominations on the calendar may be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Army nominations are confirmed en bloc. That completes the calendar.

ADJOURNMENT

Mr. McNARY. As in legislative session, I move that the Senate adjourn, the adjournment being until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Friday, March 11, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 10, 1932

SECRETARY IN THE DIPLOMATIC SERVICE

Robert P. Joyce, of California, now a Foreign Service officer, unclassified, and a vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

FOREIGN SERVICE OFFICER, UNCLASSIFIED, VICE CONSUL OF CAREER, AND SECRETARY IN THE DIPLOMATIC SERVICE

Halleck L. Rose, of Nebraska, to be a Foreign Service officer, unclassified, a vice consul of career, and a secretary in the Diplomatic Service of the United States of America.

ATTORNEY GENERAL OF PORTO RICO

Charles E. Winter, of Wyoming, to be attorney general of Porto Rico.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Fred Charles Thomas, Cavalry (detailed in Quartermaster Corps), with rank from July 1, 1931.

TO AIR CORPS

First Lieut. John Paul Doyle, jr., Cavalry (detailed in Air Corps), with rank from December 1, 1931.

Second Lieut. David Raymond Gibbs, Cavalry (detailed in Air Corps), with rank from June 9, 1928.

Second Lieut. David Hodge Baker, Coast Artillery Corps (detailed in Air Corps), with rank from June 12, 1930.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be captain

First Lieut. James Alvin Lewis, Infantry, from March 9, 1932.

To be first lieutenant

Second Lieut. John Robert Burns, Infantry, from March 9, 1932.

CHAPLAIN

To be chaplain with the rank of major

Chaplain Philip Francis Coholan (captain), United States Army, from March 7, 1932.

PROMOTIONS IN THE NAVY

Commander Henry M. Jensen to be a captain in the Navy from the 1st day of February, 1932.

Lieut. Commander Benjamin Perlman to be a commander in the Navy from the 1st day of January, 1932.

Lieut. Gordon B. Sherwood to be a lieutenant commander in the Navy from the 4th day of June, 1931.

Lieut. David Rittenhouse to be a lieutenant commander in the Navy from the 1st day of August, 1931.

Lieut. Robert L. Fuller to be a lieutenant commander in the Navy from the 1st day of September, 1931.

Lieut. Thomas A. Gray to be a lieutenant commander in the Navy, from the 1st day of January, 1932.

Lieut. Byron J. Connell to be a lieutenant commander in the Navy from the 1st day of February, 1932.

Lieut. (Junior Grade) Thomas B. Birtley, jr., to be a lieutenant in the Navy from the 8th day of May, 1931.

Lieut. (Junior Grade) Henry D. Batterton to be a lieutenant in the Navy from the 6th day of November, 1931.

Lieut. (Junior Grade) Matthew L. Kelly to be a lieutenant in the Navy from the 1st day of December, 1931.

Lieut. (Junior Grade) Frederick J. Nelson to be a lieutenant in the Navy from the 29th day of December, 1931.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of January, 1932:

George A. T. Washburn.
William D. Anderson.
William H. Hamilton.
Matthias M. Marple, jr.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of February, 1932:

William P. Burford.
Homer B. Hudson.

The following-named passed assistant surgeons to be surgeons in the Navy, with the rank of lieutenant commander, from the 4th day of June, 1931:

Richard M. Little.
Joash I. Yohannan.

The following-named passed assistant surgeons to be surgeons in the Navy, with the rank of lieutenant commander, from the 30th day of June, 1931:

Desse A. York.
Ernest Ward.
Walter R. Johnson.

Passed Asst. Dental Surg. Albion C. Tollinger to be a dental surgeon in the Navy, with the rank of lieutenant commander, from the 4th day of June, 1931.

Paymaster Charles R. O'Leary to be a pay inspector in the Navy, with the rank of commander, from the 11th day of January, 1918.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 4th day of June, 1931:

Thomas S. Wylly.
James E. Sanner.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 1st day of February, 1932:

Maurice M. Smith.

John A. Fields.

The following-named machinists to be chief machinists in the Navy, to rank with but after ensign, from the 23d day of November, 1931:

Samuel C. Moore.

John M. Stuart.

William R. McAllister.

William H. F. Terrie.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 10, 1932

COLLECTOR OF CUSTOMS

Carl Eastwood to be collector of customs, customs collection district No. 35, Minneapolis, Minn.

REGISTER OF THE LAND OFFICE

J. Lindley Green to be register of the land office, Anchorage, Alaska.

COAST GUARD

Preston B. Mavor to be ensign.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Capt. Francis Egan, Infantry, to Quartermaster Corps.

First Lieut. William Campbell Lucas, Infantry, to Field Artillery.

PROMOTIONS IN THE REGULAR ARMY

Russell Potter Reeder, jr., to be first lieutenant, Infantry.

Albert Leslie Evans (captain) to be chaplain with the rank of major.

Wallace McNamara to be colonel, Infantry.

Alden Max Graham to be colonel, Quartermaster Corps.

Robert LeRoy Collins to be colonel, Adjutant General's Department.

Clifton Ranney Norton to be colonel, Field Artillery.

Eugene Julius Ely to be colonel, Finance Department.

Charles Russell Mayo to be colonel, Cavalry.

Edward Nicoll Woodbury to be lieutenant colonel, Coast Artillery Corps.

Carl Cogswell Oakes to be lieutenant colonel, Finance Department.

John Thomas Kennedy to be lieutenant colonel, Field Artillery.

Ray Longfellow Avery to be lieutenant colonel, Chemical Warfare Service.

Horace Meek Hickam to be lieutenant colonel, Air Corps.

Owen Riggs Meredith to be lieutenant colonel, Infantry.

Edward Alexander Stockton, jr., to be lieutenant colonel, Coast Artillery Corps.

John Derby Hood to be major, Cavalry.

Claude Greene Hammond to be major, Infantry.

Robert Osborne Poage to be major, Infantry.

James Patrick Moore to be major, Infantry.

Albert Eugene Andrews to be major, Infantry.

Keith Bolling Wise to be major, Infantry.

Dorris Aby Hanes to be major, Quartermaster Corps.

John Wesley Rodman to be major, Infantry.

Malcolm Stoney Lawton to be captain, Air Corps.

Jasper Kemper McDuffie to be captain, Air Corps.

Mark Rhey Woodward to be captain, Air Corps.

Howard Knox Ramey to be captain, Air Corps.

Lionel H. Dunlap to be captain, Air Corps.

Harold Rentsch Rivers to be captain, Air Corps.

Harold Daniel Smith to be captain, Air Corps.

Michael AlQuinn to be captain, Quartermaster Corps.

Albert Brill to be captain, Field Artillery.

Charles Walter Hensey to be captain, Finance Department.

Marion Larimore Elliott to be captain, Air Corps.

Earle J. Carpenter to be captain, Air Corps.

Albert Jamison Fox to be captain, Quartermaster Corps.

James Pratt Hodges to be captain, Air Corps.

Merson Leon Skinner to be first lieutenant, Infantry.

Charles Draper William Canham to be first lieutenant, Infantry.

Edward Harold McDaniel to be first lieutenant, Infantry.

Thomas Benton Gailbreath to be first lieutenant, Infantry.

Willet John Baird to be first lieutenant, Infantry.

Paul John Black to be first lieutenant, Infantry.

Clifton Coleman Carter to be first lieutenant, Coast Artillery Corps.

Paul Leroy Carroll to be first lieutenant, Infantry.

Edward Lyman Munson, jr., to be first lieutenant, Infantry.

James Bell Burwell to be first lieutenant, Air Corps.

Frederick Prall Munson, jr., to be first lieutenant, Field Artillery.

Thomas Howard James to be first lieutenant, Infantry.

James Arthur Willis, jr., to be first lieutenant, Air Corps.

Wilson Turner Douglas to be first lieutenant, Infantry.

Benjamin Tillman Sharpton to be major, Medical Corps.

Alexander Otis Haff to be captain, Medical Corps.

Thomas Albert Harkins (captain) to be chaplain with the rank of major.

Frank Pearson MacKenzie (captain) to be chaplain with the rank of major.

POSTMASTERS

ALABAMA

William V. Dodd, Carbon Hill.

John W. Brasfield, Dora.

Dyer T. Dew, Trussville.

ALASKA

Wilkie T. Pinkerton, Fairbanks.

Lydia Noble, Kodiak.

Owen E. Meals (Mrs.), Valdez.

CALIFORNIA

James H. Whitaker, Anaheim.

Leo G. Pauly, Bakersfield.

Ruth E. Powell, Claremont.

William P. Nye, Covina.

Theodore J. Brown, Hynes.

Fred F. Darcy, Montebello.

George W. Archer, Norwalk.

Presley E. Berger, Ontario.

Marjorie G. Gray, Tranquility.

CONNECTICUT

Henry G. Linsley, Branford.

Marshall Emmons, East Haddam.

Sidney M. Cowles, Kensington.

Herbert E. Erwin, New Britain.

Clifford E. Chapman, Niantic.

GEORGIA

Sallie G. Purvis, Pembroke.

HAWAII

Edward K. Ayau, Aiea.

IDAHO

Clarence P. Smith, Eden.

Arthur B. Bean, Pocatello.

INDIANA

Charles L. Winter, Bicknell.

Foster V. Annis, Bremen.

Jesse Dowen, Carbon.

LaFayette H. Ribble, Fairmount.

Earl H. Shepherd, Geneva.

William G. McNeelan, Holton.

Harry F. Dutton, Martinsville.

McKinley Elliott, Middlebury.

Herman A. Douglass, Monticello.

James J. Patchell, Union City.

William I. Ellison, Winona Lake.

KANSAS

Jessie W. Lloyd, Athol.

Anna L. Miller, Bushton.

Joseph V. Barbo, Lenora.

Forrest L. Powers, Le Roy.

George J. Frank, Manhattan.

Cyrus L. Holeman, Maplehill.
Nora J. Casteel, Montezuma.
Anna M. Bryan, Mullinville.
Andrew M. Ludvickson, Severy.
Walter R. Lathrop, Smith Center.
James B. Pratt, Syracuse.

KENTUCKY

Clifford V. Bryant, Fleming.
Benjamin F. Shepard, Wayland.

LOUISIANA

George W. Varnado, Franklinton.
Lillian D. Gayle, Independence.
Edwin A. O'Brien, Lafayette.

MAINE

Hugh Hayward, Ashland.
Marion E. Brown, Belfast.
H. Emily Cunningham, Damariscotta Mills.
Bernard V. Thompson, Easton.
Charles C. McLaughlin, Harmony.
Harry J. White, Jonesport.
Thomas E. Wilson, Kittery.
Harold C. Gates, Millinocket.
Winfield L. Ames, North Haven.
Hiram Ricker, jr., South Poland.
Carl W. Mitchell, Union.
George E. Sands, Wilton.
Parker B. Stinson, Wiscasset.

MICHIGAN

Homer E. Buck, Bay City.
Arthur R. Gerow, Cheboygan.
Bert E. Paul, Dowagiac.
Melvin A. Bates, Grayling.
Dudley E. Hewitt, Petersburg.
Wilda P. Hartingh, Pinconning.
Christina B. Grozinger, Woodland.

MINNESOTA

Frank H. Groetsch, Green Isle.
John M. Johnson, Hills.
Frederick F. Arndt, Prior Lake.
Anton B. Trana, Vining.
John N. Ross, Westbrook.

MISSISSIPPI

Nettie Dorsett, Lucedale.

MISSOURI

Edward A. Birkmann, Beaufort.
Harry C. Grant, Cuba.
Joseph P. O'Hern, Hannibal.
John M. Schermann, Hermann.
Oliver H. Simmons, Lancaster.
John S. McCrory, Linn Creek.
John A. Varney, Paris.
Charles A. Bathgate, Polo.
Hattie Stierberger, Union.
Charles A. Boyles, Urich.
Artie B. Keadle, Wellsville.

MONTANA

Isaac L. Brooks, Culbertson.

NEBRASKA

Charles W. Fritts, Crawford.
William C. Hagelin, Friend.
Earle D. Willard, Genoa.
Ingebert J. Thomsen, Minden.
William A. Barraclough, North Platte.
Edwin P. Clements, jr., Ord.
Leona V. Schrecengost, Papillion.
Carl H. Olderog, Springfield.
Clarence E. Benson, Upland.

NEVADA

Isaac L. Stone, McGill.

NEW HAMPSHIRE

Alice L. Coughlin, West Ossipee.

NEW YORK

Frank H. Burmaster, Irving.

NORTH CAROLINA

Harley E. Wright, Canton.
Thelma Dickey, Murphy.
Walter Thompson, Saluda.
Robert E. Carmichael, Weaverville.

NORTH DAKOTA

Marie Toenberg, Alexander.
Rudolph G. W. Anderson, Ambrose.
Reuben P. Semrau, Balfour.
Ella C. Sweeney, Berthold.
Walter A. Sather, Bismarck.
Nellie Ribb, Donnybrook.
Oscar J. Haner, Douglas.
Duncan McLean, Hannah.
Don E. Dela, Hettinger.
Ole H. Larsen, Killdeer.
Bernhard C. Hjelle, Mercer.
Almeda Lee, Mohall.
Martin H. Weber, New Leipzig.
August Kreidt, New Salem.
John C. Black, Plaza.
Lottie A. Nelson, Powers Lake.
Viola C. Marking, Scranton.
Seth E. Garland, Tioga.
Chase E. Mulinex, Tolley.
Sidney O. Dundas, Watford City.
Harriet C. Stensatter, West Fargo.
Axel G. C. Strom, Williston.

OHIO

Edward M. Barber, Ashley.
Frank A. Brown, Batavia.
Charles E. Kniesly, Bradford.
Edgar C. Allison, Cumberland.
Andrew L. Brunson, Degraff.
Wade W. McKee, Dennison.
Francis E. Cook, Galion.
Frank H. Shaw, Germantown.
Charles H. Morrison, Hebron.
Ida H. Cline, Kings Mills.
William H. Snodgrass, Marysville.
Clem Couden, Morrow.
George B. Fulton, North Baltimore.
Oliver Ferrell, Paulding.
William E. Whitcomb, Perrysville.
Marion E. Campbell, Sardinia.
Harry Sotzen, Shelby.
Iris L. Bloir, Sherwood.
Nathan S. Hall, Summerfield.
Charles O. Eastman, Wauseon.
William E. Thomas, Wellston.
Asher O. Earley, Woodsfield.

OKLAHOMA

William G. Johnston, Oklahoma City.

OREGON

Henry A. Barrett, Athena.
David S. Young, Dufur.
Don Ellis, Garibaldi.
Fred C. Holznagel, Hillsboro.
William R. Logus, Oregon City.
Celia M. Tozier, Rainier.
William I. Smith, Redmond.
George W. Trommlitz, Toledo.

SOUTH CAROLINA

Fred L. Timmerman, Graniteville.

TEXAS

Maggie P. Rhew, Anderson.
William F. Hoffman, Carrollton.
Charles H. Bugbee, Clarendon.

Gustav A. Wulfman, Farwell.
James S. Carter, Grand Saline.
Ira S. Koon, Hallsville.
John V. Lackey, Hico.
Allen M. Huddleston, Hubbard.
John A. McFarland, Ladonia.
Lilburn C. Graham, Lancaster.
John T. Hopkins, Longview.
Walter E. Hall, Lufkin.
William M. Owens, Memphis.
Theodore Reichert, Nordheim.
Everett A. Vordenbaum, Randolph Field.
Silas J. White, Rising Star.
Henry E. Cannon, Shelbyville.
Charles E. Binnings, Strawn.
Willie M. Prouty, Wallis.
Fannie Dawson, Wilson.

VERMONT

Isabel Neary, Shelburne.
Robert A. Slater, South Royalton.
James S. Brownell, Woodstock.

VIRGINIA

C. Buford Bralley, Austinville.
Grace S. White, Ballston.
Noah Markey, Beaverdam.
Ella E. Ames, Belle Haven.
Roy E. Potts, Berryville.
William B. Clark, Bird Haven.
Charles R. Whitmore, Broadway.
John R. Yates, Brookneal.
Francis C. Fitzhugh, Cape Charles.
Henry P. Holbrook, Castlewood.
William H. Haney, Claremont.
James K. Carter, Clinchport.
James M. Nunn, East Radford.
Louise A. Merrihue, Emory.
Gilmer T. Slusser, Fincastle.
James O. Humphreys, Goshen.
Charles A. Hammer, Harrisonburg.
William R. Rogers, Hilton Village.
John W. Gibbs, Howardsville.
Caroline E. Bristow, Ivor.
Frank D. Paul, Leesburg.
Lena Campbell, Madison Heights.
Rodney F. Woodward, Marshall.
Charles P. Smith, jr., Martinsville.
William E. Shaver, Maurertown.
Charles M. Saunders, Milford.
Oswell H. Hopkins, Narrows.
James B. Porterfield, Newport.
Ruth O. Griffin, Newsoms.
Robert E. Fugate, Nickelsville.
Roger G. Dyson, North Emporia.
Bryant B. Lipscomb, Portsmouth.
Robert M. Bradshaw, Rice.
Mary E. Spratt, Richlands.
Walter E. Richmond, Rural Retreat.
Claude T. DeBusk, Saltville.
Bessie H. Moon, Saxe.
Joseph B. Jones, Smithfield.
Gilbert F. Stiles, Wachapreague.
Emmett W. Brittle, Wakefield.
John B. Grayson, Warrenton.
William M. Chamberlain, Waverly.

WASHINGTON

Mabel G. Lamm, Burlington.
Nellie Tyner, Dishman.
Paul B. Davis, Longmire.
Francis H. Lester, Tieton.

WYOMING

Albert J. Schils, Cokeville.
Fred W. Smith, Glenrock.
L. Roy Ness, Powell.
John A. Stafford, Rock Springs.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 10, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, the giver of all mercies, look upon us with divine favor and deal graciously with us. As we draw near to Thee for this moment, may this place be a sanctuary for the soul. We thank Thee for Thy goodness which accompanies us day by day; upon us Thou dost pour out Thy blessings from Thy undiminished abundance. O infinite God, Thou who dost care for the suns and stars, we praise Thee that Thou dost have time and thought for Thy children. May we never starve out of our hearts the heavenly grace of gratitude. O spare us from the curse of ingratitude which is the most prevailing sin of the world. Whatever we do this day as selected lawmakers of the land, may we do it in the spirit of consecration to the needs and welfare of all the people. Whatever our lot, lead us on, and may we find that Thy yoke is easy and the burden light. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5315. An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

ORDER OF BUSINESS

Mr. RAINEY. Mr. Speaker, on yesterday we gave a privileged status to the irrigation district moratorium bill. If we get into the tax bill, there will be no opportunity for a long time for the consideration of the moratorium bill. It is an emergency matter. I have consulted with the minority leader and the Speaker, and I desire to present a unanimous-consent request, and that is that when the House adjourns to-day it adjourn until 11 o'clock to-morrow, and that from 11 o'clock until 12 o'clock the time be given to this moratorium bill.

The SPEAKER. Is there objection?

Mr. SNELL. I reserve the right to object, to ask the gentleman a question. Is it expected that if the bill is not passed by 12 o'clock to-morrow it will be dropped?

Mr. RAINEY. Yes.

Mr. MICHENER. Reserving the right to object, I want to make a parliamentary inquiry. The Rules Committee reported out a rule making the irrigation bill in order. The rule provided time for general debate and had the usual provisions. A unanimous request was agreed to on yesterday, giving the bill a privileged status. Now, if the bill is given a privileged status, as I understand it, it means that it comes up for consideration under the general rules of the House at such time as the Speaker or the House may determine, having in mind at all times that the bill has the same privilege as any other privileged bill.

The SPEAKER. The bill is on the Union Calendar. If the House resolves itself into Committee of the Whole House on the state of the Union and debates it for a time, and desires to rise, and the House desires to continue general debate, it would be just like any other bill. The only thought the gentleman from Illinois and the gentleman from New York and the Chair had this morning is that they would like to give the bill early consideration, in view of the fact that it could not be considered yesterday afternoon. Is there objection?

There was no objection.

ECONOMY COMMITTEE

Mr. POU. Mr. Speaker, I present a privileged resolution from the Committee on Rules for printing under the rule.

The resolution is as follows:

House Resolution 169

Resolved, That the Economy Committee, appointed pursuant to House Resolution No. 151, Seventy-second Congress, is hereby authorized to report to the House at any time during the present session of Congress, by bill or otherwise, its recommendations upon any matter covered by such resolution; and any bills so reported shall be placed upon the calendar and have a privileged status.

APPROPRIATIONS

Mr. AYRES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the Wichita Daily Eagle, entitled "An Obsession."

The SPEAKER. Is there objection?

There was no objection.

Mr. AYRES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Wichita Eagle:

Congress, which is petitioned to do this and that oftener than any other American group, is currently puzzled by the disposition of folks, officials and private citizens, to ask Congress to soak the proposed 1-cent Federal tax on gasoline but to pass a $125,000,000 appropriation for additional Federal aid to State highways.

With the Treasury already far behind appropriations made up to date, naturally an additional $125,000,000 can not be appropriated without providing the revenue. Yet petitioners are boosting the outgo and swatting the proposed means of income.

This is a hangover from the belief, developing these last 20 years, that the resources of the Federal Treasury are inexhaustible. Congress has responded to call after call for drafts upon the Treasury and the Treasury has been standing the gaff. But it is doing so no longer.

If Congress appropriates $125,000,000 for additional Federal aid at this time, it is elementary mathematics that Congress must also foist upon the country not only a gasoline tax but other taxes fully as disagreeable. The petitioners are having a hard time grinding the "free-aid" obsession out of their systems. But it will have to be ground out.

In connection with this editorial I wish to say, Mr. Speaker, a few days ago the House considered and passed a bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction to the extent of $120,000,000, and the further sum of $12,500,000 for building roads and trails in national parks, national forests, and in Indian reservations. The bill contemplates adding $132,500,000 to the national debt, and although my own State, if this bill should become law, would be entitled to receive $3,173,493 of Federal funds without the necessity of matching such sum with State funds, and possibly without an obligation to repay such amount, with the condition confronting our Federal Treasury I could not bring myself to vote for such a proposition when our whole time since Congress convened in December has been devoted to finding ways and means to balance the Federal Budget, and that can not be accomplished by increasing expenditures.

At the end of last June the Treasury deficit was $903,000,000. For the fiscal year ending next June 30, we are told the deficit will be $2,123,000,000. It is the paramount duty of the National Legislature to bring this intolerable situation to an end, and there is but one alternative, and that is to reduce Federal expenditures and raise taxes.

The Committee on Appropriations, of which it is my privilege to be a member and a subcommittee chairman, has been holding hearings for weeks on the annual appropriation measures, scanning each and every item to find out if a lesser sum could be made to suffice. To date five of the regular supply bills and one deficiency appropriation bill have been reported to the House. In their present stage they carry $115,068,382 less than proposed in the requests presented by the President. As chairman of the naval subcommittee, for weeks I have been going over the naval estimates to find ways in which they may be pruned. All for what? To make that much less the additional sum that must be raised through the imposition of additional taxes in order that the Federal Budget may be balanced.

The Government does not have $132,500,000 to parcel out to the States. As I have already indicated, it must borrow over $2,000,000,000 to finance its running expenses for the present fiscal year ending next June 30.

The Committee on Ways and Means of the House has been sitting for weeks trying to evolve a tax bill to raise the sum over and above the amount by which the Appropriations Committee will be able to curtail appropriations that will be required, in addition to present revenue, to meet the running expenses of the Government.

All we have been striving to accomplish will go for naught if now we embark upon a program of appropriating sums that have not been considered in our financial planning. Such a course can only mean increasing the levies we will shortly be called upon to impose on every person in the land. Each State, or rather the citizens of each State, will have to be further assessed for the cost of any of these measures, so appealing on their face, which are outside of the regular financial program which we have been endeavoring to finance.

In less than two years the Federal Government has appropriated $464,000,000 (exclusive of the $132,500,000 proposed in the bill recently passed) for the express purpose of lending aid to the States in development of highways under the Federal-aid program.

I submit that in trying times like these, when local, State, and national taxation have reached limits that represent the limit of the capacity of the taxpayer to pay, and when the Appropriations Committee and the Congress are bending every effort to balance the Budget by paring expenditures to the bone, and effecting savings at every possible point, it is an ill-advised time to embark upon such an ambitious program as this, particularly when it is established that the benefits flowing to actual labor are entirely out of proportion to the means and methods employed.

Kansas, no doubt, could profitably use $3,173,493 at this time. She is no different in this regard than any other State in the Union; and, obviously, the easiest course for me to have pursued would have been to vote for the bill. Kansas, however, I am sure, wants to see the Federal Government restored to a healthy financial state. There is no surer way to restore prosperity in Kansas or the rest of the Nation, and that will mean more to Kansas as a whole, than to balance the Federal Budget and cease passing legislation calling for appropriations of hundreds of millions of dollars, which will increase the burden upon the taxpayers of the State as well as the entire Nation.

EXTENSION OF REMARKS

Mr. ALMON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a communication which I have received from Claude McMillan, a brother of Representative MCMILLAN.

The SPEAKER. Is there objection?

Mr. UNDERHILL. I object.

REVENUE BILL OF 1932

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes; and pending that, I ask unanimous consent that general debate be had on the bill to-day, to-morrow, and Saturday; that the time be divided equally between the gentleman from Oregon [Mr. HAWLEY] and myself. Of course, Mr. Speaker, we are both for the bill. The Committee on Ways and Means desires the fullest discussion and consideration of the measure. If, when the House adjourns on Saturday, there is still desire for further general debate, it is my purpose to ask the House to continue that general debate, because I want everybody to have an opportunity in that respect. While the gentleman from Oregon and myself are both for the bill, I shall couple with my request, if granted, that Mr. HAWLEY divide his time among his colleagues on that side of the Chamber equally between those opposed to the bill and those in favor of it. If the request is granted, I myself will yield half of my time to be controlled by the gentleman from North Carolina [Mr. DOUGHTON], who is opposed to the bill in its present form.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. DYER. Is the gentleman's request such that debate must be on the bill itself?

Mr. CRISP. I thank the gentleman, because I intended to couple that with my request. My request, Mr. Speaker, also will include that the general debate be confined to the bill.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, will the gentleman permit me to propound a parliamentary inquiry to the Chair?

Mr. CRISP. Certainly.

Mr. O'CONNOR. Under the unanimous-consent request of the gentleman from Georgia, he states that if general debate is not concluded on Saturday, it would be continued on Monday. If that were so, would this unanimous-consent request take precedence over privileged matters; for instance, the matter of a motion to discharge committees?

Mr. CRISP. I suggest this to the Speaker: The rule provides particularly that after the approval of the Journal it shall be in order to call up such a motion.

The SPEAKER. There is no discretion in the hands of the House and the Chair so far as that rule is concerned. It is made for the purpose of forcing the consideration of a measure when the motion to discharge the committee has 145 signatures.

Mr. CRISP. As the author of the rule, I state to the Chair that that was the purpose and intention.

The SPEAKER. The gentleman from Georgia moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10236, to provide revenue, equalize taxation, and for other purposes. Pending that he makes the request that the time for general debate be equally divided between himself and the gentleman from Oregon [Mr. HAWLEY], with the right in either gentleman to yield a portion of that time to opponents of the bill, such time to be in turn yielded by them, and that the debate be confined to the bill. Is there objection?

Mr. WOODRUM. Mr. Speaker, I reserve the right to object for the purpose of making a parliamentary inquiry. On Saturday last we began debate upon the independent offices appropriation bill. Is it understood that further consideration of that bill will follow the tax bill?

The SPEAKER. The Chair hopes so, although he would not want to foreclose the House on that proposition.

Mr. WOODRUM. A great many inquiries have been received from Members who are interested in the matter.

The SPEAKER. The Chair does not think the House ought to foreclose itself on a matter of that kind, but naturally an appropriation bill would have the earliest consideration possible. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Georgia that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the revenue bill of 1932, H. R. 10236.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10236, the revenue bill of 1932, with Mr. BANKHEAD in the chair.

The Clerk reported the title of the bill.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. Will the gentleman from Georgia and the committee indulge the Chair for a moment until he can make a suggestion? This is probably the most important and will develop into the most highly controversial piece of legislation that will come before the House at this session of Congress. There will evidently be a large membership of the committee present, and in justice to the gentlemen who are occupying the floor, in justice to the House reporters, and those who desire to hear the arguments, the Chair earnestly appeals to all members of the committee to preserve as far as possible the highest state of order, so that there will be just consideration of the bill. [Applause.]

Mr. CANFIELD. Mr. Chairman, as the Chair states, this is probably the most important legislation that will be taken up during this session of the Congress. The gentleman from Georgia, acting chairman of the committee, is about to explain the bill. I feel it is imperative that the membership be here. Therefore I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Indiana makes the point of order that there is no quorum present. The Chair will count. (After counting.) One hundred and eighty-seven Members present, a quorum.

Mr. CRISP. Mr. Chairman, in common with all citizens of the United States I regret the necessity for this burdensome tax bill, the most burdensome tax bill that has ever been brought before the House in peace time, but there is no way to escape it. Some of my colleagues have asked, Why should a Democratic House just before an election bring in a bill of this kind? My answer is, in compliance with the Constitution of the United States. The Constitution of the United States says that it shall be the duty of Congress to levy taxes to pay the bills of the United States, and that sacred instrument further says that all bills raising revenue shall originate in the House of Representatives. In the consideration of this bill in the committee there was not the slightest partisanship. Never has a committee worked harder or more faithfully than the Committee on Ways and Means in the preparation of this bill. During the consideration of the bill in the committee one could not have told whether a member of that committee was a Republican or a Democrat. They were Americans; they were representing their country; they rose to their responsibility; and this bill is the joint product of all the members of that committee. It is neither a Democratic nor a Republican bill; it is a Government bill, it is an American bill, it is your bill as well as the bill of the Committee on Ways and Means. [Applause.]

The Committee on Ways and Means has measured up to its responsibility. They present to you a bill which, if enacted, will balance the Budget. I have no doubt that the House, likewise, will measure up to its responsibility.

It is conceded that there is a deficit for 1933 of $1,241,000,000. In this House there are two schools of thought. Some of my colleagues believe we should not attempt to balance the Budget but should continue to sell bonds or issue greenbacks. Mr. Chairman, I am tolerant of anybody who differs with me. That is their right. I may be wrong. They may be right. Surely and certainly I have no criticism of or quarrel with anyone who differs with me. Oh, how happy I would be, what a great thing it would be for our country if all legislators, both in this body and in the legislatures of the different States and at the other end of the Capitol, would all vote their honest, intellectual convictions as to what was best for the country, divorced from any political exigencies attaching to the subject matter. [Applause.]

I therefore have no criticism to make of any Member of this House who differs with me. However, I desire to give you my views as to why that is an erroneous policy and why the Budget should be balanced.

At the end of the fiscal year 1931 the United States had spent $903,000,000 more than its receipts, and that amount was added to the national debt. At the end of the fiscal year 1932 there will be over $2,400,000,000 more added to the national debt. Not only must the taxpayers be taxed to pay the principal of these colossal sums but they must pay taxes over a period of many years to pay the interest on it; and the interest, even at 4 per cent, on $1,000,000,000 is $40,000,000 a year, which the taxpayers must carry to pay the interest on these bonds during the time which they run.

Some of the United States bonds to-day are selling as low as 90 cents on the dollar. In my humble opinion, no

individual, no corporation, no government can continue to run and maintain its credit by from year to year spending more than its receipts. [Applause.]

The United States Government may get by one year or two years, but if Congress does not face this responsibility and balance the Budget for 1933, the financial world, the entire world will become frightened as to the stability of the United States credit. Bonds will further depreciate, and when United States bonds depreciate, all industrial stocks and bonds and lands and everything else depreciates, and the Government, of necessity, will be required to pay higher rates of interest, thereby entailing additional burdens upon the taxpayers.

Some of my friends advocate the issuing of greenbacks. The United States Government during the sixties issued $449,000,000 of greenbacks, supported by 40 per cent gold reserve, and in 1864 they sold as low as 43 cents on the dollar. In 1865 they sold as low as 46 cents on the dollar. I will include in my remarks a statement showing how those greenbacks fluctuated during those years.

(The statement is as follows:)

The depreciation of the currency, measured in gold, is seen in the following table, which gives by months, 1862–1865, the average gold price of $100 in currency in the New York market:

Depreciation of the greenback

Month	1862	1863	1864	1865
January	$98	$69	$64	$46
February	97	62	63	49
March	98	65	61	57
April	98	66	58	67
May	97	67	57	74
June	94	69	47	71
July	87	77	39	70
August	87	79	39	70
September	84	74	45	69
October	78	68	48	69
November	76	68	43	68
December	76	66	44	68

Mr. CRISP. Gentlemen, the only good money the United States can have is that collected from the people in the form of taxes. The United States Government can not run a printing press and print money and make it good. It will fluctuate in value, be uncertain, and will affect every industry in the United States. Germany, France, and Italy tried that experiment a few years ago, with great economic havoc. A few years ago for 25 cents of our money one could buy a million dollars' worth of German marks. We can not follow that policy and maintain the financial stability and credit of the United States. If that is possible, why not run the printing presses and pay off all of the bonded indebtedness of the United States and stop paying interest on it? I repeat, in my honest judgment, the only good money a government can get is from taxes.

I have no quarrel with my colleagues who differ with me on this subject. In my opinion the Budget must be balanced, and unless it is balanced the Reconstruction Finance Corporation and every other temporary relief measure enacted by this Congress will prove futile and useless. The corner stone on which economic recovery depends, the corner stone on which employment will be found for many of the millions of splendid citizens now unemployed, is a balanced Budget. To-day the banks, the great financial institutions, insurance companies, and the investing public are afraid to invest in anything but Government bonds. Large institutions have called loans, sacrificed on the market industrial bonds and stocks, trying to become liquid; and I am not going to ascribe to them unpatriotic motives. They know that the Government is spending billions of dollars more than its revenue. They know the Government will have to offer bonds for sale, and it would be calamitous if the United States Government offered bonds and could not find a buyer for them. Therefore, from patriotic motives, the banks are refusing to make loans to private industry.

They are calling in their loans in order to put themselves in shape to purchase the securities which the Government is offering in order to finance the Government. But if you take the other horn of the dilemma and attribute to them selfish and sordid reasons, and say they may be pursuing this policy because, forsooth, with this depreciated price of Government bonds, the best security in the world, they will have a better opportunity later to make a large profit, then some criticism might be made of them for pursuing such a policy. But whatever the reasons, they are now pursuing this policy. When it is known that the Budget is balanced, that the Government will not again have to sell bonds, those banking institutions, those insurance companies, and those long-loan companies and others will not want their money to remain idle in vaults, and they will loan it to manufacturing plants, to individuals, and to industries. It will enable them to again function. It will enable them to give employment.

I am profoundly convinced that this is absolutely true; and, that being so, I have determined to the best of my poor ability to have enacted into law a tax bill that will balance the Budget. This bill will accomplish it.

Now I come to a description of the bill. Before that, may I be permitted to express the grateful thanks of the Committee on Ways and Means and myself to Mr. Beaman, of our drafting board; to Mr. Parker, of the Joint Committee on Internal Revenue Taxation; to Mr. Turney, to Mr. Bartholow, of the Treasury Department; to Mr. Collins, of the Federal Trade Commission; to Mr. Gregg and Mr. Alvord, patriotic practicing attorneys in Washington, for the invaluable assistance and service they rendered the committee in connection with this tax bill. [Applause.] I want to add Doctor Jaeger and other employees from the Department of Commerce.

Now, gentlemen, there is a very common idea that the colossal sum needed to balance the Budget and finance the Government should be raised from the wealthy of the Nation. I say to you that if ever there was a tax bill brought before this House that taxed the wealthy to the limit, taxed them to a burdensome extent—and I presume they will say this taxation is confiscatory—it is this bill. And with all that I will show later what a small per cent of the money needed to balance the Budget can be derived from those sources.

The bill before you increases the normal rate on income taxes, the lower brackets, from 1½ per cent to 2; the next bracket from 3 to 4; the next bracket from 5 to 6, and practically doubles the surtax rates. The bill applies the maximum surtax rates on the excess of net income over $100,000, and when you add the normal rate to the maximum surtax rate of 40 per cent it amounts to a tax on incomes over $100,000 of 46 per cent. Is not that a high tax on income?

The bill before you lowers the exemption of those required to make income-tax returns. It reduces the exemption of a married man from $3,500 to $2,500 and reduces the exemption of a single man from $1,500 to $1,000. Your committee felt in this dire emergency it was not right or fair not to lower those brackets, because those individuals having those incomes do not pay much, if any, tax.

That change will not produce very much money from the new classes brought in. With that running all through the bill, making the exemption apply when it gets up into the very high surtax rates, it is estimated that that change will bring in approximately $39,000,000 or more. That provision will require about 2,900,000 more citizens to make income-tax returns. Only 1,700,000 of them, however, will be taxed, and the taxes that they will pay will be negligible.

Let me give you an example of some of the taxes the wealthy will pay under this income-tax provision if they have a net income.

Gentlemen, an income tax is uncertain as a method of revenue for the Government, for it depends upon the condition of business. If business is good and people are making money, the income tax brings in lots of money. And may I say I think it is the fairest and best tax of all taxes. I am heartily in favor of it, because it places the tax burden on those best able to pay, and that is where it should be placed. But when business is stagnated and when billions of dollars have been lost, those losses are deducted from your taxable returns, and you pay no income tax. To-day

there are hundreds of millionaires who pay no income tax, because after their losses have been deducted from their gains they have no net profit.

But let me tell you how, if they have a net income, this tax bill will affect them. A man with an income of $10,000 net under the present law pays $129. I will leave off the cents. Under the bill you have before you he would pay $195. The man with a $20,000 income net under the present law pays $819, and under this bill he would pay $1,072. A man with an income of $50,000 pays $5,000 under existing law, and under this bill he would pay $6,772. A man with an income of $100,000 under the existing law pays $16,000, while under this bill he will pay $25,000. A man with an income of $200,000 under existing law pays $41,000, and under this bill he will pay $71,000. A man with an income of $500,000 under existing law pays $116,000, and under this bill he will pay $209,000. A man with an income of $1,000,000 under existing law pays $241,000, and under this bill he will pay $439,000. A man with an income of $5,000,000 under existing law pays $1,241,000, and under this bill he will pay $2,279,000.

But, gentlemen, notwithstanding those rates, notwithstanding the reduced exemptions, notwithstanding the new taxpayers brought in, the Treasury estimates that under these changes, terrifically high, during the fiscal year 1933 the Government will only receive $112,000,000 more than it will under existing law.

Now, I come to the corporation tax. The committee has recommended that the corporation tax be increased from 12 to 13 per cent. The committee made another change in that. Under existing law a corporation whose net income is less than $25,000 has an exemption of $3,000. The committee changed that and provided that a corporation with a net income of less than $10,000 might have $2,000 exemption, and that any corporation with an income of over $10,000 shall be given no exemption whatever.

May I revert to the income-tax provisions for a moment and point out another change? Under existing law a man was given an earned income of $30,000 with lower tax rates on it. We have cut that down to $12,000, because the committee felt that if a man was earning $12,000 a small reduction of rate on that $12,000 was sufficient, but if a man could earn $30,000 he ought to pay the full tax.

Now, this is the situation with the corporation tax. It may interest you to know that in 1930 of 456,600 corporations making returns 237,000 of them, or 52 per cent, showed deficits. They paid no taxes. They had no net income.

Incomes from corporations dropped from $1,193,000,000 in 1929 to $704,000,000 in 1930, a total decrease of $488,000,000, or 41 per cent; and the Treasury estimates that in 1931 only 37 per cent will be received from corporations, compared with 1929.

Under this change in the new bill it is estimated that for the fiscal year 1933 the Treasury will gain $21,000,000.

Now, some may say, Why not raise the corporation rate higher? Your committee was of the opinion that the 13 per cent was about as high as you could go and get productive returns from the corporation taxes. Your committee felt that if it placed a higher tax on corporations it might result in their curtailing operations, running shorter time, throwing more people out of employment; and your committee knew, further, that corporations are owned simply by individuals, generally the big ones by the rich individuals; and, if the corporation paid dividends, these stockholders in the surtax classes had to also pay tax to the Government on their income-tax returns.

I may add that, taking the income taxes, individual and corporate, with low rates, the Government has collected as much as $2,200,000,000 in a year. The estimate for 1933 from this source, under the present law, is only $657,000,000, a decrease of over two-thirds; and with these high rates added it is estimated that there will be received in 1933 only $790,000,000.

Your committee doubled the inheritance or estate tax. Think of it! We were trying to make those best able to pay pay; but you can not get blood out of a turnip. You can not get an income tax unless they make a net income, and you can not get a tax from an inheritance or as an estate tax until a man dies; and, after he dies, his heirs have 18 months before they have to make any payment on the estate tax; but we have fixed rates that ultimately on the estate tax will bring in a colossal sum of money to the people of the United States, but it will not do this for the year 1933, because heirs have 18 months under the law to wind up the estate before they have to pay. We have doubled the rate. We have made the maximum rate on estates 40 per cent. The maximum rate under existing law is 20 per cent, and the respective States of the Union can participate in this amount up to 80 per cent, provided they have estate taxes that would take in that amount.

Under this bill it is provided that all the money that comes in from this doubled or supertax shall be retained in the United States Treasury and the States are not to participate in it.

Estate tax

Net estate (before specific exemption)	Tax under existing law (before credit for State taxes)	Total tax under bill (before credit for State taxes)
$100,000	0	0
$200,000	$1,500	$3,000
$500,000	12,500	25,000
$1,000,000	41,500	83,000
$5,000,000	489,500	979,000
$10,000,000	1,334,500	2,669,000
$50,000,000	9,333,500	18,667,000
$100,000,000	19,333,500	38,667,000

The estate tax, without a mother tax to protect it, might be evaded, so your committee has provided a gift tax as a mother tax to this estate tax.

Under existing law a wealthy man can make gifts, and if they are not made in contemplation of death, no tax is paid on them. This has been a prolific source of disputes in the courts, as to whether the gifts were in contemplation of death, and under the law if the gift is made within two years prior to death, it is presumed to be in contemplation of death. This bill, if enacted into law, will remove these controversies, for this bill provides a gift tax on gifts whether made in contemplation of death or otherwise.

Now, the maximum amount of the tax on gifts is 30 per cent instead of 40 per cent, as in the case of the estate tax. The committee deliberately did this. Why? The committee wanted to hold an invitation to the holders of these enormous estates to dissipate them or to divide them before death, and the committee knew that if this was done the Government would begin to get taxes on these distributions and not have to wait until the owner died.

I am one of those who believe it is unfortunate that 8 or 10 per cent of the people of the United States own 90 per cent of its wealth. Gentlemen, this bill, if enacted into law, will play an important part on that public issue and, in my judgment, will go a great way toward redistributing some of these colossal estates through the Treasury of the United States. [Applause.]

But under the terms of this bill, with these colossal taxes, income tax, increase in corporation tax, estate tax, and gift tax, the Treasury estimates that it can only receive during the fiscal year 1933, $168,000,000. I repeat that these increases will produce only $168,000,000 more than existing law. We need $1,240,000,000 to balance the Budget. Where are we going to get it? Surely, no man can complain that the committee has not taxed wealth. Wealth will say this bill is confiscatory.

Is not wealth severely taxed under this bill? There can be but one answer—yes. I, for one, will be glad when the business conditions of the country become settled, so that these burdensome taxes can be lowered. But for 1933 how are we going to get the revenue needed?

Now, your committee figured that through the good offices of this House, through the splendid ability of the chairman of the Committee on Appropriations [Mr. BYRNS] [applause]

and those who are working with him, there would be a reduction in the appropriations, and we allowed, for the purposes of making up this colossal sum, $125,000,000 for reduced expenditures in the supply bills for the Government for 1933.

The splendid chairman of the Committee on the Post Office and Post Roads [Mr. MEAD] advised me that that committee would bring in bills that would reduce the deficit of the Post Office Establishment $25,000,000. So we credited ourselves with that and allowed $150,000,000 for economy.

In the administrative changes of the income tax law, we believe that we will save to the Government in 1933 at least $100,000,000.

The committee has plugged up the gaps and holes in the administration measures, where the wealthy taxpayers drove a wagon through it and got money out of the Treasury. This bill plugs those holes, and we estimate, and the Treasury approves the estimate, that we can save $100,000,000 there. So we deduct $150,000,000 for economy and $100,000,000, making $250,000,000.

We deduct $250,000,000, and that leaves us $990,000,000 to be raised. We deduct $168,000,000, from increases in income taxes, individual and corporate, and the gift and estate tax, and that leaves $822,000,000 to be raised.

Where are we going to get that? I repeat, where are we going to raise it? The Treasury sent in a program providing for singling out a few industries and placing a high excise tax on them.

The Committee on Ways and Means for five or six weeks heard witnesses. One hundred and seventy-seven witnesses appeared before us. They protested paying any other tax, said their business was in a deplorable condition; but, when pinned down, most of them said that they felt the imperative necessity of balancing the Budget, and they would be willing to do their part, but they ought not to be singled out, that it was inequitable, it was unjust that it should be raised from them, and that a general tax on all should make all pay their part of the burden.

When the hearings were over, the Ways and Means Committee met in executive session to try to frame a bill, and I was happy in that committee, because there was no politics. It was Americans working for America, and there was not a single partisan vote in that committee, not one. [Applause.]

We considered the different items. We could not escape the merit of the contention of industry, that it was unjust to pick out some, because, forsooth, the tax would be easily collected from them. So after days and days, the committee decided to consider a broad tax, a manufacturers' tax, that would place the burden as lightly as possible, as equitably as possible, on all the business of the country.

We began to consider it; we had a subcommittee to consider it. May I add, that I repeatedly said to the full committee, that any member of it was cordially invited to be present at the hearings before the subcommittee. The Treasury, while not advocating a sales tax, insisted on their program of taking a few special cases, and I will name them to you presently.

They did render very valuable assistance in the study and preparation of this bill, and Secretary Mills and the other experts gave us the benefit of their counsel and advice at all times. I appreciated it and the committee appreciated it.

The Treasury Department brought down from Canada Mr. Jones. He is connected with the Government of the Dominion of Canada and has been in the department handling their manufacturers' excise tax ever since it was established. Recently, also, he returned from Australia, where he was loaned by the Canadian Government to the Australian Government and inaugurated a manufacturers' tax in Australia. Mr. Jones gave us very valuable assistance and explained to us the operation of the tax in Canada and Australia. He stated that the tax was the most satisfactory tax for the Government, that the Government could depend upon revenue, that it was satisfactory to the manufacturers, that the manufacturers did not complain and said it gave them very little trouble, and that so far as the consuming public was concerned there was no complaint from them and many of them did not know there was such a tax in existence. He stated that about half of the tax levied in Canada was absorbed by the manufacturers and was not passed on at all to the consuming public. It may be interesting to note that France, Germany, Austria, Czechoslovakia, Hungary, and about every government in Europe has a sales tax, with the exception of Great Britain. Some of them not only have manufacturers' excise taxes but additional taxes on luxuries. Your committee began to consider it, and the more we considered it the more we believed it was a solution of our problem. The further we considered it the more convinced we became that it was more equitable, more just, to levy this general broad tax rather than to single out a few industries and levy high taxes upon them. Finally the committee determined to recommend to you and to bring in here for your consideration a manufacturers' excise tax bill, and that is now before you.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. DICKINSON. Can the gentleman insert at this point the rate in Canada and the rate in Australia as compared to the rate here?

Mr. CRISP. Yes. The rate in Canada is 4 per cent, the rate in Australia 6 per cent, and the rate in this bill 2¼ per cent.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. DOUGHTON. And right in that connection will the gentleman not also place in the RECORD the exemptions carried in Canada and Australia?

Mr. CRISP. I hope my friend will not think me discourteous, but he can include them in his remarks. There are 10 pages of the Canadian law carrying exemptions, and I do not care to put them in my speech. I should be glad to have the gentleman put them in his remarks when he speaks.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. ARNOLD. The gentleman stated that the Treasury Department did not recommend this general manufacturers' tax. Will the gentleman put into the RECORD just what taxes the Treasury proposed to assess to meet this deficiency?

Mr. CRISP. I will. I stated a moment ago that I would do it, and later in my remarks it is my purpose to put them in.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. FREAR. In connection with the remark that was made with respect to exemptions, of course exemptions include agricultural products and foodstuffs. I have received a great many telegrams, as have other Members, in regard to canned goods, which, of course, constitute the foodstuffs that are purchased by the average consumer in cities. What is the reasoning that taxes canned goods and yet exempts raw foodstuffs, and is there any way in which that could be met?

Mr. CRISP. Will the gentleman permit me to answer that in a few moments? I am going to yield to everybody who asks me a question, but I apprehend if they will bear with me I shall answer most of the questions they have in mind.

SEVERAL MEMBERS. Finish your speech first before yielding.

Mr. CRISP. Oh, I am going to yield.

Mr. FREAR. The gentleman knows that I have the very highest regard for him. I have served with the gentleman for many years in the committee.

Mr. CRISP. The bill we have brought before you provides a general manufacturers' excise tax on most commodities, though there are exemptions in the bill. In these times, with people out of employment, the committee believes it is wise to exempt articles of food that the average citizen has to have to sustain life. Therefore, here are the exemptions

named in the bill. I want my colleague to realize that there might be many other articles we would have liked to exempt, but there had to be some limit. We had to narrow as much as possible to avoid administrative difficulties. We had to narrow it to get a sufficient volume of business on which to levy a small tax in order to produce the amount of revenue needed. If you broaden and widen the exemptions, you destroy the money-producing effect of the bill. However, there were certain things that the committee felt should be exempted. In the bill the committee exempts farm or garden products produced in the United States; fertilizers and such grades of articles as are used chiefly for fertilizer, or chiefly as ingredients in the manufacture of fertilizers; garden or field seeds; bran and shorts and feeds for animals or fowls; meat, fish (including shell fish), and poultry, fresh, dried, frozen, chilled, salted, or in brine; bacon, hams, pig shoulders, and pig jowls, not cooked or packed in airtight containers; butter, oleomargarine, and other substitutes for butter; cheese, milk, and cream, in any form; eggs in the shell; bread.

I understand one very reputable chain of newspapers is saying that the rich man's barrel of flour is exempt from tax, while the poor man's loaf of bread is taxed. That is not so. All flour, all bread, whether in barrel or in the loaf, is exempt. To continue with the exemption, flour and meal made of grain, and semolina, sugar, tea, coffee, salt, any article with respect to which an internal-revenue tax is imposed under existing law; water not in closed containers; newspapers, magazines, and other periodicals; books, pamphlets, and music, in raised print, used exclusively for or by the blind; textbooks for use in private or public schools or other institutions of learning.

Bibles, comprising the books of the Old or New Testament, or both;

Rosaries, chaplets, medals, and similar articles of religious devotion; hymn books, prayer books, and manuals of religious devotion; books of religious reading, thought, or action; books of religious statistics.

The bill provides that any manufactured goods that are exported, do not pay the tax. The Constitution says, "No export tax shall be levied." This bill exempts from the provision all merchandise or other articles exported. The bill further exempts from paying taxes, any commodities bought by any of the States of the Union or political subdivisions thereof.

Now, I will answer my friend, the gentleman from Wisconsin [Mr. FREAR]. I, too, have had many telegrams and letters protesting the tax on canned goods. My answer is that those canned goods are manufactured products. They are not raw products. They are food products; but the committee felt that when we were taxing all other manufacturers—the clothing man, the furniture man, the machine man, and everybody else—if the people, rich and poor alike, were given exemption from the tax on these common articles of necessity, the articles that are used generally by the rich and poor alike every day, there could be no just complaint against not exempting processed meat, canned goods, Uneeda Biscuits, and these higher-priced crackers, and things like that, where they were making money and where articles were manufactured goods. If they were exempted, they would reduce the base so greatly that it might be necessary to have a 3 per cent tax instead of a 2 per cent tax. That is the reason. Whether a good one or a bad one, that is the reason.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. JOHNSON of Texas. That would not apply to canned goods for one's own use?

Mr. CRISP. No. The bill provides that any person who manufactures anything, whose gross yearly output is less than $20,000, does not have to pay this manufacturers' tax. Of course, not being a licensed manufacturer, they pay the tax on anything they buy themselves that they are using, but they would not have to pay the manufacturers' tax on the commodity they sold if their gross sales during the year were less than $20,000.

Mr. Chairman, we tried to prevent pyramiding of the tax. We did not want a man to pay a tax and then pass it on and pay a tax on that tax. We sought to prevent it. In order to prevent pyramiding we followed the Canadian law of having a system of licensed manufacturers.

The license fee for those manufacturers is $2 is they give a bond to guarantee to the Government payment of the taxes, or $100 without giving a bond. We figured that dealing with this class of men who were business men, they would pay the tax, and the Government figured that the $100 license fee would protect the Government, too, because under the bill these taxes are to be paid monthly, and if a man is not paying, then his license can be revoked. So we thought that was ample protection.

I am going to use an illustration which I have used with the press to show how that operates. I think it is as good an illustration as I can use. It is not intended to make every article produced by a manufacturer that may be that manufacturer's finished product, but will be the raw material of another manufacturer, pay the tax. We are seeking to collect the tax on the last manufacturer who finally completes the process, where there is to be no further manufacture. There may be one or two sales channels, the wholesaler, and the retailer, but no further manufacturing.

Let me illustrate. Here is a pencil. There is lead in the pencil; there is wood; there is metal; there is rubber. The lead may be one manufacturer's finished product. The wood another's, the metal another's, and the rubber another's, but under this licensing system, if the man who makes the lead is a licensed manufacturer, when he sells to the next company he does not pay the tax. That process goes all through the process of manufacturing until it reaches the one who completes the job. Then the tax is levied on him and is to be paid by him.

Permit me to call your attention to this: The tax is not levied on the retail price. The tax is levied on the manufacturer's wholesale price, which is much less than the retail price.

Mr. CANNON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. CANNON. There is an exemption for schoolbooks. Is there an exemption for the paper and for the ink and for the glue, cloth, and for the other materials which enter into the manufacture of schoolbooks, under the provision to which the gentleman has just referred?

Mr. CRISP. No; there is not.

Mr. CANNON. In other words, then, you do tax schoolbooks, and you do tax Bibles?

Mr. CRISP. Well, we tax the paper and those things that go in, and we think that the paper manufacturers and those others, when they manufacture it, not knowing for what purpose it is to be used, are not unjustly dealt with if they pay this small tax.

Mr. CANNON. But the bill does tax schoolbooks and Bibles.

Mr. HARLAN. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. HARLAN. Does the manufacturer's price that is contemplated include salesmen's commissions? I ask that question for the reason that there is an association of manufacturers in this country who deal directly with the purchaser and not through brokers or wholesale agents. They feel that their commissions are larger than if the commodities are sold directly through the wholesalers. They are fearful that this tax will discriminate against them because if it is decided on the wholesale price they will be paying a higher tax than the manufacturer who deals through the wholesaler.

Mr. CRISP. The selling cost is not intended to be added. Now, we are considering things like that, and there will be other cases that will present themselves. Some committee amendments may be necessary.

There is a provision in the bill giving the Treasury Department authority to enter into agreements with people of that kind and others as to what is a fair manufacturer's

wholesale price. That agreement can not be changed, but it shall run during all of the period so that the man manufacturing will know what his tax is. The tax is to be levied on the wholesale manufacturer's price, and if he is selling to these agents he and the Treasury Department will agree as to what is a fair manufacturer's price.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. LAGUARDIA. Following the question of the gentleman from Missouri [Mr. CANNON], take a textile, like wool, silk, or cotton, coming from the mill as a finished textile and sold to a garment or dress manufacturer. Does that pay this tax as a finished textile or may it be sold to a licensed dress or garment manufacturer?

Mr. CRISP. It can be sold to the man who is going to make the finished garment under the licensing system without paying the tax, and then when the manufacturer of the finished garment is ready to sell it he pays the tax.

Mr. LAGUARDIA. Would not that also apply to the paper that goes into a book?

Mr. CRISP. Here is the difference, to which Mr. Turney calls my attention, that in the gentleman's case the article is going into an article that is finally going to be taxed at its higher value—that is, when it is a finished product—while in the case of the gentleman from Missouri [Mr. CANNON] his paper is going into books, an exempt commodity, and is not going to pay any tax. In the gentleman's case the Government gets the tax when the article is completed, while in Mr. CANNON's case the completed article is not going to pay any tax.

Mr. LAGUARDIA. Then, all periodicals and newspapers would be exempt and the paper mill would pay the tax?

Mr. CRISP. Yes.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. JOHNSON of Texas. Do I understand that in all instances a manufacturer would pay the tax on an article as soon as it was manufactured or at the time the article is sold?

Mr. CRISP. It would be levied when a manufacturer sold the commodity. That is one of the advantages in licensing the wholesaler or jobber. He does not have to pay the tax when he has the goods on his shelf. It is only when he sells them that he has to pay the tax. So the licensing system is a great benefit to those people. It not only enables them to stop the pyramiding of taxes but it will accomplish the purpose of having the tax paid only when the article is sold.

Mr. ANDREW of Massachusetts. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. ANDREW of Massachusetts. Can the gentleman give us an estimate as to the number of manufacturers who would be licensed under this bill and the number of those manufacturers who would probably be subject to the tax?

Mr. CRISP. The Treasury estimates, with the $20,000 exemption, that there would be about 140,000 manufacturers.

Mr. ANDREW of Massachusetts. Licensed?

Mr. CRISP. Yes.

Mr. ANDREW of Massachusetts. And the same number would probably have to pay the tax?

Mr. CRISP. They would have to pay the tax; yes.

Mr. ANDREW of Massachusetts. The gentleman says the number would be about 140,000?

Mr. CRISP. One hundred and forty thousand; yes.

Mr. MICHENER. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. MICHENER. The gentleman is making a splendid connected statement. Every time there is an interruption it detracts from what the gentleman was saying. With the gentleman's permission I ask unanimous consent, even though the gentleman is willing to answer questions, that the gentleman be permitted to make a connected statement before inquiries are permitted. [Applause.]

Mr. CRISP. I thank my friend; but I am willing to do anything that will throw light on this bill.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the gentleman from Georgia may proceed without interruption. Is there objection?

Mr. RANKIN. Mr. Chairman, the gentleman from Georgia is in control of the floor and of that question. He has the right to yield or not, and I object.

Mr. CRISP. The gentleman from Georgia will say very frankly that personally he would prefer to make a connected statement, but he stated in the beginning that he would be willing to yield to anybody who wanted to ask any questions, and, of course, he is going to adhere to that statement.

Mr. PARSONS. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. PARSONS. I rise to make this suggestion: That the gentleman from Georgia be permitted to make his statement and then invite questions at the close of his statement.

The CHAIRMAN. The gentleman from Georgia has the floor and has the right to yield or not, as he sees fit.

Mr. SWEENEY. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. SWEENEY. I would like to ask the chairman why the committee, on page 228, recommends a tax of 4 cents a gallon on lubricating oils, and, in the next section, recommends a tax of 35 cents a gallon on brewer's wort, liquid malt, malt sirup, and so forth?

Mr. CRISP. I will answer that when I reach it.

The CHAIRMAN. The gentleman from Georgia has consumed one hour.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia may proceed for an additional hour.

The CHAIRMAN. Without objection, the gentleman from Georgia is granted the privilege of proceeding for one additional hour.

There was no objection.

Mr. CRISP. Now, gentleman, going back to the manufacturers' tax, my mail has contained protests from manufacturers against the levying of this tax because they said they could not pass it on and they would have to absorb it.

I have likewise had protests from some people saying it would be passed on and the consuming public would have to bear it. I think there is merit in both propositions. I think wherever this tax can be passed on, it will be, and I think in many cases it can not be passed on because of the competitive conditions and will be absorbed by the manufacturer. I would guess that this would probably be a 50-50 proposition; but, gentlemen, take a man with a salary of $1,500, and the average salary of the average person in the United States to-day does not amount to that, probably one-half of his expenditures would be for articles of food, and they are exempt. He would pay no tax on half of his expenditures for articles of food. Of the other half expended by him, $750, about 70 per cent, the wholesale price of his purchases, would be taxable at 2¼ per cent, amounting to less than $12. If half of that is absorbed, he will be paying under this bill about $6 a year; and in this financial emergency, when his welfare, as well as the welfare of everybody, is involved, I do not believe this will be a burdensome tax.

Let me tell you, gentlemen, this manufacturers' excise tax will make the rich pay more than the poor and it will add to the burdens of the rich. I hold no brief for the rich, for I have nothing in the world but my salary, and if I did not have that I would not have to make an income-tax return. But this will add more. Why? For the sake of this argument, say every dollar of it is passed on, a family that spends $1,000 a year would pay, under this bill, about $20, figuring it at 2 per cent; the man that spent $10,000 a year for living would pay $200; the man that spent $50,000 a year would pay fifty times as much as the thousand dollar man; the man that spends $100,000 a year would pay one hundred times as much as the thousand dollar man; and, gentlemen, when you get up into luxuries which the rich man buys the competition in the business is not so great, and these taxes will be passed on and the rich man will pay them.

Do you know that to-day there are many rich men who are not engaged in industry, who are not giving employment to any of our idle citizens, men who toil not, who spin not, who sit back and clip their coupons from tax-exempt bonds and securities and pay not one cent to the Government? They pay no income tax, they pay nothing, they live in idleness. Under the manufacturers' excise tax bill they will pay a tax on practically everything they buy, and they will be made to pay the tax where to-day they are escaping taxation.

Mr. BLACK. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. BLACK. The gentleman has made the interesting statement that in businesses where there is competition the tax will be absorbed by the manufacturer, but in businesses where the competition is slight it will be passed on to the consumer; does not this mean, in the case of highly organized business, in the case of the business field where mergers control, that the merger corporations or the merged business will be able to pass the tax on to the consumer, and other business will have to absorb the tax?

Mr. CRISP. The only answer I can make to my friend from New York is that business is cold-blooded, business is selfish, and business is going to pass on this tax wherever it can, and where it can not, it will absorb it.

Mr. LOZIER. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. LOZIER. In view of your statement that business is selfish, the gentleman will please explain this situation: This is the first revenue bill in the 10 years during which I have been a member of this House, that big business, industrial, commercial, and financial, has not burdened the mails and our desks with tons of propaganda against the proposed bill. Can the gentleman tell me why big business and the financial, commercial, and industrial classes are not fighting this bill if it is unjust to them; why have not the income-paying classes protested against it if it is unjust or unsatisfactory to them instead of——

Mr. CRISP. I yielded to the gentleman for a question. I hope the gentleman will not make a speech.

Mr. LOZIER. Instead of sending out, as in times past, tons of propaganda against it. Why have we been spared that pressure?

Mr. CRISP. Let me answer the gentleman. I think they made a mistake by not communicating with the gentleman. They have certainly communicated with me in protest.

Mr. LOZIER. And the gentleman did not confer or communicate with me or with his associates in the House, in reference to including a sales tax in this bill.

Mr. CRISP. Now, gentlemen, let me give another illustration as to why I think some of this tax will be absorbed.

Take a suit of clothes that the average man buys that costs at retail $25. The wholesale price of that suit of clothes will not be over $15, the tax on which will be 33 cents. There is a $10 spread from that wholesale price of $15 to the retail price of $25. I believe the 33 cents tax will be absorbed in the $10 spread, and the ultimate consumer will not pay it.

Mr. RANKIN. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. RANKIN. In the case of the sales tax imposed during the war, my recollection is they not only collected that from the ultimate consumer, but added to it and doubled it two or three times.

Mr. CRISP. That was a retail sale tax and this is a manufacturers' excise tax, and this bill provides for a licensing system to prevent pyramiding, which that law did not.

Mr. RANKIN. But when it is passed on to the ultimate consumer, he will pay two or three times as much as the tax.

Mr. CRISP. That is the gentleman's view and he is entitled to think that.

Now, gentlemen, many of my colleagues are opposed to this manufacturers' tax provision. I have no fault to find with them—none whatever.

Under the provisions of the bill, the manufacturers' tax, which is recommended as an emergency expedient, expires by operation of law on June 30, 1934. Through an oversight, the bill does not include a similar provision requiring the special excise taxes to expire likewise by operation of law on June 30, 1934. The committee will offer an amendment to correct this oversight. It is the purpose of the bill that both the manufacturers' tax and all special excise taxes levied under it shall cease to be operative on June 30, 1934, when we hope the emergency will be over, and that the income tax, individual and corporate, the gift tax, and the estate tax will have provided the Government with ample revenue.

But if you eliminate this title, you will lose in revenue provided by this bill $675,000,000—$595,000,000 from the two and one-fourth manufacturers excise tax, $80,000,000 from the taxes in that title imposed on imported oil and gasoline, crude and refined. If this title goes out, they go out, and you will lose $80,000,000 from the tax on malt sirups, wort, and lubricating oil.

Now, I will answer the question that was propounded to me. There are in this bill matters that I did not favor going in, and that is true of other members of the committee. The bill is a joint product of the committee. The tax was placed on lubricating oil because it is not taxed anywhere. None of the States tax it. It was further stated that no matter how the price of gasoline had fluctuated at filling stations, the price of lubricating oil had been about the same for 10 or 15 years.

We had to have revenue, and it was not taxed anywhere, and we did not think the tax levied on it, 4 cents a gallon, was oppressive, and it was estimated that it would raise $25,000,000. Furthermore, under this licensing process, manufacturers buy the oil and use it as a part of their cost of manufacturing, and they would not pay the tax on it.

Now, when it comes to wort many members of the committee never heard of it until two or three days before the bill was brought out. It was represented that the State of Michigan taxed it; that it was a perfectly lawful product; that the product per se did not violate any law, though it was freely stated to the committee that when you mixed yeast with it and put water to it it made beer. But when it is taxed as wort it is lawful, and no law on the statute book has to be amended to make it legal to tax it. That same argument was made with reference to concentrates and malt sirup.

I voted against including any of these matters in the bill, but they are here, and it is estimated that they will produce $50,000,000 revenue.

Now, if you gentlemen do not want the manufacturers' tax, here is an alternative plan. This is the plan recommended by the Treasury Department in their original and supplemental estimate. This is it. This will produce an amount of money that you will lose by the elimination of the manufacturers' excise tax, and the tax on imported oil, wort, and so forth. This will produce about $10,000,000 more than the manufacturers' tax. Here is the program, and you can adopt this in lieu of the manufacturers' tax.

Tobacco, one-sixth increase on the present tax, which is estimated to produce $58,000,000; automobiles and trucks, $100,000,000; one cent on gasoline, $165,000,000. Increase on first-class postage from 2 to 3 cents, $150,000,000; real-estate transfers, $11,000,000; radio and telegraph, 5 per cent, $11,000,000; domestic consumption of electricity and gas, $94,000,000, making $684,000,000, which provides for the money you would lose by striking out the manufacturers' tax.

Which program do you prefer? Choose ye between them.

Mr. CELLER. Will the gentleman yield? Does the gentleman think it is necessary to make up the deficit in 1 or 2 years, which was 5 years in the making?

Mr. CRISP. I presented my views on that at the commencement of my speech and I do not care to repeat it.

Mr. GLOVER. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. GLOVER. I hold in my hand a telegram and I would like to read the telegram and let the gentleman answer it.

Mr. CRISP. Mr. Chairman, I do not care to have a telegram go into my speech.

Mr. GLOVER. Then I shall not put it in. I shall ask this question. Does the bill make any exemption of the manufactured product, say, of electricity? The thing I have in mind is from the rice growers in my State, which is one of the largest industries in that State. They say that if this tax applies to electricity, inasmuch as they have to use it in pumping water—and as the gentleman knows that is a prairie country and water has to be pumped to about 6 inches deep—the extra tax on electric power which they are forced to use would force them out of the business altogether.

Mr. CRISP. Under the bill as written they are not exempted. That has been brought to our attention in connection with the pumping and drainage districts out West. In a bill of this size, a bill of this magnitude, when it is made public and has been thoroughly criticized and dissected by those interested, certain defects are bound to be apparent. The Committee on Ways and Means will pursue with this bill the policy that has been pursued with all tariff and tax bills which the House has adopted. In the morning we will probably meet and consider different things such as the one mentioned by the gentleman from Arkansas, and the committee will probably propose to the House a number of committee amendments to the bill during its consideration.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. KVALE. Were the Treasury estimates and recommendations in the matter of surtaxes substantially those adopted by the committee?

Mr. CRISP. No. We made a great many changes. We made the maximum apply to incomes in excess of $100,000, which is a very material change.

Mr. KVALE. Will the gentleman state how those rates compare with the war-time rates so far as the maximum surtaxes are concerned?

Mr. CRISP. They are somewhat less than the war-time rates were. In this bill certain special excise taxes are levied to make up the deficit. With all of those, with the increase in income and corporation and estate and gift and manufacturers' excise taxes, with the levy on wort and other things enumerated, we still lack the requisite amount of money to balance the Budget to the extent of $233,000,000. So we have recommended in this bill a tax of 10 per cent upon admissions to places of amusement where the amount charged is over 25 cents. There has been much opposition to this tax. I enjoy going to the theater, I enjoy going to the movies; and I wish it were not necessary to levy the tax, but I could not square my conscience with levying a tax on some articles of food and clothing and not tax moving pictures or places of amusement. Each man acts for himself, but my conscience would not permit me to vote that way, and the committee took the same view. This tax we figure will raise $90,000,000. It has very wide application; it reaches all over the country. The tax will not be injurious, and in this national emergency, where we tax clothing and shoes and some foods, why should places of amusement be exempt? The committee has doubled the tax on transfer of stocks. Under the present law there is a tax of 2 cents on each share transferred. We have doubled that and have made it 4 cents. Also, under existing law where a person loans his share of stock to another to engage in what is commonly called short selling, no tax is charged on the transfer. One can borrow the stock of another and engage in the practice of short selling and pay no tax on the transfer. Under this bill we tax those loans for short selling 4 cents a share just as is the case in every other transfer. It is estimated that this increase in the stock-transfer tax will bring in $28,000,000.

I referred to the tax on lubricating oil. Also, I referred to the tax on wort and grape concentrates.

We have also a special tax on telephone and telegraph and radio messages. That may have to be amended. I think it was the intention of the committee to remove from the tax all messages used in the dissemination of knowledge and information and publicity. The bill expressly exempts the leased wires used by the press, but some question has arisen as to whether it would exempt messages sent to them originating in this country containing news items. Before the bill is passed the committee will give consideration to this subject matter. I know not what the decision of the committee will be. I have already referred to the tax on imported oil, and so forth.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. LINTHICUM. Does the gentleman think it is fair to tax beer indirectly to the extent of $50,000,000, when we could by direct taxation give the public 2.75 per cent beer and get an income of $500,000,000?

Mr. CRISP. Mr. Chairman, I know my friend's views and he knows mine. We are going to have that discussion, and I say frankly now that in my judgment the proposed beer amendment is germane to this bill and will be in order, as much as I deprecate a prohibition discussion. However, if the House will stand with me, we will curtail the discussion, because the debate is not going to change any vote. I think the amendment is in order and I am willing to have fair debate upon it. To tax beer would mean that this law must amend the Volstead Act. The Ways and Means Committee has no jurisdiction over the Volstead Act. That is within the province of the Judiciary Committee. I grant, of course, that this House is superior to any of its committees, and that it could do it if it wanted to, but I know the House is not going to do it. To tax beer, you would have to amend existing law. To tax these other things, you do not have to amend existing law, because where the tax is laid it is lawful.

Mr. LAGUARDIA. Would such an amendment be germane?

Mr. CRISP. I believe in broad liberality of amendment, and I shall take the position, if it is offered, that it is germane, and give you gentlemen a chance to vote—and all that you will get out of it is a chance to vote.

Now, I have talked longer than I intended to. You have been kind and patient. I have tried to stick to my text. I have tried to explain this bill to you. I believe, my colleagues, that it is absolutely indefensible that the Budget of the United States in peace times should aggregate $4,100,000,000. [Applause.] It is unjustifiable. It is crushing. It is destructive of love of government, and it must be reduced. It should be reduced at least $500,000,000 or $1,000,000,000. [Applause.] A $3,000,000,000 Budget for the United States in peace times is burdensome enough upon the people. Federal taxes are burdensome, but they are inconsequential compared to the State, county, and city taxes. Only 2,000,000 of 120,000,000 people pay Federal income taxes, and they pay on net incomes. Of course, they pay some indirect taxes, but they are negligible compared to the State, county, and city taxes. In this emergency many of the States, counties, and cities have reduced their pay rolls. They have cut salaries. Industry has cut salaries. A few weeks ago those splendid gentlemen who work for the railroads agreed to cut their salaries 10 per cent. The salaries of preachers and bank presidents and teachers and everybody else in this emergency have been reduced. Why should those who are fortunate enough to be on the United States pay roll be immune from some reduction? I have always believed in living wages. I believe in them now, but I believe in this dire necessity, with a billion dollars additional taxes levied on the people, there should be a reduction in the expenses of the United States Government, including salaries from the highest to the lowest. [Applause.] I believe many of these useless bureaus and boards should be abolished. [Applause.] The first day of this session of Congress I introduced a bill to abolish the Farm Board. [Applause.] Many others should be abolished. Government expenses must be reduced, and, my friends, I appeal to you to ponder well this

situation. Think well before you vote extravagant appropriations. [Applause.] The masses of the people have been long-suffering. The inarticulate voice of the masses has not been heard. When that inarticulate voice is heard it will roll as thunder, and it will sweep all before it, just as a cyclone drives the chaff before it. I know not but what that hour has arrived. [Applause, the Members rising.]

Mr. Chairman, I reserve the balance of my time.

Mr. HAWLEY. Mr. Chairman, the gentleman from Georgia [Mr. CRISP] has made an excellent and understandable presentation of the bill. When we began the hearings, the able and distinguished chairman of the committee, Mr. COLLIER, was able for a time to conduct the work of the committee, but owing to an unfortunate illness he was compelled to go to the hospital. We were fortunate in having a man singularly well qualified to assume the chairmanship in the person of the acting chairman, the gentleman from Georgia [Mr. CRISP]. [Applause.]

I desire to emphasize a statement made by the gentleman from Georgia. This is a bill prepared by the members of the committee as Members of this House, and not as partisans. When the welfare of the country is at issue, Members of this House act as Americans, not as partisans. We were 25 men who had sought an election to this body. We had further greatly desired to be placed on the Committee on Ways and Means. The time came when service on that committee meant not the plaudits arising from reduced taxation but the burden of imposing increased taxes, and we attacked the problem as your committee and as your representatives with a determination to obtain enough money to meet the expenditures of the Government in the fiscal year ending June 30, 1933.

We are in the midst of the second postwar depression. It is one of the curiosities of history that after a war of any considerable importance there occurs a first and then, some years later, a second depression. For many years and including the fiscal year ending June 30, 1930, the Government of the United States was receiving from taxes then in force a surplus of revenue. In 1930 the surplus was $184,000,000, but in 1931 that surplus disappeared, and a deficit of $903,000,000 occurred—$616,000,000 due to ordinary expenses of the Government. This difference of $840,000,000 was due to conditions attributable to the general depression and credit crisis.

The deficit for this year will be greater, some $2,240,000,000, to be provided for by issuance of securities. Nine hundred and three million dollars of public securities were sold during the last fiscal year to meet the deficiency in revenue. Taking the deficit for this year and the appropriation already made for the Reconstruction Finance Corporation of $500,000,000, which will probably be used before the end of the fiscal year, and $125,000,000 for relief of the Federal land banks, it appears that there must be marketed this year approximately three billion of securities. We can not continue to sell the securities of the United States to pay the running expenses of the Government and expect to maintain its credit in this country or abroad. Any decline in the securities of the Government costs the holders of them the extent of that decline if they must sell them for their private or commercial needs. It may endanger the banks which keep them as a part of their assets. It increases the amount of interest the Government must pay upon its borrowings.

The committee, having heard the statement of the Treasury and examining into the facts, became convinced that the time to stop borrowing and to pay expenses as they occurred was at the earliest possible date. This fiscal year is practically gone and the next one will begin before the law can go into full effect. So the committee proposes in the next year that for a dollar of expenditure there shall be a dollar of revenue.

This bill was not prepared in haste. Every possible source of revenue was explored. We considered with great care the recommendations made by the Treasury. We concluded that in the case of special taxes the burden of the taxation should be distributed over a wide base and the rate of tax materially decreased, and on this program we have the cordial cooperation and approval of the Treasury.

In order to balance the Budget during the fiscal year ending June 30, 1933, it is necessary to increase the revenues in that year by $1,241,000,000, after eliminating the statutory debt requirements for the sinking fund.

We all agreed that the income taxes should be increased, that the corporations should pay more, that a duplicate estate should be included and all the proceeds therefrom be covered into the Treasury of the United States, that a gift tax should be included, and that savings should be effected by amendments to the administrative features, which the Treasury estimates to amount to $100,000,000, and approved the Treasury's proposal to effect a further reduction in expenditures of $125,000,000.

The following table submitted by the Treasury gives the details of receipts and expenditures and the financial status:

Receipts and expenditures for the fiscal year 1931, on the basis of daily Treasury statements (unrevised), and estimated receipts and expenditures for the fiscal years 1932 and 1933

[Receipts and expenditures are separately presented for general and special funds combined and for trust funds, to conform to the practice of the Bureau of the Budget, in addition to the customary totals for general, special, and trust funds combined]

	1931	1932	1933
GENERAL AND SPECIAL FUNDS COMBINED			
Receipts:			
Internal revenue—			
Income tax	$1,860,394,295.25	$1,140,000,000.00	$1,100,000,000.00
Miscellaneous internal revenue	569,386,721.07	544,000,000.00	588,000,000.00
Total internal revenue	2,429,781,016.32	1,684,000,000.00	1,688,000,000.00
Customs (excluding tonnage tax)	376,576,392.81	410,000,000.00	480,000,000.00
Miscellaneous receipts—			
Proceeds of Government-owned securities—			
Principal—foreign obligations	51,588,133.37	(1)	74,881,881.00
Interest—foreign obligations	184,474,622.38	(1)	195,094,690.00
Railroad securities	16,767,027.42	2,007,597.00	1,577,500.00
All other	11,558,913.62	27,914,965.00	19,545,440.00
Proceeds of sale of surplus property	8,641,223.07	13,089,957.00	9,067,236.00
Panama Canal tolls, etc	26,624,253.07	25,137,680.00	25,137,000.00
Other miscellaneous (including tonnage tax)	83,627,050.14	76,728,601.00	83,226,455.00
Total general and special fund receipts	3,189,638,632.20	2,238,878,800.00	2,576,530,202.00
Expenditures:			
Legislative Establishment	23,978,412.68	32,382,800.00	23,243,900.00
Executive office	506,811.30	433,300.00	429,300.00
Veterans' Administration	[2] 708,609,669.76	784,442,000.00	30,210,000.00
Shipping Board	33,961,996.34	60,800,000.00	21,800,000.00
Other independent offices and commissions	50,835,844.74	57,611,800.00	52,003,200.00
Department of Agriculture	296,865,944.69	333,547,300.00	215,723,600.00
Department of Commerce	61,477,117.63	54,673,600.00	48,343,050.00
Department of the Interior	[3] 64,542,778.53	78,344,100.00	71,849,000.00
Department of Justice	44,403,497.73	53,798,800.00	53,440,500.00
Department of Labor	12,181,471.83	14,129,200.00	14,509,000.00
Navy Department	353,768,185.35	378,913,100.00	375,340,600.00
Post Office Department	82,297.59	75,000.00	75,000.00
Department of State	15,753,493.07	16,564,600.00	14,730,900.00
Treasury Department	204,656,704.68	312,854,800.00	279,567,100.00
War Department	[4] 476,842,697.12	483,725,000.00	430,038,200.00
	2,348,466,923.04	2,662,295,400.00	2,431,303,350.00
Add unclassified items	182,624.77		
	2,348,649,547.81	2,662,295,400.00	2,431,303,350.00

[1] No estimates of amounts payable during the fiscal year 1932 on these accounts are included because of the President's proposal of June 20, 1931, for postponement. (See p. 32.)

[2] The Veterans' Administration began to function on Aug. 1, 1930, in accordance with Executive order of July 21, 1930. For comparative purposes, the figures shown above for the Veterans' Administration include the expenditure for the entire fiscal year 1931 for the Bureau of Pensions, heretofore under the Department of the Interior and for the National Homes for Disabled Volunteer Soldiers; payment of annuities under acts of May 23, 1908, and Feb. 28, 1929; and artificial limbs, appliances, and trusses for disabled soldiers, heretofore under the War Department.

[3] Exclusive of the Bureau of Pensions. See note 2.

[4] Exclusive of National Homes for Disabled Volunteer Soldiers and war accounts referred to in note 2.

Receipts and expenditures for the fiscal year 1931, etc.—Continued

	1931	1932	1933
GENERAL AND SPECIAL FUNDS COMBINED—continued			
Expenditures—Con.			
Public debt—			
Interest	$611,559,704.35	$605,000,000.00	$640,000,000.00
Sinking fund	391,660,000.00	411,771,300.00	426,489,600.00
Purchase and retirements from foreign repayments	48,245,950.00		69,138,800.00
Purchases and retirements from franchise tax receipts (Federal reserve and Federal intermediate credit banks)	91,400.00	75,000.00	1,075,000.00
Forfeitures, gifts, etc.	84,650.00	100,000.00	100,000.00
Refunds of receipts—			
Customs	21,369,006.78	20,815,500.00	20,010,500.00
Internal revenue [5]	69,887,928.92	70,217,600.00	44,389,200.00
Postal deficiency	145,643,613.12	195,000,000.00	155,000,000.00
Panama Canal	9,299,056.81	11,000,000.00	13,400,000.00
Agricultural marketing fund (net)	190,540,854.70	155,000,000.00	15,000,000.00
Adjusted-service certificate fund	224,000,000.00	200,000,000.00	150,000,000.00
Civil-service retirement fund	20,850,000.00	20,850,000.00	20,850,000.00
Foreign Service retirement fund	216,000.00	215,000.00	416,000.00
District of Columbia	[6] 9,500,000.00	9,500,000.00	9,500,000.00
Total general and special fund expenditures	4,091,597,712.49	4,361,839,800.00	3,996,672,450.00
Excess of expenditures	901,959,080.29	2,122,961,000.00	1,420,142,248.00
TRUST FUNDS			
Receipts	127,594,861.61	120,590,915.00	119,430,300.00
Expenditures	128,352,626.39	120,313,600.00	116,237,500.00
Excess of expenditures	757,764.78		
Excess of receipts		277,315.00	3,192,800.00
GENERAL, SPECIAL, AND TRUST FUNDS COMBINED			
Receipts	3,317,233,493.81	2,359,469,715.00	2,695,960,502.00
Expenditures	4,192,950,338.88	4,482,153,400.00	4,112,909,950.00
Excess of expenditures	902,716,845.07	2,122,683,635.00	1,416,949,448.00

[5] Includes refunds and drawbacks under Bureau of Industrial Alcohol.
[6] Expenditures shown above for the District of Columbia represent the share of the United States charged against the general fund of the Treasury. The expenditures chargeable against the revenues of the District of Columbia under "trust funds" amounted to $38,868,647.61 for the fiscal year 1931.

Mr. HAWLEY. The deficits indicate a drastic reduction in the yield of income taxes, due to the present depression. There exists between the Government revenues and the income tax a very close relation, and the effect of business conditions on both is emphasized in the following table:

Receipts—actual for 1929, 1930, and 1931, and estimated for 1932 and 1933 [1]

Source	1929	1930	1931
Internal revenue:			
Corporation income tax	$1,075,000,000	$1,118,000,000	$892,000,000
Individual income tax	1,019,000,000	1,061,000,000	730,000,000
Back income taxes	237,000,000	232,000,000	239,000,000
Miscellaneous internal revenue	607,000,000	628,000,000	569,000,000
Customs	602,000,000	587,000,000	378,000,000
Miscellaneous receipts	493,000,000	552,000,000	509,000,000
Total receipts	4,033,000,000	4,178,000,000	3,317,000,000
Expenditures	3,848,000,000	3,994,000,000	4,219,000,000
Surplus	185,000,000	184,000,000	
Deficit			902,000,000

Source	1932	1933
Internal revenue:		
Corporation income tax	$517,000,000	$382,000,000
Individual income tax	339,000,000	275,000,000
Back income taxes	220,000,000	210,000,000
Miscellaneous internal revenue	526,000,000	550,000,000
Customs	375,000,000	430,000,000
Miscellaneous receipts	265,000,000	528,000,000
Total receipts	2,242,000,000	2,375,000,000
Expenditures	4,482,000,000	4,113,000,000
Surplus		
Deficit	2,240,000,000	1,738,000,000

[1] Estimates for 1932 and 1933 are the latest estimates of the Treasury submitted to the committee in February and are lower than the December estimates as to receipts.

The sources from which the committee proposes to obtain this large sum of $1,241,000,000 are in detail as follows:

Increase in taxes proposed

	Estimated additional revenue for fiscal year 1933
Manufacturers' excise tax at 2¼ per cent	$595,000,000
Income tax:	
Individual	112,000,000
Corporation	21,000,000
Estate and gift taxes	35,000,000
Admissions tax at 10 per cent on admissions of 25 cents and over	90,000,000
Stock transfers and sales, increase from present rate of 2 cents to 4 cents, and application of tax of 4 cents to loans of stocks	28,000,000
Lubricating oil, 4 cents per gallon	25,000,000
Malt sirup, 35 cents per gallon; grape concentrates, 40 per cent ad valorem; wort, 5 cents per gallon	50,000,000
Telegraph, telephone, and radio messages, 5 cents on messages costing 31–49 cents, and 10 cents on messages costing 50 cents or more	35,000,000
Gasoline, gas oil, fuel oil, and crude-oil imports, 1 cent per gallon	5,000,000
Reduction in postal deficit	25,000,000
Administrative changes	100,000,000
Total additional revenue	1,121,000,000
Reduction in expenditures	125,000,000
Total additional revenue and reduction in expenditure	1,246,000,000
Amount required to balance the Budget [1]	1,241,000,000
Excess over requirements	5,000,000

The normal tax rates on individuals will be increased as follows on net incomes:

	Present law	Proposed law
	Per cent	*Per cent*
$1,000–$4,000	1½	2
$4,000–$8,000	3	4
Over $8,000	5	6

Single persons are to be allowed an exemption of $1,000; married persons of $2,500. The exemption of $400 for dependents is unchanged.

The surtax rates are increased from a maximum of 20 per cent on incomes of $100,000 and over to a maximum of 40 per cent on incomes of $100,000 and over. Adding the maximum normal rate of 6 per cent to the maximum surtax rate of 40 per cent gives a total maximum rate of 46 per cent on individual incomes.

INCOME, ESTATE, AND GIFT TAXES

The first sources of revenue investigated by your committee in the preparation of the present bill were the income and the estate taxes.

The bill as reported provides for an increase in the income tax of all married men with incomes in excess of $2,500, and of all single men with incomes in excess of $1,000. The increase in the tax on larger incomes is greater, not only in dollars but proportionately, than the increase in the tax on small incomes.

The effect of the change in rates recommended on various incomes is shown in the following table:

Comparison of income tax on individuals under revenue act of 1928 and proposed revenue bill of 1932

MARRIED PERSON WITH NO DEPENDENTS, $5,000 EARNED INCOME

Net income	Tax under 1928 act	Tax proposed
$3,000	0	$2.50
$4,000	$5.63	20.00
$5,000	16.88	37.50
$6,000	31.88	57.50
$7,000	46.88	77.50
$8,000	69.38	115.00
$9,000	99.38	155.00
$10,000	129.38	195.00
$12,000	219.38	312.50

[1] Exclusive of statutory debt retirements.

MARRIED PERSONS WITH NO DEPENDENTS, $5,000 EARNED INCOME.—contd.

Net income	Tax under 1928 act	Tax proposed
$14,000	$339.38	$472.50
$16,000	479.38	652.50
$18,000	639.38	852.50
$20,000	819.38	1,072.50
$22,000	1,019.38	1,312.50
$24,000	1,239.38	1,572.50
$26,000	1,479.38	1,852.50
$28,000	1,719.38	2,152.50
$30,000	1,979.38	2,472.50
$35,000	2,659.38	3,362.50
$40,000	3,399.38	4,372.50
$45,000	4,209.38	5,512.50
$50,000	5,079.38	6,772.50
$60,000	6,999.38	9,672.50
$70,000	9,159.38	13,072.50
$80,000	11,459.38	16,972.50
$90,000	13,859.38	21,222.50
$100,000	16,259.38	25,672.50
$150,000	28,759.38	48,672.50
$200,000	41,259.38	71,672.50
$300,000	66,259.38	117,672.50
$500,000	116,259.38	209,672.50
$1,000,000	241,259.38	439,672.50

SINGLE PERSON WITH $5,000 EARNED INCOME

$2,000	0	$15.00
$3,000	$16.88	32.50
$4,000	28.13	50.00
$5,000	39.38	67.50
$6,000	61.88	95.00
$7,000	91.88	135.00
$8,000	121.88	175.00
$9,000	151.88	215.00
$10,000	191.88	262.50
$12,000	311.88	402.50
$14,000	431.88	562.50
$16,000	571.88	742.50
$18,000	731.88	942.50
$20,000	911.88	1,162.50
$22,000	1,111.88	1,402.50
$24,000	1,331.88	1,662.50
$26,000	1,571.88	1,942.50
$28,000	1,811.88	2,242.50
$30,000	2,071.88	2,562.50
$35,000	2,751.88	3,452.50
$40,000	3,491.88	4,462.50
$45,000	4,301.88	5,602.50
$50,000	5,171.88	6,862.50
$60,000	7,091.88	9,762.50
$70,000	9,251.88	13,162.50
$80,000	11,551.88	17,062.50
$90,000	13,951.88	21,312.50
$100,000	16,351.88	25,762.50
$150,000	28,851.88	48,762.50
$200,000	41,351.88	71,762.50
$300,000	66,351.88	117,762.50
$500,000	116,351.88	209,762.50
$1,000,000	241,351.88	439,762.50

MARRIED PERSON WITH NO DEPENDENTS AND MAXIMUM EARNED INCOME $30,000 UNDER 1928 ACT; $12,000 PROPOSED

$3,000	0	$2.50
$4,000	$5.63	20.00
$5,000	16.88	37.50
$6,000	28.13	55.00
$7,000	39.38	72.50
$8,000	56.25	100.00
$9,000	78.75	135.00
$10,000	101.25	170.00
$12,000	168.75	260.00
$14,000	258.75	420.00
$16,000	363.75	600.00
$18,000	483.75	800.00
$20,000	618.75	1,020.00
$22,000	768.75	1,260.00
$24,000	933.75	1,520.00
$26,000	1,113.75	1,800.00
$28,000	1,293.75	2,100.00
$30,000	1,488.75	2,420.00
$35,000	2,168.75	3,310.00
$40,000	2,908.75	4,320.00
$45,000	3,718.75	5,460.00
$50,000	4,588.75	6,720.00
$60,000	6,508.75	9,620.00
$70,000	8,668.75	13,020.00
$80,000	10,968.75	16,920.00
$90,000	13,368.75	21,170.00
$100,000	15,768.75	25,620.00
$150,000	28,268.75	48,620.00
$200,000	40,768.75	71,620.00
$300,000	65,768.75	117,620.00
$500,000	115,768.75	209,620.00
$1,000,000	240,768.75	439,620.00

SINGLE PERSON AND MAXIMUM EARNED INCOME, $30,000 UNDER 1928 ACT; $12,000 PROPOSED

$2,000	0	$15.00
$3,000	$16.88	32.50
$4,000	28.13	50.00
$5,000	39.38	67.50

SINGLE PERSON AND MAXIMUM EARNED INCOME, $30,000 UNDER 1928 ACT; $12,000 PROPOSED.—continued

Net income	Tax under 1928 act	Tax proposed
$6,000	$56.25	$90.00
$7,000	78.75	125.00
$8,000	101.25	160.00
$9,000	123.75	195.00
$10,000	153.75	230.00
$12,000	243.75	350.00
$14,000	333.75	510.00
$16,000	438.75	690.00
$18,000	558.75	890.00
$20,000	693.75	1,110.00
$22,000	843.75	1,350.00
$24,000	1,008.75	1,610.00
$26,000	1,188.75	1,890.00
$28,000.00	1,368.75	2,190.00
$30,000.00	1,563.75	2,510.00
$35,000.00	2,243.75	3,400.00
$40,000.00	2,983.75	4,410.00
$45,000.00	3,783.75	5,550.00
$50,000.00	4,663.75	6,810.00
$60,000.00	6,583.75	9,710.00
$70,000.00	8,743.75	13,110.00
$80,000.00	11,043.75	17,010.00
$90,000.00	13,443.75	21,260.00
$100,000.00	15,843.75	25,710.00
$150,000.00	28,343.75	48,710.00
$200,000.00	40,843.75	71,710.00
$300,000.00	65,843.75	117,710.00
$500,000.00	115,843.75	209,710.00
$1,000,000.00	240,843.75	749,710.00

The bill proposes a corporation tax of 13 per cent. Dividends paid by them will pay under a graduated tax rate up to 40 per cent, making a maximum tax on corporate earnings of 53 per cent.

Adding together the proposed increases in revenue for the fiscal year ending June 30, 1933, from the following items: Individual income taxes, $112,000,000; corporation income taxes, $21,000,000; estate and gift taxes, $35,000,000; reduction in postal deficit, $25,000,000; administrative changes, $100,000,000; reductions in expenditures, $125,000,000, we have a total of $418,000,000. There then remains to be raised from other sources $823,000,000.

Day after day and week after week we searched the commercial, geographical, and industrial map of the United States for sources of revenue. All suggestions that seemed to be valuable for our purposes were examined, with the result that this bill comes before you with the unanimous report of the Committee on Ways and Means on roll call.

In my judgment the bill fairly distributes the increased burden of taxation. Income taxes are the fairest of all taxes, because they tax a taxpayer on his net earnings. When people are making money they can better afford to pay these taxes.

We reluctantly turned to the manufacturers' excise taxes, because they tax the producer, whether he is making or losing money, but that can not be avoided. No one can tell at the beginning of a year whether at the end of the year he will have a net gain or a net loss, speaking generally. As these taxes are to be paid monthly, they must be imposed on the taxpayer whether gains or losses are finally made.

Now, to indicate that we did not assume without investigation that the Government needed additional revenues let me call your attention briefly to a few figures. In 1930, as I have already stated, we closed the fiscal year with a surplus, and taking that year as the basis, the receipts from corporation income were 46 per cent of what they were for 1930; for 1933 they are estimated to be 34 per cent. The receipts from individual income taxes in 1932 were 32 per cent of those in 1930 and are estimated to be 26 per cent in 1933. Taking the totals of the ordinary sources of revenue of the Government as compared with those of 1930, they are 54 per cent for the year 1932 and are estimated at 57 per cent for 1933. That is, the sources of revenue of the Government have dried up, and even if we had increased the income, estate, and gift taxes to rates very much higher than we have in this bill we still would have needed hundreds of millions of dollars to balance the Budget in 1933.

We believe the rates in this bill on income, estate, and gift taxes have approached the point of diminishing returns

and that any higher rates would earn less money than those we have proposed.

Before I discuss briefly the manufacturers' excise taxes let me call attention to two matters. We did not go immediately to the manufacturers' excise taxes after determining the rate of corporation and individual income taxes and gift and estate taxes. We asked the question of the Treasury: Is it possible by amendment of the administrative features of the law to prevent evasion of taxation in matters where experience has shown evasions are occurring, and are there any other means by which we can save revenue to the Government? Upon the recommendation of the Treasury we adopted several amendments which will be read in their order under the 5-minute rule, but two of them are worthy of your special notice. One is in the case of gains and losses on sales of stocks and bonds. We have set those up in a bracket by themselves, and we do not allow such losses to be charged against general income, to be charged as a deduction against gross receipts. The income from stock gains may be offset by stock losses. However, if stock losses for one year are greater than stock gains, they may not be carried over into the next year. In other words, in the case of stock transactions we confine the gains and losses to the year in which they occur, with no transfer to a subsequent year.

Now as to the matter of the credit for income and profits taxes paid to foreign governments by taxpayers in the United States. Heretofore it has been possible for a corporation doing business in this country and doing business abroad, where the rates are much higher, to pay on the United States income less than the 12 per cent provided in existing law. Let me state it in another way: It has been possible for a corporation to pay into the Treasury of the United States less than the normal corporation rate on the income earned by it in this country. We have changed that so that at least we will get the full amount of tax on the income earned by the corporation in this country, as specified in the law, which will be 13 per cent hereafter, and on incomes earned abroad where the rate of tax is lower than our own, the Treasury will receive an amount equal to the difference between the rates.

The gentleman from Georgia went into detail as to the matter of the manufacturers' excise taxes. However, there are a few observations I wish to add to his statement. In the first place, no manufacturer or producer pays a tax on sales if his total gross business is less than $20,000. All those who sell more than $20,000 worth in a year are to be licensed. The purpose of the license is to prevent pyramiding. The gentleman from Georgia used one illustration. Let me use another. In the case of products of steel, suppose that one mill makes the iron ingots and is licensed.

It transfers such product, for instance, to a mill making an advanced product of iron by indorsing on its invoice the number or description of its license, and the product goes to the second mill tax free and this process will be repeated as the product goes from mill to mill, until finally it is sold to a manufacturer who makes some finished commodity ready for some one in the United States to use. When this manufacturer who makes the finished commodity, ready to be sold, ready for consumption, sells, he pays on his wholesale price 2¼ per cent, and no pyramiding occurs.

Three things may happen to this tax, depending upon market conditions. If the market is good and sales are freely made he may pass the tax on. If the market is not very good and goods are not moving freely, he may absorb the tax, or if his profits are large before the imposition of this tax, he will absorb the tax.

In the event the market is bad, the tax may be passed back in the form of reduced prices to those from whom he purchases.

Mr. WOODRUFF. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. WOODRUFF. Does not the theory of the gentleman apply with peculiar force to the canning industry, the industry that preserves the products direct from the farm? This industry to-day is already operating on a mighty slim profit, and any tax that is imposed on it will probably be passed back to the farmer and reduce his already very slim income.

Mr. HAWLEY. That question has been raised. It was raised in its present form after the bill had been completed. The Government of the United States has no income of its own. It takes a part of the income of its citizens; and if it is necessary that every citizen contribute a little for the support of the Government, which provides him the conditions of liberty and of life, and of citizenship in this country, it is not an unreasonable burden. All taxes in times like these are objectionable. I am not enthusiastic over increasing taxes at any time, much less in a condition such as the country is in now, but it is a condition that we have to meet if we are to maintain our credit, if we are to foster a revival of credit in commercial affairs, because if the Government can not pay its expenses and its bonds are below par and its credit is discredited, all commercial credit will likewise suffer. [Applause.] And until we get beyond this credit crisis and confidence is restored in the institutions of the country, financial and otherwise, the billion and one-half dollars in hiding will not come into circulation.

People will be fearful and, moreover, until we do this economic recovery will not occur. Although this tax is a burden, there lies before us the promised land of economic return when every man will have a job and the condition of every class will be improved. [Applause.]

Mr. WOODRUFF. Will the gentleman yield further?

Mr. HAWLEY. Certainly.

Mr. WOODRUFF. I recognize fully there is much weight to the remarks of the gentleman. I agree with him fully in regard to the theory that he expounds, and I realize it is extremely necessary to balance the Budget, and in order to do so we have got to get the money; but Congress long ago established a precedent, which is a wise one in my opinion, that the taxes to be gathered by this Government should be gathered from those best able to pay; that the taxes should be as little burdensome as possible. In view of conditions that exist on the farm and the extremely low price of farm products, which, by the way, do not even approach the cost of production, I want to say, Mr. Chairman, it is not up to the Congress at this time to add one ounce to the burden that is borne by every farmer in this country.

Mr. HAWLEY. I should regret to increase the burdens of agriculture, but if by chance some farmer may pay a small tax under this bill and it accomplishes what we intend, he enters the promised land of better prices, and he will thank us for leading him across that Red Sea into a better condition. An increase in the prices he receives for his products will offset many times the small amount he may pay as the result of this tax. [Applause.]

Mr. WOODRUFF. Will the gentleman yield further?

Mr. HAWLEY. Yes.

Mr. WOODRUFF. The farmer I have in mind, Mr. Chairman, is not the farmer who can afford to pay this tax. The farmer I have in mind is the farmer who is faced with the loss of his farm, who to-day, because of the small price he receives for what he raises, can not pay the tax on his farm, and for that reason is faced with eviction. This class of farmer is legion in this country, and to add to his tax burden is to make it impossible for him to carry on.

Mr. HAWLEY. And there are thousands of manufacturers in this country who may be said to be unable to afford to pay the tax, but they will pay under this bill.

Mr. WOODRUFF. Whenever the manufacturer finds himself operating at a loss he does not have to continue to operate. He closes his doors, and he lays off the men employed by him and he reduces his expenses to meet the necessity of the situation; but the farmer can not do this.

He can not run his farm a month and then cease operations. He is compelled to operate the year around or not at all.

Mr. THATCHER. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. THATCHER. Concerning the governmental credit, the bill is predicated on the idea that the expenditures will run about as they are running now?

Mr. HAWLEY. Approximately the same, although we have included in this bill a reduction of $125,000,000 to be effected in the administration of appropriations now being made, in addition to the diminutions made in the Budget and those made by the Appropriations Committee. In the actual expenditures it is expected that $125,000,000 will be saved from the appropriations now being made by administrative policies.

Mr. THATCHER. But in many bills the authorization is increased, and what will be the effect if the authorizations are hundreds of millions in addition?

Mr. HAWLEY. If that course is pursued in expenditures, it will mean a bond issue, and may further impair public credit.

Mr. KELLER. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. KELLER. The gentleman made a statement that following every serious war there are two periods of depression—one shortly after and one several years after. Will the gentleman be kind enough to give me the historical facts about that?

Mr. HAWLEY. I have in my office a chart illustrating such a course of events in the past, and I have noted the same statement previously.

Mr. KELLER. Where did the gentleman get the chart?

Mr. HAWLEY. It came through the mail from what I thought was a responsible source.

Mr. KELLER. Where can I get one?

Mr. HAWLEY. I could tell the gentleman if he will call at my office.

Mr. KELLER. I would like to ask the gentleman a further question. Does the bill provide in any way for putting men to work?

Mr. HAWLEY. I endeavored to explain that, but probably I was not clear enough. When the Government maintains its own credit—when the securities of the Government which are used for loans and other purposes are at their face value—that will lead to the restoration of confidence in industrial and commercial circles; and when that is done money now in hiding will come out, production will ensue, and the manufacturers will begin employment and absorb the unemployed. The purpose we have now in view is to balance the Budget, which is the first step in the restoration of the public credit and the economic recovery.

Mr. KELLER. How did we get into this abnormal condition?

Mr. HAWLEY. Ask the whole world.

Mr. KELLER. I am asking the gentleman from Oregon, and I think he is capable of answering it.

Mr. HAWLEY. We went down after the rest of the world had entered the depression.

Mr. KELLER. But we went first.

Mr. HAWLEY. No; we went last.

Mr. KELLER. We went down first, and the rest of the world has not yet gone down.

Mr. HAWLEY. Germany went down among the first, and before that occurred I could buy millions of dollars of her currency for what change I have in my pocket. Other nations also entered the depression soon thereafter.

Mr. KELLER. I know that subject as well as the gentleman, and I challenge the whole statement of fact which the gentleman makes on this subject.

Mr. HAWLEY. The record establishing the fact however, is written in the annals of the world beyond dispute.

Mr. BACHMANN. Will the gentleman yield?

Mr. HAWLEY. I will yield to the gentleman from West Virginia.

Mr. BACHMANN. I would like to inquire whether the committee gave any consideration to the number of States that have a gross sales tax now in existence. Does the gentleman know how many States now have a sales tax?

Mr. HAWLEY. I am informed that there are four or five.

Mr. BACHMANN. The committee did not go into the question of how a manufacturers' tax would affect those States?

Mr. HAWLEY. No; no provision is made in the bill authorizing credits for such taxes.

Mr. BACHMANN. Would it be fair to expect States in the Union, where the manufacturers are already paying a sales tax as great as this tax, to pay this tax also?

Mr. HAWLEY. I suggest that the gentleman offer an amendment to take care of that matter and give it to the chairman of the committee. The chairman stated that we would have a meeting every morning in his room to consider amendments to be submitted.

Mr. BACHMANN. I will say to the gentleman that if this principle of the sales tax is contained in this bill and no exception is made to a State which is already paying a sales tax to the State, as great as, if not greater than this tax, we of West Virginia will be compelled on that principle alone to vote against this bill——

Mr. HAWLEY. I suggest that the gentleman prepare his amendment and give it to the chairman of the committee.

Mr. BACHMANN. Because our manufacturers can not pay two gross sales taxes.

Mr. COLLINS. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. COLLINS. Did I understand the gentleman to say that this was a bipartisan measure?

Mr. HAWLEY. I said it was a no-party measure. We played a team game. It is a bill without party identification—an American bill.

Mr. FULLER. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. FULLER. I do not understand a provision here, and I would like to have the gentleman's interpretation of it. It provides that they do not have to obtain a license as a manufacturer until they have sold in the preceding year $20,000 worth of goods. Does the gentleman understand that to mean that the first $20,000 is exempt?

Mr. HAWLEY. No. If the sales in the course of a year are not $20,000, or it is expected that in the course of a year a manufacturer will sell less than $20,000, he is not required to take out a license and will pay no tax on his sales; but if he sells over $20,000 per year, he pays on the full amount of his sales.

Mr. FULLER. For instance, a canning factory that cans tomatoes and other farm products would naturally have to pay on the cans, which is the biggest cost of his manufacturing business. He would have to pay on those cans from the cannery, would he not?

Mr. HAWLEY. If his output was under $20,000, so that he was not licensed.

Mr. FULLER. Even though he sold less than $20,000 a year?

Mr. HAWLEY. Yes.

Now, in answering the gentleman from Michigan a moment ago I should have called attention to the fact that if the goods, fruits, and vegetables, and so forth, are processed by the farmers or by cooperative farmers' organizations they are not taxed.

Mr. WOODRUFF. I have read the bill and I realized that.

Mr. HAWLEY. I am glad the gentleman read the bill. It is a commendable practice.

Mr. FINLEY. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. FINLEY. I have not had time to read the bill closely. How is fuel treated in this bill—coal, for instance?

Mr. HAWLEY. Coal is taxed.

Mr. FINLEY. The coal operator who produces coal is assumed to be a manufacturer?

Mr. HAWLEY. He is furnishing one of the elements of power. He is in competition with the gas and with the power that comes from electricity.

Mr. FINLEY. And is taxed?

Mr. HAWLEY. And is taxed, except on his sales to licensed manufacturers, who can buy it tax free for use in manufacturing.

Mr. GARBER. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. GARBER. As I understand it, the products of the steel mills, iron foundries, cotton mills, and woolen mills not making finished products would not be included within the purview of this act?

Mr. HAWLEY. It would depend on the circumstances of their sales. If I bought wrought iron as wrought iron to make fences for use out on the prairie, that is a final sale. It depends upon the circumstances of the sale.

Mr. GARBER. Wrought iron would not be a finished product until it was manufactured into a post, would it?

Mr. HAWLEY. Well, if I bought a bar and cut it up myself it would be. I have seen that done. That is why I use that illustration. It depends upon the circumstances of the sale. The bill could not go into all these great details and ramifying circumstances without making a bill as large as a volume. So we have put in the bill the general principles and directed and authorized the Department of the Treasury to make regulations interpretative of these principles, and when any question such as that the gentleman is raising arises, and any difficulty is found, the Treasury will effect an amicable and fair settlement of the question. A great deal must be done by regulation.

Mr. GARBER. I was wondering to what extent the United States Steel Co. would be required to pay a tax under this bill.

Mr. HAWLEY. The United States Steel Co., being a manufacturing concern, will pay the tax at some point in its processes of manufacture. It is an outstanding corporation, whose books are constantly examined by the Treasury Department in connection with the income-tax returns, and the Treasury will know what is happening and the company will certainly pay the tax.

Mr. JOHNSON of Missouri. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. JOHNSON of Missouri. I notice on page 19, section 8, there is a credit given in the way of deduction from income or earned income from sources without the United States. It is generally reported that since the enactment of the retaliatory tariffs a large number of the corporations of the United States have invested their money in foreign countries, and they receive large incomes from that. Why was this provision permitting the deduction of earned income from sources without the United States included?

Mr. HAWLEY. It is a modification of the existing law.

Mr. JOHNSON of Missouri. Why should it be so modified?

Mr. HAWLEY. I referred to that at the beginning. I repeat for the gentleman's benefit. At present a corporation having an income earned in this country and an income earned in foreign countries may pay less than 12 per cent in income taxes on the American income. We amended the law so they at least pay the 13 per cent we provide here, and if the foreign rate of tax is less than ours, the Treasury will collect upon the income earned abroad also. The Government of the United States has for many years been cooperating with some governments and endeavoring to secure the cooperation of other governments so that every government will tax the income arising within its borders and not the income arising outside. That is a fair arrangement in international taxation. It will avoid international double taxation.

Mr. JOHNSON of Missouri. Is it a fair arrangement, so far as the citizens of the United States are concerned, for these corporations to receive the benefits of our country and the results and benefits from a high protective tariff, and after the tariff had destroyed the business here go into foreign countries and earn a large income and receive credit for that?

Mr. HAWLEY. Mr. Chairman, I did not intend to mention the tariff, but let me say that the income from the tariff has diminished less than income from other sources, as I have previously indicated. Our international trade has suffered less than the domestic trade, because the domestic trade has fallen off more than half and our international trade in dutiable articles is 64 per cent of what it was for the same period. I think the gentleman's conclusion is incorrect. Nor do I know of any instance where a tariff has destroyed an industry in this country; but, on the contrary, it has made us the greatest industrial Nation.

Mr. JOHNSON of Missouri. Is it not a fact that a large number of corporations have gone into foreign countries?

Mr. HAWLEY. Let us confine ourselves to the merits of the question. American corporations and individuals have gone into various foreign countries and have established plants there and have employed the labor in the country of their operation, and, by the way, a great deal of the machinery that they use is American made. They are doing business in a foreign country. If there is a tariff, they pay the duty on their products when they come into this country. They are foreign producers to us. Since they do their business in another country and are subject to all of its laws, if there is any protection demanded by them it is furnished by the other country. It seems, on the whole, in a difficult problem of taxation, that every country should confine itself to taxing the incomes arising within its own border.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. DICKSTEIN. Has the committee given any thought to the consideration of taxing the greater income of moving-picture stars—aliens—who take millions of dollars out of this country?

Mr. HAWLEY. We have doubled the tax on them, reduced their credit on earned incomes, and reduced their exemptions. We did about everything we could to them.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. KETCHAM. A few moments ago the gentleman from Oregon called attention to products of the farm canned or processed by the farmer himself, and said there was no tax on them. The gentleman from Oregon also stated that cooperative organizations of farmers engaged in canning, even though their product exceeded $20,000, were not subject to tax.

Mr. HAWLEY. So I understand.

Mr. KETCHAM. I want to be perfectly sure about that and have it appear in the RECORD.

Mr. HAWLEY. That is a fact. If the goods are prepared by the farmer or by cooperatives of farmers, they are not taxed, as is stated in the bill.

Mr. KETCHAM. I want the gentleman's distinct affirmation on that point.

Mr. HAWLEY. That is so understood.

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. GUYER. Can the gentleman give us an idea of what difference it would make in revenue if all foodstuffs were exempt from tax?

Mr. HAWLEY. It would cost about $60,000,000 additional to exemptions contained in the bill. We have exempted foodstuffs in the bill, which, if taxed at the 2¼ per cent rate, would have brought into the Treasury about $80,000,000.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. BLACK. The gentleman is the ranking member of this committee and is of the President's party. Has the gentleman any assurance that the President will sign this bill if it contains the sales-tax feature?

Mr. HAWLEY. I have not discussed the bill with the President. This is a bill for the good of the country; and knowing the present President of the United States as I do, I am quite sure that he will sign any bill that has for its purpose the promotion of the welfare of this country and its people. [Applause.]

The manufacturers' excise taxes will expire by limitations provided in the bill on June 30, 1934. The manufacturers' excise taxes will be collected upon all imported articles whenever articles of domestic manufacture are subject to such taxes. This accords all articles offered in our markets equality of treatment and is a just provision.

Mr. Chairman, in conclusion, we are at a point now where the needs of our country demand of us a sacrifice. No one expects to get a hero's medal, though later we may be applauded for courage and prudence when the economic recovery is attained and our people are enjoying a renewed prosperity.

However, that is not the consideration. We asked to be elected to this Congress. We assume the burdens as well as the credit attaching to our position. The country expects us to acquit ourselves in accordance with our responsibilities and opportunities. There has been a sudden debacle throughout the world, and we are included. The boys in the war at the zero hour went over the top for their country; it is now our turn. [Applause.]

The CHAIRMAN. Has any arrangement been made for the control of the time on either side in opposition to the bill?

Mr. HILL of Washington. Mr. Chairman, I have been instructed by the acting chairman of the Committee on Ways and Means to yield one-half of the time on this side to the gentleman from North Carolina [Mr. DOUGHTON], a member of the committee, to be in turn yielded by him to those who oppose the bill.

The CHAIRMAN. Has any such arrangement been made on the minority side?

Mr. HAWLEY. No; there has been no division of time on this side. No one has asked for it, although Members on this side of the aisle will be recognized for and against in order.

The CHAIRMAN. The time is still in control of the gentleman from Oregon?

Mr. HAWLEY. Yes. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. MOUSER].

Mr. MOUSER. Mr. Chairman, it is with a great deal of timidity that, as one of the younger Members of this body, I take issue with some of the views of distinguished members of the Committee on Ways and Means. I am not impressed with the psychology of a proposition that affects the American people at this time, that it will restore confidence in their minds if a further heavy load of taxation is placed upon their shoulders. Let us analyze the situation. I do not pretend to be familiar with all of the technical matters contained in the legislation; but when an appeal is being made to the American people to restore their confidence and release money into circulation for the purpose of conducting their business and in turn employing labor, I can not see that we are aiding toward the restoration of that confidence at this time by passing this legislation.

We have had a deficit for a year and a half. Right now there are some indications of a return of confidence—and what are we doing? We are establishing a sales tax, which in turn will be passed on to the consumer, the ordinary person who always pays the freight. It is not good business for manufacturers not to charge this tax against the cost of the article manufactured any more than any other charge.

During the war we created a large burden of indebtedness, and we saw in this country for a period of eight years, when business was being operated under somewhat normal conditions, a return of revenue sufficient to retire the national indebtedness approximately $8,000,000,000 more than had been anticipated in that period of time.

If there are signs of a revival of business conditions at this time and we can expect with reasonable certainty that conditions are going to be better, why now discourage the confidence that is being obtained?

Of course, this tax will be passed on to the consumer. That is the argument of the Democratic Party about a tariff. They say it is indirect taxation. We know we must have revenues to operate the Government. I wonder how they can now justify this bill passing on to the consumer a direct tax? I wonder how it can be justified to the extent of increasing the cost of gas and electricity to the consumer, to the millions of men of humble means who are heads of families? Do you think that some public utilities in the United States will not take advantage of this tax and go before public-service commissions or public-utilities commissions and say that they need an increased rate because of further costs of doing business?

Let us analyze this legislation for a moment in reference to the farmer. There is an endeavor here to exclude him from the provisions of this bill, but everything he raises that is put in a can is taxed, and who is going to pay the tax? Why, the fellow who raises tomatoes will get less for his tomatoes because of the tax which the cannery pays. The fellow who raises corn will get less for his corn because of the tax that the cannery pays. It is not good business for them to pay it. They will not pay this tax upon a patriotic basis. They will pay it because it is a governmental requirement and they will charge it off in a businesslike way as a part of the cost of doing business, and they will still want to make a reasonable profit for their stockholders, as they have a right to do.

Then we say in this bill that fertilizer is exempt. How about the manufacturer who sells tile with which to drain a farm? I am advised that 95 per cent of the tile sold by industries in this country manufacturing that class of tile is sold to the farmer. I am advised further that fertilizer is doubly effective upon drained land. Who is going to pay the sales tax on tile? The American farmer. Why is not there an exemption there if it is a farm product?

As I see the trouble to-day, the price which the farmer obtains for that which he sells is clearly out of proportion to that which he must pay for that which is necessary to operate his farm. Machinery to-day is at a cost, even under present conditions, beyond the ability of the farmer to pay.

I think the American people will more gladly pay and will consider it more of a duty to pay an increased tax burden when they find that there is a conscientious endeavor to lower the cost of government. That is what has caused the deficit, the constantly mounting cost of government. The cost keeps on mounting, and we ask for increased taxes. I see no patriotic reason why a citizen should consider it a matter of duty to pay increased taxes until there is a conscientious endeavor to cut out many unnecessary bureaus and get away from the tendency toward a bureaucratic form of government, as well as a lot of red tape and unnecessary costs.

The farmer and the laboring man, the fellow who is now in distress, is going to pay the sales tax contained in this bill, and do not fool yourselves about that.

You can not blame a manufacturer for taking care of the cost of that which he manufactures. It is not good business not to do so. He is going to do it, and he is going to do it not only in respect to the price he pays to the farmer for the product he raises but he is going to put an extra charge on the consumer.

At this time, with men out of work, with Government expenses increasing, and with no real test of the ability of this Congress to reduce governmental expenditures, we are putting a further burden upon the backs of the American people.

Oh, you say, if we do not get this tax now we can not sell the Government's bonds. I say to you it is about time to stop selling so many bonds with which to operate the

Government. I can not get the connection between the revival of business in this country and the creating of further tax burdens, on the theory that the Government bond which is to be sold is not going to be worth 100 cents on the dollar. During the World War and shortly after the World War these bonds were not worth 100 cents on the dollar. They were not worth their par value; but what happened? Under normal business conditions in this country, with prosperity here, we had sufficient money to retire the debt without the further burden of taxation upon the people, and the bonds became worth more than par. If business is revived in this country, we will have a greater income, and by reducing expenditures we will not need to add to the burdens of taxation at this time.

I can not see the force of the argument. If I have any knowledge of human nature or understanding of the psychology of the American people, I can not see the force of any argument that will say that if we levy more taxes we are going to revive business and restore prosperity.

Now, this bill does not balance the Budget. It is admitted it will only raise $1,300,000,000. In the report it is estimated that at the end of 1932 there will be a deficit of two billion one hundred and some-odd million dollars. All we are doing is to create more money to spend at this time.

I can vote for an increased income tax in the larger brackets. I agree with the distinguished gentleman from Georgia [Mr. CRISP] that this should be done, and that the burden of taxation should go where the ability to pay is greatest. I can go along with his amusement tax, although I hate to further burden the humble citizen who now finds his only recreation in the theater, but I can not justify in my own mind a sales tax at this time, and I can not agree with the distinguished gentleman of my own party, a man of not only fine character, but great ability and rugged integrity, that the psychology upon the American people is going to be good if we come within several hundred million dollars of balancing the Budget at this time.

Mr. CROWTHER. Will the gentleman yield?

Mr. MOUSER. I will.

Mr. CROWTHER. I wonder if the gentleman in the remaining time will suggest to the committee or through the committee to the Congress some method to produce the equivalent of revenue that we expect to get from the sales tax. The gentleman has said something about the necessity for retrenchment of expenditures. That is the theme of all our legislation so far this year. How successful we have been, I am not so certain. I am not certain whether we have been successful in providing retrenchments or whether most of it has been in promises and postponements, but still, at the same time, we have been trying to do something. I now think that everybody who criticizes this bill, or criticizes, particularly, the heart of the bill, which is the so-called manufacturers' excise tax, in all fairness ought to be willing to present to the committee something to take its place in the shape of revenue, if they want to take that provision out of the bill.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. MOUSER. I will be pleased to answer that question and then I shall yield to the gentleman from New York.

Mr. DICKSTEIN. I was going to answer the question for the gentleman.

Mr. MOUSER. The reason we have a deficit now is because of the increased and mounting cost of government and the lowering of revenue because of a world-wide depression. The income tax that could be nominally expected has been diminished. This is true of the duties upon imports. Assuming that business returns to a normal condition in this country, by retrenchment in Government expenditures we will have enough income to supply the deficiency that the gentleman is speaking about. We have had the deficit for a year and a half and we have got along. Why, at this late hour, bring in this tax, which will not restore confidence, but will rather destroy it.

If the gentleman from New York [Mr. CROWTHER]—and I have the greatest respect for him—has confidence in the return of business conditions, why not give business a chance to come back and postpone this tax until revenues will at least have a chance to take care of it?

Mr. DICKSTEIN. Will the gentleman yield now?

Mr. MOUSER. I yield.

Mr. DICKSTEIN. I thought the gentleman would answer the question of how we could raise additional revenue and eliminate the sales tax.

Mr. MOUSER. I do not think that is going to be necessary.

Mr. DICKSTEIN. I call the gentleman's attention to a report on page 54, by our good friends the gentleman from New York [Mr. CULLEN], the gentleman from New York [Mr. SULLIVAN], and the gentleman from Massachusetts [Mr. MCCORMACK], of the Ways and Means Committee, that if we provide a little wine and beer we can get more than enough revenue to cover all the deficits for the next two or three years.

Mr. MOUSER. I think the gentleman's argument is simply injected here at this time to create an issue foreign to the matter under discussion.

Mr. DICKSTEIN. No; I am very serious about it.

Mr. MOUSER. I do not think that 2.75 per cent beer is going to destroy the home brew because they would rather drink their own than to drink 2.75 beer, and I, for one, shall not vote for it.

Mr. ADKINS. Will the gentleman yield?

Mr. MOUSER. I will be pleased to yield.

Mr. ADKINS. Has the gentleman been voting for all these appropriation bills which we have passed?

Mr. MOUSER. I have voted to reduce a great many appropriations, and, for one, I will say to the gentleman from Illinois [Mr. ADKINS] that I did not vote to spend $760,000 to remodel the House Office Building, and I think the gentleman did.

Mr. ADKINS. Did the gentleman vote for the bill providing $132,000,000 for roads?

Mr. MOUSER. No.

Mr. ADKINS. Did the gentleman vote to give 40,000,000 bushels of wheat to private charity?

Mr. MOUSER. Yes; I voted to give the 40,000,000 bushels of wheat because that is money that has already been expended foolishly. That is water that has gone over the dam. This wheat will, however, bring bread to many thousands of starving people.

Mr. ADKINS. We will have to pay for it now.

Mr. MOUSER. Now that we have got it on our hands, let us put it where it will do some good. [Applause.]

Mr. CRISP. Mr. Chairman, I yield half of my time on this side, if I may, to the gentleman from North Carolina [Mr. DOUGHTON], in accordance with the statement I made at the beginning.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Chairman, having signed the petition, I shall vote on Monday next to discharge the Judiciary Committee from further consideration of the Beck-Linthicum resolution to amend the eighteenth amendment. If a majority of the House vote favorably the resolution will be brought on the floor. It will then be subject to amendment and in its present or amended form will be put to a vote. If passed by a two-thirds vote, it will then go to the Senate. If passed by the Senate it will then go to the States for ratification either by conventions or by the State legislatures, as may be agreed upon by Congress. If ratified by three-fourths of the States, 36, it will then supersede the present eighteenth amendment.

This is not the time nor place to discuss the advisability of its ratification. I shall not do so. There is only one power on earth lawfully empowered to decide that question. That power is the people of the 48 States, either through their representatives in the State legislatures or through their representatives in State conventions elected for that purpose.

The only power which Congress has in this matter is to determine whether the eighteenth amendment should again be submitted to the people.

It is a usurpation of power for Congress to decide upon the wisdom or unwisdom of Federal prohibition. Congress has no power to declare what shall or shall not be in the Constitution. That power is in the people alone. The sole function of Congress is to "propose" amendments. If Congress fails to "propose" amendments, the States themselves may do so. The Constitution itself provides that "we, the people (not Congress), * * * do ordain and establish this Constitution."

Congress, therefore, should not attempt to decide whether, as a matter of public policy, the eighteenth amendment should be retained in its present form. It may only determine whether the people should be given the opportunity to again decide that question for themselves. To some minds this may seem like a distinction without a difference. It is, however, a difference as wide as free government is from its denial. When Congressmen are asked to "retain the amendment" they are being asked to usurp their powers. The retention or rejection of the eighteenth amendment is for the people of the States to decide, not Congress. Let us not get cloudy on this point.

My own State, and 32 others, were wholly "dry" either by their own constitutions or by legislative act before the eighteenth amendment became a part of the Federal Constitution. Others were dry in part. If the eighteenth amendment is repealed or changed it will in no wise affect the constitutions or laws of those States. Those States would continue "dry" as long as they chose to do so. States formerly wet could become dry if they determine upon that course. By resubmitting the eighteenth amendment Congress therefore does not attempt to change the law of any State of the Union.

The Beck-Linthicum resolution in effect retains the eighteenth amendment as the law of the land, except in those States which decide upon some system of legal manufacture and sale of beer, wine, or spirits. In States which do not so decide, traffic in liquor will be prohibited, both by their own law and by the Federal Constitution itself. Every State in the Union can be dry and avail itself of the Federal Constitution in addition to its own law. Or every State can be wet. Or some can be wet and some dry. Or some can be partly wet and partly dry—local option. If a State decides to be wet, and after a trial is not satisfied, it can repeal its State law and automatically the Federal Constitution will again prohibit liquor from being shipped into a single square foot of its territory. The Beck-Linthicum resolution does not therefore "scrap" the eighteenth amendment. It retains the broad public policy and benefits of the amendment on every foot of American soil except in States whose own people decide for themselves upon some other course. The resolution is therefore a compromise between outright repeal and the present law.

Let me repeat. It is not the right or duty of a Member of Congress to decide upon the wisdom of retaining the eighteenth amendment. He has no lawful power to decide that question. He only decides the propriety of submitting the question for decision. A dry Congressman can properly decide to submit the question, and then as a citizen of his own State vote to retain the present amendment, in the same way that a moderator or other presiding officer may "put" a question to a vote, and then vote against it. A number of the 145 who signed the petition will do that very thing. They believe in the eighteenth amendment, but they do not believe they have the right to prevent a vote being taken upon it. In this they are acting strictly within their constitutional powers and as conscientious American citizens. I congratulate them upon their courageous and honest course.

Should the question be submitted? I think it should for the following reasons:

First. The eighteenth amendment has never been before the people themselves. It was ratified by State legislators who were not chosen upon that question.

Second. It was adopted during the excitement of the World War and while many Americans were abroad.

Third. It was never made an issue in a national campaign by platform declaration of either of the major parties.

Fourth. We have now had 12 years' actual experience with it which we did not have when it was adopted. Hindsight is better than foresight.

Fifth. Since it was proposed half of the present voters, the women, have been enfranchised.

Sixth. Since its adoption millions of voters then living have died.

Seventh. Since its adoption millions of boys and girls have now become voters. Their views should be ascertained. "The earth belongs always to the living generation."—Jefferson. The gross change of the population by death and by new citizens coming of age, and so forth, is about 31 per cent, since the eighteenth amendment was first proposed by Congress. The change of the voting population by enfranchisement of women, deaths, and births is in excess of 50 per cent. These figures have been worked out from census reports, and so far as I know have never before been made public.

Eighth. There is widespread dissatisfaction with it. Doctors, lawyers, ministers, college presidents, and social workers are against it. Seven States at least—New York, Massachusetts, Maryland, Rhode Island, Wisconsin, Montana, and Nevada, with a population of 22,724,373, want beer as evidenced by the repeal of all legislation prohibiting it. Seven other States—Michigan, Tennessee, Louisiana, South Dakota, Arkansas, Georgia, and South Carolina, with a population of 16,755,076, have in effect recognized liquor by taxing it and deriving income from it, or its ingredients. Other States, for example, Illinois, with a population of 7,630,654, are apparently ready to abandon State prohibition if the impediment of the eighteenth amendment is removed.

When national prohibition took effect 15 States with a population in 1920 of 50,257,517 permitted the sale of alcoholic beverages. Their population in 1930 was 59,576,105. To-day their population must be in excess of 61,000,000.

Ninth. The promises made for it, before it was tried, have not been realized. I refer to (a) the emptying of jails; (b) the elimination of crime; (c) prosperity; (d) that the boys and girls who had never seen a saloon would, when they grew up, accept prohibition as a matter of course. Even the friends of Federal prohibition will admit the truth of these statements in whole or in part. The profits of liquor have now gone to the underworld, giving it enormous revenues to corrupt public officials and finance racketeering. A new invisible government has arisen. The Lindbergh case is an example.

Tenth. The need for revenue. From the Civil War to the World War two-thirds of all money to support the National Government came from liquor excises. It also contributed to State and municipal government. We are now faced with as grave an emergency as we have ever witnessed. We have the largest deficit ever known in peace time, and the largest of any government in the world. It is daily growing larger. The credit of the Nation is imperiled. In desperation we have now turned for the first time in history to a national sales tax to add to the cost of 140,000 articles going into every American home, and reaching every pocketbook in this country. If once adopted it is likely to remain for years, if not permanently. I do not favor a sales tax. But many Congressmen consider it a matter of absolute necessity.

Is it? Can the driest Congressman from the driest district in the Nation vote for it, and then go back to his constituents and explain why he voted to place on them a tax on shoes, on clothing, on farm machinery, on the bottle in the baby's crib, when a man in Milwaukee or New York or Boston was willing to pay that tax on a glass of beer? Can he explain why he refused to permit him to do so, and insisted that his own people pay a sales tax instead? As stated, there are at least 15 States which would gladly pay a liquor excise tax, to the relief of dry States from a sales tax, and when times improve, from some part of the income tax as well. To that extent, wet States would relieve dry States from paying Federal revenues.

The irony is that the liquor is being drunk anyhow.

Prof. E. R. A. Seligman, internationally known economist, says:

> The point that strikes one here is that if prohibition were not in force the taxes on liquor would have rendered unnecessary not only all these miscellaneous taxes but all the other tax proposals of Secretary Mellon. The United States has voluntarily abandoned what is the greatest fiscal resource of virtually every country in the world.

He further states that an excise tax would "to-day yield approximately $1,280,000,000." The total loss in revenue since 1920 is about $11,000,000,000. World War veterans and their families who are interested in the bonus and widows' pensions will find these figures significant. This money and much more has gone to the underworld, rather than to honest, law-abiding American citizens.

It has been stated that the proposal to resubmit is an idle gesture, for the reason that 13 States at least would checkmate the other States and their vast populations. How do you know that? No one knows it. He only guesses at it. The Literary Digest poll two years ago showed only four States certainly dry. The present poll so far shows only one.

By submitting the proposal this winter Congress would eliminate the question from next year's campaign. Neither party would have to declare themselves upon it for the reason that it would then be before the American people awaiting their decision. Thus the most troublesome question to both Republicans and Democrats would be taken out of the campaign, and permit national, State, and local candidates and parties to go before the people on the other very important issues which we must imperatively decide. This would relieve every candidate in America from the embarrassment of this question.

Lincoln said:

> In a free government public opinion is everything. With it nothing can fail. Without it nothing can succeed.

Let us find out what that public opinion is in a legal and binding way. If the great mass of the people decide to retain the present amendment, well and good. Law enforcement can then proceed knowing that the public supports it. "The law is what the public will back up." If, however, it is found that they do not wish to retain the amendment, again well and good. If it is their will, Americans will bow to it. This Nation will cease to be when the will of the people ceases to be their law. There is something infinitely more precious than any law, and that is to preserve in full force the right of the people to make their law. That is American. A denial of that right is legal tyranny. I will not be a party to it.

It is not for me to decide whether Indiana shall be wet or dry. That is for Indiana to decide. She should be free to do so.

And, finally, let me say that I believe in temperance. I live it. I believe in the American home, the school, the church. I believe in America and the right of Americans to determine their destiny for themselves. [Applause.]

Mr. DOUGHTON. Mr. Chairman, there are several applicants for time, but they all want to speak to-morrow.

Mr. CRISP. Mr. Chairman, I want everybody to have full and free debate, but we can not put off debate for people to some future time. If there is no one ready for debate, I will ask for the bill to be read under the 5-minute rule.

Mr. HAWLEY. Mr. Chairman, I yield 20 minutes to the gentleman from Kentucky [Mr. FINLEY].

Mr. FINLEY. Mr. Chairman, Great Britain was the highest protectionist nation on earth for 500 years. It was transformed into a free-trade country by Richard Cobden in 1846. Cobden, of course, was a free trader and made war on the historic policy of his country.

His plan of campaign was worthy of a great strategist. Instead of attacking the system all along the line, he singled out one industry and attacked it. The other industries assisted to withdraw protection from that industry, possibly because they used the products of that industry in their own manufactures and desired to get them as cheaply as possible.

Cobden then singled out another industry and attacked it, and with the same result. Then another and another and another till the system was destroyed piecemeal.

Something of the same sort is going on in our own country to-day not by outspoken enemies of our protective policy but by its professed friends.

The historic American policy of protection to American industry and American labor can not be destroyed by free traders. It is too firmly intrenched in the thinking of Americans.

But it can be destroyed and is to-day being destroyed by a sectional application of it. And no surer method of destruction could be devised.

Richard Cobden demonstrated that in 1846.

If we are ever to recover prosperity, and if that prosperity is to be made general and not merely local, we need to adopt a tariff policy which will be equitable, and will consider the varying needs of all the sections of this Nation. If I might paraphrase the well-known utterance of a famous Kentuckian, I would say that, "This Nation can not exist half tariff and half free trade." One favored section of the land can not have its pet industries guarded against unfair foreign competition while another section is in sorest distress for lack of the same protection. Even the protected industries must ultimately suffer from the lack of protection to important elements in our industrial life, since the maintenance of our home markets is imperative if we are to have any continuous prosperity.

If we are to have some new Missouri compromise line running across the United States, dividing it into two sections, one of which shall have the advantage of whatever protection they may desire, while the other is forced to compete in a cutthroat market with the cheapest forms of foreign labor, then it is about time that this was made clear as the policy which the exploited sections may expect. Rather than permit such a policy to be continued, the sections which are now receiving the skim milk, while other sections get the cream, had better declare for a general policy of free trade, so that they themselves may enjoy the benefits of whatever low-priced commodities may enter the American market from foreign sources. If free trade is the proper policy for the products of my own State of Kentucky, then free trade is the proper policy for any other State in this Union. Kentuckians do not enjoy tightening their belts while they do without meals, while the well-fed beneficiaries of protection in other parts of the country oppose any protection for those industries in which Kentucky has a vital interest. If protection is right, Kentucky wants her share in protection; if a tariff is wrong for Kentucky, then my State can not understand why it is not equally wrong for States on the Atlantic seaboard.

The Republican Party as a whole is committed to the protection policy. There seem to be some reservations about this, however, in the minds of some representatives of States now enjoying protection. Maybe that is the reason why the application of the policy has been so inconsistent.

There are only two Republican Congressmen left in Kentucky. I am one of them. No one knows how many Republican Congressmen will be left there after another election or two, if the Republican Party is going to consider only a few favored States while the others are denied even crumbs that fall from the rich eastern tables. Kentucky is not the only State where the people are comparing Republican protection platforms with Republican protective performances and coming to the conclusion that one has to be "teacher's pet" to get consideration from those who theoretically are the champions and exponents of the protection policy.

Kentucky is tired of being a stepchild in the American family. We have industries which are as much entitled to protection as any other industries in the Nation. For instance, Kentucky has important petroleum deposits. In 1916 Kentucky crude oil averaged slightly more than $2 a barrel, reaching a peak in 1920 of $3.92 per barrel, while during 1929 the price averaged $1.70 per barrel. To-day it is

worth whatever the producer is lucky enough to get, since cheap foreign oil has usurped the American market, not only to the detriment of the oil industry of Kentucky, but to the resulting unemployment of the Kentucky oil worker. Over 22,000 square miles of my State, or 56.3 per cent of our total area, are present prospective oil and gas land. Already approximately 261,000 acres, or 409 square miles, have been proved up by 26,848 drilled wells. This is only a small section of the potential oil and gas territory in my State. The rest of this territory not only might be, but would be, developed, to the enrichment of the Commonwealth and to the employment of thousands of idle Kentuckians, if those who profess an earnest belief in the protection of American industry and American labor were sufficiently consistent to support some measure which would make it worth while to operate the petroleum industry in Kentucky. We used to call petroleum "liquid gold," but Kentucky finds it is more liquid than gold. The commercial possibilities of this great natural resource in my State have been frustrated by lack of Federal legislation which would give to it the same protection which is given to more favored industries in more favored sections of the country.

Those of us who are interested in the development of our State are becoming very weary of hearing representatives of tariff-protected States tell us patronizingly:

You musn't have a tariff on your products, even though we do have a tariff on ours; because we want to patronize your foreign competitors even though it means starvation in the old Kentucky home. Meanwhile, we expect you, as Republicans, to support our own tariff measures while we oppose yours.

I understand that the proposed tariff asked by the American petroleum producer will not be seriously considered at the present session of Congress. I am also informed that the excise tax suggested by the Ways and Means Committee has been pared down from 4 cents per gallon on foreign gasoline and 2 cents per gallon on foreign crude oil to a flat 1 cent per gallon for each of these, despite the fact that any equitable tax levy would have rated gasoline at least several times higher than crude oil. While this is a practical victory for the eastern opponents of protection for the American petroleum industry, it seems hardly justified, in view of the pressing need of greater revenue for the Nation, which might have been obtained through a proper excise tax on these products now entering free from all duty. I suppose the Kentucky petroleum producer and the unemployed Kentucky oil worker will be expected to be thankful if 1 cent per gallon is cut off the already swollen profits of the foreign oil importer. If that tax had been 4 cents on gasoline and 2 cents on the crude, it would not even then have established an even competition for the American producer, since it would still give the importer of foreign oil an advantage of from 20 cents to 31 cents per barrel.

Kentucky is also interested in coal. This used to be an important industry in my State. I have here a table giving the production of coal in Kentucky, the number of employees, the average number of days worked per year, and the average value of Kentucky coal per ton at the mine for the years 1921 to 1930, inclusive:

Year	Tons produced	Number of employees	Average days worked	Average value per ton at mine
1921	31,588,270	50,521	152	$2.69
1922	42,134,175	60,924	140	3.02
1923	44,777,317	60,811	152	2.54
1924	45,147,204	55,766	174	1.88
1925	55,068,670	57,024	206	1.72
1926	69,924,462	60,578	230	1.74
1927	69,123,998	64,747	237	1.73
1928	61,860,379	62,195	212	1.56
1929	60,462,600	58,649	222	1.54
1930	51,208,995	56,674	187	1.49

This table shows that our production of coal dropped from nearly 70,000,000 tons in 1926 to 51,000,000 tons in 1930, while the number of employees dropped from 60,000, working an average of 230 days per year in 1926, to 56,000 working only 187 days per year in 1930, while the value of our coal fell from its former high price of $3.02 per ton at the mine to $1.49 in 1930. These figures are issued by the Bureau of Mines of the United States Government. When the figures for 1931 are issued they will show that this downward movement in production, in number of employees, in the average period worked and the value of our coal has continued and been accentuated.

The coal industry in Kentucky is prostrate. It is struggling to keep alive. It can not pay the wages it would like to pay to its workers, and compete with cheap fuel that is being dumped on the American market from abroad. Many mines have already closed down. The working time has been cut half in two as compared with the more prosperous years of 1926 and 1927. Many more mines will be closed down unless there is some relief from the terrific pressure of competition. This is another instance of Kentucky possessing important natural resources which, under the economic system now prevailing, and which is supported by the tariff-favored States, can not be developed. Men are practically starving with these vast treasures awaiting development. If it is right that we should protect the industries of other sections of the country, Kentucky can not understand why it is not right that her industries, upon which her prosperity depends and to which her people look for proper employment, can not have the same sort of protection.

"A house divided against itself can not stand." That is as true to-day as when Lincoln quoted it. If the tariff beneficiaries of the Nation are going to post a sign, "no Kentuckians need apply," when we seek the same sort of protection they enjoy, then Kentuckians may answer, "The evil you teach us we will execute; and it will go hard but we shall better the instruction." That is no threat. Threats are meaningless. I am merely pointing to a state of mind which I find among my own constituents and which, if election returns mean anything, is rapidly developing throughout portions of our country which were once Republican strongholds, but are not to-day. If the Republican Party believes in protection then let it practice what it preaches; and let it practice it in Kentucky as well as farther east. If it believes in free trade for Kentucky, then let it be consistent and believe in free trade farther east. Personally, I believe the free-trade policy would ruin the Nation if adopted, just as free trade in Kentucky products is ruining Kentucky. I do not want to see the rest of the Nation ruined, but I do want to see Kentucky given a fair chance at prosperity when it returns—if it can ever return under such a sectional application of the protective policy as grants some sections all the protection they ask, but denies equally deserving sections any protection at all. [Applause.]

Mr. MILLARD. Will the gentleman yield?

Mr. FINLEY. I will.

Mr. MILLARD. The gentleman stated that no nation can live half free trade and half protection. I would like to ask him if he thinks that a nation can survive half wet and half dry? [Laughter.]

Mr. FINLEY. This Nation is not going to be half wet; it is going to be all dry.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, ladies and gentlemen, it will not be my purpose to discuss the real merits of this bill except in so far as it will apply to an amendment which I later propose to offer. I know there are many in this House and all over the Nation who are interested in this amendment and in view of the fact that the Commitee on Ways and Means has stated, through its chairman, that it will further consider amendments to the bill, I invite attention to the tax imposed in this bill on canned tomatoes, fruits, and vegetables.

At the proper time, I propose to offer an amendment exempting from the terms and provisions of the manufacturer's sales tax canned fruits, berries, vegetables, and other farm products which will include beans, peas, spinach, peaches, apples, grapes, sweet potatoes, corn, pumpkins, and all other kinds of farm products.

To exempt these canned goods and include the higher-priced preserves, fruits, and berries, would only subtract eighteen millions from this bill; if you do not include the

higher-priced preserves, fruits, and berries, such as proposed in my amendment, it would be deducting less than ten million.

Canned goods are the poor man's smokehouse. Those who live in the cities realize it more than those who live in the country. There are over 185,000 farmers engaged in growing tomatoes and small farm products. Practically all of the small canning factories are either controlled by or are entirely dependent upon the farmers and thus the canners and farmers' interests are equal. There are 2,200 tomato canneries in the United States; they are mostly small individual units and dependent upon the owners of small tracts of land to furnish them the fruits and farm products which they can. These canneries keep up the communities in which they are located. Formerly they could pay $20 per ton for tomatoes; last year all over the country they could only pay from $10 to $12 per ton. Many of these small canneries have gone into bankruptcy, although I have 125 in my district that have survived. Not having the element of a banking institution or a credit association they are unable to borrow under the Reconstruction Finance Corporation, except through their local banks, and in many communities the local banks have failed.

These canneries require financing until they can sell their products in the following fall or winter, and the placing of a greater tax and burden upon them will amount to forcing them into bankruptcy. They are now getting less than the cost of production and selling 10-ounce cans of canned tomatoes for 60 cents per dozen. They will not be able to pass the tax on to the consumer because of the small amount involved, but when it is figured up at the end of the season it will amount to a large sum of money. It is contemplated with even this exemption that the tax on tin cans will be passed on to the canner. The large amount of money required in these canning industries is invested in tin cans. They buy them by the carload upon carload. These tin cans are manufactured by industries that have a monopoly and they place a price upon these cans to suit themselves. When these manufacturers of tin cans pay their tax they will pass it directly on to the canners.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes.

Mr. McCORMACK. As I understand it, that can will not be taxed, but it will be taxed when the product is finished as it will be passed on to the ultimate consumer.

Mr. FULLER. I fear the gentleman is mistaken. It can not help being taxed under this bill when it leaves the factory where tin cans are made, but if not then taxed it will be taxed by and paid by the canner when he sells the finished product.

Mr. McCORMACK. That is the time when the tax should be imposed.

Mr. FULLER. Under this proposed bill it is intended that a manufacturer that does not sell more than $20,000 worth of manufactured articles per year shall be exempt; but if he sells $21,000 or $25,000 worth of articles in a year, then he would have to pay on the entire amount and receive no exemption.

In section 602, page 229, "farm or garden products" are exempt from the tax.

Fruits and vegetables and the other articles contained in my proposed amendment are farm products. They are the smaller class of farm products; they are often produced by the man who is broken down in health with a family upon whom he is dependent for assistance and can make a living upon a few acres. He is not a real farmer, being more of a gardener or truckster, and as a poor man he ought to receive a benefit and not be taxed under the terms and provisions of this bill. When the products that he produces, which are generally later canned, are exempted he is not the only one that receives a benefit, but this benefit is reaped by the unemployed, especially the poor who live in the cities and live mostly out of tin cans. When we think of 8,000,000 men out of employment to-day, which represents 40,000,000 people, we think of a class of people who live principally upon farm products which have been canned, and which should be exempt from taxation. When you see poor men who are making small wages and keeping their families by the sweat of their brow, you find men and their families who are living principally upon these canned goods, canned fruit, and other products of the small canner, the small farmer, and horticulturist.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes.

Mr. HOPE. I am in sympathy with the gentleman's position, but does he not think we ought to go farther and exempt all farm products, including meats, as well as canned goods?

Mr. FULLER. I had not thought of that, but I think the gentleman is correct. The bill provides that certain meats, fish, ham, bacon, and shoulders shall be exempt provided they are not cooked or canned.

Cove oysters are taxed under the provisions of the bill, and they are canned and sold generally all over this country to the poorer class of people. They ought to be exempt.

In other words it is the spirit and intention of this bill, whether we like it or not, whether we are for it or against it, not to tax the man who can not afford to pay the tax. If this is the real intention of the bill we ought not to pass the tax on to the poorest class of people in the Nation, that class of people living principally on canned goods.

These canning industries that I refer to are practically in their infancy. They have had the worst experience of any of our industries to survive this panic; they need protection. Regardless of how we stand as Democrats or Republicans, whether we are for a high tariff or a low tariff or no tariff at all, it has been the history of each of the major parties of this country to always throw its arm of protection around infant industries. Here and there you will find a big industry which has much money invested but it is mostly engaged in the canning of preserves and higher-priced goods, they will not be reached in my amendment. But nine-tenths of the canning in the United States of farm products is done by the little fellow who lives by the side of the road and who depends upon the farm products for canning purposes produced by the widow and her children, and the man who is possibly sick and not able to make a living but dependent more or less upon the rest of the family. In many instances farmers depend on these industries to furnish them tax money and living expenses.

It is this class of people that is engaged in gardening and raising fruits and berries to keep up the small canneries. These producers are not like the real farmer who is able to make his living by the sweat of his brow. If you pass this bill without exempting canned fruits, vegetables, and farm products you will ruin these small industries.

The reason I asked the gentleman from Oregon [Mr. HAWLEY] questions in regard to the exemption for tomato canneries was because I knew that he had shown sympathy and feeling for these industries. Two years ago when the Hawley tariff bill was under consideration, I made a thorough study and presented a brief to his committee on the necessity of a higher tariff on canned tomatoes for the protection of these infant industries, and he and his committee gave me and this report most courteous consideration and as a result placed a higher tariff upon canned tomatoes.

I trust that he and others who are interested in these small industries will give this matter serious thought and consideration and assist in the adoption of the amendment which I will offer.

In this same connection I invite the attention of the Members of this House who represent the larger cities and densely populated centers where there are so many poor people and so many out of employment, to join hands with us who are interested in this amendment in order that these poor people will not be required to have passed on to them a tax upon the very necessities of life.

If this or a similar amendment is not adopted and this proposed measure becomes a law, it will not only ruin the small canneries but it will amount to placing a tax upon over 40,000,000 of poor people living in the cities and towns. To exact such a tax would be an outrage and shame and I

believe that the membership of this House will not approve of such a course. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. GOLDSBOROUGH. Mr. Chairman, I sympathize fully with the remarks made by my distinguished colleague from Arkansas [Mr. FULLER], and at the proper time, when the bill is being read, unless some other Member offers an amendment to the same effect, I shall offer an amendment to eliminate canned foods from the operation of this bill and will attempt at that time to defend the amendment.

Here and now I want to discuss the sales tax as a general proposition. A great many hundred years ago in England when William the Conqueror came, the lands of England were parceled out to the barons for services rendered to the Crown. In consideration of the use and occupation of those lands the barons were required to furnish for the King's army so many men, for the King's treasury so much money, and were required to render various personal services. After a while the barons got their heads together and decided it was foolish for them to sustain the burdens of taxation justified because of the use they had of these lands and devised a scheme whereby the burdens legitimately upon them because of the great benefits they received from the Government could be transferred to the mass of the people who were not receiving favors. That is where the custom-house originated among Anglo-Saxon peoples. That is where the tariff, as we understand it, originated, an attempt and a successful attempt on the part of those who were receiving the chief benefits of government, to transfer their legitimate burdens to those who were not receiving those benefits.

That system began in this country in a mild way and it has grown and grown until the time has come when, like the old man of the sea, we can not get rid of it without disturbing our economic status. The only possible way we can get rid of the tariff would be by a gradual process. It has been the thing which in this country has caused more unrest, more misery, more political corruption, more of the things which undertake to disturb the human mind than any other political factor.

Now, the question arises, do we want to add to that unnatural and abnormal thing something else which will be of the same kind? One of the distinguished speakers this morning made the remark that this sales tax had been exceedingly successful in Australia, and one of the reasons he gave was that the people would pay it without knowing they were paying it. In other words, you could pluck the goose without making it cry. So in a time when there is no possible public necessity, in a time of temporary depression, this sales tax is attempted to be injected into our system. If it is ever put in, it will never go out. If it were brought to me as an emergency measure, even though I did not agree with it, I would say, "All right. If it is an emergency measure, let us go along with it." But in my judgment the economic factor which has inserted into this bill the sales tax is not the belief in the necessity for this particular tax at this particular time, but the purpose to inject a consumption tax system into our fiscal policy and keep it there. It will always be said, "It is the easiest tax you can collect, because the people pay it and do not know they are paying it."

Mr. Chairman, we have in this country greater possibilities of production than are needed by our people. We can produce more than all our people can use. We can produce enough to allow our entire population to live not only in comfort but in luxury. We can have a condition where poverty would be unknown and where every child would have the benefits of benign education and benign training, and yet in this country, with all that power of production, we constantly have 90 per cent of our people wondering whether or not they will be confronted with a dependent old age.

This sales tax is just one other thing to make the rich richer and the poor poorer. I do not speak for any class. I never have spoken for any class. I do not speak for the debtor class or the creditor class. I speak for all the people of America, and this tax can not possibly do anything but increase the already unbearable burdens upon the great masses of the people.

Mr. McGUGIN. Will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. McGUGIN. If I followed the gentleman's argument correctly, I understood him to say he is not in favor of the proposition of making one class of people pay all the taxes; that he goes a step farther and says he is not in favor of a sales tax and also that he is not in favor of a tax on gasoline. Will the gentleman state just what he thinks would be a fair tax to raise revenue?

Mr. GOLDSBOROUGH. If the gentleman had followed my discussion with the same earnestness with which I have endeavored to speak, I think he would fully understand exactly what my argument is.

Now, the argument is made that we can not raise this money in any other way. At the close of the war we owed more than twice as many bonds as we would owe if we issued sufficient bonds to take care of the same amount that this sales tax would take care of. With the additional income tax provision, as soon as normal times are resumed—which can not be more than from nine months to a year off—our income taxes will increase sufficiently not only to pay the interest on our obligations but to pay within a period of one year the $600,000,00 worth of bonds that we would have to issue at this time.

Mr. McCORMACK. Will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. McCORMACK. Then the gentleman does not believe we should attempt at this time to balance the Budget for the fiscal year 1933? Is that correct?

Mr. GOLDSBOROUGH. It is absolutely unnecessary. Now, then, my friend on my left asked me what sort of taxes I believe in. I believe everybody ought to pay his just part of the cost of government. How are the taxes now being distributed? I want to say to you that the farmers of this country at this time are paying taxes greater than the net production from their farms. You ask me who are paying the taxes? I am telling you again that the farmers of this country now are paying more taxes than the net production of their farms.

There never has been a tax as fair as the income tax. I can conceive of a better tax, but this is not the time to discuss it. However, that is the most just tax that was ever imposed, the income tax, and that will adequately, together with our other revenues, provide for every possible necessity. And mark what I tell you. I do not believe it is in the minds of the individual members of the Ways and Means Committee at all, but back of this whole sales-tax plan is an economic influence which this Congress has thwarted time and time again, a determination to get a consumption tax into our fiscal system, which if ever inserted will never be taken out.

I can not support such a tax. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Georgia [Mr. TARVER]. [Applause.]

Mr. BACHMANN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-one Members are present, not a quorum.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 28]

Abernethy	Chapman	Cullen	Gilbert
Andrews, N. Y.	Clague	Curry	Golder
Arentz	Clancy	Dieterich	Greenwood
Baldrige	Cochran, Pa.	Dominick	Gregory
Beers	Collier	Douglas, Ariz.	Griffin
Bloom	Connery	Douglass, Mass.	Haugen
Briggs	Cooke	Drane	Houston
Brumm	Cooper, Ohio	Eaton, N. J.	Hull, Morton D.
Buckbee	Corning	Estep	Igoe
Burch	Crail	Fishburne	James
Carden	Crisp	Flannagan	Johnson, S. Dak.
Carley	Crowe	Frear	Kahn
Cary	Crump	Freeman	Kendall
Cavicchia	Culkin	Gasque	Kennedy

Kurtz	Pittenger	Schuetz	Underwood
Lambeth	Pou	Smith, Va.	Vinson, Ky.
Larsen	Pratt, Harcourt J.	Snell	Wason
Lindsay	Pratt, Ruth	Spence	Watson
McDuffie	Purnell	Stevenson	Weeks
Magrady	Reid, Ill.	Stokes	West
May	Rogers, N. H.	Strong, Pa.	Wolfenden
Parker, N. Y.	Romjue	Sullivan, N. Y.	Wyant
Parks	Rudd	Sullivan, Pa.	Yates
Perkins	Sabath	Tierney	
Person	Sanders, Tex.	Tucker	
Pettengill	Sandlin	Underhill	

The committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes; and finding itself without a quorum, he had directed the Clerk to call the roll, when 331 Members answered to their names, a quorum, and he presented the list of absent Members to be recorded in the Journal.

The SPEAKER. The list of absentees will be spread upon the Journal and the committee will resume its sitting.

Mr. TARVER. Mr. Chairman, when in times like these a proposal is made to raise over a billion dollars in additional taxes from the people, the mere suggestion is sufficient to require a careful and conscientious approach to the question, and a thoughtful consideration of all the issues involved.

There are three questions which a Member of this House must be able to answer in the affirmative before he can in good faith vote for this bill.

First, is additional taxation so necessary that it can, in no safe way, be avoided?

Second, is it in this sense necessary to the extent and in the amounts levied in this bill?

Third, does the bill propose a fair basis for the raising of additional revenues?

It has been impossible for me to feel that I can conscientiously by my vote answer "yes" to all of these questions. I have no quarrel with those who entertain a contrary view. I concede to them credit for the same honesty of purpose that I claim for myself. I have no sympathy, however, with arguments based upon an appeal to party loyalty. This is not a Democratic measure. No authority of the Democratic Party, no party convention, not even the "policy committee" of the Democrats in Congress, much less the Democratic caucus, has ever placed, either upon it or upon the main principle involved in it, the stamp of its approval. So far as its sales-tax feature is concerned, the last expression of the Democratic Party on that subject is contained in the party platform of 1924, and is one of unqualified disapproval of any such method of taxation. There is, therefore, no question of party loyalty involved, unless it be recognized that the Democratic Party throughout its history has opposed this character of taxation, at least so far as the sales tax is concerned, and the question should arise as to whether a Member may claim party regularity and still oppose the announced principle for which his party has stood.

But I do not raise that question. I know, as does everyone else in this body, that a national emergency exists, which must be met firmly, fairly, and without evasion, and that the correct solution of existing problems rises a duty high above considerations of politics, and requires the highest type of patriotism. If there was ever a time when demagoguery might be condoned, this is not the time. But I want to stop right there to say that the definition of demagoguery which appears in Webster's Dictionary has been changed by some authorities in this country. In the minds of some people, when a man in Congress undertakes to represent all of the people, including the great masses who bear the burdens of the Nation in large part, both in peace and war, he is a demagogue. If he speaks in the interest of the common man, he is a demagogue. If he takes the side of the privileged classes, and works to promote their welfare without regard to the millions of the common people and their rights, he is, in their judgment, a statesman. I may never be called a statesman by anybody. I do not pretend to possess the qualifications for one; but to receive an encomium of that character from the Andrew Mellons, the Ogden Millses, the representatives of privilege who, for many years, have pillaged in this country the many for the benefit of the few—that would be an opprobrium which I could hardly bear. Better to be a demagogue in the interests of the common man than a statesman in the interests of a privileged few. [Applause.]

I shall not adopt as my slogan, "Soak the rich." I believe in extending the protection of the laws to wealth honestly acquired. Neither shall I participate in a movement which, whether intended for that purpose or not, will, if successful, "Soak the poor." This proposed sales tax is a tax on poverty. Admit, as its proponents have urged, that the wealthy will bear a far larger proportion of it than the poor. Taken individually, man for man, that is true. Taken collectively, class for class, it is not true. But the average man, again stating it as individual for individual, will pay out in this tax to the Government a far greater portion of his income than the wealthy man. In most cases, in times like these, he will have to spend it all, and in the cases of uncounted millions of our fellow citizens, if they spend it all it will still fall far short of providing the reasonable necessities of life. And yet, even from these millions, this cruel tax would take a slice of their meager earnings; take it in the added price of every pair of overalls that they buy, in every pair of shoes for themselves or their children, in every farming implement, and in countless other ways. "Soak the poor!" You can not reach them under the income tax, because when you reduce the exemption for a married man to $2,500, you have still shot far over the heads of the overwhelming majority of American householders. You must lower the muzzles of your guns. You do not dare do it by providing that a man who perhaps makes only a dollar or two a day, and is then out of work half the time, or a farmer whose yearly net income in these troublous times of Republican prosperity will not average so much, shall pay an income tax.

That would be too bald, too obviously outrageous, too patently unjust. But it would be better for him if you did that, because the part of his income that you would take under the present minimum income-tax rates would be less than you are going to take from him under this bill. The average American farmer, for example, is going to have to spend all he makes. He will have to, to keep going. Except for his fertilizer, you are proposing to tax him 2¼ per cent on all of it. You exempt his products from taxation, but how does that help him? He sells his products; he does not buy them. Nor will the 2¼ per cent be all. The manufacturer, when he sells to the jobber, and has to pay 2¼ per cent, will add on at least that much; and the jobber, when he sells to the wholesaler, while he pays no additional tax himself, will nevertheless fix a price which will give him an additional profit on the additional money he has invested; and so will the wholesaler; and the retailer will add some more; and it is not unreasonable to assume that by the time the tax reaches the consumer, and he has to pay it, it will be nearer 10 per cent than 2¼ per cent. Would you vote for a bill that would levy an income tax of 10 per cent on the income of every man in the United States who has to pay out all he makes to live? If you would not, then, in pity's name, do not put the stamp of your approval on this sales-tax proposition.

The average man pays now out of his limited income far more than his proportion of the expenses of government. Have our Democratic orators not called attention to that fact and lambasted the Hawley-Smoot tariff bill from 10,000 platforms as an iniquitous thing, which collects from the consumer indirectly a tax which Congress would not dare levy upon him directly, which robs the many for the benefit of the few, and which, more than any other one thing, is responsible for the plight of the American people to-day?

Mr. McGUGIN. Will the gentleman yield?

Mr. TARVER. Not until I have finished this statement.

From the bottom of my heart I feel that all that has been said by them along these lines is justified; and yet, after the campaign of 1930, in which the Hawley-Smoot tariff bill was the outstanding issue, I find myself facing a proposition

coming from a committee on which there sat 15 Democrats and 10 Republicans—proposing what? Let me read it to you:

SEC. 601. (b) In addition to any other tax or duty imposed by law there shall be imposed a tax of 2¼ per cent ad valorem (except as provided in subsection (d)) on every article imported into the United States.

With, of course, certain limited exceptions.

Proposing an increase in practically every single rate in the Hawley-Smoot tariff bill of 2¼ per cent. And not only that, but proposing 2¼ per cent on all those articles now on the free list. We are asked to out-Herod Herod; instead of redeeming our pledges to lower the tariff, which, of course, in view of Republican control of both the Senate and the Presidency, we do not have the power to do, to add materially to the burden of its iniquity. I know it is said that this additional import duty is necessary in order to protect American manufacturers; that is the very thing the Republicans claim the Hawley-Smoot tariff is necessary for. If we passed the bill and did not provide for the levy of this tax on imports the effect would be to reduce all the rates in the Hawley-Smoot tariff by the amount of the sales tax levied. Are there many Democratic Members of this House who would hold such a reduction unreasonable? If not, and if we pass a sales tax, why not accomplish some reduction in the Hawley-Smoot tariff bill rates by failing to levy the sales tax on imports? This is the first and only opportunity that this Congress will have to even propose a reduction in the rates of that iniquitous bill; and instead of proposing a reduction, an increase—at least a technical increase—is actually proposed.

I now yield to the gentleman who sought to interrupt me a few moments ago.

Mr. McGUGIN. I wanted to ask the gentleman a question at the time he made the statement that all the Democratic orators and the press had denounced the Hawley-Smoot tariff bill——

Mr. TARVER. The gentleman quotes me incorrectly. I said that Democratic orators from 10,000 platforms had done so. I did not say all of them had done so, although an overwhelming majority of them have.

Mr. McGUGIN. I wanted to ask the gentleman if he can give us any information as to whether the Democratic majority in the House is going to reduce any of the schedules of that bill, and I take it from the remarks the gentleman has since made that they do not intend to do that.

Mr. TARVER. Of course, I have covered that question in what I have said. This is the only opportunity the Democratic majority in this House has to effect any decrease in the existing rates of the Hawley-Smoot tariff bill. If we impose the sales tax and fail to impose the tax of 2¼ per cent proposed in this bill on imports into this country, we would thereby be effecting a general reduction in those iniquitous rates, but instead of attempting to do that the Democratic members of the Ways and Means Committee, or at least a portion of them, aided by some, if not all, of their Republican colleagues on that committee, are actually proposing in this bill a horizontal increase of 2¼ per cent on all the rates of the Hawley-Smoot tariff law.

Mr. McGUGIN. Will the gentleman advise us since when the refusal to add something to something is tantamount to taking something away from something?

Mr. TARVER. Oh, I have read to the gentleman the excerpt from this bill which provides for an addition of something to something, and the gentleman's question therefore has no basis in fact. [Applause.]

Not even in the great emergency of the World War, with the tremendous necessities for raising money then existing, was a general sales tax imposed. Democrats held the reins of government then and, in conformity with settled Democratic policy, they placed the burdens of taxation equitably upon the people in proportion to their ability to bear them. Of the incomes over $100,000 they took of the surplus above that figure, I think, 65 per cent. Was it unreasonable? How much easier it is for a man with an income of over $100,000 per year to have 65 per cent of the surplus taken by his Government in time of emergency than for the man who is struggling along on one, two, or three dollars a day—and not getting that all the time—to have 10 per cent of his earnings taken away from his wife and children. Why not go back to the war-time income-tax rates? I know proponents of this measure say that even with these rates the revenue would not be sufficient. Sufficient for what? Sufficient to pay extravagant appropriations which this Congress could whittle down in many ways that it realizes exists, but has not so far undertaken? Sufficient to balance the Budget within the short period of one fiscal year? No; undoubtedly no. Even the war-time rates on incomes would not suffice for that purpose. But before answering the question as to whether such rates, with special excise taxes which might reasonably be levied, would be sufficient, we should consider first how much reduction we might reasonably effect in Government appropriations beyond any contemplated in pending appropriation bills; and whether or not there devolves upon us the duty of wringing out of the American people in this time of stress enough money in one year to take care of all the extravagances in appropriations which have been built up under many years of Republican misrule.

May I mention one item only in which we could bring about a tremendous saving—that of reduction of salaries, including those of the highest officials in the Government, down through United States Senators, Members of Congress, generals in the Army, active and retired, admirals in the Navy, and on down to employees drawing a reasonable minimum salary. There has been much discussion of such a reduction. I have waited in vain for an opportunity to vote for it. Last fall I took up with the Director of the Budget the question of how great a saving could be effected in this manner. I ask unanimous consent to print two letters from him regarding it in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The letters referred to follow:

BUREAU OF THE BUDGET,
Washington, October 23, 1931.

MY DEAR MR. TARVER: On October 3 you wrote me asking if without a great deal of research I could give you a general estimate of the savings which would result from a 20 per cent reduction in all salaries paid by the Federal Government to persons receiving more than $1,800 per year.

The total amounts, by rates of compensation, paid to the personnel in the executive civil service, except the departmental service which is classified under the classification act of 1923, as amended, have not been compiled and some time has been required to gather the material for making a fair estimate thereon, which has occasioned the delay in answering your letter.

Since the data on expenditures for the fiscal year 1931 will not be completed until the Budget for the fiscal year 1933 is presented to Congress about December 7, I am using the estimated amount of the actual expenditures for the fiscal year 1930. Taking this as a basis, I believe that $1,494,337,000 is a fair estimate of the total amount paid during the fiscal year ended June 30, 1930, as salaries or compensation to the civilian personnel included in the legislative, executive, and judicial services of the Federal Government and to the active and retired officers and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Public Health Service, and Coast and Geodetic Survey.

Using $2,000 as the dividing line, which is the commencement of a specific salary grade under the classification act, and which is overlapped by but one lower grade, it is estimated that the salary or compensation paid to those receiving $2,000 or more per annum is $690,364,000, leaving $803,973,000 as the estimated amount paid to those receiving less than $2,000 per annum. Using these figures, a reduction in appropriations of approximately $138,072,800 would have resulted from a 20 per cent cut in the salaries or compensation of all persons on the Federal pay roll who received $2,000 or more per annum.

I have not attempted to use $1,800 per annum as a dividing line for the reason that it is a rate in the classification act which appears in three separate overlapping grades.

Sincerely yours,

J. CLAWSON ROOP, *Director.*

Hon. M. C. TARVER,
Representative in Congress, Dalton, Ga.

BUREAU OF THE BUDGET,
Washington, January 30, 1932.

MY DEAR MR. TARVER: On October 3, 1931, you requested information as to what reduction would be accomplished in appropriations by a 20 per cent slice in the salaries of all Federal office holders and job holders, salaries of $150 per month or lower not to be affected.

In my reply of October 23 you were given a rough estimate of this figure. Since that time the demand has been so great for information of this sort that a compilation has been made from the latest available information furnished by the departments and establishments of the number and cost of salaries of civilian employees in the executive branch of the Government, and of the military personnel. The total amount paid to all Federal employees, except the legislative establishment and judges of courts, at compensation of $1,800 per annum or more, is $891,939,157.04. Twenty per cent of this amount would be $178,387,831.40.

Sincerely yours,

J. CLAWSON ROOP, *Director.*

Hon. M. C. TARVER,
House of Representatives, Washington, D. C.

Mr. TARVER. These letters show that by a salary reduction of 20 per cent, from the highest down to a minimum of $1,800, a saving of $178,000,000 and more could be effected.

Not enough of itself to balance the Budget, but a very substantial economy. Is it justified? Is it fair to tax the millions of people who are to-day flat on their backs in an economic way for an additional billion dollars a year and not decrease the salaries of highly paid officials? Under present conditions a salary of $3,200 is certainly the equal of one of $4,000 three years ago. It will buy more of the necessities of life. We are therefore paying officials more really in this time of distress than we paid them when the Nation was prosperous. Of course, I am familiar with the arguments that are used against all proposals to reduce salaries—arguments about maintaining the "American standard of living"; about not setting a bad example for industry, when industry has already decreased the salaries and wages of its employees; and other arguments of the same character. But I have wondered whether, in making these arguments, there was anywhere in the back of any Congressman's head, not the belief that justice to the average Federal employee required his attitude but a feeling that such arguments were more plausible than if he should simply say, "I don't want to vote to reduce anybody else's salary, because if I did I know I would have to vote to reduce my own"? Just how much of this concern for the Federal employee is real and how much is simulated?

I have publicly announced in my district my purpose to vote, if I have the opportunity, for reasonable salary reductions, provided they are made without discrimination, applicable to all officeholders and employees of the Government, down to a reasonable minimum salary. I do not know whether I will have the opportunity to do so or not. Bills introduced with that end in view have been tabled in committee. Amendments carrying such provisions are not in order in the House in the consideration of appropriation bills unless made so by special rule, which the Rules Committee has not so far reported. But I urge you, my fellow Members, before you vote for this extraordinary and oppressive sales tax, before you place added burdens either on the poor or upon our already overburdened industries, to not only raise income taxes to war-time figures but to show that you are in good faith by reasonable reductions in the salary expenditures of our Government, including those salaries that you yourselves receive.

I spoke of the burden of this tax to industry. All over the country to-day we have industries that are carrying on at a loss, at least part time, because of the necessity of keeping their employee personnel together, and because of the obligation they feel to at least furnish their employees with enough work to enable them to live. I want to include in the RECORD a letter from a prominent manufacturer of my home city, whose situation, I am sure, is paralleled in every section of our country by countless other industries.

The letter is very short. In this letter he states that last year this industry operated at a loss of $300,000 merely in order to discharge its duty to its employees, and that if this sales tax is put on by the Congress an additional burden of approximately $40,000, with a 2 per cent tax, or $45,000, with a 2¼ per cent tax, will be laid upon his industry.

I ask unanimous consent to insert this letter in the RECORD, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The letter referred to follows:

I imagine that our own case is typical of many manufacturing plants to-day. Our operations, because of market conditions, are at a loss. We continue for the benefit of our employees.

Our annual sales even at present low prices should be about $2,000,000. The proposed tax of 2 per cent would amount to $40,000. The effect of this would be to put an added penalty of $40,000 on our operations, which we quite sincerely believe are now continuing for the benefit of our labor.

We do not know anything more definitely tending toward an increase in the unemployment situation than this proposed tax.

Mr. TARVER. Your sales tax will close many of these industries down, adding other millions to the more than 8,000,000 unemployed in this country. Will you place upon them a burden which, while it might be borne by itself alone, yet, when added to the burdens they already have, will in many instances be the straw that breaks the camel's back? How will such indiscriminate and destructive taxation tend to restore prosperity, even if it succeeds in balancing the Budget, which I doubt? When you put this clamp on production, factories that to-day are operating at a loss will stop in many instances, and so far as taxes from them are concerned—corporation income taxes, sales taxes, or any other—you will have killed the goose that lays the golden eggs.

Why all this clamor to balance the Budget for 1933? For 1931 and 1932 the Republicans did not balance it, but allowed in 1931 a deficit of $900,000,000 to "ride" by issuing short-term securities, and this year propose to do the same thing, with a deficit which, it is estimated, will be $2,100,000,000. Why, as soon as the Democrats secure a small majority in one House of Congress, is it immediately necessary to balance the Budget? Should the Democrats acquire control of all branches of the Government in the next election, it will be their duty to reduce governmental expenditures to a level where they can be discharged by reasonable taxation; but why should they now, having control of only the House, undertake at one fell swoop to remedy evils which have accumulated under many years of Republican misrule? It will be remembered that, during their long tenure in power since the World War, the Republicans have wrested from the people more in taxes than was needed for even their extravagant program of expenditure, and yearly applied huge sums to the retirement of the national debt beyond our commitments for that purpose, contrary to the viewpoint of many able Democrats, who held that the collection of taxes from the people not needed to discharge our obligations as they fell due was not justifiable. But it was done; and, with the excess taxes, we proceeded $3,500,000,000—or approximately that amount—beyond our commitments in the retirement of the public debt.

This $3,500,000,000 came from the people in their time of prosperity. Why not let it go back to them now, by issuing securities of the Government to cover pending deficits, and allowing the public debt to assume the proportions it would have had except for the $3,500,000,000 overpayments made through excess taxes? It was a wise Joseph who advised the Egyptians to save during seven fat years; but to what purpose did they save? In order to use the savings for the seven lean years. Our fat years have passed; our lean years are upon us. Shall we give to the people of the corn and wine which they overpaid their creditors in time of plenty, or shall we add to their burdens, and, to use another Biblical injunction, require them to make brick without straw; to pay far more in their time of distress than in their time of prosperity?

There are other provisions of this bill than those providing a sales tax with which I disagree. It is unnecessary to discuss them.

The inclusion of the sales tax makes it so utterly obnoxious to me that I could not support it, whatever else it has in it. I feel that in what I have said I have answered, from my viewpoint, the three questions I asked in the beginning. I regretfully dissent from the viewpoint of my

colleagues who are supporting the sales tax, and believe that such additions in revenue as are necessary may properly be obtained in other and more just ways, some of which I have discussed. While I am pained that I am in disagreement with some of the leaders of my party, I know that I am in accord with the principles of the Democratic Party as declared in the past, and sincerely believe that I am in accord with those which shall guide it in the future. Upon that foundation, I am content to stand. If there are those who disagree with me about the stand that Democracy will take in future platform declarations, as they can not disagree with me about the stand it has taken in the past, I challenge them to lay aside this sales-tax proposal until after the Chicago convention; enact, if you please, the remainder of your bill, and after recessing Congress beyond the dates of the conventions, come back here and obey the dictates of your party platform then adopted. If your viewpoint represents the wishes of organized Democracy in this matter, well and good. Those of us who disagree with you on this economic question would, I am sure, obey the mandates of the party. And so, I am sure, would you, if the convention should find against your stand. But a small part of the sum you intend to raise would be lost to the Public Treasury; and a session recessed until after the conventions would merely inconvenience us, and not the country. [Applause.]

Mr. CRISP. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia, Mr. Cox.

Mr. COX. Mr. Chairman, I see no reason for making a party issue of this measure. We are all party men, but this does not mean that we are any the less earnest in our endeavor to serve the best interests of the country. Both the Democratic and Republican Parties carry the flag, and both are loyal to the Republic. We will come nearer reaching a right conclusion on this bill if we maintain an attitude of tolerance for all differences of opinion and refrain from questioning the motives of one another.

The bill before us does not reflect the views of any individual. It is the result of compromise between those holding conflicting opinions; and since it comes with the favorable recommendation of a great committee of this House who had it under consideration for more than two months, it is entitled to careful examination and should not be condemned in its entirety before its many provisions have been tested in debate.

To appreciate the viewpoint of the committee recommending the bill we must first take account of the problems with which the committee was confronted. There have been tremendous deficits in the Treasury in the years 1931 and 1932 and another large deficit forecasted for 1933. The deficits for 1931 and 1932 have been taken care of by adding them to the bonded debt of the Government. To take care of 1933 the committee considered that this would have to be provided for by taxation, and I am wondering if there are those who think we can keep on increasing the public debt without impairing the credit of the Government. With the credit of the Government destroyed, the security of all business would go, and if this should happen we would be thrown into a chaotic condition from which it would take generations to extricate ourselves.

I might continue this line of reasoning, but why the necessity? Are we not all agreed upon the desirability, if not the imperative necessity, of balancing the Budget? If this be true, then that which concerns us most is how can the Budget be balanced without imposing unjustifiable burdens upon the people.

The bill has been denounced as one intended to soak the poor. This calls in question the patriotism and high purposes of a group of our colleagues, members of the Ways and Means Committee, that are outstanding men in this body, all of whom we are proud to honor and whose love of country and loyalty to duty not one of us would think of questioning.

But is the bill fairly subject to the criticism that it soaks the poor and spares the rich? Taken as a whole, does it not breathe a deep concern and anxiety for the poor? To begin with, having reference to the first section of the measure, no tax is required upon the net incomes of a single person not in excess of a thousand dollars. A married person has an exemption of $2,500 and $400 additional for each dependent child.

Considering the needs of the Government, are not these exemptions high enough? The tax recommended is applied on a sliding scale. It starts off at a low rate and by the time incomes reach a hundred thousand dollars a rate of 46 per cent goes into effect. In other words, if one has a net income of $100,000 he pays according to the sliding scale set forth in the bill, but if he has a net income of an additional hundred thousand dollars, of this amount he pays to the Government a tax of $46,000. In addition to this, he is subjected to all the other taxes levied by the bill. Is this sparing the rich and soaking the poor?

Under this section of the bill the poor pay nothing. Those having a taxable income pay all, and this is as it should be because it recognizes the principle of taxing those best able to pay.

It is the sales tax section of the bill to which most criticism is directed. Nobody, seemingly, wants a sales tax, but the committee has recommended it as the fairest and best way of raising the needed revenue. I do not like it, and will vote for all amendments intended to eliminate its most burdensome features. If some Member with prior right of recognition does not offer an amendment to add to the exemption list all foods, clothing, hats, shoes, or all wearing apparel of every kind, farm implements, workmen's tools, bags, crates for packing and shipping fruits and vegetables, and such other things as may be regarded as necessities of life, I will offer such amendments.

I am not for a sales tax, and am not defending the sales tax provision of the bill, but I want to be honest with the country and state my candid opinion of the proposed legislation. If any form of the sales tax is to be applied—and how are we to escape this being done?—it would be better to put it on the manufacturer rather than the retailer.

I know the answer is that it will be passed on to the consumer—but are not all taxes except gift and inheritance taxes passed on to the consumer? The purpose of putting the tax on the manufacturer was that part of it would be absorbed by the manufacturer, and for the additional reason that collection would be made more certain and the expense of administering the law much less. Putting the tax on the manufacturer will make it less of a nuisance to the public.

But, Mr. Chairman, I did not take the floor at this time to say any of these things. My purpose was to express confidence in the Ways and Means Committee and to discuss very briefly one provision of the bill about which there seems to be some misunderstanding, and that provision is subsection (b) of section 601.

This section provides that in addition to all other taxes or duty imposed by law, there shall be imposed a tax of 2¼ per cent ad valorem, except as provided in subsection D, on every article imported into the United States, unless the consignee is a licensed manufacturer and the article is an article for further manufacture, or unless the consignee is a registered dealer and the article is one for further manufacture to be resold to a licensed manufacturer, or the article is imported by a State or political subdivision thereof for use by the State or such political subdivision, or that the article is upon the exemption list set out in other parts of the bill.

The evident purpose of this provision is to protect the domestic producer and manufacturer. It simply maintains existing competition between manufacturers in the United States and those abroad. Except for this provision foreign-finished articles might be and doubtless would be imported entirely free of manufacturers' excise tax. This would be grossly unfair and would have an injurious effect upon business.

It is subsection (d) of section 601 of the bill that I am now objecting to. That part of subsection (d) that I have referred to is the one that imposes a tax upon crude petroleum, fuel oil derived from petroleum imported into the

United States. This is a departure from the principle laid down in the first part of title 4 of the bill. It injects a tariff provision into a revenue measure, which is indefensible. This was doubtless included with the idea of winning the support of the group coming from the oil-producing States who want high tariff on this product, but even this was not sufficient to justify this provision. It means higher price for oils and gasolines. When this part of the bill is reached I will vote to strike it out. Debate on the bill should, and doubtless will, result in its improvement.

Certainly the list of exemptions should be enlarged to the point of exempting such articles as may be classified as necessities of life, and even maybe broader than this. This will be extending further the doctrine of placing the tax on those best able to pay. But this bill, if passed, and if it produces all the revenue that is promised, will have to be supplemented by other legislation, such as legislation for the consolidation and abolishment of bureaus and departments and reduction of salaries of Federal employees and office-holders. At least this additional legislation will be needed if the Budget is to be balanced, and certainly the Budget should be balanced; but even if not needed for this purpose, it is legislation that should be adopted and, I believe, will be adopted at some reasonably early date. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri, Mr. NELSON.

Mr. NELSON of Missouri. Mr. Chairman, this is a bad bill and in its present form deserves defeat. I regret to have to say this. My very high regard for the acting chairman of the committee, a man much beloved, makes me wish that I might go along with him, but I think of the people in Missouri. I was back there only a few days ago, and some of them discussed this bill with me, especially the provision having to do with the sales tax. As soon as I returned to Washington, I went to some of the leaders of my own party and told them what I thought I had found out while at home.

I am thinking of those people to-day as I speak. A few moments ago I was called over to my office. I found there a most capable young woman who has been employed in one of the departments here and who, because the work is about to be completed, is soon to lose her position. She said to me, "Mr. NELSON, can you not possibly see that I am continued here? You know my father and my mother. You know the old home farm. Since I have been here I have sent back $950 to help pay the mortgage on that home; and if I can not keep on doing something, I do not know what is going to happen. I want so much to help."

So I am thinking of my constituents to-day. I am thinking of family after family in the same fix, and at this time, with millions of men and women out of work, with wages being slashed, with the incomes of 30,000,000 farmers so reduced that it leaves no profit, it is unthinkable to me that we should consider bringing in a measure such as this tax bill.

This is not a political question, and I was about to say that I am not going to talk politics, but I am going to talk just a little pure politics, and I want to talk it to my side of the House. I say to you Members of my party that if this tax bill, with the sales-tax feature brought out by a Democratic committee under a Democratic Speaker, becomes a law, there will be a big change in the membership of this House, and I fear a change in the Speakership itself when the new Congress meets in 1933. And I say to my friends on the other side of the aisle that I can imagine you going out into the campaign and saying, "Here is the new tax bill, here is what the Democrats did." Then your hearers will ask, "Who was the Speaker of the House and who was the chairman of the Committee on Ways and Means and which party had a majority of that committee?" Of course, we shall attempt to counter by saying that this sales tax is really the Mills plan, and then my friends on the other side of the aisle will come back and say Mr. Mills is a most careful Secretary of the Treasury, and they will quote the press to prove it, that when Mr. Mills submitted this proposition to the Committee on Ways and Means, he very adroitly said, "The Treasury Department does not recommend these figures. They are merely submitted for your information." [Laughter and applause.]

That is the predicament in which I as a Democrat find myself; but whenever I find that I must either part with my party or part with the people, I shall part with my party. If that be party disloyalty, then the most must be made of it. A little more than a week ago, speaking here in the House of Representatives, I expressed myself in opposition to the proposed sales tax. I told why I was against such a tax; and, as I have read some of the provisions of this measure, I find myself to-day more opposed to it than ever before.

There is talk to the effect that this tax is not to be passed on. I answer that if somebody does not pay it, not $1 will go into the United States Treasury. Anybody, even a blind man, ought to see that. Either the purchaser of the taxed product will pay the added tax, it will be taken from the producer of the raw product, or it will be deducted from the wages of the people who labor. There is no other way out of it.

Somebody asks, "What are you going to do about it, how are you going to balance the Budget, which horn of the dilemma are you going to take, do you propose to accept the proposed—but happily rejected—Republican program, with its retroactive features, its automobile taxes, its check and draft stamps, 3-cent letter postage, and so on, or are you going to take the Democratic program?" In reply, permit me to say, and I shall be perfectly frank with you, that I am not in favor of balancing the Budget at this time. Raise a reasonable amount of revenue now—raise it by taxing those most able to pay, and issue bonds for the balance.

They talk about an insolvent country and suggest that our bonds will not sell at par. Imagine a country worth $350,000,000,000 and not able to take on this little added debt represented in this proposed sales tax of about $600,000,000! The facts are that America has to-day more money over in Europe, more of her own money and more due us, than all the money that we owe in all the world; and, if I had my way, I would bring some of that money back here and bring it back quick. [Applause.]

We were told to-day that some European nations have adopted a sales tax. If, because of this, we are to assume that those countries are prosperous, then I would say to them, come in and pay a part of what you owe us. Surely, America has not become so thoroughly Europeanized or international in thought that we have to go there or to Australia or to Canada for tax suggestions.

If a sales tax made Europe prosperous, why did we have to extend a moratorium on $250,000,000, and pass that on to our people at this time?

When last June President Hoover wired us asking what we were going to do about the moratorium, I wired back promptly and said, in substance, "Mr. President, if there is going to be any moratorium I am for giving it to the American people, and especially the American farmer, first."

I have not changed my mind at all from that good hour to this.

Yes, I would have some taxes as provided in this bill. I would carry the tax figures up higher on those most able to pay, and I would have the Treasury issue some bonds. Did you know the Treasury has been issuing bonds right along to meet deficits? Did you know that these baby bonds that we now hear so much about, that are going to siphon many of the deposits out of country banks, are being issued just as other bonds could be issued to take care of this added indebtedness?

If I remember correctly, we have had several bond issues under the old act of September 24, 1917. That act is still in effect, and additional bonds could be issued, and there is no necessity for putting this sales tax onto our people at this time.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. NELSON of Missouri. I yield.

Mr. SHALLENBERGER. We are selling $900,000,000 of bonds this month.

Mr. NELSON of Missouri. My colleague from Nebraska says the Treasury Department is selling $900,000,000 in bonds this month.

Let me warn you that the country is looking this way and listening, too. Somebody has suggested that we ought to have amplifiers in this hall so that the people back home might hear what is said. What is vastly more important, we ought to have ear-trumpets so big that we could hear what the people back home are saying. [Applause.] Then we would not consider very seriously bills of this kind.

I am against the entire sales tax feature of the bill, but for fear we might not be able to knock it out, I wish especially to call attention to one feature. The bill as reported provides for a general tax on manufacturers of 2¼ per cent of the sale price. However, certain products are listed as being exempt from this tax. Included in the exemptions (sec. 602 (5), p. 299) are "meat, fish (including shell fish), and poultry, fresh, dried, frozen, chilled, salted, or in brine"; and (sec. 602 (6), p. 230) "bacon, hams, pig shoulders and pig jowls, not cooked or packed in air-tight containers."

From this it will be apparent that only fresh or salted meat and the specific cured products listed are to be exempt from the payment of this 2¼ per cent tax; and that under the bill the tax would be applied to such essential food products as (1) lard, (2) prepared meats other than those specifically listed, (3) cooked meats (such as boiled hams), (4) sausage (such as fresh-pork sausage, bologna, frankfurters, "red hots," etc.), and (5) meats in cans.

Lard has been selling recently at wholesale—and retail as well—for a price which is lower than it has been selling for many decades. Columbia (Mo.) newspapers only recently were advertising 4 pounds of lard for 21 cents at retail. This price in itself is bad enough from the producer's viewpoint and certainly is having an extremely adverse effect upon the livestock industry in this country. Formerly the United States enjoyed quite an export business in lard, but this has been rapidly disappearing. To put a burden of a 2¼ per cent tax on this product simply would further depress the value of the lard, and this in turn would be immediately reflected in the price of live hogs, already unreasonably low.

While, of course, everybody will agree that the products exempted by the committee should be exempted, certainly if fresh meat and the cured products specifically named are to be exempted, other meat products, no matter how processed, should be exempted, because obviously the effort on the part of vendors of meat would be to sell as much as possible of product exempt from payment of the tax. This undoubtedly would mean that there would be a flood of fresh meat and the products specifically named on the market; these fresh meats and specified products would have to be sold quickly, since fresh meat is highly perishable and the cured products are semiperishable; and with a flood of such meats coming on the market, the price of these automatically would be further depressed, and this in turn would depress the whole list of meat products, and such depression of price, of course, would tend to further depress the price of livestock, which certainly is far too low already.

As this bill is at present drafted there would be no tax—and I would have no tax on any food—on the rich man's porterhouse steak, this being fresh meat, but there would be a tax on the poor man's food, such as sausage, including bolognas and frankfurters, lard, ordinary boiled ham, and canned meats. In these times there are millions of consumers who are either out of a job or are living on a reduced income. In order to get any meat at all to eat they must purchase the least-expensive varieties. Frankfurters especially for years have been known as the "poor man's food." They are all meat, contain no waste, are made from less-expensive varieties of meat which by this means is made into a palatable, tasty, wholesome, and economical meat food. It is an acknowledged fact that there are "bread lines" in this country now. Many a man in a "bread line" is handed a cup of coffee and what is known as a "hot-dog" sandwich—made with a frankfurter—or a ham sandwich—made from boiled ham.

The housewife with a reduced income purchases lard because it is the cheapest fat—and, incidentally, a very fine one—available to her for cooking, including the making of bread. Under the bill flour and bread—commercially manufactured—are exempted, quite properly, from payment of the tax, but if lard is taxed a very essential element that goes into the making of bread in the home will be taxed.

Meats are put into cans primarily to preserve them and to make them readily available to consumers in districts where there is no refrigeration. Further, some meats, by the canning process, are made tender and more palatable than they would be in their raw state. Many people who can not buy fresh meats purchase canned meats or a slice of boiled ham. The workingman's ham sandwich would be taxed.

Many thousand men and women are employed in packing plants in this country in the processing of meats, the cooking of meats, and the making of sausage. If a greater volume of meat should be sold in the fresh state, then obviously there would be a decrease in the volume of meat sold in the cooked or processed state, and in this connection specific reference is made to such things as boiled hams, frankfurters, bologna, and so forth. Suppose, for example, there should be a decrease of 20 per cent in the volume of meats which would be taxed under this bill and a 20 per cent increase in the volume of meats which would not be taxed under this bill; then obviously there would be a material reduction in the amount of labor now employed in the processing and cooking of meat products other than those exempted in the bill and the making of sausage. And everything that is said with respect to consumers may be applied, of course, with equal force to the effect of the bill upon labor generally.

The packing industry has been hard hit, and it seems improbable that it will operate this year at anything other than a loss. So it is, of course, obvious that it could not absorb a heavy tax and that it would have to obtain this tax the best way it could, either from the consumers or the producers or both. Many observers feel that in all probability a tax applied to any meat or meat-food products probably would come out of more producers' pockets than out of consumers' pockets.

The exact cost of the tax mentioned to either producers or consumers can not, of course, be accurately estimated, but it would seem to be apparent that if lard, sausage, cooked meats, and canned meats shall bear the tax, then the hog producers of the United States probably will receive approximately $10,000,000 less a year for their hogs than they would if the products should be exempted, and hogs have been selling at the lowest price in a quarter century or more. This seems a fair estimate, based upon 1929 Census of Manufactures. Substituting current values and indicating the value of lard, sausage, canned meats, and cooked meats that will be produced in 1932 and sold in domestic channels and representing approximately $450,000,000, there would be a tax of $10,000,000 at 2¼ per cent. Cattle producers also would suffer to some extent, since many kinds of sausage, such as frankfurters and bologna, contain a considerable percentage (usually 50 per cent) of beef. These views are based on the theory that the producer actually would pay most of the tax. However, if the tax should result in an increase in the price of lard, canned meat, sausage (and this is particularly true in the case of sausage), and cooked meats, the food supply of many families already in a distressed condition undoubtedly would be materially affected.

From the viewpoint of the revenue to be realized from a tax on lard, sausage, canned meats, and cooked meats, $10,000,000 may not seem an important sum, but if this sum is to be extracted from an agricultural group which already has suffered and still is suffering, or from a group of consumers which already has suffered and still is suffering, then it would seem not advisable to put a tax on essential food products anywhere between the producer and the consumer's stomach.

Finally, as I have gone over the figures representing the amounts sought to be raised by this bill, I am impressed with the thought that but for waste and extravagance, but for expenditures mounting into hundreds of millions, it would not be necessary for us to raise any additional revenue.

In addition to gross extravagance brought about in part by subsidies and other forms of favoritism, by the creation or continuance of useless boards, bureaus, and commissions, millions have been voted out of the Treasury for many causes. Near the beginning of the present administration and during a special session of Congress, called to relieve agriculture—and agriculture has been rather completely relieved—$500,000,000 was authorized to be taken from the United States Treasury, yet to-day the farmer is worse off than ever before. The Farm Board appropriation represents almost the amount that it is proposed to raise by a sales tax. It is worthy of note, also, that the same amount was authorized to be taken from the Treasury when the Reconstruction Finance Corporation bill was passed only a few weeks ago, and there is a possibility that this may reach two billions.

Add to either of the half billion dollar measures the $250,000,000 represented by the European-debt moratorium, largely for the benefit of international bankers, and we have an amount exceeding by $200,000,000 or more what it is now proposed to take from the great masses of the people through the sales-tax scheme.

The Nation has been on a wild orgy of spending. This is a fact and we might as well face it. In looking over my voting record since I have been in Congress, I find that had my views and votes prevailed on as few as half a dozen measures, we would now have in the Federal Treasury a big surplus instead of a hole $2,000,000,000 deep. We are but reaping as we have sown. It is time to stop the wild spending and to begin saving. Not more taxes but more economy should be our battle cry.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. McGUGIN]. [Applause.]

Mr. McGUGIN. Mr. Chairman and gentlemen of the committee, it seems as though the controversial issue in this bill is the sales tax. If, after going to the bottom of this matter, I thought the sales tax was the issue, I would have no hesitancy in casting my vote against the bill. But, in my judgment, that is not the issue. The issue involved in this bill is whether or not we are going to maintain the stability, the financial honor, and the financial integrity of your country and of my country. If you believe that this country can go on and issue bonds to pay its obligations, and believe that we can balance the Budget safely by borrowing money, then vote against the bill. But can that be done?

This is not a partisan bill. I agree with the gentleman from Georgia [Mr. CRISP] when he said this is an American bill. It is either right or wrong on the basis of Americanism.

Now, let us see what the facts are. In 1930 this Government spent $902,000,000 more money than it took in. We have passed that into the public debt. In 1931 this Government spent $2,240,000,000 more than it took in. That must soon be passed into the national debt in the form of bonds. Now we must add to that the $2,000,000,000 granted to the Reconstruction Finance Corporation, $500,000,000 of the bonds of which is the direct obligation of this Government and $1,500,000,000 of which the Government stands behind as guarantor. We must also add the $125,000,000 advanced to the Federal land banks. The Government to-day is in the position that in the next few months it must go on the market and sell $4,365,000,000 worth of bonds. Take up your newspaper of last night or of to-night and see the price at which Government securities are selling to-day, some of them as low as $90, or $10 below par.

Can it with truth and honesty be said, and can it in good judgment be said that this Government can go out now and sell $4,365,000,000 worth of bonds, with the fact before the investors of this country that another $1,000,000,000 worth of bonds will be sold in another year, and with the further fact before the investors of this country that the Congress of the United States has said that it would not provide the revenue to pay our current obligations?

It is true that this Government could go along passing an annual deficit into the national debt for one year and maybe two years, but governments, like individuals, sooner or later must liquidate.

Let us see what the committee has done. There will be a deficit at the end of this coming year of $1,730,000,000. The committee dodges a part of it, and that is the sinking fund. It is not making any preparation for the sinking fund of over $425,000,000. Can it be said that any debtor is maintaining his credit when he does not make provision for his sinking fund? I think the committee has gone a long way from sound business when it failed to provide for the sinking fund.

It has gone a little farther and provided for a decrease in the cost of government to the amount of $125,000,000, leaving a balance of $1,121,000,000 to be obtained.

Now, let us see the effect on governments which carry on the policy of passing their annual deficit into bonds until their credit becomes impaired. We do not have to read history. We can turn back to the newspaper files of the last 10 years. Every major country in Europe, including England, but excepting France, had its depression. There was unemployment to a great extent. It went on and these governments did not balance their budgets. At last, when the credit of these governments became impaired, they went from depression down into greater despair, and just as surely as we permit the credit of our Government, the last solvent institution in the United States to-day, to become impaired, then, in my judgment, the depression will have just begun.

Mr. KELLER. Will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. KELLER. I would like the gentleman to give us a statement of those governments which have done the things which he has just now said; that is, those who went down into despair and then into deeper despair. I would like to have the gentleman name the governments.

Mr. McGUGIN. England, Germany, Austria.

Mr. KELLER. But that is not all of the governments. How about France and how about India?

Mr. McGUGIN. I excepted France.

Mr. KELLER. How about Norway, Sweden, Denmark, Belgium, and Holland?

Mr. McGUGIN. I said the countries of continental Europe, and that has been the case with every major country of continental Europe. At any rate, if that situation has arisen in but one country it should be fair warning to us. As I view it, if we do not balance our expenses with our income, the credit of this country will inevitably be impaired; and when that time comes we can only stand aside and watch the chaos that will come on our people. The responsibility for that chaos will be upon those who refuse to meet the responsibility of providing sufficient revenue to meet the current expenses of our Government.

Mr. DIES. Will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. DIES. Does the gentleman believe that we can honestly impose additional taxation upon the people without doing everything in our power to decrease the enormous expenditures of this Government, just like every other business institution in the country has done in the past few years?

Mr. McGUGIN. I will answer the gentleman's question by saying this: I firmly believe we can not conscientiously increase taxes and at the same time sit here and continually vote for appropriations. That is why I voted against the $132,000,000 road grab. That is why I have been and am going to continue to vote against all new appropriations. After others vote the appropriations I am going to meet the unpleasant responsibility of providing the necessary revenue

to pay those appropriations and maintain the credit of our Government. [Applause.]

Mr. FIESINGER. Will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. FIESINGER. Would it make any difference in the gentleman's mind if the percentage of the debt was 6½ per cent of our national wealth, whereas in Great Britain it is about 25 per cent of the national wealth? Would that make any difference in the gentleman's mind?

Mr. McGUGIN. Most assuredly; it is bound to make some difference, but the fact remains that our securities are already becoming impaired.

Mr. FIESINGER. Does the gentleman think that is the cause of the impairment of Government securities at this time?

Mr. McGUGIN. I would think so. My friend from Illinois states that it did not bring disaster to this country, because Government bonds back in 1919 and 1920 were below par, but they went below par then for a different reason. At that time Government bonds were below par because the private investors of this country could find better investments out in the business world, but if our bonds go below par at this time, it is not on that account, but because our private investors are either broke or doubt the security. I notice that private investors are not so proud of Government securities that they are falling over themselves in bringing out hoarded money to buy "baby bonds."

The politics of this bill may be to vote against it, provided the $4,365,000,000 of bonds that will be sold this summer do not crack the bond market and impair the credit of the Government of the United States.

Now, coming to the income tax, I would never favor a sales tax so long as there was opportunity to obtain the necessary revenue from an income tax; but let us see what is the situation.

The committee has brought in a bill here which doubles the income tax on the great incomes, increases the rates from top to bottom, and yet let us see what the facts are.

The income tax in 1928 produced $2,094,000,000; in 1929, $2,179,000,000; in 1930, $1,522,000,000; in 1931, $856,000,000; and in 1932, if we add these increased rates, the return will be $790,000,000.

Yes; I have before said that I was opposed to a sales tax, but that was when we could raise from the income tax, with rates as they were, $2,094,000,000. It is not true now, when, with the income-tax rates practically doubled, we can not obtain more than $790,000,000.

Mr. KELLER. Will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. KELLER. I just want to ask the gentleman if it is not true that the important, the most important, and by far the most important thing that is before this body is the restoration of our national income?

Mr. McGUGIN. I will agree with that, but I do not know how to do it. I shall have to leave that job to the gentleman from Illinois.

Mr. KELLER. I can. I thank the gentleman.

Mr. McGUGIN. I am old-fashioned, and the only way I know to get along in the business world is to make expenses and income meet, and when expenses are in excess of the income the only thing I know to do is to decrease expenses.

Mr. KELLER. Would not the gentleman like to find out how to make his income vastly exceed his expenses?

Mr. McGUGIN. Yes.

Mr. KELLER. I thank the gentleman. I shall give him the advantage of that.

Mr. McGUGIN. If the gentleman can do that successfully there is great need for his advice, advising people how to get rich.

My friends, in the days when I was opposed to a sales tax and wanted the income tax to bear the expenses, as I have said, under the former rates we could obtain over $2,000,000,000, while now with the increased rates we can only obtain about $700,000,000.

So far as the income-tax rates in this bill are concerned, I do not care whether you increase them more or not. The truth is, if I wanted to obtain income by the income-tax rates I would decrease them rather than increase them. I am quite satisfied that 40 per cent surtax on all incomes over $100,000, adding thereto the 6 per cent normal tax and making a total of 46 per cent, will drive the last of the great wealth out of private business. Let us see how this works out. To-day a man who has an income in excess of $100,000 must pay to his Government 46 per cent of that income. If he can go out in the industrial world and buy a stock that will pay a 10 per cent return it nets him only 5.41 per cent return. Do you think there is anyone so silly that he is going to own a hazardous security that will net him only 5.41 when he can obtain nonhazardous public bonds that will pay him a return of 4 per cent or 4¼ per cent? As a matter of fact, there is not a single industrial investment in the United States which will net 4.6 per cent above the yield of nontaxable securities.

I am for this increase in the income-tax rate, not because I think it is going to obtain more revenue, but because I think it is bound to decentralize the wealth of this country. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman and members of the committee, I have asked for only a few minutes in which to make a few observations in opposition to the revenue bill reported to this body to-day. I shall not attempt to discuss the bill in full, but shall direct my remarks primarily to the general sales-tax provision in the pending measure. Since this extended debate began early this afternoon, much has been said complimentary to the members of the Ways and Means Committee by both the proponents and opponents of this measure. It is useless for me to add that I yield to none of the gentlemen who have paid their eulogies in the esteem I have for the members of this all-important committee. I have a sincere admiration for the acting chairman [Mr. CRISP], who so vigorously defended this bill on the floor to-day. I agree that he and his committee have worked long and conscientiously; that their task has been a trying one; but I am not one of those who believe that the committee can do no wrong, that it is infallible, nor that this bill must be accepted merely because it has the backing of this all-powerful committee.

Let me say in the outset that I can not in good conscience support this bill that would place a general sales tax on practically all the necessities consumed by the people with only a few exceptions, even though Judge CRISP, ex-Chairman HAWLEY, and other distinguished members of the committee choose to call it a manufactures' tax. Whatever you may wish to call it, I insist that it is folly to say that this tax will not be handed down to the ultimate consumer. Remember, too, that it adds burdens to the people to the tune of more than $600,000,000, and yet that class owning about 90 per cent of the property of this country, the rich people of America, are only called upon to pay approximately $112,000,000 on increased incomes. I ask you in all sincerity, if such a proposal is honest, fair, or equitable?

The distinguished gentleman from Georgia [Mr. CRISP], during his hour and thirty minute address this afternoon, repeatedly laid great stress on the increase proposed on taxes of high incomes, but the fact remains that this bill would saddle some $600,000,000 directly on the backs of a long-suffering but indignant people, and only about one-sixth of that amount do you propose to politely ask the rich to pay. Again, I insist, that such a division of the imposition of this proposed tax can not be defended before the bar of the American public.

Mr. COX. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield with pleasure to my good friend from Georgia.

Mr. COX. If the gentleman wanted to suggest an amendment to the sales-tax feature of the bill, what article would he suggest?

Mr. JOHNSON of Oklahoma. I shall be delighted to answer the gentleman before I conclude, if I have time.

Great emphasis has also been made by both Acting Chairman CRISP, the distinguished gentleman from Oregon [Mr.

HAWLEY], and I think by other gentlemen on the increase made by the committee on corporation tax. So much has been said recently about what this great committee was going to do to the giant corporations that I had of course expected that the corporation tax would be at least doubled or more, but upon the examination of the bill, to my amazement, I find that this much-talked-of increase your committee has asked the corporations to carry is only 1 per cent. Think of it, gentlemen, one whole per cent! What a blow it will be to the great steel corporations, iron manufacturers, and Mr. Mellon's aluminum corporations to know that they will hereafter have their corporate tax increased 1 per cent!

Mr. COX. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes; I yield to my distinguished friend from Georgia.

Mr. COX. The gentleman appreciates the fact that corporations are owned by individuals, and therefore the increase in rates applies to them.

Mr. JOHNSON of Oklahoma. Oh, yes; but I appreciate also that they are not paying their just share of the burdens of government, and I repeat that the proposed increase of only 1 per cent is a colossal joke.

The Committee on Ways and Means only estimates that the corporations of America will pay $21,000,000, while the poor people, who had no representative to appear before the committee, save and except Members of Congress, must bear the brunt of the load. "Oh," but says the acting chairman, "just see what we did to the estate and gift taxes!" Then he tells us, with no small degree of pride, that the millionaires who hereafter give their property away to some worthless relative or friend who did not earn a penny of it are going to feel the mighty blow of this Congress. These will be called upon to pay an increased aggregate sum of $35,000,000.

Mr. CRISP. If the gentleman will yield; he wants to be fair. I said that it would only bring $38,000,000 during 1933, because they have 18 months in which to pay the tax. After that it will bring in a tremendous amount of money.

Mr. JOHNSON of Oklahoma. I will say in reply to my friend that I sincerely trust it will bring in considerably more than contemplated in his bill, because I am going to introduce an amendment in an effort to increase the gift and estate tax as well as the corporation tax.

Mr. COX. The gentleman would not want to make the rate so high that it would kill the impulse?

Mr. JOHNSON of Oklahoma. No. But I call attention to the fact that it is not as high as it has been in years past. I think the gentleman will agree that during the war, and for several years after the war, it was much higher.

The distinguished gentlemen who are so eager to rush this bill through Congress have all placed great stress on the unusual deficit in the Treasury and the vital importance of balancing the Budget at the earliest possible moment. What they forget to tell you, however, is that it took several years to make the deficit that they propose to balance with one broad swoop. They also forgot to say that this increased tax on high incomes, that they insist is at the breaking point, is not nearly so high as during the World War, and for some time thereafter. If, as gentlemen say, this is an unprecedented situation, and if the Budget must be balanced within a twinkling of an eye and at all costs, then I submit in all fairness that the wealth of this country should pay a more just share of the burden.

There seems to be some question among sponsors of this revenue bill as to just who should have the credit for this measure. I predict that in case it is passed by this Congress it will not be many months until the Democrats will all be insisting that the Republicans should have the credit and Republicans will be charging full share of "credit" to the Democrats. [Applause.]

Mr. DOUGHTON. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I am glad to yield to the gentleman who is a member of the committee, and who had the nerve, and in my opinion, good judgment to oppose this measure. [Applause.]

Mr. DOUGHTON. Let me say that the Republicans have already started the propaganda. I saw by the Washington papers, the Star and others, that this is a Democratic measure.

Mr. JOHNSON of Oklahoma. I deeply regret that such propaganda has gone out through the length and breadth of the land, but I agree with the gentleman that it is only propaganda and not substantiated by the facts.

But since politics have been brought into this debate, let me say that when this Congress convened last December and the then Secretary of the Treasury, Mr. Mellon, first advocated a general sales tax in order to balance the Budget, the Democratic leadership of this House ridiculed the idea. It is amusing to me to hear Members refer to this sales tax as a Democratic measure. It is everything but Democratic. This provision of your bill that proposes to shift the burden of government from the rich to the backs of the tax-burdened people of America did not, I repeat, originate with any Democrat but came from the fertile brains of the "late" Mr. Mellon; and the present millionaire Secretary, Mr. Mills, who did not exactly make a "suggestion" of a sales tax but who did voluntarily submit the figures on which the committee brought out this monstrosity. The Secretary of the Treasury states that he submitted the figures along with other schemes on how to get more money from the people, but, of course, he would not want it construed as a suggestion. It is natural that the former Secretary of the Treasury would first suggest a general sales tax as a scheme to balance the Budget, since it would do so at the expense of the small taxpayer of this country. It would also prove a vehicle by which the four hundred and odd corporations owned or controlled by the Mellon interests should escape as much of that just burden of taxes as possible. So, gentlemen, do not fool yourselves by referring to the sales tax as a Democratic measure. It is a Mellon-Mills bill. Do not deceive yourselves.

Again, my good friend Judge CRISP, of Georgia, referred with pride and evident satisfaction to the sales tax now in operation in Canada in support of his position favoring a sales tax in America. He quoted a Mr. Jones, sent here by the Dominion, as saying that Canada is well pleased with her sales tax and that it is a popular law with our northern neighbors.

I was one of the fifty-odd Members of Congress who spent several days in Canada last fall investigating the sales tax. I attended all the hearings held by our delegates in Canada and talked to many officials, high and low, as well as hundreds of citizens of the Dominion. There is no question but what the high officials of Canada tried to sell Members of Congress on the sales tax. But, when asked a question about the Canadian law, officials did not pretend to justify it, except to say that it is "painless" because, they declared, the Canadian people did not generally know how the tax is collected nor how much they pay. "What the taxpayer does not know will not hurt him," said a high official of the Canadian Government publicly to our delegation. He made no effort to defend the principle of the sales tax. The Canadian people are not as ignorant as their officials believe, however, as I talked to hundreds of their citizens, and I say to this House in all sincerity, that not one with whom I talked, aside from the Canadian officials, favors their sales tax as now in operation. It was pointed out to me while in Canada that a sales tax offers not only an opportunity but a temptation for graft and corruption. I was cited to several specific instances by business men of Quebec, Montreal, and Ottawa, where manufacturers and jobbers had added as high as 16 per cent on the pretext that the Government was charging it to the retailer. "The tragedy of it all is that the poor unsuspecting public pays the bill," said a prominent merchant of Montreal in discussing a sales tax with me. To say that the people of Canada are satisfied with a sales tax can not be justified by the facts. I know that such a statement is absurd, irrespective of what any high-powered Canadian official may have told the committee.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I shall be glad to do so.

Mr. COX. The gentleman comes from the great State of Oklahoma, and I am wondering what his reaction is to the proposal to protect oil.

Mr. JOHNSON of Oklahoma. I am very glad that the gentleman mentioned that, and I shall be glad to answer him in detail before I conclude. Just now, however, I should like to at least finish discussing the sales tax in Canada.

Mr. COX. Is the gentleman for or against it?

Mr. JOHNSON of Oklahoma. I am for it and I shall be glad to answer fully, frankly, and to the gentleman's satisfaction if I may have a little more time.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 10 minutes more.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes; with pleasure.

Mr. GOSS. During these 10 minutes I hope the gentleman will make clear his position upon the question of a tariff on imported fuel.

Mr. JOHNSON of Oklahoma. I shall be glad to answer the gentleman's question, as I have just stated I would do in response to the gentleman from Georgia [Mr. Cox] but I trust I may be permitted to finish what I was saying of my personal investigation of the sales tax law in Canada.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes.

Mr. COX. Assuming that the manufacturer of course will assume a part of this 2¼ per cent——

Mr JOHNSON of Oklahoma. But I do not assume that, because all of us know that it will be passed on to the consumer.

Mr. COX. If all of it is passed on to the consumer, does the gentleman appreciate the fact that with a pair of overalls that retails to the buyer at 60 cents, the tax would be about half a cent. Is that burdensome?

Mr. JOHNSON of Oklahoma. That may be true, the tax on overalls may be small; but when the gentleman goes back to his district this year and his farmers and other constituents, who do not have the 60 cents to buy overalls, find that they must pay a tax on them, and everything they wear as well as much that they eat, or would like to wear and eat, and if and when they are reminded that their Congressman voted such a tax on them, and made an eloquent speech declaring this bill to be "pregnant with legislation for the poor people," the gentleman may have some explaining to do.

Mr. COX. Will the gentleman permit me to say that my constituents sent me here because of their belief that I would avail myself of the opportunities to acquire information and draw conclusions that are fair, and represent my honest convictions, and would vote them rather than vote their prejudices.

Mr. JOHNSON of Oklahoma. Having served on the same committee with the distinguished gentleman for a couple of years, I feel that he does vote his convictions under all circumstances, and I compliment his constituents in sending him here. May I express the hope that they will not have any reason to change their minds because of his vote for this bad legislation.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes; I yield for a question.

Mr. FIESINGER. The gentleman has said something that interests me about Canada. Did the gentleman find any bootlegging under this sales tax in Canada?

Mr. JOHNSON of Oklahoma. Of course, the gentleman is talking about bootlegging in manufactured articles?

Mr. FIESINGER. I do not mean bootlegging whisky, but manufactured articles.

Mr. JOHNSON of Oklahoma. I regret to say that there is bootlegging in more ways than one in Canada. This applies especially to manufactured goods.

Mr. FIESINGER. I believe there is a great deal of bootlegging there in order to escape the oil tax in this country.

Mr. JOHNSON of Oklahoma. I will say to the gentleman that I have heard similar reports.

Mr. FIESINGER. In fact, I read that somewhere $50,000,000 worth of gasoline attempts to escape the tax in this country. Is there anything like that in Canada?

Mr. JOHNSON of Oklahoma. I do not know about that, but I was told by business men in Montreal, Quebec, and other cities that there is considerable bootlegging in Canada, and if true it simply adds another serious objection to the pending bill.

Mr. McGUGIN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I would prefer to continue until I finish what I have in mind to say; then, if I have time, I shall be glad to answer the gentleman. I listened with much interest to his speech a while ago favoring a sales tax, among other things. I agree with much he said, but disagree with his conclusions. I hope to have time to answer some of his argument before I conclude.

Now getting back to Canada, our northern neighbors are simply tolerating a sales tax in the same manner as the people of America will be called upon to tolerate this unjust and outrageous tax as a so-called temporary measure.

We have heard considerable this afternoon about this revenue bill being a temporary measure. I was told by business men in Canada that they, too, were assured when Canada's law was passed that it was only to be a temporary emergency measure.

Canadians were told that their law was to be repealed within one or two years. But it has not worked out that way with our neighbors. Every effort on the part of the people to repeal the sales tax in Canada has been of no avail. And I predict now, that if and when this Congress imposes $600,000,000 in taxes on the backs of the poor people of this country, as a supposed temporary or emergency measure, that it will be fastened on our people for years and years to come.

Mr. COX. The gentleman assumes that none other than the very poor will buy?

Mr. JOHNSON of Oklahoma. No; I do not assume that no one but the poor will buy, but let me again remind the gentleman from Georgia, it is admitted that $600,000,000 of this tax will be placed on the buying public, and some $112,000,000 increase is to be paid by the idle and otherwise rich, who are best able to pay. But I want to make one more statement about this alleged temporary tax bill. When this or any other government has, in the past, been able to impose additional tax on the people, the government has always been reluctant to abandon such a tax.

Mr. COX. They did abandon the tax that was imposed during the war.

Mr. JOHNSON of Oklahoma. Yes, finally; but it took years to do it, and it should not have been done then.

Mr. Chairman, the gentleman from Georgia [Mr. Cox] and others have asked me to answer their questions about the excise tax on oil. I promised to answer them and certainly I have no disposition to evade the issue. It has been broadly intimated on this floor and elsewhere that I should be obliged to support this revenue bill, sales tax and all, for the reason that it also contains a provision of 1 cent per gallon tax on imported crude oil. Because of my activity in an unsuccessful effort to secure an oil tariff for the past several years I have been forcibly reminded that because of the 1-cent-per-gallon tax imposed as a sort of "sop" to the oil-producing States I should "swallow" the sales tax, even though I am opposed to it. I am now asked to support a sales tax, a thing I have for years vigorously opposed; but, Mr. Chairman, I have also consistently opposed logrolling and trading in tariff legislation and I do not hesitate to say that, unless this revenue bill is amended to eliminate or greatly reduce the sales tax provision, I can not support it merely because it has a small "sop" for the oil industry of my State.

I am against logrolling and trading in matters of legislation. It is as obnoxious in a tax bill as in a tariff measure. The mere fact that there happens to be great quantities of

oil in my State and some in my district and the further fact that I may have received a few telegrams from some of my very good friends who are oil men, urging that I support this bill, sales tax and all, does not change my idea of right and wrong. [Applause.]

I say to you that a general sales tax is inherently wrong; it is undemocratic, unprincipled, un-American, and absolutely unconscionable.

Mr. COX. But in the gentleman's view that is a very good provision of the bill, is it not?

Mr. JOHNSON of Oklahoma. Yes; I think the small oil tax is a good provision as far as it goes, but let me remind the gentleman that a nonpartisan tariff commission, after much investigation over a period of several months, reported to Congress that the difference in cost of production of oil in America and foreign countries was $1.03 per barrel, and yet this committee evidently ignored that report of the tariff commission and brought in a measly excise tax of 1 cent per gallon on imported oil.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. KELLER. Mr. Chairman, I ask that the gentleman's time be extended.

Mr. STAFFORD. Mr. Chairman, I was thinking about making a point of no quorum. It is getting late, and we had a night session last night. Will the gentleman be able to conclude in five minutes?

Mr. JOHNSON of Oklahoma. I think so. I shall do my best.

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from Oklahoma five additional minutes.

Mr. COX. On a vote the gentleman would support that provision, would he not, even though it does not go as far as the gentleman thinks it ought to go?

Mr. JOHNSON of Oklahoma. I am, of course, in favor of the small tax on oil, although it was imposed for purposes of revenue only and will be little if any protection to the independent oil operator.

Mr. COX. The gentleman admits there is one good provision in the bill.

Mr. JOHNSON of Oklahoma. There are several good provisions in the revenue bill, but I do not agree with my distinguished friend that it is "pregnant with legislation for the poor people." I said at the outset that I was addressing myself primarily to the sales tax. Inasmuch as such great emphasis has been placed on this insignificant oil-tax provision by the gentleman from Georgia and others, let me repeat that it was included by the committee only for the purpose of raising more revenue. No one familiar with the situation would pretend to say that 1-cent-a-gallon tax would keep one barrel of foreign crude from entering our shores in competition with that produced by our independent oil producers of America. At the proper time I propose to offer an amendment to double the tax on foreign crude imported, which, I assume, will be turned down. The Mellon interests, the Standard Oil, and Dutch Shell will not stand for a reasonable tax that might possibly interfere with their vast oil holdings in South America. Never have I traded, nor offered to trade, on matters of legislation. Let the oil-tax provision stand or fall on its own merit; but do not try to hold a club over me in an effort to force through a general sales tax that would heap additional burdens upon the weary backs of the taxpayers. [Applause.]

My distinguished and able friend from Georgia, who spoke so eloquently of the inarticulate voice of the people, and yet, who I fear, did not listen to that voice when he brought this bill here, repeatedly asked the question to-day, "If you do not adopt the sales tax, then what are you going to do about it?" That is a fair question, and I propose in the minute or so that is left, to answer it briefly, but I trust, in a straightforward manner. Before doing so, however, I want to remind him that the Budget was in the same condition a few weeks ago when he, along with the majority of his committee, voted for the $2,000,000,000 Reconstruction Finance Corporation, that I charged then, and repeat now, was a dole to big business. [Applause.] There was a deficit in the Treasury when the gentleman's committee lined up almost to a man, as I recall, and voted to relieve certain foreign governments of a debt they justly owe the taxpayers of America, known as the moratorium debt holiday bill. Therefore I have the right to ask if this proposed sales tax is for the purpose of repaying the dole this Congress dished out to foreign governments, or another pet of the administration, the Reconstruction Finance Corporation? [Applause.]

If those bills had not been passed, Mr. Chairman, it is evident it would not have been necessary to come in here and ask Congress to pass this sales tax, because the sales tax does not begin to pay for all of the doles of this Congress to international bankers and big business generally.

But, answering the question, "What would I do about it?" Aside from increasing the surtax, corporation tax, and income tax, I would reenact the excess profits tax that brought in over $300,000,000 in 1921, but that is left out of this bill. Then I would cut expenses of this Government to the bone before calling on the people for additional taxes. I would abolish countless commissions and overlapping and useless boards and bureaus. I desire to congratulate our able and distinguished Speaker of the House on appointing a committee to do that very thing. I sincerely trust that the House committee reports soon and offers us a real economic program. They can not cut too much for me. I do not hesitate to say that I would cut and slash Federal salaries, especially in the higher brackets. A 10 per cent cut of Federal salaries would mean a saving of $131,000,000. I am not one of those who think that Members of Congress are paid too much; but, personally, I would gladly accept a 10 per cent, yes, a 20 per cent salary cut or more, rather than vote for this outrageous, unfair, undemocratic, unscientific, and indefensible sales-tax measure. [Applause.]

[Here the gavel fell.]

Mr. CRISP. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. O'CONNOR having assumed the chair as Speaker pro tempore, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. STEVENSON (at the request of Mr. HARE), indefinitely, on account of illness in family.

LIMITATION OF INJUNCTIONS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, with a Senate amendment, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill H. R. 5315, with a Senate amendment, disagree to the Senate amendment, and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Messrs. SUMNERS of Texas, MONTAGUE, and DYER.

REPEAL OF THE EIGHTEENTH AMENDMENT

Mr. POLK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to voting to discharge the Committee on the Judiciary from the consideration of House Joint Resolution 208.

The SPEAKER. Is there objection?

There was no objection.

Mr. POLK. Mr. Speaker, the House of Representatives will have before it next Monday a proposition which, in my humble judgment, strikes at the very foundations of our form of Government. The question resolves itself into an

issue of whether or not the people of our country, whether or not the voters and the taxpayers of our country have a right to express their opinion by means of the ballot on a great question of public moment.

We have, in theory at least, a government of the people, by the people, and for the people. By the established procedure of amending the United States Constitution the so-called eighteenth amendment was adopted as a part of our Constitution.

Those opposed to this amendment claim that a majority of our people were not in favor of it, that it was adopted as a measure growing out of the World War and was a product of the mental attitudes produced by that war. Its proponents claim it is a great moral principle, a move to uplift humanity, a great step forward in our way of living in the United States of America.

Now, after about 13 years, a movement is on to abolish this eighteenth amendment; to take it out of the Constitution, or to modify the laws relating to its enforcement.

The Committee on the Judiciary, having had under consideration legislation which would permit a vote being had upon the liquor question, have refused to act. As the issue now stands, a majority of the Committee on the Judiciary, which is composed of 23 men, can prevent the millions of our citizens who desire to vote on the liquor question from doing so. We are to decide next Monday, by our vote, whether this committee, which has had under consideration this proposition and which has refused to allow it to come out on the floor of this House to be debated and disposed of in the legal way, shall be discharged. Under the rules of this legislative body, when a committee of this House votes against reporting out a bill it is impossible to have a vote on this bill until the committee is discharged. Consequently, it is impossible, as the situation stands now, for those favoring this legislation to be heard; and until the committee is discharged we have no way of progressing toward a solution of this problem as it is now impossible to pass legislation to permit the voters to express their opinion on this controversial issue.

This is not a question of voting wet or voting dry. It is not a question of prohibition or antiprohibition. Fundamentally, it is a question of the right of the people to express their opinion through the use of the ballot on election day. This right goes to the very foundation of our Government. A continued refusal to permit such a vote, if persisted in, will lead to anarchy. No vote can be had until the committee which has this problem under discussion decides to report out the bill providing for a resubmission of this question to a vote of the people. There is nothing left for those of us who believe in the fundamental principles of our Government, as laid down by the fathers, but to vote to discharge this committee. I, as a Representative from one of the strongest prohibition districts in the United States, am willing to register the vote of my people in favor of the proposition that all the people have a right to vote on any question of public moment. I would be untrue to the people of my district of I did otherwise. I would be untrue to myself and untrue to the Constitution I have sworn to support and uphold as a Representative in Congress.

My district has, since the very beginning, supported the temperance movement. In my home county, at Hillsboro, Ohio, in 1873 was organized what is now known as the Woman's Christian Temperance Union. This movement was fostered by a now nationally known woman, Mother Thompson, who led with other women in the community in a crusade against the saloons of that part of Ohio. These noble women were called "The Crusaders." They were successful, and later became the organization that is now known as the Woman's Christian Temperance Union. This organization is the greatest power for temperance that we have in our land. They are effective agents for good in every community. They are endeavoring to bring about through education the elimination of the curse of alcohol.

But I believe the prohibition people of my district are fair. They realize that there is an ever-increasing number of people in the district who honestly believe that there must be some modification of our present national prohibition laws. They realize that in many parts of our State and in the Nation at large there are many people who honestly believe that there must be some modification of these laws. I repeat that I believe the prohibition people of my great district are fair, and I say "great district" advisedly. My district is composed of six of the finest counties in the United States. These counties were derived from what was originally known in the early days as Virginia military land. It was bestowed upon the Revolutionary soldiers from the State of Virginia, and many of my constituents trace their ancestry back to those heroic men, the followers of the immortal Washington. The sons and daughters of these Revolutionary patriots have achieved both fame and fortune. A President of the United States, Gen. U. S. Grant, was born and was appointed to West Point from this district. Two distinguished United States Senators, Joseph Benson Foraker and Albert J. Beveridge, the latter having later achieved fame in the neighboring State of Indiana, were both natives of my district, as was Gov. Allen Trimble, one of Ohio's famous governors.

A former chief justice of the Ohio Supreme Court and one of the present judges of that court are both natives of this district. When President Harding wanted a prohibition commissioner he came to this same district for an official to enforce the prohibition law. I have recited these facts to show that our people have served faithfully and well in many fields of the public service.

If I should vote to uphold the Committee on the Judiciary in their action, I would say in effect that I do not believe that the people of my district are capable of voting intelligently on this question. If I should vote to uphold this committee on this question, I would say in effect that I do not want the people of my district to have the opportunity of voting on this issue. Furthermore, I would be untrue to the American Legion, which organization unqualifiedly advocates the resubmission of the liquor question to a vote of the people. And I believe by so voting I would be untrue to the fundamental principles of representative government upon which our Government is founded.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, the House, by unanimous consent, agreed to meet to-morrow morning at 11 o'clock. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.) the House adjourned until to-morrow, Friday, March 11, 1932, at 11 o'clock a. m.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Friday, March 11, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

Depressed value of silver (H. Res. 72).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

General legislation.

COMMITTEE ON RIVERS AND HARBORS

(10.30 a. m.)

Boston Harbor, Mass.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Merchants airship bill (H. R. 8681).

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(10 a. m.)

Public works administration (H. R. 6665 and H. R. 6670).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

479. A communication from the President of the United States, transmitting herewith for the consideration of Congress, and without revision, supplemental estimates of appropriations pertaining to the legislative establishment, House of Representatives, for the fiscal year 1932, in the sum of $21,500 (H. Doc. No. 267); to the Committee on Appropriations and ordered to be printed.

480. A communication from the President of the United States, transmitting herewith for the consideration of Congress, and without revision, supplemental estimates of appropriations pertaining to the legislative establishment, House of Representatives, for the fiscal year 1932, in the sum of $80,700 (H. Doc. No. 268); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. POU: Committee on Rules. H. Res. 169. Resolution authorizing the economy committee to make its report any time during this session of Congress; without amendment (Rept. No. 757). Referred to the House Calendar.

Mr. CONDON: Committee on the Judiciary. H. R. 300. A bill to amend section 319 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909; without amendment (Rept. No. 758). Referred to the House Calendar.

Mr. CHAVEZ: Committee on Public Buildings and Grounds. H. R. 8075. A bill relating to the construction of a Federal building at Ponca City, Okla.; without amendment (Rept. No. 760). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 8907. A bill to authorize the Secretary of the Treasury to acquire land adjoining Lawrence (Mass.) post-office site; without amendment (Rept. No. 761). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Indian Affairs. H. R. 9496. A bill to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Tribes, Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments; with amendment (Rept. No. 762). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 3634. An act to amend section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122); without amendment (Rept. No. 763). Referred to the House Calendar.

Mr. DRIVER: Committee on the Territories. H. R. 6713. A bill for estimates necessary for the proper maintenance of the Government wharf at Juneau, Alaska; without amendment (Rept. No. 764). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 5561. A bill for the relief of Oscar R. Hahnel; with amendment (Rept. No. 759). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (H. R. 8663) for the relief of James Leslie Passmore, and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GIBSON: A bill (H. R. 10361) amending the civil service retirement act; to the Committee on the Civil Service.

By Mr. McKEOWN: A bill (H. R. 10362) to require the approval of the general council of the Seminole Tribe or Nation in case of the disposal of any tribal land; to the Committe on Indian Affairs.

By Mr. JOHNSON of Washington: A bill (H. R. 10363) to amend the naturalization law relating to certain certificates of arrival; to the Committee on Immigration and Naturalization.

By Mr. SIROVICH: A bill (H. R. 10364) to amend and consolidate the acts respecting copyright, and to codify and amend common-law copyright; to the Committee on Patents.

By Mr. KENDALL: A bill (H. R. 10365) granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mrs. KAHN: A bill (H. R. 10366) to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States; to the Committee on Military Affairs.

By Mr. GARBER: A bill (H. R. 10367) to provide for the payment to veterans of the face value of their adjusted-service certificates; to the Committee on Ways and Means.

By Mr. SANDERS of Texas: A bill (H. R. 10368) to make the husband or wife of the accused competent to testify on behalf of the accused in the United States and Territorial courts; to the Committee on the Judiciary.

By Mr. LICHTENWALNER: A bill (H. R. 10369) designating the musical composition Stars and Stripes Forever, by John Philip Sousa, the national march of the United States of America; to the Committee on the Judiciary.

By Mr. ARENTZ: A bill (H. R. 10370) to provide for the citizenship of a child born of an American mother and alien father; to the Committee on Immigration and Naturalization.

By Mr. CHRISTOPHERSON: A bill (H. R. 10371) to repeal section 2 of chapter 333, Forty-fifth Statute; to the Committee on the Judiciary.

By Mr. KERR: A bill (H. R. 10372) to authorize the Director of Public Buildings and Public Parks to employ landscape architects, architects, engineers, artists, or other expert consultants; to the Committee on Public Buildings and Grounds.

By Mr. McSWAIN: A bill (H. R. 10373) to establish the status of civilian employees of the Army Transport and harbor boat services during the World War; to the Committee on Military Affairs.

By Mr. SCHAFER: Joint resolution (H. J. Res. 326) providing for the participation of the United States in the celebration in 1933 of the two hundredth anniversary of the founding of the city of Savannah, Ga., and authorizing an appropriation for the construction of a permanent memorial to Brig. Gen. Casimir Pulaski, Revolutionary War hero, who gave his life at siege of Savannah, Ga., October 11, 1779, and to his Revolutionary War soldiers; to the Committee on the Library.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of New York, memorializing Congress to enact legislation providing for substantial increase in the rates of the Federal estate tax and for the continuance in force, with respect to any increases in the Federal estate tax, of the present law, which permits credits against the Federal tax for State death duties paid to the extent of 80 per cent of the Federal tax; to the Committee on Ways and Means.

Memorial of the Legislature of the State of New York, memorializing Congress to enact legislation amending section 5219 of the United States Revised Statutes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHMANN: A bill (H. R. 10374) for the relief of John H. Ballah; to the Committee on Military Affairs.

By Mr. BARTON: A bill (H. R. 10375) for the relief of G. R. Miller; to the Committee on Military Affairs.

Also, a bill (H. R. 10376) granting a pension to G. R. Miller; to the Committee on Invalid Pensions.

By Mr. BOEHNE: A bill (H. R. 10377) authorizing the payment of compensation to Laura Roush for the death of her husband, William C. Roush; to the Committee on Claims.

By Mr. BUCKBEE: A bill (H. R. 10378) granting a pension to Eva Case; to the Committee on Invalid Pensions.

By Mr. CHAPMAN: A bill (H. R. 10379) granting a pension to Bishop Creech; to the Committee on Pensions.

Also, a bill (H. R. 10380) granting a pension to Martha McIntosh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10381) granting an increase of pension to Mary Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10382) granting a pension to Elizabeth Vogler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10383) granting a pension to Alma Kash; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 10384) for the relief of Eugene F. Lawler; to the Committee on Military Affairs.

By Mr. CURRY: A bill (H. R. 10385) for the relief of Edward C. Joslyn; to the Committee on Military Affairs.

Also, a bill (H. R. 10386) granting an increase of pension to Joseph W. Hicks; to the Committee on Pensions.

By Mr. GARRETT: A bill (H. R. 10387) authorizing the President to order Donald O. Miller before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation; to the Committee on Military Affairs.

By Mr. GOODWIN: A bill (H. R. 10388) for the relief of John William Bardsley; to the Committee on Naval Affairs.

By Mr. HOLADAY: A bill (H. R. 10389) granting a pension to Vannis J. Baptist; to the Committee on Pensions.

By Mrs. KAHN: A bill (H. R. 10390) for the relief of Louis Henry Brown; to the Committee on Naval Affairs.

Also, a bill (H. R. 10391) for the relief of Emil Anderson; to the Committee on Naval Affairs.

Also, a bill (H. R. 10392) granting a pension to Frank E. Marks; to the Committee on Pensions.

Also, a bill (H. R. 10393) for the relief of Claud Granville Goings; to the Committee on Naval Affairs.

Also, a bill (H. R. 10394) for the relief of the Jewish Committee for Personal Service; to the Committee on Claims.

By Mr. KELLY of Pennsylvania: A bill (H. R. 10395) granting a pension to Gertrude A. Foley; to the Committee on Pensions.

Also, a bill (H. R. 10396) granting a pension to Robert McDermott; to the Committee on Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 10397) granting a pension to Andrew J. White; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 10398) granting a pension to James C. Riley; to the Committee on Invalid Pensions.

By Mr. PARSONS: A bill (H. R. 10399) granting an increase of pension to Anna E. Frauli; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10400) granting a pension to James Hord; to the Committee on Invalid Pensions.

By Mr. RAGON: A bill (H. R. 10401) for the relief of James E. Grogan; to the Committee on Military Affairs.

By Mr. RAMSEYER: A bill (H. R. 10402) granting an increase of pension to Sarah E. Carmichael; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 10403) granting an increase of pension to Hattie Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10404) granting an increase of pension to Luceba E. Burdick; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 10405) for the relief of H. Forsell; to the Committee on Claims.

By Mr. SULLIVAN of Pennsylvania: A bill (H. R. 10406) for the relief of the Allegheny Forging Co.; to the Committee on Claims.

Also, a bill (H. R. 10407) for the relief of the Allegheny Forging Co.; to the Committee on Claims.

Also, a bill (H. R. 10408) for the relief of the Allegheny Forging Co.; to the Committee on Claims.

By Mr. SWING: A bill (H. R. 10409) granting a pension to Clyde R. Youngblood; to the Committee on Pensions.

By Mr. THOMASON: A bill (H. R. 10410) for the relief of E. B. Rose; to the Committee on Claims.

By Mr. TILSON: A bill (H. R. 10411) for the relief of William J. Roper; to the Committee on Military Affairs.

By Mr. UNDERHILL: A bill (H. R. 10412) granting an increase of pension to Mary C. Fisher; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 10413) granting an increase of pension to Bruce Winklepleck; to the Committee on Pensions.

By Mr. VINSON of Georgia: A bill (H. R. 10414) granting a pension to Perry E. Rearden; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 10415) to reimburse Mrs. Charles Stewart for money expended by her in treatment of her husband, Charles L. Stewart, who was fatally wounded while in the performance of duty as deputy United States marshal; to the Committee on Claims.

By Mr. WELCH of California: A bill (H. R. 10416) granting a pension to Wilhelm Kerstan; to the Committee on Pensions.

By Mr. WEST: A bill (H. R. 10417) granting a pension to Francis Sipe; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4038. By Mr. AMLIE: Memorial of Group No. 713 of the Polish National Alliance at Racine, Wis., urging that October 11 of each year be proclaimed as Pulaski Memorial Day; to the Committee on the Judiciary.

4039. By Mr. ANDREW of Massachusetts: Petition of Essex County Council, the American Legion, of Massachusetts, opposing any needs or paupers' clause in any widows and orphans' bill; to the Committee on World War Veterans' Legislation.

4040. Also, petition of Essex County Council, the American Legion, of Massachusetts, favoring the extension of civil service to veterans now holding unclassified positions, who have served for at least three years in the Government service and were honorably discharged from the military or naval service; to the Committee on the Civil Service.

4041. Also, petition of Ada G. Dodge, of Rockport; Hilda Alto, of Gloucester; C. G. Wagg, of Bradford, all of the State of Massachusetts, protesting against the proposed Federal gasoline tax; to the Committee on Ways and Means.

4042. By Mr. BACHMANN: Petition of C. T. Gorby and a number of citizens of New Martinsville, W. Va., opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

4043. By Mr. BRIGGS: Petition of citizens of Houston County, Tex., urging continuance of Federal Farm Board; to the Committee on Agriculture.

4044. Also, petition of citizens of Anderson County, Tex., urging continuance of Federal Farm Board; to the Committee on Agriculture.

4045. By Mr. BRUNNER: Resolutions adopted by American Hotel Association of the United States and Canada, urging on Congress the repeal or modification of the eighteenth amendment; to the Committee on the Judiciary.

4046. Also, memorial of the Legislature of the State of New York, memorializing the Congress of the United States to enact legislation amending section 5219 of the United States Revised Statutes in such manner that as so amended it will relieve the several States of the necessity of imposing a

tax upon savings and loan associations of the purely mutual type, etc.; to the Committee on Banking and Currency.

4047. By Mr. BURDICK: Petition of Fred A. Peirce and 10 other residents of Rumford, East Providence, R. I., opposing repeal, modification, or resubmission of the eighteenth amendment; to the Committee on the Judiciary.

4048. By Mr. BUCKBEE: Petition of Group 1224 of the Polish National Alliance, 1415 Orange Street, Rockford, Ill., asking that Congress enact House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

4049. By Mr. CAMPBELL of Iowa: Petition of 40 citizens of Spirit Lake, Iowa, against compulsory Sunday observance, and in opposition to Senate bill 1202 and House bill 8092 providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

4050. By Mr. CLARKE of New York: Petition of Rev. Peter McKenzie and 13 members of the Men's Club, Presbyterian Church of Stamford, N. Y., urging the maintenance of the prohibition law and its enforcement, and opposing any measure looking forward to modification resubmission to the States or repeal; to the Committee on the Judiciary.

4051. Also, petition of the Woman's Missionary Society of the Baptist Church, Sidney, N. Y., urging the maintenance of the prohibition law and its enforcement, and opposing any measure looking forward to modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

4052. By Mr. CURRY: Petition of citizens of Sacramento, Calif., opposing the modification, resubmission, or repeal of the prohibition law; to the Committee on the Judiciary.

4053. By Mr. DAVENPORT: Petition of Adelia Wilson and others, of Utica, and 36 residents of Oneida, N. Y., protesting against compulsory Sunday observance, particularly to House bill 8092 providing for the closing of barber shops in the District of Columbia on Sunday; to the Committee on the District of Columbia.

4054. By Mr. ESTEP: Petition of Charles C. McGovern, W. D. Mansfield, and C. M. Barr, Board of County Commissioners of Allegheny County, Pa., urging sufficient appropriations for adequate military and naval defensive forces, and indorsing the Parker-Reed bill; to the Committee on Appropriations.

4055. By Mr. GARBER: Petition of the board of directors of the American Petroleum Institute in New York, protesting against the imposition of a gasoline tax of 1 cent by the Federal Government upon domestic gasoline, and against any increase of the gasoline tax imposed by the several States; to the Committee on Ways and Means.

4056. Also, petition of the Creek Indians of Oklahoma protesting against the passage of Senate bill 1839 entitled "A bill to assist the creation of Indian trust estates, and for other purposes; to the Committee on Indian Affairs.

4057. By Mr. GILCHRIST: Petition of Dr. A. I. Reed and 131 others representing the members of Maurice Doyle Post, No. 91, American Legion, Estherville, Iowa, and other ex-service men, urging that every effort be put forth to enact the forthcoming or pending legislation calling for immediate payment in full of the adjusted-compensation service certificates; to the Committee on World War Veterans' Legislation.

4058. By Mr. GREEN: Petition of citizens of Marion County, Fla., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4059. By Mr. HADLEY: Petition of a number of residents of Friday Harbor, Wash., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4060. By Mr. HOPKINS: Petition signed by 18 citizens of Oregon, Mo., and submitted by Hazel Coffman, protesting against a resubmission of the eighteenth amendment to the States, and to provide for adequate law enforcement; to the Committee on the Judiciary.

4061. By Mrs. KAHN: Resolutions adopted by the Board of Supervisors, City and County of San Francisco, Calif., opposing reductions in Army appropriations, and urging Congress to take immediate steps to provide sufficient funds to adequately man San Francisco Bay fortifications; to the Committee on Appropriations.

4062. By Mr. KENNEDY: Petition of American Hotel Association of the United States and Canada, indorsing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

4063. Also, petition of Hotel, Restaurant, Club, and Allied Industries Association, protesting against the prohibition amendment; to the Committee on the Judiciary.

4064. By Mr. LEA: Petition of 80 residents of Oroville and Palermo, Butte County, Calif., protesting against Senate bill 1202 for compulsory Sunday observance; to the Committee on the District of Columbia.

4065. By Mr. LINDSAY: Petition of Raymond S. Kelly, Millerton, N. Y., opposing a tax of 1 cent a gallon on imported petroleum, gasoline, fuel oil, and other products; to the Committee on Ways and Means.

4066. Also, petition of Tidewater Associated Oil Co., 17 Battery Place, New York City, concurring in the resolution adopted by the American Petroleum Institute opposing a tax on gasoline; to the Committee on Ways and Means.

4067. By Mr. MANLOVE: Petition of W. L. Coffin, Sam Bridges, John P. Jennings, J. O. Hutchens, J. H. McNeely, Charles Hemphill, C. B. Larkin, Belle Robertson, W. E. Jackson, L. M. Williams, J. F. Pennell, L. E. Larkin, Joe Seitz, H. F. Roewert, E. G. Greenway, Tella Larkin, W. A. Ozburn, H. W. Larkin, H. C. Jordan, Mabel Ozburn, Matilda Coffin, and Walter Wilhit, residents of the fifteenth congressional district of Missouri, protesting against the passage of House bill 8092, or any other compulsory Sunday observance bills that have been or may be introduced; to the Committee on the District of Columbia.

4068. By Mr. MAPES: Petition of E. G. Benton and 12 others, residents of Pierson, Sand Lake, Kent City, and Cedar Springs, Mich., protesting against the passage of House bill 8092, or any other compulsory Sunday observance bills that have been or may be introduced in Congress; to the Committee on the District of Columbia.

4069. By Mr. MEAD: Petition of Harry B. Bentley Post 443, American Legion, and its auxiliary unit, urging adoption of pension legislation for World War widows and orphans; to the Committee on Pensions.

4070. By Mr. MURPHY: Telegram from R. W. Hawley, editor Salem News, Salem, Ohio, protesting against the 10 per cent admissions tax to motion-picture theaters; to the Committee on Ways and Means.

4071. Also, telegram from Salem Business Bureau, Salem, Ohio, protesting against the 10 per cent admissions tax to motion-picture theaters; to the Committee on Ways and Means.

4072. Also, telegram from J. Fitzpatrick, business agent, Salem, Ohio, protesting against the 10 per cent admissions tax on motion-picture-theater tickets, saying that it will tend to create unemployment; to the Committee on Ways and Means.

4073. Also, telegram from Harry L. Fox, publisher Farm and Dairy, Salem, Ohio, protesting against the 10 per cent admissions tax on motion-picture-theater tickets; to the Committee on Ways and Means.

4074. By Mr. ROBINSON: Petition of the Woman's Missionary Society of the First Brethren Church of Waterloo, Iowa, signed by Mrs. C. E. Klingaman, president, and Mrs. Ben Wengard, secretary, urging the observance and enforcement of the eighteenth amendment and against modification or repeal of the amendment; to the Committee on the Judiciary.

4075. By Mr. RUDD: Petition of Tidewater Associated Oil Co., New York City, opposing the tax on gasoline as per resolution adopted by the board of directors of the American Petroleum Institute; to the Committee on Ways and Means.

4076. Also, petition of Loew's Warwick Theater, Embassy Theater, Lefferts Theater, Glenwood Theater, Parthenon Theater, Kinema Theater, Crossbay Theater, Alhambra Theater, Maspeth Theater, and Ridgewood Theater, all of Brooklyn, N. Y., opposing tax on admissions to motion-picture theaters; to the Committee on Ways and Means.

4077. By Mr. SANDERS of Texas: Petition of 101 farmers of Henderson County, Tex., asking Members of Congress to preserve the agricultural marketing act, and protesting any change be made in same that will modify its benefits in any way, and that only such changes be made as shall be promulgated and approved by organizations of actual farmers like themselves; to the Committee on Agriculture.

4078. Also, petition of 140 farmers of Rusk County, Tex., asking Members of Congress to preserve the agricultural marketing act, and protesting any change in same that will modify its benefits in any way, and asking that only such changes be made as shall be promulgated and approved by organizations of actual farmers like themselves; to the Committee on Agriculture.

4079. Also, petition of 50 farmers of Gregg County, Tex., asking Members of Congress to preserve the agricultural marketing act, and protesting any change in same that will modify its benefits in any way and asking that only such changes be made as shall be promulgated and approved by organizations of actual farmers like themselves; to the Committee on Agriculture.

4080. Also, petition of 44 farmers of Wood County, Tex., asking Members of Congress to preserve the agricultural marketing act, and protesting any change in same which will modify its benefits in any way and asking that only such changes be made as shall be promulgated and approved by organizations of actual farmers like themselves; to the Committee on Agriculture.

4081. Also, petition of 89 farmers of Kaufman County, Tex., asking Members of Congress to preserve the agricultural marketing act, and protesting any change in same that will modify its benefits in any way and asking that only such changes be made as shall be promulgated and approved by organizations of actual farmers like themselves; to the Committee on Agriculture.

4082. Also, petition of 56 farmers of Van Zandt County, Tex., asking Members of Congress to preserve the agricultural marketing act, and protesting any change in same that will modify its benefits in any way, and asking that only such changes be made as shall be promulgated and approved by organizations of actual farmers like themselves; to the Committee on Agriculture.

4083. By Mr. SELVIG: Petition of George Bergem Post, No. 489, Underwood, Minn., urging immediate cash payment of adjusted-service certificates, and Elmer J. Ecklund Post, No. 117, Thief River Falls, Minn., urging full payment of certificates; to the Committee on Ways and Means.

4084. Also, petition of Angus McDonald States Theater, of East Grand Forks; Sam A. Erickson, Mankato; and William Hamm, jr., all of the State of Minnesota, protesting against tax on low-priced theater admissions; to the Committee on Ways and Means.

4085. Also, petition of Pelican Rapids (Minn.) American Legion post, urging immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

4086. By Mr. SUMMERS of Washington: Petition signed by Alfred Johnson and 161 other citizens of Selah, Wash., opposing any measure looking toward the modification, resubmission to the States, or repeal of the eighteenth amendment; to the Committee on the Judiciary.

4087. By Mr. SUMNERS of Texas: Petition of 148 names of farmers of Ellis County, Tex., asking that no change be made in the agricultural marketing act that will modify its benefits in any way, and that only such changes be made as shall be promulgated and approved by organizations of actual farmers; to the Committee on Agriculture.

4088. Also, petition of 12,657 citizens of Dallas County, Tex., protesting against the repeal, resubmission, or modification of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

4089. By Mr. SWICK: Petition of Unionville Grange, No. 1971, Butler County, Pa., L. G. Stoughton, master, requesting that the personnel of the departments of the Federal Government be reduced to such proportion as will save the Government many millions of dollars in lieu of the proposed sales tax; to the Committee on Ways and Means.

4090. By Mr. YATES: Petition of Maj. Earle D. Andrews, 4133 Johnson Avenue; Gust Olson, jr., 4101 Clausen Avenue; Walter Hartenstein, 4048 Ellington Avenue; and other citizens of Western Springs, Ill., protesting against any decrease in the national defense; to the Committee on Appropriations.

4091. By the SPEAKER: Petition of Jack Scott, favoring impeachment be filed on record for action in Congress; to the Committee on the Judiciary.

SENATE

FRIDAY, MARCH 11, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, who has set our troubled years in the heart of Thy eternity, and in whom the discordant notes of our humanity rise into perfect harmony; teach us, who are but creatures of a day, the lesson of Thy patience, who art ever working, yet ever at rest, that we may learn to wait, not in listless quiet but with a forward-looking faith which shall enable us to rise above the evils of the passing time.

Deliver us from the bondage of unchastened desires, unholy thoughts, and fill us with a perfect trust in Thee, that with utter freedom of soul we may fulfill the expectations of our fellow men and in the light of Thy eternal calm envision the noble prophecy of love's holy triumph and the coming glory of Thy righteous kingdom. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. MONTAGUE, and Mr. DYER were appointed managers on the part of the House at the conference.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Jones	Robinson, Ark.
Austin	Couzens	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Sheppard
Barbour	Dickinson	King	Shipstead
Barkley	Dill	La Follette	Smith
Bingham	Fess	Lewis	Smoot
Black	Fletcher	Logan	Steiwer
Blaine	Frazier	McGill	Thomas, Idaho.
Borah	George	McKellar	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Broussard	Goldsborough	Morrison	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walcott
Capper	Hatfield	Nye	Walsh, Mont.
Caraway	Hayden	Oddie	Waterman
Carey	Hebert	Patterson	White
Coolidge	Howell	Pittman	
Copeland	Johnson	Reed	

Mr. FESS. I desire to announce the unavoidable absence of the senior Senator from Indiana [Mr. WATSON]. I will let this announcement stand for the day.

Mr. MCKELLAR. The junior Senator from Tennessee [Mr. HULL] is detained on account of illness. This announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. SHEPPARD. I desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily out of the city.

Mr. COOLIDGE. I wish to announce that the senior Senator from Massachusetts [Mr. WALSH] is necessarily detained from the Senate by illness.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

Mr. KEAN presented a resolution adopted by the State Highway Commission of New Jersey, favoring the making of proposed emergency appropriations for highway construction work, which was referred to the Committee on Post Offices and Post Roads.

Mr. TYDINGS presented numerous telegrams in the nature of memorials from sundry citizens of Baltimore, Md., remonstrating against the imposition of a 1-cent tax on imported gasoline and oil, which were referred to the Committee on Finance.

Mr. CAPPER presented petitions of sundry citizens of the State of Kansas, praying for the passage of the so-called Capper-Kelly fair trade bill, which were referred to the Committee on Interstate Commerce.

He also presented petitions of members of Arborhurst Chapter of the Woman's Christian Temperance Union of Kansas City and sundry citizens of Sterling, in the State of Kansas, praying for the maintenance of the prohibition law and its enforcement, and protesting against any measures looking toward its modification or repeal, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented a letter in the nature of a petition from sundry citizens of Brooklyn, N. Y., praying for: First, a thorough reduction of the Federal salary and wage scale; second, the elimination of all Government positions and functions which constitute a duplication of the position or function in another department or bureau; and, third, the elimination of every bureau, position, and function in the Federal service the maintenance of which is not consonant with the strictest economy, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by Monitor Lodge, No. 931, Independent Order of Odd Fellows, of Jamestown, N. Y., favoring the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the foreign trade committee of the Rochester (N. Y.) Chamber of Commerce, protesting against the passage of House bill 9148, to increase passport fees, and for other purposes, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the men's class of the Methodist Episcopal Church of Northville and the Woman's Christian Temperance Unions of Broome County, Phoenix, and Saranac Lake, in the State of New York, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to be ratified by the States and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the postal facilities committee of the Rochester (N. Y.) Chamber of Commerce, opposing the proposed increase of postal rates on first-class domestic mail matter and favoring the consolidation of rural free-delivery routes as they are vacated into star routes and also the closest scrutiny of salaries and wages in the Post Office Department, etc., which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Brooklyn, N. Y., praying for the passage of legislation to prohibit experiments upon living dogs in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented memorials of sundry citizens of New York City, N. Y., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

Mr. ASHURST presented a memorial of sundry citizens of Tucson, Ariz., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by the Thirty-first Arizona State Conference of the Daughters of the American Revolution, indorsing the proposal as a lesson in good citizenship that school children help in tree planting, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Thirty-first Arizona State Conference of the Daughters of the American Revolution, favoring the passage of the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties, which was ordered to lie on the table.

He also presented a resolution adopted by the Thirty-first Arizona State Conference of the Daughters of the American Revolution, favoring the passage of the so-called Jeffers bill, being the bill (H. R. 8549) to make it a crime to advocate or promote the overthrow or the destruction of the Government of the United States by force or violence, and for other purposes, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Thirty-first Arizona State Conference of the Daughters of the American Revolution, favoring the enforcement of section 307 of the tariff act of 1930, prohibiting the importation of goods produced or manufactured in whole or in part by forced labor, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Thirty-first Arizona State Conference of the Daughters of the American Revolution, favoring the passage of the so-called Oddie bill, being Senate bill 37, to prohibit the importation of any article or merchandise from the Union of Soviet Socialist Republics, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Thirty-first Arizona State Conference of the Daughters of the American Revolution, favoring the passage of the so-called Bachmann bill, being House bill 1967, to amend the immigration laws so as to prevent the admission of communists into the United States, and providing for the immediate deportation of alien communists, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Thirty-first Arizona State Conference of the Daughters of the American Revolution, opposing the passage of legislation to amend the naturalization laws so as to omit from the oath of allegiance required of aliens becoming naturalized the pledge to bear arms if necessary in defense of the United States, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Thirty-first Arizona State Conference of the Daughters of the American Revolution, favoring the passage of legislation requiring an oath of allegiance to the United States to be taken as one of the qualifications required for teachers in the schools and colleges of the State of Arizona, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Thirty-first Arizona State Conference of the Daughters of the American Revolution, indorsing the work being done by the patriotic

education and Americanism committee of the Daughters of the American Revolution in awarding good-citizenship medals in the schools, etc., which was referred to the Committee on Education and Labor.

Mr. SMITH presented the following concurrent resolution of the Legislature of South Carolina, which was referred to the Committee on Banking and Currency:

A concurrent resolution memorializing the Congress of the United States to enact suitable legislation authorizing and empowering the Federal reserve banks of the United States to discount short-term notes that may be issued by a State or any subdivision thereof

Whereas in these depressed financial conditions the State and the subdivisions thereof are experiencing some difficulty in borrowing money for operating current expenses: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the Congress of the United States is hereby memorialized and petitioned to pass such laws as will authorize and empower the Federal reserve banks of the United States of America to discount short-term notes issued by a State or any subdivision thereof for such period of time as the Congress of the United States may deem best.

That copies of this resolution be sent to the chairman of the Committee on Banking in the House of Representatives and the Committee on Banking in the Senate of the Congress of the United States, respectively, and also sent to the United States Senators and Members of the House of Representatives in Congress from the State of South Carolina.

IN THE SENATE,
Columbia, S. C., March 3, 1932.

I hereby certify that the foregoing is a true and correct copy of a concurrent resolution adopted by the senate and concurred in by the house of representatives.

[SEAL.] JAMES H. FOWLES,
Clerk of the Senate.

Mr. SMITH also presented the following concurrent resolution of the Legislature of South Carolina, which was referred to the Committee on Finance:

A concurrent resolution to memoralize Congress not to place any tax on gasoline

Whereas Congress of the United States has under consideration legislation, the purpose of which is to place a Federal tax upon gasoline; and

Whereas the State tax imposed upon gasoline sold in South Carolina is at the present time 6 cents per gallon; and

Whereas taxes on gasoline is a matter which has been and should be left to the legislative bodies of the various States: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the Legislature of South Carolina hereby respectfully memorializes the Members of the House of Representatives from South Carolina and the Members of the Senate from South Carolina to use their influence to prevent Congress from passing any legislation whereby the Federal Government shall place a tax upon gasoline; be it

Resolved further, That properly attested copies of this resolution be transmitted to the Members of Congress from South Carolina.

IN THE SENATE,
Columbia, S. C., March 3, 1932.

I hereby certify that the foregoing is a true and correct copy of a concurrent resolution adopted by the senate and concurred in by the house of representatives.

[SEAL.] JAMES H. FOWLES,
Clerk of the Senate.

LIQUOR-CONTROL SYSTEM OF SWEDEN

Mr. TYDINGS. Mr. President, I send to the desk a short article from the New York Times of this date and ask that the clerk may read it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

[From the New York Times, Friday, March 11, 1932]

SWEDISH CRIME DROP LAID TO LIQUOR CONTROL—ALCOHOLISM HAS FALLEN 71 PER CENT, SAYS DOCTOR BRATT

PARIS, March 10.— * * * Dr. Ivan Bratt explained to the American Club of Paris the Swedish system of liquor control, which bears his name.

"Sweden was on the point of adopting prohibition in 1912," Doctor Bratt said, "but we avoided it by substituting strict government control of liquor sales, and it is now fairly certain that we will never have it. Since 1912 the consumption of distilled spirits in Sweden has decreased 50 per cent, hospitalized cases of alcoholism have decreased 71 per cent, and crimes of violence attributed to drunkenness have decreased 66 per cent.

"Fortunately the prohibition question never was mixed with politics in Sweden," he went on. "Our liquor-control system does not embrace beer and wine. I can give three reasons for prohibition's failure. First, it is easy to make alcohol. Second, it is easy to make money selling alcohol. Third, it is difficult to convince people that it is morally wrong to drink alcohol in moderation. In any large city you will find hundreds of thousands of persons willing to drink, tens of thousands willing to sell liquor, and thousands willing to make alcohol. We can not attack by law human habits which are not condemned generally on moral grounds."

The Bratt system in Sweden strictly limits the number of persons to whom licenses may be issued for the purchase of liquor. The "candidate" makes an affidavit in which he gives full information as to his family and personal background, stating his earnings, whether or not he drinks temperately, whether he has ever been arrested, and other related matters.

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THE PROHIBITION LAW

Mr. KEYES presented a letter in the nature of a petition from the East Manchester (N. H.) Woman's Christian Temperance Union, praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

MANCHESTER, N. H., *March 2, 1932.*

Hon. HENRY W. KEYES,
Senator, Washington, D. C.

DEAR SIR: In view of the many bills that have been submitted to Congress by the opponents of prohibition we, the undersigned, urge that you use your influence and cast your vote in support of the maintenance of the prohibition law and its enforcement and against any measure looking toward it modification, resubmission to the States, or repeal, and that this petition be printed in the CONGRESSIONAL RECORD.

Sincerely,
EAST MANCHESTER WOMAN'S CHRISTIAN TEMPERANCE UNION,
Miss NINA E. JAMESON, *Secretary.*

WILD-LIFE CONSERVATION IN WYOMING

Mr. CAREY. Mr. President, I present resolutions adopted by the Wyoming State Game and Fish Commission, which I ask may be printed in the RECORD and lie on the table.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the Game and Fish Commission of Wyoming has for several years worked harmoniously in cooperation with the United States Forestry Service, Bureau of Biological Survey, the Bureau of Fisheries, and other Federal agencies upon a general conservation program for the State of Wyoming; and

Whereas the said Wyoming State Game and Fish Commission is deeply appreciative of the invaluable assistance accorded our State by these various Federal departments and the officials and members thereof; and

Whereas of especial value in their untiring services in behalf of our wild-life resources we beg to submit the names of Mr. A. C. McCain, supervisor of the Teton National Forest, and Mr. O. J. Murie, biologist, of the Bureau of Biological Survey, as entitled to special mention: Therefore be it

Resolved, That the members of the Wyoming State Game and Fish Commission, in regular session assembled, hereby express our sincere appreciation and thanks for the fine cooperative spirit and assistance accorded our department and our State by the above-mentioned departments and individuals and to express our hopes and desire that the same fine spirit of collective efforts may continue through the coming years; and be it further

Resolved, That we commend the efforts of the Biological Survey in its control of predatory animals, predacious birds, and rodents under its 10-year program in Wyoming; and be it further

Resolved, That a copy of this resolution be spread on the minutes of this meeting and that copies thereof be transmitted to Col. J. Clausen Roop, Director of the Budget; Hon. Paul G. Redington, Chief of the Bureau of Biological Survey; Maj. Robert Stewart, Chief Forester; Col. Henry O'Malley, Director of the United States Bureau of Fisheries; Senator John B. Kendrick; Senator Robert D. Carey; Congressman Vincent Carter, all of Washington, D. C.; Hon. A. M. Clark, Governor of Wyoming, Cheyenne, Wyo.

Dated at Cheyenne, Wyo., this 9th day of January, A. D. 1932.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 3440) for the relief of Nick Wagner, reported it with an amendment and submitted a report (No. 416) thereon.

Mr. REED, from the Committee on Military Affairs, to which was referred the bill (S. 1406) to provide for the improvement of the approach to the Confederate Cemetery, Fayetteville, Ark., reported it without amendment and submitted a report (No. 417) thereon.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 2148) for the relief of

Clarence R. Killion, reported it without amendment and submitted a report (No. 418) thereon.

Mr. HATFIELD, from the Committee on Immigration, to which was referred the bill (H. R. 8235) to clarify the application of the contract-labor provisions of the immigration laws to instrumental musicians, reported it without amendment and submitted a report (No. 419) thereon.

Mr. BRATTON, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3570) to amend the act entitled "An act confirming in States and Territories title to land granted by the United States in the aid of common or public schools," approved January 25, 1927, reported it with an amendment and submitted a report (No. 420) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. REED, from the Committee on Military Affairs, reported favorably the nomination for reappointment of Brig. Gen. Henry Lewis Stimson, Auxiliary Reserve, to be brigadier general, Auxiliary Reserve, from May 16, 1932, and also sundry nominations of officers in the Regular Army, which were placed on the Executive Calendar.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mrs. CARAWAY:

A bill (S. 4025) for the relief of Frank S. Harrison; to the Committee on Naval Affairs.

A bill (S. 4026) granting a pension to Ernest J. Hollis; and

A bill (S. 4027) granting an increase of pension to Mary A. Stutler; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 4028) authorizing a preliminary examination and survey of the Columbia and Willamette Rivers, with a view to the controlling of floods; to the Committee on Commerce.

A bill (S. 4029) to restore homestead rights in certain cases; to the Committee on Public Lands and Surveys.

By Mr. COPELAND (by request):

A bill (S. 4030) to amend section 5 of the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914; to the Committee on Interstate Commerce.

A bill (S. 4031) for the relief of James W. Kelly; to the Committee on Naval Affairs.

By Mr. HATFIELD:

A bill (S. 4032) granting a pension to Martha B. Dovener (with accompanying papers); to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 4033) to require purchase and use by executive departments and establishments and by Government contractors and subcontractors of domestic articles and materials; to require the specification of alternate materials for construction; to give preference to materials and articles produced, grown, or manufactured locally; and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. SHEPPARD:

A bill (S. 4034) to provide that transferors for collection of negotiable instruments shall be preferred creditors of national banks in certain cases; to the Committee on Banking and Currency.

By Mr. DILL:

A bill (S. 4035) for the relief of Frank P. Ross; and

A bill (S. 4036) for the relief of Earl A. Ross; to the Committee on Agriculture and Forestry.

By Mr. SMITH:

A bill (S. 4037) for the relief of Patrick J. Solon, lieutenant, United States Navy, retired; to the Committee on Naval Affairs.

By Mr. CAPPER:

A bill (S. 4038) to amend section 1 of an act entitled "An act to provide home care for dependent children in the District of Columbia," approved June 22, 1926; and

A bill (S. 4039) to provide for the extension and widening of Michigan Avenue in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. REED:

A bill (S. 4040) granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.; to the Committee on Commerce.

By Mr. JOHNSON:

A bill (S. 4041) granting to the Metropolitan Water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California; to the Committee on Public Lands and Surveys.

By Mr. KING:

A bill (S. 4042) authorizing the Seminoles of Oklahoma to institute certain proceedings in the United States District Court for the Eastern District of Oklahoma, conferring jurisdiction on said court to hear, consider, and render final judgment thereon, and for other purposes; to the Committee on Indian Affairs.

By Mr. NORBECK:

A bill (S. 4043) to repeal section 2 of chapter 333, Forty-fifth Statutes; to the Committee on the Judiciary.

A bill (S. 4044) to establish an assay office at Deadwood, S. Dak.; to the Committee on Mines and Mining.

By Mr. LA FOLLETTE:

A bill (S. 4045) to establish a referendum to enable the people of the United States to propose candidates for nomination for President of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. ODDIE:

A bill (S. 4046) to fix more equitably the responsibility of postmasters; to the Committee on Post Offices and Post Roads.

By Mr. SMITH:

A bill (S. 4047) granting a pension to Samuel Wilson Orr; to the Committee on Pensions.

FOREIGN COMPETITIVE CONDITIONS IN FOREST INDUSTRY

Mr. JONES submitted the following resolution (S. Res. 187), which was referred to the Committee on Finance:

Resolved, That the United States Tariff Commission be, and it is hereby, authorized and directed to make a complete investigation of foreign competitive conditions relating to the forest industry of the United States, including all branches thereof such as timber, lumber, pulpwood, pulp and paper industry, naval-stores industry, and any lumber by-product industries, and to report its findings to Congress at the earliest date practicable. In such investigation the commission shall make use of the compiled data and findings of the timber conservation board which during the past year has conducted a survey relating to the domestic field and future marketing problems of the forest industry.

I. L. LYONS & CO.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1473) to authorize an appropriation for the relief of I. L. Lyons & Co., which was to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to I. L. Lyons & Co., the sum of $3,793.07, in full settlement of all claims against the Government of the United States, which sum represents the amount paid to the United States by the said company for certain liquors sold to it by order of the United States district court authorizing the marshal for the eastern district of Louisiana and the Customs Service, port of New Orleans, to make such sale, and which liquors were later found and held to be unfit for medicinal purposes and not salable by the said I. L. Lyons & Co. as permittee wholesale druggist.

SEC. 2. That the payment directed under section 1 of this act shall not be made until the liquor involved is surrendered to the Federal prohibition administrator at New Orleans, La., for destruction.

Mr. BROUSSARD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ECONOMIC CONDITIONS

Mr. TRAMMELL. Mr. President, I send to the desk two most able and timely editorials, one entitled "Lest We Forget," and one entitled "National Vitality" appearing in the Jacksonville (Fla.) Journal. The editorials were written by Judge John W. Dodge. I ask that they may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorials are as follows:

[From the Jacksonville (Fla.) Journal, February 19, 1932]

LEST WE FORGET—LOSING OUR MOORINGS

By Judge John W. Dodge

The spirit of "to get" so easily makes us "forget." We forget when, with avarice and greed, we are ashamed to recollect.

Wisdom is like the dove that flew out of the ark. The dove forgot her haven of safety in the ark, left her nest, flew away to the unknown wilds of life.

Let us not forget the ark of our national safety—our cradle of liberty—our Noah who built our ark, this Nation and its Constitution, which for more than a century and a half have carried us safely through our floods and storms of political, economic, and national struggles. Let us return to the ark—to the wisdom of its builders and navigators, and to their warnings and counsel. They are men of conviction.

George Washington in his Farewell Address, September 17, 1796, said to us in immortal wisdom words, referring to our Constitution: "Respect for its authority, compliance with its laws, acquiescence in its measures are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government. But the constitution which at any time exists, till changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power and the right of the people to establish government presupposes the duty of every individual to obey the established government.

"All obstructions to the execution of the laws, all combinations and associations, under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberation and action of the constituted authorities, are destructive of this fundamental principle and of fatal tendency."

Neither any public officer charged, under his oath of office, with enforcing the Constitution and laws, from the President down, nor any single individual, citizen or otherwise, can ignore such duties, obligations or wisdom, unless he puts himself above law and thus attempts to destroy liberty.

Once more Washington said: "Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician equally with the pious man ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, Where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths, which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition, that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

We shall lose our liberty as we lose our wisdom, morality, and religion. In the words of Kipling:

"God of our fathers, known of old,
Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!"

[From the Jacksonville (Fla.) Journal, February 29, 1932]

NATIONAL VITALITY

By Judge John W. Dodge

I was reading recently an article in the Literary Digest, entitled, "Man's Blame for Epidemics." It was about germs and disease, but is equally applicable to our national vitality.

"If you take in thieves as guests, your property will probably be stolen. And if you are hospitable to germs and offer them the food they like, you must expect to have bronchitis, or possibly pneumonia, or meningitis," said the article.

Our national vitality is now suffering from an accumulation of epidemic diseases of the body politic. We have, by a gradual process of weakening governmental policies, exposed ourselves to virulent infections, devastating germs, ravishing parasites, and destructive diseases. We are so devitalized that we are not able to resist the attacks of these germs which we have treated so hospitably, and they have spread sickness, epidemics, and infections which have produced for us a widespread national depression.

What are some of these body-politic germs? Here are a few—there are many others which could be named:

The "fraud germ" was widespread. By deceit and false representations, by the concealment of well-known adverse facts, by fraudulent half truths, by fraudulent propaganda and optimistic interviews and statements given out to the public, coming from those high in public life, finance, commerce, industry, and government, even so-called educators and experts, the masses of the people were fed "fraud germs." The hospitality of the people made it easy for their "thieves as guests" to steal.

"Inflation credit germs," a few years ago, worked among and fed upon millions. Money and credit came to us in large value and volume. We ate it; we swallowed it in gulps; we swelled up. But we could not find nourishment in most of it; it was chaff, or watered, or hot air; it was not food, but foolishness. Swollen ourselves, with this superfluity of money and credit, we sent it to Germany, South America, to the very wilds of nature, to feed the pigs, swine, and gluttons of other lands; we "cast our pearls before swine." The surplus at home we invested in watered stock-market securities, stock dividends, overcapitalized fraudulent stock issues.

"Deflation germs," in our lowered state of resistance, in our intoxicated revelry, in our national debauchery, found us good food to feast upon. There was a constipated condition which soon arose—about three years ago. The reaction was a diarrhœtic condition. The people had been looted, the credit was held by a few—assets froze. The body politic got cold feet. At first we thought we had contracted only a bad cold, but it was "intestinal flu," and everything flew into its own little corner, seared and shivering. We have hoarded what we had left. Will it keep life in us?

We must rebuild our national vitality, destroying the "fraud germs," the "inflation credit germs," and the "deflation credit germs."

CONSIDERATION OF UNOBJECTED BILLS ON THE CALENDAR

The VICE PRESIDENT. Morning business is closed.

Mr. McNARY. Mr. President, I ask unanimous consent that the Senate proceed with the consideration of unobjected bills on the calendar, commencing with Order No. 409, where we left off yesterday, and when the calendar shall have been completed that we commence at the beginning and consider unobjected bills up to Order No. 308, where we started yesterday morning.

The VICE PRESIDENT. Is there objection to the request for unanimous consent submitted by the Senator from Oregon? The Chair hears none, and the Secretary will state the first bill on the calendar at the point indicated.

ROGER P. AMES

The bill (S. 1975) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929, be and the same is hereby, amended by inserting between the names "Aristides Agramonte" and "John H. Andrus" the name "Roger P. Ames," so that the act as amended will read as follows:

"That in special recognition of the high public service rendered and disabilities contracted in the interest of humanity and science as voluntary subjects for the experimentations during the yellow-fever investigations in Cuba, the Secretary of War be, and he is hereby, authorized and directed to publish annually in the Army Register a roll of honor on which shall be carried the following names: Walter Reed, James Carroll, Jesse W. Lazear, Aristides Agramonte, Roger P. Ames, John H. Andrus, John R. Bullard, A. W. Covington, William H. Dean, Wallace W. Forbes, Levi E. Folk, Paul Hamann, James F. Hanberry, Warren G. Jernegan, John R. Kissinger, John J. Moran, William Olsen, Charles G. Sonntag, Clyde L. West, Dr. R. P. Cooke, Thomas M. England, James Hildebrand, and Edward Weatherwalks, and to define in appropriate language the part which each of these persons played in the experimentations during the yellow-fever investigations in Cuba; and in further recognition of the high public service so rendered by the persons hereinbefore named, the Secretary of the Treasury is authorized and directed to cause to be struck for each of said persons a gold medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary of the Treasury, and to present the same to each of said persons as shall be living and posthumously to such representatives of each of such persons as shall have died, as shall be designated by the Secretary of the Treasury. For this purpose there is hereby authorized to be appropriated the sum of $5,000; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts annually as may be necessary in order to pay to the following-named persons during the remainder of their natural lives the sum of $125 per month, and such amount shall be in lieu of any and all pensions authorized by law for

the following-named persons: Pvt. Paul Hamann; Pvt. John R. Kissinger; Pvt. William Olsen, Hospital Corps; Pvt. Charles G. Sonntag, Hospital Corps; Pvt. Clyde L. West, Hospital Corps; Pvt. James Hildebrand, Hospital Corps; Pvt. John H. Andrus, Hospital Corps; Mr. John R. Bullard; Dr. Aristides Agramonte; Pvt. A. W. Covington, Twenty-third Battery, Coast Artillery Corps; Pvt. Wallace W. Forbes, Hospital Corps; Pvt. Levi E. Folk, Hospital Corps; Pvt. James F. Hanberry, Hospital Corps; Dr. R. P. Cooke; Pvt. Thomas M. England; Mr. John J. Moran; and the widow of Pvt. Edward Weatherwalks."

WILLIAM BURKE

The bill (S. 3376) for the relief of William Burke was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William Burke, who was a member of Company C, Ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 6th day of August, 1901: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

MILITIA TARGET RANGE RESERVATION IN UTAH

The bill (S. 3342) to authorize the Secretary of War to secure for the United States title to certain private lands contiguous to and within the militia target range reservation, State of Utah was announced as next in order.

Mr. REED. Mr. President, it seems to me that that is clearly a bill which ought to go to the Military Affairs Committee.

Mr. SMOOT. Mr. President, the measure merely involves the acquisition of certain land in connection with a target range; that is all. It is a bill in which the department is very much interested. At present the use of the target range is attended with considerable danger. Last year and the year before there were some cattle and sheep killed upon private lands which are involved in this bill.

Mr. REED. I should think we could pay for the cattle and sheep that are killed for less than $120,000, which is the appropriation carried in this bill.

Mr. SMOOT. That is true; but because of present conditions some people also might be killed during target practice.

Mr. REED. Furthermore, I notice that the War Department recommends against the passage of the bill. I think the bill ought to go to the Committee on Military Affairs, and I so move.

Mr. SMOOT. I have no objection to the bill being referred to the Committee on Military Affairs, if the Senator from Pennsylvania thinks it should be so referred.

Mr. REED. Mr. President, I think the bill should be referred to the Committee on Military Affairs.

The VICE PRESIDENT. The question is on the motion of the Senator from Pennsylvania [Mr. REED] that the bill be referred to the Committee on Military Affairs.

The motion was agreed to.

RESOLUTION PASSED OVER

The concurrent resolution (S. Con. Res. 6) favoring the designation and appropriate observance of American Conservation Week was announced as next in order.

Mr. SMOOT. I ask that that concurrent resolution go over.

The VICE PRESIDENT. The concurrent resolution will go over.

BILL INDEFINITELY POSTPONED

The bill (S. 697) to authorize reimbursement of Dr. B. W. Black, formerly a commissioned officer of the United States Public Health Service, for travel performed subsequent to June 7, 1924, under orders of the Secretary of the Treasury, issued prior to that date, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. ROBINSON of Arkansas. I move the indefinite postponement of the bill.

The motion was agreed to.

BILL PASSED OVER

The bill (S. 2190) to amend section 300 of the World War veterans' act, 1924, as amended, which had been reported from the Committee on Finance adversely, was announced as next in order.

Mr. REED. I move that that bill be indefinitely postponed.

Mr. JOHNSON. Mr. President, may I ask, because of the necessary absence of my colleague [Mr. SHORTRIDGE] that the bill go over rather than that it be indefinitely postponed?

Mr. REED. Very well.

The VICE PRESIDENT. The bill will be passed over.

BILL INDEFINITELY POSTPONED

The bill (S. 2528) to extend the benefits of the World War veterans' act, 1924, as amended, to John Melville, which had been adversely reported from the Committee on Finance, was announced as next in order.

Mr. REED. I move that that bill be indefinitely postponed.

The motion was agreed to.

SULPHUR PRODUCTION ON THE PUBLIC DOMAIN IN NEW MEXICO

The bill (S. 3276) to amend the act entitled "An act to promote the production of sulphur upon the public domain within the State of Louisiana," approved April 17, 1926, was announced as next in order.

Mr. ROBINSON of Arkansas. I think this measure should be explained to the Senate.

The VICE PRESIDENT. The bill was reported by the junior Senator from New Mexico [Mr. CUTTING], who is absent.

Mr. ROBINSON of Arkansas. In his absence I suggest that the bill go over.

Mr. BRATTON. Mr. President, it is my understanding that this bill merely proposes to extend the provisions of the act approved April 17, 1926, to the State of New Mexico. As originally enacted, the law was limited to the State of Louisiana. The amendment embodied in the bill simply includes New Mexico in the original act.

Mr. ROBINSON of Arkansas. I know of no objection to the bill.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to promote the production of sulphur upon the public domain within the State of Louisiana," approved April 17, 1926, is amended by striking out the words "State of Louisiana" wherever they appear in such act and inserting in lieu thereof "States of Louisiana and New Mexico."

SIX-HOUR DAY FOR RAILWAY EMPLOYEES

The joint resolution (H. J. Res. 252) to authorize the Interstate Commerce Commission to make an investigation as to the possibility of establishing a 6-hour day for railway employees was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Interstate Commerce Commission be, and is hereby, directed to investigate what would be the effect upon operation, service, and expenses of applying the principle of a 6-hour day in the employment of all classes and each particular class of railway employees because of such application.

SEC. 2. The commission is further directed to report its findings to the Congress on or before December 15, 1932.

SALE OF PUBLIC LANDS TO PROVO, UTAH

The Senate proceeded to consider the bill (S. 681) providing for the sale of certain public lands to the city of Provo, Utah, which had been reported from the Committee on Public Lands with amendments.

Mr. McKELLAR. I ask the Senator from Utah if the bill, as amended, now conforms with the recommendation of Mr. Smith?

Mr. SMOOT. It does; and it is also in conformity with the recommendations of the Secretary of the Interior.

The VICE PRESIDENT. The amendments reported by the Committee on Public Lands will be stated.

The amendments were, on page 1, after line 2, to strike out "That the Secretary of the Interior is authorized and directed to provide for an appraisal of the following-de-

scribed public lands and to convey the same by quitclaim deed to the city of Provo, Utah, upon the payment by the said city to the United States of an amount equal to the value of the said lands as determined by such appraisal," and in lieu thereof to insert "That upon the payment of $1.25 per acre there is hereby granted to the city of Provo, Utah, and the Secretary of the Interior is hereby authorized and directed to issue patent to said grantee for certain public lands in Utah for the protection of the watershed furnishing the water for said city, the land being described as follows."

On page 2, line 11, after the word "meridian," to insert "except as to the lands in Federal power project No. 596 in the southeast quarter northeast quarter section 33, and northwest quarter northwest quarter section 34, as shown by the map filed with the application for license designated and described as 'Exhibit K, detail map of Olmsted project of Utah Power & Light Co., showing location of dam, power house, lands, and center line of flume,' and received in the office of the Federal Power Commission April 3, 1925, and as to the land in Federal power project No. 596 in the southwest quarter northeast quarter section 33, as shown by the map filed with the application for amendment to the license designated and described as 'Exhibit K–2, amendment of project No. 596—Utah,' and received in the office of the Federal Power Commission February 11, 1932: *Provided,* That there shall be reserved to the United States all oil, coal, and other mineral deposits that may be found on the lands so patented and the right to prospect for, mine, and remove same: *Provided further,* That any patent issued under this act shall be subject to the provisions, reservations, conditions, and limitations of section 24 of the Federal water power act as to the southeast quarter northeast quarter and southwest quarter southwest quarter section 33 and northwest quarter northwest quarter section 34," and on page 3, line 15, after the word "effect," to strike out "All reservations and withdrawals heretofore made by Executive order or otherwise with respect to such lands are hereby revoked," so as to make the bill read:

Be it enacted, etc., That upon the payment of $1.25 per acre there is hereby granted to the city of Provo, Utah, and the Secretary of the Interior is hereby authorized and directed to issue patent to said grantee for certain public lands in Utah for the protection of the watershed furnishing the water for said city, the land being described as follows: The east half northeast quarter, the southwest quarter northeast quarter, the west half southwest quarter, and the northwest quarter section 33, township 5 south, range 3 east, Salt Lake meridian; the northwest quarter northwest quarter section 34, township 5 south, range 3 east, Salt Lake meridian; and the southwest quarter southwest quarter section 27, township 5 south, range 3 east, Salt Lake meridian, except as to the lands in Federal power project No. 596 in the southeast quarter northeast quarter section 33, and northwest quarter northwest quarter section 34, as shown by the map filed with the application for license designated and described as "Exhibit K, detail map of Olmsted project of Utah Power & Light Co., showing location of dam, power house, lands, and center line of flume," and received in the office of the Federal Power Commission April 3, 1925, and as to the land in Federal power project No. 596 in the southwest quarter northeast quarter section 33, as shown by the map filed with the application for amendment to the license designated and described as "Exhibit K–2, amendment of project No. 596—Utah," and received in the office of the Federal Power Commission February 11, 1932: *Provided,* That there shall be reserved to the United States all oil, coal, and other mineral deposits that may be found on the lands so patented and the right to prospect for, mine, and remove same: *Provided further,* That any patent issued under this act shall be subject to the provisions, reservations, conditions, and limitations of section 24 of the Federal water power act as to the southeast quarter northeast quarter and southwest quarter southwest quarter section 33 and northwest quarter northwest quarter section 34. The lands so conveyed shall be used exclusively for the purpose of protecting the watershed of such city, and in the event that the city fails to use the lands for such purposes, or attempts to alienate such lands, title thereto shall revert to the United States; and the deed herein provided for shall contain an express condition to this effect.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN FALLON, NEV.

The Senate proceeded to consider the bill (S. 3154) authorizing the conveyance of certain lands to the city of Fallon, Nev., which had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 4, after the word "conveyed," to strike out "by quitclaim deed," and on page 2, line 1, after the word "less," to insert "upon condition that the city shall make payment for the land at the rate of $1.25 per acre within six months after the approval of this act: *Provided,* That there shall be reserved to the United States all oil, coal, or other mineral deposits found at any time in the land, and the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may prescribe: *Provided further,* That the grant herein is made subject to any valid existing claim or easement, and that the land hereby granted shall be used by the city of Fallon, Nev., only for a dumping ground, and if the said land or any part thereof shall be abandoned for such use, said land or such part shall revert to the United States; and the Secretary of the Interior is hereby authorized and empowered to declare such a forfeiture of the grant and to restore said premises to the public domain if at any time he shall determine that the city has for more than one year abandoned the land for the use herein indicated, and such order of the Secretary shall be final and conclusive, and thereupon and thereby said premises shall be restored to the public domain and freed from the operations of this grant," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey to the city of Fallon, Nev., for use as a dumping ground, the following-described lands heretofore withdrawn from entry for irrigation purposes: The southwest quarter southwest quarter southwest quarter section 20 and the northwest quarter northwest quarter northwest quarter northwest quarter section 29, all in township 19 north, range 29 east, Mount Diablo meridian, consisting of 20 acres, more or less, upon condition that the city shall make payment for the land at the rate of $1.25 per acre within six months after the approval of this act: *Provided,* That there shall be reserved to the United States all oil, coal, or other mineral deposits found at any time in the land, and the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may prescribe: *Provided further,* That the grant herein is made subject to any valid existing claim or easement, and that the land hereby granted shall be used by the city of Fallon, Nev., only for a dumping ground, and if the said land or any part thereof shall be abandoned for such use said land or such part shall revert to the United States; and the Secretary of the Interior is hereby authorized and empowered to declare such a forfeiture of the grant and to restore said premises to the public domain if at any time he shall determine that the city has for more than one year abandoned the land for the use herein indicated, and such order of the Secretary shall be final and conclusive, and thereupon and thereby said premises shall be restored to the public domain and freed from the operations of this grant.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INSURANCE COMPANIES IN THE DISTRICT OF COLUMBIA

The bill (S. 3584) to require all insurance corporations formed under the provisions of Chapter XVIII of the Code of Law of the District of Columbia to maintain their principal offices and places of business within the District of Columbia, and for other purposes, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, this appears to be a measure of some importance. I do not see the Senator from Kansas [Mr. CAPPER], who introduced the bill, or the Senator from Utah [Mr. KING], who reported it, in the Chamber. It appears to make changes in the Code of the District of Columbia with regard to the situs of the offices of insurance companies. In the absence of those two Senators, unless some one else will explain it, I will ask that the bill go over for the present.

The VICE PRESIDENT. The bill will be passed over.

LIVESTOCK AND POULTRY QUARANTINE

The Senate proceeded to consider the joint resolution (S J. Res. 7) for the amendment of the acts of February 2, 1903, and March 3, 1905, as amended, to allow the States to quarantine against the shipment thereto, therein, or through of livestock, including poultry, from a State or Territory or portion thereof where a livestock or poultry disease is found to exist, which is not covered by regulatory action of the

Department of Agriculture, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

The first amendment was, in section 1, page 2, line 10, after the word "into," to strike out the words "or through," so as to make the section read:

That the act of February 2, 1903 (32 Stat. L. 792), as amended by the act of February 7, 1928 (45 Stat. L. 59), be, and the same is hereby, further amended by adding at the end of section 2 thereof the following: *Provided*, That until the Secretary of Agriculture shall have made regulations and taken measures to prevent the introduction or dissemination of the contagion of a contagious, infectious, or communicable disease of livestock, including live poultry, from one State or Territory or the District of Columbia to another, nothing in said act shall prevent or shall be construed to prevent any State, Territory, or District from enacting, promulgating, and enforcing any quarantine, prohibiting or restricting the transportation of any livestock, including live poultry, into such State, Territory, District, or portion thereof, from any other State, Territory, District, or portion thereof, when it shall be found by the State, Territory, or District promulgating or enacting the same, that such contagious, infectious, or communicable disease exists in such other State, Territory, District, or portion thereof: *Provided further*, That no quarantine so enacted shall be based upon a specific test which is not a test recognized and approved by the Secretary of Agfriculture: *And provided further*, That the Secretary of Agriculture is hereby authorized, whenever he deems such action advisable and necessary to carry out the purposes of this act, as amended, to cooperate with any State, Territory, or District, in connection with any quarantine, enacted or promulgated by such State, Territory, or District, as specified in the preceding provisos.

The amendment was agreed to.

The next amendment was, in section 2, page 3, line 15, after the word "into," to strike out the words "or through," so as to make the section read:

SEC. 2. That the act of March 3, 1905 (32 Stat. L. 1264), as amended by the acts of March 4, 1913 (37 Stat. L. 831), and February 7, 1928 (45 Stat. L. 59), be, and the same is hereby, further amended by adding at the end of section 1 thereof the following: "*Provided*, That until the Secretary of Agriculture shall have determined the fact that cattle or other livestock, including poultry, are affected with a contagious, infectious, or communicable disease, and has quarantined a State, Territory, or the District of Columbia, or a portion thereof, with reference to such disease, as provided in this act, as amended, nothing in said act shall prevent or shall be construed to prevent any State, Territory, or District from enacting, promulgating, and enforcing any quarantine, prohibiting or restricting the transportation of any livestock, including live poultry, into such State, Territory, District, or portion thereof, from any other State, Territory, District, or portion thereof, when it shall be found by the State, Territory, or District promulgating or enacting the same that such contagious, infectious, or communicable disease exists in such other State, Territory, District, or portion thereof: *Provided further*, That no quarantine so enacted shall be based upon a specific test which is not a test recognized and approved by the Secretary of Agriculture: *And provided further*, That the Secretary of Agriculture is hereby authorized, whenever he deems such action advisable and necessary to carry out the purposes of this act, as amended, to cooperate with any State, Territory, or District in connection with any quarantine enacted or promulgated by such State, Territory, or District, as specified in the preceding provisos."

The amendment was agreed to.

Mr. WALSH of Montana. Mr. President, I should like to say that this measure was recommended in hearings held before the Committee on Agriculture and Forestry during the last Congress. It was recommended likewise by the National Association of Veterinarians. It also has the approval of the committee, and a similar measure was passed by the Senate during the last Congress.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution for the amendment of the acts of February 2, 1903, and March 3, 1905, as amended, to allow the States to quarantine against the shipment thereto or therein of livestock, including poultry, from a State or Territory or portion thereof where a livestock or poultry disease is found to exist, which is not covered by regulatory action of the Department of Agriculture, and for other purposes."

CONSERVATION OF RAINFALL

The bill (S. 2290) for the conservation of rainfall in the United States was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to ask the Senator from Texas [Mr. SHEPPARD], who is the author of the bill, a question regarding it. The bill seems to authorize an additional governmental activity.

Mr. SHEPPARD. It does not authorize an additional activity.

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Texas?

Mr. McKELLAR. Certainly, I yield to the Senator, because I am asking him a question.

Mr. SHEPPARD. It is not a new activity.

Mr. McKELLAR. I want to know if it is going to require the appropriation of any more money? Apparently, on its face, it is an authorization bill, but according to the program adopted by the departments, whenever authority is granted by the Congress to perform additional work, the first thing they do is to establish a $5,000 chief of bureau, and any number of assistants, and in a short time the new activity develops into a bureau. So in this case we may have a bureau to control or conserve the rainfall of the United States. I do not want to object to the bill, and I am not opposed to the work being done, but I really think we ought not to enlarge the bureaus that already exist or to establish new ones.

Mr. SHEPPARD. This bill does not create any new bureau, and will not lead to the creation of a new one. It seeks to authorize by law work already done under the regular annual appropriation bill.

Mr. SMOOT. Then why should we pass this bill?

Mr. SHEPPARD. So that provision for the work may have the force of law. Under present circumstances provision is made for the work in the appropriation bill each year. It seems to me that work of such importance ought to be authorized by law.

Mr. SMOOT. I see no report from the department, and I will ask that the bill go over.

Mr. SHEPPARD. The report from the department was favorable, but for some reason it was omitted from the printed report on the bill.

The VICE PRESIDENT. Objection is made.

Mr. McKELLAR. Mr. President, if the Senator from Utah will withhold his objection for a moment, before the bill goes over, I want to suggest to the Senator from Texas that if he will put a proviso in the bill to the effect that it does not contemplate the establishment of another bureau or entail any additional appropriation or expense, I am perfectly willing to have the bill considered, but I do not think we ought to authorize the establishment of any new bureaus.

Mr. SHEPPARD. I thank the Senator, and I shall be glad to consider his suggestions.

The VICE PRESIDENT. The bill will go over.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 15) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, to authorize the letting of the Muscle Shoals properties under certain conditions, and for other purposes, was announced as next in order.

Mr. FESS. I ask that the joint resolution go over.

The VICE PRESIDENT. The joint resolution will be passed over.

LOSSES DUE TO ERADICATION OF MEDITERRANEAN FRUIT FLY IN FLORIDA

The bill (S. 266) to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

Mr. TRAMMELL. Mr. President, I do not know who objected to the bill, but I will ask that the objection be withheld for a moment until I may make a statement.

Mr. VANDENBERG. I objected. I assume that this is precisely the same proposition which the Senate on a roll call voted down the other day. Am I correct about that?

Mr. TRAMMELL. It is not precisely the same. It is in substance the same. This bill, however, comes before the Senate with a favorable recommendation on the part of the Committee on Agriculture and Forestry, with some

amendments proposed by the committee. I think we are entitled to have a hearing of this measure, and I dislike very much to have just one Senator bar us from having this matter considered, a matter that has been before Congress off and on for the last two or three years.

The bill merely provides, as I have before said, for a survey and investigation of damages in Florida during the campaign to eradicate the Mediterranean fruit fly. The committee has suggested that an appropriation of only $10,000 be made. I should like very much to have that amended so as to provide $25,000, as I think $10,000 would be quite inadequate.

I can not quite appreciate why any Senator would object to us having this inquiry and examination made. What particular objection has the Senator?

Mr. VANDENBERG. Mr. President, in view of the recent parliamentary history of this particular item, I think it is wholly impossible for it to be passed under the unanimous-consent order, in accordance with which the Senate is now operating. I am perfectly willing for the Senator to have a hearing on the bill whenever there is time for a hearing, but it can not be done under the existing order, in my judgment, in view of the fact that the Senate rather definitely within the last 10 days has declined to consider a kindred proposition; and for the time being I shall insist upon my objection.

The VICE PRESIDENT. The Senator from Michigan objects.

Mr. TRAMMELL. Mr. President, I think I had the floor. The action of the Senate to which the Senator from Michigan refers involved the question of suspending the rules. Such a motion was made in connection with the amendment pending some days ago, just as other Senators at times give notice of a motion to suspend the rules.

I know of a good many Senators who voted against the motion to suspend the rules who are perfectly willing for us to have this bill passed. At that time they were not voting on the merits of the measure. I think that vote was not quite an indication of the sentiment of the Senate. Of course, there were some who voted against it and are probably against anything at all in the nature of relief under the circumstances, but I do not believe the vote was indicative of the real sentiment of the Senate as to the merits of the measure.

Mr. VANDENBERG. It still creates a $10,000 bureau. There is no argument about that, is there?

Mr. FLETCHER. Mr. President——

Mr. TRAMMELL. I yield to my colleague.

Mr. FLETCHER. I desire to say to the Senator from Michigan, in the first place, that the vote the other day, as my colleague has suggested, was on the question of suspending the rules, not on the merits of the amendment he was going to propose if the rules had been suspended.

Then I desire to suggest one other thing to the Senator from Michigan, and that is this: The committee has stricken out a great deal of the amendment that was suggested the other day. The proposition now is quite different from the amendment that was then proposed. The committee has reported the bill with certain amendments and has stricken out the language that would involve some inquiries that would not be involved if the amendments are agreed to. The bill in its present form merely calls for a survey, which the department, I think, is willing to make, and it has the funds with which to make it. If this appropriation is made, even of $10,000, the department still has two or three hundred thousand dollars in that fund in its control.

Mr. VANDENBERG. Mr. President, whenever the parliamentary situation permits, the Senator from Florida to move to take up the bill, he can do so. I shall insist upon my objection under the unanimous-consent agreement.

Mr. TRAMMELL. Of course I could make the motion now, but I am not going to do it, because I know a good many Senators who are really favorable to the bill who would be opposed to taking it up by motion and having it interfere with the consideration of other bills on the calendar. I am very sorry the Senator is not willing to have it taken up at this time.

The VICE PRESIDENT. The bill will be passed over. The clerk will state the next bill on the calendar.

PEARL RIVER BRIDGE, LEAKE COUNTY, MISS.

The Senate proceeded to consider the bill (S. 3836) to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss., which had been reported from the Committee on Commerce with an amendment, on page 1, line 6, after the words "near the," to strike out "northwest" and insert "northeast," so as to make the bill read:

Be it enacted, etc., That the Pearl River Valley Lumber Co. is hereby authorized to construct a temporary railroad bridge connecting its timber holdings and its lands and timber across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECONSTRUCTION FINANCE CORPORATION—LOANS TO FARMERS

The Senate proceeded to consider the joint resolution (S. J. Res. 116) relating to the allocation of funds to the Secretary of Agriculture under the Reconstruction Finance Corporation act.

Mr. JONES. Mr. President, I have no objection to the joint resolution, but I desire to offer an amendment to its wording. After the word "purposes," in line 9, I move to insert the words "which shall include summer fallowing in 1932 for the crop of 1933."

The reason why I offer that amendment is this: There are several counties in the State of Washington which need this relief, and I think there are probably also some in Montana, where the growing of crops has to be done by summer fallowing. That means that the ground plowed this year will be left over until next year.

The VICE PRESIDENT. The Senator from Washington offers an amendment, which will be stated.

The CHIEF CLERK. On page 1, line 9, after the word "purposes," it is proposed to insert the words "which shall include summer fallowing in 1932 for the crop of 1933."

Mr. PATTERSON. Let the joint resolution go over.

The VICE PRESIDENT. The Senator from Missouri objects, and the joint resolution will be passed over.

Mr. THOMAS of Idaho. Mr. President——

The VICE PRESIDENT. The Senator from Missouri has objected.

Mr. THOMAS of Idaho. I should like to ask the Senator from Missouri to withhold his objection for just a minute.

This joint resolution simply makes immediately available the fund appropriated in the Reconstruction Finance Corporation act. The Secretary of Agriculture has set up the administration of this act in all the States. These funds must be used within the next 60 days or they are of no value to the farmer, and the thought of this bill is simply to authorize the transfer immediately.

Mr. PATTERSON. Mr. President, in a conference with the Secretary of Agriculture he asked that the joint resolution go over. I am not familiar with the merits or the demerits of the joint resolution. Therefore I shall have to insist upon my objection.

The VICE PRESIDENT. Objection being made, the joint resolution will be passed over.

BILL PASSED OVER

The bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal

year ending June 30, 1933, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

LITTLE TRUCKEE RIVER RESERVOIR, CALIF.

The bill (S. 3744) for the construction of a reservoir in the Little Truckee River, Calif., and for such dams and other improvements as may be necessary to impound the waters of Webber, Independence, and Donner Lakes, and for the further development of the water resources of the Truckee River was announced as next in order.

Mr. FESS. Let that go over.

Mr. ODDIE. Mr. President, I ask the Senator from Ohio if he will withdraw his objection for a moment.

Mr. FESS. I withhold it, but I will not withdraw it.

Mr. ODDIE. Mr. President, this is a bill that passed the Senate last year, after several delays. It passed too late for the House to act on it. The Secretary of the Interior last year wrote a letter to the Senator from Washington [Mr. JONES] stating that if certain amendments which have been included in the bill were included he would have no objection to the bill. It means a great deal to the State of Nevada and to portions of the State of California in consummating an agreement between the two States which has been under consideration for some time. It involves a very important problem, and I ask the Senator if he will not withdraw his objection.

Mr. FESS. Mr. President, I notice that the Secretary of the Interior says that while he has no objection to this measure—

Senator ODDIE will, of course, clearly understand that passage of this bill will not expedite construction of the project contemplated by his bill. The reclamation fund has no money available and the appropriations now pending in Congress for the reclamation fund are restricted to projects already in construction, and will be so used.

I see no reason why this bill should pass, under those circumstances.

Mr. ODDIE. May I answer the Senator by saying that in the letter of the Secretary he states that nothing can be done until an agreement is reached with the parties in interest in Nevada which will provide for the repayment of this money to the Government. It is a matter of vital importance to thousands of people in that country.

Mr. FESS. Does the Senator think he can get an authorization of $750,000 in five years under the circumstances under which we are working now?

Mr. ODDIE. This matter was debated in the Senate last year, and the bill was passed by the Senate. It means so much to our State that I ask the Senator if he will not withdraw his objection and let the bill go through.

Mr. FESS. No; I will not, Mr. President.

The VICE PRESIDENT. The Senator from Ohio objects, and the bill will be passed over.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Ohio a question?

Mr. FESS. Certainly.

Mr. ROBINSON of Arkansas. Just a moment ago we were informed by the Senator from Missouri [Mr. PATTERSON] that Order of Business No. 427, Senate Joint Resolution 116, relating to the allocation of funds to the Secretary of Agriculture under the Reconstruction Finance Corporation act, should go over because the Secretary of Agriculture did not want the Senate to consider it now. The Secretary of Agriculture, it seems, had requested the Senator from Missouri to object to the consideration of the bill. The Senator from Missouri stated that he knew nothing about the merits of the joint resolution, but that at the request of the Secretary he would object to its consideration. I assume that the Senator from Ohio is not reflecting any such request from the Secretary of the Interior.

Mr. FESS. Not at all.

Mr. ROBINSON of Arkansas. It has not become a general practice for Cabinet officers to request the Senate to consider or not to consider bills on its calendar. So far as I know, the Secretary of Agriculture is the only one who indulges in that unusual practice.

Mr. FESS. No such request has ever been made to me by any member of the Cabinet. The only point is that $750,000 is involved in this measure. I want to look into it, since the Secretary of the Interior states that it can not be used at this time. If it can be, and we have the money, I shall withhold my objection later on.

The VICE PRESIDENT. Objection being made, the bill will be passed over. The clerk will state the next bill on the calendar.

WILLIE HUTCHINSON

The Senate proceeded to consider the bill (S. 1295) for the relief of Willie Hutchinson, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 10, after the word "service," to insert "*Provided*, That no back pay, pension, or allowance shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Willie Hutchinson, formerly private, Three hundred and nineteenth Labor Company, United States Army, shall hereafter be held and considered to have been honorably discharged March 6, 1919, from the military service of the United States, by reason of physical unfitness for military service: *Provided*, That no back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WICHITA, ETC., INDIANS IN OKLAHOMA

The Senate proceeded to consider the bill (S. 1719) amending the act of Congress entitled "An act authorizing the Wichita and affiliated bands of Indians in Oklahoma to submit claims to the Court of Claims," approved June 4, 1924, which had been reported from the Committee on Indian Affairs with an amendment, on page 2, line 7, after the word "Indians," to insert "*Provided*, That the balance of such judgment shall be placed in the United States Treasury to the credit of the Indians entitled thereto, where it shall draw interest at the rate of 4 per cent per annum, and shall be thereafter subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, and no part of said judgment shall be paid out in per capita payments to said Indians unless authorized by Congress," so as to make the bill read:

Be it enacted, etc., That section 3 of the act of Congress entitled "An act authorizing the Wichita and affiliated bands of Indians in Oklahoma to submit claims to the Court of Claims," approved June 4, 1924 (43 Stat. 366), be, and the same hereby is, amended to read as follows:

"SEC. 3. That upon the final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery, together with all necessary and proper expenses incurred in the preparation and prosecution of said suit or suits, to be paid to the attorneys employed by said Wichita and affiliated bands of Indians, and the same shall be included in the decree and paid out of any sum or sums found to be due said Indians: *Provided*, That the balance of such judgment shall be placed in the United States Treasury to the credit of the Indians entitled thereto, where it shall draw interest at the rate of 4 per cent per annum, and shall be thereafter subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, and no part of said judgment shall be paid out in per capita payments to said Indians unless authorized by Congress."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3536) for the relief of Jerry O'Shea was announced as next in order.

Mr. REED. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

AMENDMENT OF NAVIGATION RULES FOR GREAT LAKES

The bill (S. 3908) to amend title 33, chapter 4, section 252, paragraph (a), of the Navigation Rules for the Great Lakes

and Their Connecting and Tributary Waters was considered by the Senate and was read, as follows:

Be it enacted, etc., That title 33, chapter 4, section 252, paragraph (a), of the Navigation Rules for the Great Lakes and Their Connecting and Tributary Waters, approved February 8, 1895, be, and it is hereby, amended as follows:

"SEC. 252, LIGHTS OF STEAM VESSELS UNDER WAY

"Rule 3. Except in the cases hereinafter expressly provided for, a steam vessel when under way shall carry:

"(a) On or in front of the foremast, or if a vessel without a foremast, then in the fore part of the vessel, at a height above the hull of not less than 20 feet, and if the beam of the vessel exceeds 20 feet, then at a height above the hull not less than such beam, so, however, that such height need not exceed 40 feet, a bright white light so constructed as to show an unbroken light over an arc of the horizon of 20 points of the compass, so fixed as to throw the light 10 points on each side of the vessel, namely, from right ahead to 2 points abaft the beam on either side, and of such character as to be visible at a distance of at least 5 miles: *Provided, however,* That such vessels built to navigate the New York State Barge Canal or other similar canals where the bridges prevent them from carrying the headlight at the height prescribed herein, shall carry such headlight not less than 20 feet above the hull."

SEC. 2. This act shall take effect April 15, 1932.

Mr. ROBINSON of Arkansas. Mr. President, this appears to be a bill of some importance. I ask that the Senator who introduced it explain its provisions.

Mr. JOHNSON. Mr. President, this bill was introduced at the instance of the Commerce Department. It is not the bill of any individual Senator at all. The department sent the bill to the Vice President, and the Vice President transmitted it to the Commerce Committee.

The bill is designed to take care of those instances in the carrying of the red light where there are already built bridges, and the light can not be carried upon vessels at the height fixed by law; so that, as I understand the bill—I looked at the matter very hastily when it came before our committee—it makes the following exception:

Provided, however, That such vessels built to navigate the New York State Barge Canal or other similar canals where the bridges prevent them from carrying the headlight at the height prescribed herein, shall carry such headlight not less than 20 feet above the hull.

Mr. ROBINSON of Arkansas. The report of the Acting Secretary of Commerce indicates that the bill does not add any new personnel or expenditure.

Mr. JOHNSON. Nothing, so the Commerce Department stated to us.

Mr. ROBINSON of Arkansas. I have no objection to its consideration.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2355) to define, regulate, and license real-estate brokers and real-estate salesmen, to create a real-estate commission in the District of Columbia, to protect the public against fraud in real-estate transactions, and for other purposes, was announced as next in order.

Mr. REED. Mr. President, it is obviously impossible for the Senate to consider a bill of such length under the 5-minute rule. I ask that it may go over.

The VICE PRESIDENT. The bill will be passed over.

SALE OF SECURITIES IN THE DISTRICT OF COLUMBIA

The bill (S. 3362) to prevent fraud in the promotion or sale of stock, bonds, or other securities sold or offered for sale within the District of Columbia; to control the sale of the same; to register persons selling stocks, bonds, or other securities; to provide punishment for the fraudulent or unauthorized sale of the same; to make uniform the law in relation thereto, and for other purposes, was announced as next in order.

Mr. REED. Mr. President, I make the same request, for the same reason.

The VICE PRESIDENT. The bill will be passed over.

SEWAGE-DISPOSAL INVESTIGATION

The resolution (S. Res. 44) providing for a Public Health Service investigation of District of Columbia sewage-disposal methods in the Potomac River was read and agreed to, as follows:

Resolved, That the Surgeon General of the United States Public Health Service is requested to make an investigation of conditions resulting from the present method of disposing of sewage from the District of Columbia in the Potomac River with a view to determining (1) the extent to which such disposal constitutes a menace to public health and an annoyance to the residents along the river and destroys the fish and oysters in such river and makes them unfit for human consumption and (2) whether there is a more suitable method of disposing of such sewage and, if so, the estimated cost thereof. The Surgeon General shall report to the Senate as soon as practicable the results of such investigation, together with his recommendations.

EASTERN DISPENSARY AND CASUALTY HOSPITAL

The bill (S. 1307) providing for an appropriation toward the alteration and repair of the buildings of Eastern Dispensary and Casualty Hospital was announced as next in order.

Mr. McKELLAR. Mr. President, I would like to have some explanation of this bill. Does the Eastern Dispensary and Casualty Hospital belong to the Government of the United States?

Mr. CAPPER. It does not.

Mr. McKELLAR. To whom does it belong?

Mr. CAPPER. There is a board in charge of it. It is a private institution.

Mr. McKELLAR. We are asked in this bill to authorize the expenditure of $50,000 for the alteration and repair of property which does not belong to the Government of the United States or to the city of Washington?

Mr. CAPPER. Let me ask the Senator from New York, who had charge of the bill, to give the information to the Senator.

Mr. COPELAND. Mr. President, in this city the emergency and ambulance work is done by private hospitals, the Emergency Hospital at one end of the city and the Casualty Hospital at the other. Both of those institutions are privately owned, but in order to carry on this emergency work it is necessary that there should be certain improvements made at the Casualty Hospital, and they have no funds for making them. The bill simply provides for work at that hospital which will make it possible to continue their ambulance and emergency work. I think it ought to be passed.

Mr. BINGHAM. Mr. President, I ask the chairman of the Committee on the District of Columbia whether there was any report from the Commissioners of the District of Columbia.

Mr. CAPPER. Yes. There is a report. It does not approve the bill.

Mr. BINGHAM. The Commissioners of the District oppose it?

Mr. CAPPER. They think it is possibly a dangerous precedent, and that other institutions might ask the same favor, but the commissioners believe that the institution is worthy and is doing a good work.

Mr. McKELLAR. Mr. President, I ask that the bill go over.

Mr. REED. Mr. President, before it goes over, may I ask a question?

Mr. McKELLAR. I withhold my request.

Mr. REED. If the Commissioners of the District have actually reported on this bill, whether adversely or favorably, does not the Senator from New York think that in fairness to the Senate their letter should be included in the report?

Mr. COPELAND. I think it should be. It is fair to say that they said it was contrary to the present fiscal plan. Naturally, in desiring to have economies perfected, they were in opposition to it.

Let me call the attention of the Senator to the fact that it is an authorization. It would have to be fought out in the Committee on Appropriations as to whether it is a worthy, worth-while, and needed improvement. Personally, I think it is. I think the Committee on Appropriations should pass upon the merits of the request.

Mr. REED. I suggest to the Senator that before the bill comes up again the report should be revised to include the commissioners' opinion.

Mr. COPELAND. I have no objection to that.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). On objection, the bill will be passed over, and under the unanimous-consent agreement, the clerk will report the first bill on the calendar.

INVESTIGATION OF BOSTON POST-OFFICE GARAGE LEASE

The bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, was announced as first in order on the calendar.

Mr. BLAINE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF IMMIGRATION ACT

The bill (S. 268) to amend subdivision (c) of section 4 of the immigration act of 1924, as amended, was announced as next in order.

The PRESIDING OFFICER. The bill will be passed over, in the absence of the Senator from Georgia [Mr. HARRIS], who reported the bill from the Committee on Immigration.

MAILING OF UNSOLICITED MERCHANDISE

The bill (S. 1663) to prohibit the sending of unsolicited merchandise through the mails was announced as next in order.

Mr. MCNARY. Mr. President, the junior Senator from Maryland [Mr. GOLDSBOROUGH], who is necessarily absent, has left with me an amendment to this bill, which I now propose.

Mr. BRATTON. Mr. President, the author of the bill is absent. In his absence, I ask that it may go over.

Mr. MCNARY. I have no objection to it going over, but I would like to have the RECORD show that the amendment of the Senator from Maryland has been offered.

The PRESIDING OFFICER. Let the amendment be read.

The CHIEF CLERK. The Senator from Oregon [Mr. MCNARY], in behalf of the Senator from Maryland [Mr. GOLDSBOROUGH], offers the following amendment: On page 1, line 7, to insert "except any religious, charitable, or eleemosynary society or institution: *Provided*, That the Postmaster General may provide by suitable regulations for the submission of applications by any such religious, charitable, or eleemosynary society or institution, accompanied with satisfactory evidence of its bona fides, for the privilege of sending through the mails unsolicited merchandise bearing the pledge of the sender to pay the return postage if undeliverable or refused."

The PRESIDING OFFICER. Does the Senator from Oregon wish to have the amendment considered as pending?

Mr. ROBINSON of Arkansas. Let the amendment go over with the bill. I think the amendment will require some consideration.

The PRESIDING OFFICER. The amendment will be considered as pending, and the bill will be passed over.

MARY WILLOUGHBY OSTERHAUS

The bill (S. 209) granting an increase of pension to Mary Willoughby Osterhaus was announced as next in order.

Mr. ROBINSON of Arkansas. Let that go over.

The PRESIDING OFFICER. The bill will go over.

ROSA E. PLUMMER

The Senate proceeded to consider the bill (S. 111) for the relief of Rosa E. Plummer, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Rosa E. Plummer, a former employee in the Bureau of Engraving and Printing: *Provided*, That compensation, if any, shall commence from and after the date of the passage of this act

Mr. ROBINSON of Arkansas. Mr. President, this bill as proposed to be amended becomes of considerable importance. I inquire of the Senator in charge of the bill whether there are precedents for waiving the provisions of a general statute in favor of an individual?

Mr. HOWELL. Mr. President, this is the case where the claimant failed to file her claim until two years after the claim arose. The bill originally provided that the claimant should be placed on the roll and paid, but it was amended by the committee so that the claimant would merely have the right to appear before the Compensation Commission; that is, we merely waived the statute of limitations and provided that if any allowance were made it should not be retroactive.

Mr. ROBINSON of Arkansas. Mr. President, I would like to inquire why the statute of limitations should be waived in favor of a single claimant? Of course, the object of the statute of limitations is to shut off claims. It is conceivable that there might be something in the case of an individual which would make an exception on the merits of the proposition. There might be reasons for it, but it is an unusual precedent.

Mr. COUZENS. Mr. President, I may say that there is quite a conflict of policy in the Senate with respect to waiving the statute of limitations. The chairman of the Committee on Finance will bear me out in the statement that the committee refuses to recognize bills where the statute of limitations is to be waived for the collection of claims; but the Committee on Claims, of which the junior Senator from Nebraska [Mr. HOWELL] is chairman, is waiving the statute of limitations in a number of cases. The Finance Committee is being criticized for not waiving the statute, and the Committee on Claims is being acclaimed for waiving the statute of limitations.

It does seem to me that there should be some uniform policy in the Senate as to whether or not we are going to waive the statute of limitations where individual claims are presented. One committee is doing it, and another committee is refusing to do it.

Mr. ROBINSON of Arkansas. In addition to that, we are waiving it in the case of one claimant and refusing to waive it in the case of another claimant.

Mr. COUZENS. That is exactly true.

Mr. ROBINSON of Arkansas. I very much doubt the wisdom and the policy of such legislation.

Mr. HOWELL. Mr. President, we have a number of cases coming before the Committee on Claims asking that the statute of limitations be waived, and other cases where they ask that even irrespective of the action of the Compensation Commission refusing relief, the claimant should be placed upon the pension roll.

The Committee on Claims in a number of cases has compromised, and merely allowed the claimants to go before the commission and prove their cases. That has been the practice; it was the practice long before I became chairman, and has been followed to a certain extent, but I am free to say that many times when a request for a waiver of the statute of limitations has been made the committee has refused such request.

Mr. ROBINSON of Arkansas. Are there circumstances in this particular case which, in the opinion of the committee, made it equitable to waive the statute?

Mr. HOWELL. I think what influenced the committee was that although this woman had been an employee of the Government for but four months in 1914, and for about one year and three months ending in May, 1918, she claimed that she had become blind because of being subjected to the glare of the electric lights. She did not make a claim until two years after her services terminated.

There are those who seem to think that she is entitled to consideration. The committee simply decided that they would allow her to go before the Compensation Commission and prove her case, notwithstanding the statute of limitations.

Mr. COUZENS. Mr. President, I wish to say that the comments I made previously had no reference to personal-injury claims, or claims for illness, or anything of that sort.

I had particular reference to claims for money made by institutions which had let the statute run, and were taking advantage of a decision of some court after the court had rendered a decision which enabled them to file a claim.

I was not making reference to the personal-injury cases to which the Senator from Nebraska has referred, and I do not want to be misunderstood, because I am quite in sympathy with the Senator's view about these personal-injury claims.

Mr. ROBINSON of Arkansas. Mr. President, I have read the report, and in view of the statements in it, and the statement made by the Senator from Nebraska, I do not desire to object to the consideration of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL MUSEUM OF ENGINEERING AND INDUSTRY

The bill (S. 2642) to establish a commission to be known as a Commission on a National Museum of Engineering and Industry was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF TARIFF ACT

The bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes, which had been reported from the Committee on Finance adversely, was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

REORGANIZATION OF EXECUTIVE AGENCIES

The joint resolution (S. J. Res. 76) authorizing the President to reorganize the executive agencies of the Government was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

DEPRECIATION OF FOREIGN CURRENCY VALUES

The resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes, was announced as next in order.

Mr. ROBINSON of Arkansas. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

SECOND POLAR YEAR PROGRAM

The bill (S. 2377) authorizing an appropriation to defray the expenses of participation by the United States Government in the Second Polar Year Program, August 1, 1932, to August 31, 1933, was announced as next in order.

Mr. ODDIE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

SHORT, ROSS, SHAW, AND MAYHOOD

The bill (S. 212) for the relief of Messrs. Short, Ross, Shaw, and Mayhood was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $60 to Messrs. Short, Ross, Shaw, and Mayhood, of Calgary, Alberta, Canada, for services performed in connection with the extradition of one Emmett A. Busby, who had been indicted in the United States District Court for the Southern District of California on a charge of concealment of assets of a bankrupt estate.

KENNETH CARPENTER

The bill (S. 213) authorizing adjustment of the claim of Kenneth Carpenter was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of Kenneth Carpenter for blood furnished August 29, 1930, for transfusion to Clarence C. Watson, a patient in a Government hospital, and to allow in full and final settlement of said claim an amount not in excess of $30. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $30, or so much thereof as may be necessary, for the payment of such claim.

OREM WHEATLEY ET AL.

The bill (S. 219) authorizing adjustment of the claims of Orem Wheatley, Kenneth Blaine, and Joseph R. Ball was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claims of Orem Wheatley for blood furnished April 15, 1931, and Kenneth Blaine for blood furnished April 22, 1931, for transfusions to Edwin Grinnell, a patient in a Government hospital, in amounts not in excess of $30 and $20, respectively; and, also, the claim of Joseph R. Ball for blood furnished June 30, 1931, for transfusion to Harry Blair, also a patient in a Government hospital, in an amount not in excess of $42, and to allow in full and final settlement of said claims amounts not in excess of the amounts herein stated. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $92, or so much thereof as may be necessary for the payment of said claims.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2335) for the relief of O. R. York was announced as next in order.

Mr. SMOOT. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1856) to provide for the relief of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, irrigation, and/or similar districts other than Federal reclamation projects, or to counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes, was announced as next in order.

Mr. DICKINSON. Over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 36) to change the name of the island of "Porto Rico" to "Puerto Rico" was announced as next in order.

Mr. TYDINGS. Over.

The bill (S. 2062) for the relief of Adam Augustus Shafer was announced as next in order.

Mr. DICKINSON. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2059) for the relief of Albert Ross was announced as next in order.

Mr. SMOOT. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2060) for the relief of Otto Schluter was announced as next in order.

Mr. SMOOT. Let the bill go over.

Mr. HALE. Mr. President, I would like to ask the Senator if he will not withdraw his objection to these bills? A number of such bills have been reported out by the Committee on Naval Affairs, the purpose of which is to hold and consider that certain men were honorably discharged from the naval service so that they may be able to apply for pension benefits. In all of these cases the committee has taken the view that if a man has had honorable service in war and has had at some time an honorable discharge, we would waive a later dishonorable discharge and consider his record as cleared.

Mr. SMOOT. But that is not all that is involved in the bill.

Mr. HALE. To which bill is the Senator referring?

Mr. SMOOT. I am referring to Calendar No. 216, Senate bill 2060. I objected to the preceding one on the same basis.

The Secretary of the Navy said:

This bill, if enacted into law, would probably make Ross eligible for a Spanish War pension of from $20 to $50 a month. In view of the foregoing, the Navy Department recommends against the enactment of the bill (S. 2059).

If the recommendation is against the bill, I certainly would not want to undertake to consider it under the 5-minute rule. Let the bill go over.

Mr. HALE. The Senator objects to the bill?

Mr. SMOOT. Yes; and to all similar bills.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2375) for the relief of Roscoe Meadows was announced as next in order.

Mr. SMOOT. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2914) to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named, under the terms of the act of June 7, 1924, and for other purposes, was announced as next in order.

Mr. BRATTON. Mr. President, realizing that this bill will provoke some discussion, I ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CREDIT UNIONS

The bill (S. 1153) to provide for the incorporation of credit unions within the District of Columbia was announced as next in order.

Mr. DICKINSON. Over.

Mr. BLAINE. Mr. President, I trust the Senator will withhold his objection for a moment and will later withdraw his objection.

The bill is designed for the assistance of certain people who can not borrow money from the banks, who are not taken care of under the Reconstruction Finance Corporation act, who are not taken care of by any legislation whatever. The bill is designed for the purpose of permitting groups of seven or more to join together in mutual associations for the purpose of affording a system of small loans to those who are members of the association. I know of no objection to the bill. The District Commissioners favor it. I think every citizens' organization of the District of Columbia favors it. I know of no objection. In fact, I know of no reason why the bill should not pass. It passed at the last session of the Senate.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Tennessee?

Mr. BLAINE. I yield.

Mr. McKELLAR. Does the bill entail any outlay of money on the part of the Government?

Mr. BLAINE. If it did, that would make no difference. I want to invite the attention of the Senator to the fact that the Congress passed a $2,000,000,000 loan bill which entailed a great deal of expense to the United States.

Mr. McKELLAR. Yes; and I voted against it.

Mr. BLAINE. This bill does not provide for the expenditure of even a postage stamp on the part of the people of the United States.

Mr. DICKINSON. Mr. President, I have no objection to the legislation in time, but there is a feeling on the part of some of the banking institutions in Washington that it would be detrimental to have this additional element enter into the financial atmosphere of the city at this time. I have no objection to the passage of the measure in time, but I think it ought to wait a little while, pending the clarifying of the financial atmosphere of the country.

Mr. BLAINE. May I ask who those district bankers are, so we may know who is opposing the bill?

Mr. DICKINSON. I prefer not to give any names. I am not here to oppose the legislation. I am simply asking that it be delayed a little while.

Mr. BLAINE. I want to know if the Senator can name an interest in the District that would oppose the bill?

Mr. DICKINSON. I do not desire to be subjected to questions of that kind. I ask that the bill go over.

Mr. CAPPER. Mr. President, may I say a word along the line of the statement of the Senator from Wisconsin. I think there is little objection even on the part of the bankers of the District of Columbia to the legislation. A few, I know, are opposed to it, but I think they take a narrow view of the proposed legislation. A similar law has been enacted in 35 States. There are 235 cities in the United States where Federal employees have taken advantage of the credit union laws of their States. The District of Columbia should have such a law. There is an overwhelming sentiment in this city, especially among the Federal employees and labor groups, for the enactment of legislation of this character. I hope it will have the approval of the Senate.

The PRESIDING OFFICER. On objection, the bill will be passed over.

CAPT. JACOB M. PEARCE

The bill (S. 1003) for the relief of Capt. Jacob M. Pearce, United States Marine Corps, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, until I can have a conference with the Senator from Maryland [Mr. TYDINGS] I ask that the bill go over.

Mr. TYDINGS. Mr. President, I think I can explain in a very few words just what the bill does, with the permission of the Senator from Arkansas.

In 1919 Lieutenant Pearce was in the Marine Corps, took an examination, and passed it, for promotion from first lieutenant to captain. He was notified that he would be appointed a captain; but owing to the fact of certain legislation pending in Congress his commission did not come through, although he was then filling the position as temporary captain. Subsequent to that a bill did pass, and, due to a fault in the legislation, Captain Pearce was the only man left off of the list.

The bill has the approval of the Navy Department. It carries no extra money with it, and it is only a matter of simple justice to restore Captain Pearce to his place on the list where legislation inadvertently precluded him from being placed. I hope the Senator will not object.

Mr. ROBINSON of Arkansas. I will say to the Senator from Maryland that it is represented to me that the bill establishes a precedent about which there is much contention in the Navy. I am going to ask that the bill go over for the present.

Mr. TYDINGS. I do not think it does; but I shall be glad to confer with the Senator.

The PRESIDING OFFICER. On objection of the Senator from Arkansas the bill will be passed over.

GEORGE EDWIN GODWIN

The bill (S. 1009) for the relief of George Edwin Godwin was announced as next in order.

Mr. SMOOT. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

REGULATIONS FOR LIGHTER SERVICE

The bill (S. 2883) prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore, and for the purpose of promoting the safety of navigation was considered. The bill had been reported from the Committee on Commerce, with an amendment, on page 1, line 5, after the word "transported," to insert the words "pilot boats excepted," so as to make the bill read:

Be it enacted, etc., That it shall be unlawful for any person, firm, or corporation to operate any ship, boat, barge, or other means of transportation on which passengers are carried, or transported, pilot boats excepted, from any port, landing, or wharf in the United States to any ship, barge, boat, or vessel anchored, or standing 3 or more miles offshore, without first obtaining from the Secretary of Commerce of the United States a permit to operate such vessel, such permit to be in such form and of such duration as the Secretary of Commerce of the United States may prescribe. A copy of this permit shall be kept on board each vessel and shall be exhibited on demand by qualified boarding officers, the original of such permit to be recorded in the customhouse of the port out of which such vessels operate.

SEC. 2. Before any such permit is issued for the operation of any such vessel the owner of same, or his authorized agent, shall make application therefor to the Secretary of Commerce of the United States, in which application the name or names and address or addresses of the owner or owners of such craft shall be set forth; also the port or place from which such vessel, or vessels, are to be operated; also the maximum number of persons such vessel will carry.

SEC. 3. If upon full investigation the Secretary of Commerce finds that the operation of such vessel is, or may become, a menace to navigation, or endangers human life, or is to be operated for the purpose of transporting passengers to or from any stationary or anchored vessel, barge, or other craft of similar character engaged in any business or occupation prohibited by law at the place of landing by said vessel covered by this act, the Secretary of Commerce shall deny such application and no permit for the operation of such vessel shall be issued.

SEC. 4. The Secretary of Commerce is hereby authorized to prescribe such regulations as may be necessary to carry out the purposes of this act, and such regulations shall have the force of law.

SEC. 5. For any violation of any of the provisions of this act or of the regulations issued thereunder, the owner of the vessel shall be subject to a penalty of $500 for which the vessel shall be liable and may be seized and proceeded against in any district in which she may be found; and the master or operator of such vessel shall be subject to a penalty of $300.

SEC. 6. The Secretary of Commerce is hereby authorized to mitigate or remit any penalty incurred for violation of this act on such terms as he may deem proper.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 1469) to authorize certain officers of the United States Navy and Marine Corps to accept such decorations, orders, and medals as have been tendered them by foreign governments in appreciation of services rendered was announced as next in order.

Mr. HALE. Mr. President, the last time we had a call of the calendar the Senator from Washington [Mr. JONES] objected to the consideration of the bill. In his absence I think it should be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BARKLEY. Mr. President, my attention was distracted when Order of Business 235, S. 2883, was acted on a moment ago. I wish to inquire of the Senator from California [Mr. JOHNSON] whether that is the bill which seeks to amend regulations with reference to all sorts of craft on navigable streams throughout the United States, concerning which I have received many protests.

Mr. JOHNSON. The bill provides for lighter service where ships are beyond the 3-mile limit. It is a bill which has the approval of the department and is a peculiarly important bill, particularly at this time, to the city of Long Beach.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). The bill referred to by the Senator from Kentucky is now being considered by a subcommittee of which the present occupant of the chair is chairman.

Mr. JOHNSON. I beg the Senator's pardon; I was referring to another bill entirely.

Mr. BARKLEY. I thank the Chair.

The resolution (S. Res. 166) to print the pamphlets entitled "Draft of Mooney-Billings Report" and "Appendix Containing Official Documents" was announced as next in order.

Mr. FESS. Let the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 2494) to amend section 4 of the legislative, executive, and judicial appropriation act, passed and approved March 4, 1925, relating to the compensation of Members of and Delegates to Congress, which had been reported adversely from the Committee on Civil Service, was announced as next in order.

Mr. JOHNSON. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2495) to repeal section 17 of the act passed and approved July 28, 1866, relating to mileage of Members of Congress, which had been reported adversely from the Committee on Civil Service, was announced as next in order.

Mr. JOHNSON. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 95) to amend the second paragraph of section 6 of the civil service retirement act of May 29, 1930 (relating to persons retired for disability), was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3051) to reinstate Lawrence L. Myatt and Miller S. Burgin as midshipmen in the United States Naval Academy was announced as next in order.

Mr. BRATTON. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 276) for the construction and equipment of a hospital on Crow Indian Reservation was announced as next in order.

Mr. REED. Mr. President, I notice that the Indian Commissioner recommends against the bill. I think it ought to be explained, at least, so I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2987) providing for the construction and equipment of a hospital upon the Blackfeet Indian Reservation in the State of Montana was announced as next in order.

Mr. REED. I make the same request.

The PRESIDING OFFICER. The bill will be passed over.

SEIZURE OF PROPERTY IN LIQUOR LAW VIOLATIONS

The bill (S. 3654) to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violations of liquor laws was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any vehicle, vessel, or other conveyance used in the transportation of intoxicating liquors, unlawfully, into the Indian country or other restricted area within or adjoining an Indian reservation, and which under proper proceedings by the Federal court is authorized to be sold or destroyed, may upon order of the court be transferred to the Indian Service for its use in the enforcement of the law or other official purposes; said property, when so transferred to the Indian Service, to be accounted for as is all other property of a similar nature.

SEC. 2. Any articles of supplies seized and ordered sold or destroyed, under similar conditions by the Federal court, may be transferred to the Indian Service for use in its activities, and when so transferred shall be accounted for by the bonded superintendent or other official.

BILL PASSED OVER

The bill (S. 51) to authorize the building up of the United States Navy to the strength submitted by the Washington and London naval treaties was announced as next in order.

Mr. WALSH of Montana. I ask that the bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

FARM BOARD SALARIES

The bill (S. 2493) to amend section 2 of an act known as the agricultural marketing act, passed and approved June 15, 1929, relating to salaries of members and employees, was announced as next in order.

Mr. FRAZIER. Mr. President, this bill has to do with an amendment to the agricultural marketing act in regard to the salaries of the members of the board and employees. It limits the salary of any member or employee of the board to not to exceed $15,000. The cooperative organizations affiliated with the Farm Board object to this limitation, as they say the limitation will tie their hands and in some instances they will not be able to get men who are particularly qualified to do the work which they have to do in connection with wheat and cotton, involving the handling of hundreds of millions of bushels of wheat. So, Mr. President, I ask unanimous consent that the bill may be recommitted to the Committee on Agriculture and Forestry for further hearing.

Mr. BORAH. Mr. President, reserving the right to object, my understanding is that the Senator is a member of the Committee on Agriculture and Forestry.

Mr. FRAZIER. Yes; I am.

Mr. BORAH. And the sole purpose of sending the bill back to that committee is to give the cooperatives an opportunity to be heard?

Mr. FRAZIER. That is correct.

Mr. BORAH. Of course, in view of the fact that they did not have a hearing, I can hardly object to their having an opportunity to be heard; but I hope the Senator will see that the bill is returned to the calendar as soon as the hearing shall be concluded.

Mr. McNARY. Mr. President, may I advise the Senator from Idaho that, anticipating such a request as that made this morning, I appointed a subcommittee of the Committee on Agriculture and Forestry, of which the Senator from North Dakota [Mr. FRAZIER] is chairman, and hearings are to be had on the 19th of the present month.

Mr. BORAH. I assume there will not be any difficulty about reporting the bill out of the committee again?

Mr. McNARY. I think not.

Mr. BORAH. I will not object, for the sole reason that I suppose any one is entitled to be heard, even one who favors an increase of salaries.

Mr. TRAMMELL. Mr. President, I will not object, but I want to suggest to the subcommittee that they make inquiry of some one other than those who are directly or indirectly interested in the salaries that are being paid, or else will make inquiry of some one who is not dominated by those who are enjoying these enormous salaries at the present time. I was utterly astounded when I looked up the record and found that many of those serving the cooperative organizations were drawing salaries of $25,000 a year, or $35,000 a year, and in one case $50,000 a year, and in another case $75,000 a year.

Of course, those directing these organizations may have their views about it, but I myself do not believe it is necessary to take a man who has been drawing only $12,000 a year previously and give him $75,000 per annum in order to obtain his services in this character of work.

Mr. BORAH. No; and I do not think anybody else thinks so, but still, at the same time, I suppose they are entitled to be heard.

Mr. TRAMMELL. I thoroughly agree with the Senator from Idaho in that respect.

Mr. WALSH of Montana. Mr. President, I wish the Senator from North Dakota would kindly explain to us how the cooperatives are interested particularly in what salaries are paid to employees of the Farm Board. I can understand very readily how they can be interested in salaries paid to their own officers.

Mr. FRAZIER. An amendment was put in the bill which provided, in substance, that it should include any cooperative organization affiliated with the Farm Board.

Mr. BORAH. That is not the language of the bill at all. The language of the bill is:

> That no compensation or salary in excess of $15,000 a year shall be paid to any person heretofore or hereafter employed by the Federal Farm Board.

Then it provides that loans shall not be made to cooperatives that pay more than $15,000 a year to any of their officers or employees.

The PRESIDING OFFICER. The Chair understands the Senator from North Dakota to request that the bill be recommitted to the Committee on Agriculture and Forestry. Is there objection? The Chair hears none, and the bill is recommitted to the Committee on Agriculture and Forestry.

ORDER OF BUSINESS

Mr. ODDIE obtained the floor.

Mr. McNARY. Mr. President——

Mr. ODDIE. Does the Senator from Oregon desire to make a motion?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Oregon?

Mr. ODDIE. I yield.

Mr. McNARY. I understand that under the unanimous-consent agreement, so cordially entered into by the Senate a few moments ago, we have now reached the last bill on the calendar?

The PRESIDING OFFICER. That is correct.

Mr. McNARY. Yesterday's call of the calendar and that of to-day have permitted us to consider during the morning hour all unobjected bills on the calendar. Forty minutes remain of the morning hour, and I was going to ask, and I do now ask, unanimous consent that the Senate proceed with the consideration of the calendar under Rule VIII until 2 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. SMITH. Mr. President, I did not get the purport of the motion.

Mr. McNARY. I ask unanimous consent that the Senate return to the calendar and consider it under Rule VIII, which permits each Senator to speak five minutes and also permits any Senator to move that any bill may be taken up.

The PRESIDING OFFICER. May the Chair suggest that that would be the regular order in any event?

Mr. McNARY. Yes; I was just offering perhaps an unnecessary explanation.

Mr. REED. I wonder at which number the Senator from Oregon desires to begin?

Mr. McNARY. I suppose we would commence at the beginning of the calendar, and whoever may be recognized by the Chair may move to take up a bill.

Mr. ODDIE. I desire to make a motion to take up a bill.

Mr. SMITH. Mr. President, may I ask——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from South Carolina?

Mr. ODDIE. I yield.

Mr. SMITH. As I understand the request of the Senator, it makes it possible, between now and 2 o'clock, to take up by vote any bill that may be on the calendar.

Mr. McNARY. That is very evident, and I am quite sure the Senator is conversant with the rule. He may address his inquiry to the Chair if he prefers.

Mr. SMITH. I ask the Chair if from now until 2 o'clock any bill may be taken up by vote?

The PRESIDING OFFICER. Certainly.

Mr. SMITH. I hope that the bill which the Senator from Nevada proposes will not consume all the time between now and 2 o'clock, because I have a very important bill which I wish to have considered before that time.

Mr. ODDIE. I hope that the measure I am going to move to take up can be disposed of in a very short time, and I believe it can be. Now I move that the Senate——

Mr. McNARY. Mr. President, let us find out if the consent of the Senate is going to be given to do as I have suggested. Has unanimous consent been granted?

The PRESIDING OFFICER. May the Chair state to the Senator from Oregon that, under the rule, the request which he has made would be carried out whether there was objection or not. However, the Chair will put the request. Is there objection to the request of the Senator from Oregon? The Chair hears none, and the agreement is entered into.

EMERGENCY ROAD CONSTRUCTION

Mr. ODDIE. I move that the Senate proceed to the consideration of Calendar No. 382, being House bill 9642, the emergency road bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada that the Senate proceed to the consideration of the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment.

Mr. REED. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Jones	Robinson, Ark.
Austin	Couzens	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Schall
Bankhead	Davis	Keyes	Sheppard
Barbour	Dickinson	King	Shipstead
Barkley	Dill	La Follette	Smith
Bingham	Fess	Lewis	Smoot
Black	Fletcher	Logan	Steiwer
Blaine	Frazier	McGill	Thomas, Idaho
Borah	George	McKellar	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Brouscard	Goldsborough	Morrison	Tydings
Bulkley	Gore	Neely	Vandenberg
Bulow	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walcott
Capper	Hatfield	Nye	Walsh, Mont.
Caraway	Hayden	Oddie	Waterman
Carey	Hebert	Patterson	White
Coolidge	Howell	Pittman	
Copeland	Johnson	Reed	

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Nevada to proceed to the consideration of House bill 9642, which is not debatable.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9642) to authorize supplemental ap-

propriations for emergency highway construction with a view to increasing employment, which had been reported from the Committee on Post Offices and Post Roads with amendments.

Mr. ODDIE. Mr. President, I ask that the bill be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill, as proposed to be amended, is as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $120,000,000, to be immediately available for expenditure in emergency construction on the Federal-aid highway system, with a view to increasing employment. Such sum shall be apportioned by the Secretary of Agriculture to the several States by the method provided in section 21 of the Federal highway act, as amended and supplemented (U. S. C., title 23, chs. 1 and 2; Supp. V, title 23, chs. 1 and 2). (The sums apportioned to the States shall be available as a temporary advance of funds to meet the provisions of such act as to State funds.) The sum apportioned to any State under this section may be used to match the regular annual Federal-aid apportionments made to such State (including the one for the fiscal year ending June 30, 1933), and when so used such sum shall be available for expenditure in paying the share of such State in the cost of Federal-aid projects. No sums apportioned under this act shall be advanced except for work on the Federal-aid highway system performed before June 30, 1933: *Provided*, That the sums so advanced shall be reimbursed to the Federal Government over a period of 10 years, commencing with the fiscal year 1938, by making deductions from regular apportionments made from future authorizations for carrying out the provisions of such act as amended and supplemented: *Provided further*, That all contracts involving the expenditure of such sums shall contain provisions establishing minimum rates of wages, to be predetermined by the State highway department, which contractors shall pay to skilled and unskilled labor; said minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work: *And provided further*, That in the expenditure of such sums, the limitations upon highway construction, reconstruction, and bridges within municipalities contained in section 4 of the Federal highway act, approved May 21, 1928 (45 Stat. 683) and upon payments per mile which may be made from Federal funds, shall not apply.

SEC. 2. There are hereby authorized to be appropriated, to be immediately available, for expenditure in emergency construction or public roads during the period ending June 30, 1933, with a view to increasing employment, the following sums to be expended for the purposes specified:

(1) For the construction and improvement of national-forest highways, $5,000,000.

(2) For the construction and maintenance of roads, trails, bridges, fire lanes, etc., including the same objects specified under the heading "Improvement of national forests" in the agricultural appropriation act for the fiscal year ending June 30, 1932, approved February 23, 1931 (46 Stat. 1242), $5,000,000.

(3) For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks and national monuments under the jurisdiction of the Department of the Interior, $3,000,000, including national parks authorized to be established under the act of May 22, 1926 (U. S. C., title 16, sec. 403), and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053).

(4) For construction and improvement of Indian reservation roads under the provisions of the act approved May 26, 1928 (45 Stat. 750; U. S. C., Supp. V, title 25, sec. 318a), $1,000,000.

(5) For the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, under the provisions of the act approved June 24, 1930 (46 Stat. 805; U. S. C., Supp. V, title 23, sec. 3), $2,000,000.

SEC. 3. That the Secretary of Agriculture is authorized to make rules and regulations for carrying out the provisions of this act with the view of providing the maximum employment of local labor consistent with reasonable economy of construction: *Provided*, That none of the money herein authorized to be appropriated shall be paid to any State on account of any project on which convict labor shall be directly employed: *Provided further*, That none shall be employed except citizens of the United States.

SEC. 4. The last paragraph of section 6 of the Federal highway act, approved November 9, 1921 (42 Stat. 212; U. S. C., title 23, sec. 6), is hereby amended to read as follows:

"Whenever provision has been made by any State for the completion and maintenance of 90 per cent of its system of primary or interstate and secondary or intercounty highways equal to 7 per cent of the total mileage of such State, as required by this act, said State, through its State highway department, by and with the approval of the Secretary of Agriculture, is hereby authorized to increase the mileage of the primary or interstate and secondary or intercounty systems by additional mileage equal to not more than 1 per cent of said total mileage of such State, and thereafter to make like increases in the mileage of said systems whenever provision has been made for the completion and maintenance of 90 per cent of the mileage of said systems previously authorized in accordance herewith."

Mr. ODDIE. Mr. President, the bill, H. R. 9642, now before the Senate for consideration, authorizes emergency appropriations for Federal participation in highway construction with a view to increasing employment. The sums proposed are supplemental to the highway appropriations previously authorized. This emergency measure as passed by the House and reported to the Senate with amendments by the Senate Committee on Post Offices and Post Roads proposes a total of $136,000,000, allocated as follows:

A. Federal aid highway system	$120,000,000
B. Construction and improvement of national-forest highways	5,000,000
C. Construction and maintenance of roads, trails, bridges, fire lanes, etc., in national forests	5,000,000
D. Construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, the national parks and national monuments under the jurisdiction of the Department of the Interior	3,000,000
E. Construction and improvement of Indian reservation roads	1,000,000
F. Survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations	2,000,000

The President of the United States, in his message to the Congress on December 2, 1930, made the following references to the necessity for accelerating construction of public works:

The enlarged rivers and harbors, public buildings, and highway plans authorized by the Congress last session, however, offer an opportunity for assistance by the temporary acceleration of construction of these programs even faster than originally planned, especially if the technical requirements of the laws which entail great delays could be amended in such fashion as to speed up acquirements of land and the letting of contracts.

With view, however, to the possible need for acceleration, we, immediately upon receiving those authorities from the Congress five months ago, began the necessary technical work in preparation for such possible eventuality. I have canvassed the departments of the Government as to the maximum amount that can be properly added to our present expenditure to accelerate all construction during the next six months, and I feel warranted in asking the Congress for an appropriation of from $100,000,000 to $150,000,000 to provide such further employment in this emergency. In connection therewith we need some authority to make enlarged temporary advances of Federal highway aid to the States.

Subsequently the President submitted a communication to the Congress on December 4, 1930, "to enable the Chief Executive to accelerate work on construction projects already authorized by law so as to increase employment," and the following is quoted from this message:

This supplemental estimate of appropriation is required to meet an emergency which has arisen since the transmission of the Budget for the fiscal year 1931.

Pursuant to this communication of the President transmitting the estimates of the Bureau of the Budget, a bill, H. R. 14804, in which the largest single item was that allocated for emergency construction on the Federal-aid highway system amounting to $80,000,000, was enacted into law. The beneficial results of this legislation have been recognized throughout the United States, particularly as to the highway activities which were stimulated by the emergency appropriation.

The $80,000,000 Federal fund was directly and promptly applied through the States to projects throughout the Nation, giving immediate relief to thousands of workers. There were undertaken 2,216 projects, totaling over 13,000 miles of road in 1,227 counties, or a little less ratio than a project to every other county through advance of Federal funds in 1931. This was part of the whole Federal-aid road program undertaken and does not include the work done without Federal funds by the States, cities, counties, or local communities.

Federal and State road building in 1931 engaged directly and indirectly more than a million men. County and city street and highway building engaged possibly a like number. In analyzing the benefits of these highway activities the United States Bureau of Public Roads has found that a very large share of every highway dollar goes to labor. Figures support

the statement that from 75 per cent to 80 per cent of the average highway dollar goes ultimately to the wage earner, either directly through employment on the highway or indirectly through employment in industries furnishing materials for the highways. In some instances the portion which finds its way to the wage earner amounts to as much as $910 out of each $1,000 expended for highways. No other type of public improvement gives such a large share of the funds expended to labor. No other type of public improvement distributes the benefits more widely throughout the Nation. Further, in carrying out the State program there was no loss of time in getting the work under way. Efficiency, economy, and high quality of production characterize the emergency expenditure. Needed public improvements were obtained without waste or extravagance and immediate comforts in shelter, food, and clothing made available for thousands of willing workers.

Since the emergency conditions which prompted the emergency measure of last year are even more acute this year, the successful relief measures of last year should be reenacted now. If effective then, they are equally effective now and even more necessary. All arguments in favor of the passage of the emergency construction appropriation of last year apply with equal force to the emergency highway measure now up for consideration.

The policy of enlarged public-works programs in periods of slack employment has been repeatedly enunciated by President Hoover and other national leaders. While a candidate for the Presidency, President Hoover, speaking at St. Louis, Mo., on November 2, 1928, referred to Federal highways as follows:

> This administration has recognized the public necessity of Federal Government contribution to the creation of a definite system of modern interstate highways. This program is far from completion, and I stand for its continuance.

Further:

> As I have said before, these undertakings are justified by the growth, the need, and the wealth of our country.

And still further:

> These works, which will provide for an army of men, should, so far as practicable, be adjusted to take up the slack of unemployment if it should occur.

Federal-aid highway improvement has progressed steadily since this statement was made, but it is still far from completion. There are at the present time on the Federal-aid system 198,967 miles of main road, approximately 7 per cent of the Nation's entire road mileage, and of this 108,449 miles have been improved or are under construction with Federal aid, leaving about 90,418 miles on which no Federal funds have as yet been used. Some of this mileage has been improved by the States, but a very large part of the 108,449 miles has not been improved as yet with an adequate type of surface. The continuance of the program is without question justified, and since the crisis of unemployment has occurred and is with us, an obligation rests upon the Federal Government to carry forward vigorously an enlarged program of needed public works. In quickening progress on the Federal-aid system we are not launching into unknown fields.

The Federal-aid highway system was born of far-sighted scientific planning and serves as a model to other nations throughout the world. No new governmental agencies are necessary for its continued development. The policy of an enlarged program of Federal highway building was inaugurated by the emergency appropriations of last year; in principle and practice, therefore, the policy has been substantiated. It might have seemed by the limitation of emergency expenditures to a short period that the depression would end by schedule on some definite date. We were inclined to be hopeful. The necessity, however, of further constructive measures is now apparent. Personally, I am convinced that even a larger emergency highway program than contemplated by this act would be justified by the benefits which would be derived, but the amount has been limited to that which we are advised the States are ready to absorb and spend wisely and economically.

The emergency or supplemental amount of $120,000,000 for Federal-aid highways, as contained in the present bill, will provide a total of $250,000,000 for Federal participation with the States in 1932. This compares with approximately $241,000,000 so used in 1931. The emergency fund now proposed for this use, then, is necessary to avoid a recession in Federal road building. It does not greatly enlarge the Federal expenditure over that of the preceding year.

The Federal-aid plan to which we are committed is not changed by the emergency proposal, but the rate of accomplishment is accelerated.

The moneys advanced to the States now would likely be disbursed within the next few years anyway. Advanced now they serve a twofold purpose:

First. They make available the benefits of additional highways at an earlier date.

Second. They provide additional employment at a time of dire need.

These results are accomplished with a saving in construction costs due to the prevailing low prices for road materials and the increased efficiency brought about by keen competition.

Leaders of all political parties have acknowledged the benefits which improved highways contribute to the social and economic welfare of all the people of our Nation. The advantages of lower transportation costs with savings ranging up to 26 per cent, according to road type and character of traffic, and the increased safety which improved highways afford are well known to every Member present and possibly need not be recited further.

The bill we are considering originated in the House Committee on Roads. Its form follows substantially the similar measures approved by the last Congress and signed by the President a little more than a year ago. These facts, together with the passage of the present bill by the House on February 27, with support from both major parties, illustrate the nonpartisan character of the policies which this measure embodies.

In principle and application it is not new legislation, but your attention is directed to a few minor changes in general provisions compared with the bill of a year ago. These changes are designed in the light of experience to adapt it better to the intended purposes. The changes are clearly set forth in the Senate Post Offices and Post Roads Committee Report No. 363, which was carefully and ably prepared by the junior Senator from Arizona [Mr. HAYDEN]. They have been approved by the administrative heads of the departments charged by law with the supervision of the proposed projects. None of the changes are contrary to the fundamental features of the Federal aid act.

I ask permission to include in the RECORD the committee report, which was made to the Senate by Senator HAYDEN on March 2, 1932.

The VICE PRESIDENT. Without objection, it is so ordered.

The report (No. 363) submitted by Mr. HAYDEN on March 2, 1932, is as follows:

[Sen. Rept. No. 363, 72d Cong., 1st sess.]

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, submitted the following report (to accompany H. R. 9642).

The Committee on Post Offices and Post Roads, to whom was referred the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment, having considered the same, report it back to the Senate with the following amendments, and, as amended, recommend that the bill do pass.

On page 2, line 17, after the word "supplemental," strike out the proviso down to and including line 21, and insert in lieu thereof the following:

"*Provided further*, That all contracts involving the expenditure of such sums shall contain provisions establishing minimum rates of wages, to be predetermined by the State highway department, which contractors shall pay to skilled and unskilled labor, said minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work."

On page 2, at the end of the first section, insert the following:

"*And provided further*, That in the expenditure of such sums, the limitations upon highway construction, reconstruction, and bridges within municipalities contained in section 4 of the Federal highway act, approved May 21, 1928 (45 Stat. 683), and upon pay-

ments per mile which may be made from Federal funds, shall not apply."

On page 3, line 11, strike out the figures "$3,000,000" and insert in lieu thereof the figures "$5,000,000."

On page 3, line 15, strike out the figures "$1,500,000" and insert in lieu thereof the figures "$3,000,000."

On page 3, at the end of line 17, change the period to a comma and insert the following: "And national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 103)."

The first amendment which relates to the wages paid to skilled and unskilled labor is necessary for the following reasons:

(1) Section 12 of the Federal highway act (42 Stat. 212) provides:

"That the construction and reconstruction of the highways or parts of highways under the provisions of this act, and all contracts, plans, specifications, and estimates relating thereto, shall be undertaken by the State highway departments subject to the approval of the Secretary of Agriculture. The construction and reconstruction work and labor in each State shall be done in accordance with its laws and under the direct supervision of the State highway department, subject to the inspection and approval of the Secretary of Agriculture and in accordance with the rules and regulations pursuant to this act."

The proviso on page 2, lines 17 to 21, which your committee recommends be stricken out, are in direct conflict with section 12 of the Federal highway act and will therefore require a radical change in Federal-aid policy. The proviso is also in direct conflict with the Supreme Court decisions of several of the States, with the result that the States which have had court decisions invalidating similar State statutes will be unable to comply with this provision of the bill and be unable to expend the Federal allotment provided by this bill to such States.

(2) The purpose sought by the proviso is being attained to a large extent in three-fourths of the States by administrative regulations by the several State highway departments, and in several of the States is embodied in State highway department specifications and in some cases by statute.

(3) In practice, the legal obstacles, administrative difficulties, and the involved controversies that will result in determining "the prevailing rate of wages" may so delay the expenditure of these emergency funds in the States where similar statutes have not been declared unconstitutional as to defeat the emergency employment purpose of this bill. Your committee have therefore recommended the adoption of a new proviso that directs each State highway department to fix a minimum scale of wages which must be accepted by all contractors who submit proposals or bids for highway construction and thus, by contract, avoid all of the above-mentioned legal difficulties.

The second amendment is designed to permit the expenditure of funds pursuant to the terms of the bill in cities and towns where much unemployment and distress exist and modifies, for the purposes of this act only, section 4 of the act of May 21, 1928 (45 Stat. 683), which reads as follows:

"SEC. 4. Federal funds may be expended on that portion of a highway or street within a municipality having a population of 2,500 or more, along which from a point on the corporate limits inwardly the houses average more than 200 feet apart: *Provided*, That no Federal funds shall be expended for the construction of any bridge within or partly within any municipality having a population of more than 30,000, as shown by the latest available Federal or State census; but this limitation shall not apply in the case of an interstate bridge, including approaches connecting such municipality in one State with a point in an adjoining State which may be within a municipality having a population of not more than 10,000."

Section 4 is the only controlling section in the amended Federal highway act providing for Federal-aid construction within municipalities, since all other provisions relating to municipalities were repealed by section 5 of the same amendment of May 21, 1928 (45 Stat. 683), which provides:

"SEC. 5. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed, and this act shall take effect on its passage."

All contracts involving expenditures of regular Federal-aid funds within municipalities since May 21, 1928, have been approved by the United States Bureau of Public Roads, based on the provisions of said section 4.

With respect to the limit of cost per mile, which the amendment also sets aside, section 3 of the act of April 4, 1930 (Public, No. 90, 71st Cong.), provides:

"SEC. 3. Section 6 of such act of July 11, 1916, as amended and supplemented, is further amended so that the limitation of payments which the Secretary of Agriculture may make is increased to $25,000 per mile, exclusive of the cost of bridges of more than 20 feet clear span: *Provided*, That the Federal participation shall be limited to $15,000 per mile until the original certified 7 per cent system of such State shall have been surfaced."

The third amendment increases the amount authorized to be appropriated for forest development, roads, trails, bridges, fire lanes, etc., by $2,000,000.

The last two amendments increase the sum to be expended by the National Park Service by $1,500,000 and authorize the use of such funds on approach roads.

The object of the bill is to authorize supplemental appropriations to an extent that, combined with regular appropriations for the same purposes, the total Federal expenditures for road construction during the next 16 months will approximate the same amount as was expended during the calendar year 1931. The effect of this legislation will be to provide employment for about the same number of men as were given work because of the Federal road appropriations made available last year rather than to force a large number of them into the ranks of the unemployed. Surveys have been completed and plans have been made so that there will be no delays in commencing construction of approved projects in all of the States.

FEDERAL-AID HIGHWAYS

The Federal-aid highway construction program in 1931 involved a total expenditure of $256,000,000, made up of $79,000,000 emergency advance funds, $121,000,000 regular Federal aid, and $56,000,000 State funds. The bill will provide a comparable program, made up of an emergency advance of $120,000,000 and all available regular Federal aid, which amounts to $130,000,000. There was actually paid to the States as Federal aid $244,500,000 in 1931. The total mileage of the approved 7 per cent Federal-aid highway system is 198,967 miles, of which 100,262 miles have been improved by the use of Federal funds.

FOREST HIGHWAYS

In 1931 the Federal expenditures on forest reserve highways was $12,938,000. Under the regular appropriations the expenditures for 1932 will aggregate $7,650,000, a reduction of over $5,000,000, which the bill seeks to equalize by an authorization for a like amount.

The forest highway system as now established contains 16,532 miles, of which only 37 per cent has been completed. It will require about $189,000,000 to finish this work. The existing highway system within the forests is decidedly behind the road developments outside, thereby handicapping through and local travel and holding back the development of Federal and private resources.

FOREST DEVELOPMENT ROADS, TRAILS, ETC.

The planned system of forest development roads includes 65,861 miles, of which approximately 35 per cent now exists. About 72 per cent of the forest trail system of 156,000 miles is now in satisfactory shape. While used for transporting timber and otherwise opening up the national forests for utilization, the chief value of such roads and trails is in connection with fire fighting. During the past three years the number of fires have averaged 8,064, the average area burned over was 602,000 acres, and the suppression cost was over $3,000,000. The roads and trails already available have demonstrated immense value in quicker and better detection and suppression of fires, but the urgent and immediate needs are far from being met.

National forests are located in 31 States and 2 Territories and contain approximately one-fourth of the standing timber in the United States. To complete the forest development road and trail system total appropriations of about $70,000,000 will have to be made. The expenditures for the calendar year 1931 were $8,510,000 and 1,000,000 man-days' employment on the projects themselves were provided. In 1932 the regular appropriations for this purpose are only $3,670,000, so that $5,000,000, as recommended by your committee, is needed to keep the work going at the same rate as last year.

The other forest improvements upon which this appropriation may be expended include fire breaks, fire lookouts and towers, telephone lines for fire protection, and similar construction and development work necessary to efficient administration of the national forests and their resources. The Forest Service estimates that within a calendar year about $5,600,000 could be expended efficiently and on urgently needed work of this character. With practically no exceptions, the work is done by the day-labor method and can be started within a few days of the appropriations. A very large part of the total expenditure is for wages of men directly employed on construction.

NATIONAL PARK ROADS AND TRAILS

The bill as passed by the House of Representatives provides for $1,500,000 to be expended in the national parks and monuments, including the Shenandoah and Great Smoky Mountains National Parks, which sum would be allocated as follows by the National Park Service:

Maine: Acadia National Park	$100,000
North Carolina: Great Smoky Mountains National Park	290,000
Tennessee: Great Smoky Mountains National Park	290,000
Virginia: Shenandoah National Park	250,000
Arizona: Petrified Forest National Monument	100,000
Colorado:	
Mesa Verde National Park	28,000
Rocky Mountain National Park	62,000
Colorado National Monument	40,000
Montana: Glacier National Park	78,000
New Mexico: Carlsbad Caverns National Park	12,000
South Dakota: Wind Cave National Park	50,000
Utah: Zion National Park	100,000
Washington: Mount Rainier National Park	100,000
Total	1,500,000

Your committee recommends that this authorization be increased to $3,000,000, under which a total of $450,000 will be allocated to the Shenandoah National Park and over $1,000,000 to the Great Smoky Mountains National Park. Increasing the amount will also permit expenditures on approach roads as recommended by your committee and authorized by the act of January 1, 1931.

The regular and emergency appropriations for the construction of roads and trails within or adjacent to national parks and monuments for the last fiscal year were $9,000,000. The regular ap-

propriation for the same purpose for the next fiscal year will not exceed $6,000,000. Your committee recommends that the emergency appropriation in the bill be increased to $3,000,000 so as to make up this difference.

INDIAN RESERVATION ROADS

It is much better to provide work rather than to issue rations to Indians and therefore the bill carries $1,000,000 for road construction on Indian reservations under the terms of an act which directs that Indian labor shall be employed. The regular and annual appropriations for this purpose during the last fiscal year were $600,000, which has been reduced to $400,000 for the next fiscal year. The Bureau of Indian Affairs has submitted a statement showing that $1,183,700 could be immediately and properly expended for roads on 69 Indian reservations and that detailed estimates have been made for other larger projects aggregating $485,250. This emergency appropriation of $1,000,000 will remove much of the necessity for a continuation of appropriations to relieve distress.

ROADS ON FEDERAL LANDS

The final item in the bill is $2,000,000 for expenditures on lands wholly owned by the United States under the terms of the Oddie-Colton Act of June 24, 1930. The first appropriation made pursuant to that act amounted to $3,000,000 and was included in the emergency public works act of December 20, 1930. This is the second appropriation under that authorization, except that the unexpended balance of the original appropriation, amounting to about $1,000,000, is to be reappropriated when the Interior Department bill, now pending before the Senate, is enacted into law.

The scope and purpose of the bill are further explained in the following report from the Committee on Roads of the House of Representatives:

[House Report No. 618, Seventy-second Congress, first session]

The Committee on Roads, to which was referred the bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment, having had the same under consideration, now reports the bill to the House with the following amendments and recommends that the bill as amended do pass:

Page 2, lines 20 and 21, strike out "(other than the Federal-aid highway system)."

Page 3, line 24, after the word "employment," insert the words "of local labor."

Page 3, after line 25, add the following section:

"SEC. 4. The last paragraph of section 6 of the Federal highway act, approved November 9, 1921 (U. S. C., title 23, sec. 6; 42 Stat. 212), is hereby amended to read as follows:

"'Whenever provision has been made by any State for the completion and maintenance of 90 per cent of its system of primary or interstate and secondary or intercounty highways equal to 7 per cent of the total mileage of such State, as required by this act, said State, through its State highway department, by and with the approval of the Secretary of Agriculure, is hereby authorized to increase the mileage of the primary or interstate and secondary or intercounty systems by additional mileage equal to not more than 1 per cent of said total mileage of such State, and thereafter to make like increases in the mileage of said systems whenever provision has been made for the completion and maintenance of 90 per cent of the mileage of said systems previously authorized in accordance herewith.'"

This bill, as amended by the Committee on Roads, provides an authorization of a supplemental appropriation for emergency highway construction with a view to increasing employment.

The provisions are similar to those carried in the emergency road legislation of the last Congress.

The authorizations are as follows:

"(1) One hundred and twenty million dollars to be advanced to the States to be expended under the provisions of the Federal highway act as to State funds. These sums so advanced must be expended by June 30, 1933, and shall be reimbursed to the Federal Government over a period of 10 years commencing with the fiscal year 1938 (being the time of expiration of reimbursement of advances made by the last Congress). This reimbursement is obtained by deductions from regular apportionments made from future authorizations.

"(2) For national forest highways, $5,000,000.

"(3) For roads, trails, bridges, fire lanes, etc., in the national forests, $3,000,000.

"(4) For roads in national parks and national monuments, $1,500,000.

"(5) For roads on Indian reservations, $1,000,000.

"(6) For main roads through unappropriated or unreserved public lands, not in forest reservations, $2,000,000."

The bill also provides in section 3 that the Secretary of Agriculture shall make such rules and regulations for carrying out the provisions of this act as will provide the maximum employment of local labor consistent with reasonable economy of construction.

The Federal highway act is amended by section 4 so as to provide that whenever a State has made provision for the completion and maintenance of its 7 per cent system up to 90 per cent of that system, 1 per cent of the total road mileage of such State may be added to that system. It has been demonstrated by much testimony that there are many States which are handicapped at present in extending their 7 per cent system due to roads incompleted where railroad-crossing eliminations are contemplated and present financial conditions with the railroads (which are required to pay a part of the cost) are such that this work is held up. There are also other places where it is inexpedient to change the present Federal-aid system.

Testimony was developed before the committee which showed that all State highway departments favor this legislation and are prepared with plans for work so that they can go forward without any loss of time whatsoever. Various other groups support this legislation as the best method to aid employment throughout the country. Definite information is on file to prove that 90 cents of every dollar expended on roads goes to labor.

On the request of Chairman ALMON, Mr. Thomas H. MacDonald, Director of Public Roads, Department of Agriculture, appeared before the committee and testified as to the operations under the proposed legislation to afford increased opportunities for employment. His testimony is shown in the printed hearings.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of Rule XIII of the rules of the House of Representatives, changes in the last paragraph of section 6 of the Federal highway act made by the bill are shown as follows: Existing law proposed to be omitted is inclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman:

"Whenever provision has been made by any State for the completion and maintenance of [a] *90 per cent of its* system of primary or interstate and secondary or intercounty highways equal to 7 per cent of the total mileage of such State, as required by this act, said State, through its State highway department, by and with the approval of the Secretary of Agriculture, is hereby authorized to [add to] *increase* the mileage of *the* primary or interstate and secondary or intercounty systems [as funds become available for the construction] *by additional mileage equal to not more than 1 per cent of said total mileage of such State, and thereafter to make like increases in the mileage of said systems whenever provision has been made for the completion* and maintenance of [such additional] *90 per cent of the* mileage *of said systems previously authorized in accordance herewith.*"

The bill, as reported to the Senate, reads as follows:

An act to authorize supplemental appropriations for emergency highway construction, with a view to increasing employment

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $120,000,000, to be immediately available for expenditure in emergency construction on the Federal-aid highway system, with a view to increasing employment. Such sum shall be apportioned by the Secretary of Agriculture to the several States by the method provided in section 21 of the Federal highway act, as amended and supplemented (U. S. C., title 23, chs. 1 and 2; Supp. V, title 23, chs. 1 and 2). (The sums apportioned to the States shall be available as a temporary advance of funds to meet the provisions of such act as to State funds.) The sum apportioned to any State under this section may be used to match the regular annual Federal-aid apportionments made to such State (including the one for the fiscal year ending June 30, 1933), and when so used such sum shall be available for expenditure in paying the share of such State in the cost of Federal-aid projects. No sums apportioned under this act shall be advanced except for work on the Federal-aid highway system performed before June 30, 1933: *Provided*, That the sums so advanced shall be reimbursed to the Federal Government over a period of 10 years, commencing with the fiscal year 1938, by making deductions from regular apportionments made from future authorizations for carrying out the provisions of such act as amended and supplemented: *Provided further*, That all contracts involving the expenditure of such sums shall contain provisions establishing minimum rates of wages, to be predetermined by the State highway department, which contractors shall pay to skilled and unskilled labor; said minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work: *And provided further*, That in the expenditure of such sums the limitations upon highway construction, reconstruction, and bridges within municipalities contained in section 4 of the Federal highway act, approved May 21, 1928 (45 Stat. 683), and upon payments per mile which may be made from Federal funds, shall not apply.

SEC. 2. There are hereby authorized to be appropriated, to be immediately available, for expenditure in emergency construction on public roads during the period ending June 30, 1933, with a view to increasing employment, the following sums to be expended for the purposes specified:

(1) For the construction and improvement of national-forest highways, $5,000,000.

(2) For the construction and maintenance of roads, trails, bridges, fire lanes, etc., including the same objects specified under the heading "Improvement of National Forests" in the agricultural appropriation act for the fiscal year ending June 30, 1932, approved February 23, 1931 (46 Stat. 1242), $5,000,000.

(3) For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks and national monuments under the jurisdiction of the Department of the Interior, $3,000,000, including national parks authorized to be established under the act of May 22, 1926 (U. S. C., title 16, sec. 403), and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 103).

(4) For the construction and improvement of Indian reservation roads under the provisions of the act approved May 26, 1928 (45 Stat. 750; U. S. C., Supp. V, title 25, sec. 318a), $1,000,000.

(5) For the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public

lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, under the provisions of the act approved June 24, 1930 (46 Stat. 805; U. S. C., Supp. V, title 23, sec. 3), $2,000,000.

SEC. 3. That the Secretary of Agriculture is authorized to make rules and regulations for carrying out the provisions of this act with the view of providing the maximum employment of local labor consistent with reasonable economy of construction: *Provided*, That none of the money herein authorized to be appropriated shall be paid to any State on account of any project on which convict labor shall be directly employed: *Provided further*, That none shall be employed except citizens of the United States.

SEC. 4. The last paragraph of section 6 of the Federal highway act, approved November 9, 1921 (42 Stat. 212; U. S. C., title 23, sec. 6), is hereby amended to read as follows:

"Whenever provision has been made by any State for the completion and maintenance of 90 per cent of its system of primary or interstate and secondary or intercounty highways equal to 7 per cent of the total mileage of such State, as required by this act, said State, through its State highway department, by and with the approval of the Secretary of Agriculture, is hereby authorized to increase the mileage of the primary or interstate and secondary or intercounty systems by additional mileage equal to not more than 1 per cent of said total mileage of such State, and thereafter to make like increases in the mileage of said systems whenever provision has been made for the completion and maintenance of 90 per cent of the mileage of said systems previously authorized in accordance herewith."

Mr. ODDIE. Mr. Frederic Brenckman, Washington representative of the National Grange, made the following statements before the House Committee on Roads when H. R. 9642 was under consideration:

I have been greatly interested in the discussion which has taken place before the committee with reference to the proposal to appropriate $120,000,000 for emergency purposes in connection with road construction. Our organization is in favor of that idea. We believe that it would be far better to put as many idle people in the country as possible to work on public improvements than to have them languishing in idleness and hunger. If legislation can be framed that will make it possible for the States to take advantage of the appropriation and to realize it this year, why, we would be heartily in favor of the idea.

I have in mind not only the need for employment for industrial workers idle in the cities but also have in mind the fact that many of our farmers, while they are not unemployed, have practically no income at the present time and that their fixed charges are practically equal to what they are getting for their crops.

Mr. Chester Gray, Washington representative of the American Farm Bureau Federation, was unable to appear before the House committee when the bill was under consideration and has written me directly the views of his organization, in a letter of March 8, 1932, which I ask to have placed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

WASHINGTON, D. C., *March 8, 1932.*

Hon. TASKER L. ODDIE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR ODDIE: H. R. 9642, having passed the House of Representatives, is now pending before the Senate with favorable action by the Senate Committee on Post Offices and Post Roads.

Inability to be present throughout all the hearings on this matter before the House Committee on Roads prevented stating on behalf of the American Farm Bureau Federation support to the measure before that committee. However, the American Farm Bureau Federation is so stanchly in favor of expediting the highway program of the Nation that full support can be given the pending measure for this purpose alone. In addition to the speeding up of highway building in the Nation, following the enactment of the pending bill, is the very direct relationship it has to the question of unemployment.

In testifying before the Senate Committee on Post Offices and Post Roads and before the House Committee on Roads, when the regular appropriation item for highways was under consideration earlier in the session, I stated that any opportunity later in the session would be seized upon to secure emergency appropriations for highway building. H. R. 9642 constituted such emergency legislation.

The $120,000,000 in that measure applied to the emergency construction on the Federal-aid highway system, together with lesser amounts for construction and improvements on national forest highways; for the construction and maintenance of roads, trails, bridges, fire lanes, etc., in the national forests; for similar activities in the national parks and national monuments; for the construction and improvement of Indian reservation roads; and for the survey, construction, reconstruction, and maintenance of main roads through the unappropriated or unreserved public lands, nontaxable Indian lands, and other Federal reservations other than forest reservations, all together comprise a fund of money which will aid materially in starting the wheels of industry moving in our Nation, as well as giving those who need work an opportunity to secure employment.

A desirable feature of the legislation is contained in section 4. This section provides that when 90 per cent of the primary road system in any State has been completed that an increase may be made in the highway mileage of that State, said increase to be applicable for use of Federal and State funds in like manner to the original so-called 7 per cent system.

I trust the pending bill can receive early passage by the Senate, so that the funds contained therein may be put at use in the quickest way possible.

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

Mr. ODDIE. The farming industry of the United States has suffered economic depression for a much longer period than have other industries, and, furthermore, there is no doubt that the farmers are still in a very serious condition. The enactment of this bill will immediately afford a partial relief in providing employment and in lowering marketing costs.

The maximum number of persons employed on emergency highway work as a direct result of the $80,000,000 Federal emergency appropriation in 1931 was 115,167, according to a statement of the Bureau of Public Roads appearing in the CONGRESSIONAL RECORD, page 4859, in a table giving employment on Federal and State work, 1931. (See attached Exhibit A.) The maximum figures are for July. On July 1, 1931, 1 out of every 369 persons in the United States was employed on the Federal or State highway work. (See attached Exhibit B.) In Maine, which had the greatest record, 1 out of 70 people on the 1st day of July was working for the State or for a contractor on the State roads.

On the same basis the emergency appropriation of $120,000,000 as now proposed would employ one and one-half times 115,167, or 172,750 persons; but since staggering of employment is being very generally used in highway emergency work, this number would likely be doubled, or 335,500 persons would be directly employed on emergency work on the road itself.

For every man engaged on the highway there are two men engaged in the production of road-building equipment and materials in the factories or mines and the transportation of them from their sources at the mines, quarries, and so forth, through the factories to the highway projects. On the first breakdown of road expenditures the item of transportation takes $406 out of $1,000, showing to what extent railroads and railroad workers benefit by highway building. Few people realize the support which the railroads receive from highway operations. These facts are supported by testimony before the Senate Committee on Post Offices and Post Roads in recent hearings, pages 70 and 71. (See attached Exhibit C.)

Taking into consideration, then, that for each man working on the road there are two men behind the lines in allied industries and on transportation lines, the total number of men engaged by reason of the appropriation alone would possibly be three times the net number of 172,750 directly employed on the highway plus the additional 172,750 road workers alternating in staggered work, or a grand total of 691,000. Further assuming that an average family consists of 3, more than 2,000,000 persons may be reached by reason of the $120,000,000 emergency appropriation.

In 1931 the emergency appropriation of $80,000,000 represented 7.7 per cent of the highway expenditures by the States and Federal Government. Assuming that the total highway expenditure for this year remains the same as the total of 1931, the sum of $120,000,000 would be 11.5 per cent of the total for 1932. Accordingly, highway activities would engage on regular work several times the emergency work number. On regular work staggered employment would not prevail to the same extent. The maximum number on State and Federal work in 1931, according to the Bureau of Public Roads statement—see Exhibit A—was in August, when 389,949 persons were employed. Of this number, 102,789 were then on emergency work, leaving 287,151 on regular Federal and State work. By partial staggering of employment and counting again the two men behind the lines, the number employed on regular and State work would probably be in excess of 1,000,000 persons.

However, a portion of the Federal funds would not have been available during 1931 except for the emergency funds which enabled the States to match the regular Federal funds. Therefore, the emergency appropriation can be credited also with making employment possible for a portion of those on regular Federal and State work. This would be equally true this year. Frozen State bonds are primarily responsible for the inability of several of the States to match Federal funds. In normal times State bonds would sell at a premium. The emergency fund, then, is urgently needed at this time in the States so handicapped in order that they may proceed with their regular Federal-aid highway construction. Failure to obtain emergency funds will bring highway activity in these States practically to a standstill, adding many thousands of men to the army of the unemployed—men who to this date have been gainfully and usefully engaged in highway building as their life work.

County and local expenditures amount to approximately 60 per cent of the Federal and State totals; therefore at least an additional 60 per cent in number are added to the highway ranks by county and local highway activities.

Since their operations embrace more maintenance work, the number of persons employed is possibly larger even than the direct ratio. None of these figures include expenditures for street and highway work in cities where the annual expenditures are approximately another $1,000,000,000, providing employment in corresponding proportion.

States, cities, counties, and local units of Government all look to the Federal Government for leadership in the present crisis. Any curtailment of Federal funds may be interpreted by States, cities, counties, and other local units as a release from the obligation to maintain public-works programs on an enlarged scale. If Federal curtailment should occur, local units will likely follow the Federal leadership, precipitating a collapse of highway and street work. This must not occur. These operations are too deeply rooted as a useful and necessary part of our entire economic structure.

Finally, since it is conservatively estimated that 85 per cent of the average highway dollar goes to labor, the emergency appropriation for $120,000,000 would make available $102,000,000 as the wage earners' share. Approximately one-third of this amount would be distributed directly to the 335,500 emergency road workers; each of these would receive approximately $100 of the total. This is not a large amount, yet it is an amount equal to the average annual amount distributed per unemployed worker by direct relief agencies, estimated on basis of a statement for the first quarter of 1931, submitted to Congress by the Department of Commerce and appearing in CONGRESSIONAL RECORD on page 5429. (See attached Exhibit D.)

In addition, a large number of regular road workers would be assured of retention in use ful work by the emergency funds; the importance of this is recognized when it is considered that a halt in growth of unemployment is the first step toward improvement.

In highway building there is no waste or extravagance. Needed public improvements are obtained while useful work is provided for willing workers.

In reporting this bill the Senate Committee on Post Offices and Post Roads, of which I have the honor to be the chairman, has quite properly considered the legislation as a nonpartisan measure which will benefit the entire country, and I feel sure that the Senate will also consider the bill on that broad national basis.

Mr. President, I present for the RECORD extract of testimony showing use of emergency funds in Michigan in hearings before Post Offices and Post Roads—Senate bill 36—page 26:

The CHAIRMAN (Mr. ODDIE). What is the effect of this legislation on the unemployment problem in your State?

Mr. G. C. DILLMAN (State highway commissioner of Michigan). I might say that about the 20th of last October we put on a very extensive winter construction program, totaling $11,500,000 of work, which necessarily was confined to work to be done during the late fall and winter months, consisting of grading, widening, drain structures, bridges, some gravel surfacing, and the work was all either carried on through the highway department organization, through the county, or largely by contract, which, by the way, we will receive $2,000,000 of Federal aid out of $11,500,000 to spend, and each of those jobs was designed to take care of the maximum of labor, at the same time getting efficient work, the most we could for the money, and we are taking care of some 19,000 to 25,000 men during this period.

We have set up a minimum wage of 35 cents per hour, and we have provided for half time—that is, men working three days a week, or every other week, in order to take care of more men than on the full-time basis.

Michigan is one of the States that has a very serious unemployment condition, and we have found in the past two and a half months that this has worked out very successfully, and the State is contributing something in this highway work to the relief of the unemployed, at the same time relieving the counties, cities, villages, and townships of a very material amount in welfare work. I am citing that as an example of one of many States which are carrying on highway work for the benefit of labor largely at this time.

The CHAIRMAN. What are you doing at the present time, and what regulations do you have in reference to making the road program go as far as possible in meeting the human needs of the laborer?

Mr. DILLMAN. We are establishing, as I said, the minimum wage and 8-hour day, one-half time for these men. We are specifying certain equipment that the contractor may use on the job, and that is specified. He knows that when he bids on the work, and we are trying to utilize the maximum amount of labor on the work, without cutting materially into the efficiency of handling the work, and we do know in putting on several million dollars of this work during November and December, also early in January, that the costs have been very little more than we had during the last half of the year 1931, when there were no regulations involving labor. * * *

Senator HAYDEN. With respect to the emergency appropriation of $30,000,000 made by Congress in December, 1930, did the State of Michigan make good use of that additional money?

Mr. DILLMAN. Yes; our portion of that was $2,500,000 and the money was all spent. We have already received that back from the Government, and we made very good use of it and feel the money was well spent. It was spent on construction of the Federal system, and, in addition to that, we have shown our interest in it by going much farther in putting up State money on the Federal system, and we have found in the 1931 work, throughout the year, that for every $1,000,000 we are spending on State highway work, which includes grading, drainage, surfacing, bridges, paving—for every $1,000,000 from 2,500 to 3,000 men are employed during the contract.

Mr. President, I ask leave to have printed in the RECORD the tables and data to which I have referred.

There being no objection, the tables and data were ordered to be printed in the RECORD, as follows:

EXHIBIT A

Employment on Federal and State highway work, 1931

[Taken from CONGRESSIONAL RECORD, p. 4859]

Month	Forest	Park	Federal aid			Total Federal	State		Grand total
			Regular	Emergency	Total		Construction	Maintenance	
January	228	107	25,944	5,000	30,944	31,279	48,621	68,700	148,600
February	548	172	26,867	10,000	36,867	37,587	53,787	80,186	171,560
March	1,278	172	28,068	25,334	53,402	54,852	58,701	91,334	204,887
April	2,663	350	39,683	54,864	94,547	97,560	72,212	93,732	263,504
May	3,808	1,002	39,518	82,387	121,905	126,715	89,764	94,452	310,931
June	4,722	2,168	40,223	107,402	147,625	154,515	101,275	107,692	363,482
July	6,617	2,625	40,299	115,167	155,466	164,708	112,638	108,003	385,349
August	6,219	2,895	39,506	102,798	142,304	151,418	121,172	117,359	389,949
September	6,048	3,189	42,203	64,660	106,863	116,100	123,404	117,113	356,617
October	5,183	2,842	41,423	39,421	80,844	88,869	116,752	124,483	330,104
November	3,550	2,054	35,534	21,328	56,862	62,466	103,198	124,687	290,351
December	1,193	920	25,973	7,905	33,878	35,991	74,543	134,437	244,971
Total man-months	42,057	18,496	425,241	636,266	1,061,507	1,122,060	1,076,067	1,262,178	3,460,305
Average	3,505	1,541	35,437	53,022	88,459	93,505	89,672	105,182	288,359

EXHIBIT B

Persons employed on State highway systems July 1, 1931, and ratio of employment to total population

[Taken from CONGRESSIONAL RECORD, p. 4860.]

State	By State	By contractors	Total	Ratio
Alabama	1,660	2,166	3,826	691
Arizona	(1)			
Arkansas	3,286	3,414	6,700	276
California	4,265	3,466	7,731	734
Colorado	1,090	2,536	3,626	285
Connecticut	1,901	1,158	3,059	525
Delaware	325	605	930	256
Florida	(1)			
Georgia	3,372	4,630	8,002	363
Idaho	890	1,595	2,485	178
Illinois	5,435	6,500	11,935	639
Indiana	2,686	3,006	5,692	768
Iowa	1,895	6,850	8,745	282
Kansas	2,998	3,463	6,461	291
Kentucky	4,206	5,677	9,883	264
Louisiana	4,000	12,640	16,640	126
Maine	9,242	2,066	11,308	70
Maryland	2,086	2,847	4,933	331
Massachusetts	2,086	4,047	6,133	692
Michigan	2,422	7,313	9,735	497
Minnesota	3,111	6,455	9,566	268
Mississippi	1,240	2,300	3,540	568
Missouri	4,468	7,590	12,058	300
Montana	850	3,000	3,850	113
Nebraska	1,850	3,350	5,200	264
Nevada	396	639	1,035	87
New Hampshire	3,238	1,427	4,665	99
New Jersey	1,791	3,792	5,583	723
New Mexico	1,400	2,600	4,000	105
New York	[2] 6,033	14,078	20,111	501
North Carolina	4,000	2,500	6,500	487
North Dakota	1,120	2,500	3,620	160
Ohio	6,500	18,000	24,500	271
Oklahoma	2,675	2,670	5,345	448
Oregon	1,750	2,100	3,850	247
Pennsylvania	8,932	6,676	15,608	617
Rhode Island	302	850	1,152	596
South Carolina	1,452	3,937	5,389	322
South Dakota	675	1,150	1,825	379
Tennessee	1,801	933	2,734	957
Texas	5,700	8,750	14,450	403
Utah	2,073	985	3,058	166
Vermont	2,030	506	2,536	141
Virginia	3,000	2,600	5,600	432
Washington	2,069	2,295	4,364	358
West Virginia	2,798	4,415	7,213	239
Wisconsin	4,566	7,160	11,726	250
Wyoming	764	1,270	2,034	110
Total	130,429	188,507	318,936	369

[1] No report.
[2] Field force only.

NOTE.—This table does not include prison labor.

EXHIBIT C

Distribution of $1,000 paid for concrete highway, showing the approximate total amount which reaches labor in each of the eight successive steps

(Taken from hearings before the Committee on Post Offices and Post Roads, United States Senate, S. 36)

The contractor's distribution of this $1,000:

Labor	$141.00
Aggregates	324.00
Cement	324.00
Steel	27.00
Equipment	100.00
Plant installation	27.00
Bonding, etc	22.00
Gross profit	35.00
Total	1,000.00

After distribution of mill and quarry items:

Salaries and wages	302.70
Freight	406.70
Materials and supplies	17.15
Fuel	35.50
Interest	14.10
Taxes	24.10
Depreciation and repairs	131.15
Depletion	10.50
Profits	48.10
Miscellaneous	10.00
Total	1,000.00

After distribution of freight charges:

Salaries and wages	477.70
Materials and supplies	57.55
Fuel	57.20
Interest	61.70
Taxes	49.70

After distribution of freight charges—Continued.

Depreciation and repairs	$184.65
Profit	91.00
Depletion	10.50
Redistribution	10.00
Total	1,000.00

After distribution of fuel costs:

Salaries and wages	516.00
Materials and supplies	64.20
Interest and rents	63.75
Taxes	51.40
Repairs and depreciation	188.75
Profit	91.00
Depletion	14.90
Redistribution	10.00
Total	1,000.00

After distribution of repairs and depreciation:

Salaries and wages	572.60
Materials and supplies	170.80
Interest, rents, etc	65.65
Taxes	56.10
Depletion	14.90
Profit	109.95
Redistribution	10.00
Total	1,000.00

After distribution of cost of materials and supplies:

Salaries and wages	730.25
Interest and rents	73.85
Taxes	39.50
Depletion	17.85
Profit	128.55
Redistribution	10.00
Total	1,000.00

After distribution of taxes and $10 for "redistribution" has been redistributed:

Salaries and wages	770.85
Interest and rents	81.25
Profits	129.85
Reserve for depletion	18.05
Total	1,000.00

After distribution of profits, interest, rents, and depletion:

Salaries and wages	910.00
Expended by owners	90.00
Total	1,000.00

EXHIBIT D

[Taken from CONGRESSIONAL RECORD, p. 5429]

	United States	12 States with greatest unemployment	12 States with least unemployment
Population, April, 1930	122,775,046	59,441,377	22,405,630
Gainfully occupied, 1930	48,832,589	24,707,677	8,494,263
Unemployed (classes A and B)	3,187,647	2,066,928	263,505
Per cent unemployed	6.5	8.4	3.1
Relief expenditures, estimated (first quarter 1931)	$80,297,562	$56,290,797	$6,321,399
Relief expenditures per capita (first quarter, 1931)	$0.65	$0.95	$0.28
Relief expenditures per unemployed worker (classes A and B)	$25.19	$27.23	$23.99

Mr. HAYDEN. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for action on the committee amendments first.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will report the first amendment.

The LEGISLATIVE CLERK. The first amendment of the committee is on page 2, line 17, where the committee proposes to strike out the words *"Provided further,* That the prevailing rate of wages as provided in the act of March 3, 1931 (Public, No. 78, 71st Cong.), shall be paid to all skilled and unskilled labor employed in the construction of all roads in said Federal highway system" and to insert in lieu thereof the words *"Provided further,* That all contracts involving the expenditure of such sums shall contain provisions establishing minimum rates of wages, to be predetermined by the State highway department, which contractors shall pay to

skilled and unskilled labor; said minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work: *And provided further*, That in the expenditure of such sums the limitations upon highway construction, reconstruction, and bridges within municipalities contained in section 4 of the Federal highway act, approved May 21, 1928 (45 Stat. 683), and upon payments per mile which may be made from Federal funds shall not apply."

Mr. BULKLEY. Mr. President, I desire to offer two amendments to perfect the committee amendment, and I ask that they be considered together.

The VICE PRESIDENT. The clerk will report the amendments.

The LEGISLATIVE CLERK. On page 3, line 4, after the word "limitations," the Senator from Ohio proposes to insert "in the Federal highway act, as amended."

The amendment to the amendment was agreed to.

The LEGISLATIVE CLERK. On page 3, line 5, the Senator from Ohio proposes to strike out the words "contained in section 4 of the Federal highway act, approved May 21, 1928 (45 Stat. 683)."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. On page 3, line 21, strike out "$3,000,000" and insert in lieu thereof "$5,000,000."

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 3, line 25, strike out "$1,500,000" and insert in lieu thereof "$3,000,000."

Mr. McKELLAR. Mr. President, I desire to amend that amendment by inserting after the word "including," in line 1, page 4, the words "areas to be established as."

Mr. ODDIE. I approve that amendment to the amendment.

The VICE PRESIDENT. The committee amendment goes to the text of the bill, and the amendment proposed by the Senator from Tennessee can be offered after the committee amendments are disposed of. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 4, line 3, to insert the words "and national parks and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053)."

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I believe that concludes the committee amendments.

The VICE PRESIDENT. The bill is now open to amendment.

Mr. McKELLAR. I offer an amendment on page 4, after the word "including" in line 1, to insert the words "areas to be established as," and after the word "authorized," in line 1, page 4, to strike out the words "to be established."

The VICE PRESIDENT. Is there objection to considering the two amendments together?

Mr. HAYDEN. Mr. President, I did not catch the amendments as they were stated.

Mr. McKELLAR. After the word "including," in line 1, page 4, I move to insert the words "areas to be established as."

The amendment was agreed to.

Mr. McKELLAR. After the word "authorized," in line 1, page 4, to strike out the words "to be established." It is not necessary to repeat those words.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 3, after the parenthesis, the Senator from Kentucky proposes to amend by adding "and under the act of May 25, 1926 (U. S. C., Supp. V, title 16, sec. 404)."

The amendment was agreed to.

Mr. BINGHAM. Mr. President, I have an amendment on the desk, which I ask to have reported.

The VICE PRESIDENT. The Secretary will read the amendment.

The LEGISLATIVE CLERK. On page 2, line 1, the Senator from Connecticut proposes to strike out the period, to insert a comma, and the words "except that such apportionment shall be wholly on the basis of population."

Mr. BINGHAM. Mr. President, in support of this amendment I shall, at a later date, offer a carefully prepared statement regarding unemployment in the various States.

Some time ago, just after this bill passed the House, I think on the 27th of February, I sent a telegram to the governor of each State asking him about conditions in his State. It had been stated here on the floor in debate that there were millions of people starving in the United States, and I was anxious to secure the latest information from the governors of the States as to the number of people starving in their States.

At some future date, when there is more time than at present, I shall read the replies which I have received. I may say at this time that no governor has reported that there were starving people in his State. Some of them have resented the imputation that any people might be starving in their States. One governor has said that the amount allowed by the largest city in his State for relief was not sufficient properly to feed the families in need, but in general there has been no report of starvation in any of the States.

I also asked how many unemployed there were in each State at present, and I am having the figures compiled. In the meantime, I endeavored to find out the number of unemployed from various agencies in Washington. It had been stated in debate on the floor of the Senate that there were 10,000,000 unemployed in the United States, and when I questioned that figure, my remarks were received by the Senator who had mentioned that figure as being unique, in that no one questioned the fact that there were 10,000,000 unemployed except the Senator from Connecticut.

The figures I am now having compiled will show that the governors of the several States report a very much smaller number than that. I asked the American Federation of Labor to give me the distribution of unemployed by States, and so far they have not been able to do so. I asked the Department of Labor to give me the distribution by States, and they stated that they had no figures from which that could be arrived at, but suggested that I get in touch with the Department of Commerce.

I got into communication with the Secretary of Commerce, and his reply was printed in the RECORD the other day. It showed that the only accurate figures were those taken from the census a year ago last April, but that it was the belief of the Department of Commerce that the condition had not seriously changed with regard to the distribution of unemployed, except that in the larger and more industrial States there was an increase in unemployment.

The figures which I put into the RECORD at that time showed that the proportion of unemployed bore a very reasonable relationship to the proportion of population, and that it would not be unreasonable at all to adopt this amendment.

If this amendment shall be adopted, we may be sure that except for the largest States, containing the greater number of unemployed, namely, the States of New York, Pennsylvania, Illinois, Michigan, and possibly Ohio, where the proportion of unemployed is larger than the proportion of population in comparison with the total population of the United States, except for those States, this would be the fairest possible division, in view of the fact that we are totally unable to find the actual number of unemployed in each State.

The bill as it passed the House, and as it had been reported by the Committee on Post Offices and Post Roads to the Senate, makes a totally unfair division of aid.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. The bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

Mr. BINGHAM. The road bill as reported to the Senate proposes to divide the $120,000,000 which is to be distributed among the States in accordance with the usual provisions of Federal aid to roads. It is well known that the usual provisions of Federal aid for roads are based upon three things—population, area, and mileage within the State. If they were based entirely on population, I should have no reason for offering the amendment, but in view of the fact that they are based on mileage and area, the result is that the larger and less populated States get a far greater amount of relief under the bill than do the industrial States, where the greatest amount of unemployment occurs.

At a later time, because I do not desire at this time to interfere with the progress of the unfinished business, I shall present the figures to show that the State, for instance, from which the chairman of the committee comes, who just made an able argument in favor of the bill, will receive per person unemployed more than $600, whereas States like New York, Pennsylvania, and Illinois, which have the greatest amount of unemployment, will receive only about $10 per capita. In other words, the bill as it is now before us is not a bill to relieve fairly unemployment all over the United States but is a bill to promote the building of roads in the larger States, where less population and less unemployment occur.

Mr. McGILL. Mr. President, I intend to occupy but a few moments of the time of the Senate. I had hoped that the bill which has been under consideration would not involve any particular amount of debate. It did consume considerable time in the House and involve considerable discussion. The remarks I have in mind to make are intended in a way to be in response to some of the contentions made in the House in opposition to the bill. I feel that the measure should be speedily passed. I believe it would be of great assistance in relieving the unemployment which exists in the country. The remarks I shall make will be along that line and intended, sir, in response to contentions made in opposition to the measure in the other body.

The Congress throughout this session has been dealing with so-called emergency legislation. Much of the legislation thus far adopted, in my judgment, will be of little aid to the masses of the people. With the exception of the Glass-Steagall Act, one can scarcely find a measure thus far enacted or a recommendation by the President which could be said to be of a character that would establish permanent relief. All has been styled "emergency legislation" and designed to aid some particular class or classes of industry, apparently enacted with the view that by appropriating money out of the Tresaury for their aid some portion of their enhanced wealth would leak down among the common people and that some small portion of the army of the unemployed would to a small degree benefit thereby. In other words, the policy of the administration has been and is to water the tree at the top rather than at its base.

The Glass-Steagall Act was a Democratic measure. It was fathered and guided through both Houses of Congress by Democratic leadership. Its provisions and principles had long been advocated by Democrats as Democratic doctrine. Those same principles had likewise been ridiculed and denounced by leaders of the party in control of the executive branch of the Government, and still in control of the upper House of Congress. These principles had been opposed and ridiculed by the former Secretary of the Treasury, Mr. Mellon, and by the present Secretary of the Treasury, Mr. Mills, while he was yet the Assistant Secretary of the Treasury, and were only finally concurred in by the administration as an expediency. With that exception, so-called emergency legislation has been the program under the leadership of a President who during the campaign of 1928 boasted of the prosperity which would prevail throughout the country in the event of his election, and who in that campaign apparently led a majority of the electors of our country to believe that an administration to be presided over by him would be a guaranty of a job for every man.

Large banks, railroads, and insurance companies are to be given, at the hands of Government, whatever benefits may result from the creation of the Reconstruction Finance Corporation. Five hundred million dollars were directly appropriated out of the Treasury and an additional billion and a half guaranteed by the Government, to be used by the Reconstruction Finance Corporation in the act creating it, all of which was approved by the President. Likewise $125,000,000 have, with his approval, been appropriated out of the Treasury for the Federal land banks.

When these measures were pending none of the opponents of this bill arose to say, "Where is the money coming from?" None of them suggested that those measures would make a sales tax necessary in order to balance the Budget or to pay the running expenses of the Government. But when a measure such as this is considered by the Congress, whereby it is proposed to appropriate $120,000,000 as an emergency fund to be expended in the construction of Federal highways, and thereby give employment over a period of months to at least a portion of the great army of the unemployed in this country, the cry immediately goes up from among those in high places in the affairs of government, "Where is the money coming from?" And it has even been suggested that the appropriation would result in a sales tax.

In so far as the subject of emergency legislation is concerned this bill as emergency legislation is the one measure the adoption of which can be justified from every viewpoint. Not only is it a fact that there is much construction on Federal highways which should be proceeded with, but most all of the funds to be appropriated for such purposes will go to labor and thus be of benefit among those who toil—those most in need. I do not look upon this measure as being one simply designed for the purpose of providing employment, although it will work as an aid in that direction more than any other measure this Congress has thus far adopted. There exist projects for the building of Federal highways with which we should proceed that can not go forward without the money provided for in this bill.

In hearings before the committees it was developed that all State highway departments not only ask for the aid proposed in this bill, but are prepared with plans for the construction of highways so that they can go forward without any loss of time whatever.

The appropriation of $120,000,000 authorized in this bill, added to the appropriation of $100,000,000 for similar work as contained in the agricultural appropriation bill, amounts to only about $9,000,000 more than was actually expended by the Government on Federal highways during the last calendar year. This is a small amount, comparatively speaking. In this connection it should be recalled that last year the administration asked for and received an emergency appropriation of $80,000,000 for the identical purpose of providing employment as are contained in the provisions of this bill.

The report of the House committee states that definite information is on file to prove that 90 cents of every dollar expended on roads goes to labor; and in this connection it is only fair to say that the hearings held before the Senate Committee on Post Offices and Post Roads on the bill introduced by the Senator from Nevada [Mr. ODDIE] disclose that on the major portion of highway construction 90 cents of every dollar so expended goes to labor.

The bill further provides that the Secretary of Agriculture is authorized to make rules and regulations for carrying out the provisions of the act with a view of providing the maximum employment of local labor consistent with reasonable economy of construction, and that neither convict labor nor anyone except citizens of the United States shall be employed.

Considering the fact that money expended on highways is an actual investment and the employment which would

go to a large number of our unemployed furnish ample grounds for support of this measure. Certainly it will not solve our problem of unemployment, but the fact it would not provide employment to all who are not now employed is no reason for opposition. The fact that it will provide employment to some does furnish a basis for support. Opposition from the Department of Agriculture should not hinder passage of this bill. How can it be presumed the President will not approve this bill for the purposes for which it is designed when only last year, even though there was not so great a need of it then as exists to-day, he recommended and approved an identical measure appropriating $80,000,000? Hence we are entitled to assume he will regard this as a proper measure and accord it his approval.

Under provisions of the bill, States which can not match the 50-50 fund of the Federal aid highway act could draw on this emergency fund for that purpose and go forward with highway construction already planned. The Nation needs the highways and men need the employment. This is not the kind of appropriation in which a policy of retrenchment should begin. We are not donating to the States. The bill provides that the money is to be an advancement and shall be reimbursed to the Federal Government over a period of 10 years, commencing with the fiscal year 1938, by making deductions from regular appropriations made from future authorizations for carrying out the provisions of the Federal aid highway act.

I am convinced that in so far as the State is concerned, which I in part have the honor to represent, the adoption of this measure will accomplish more to relieve the problem of unemployment existing in Kansas than could be accomplished by any other measure which has been proposed. The bill provides that the highway department of each State shall fix a minimum wage, which shall be contained in the contract with those undertaking any proposed road construction, thus assuring that among the purposes of the bill the one to aid in relieving unemployment will be carried out in a manner so as to guarantee a decent wage to labor.

I am sure the people of Kansas, as well as the people of the country generally, are in sympathy with any reasonable movement to reduce appropriations as much as is possible, but I am also sure they feel that after large appropriations have been made to the great financiers of the country, the common folk should not be denied this comparatively small authorization for an emergency road program.

After large financial interests have been provided for and this measure has been brought forward we are warned of a sales tax. No one abhors the burdens of a sales tax upon our people more than I do. I think such a tax should never have become necessary. But let it be understood that if a sales tax has become necessary in order to meet governmental expenses such a tax has not and will not have been made necessary by this measure. It should never be overlooked that when this Congress convened there was a deficit in the Treasury of nearly $2,000,000,000; that this deficit has been materially increased by legislation heretofore adopted at this session of the Congress—enacted at the requests and demands of the President. If a sales tax has become necessary and the Congress from sheer necessity enacts a law providing for the collection of such a tax, the necessity therefor will not have arisen by virtue of the enactment of the pending bill. Its cause can be traced to the extravagant policies of the administration prior to the convening of this session of the Congress and the enormous deficit then existing in the National Treasury. When we take into account the national policy of the administration with reference to the expenditure of public funds, it little behooves anyone seriously to oppose the adoption of the pending bill, nor likewise to contend its adoption would be a material factor in making a sales tax a necessity.

I am convinced that with knowledge of the fact that highway work is planned and ready to be proceeded with if these necessary funds are provided, and, with the deplorable condition of unemployment existing in every State, the Senate should follow the lead of the House in this instance and speedily pass the pending bill.

I have received many requests from various labor organizations in Kansas urging that this measure be adopted in the interests of laboring people, many of whom would be those who do not belong to organized labor; and have likewise received similar requests from chambers of commerce, located in that State, including a communication from the Kansas State Chamber of Commerce, which is the central body of the various chambers of commerce in Kansas, urging the particular aid the measure would afford to labor in States like Kansas, where road mileage is comparatively great, and stating that if the bill is defeated the road program in Kansas will be seriously curtailed.

The State chamber of commerce further states that with projects ready for the letting of contracts the bill, if passed, would in Kansas alone put about 3,500 additional men to work and permit approximately 30 per cent more highway construction in Kansas than would otherwise be possible during the current year. If the estimates of these organizations are correct, then the testimony in the committee hearings and opinions from various other sources that the adoption of this bill will be the means of furnishing employment directly and indirectly the country over to a very large number of men between now and midsummer can be said to be correct. This being true, and with an unabated depression on among our people, I desire to place myself on record as favoring the adoption of this measure, and again express the hope that it may be speedily passed.

Mr. BINGHAM. I desire to make a few remarks in reply to what the Senator from Kansas has just said.

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Connecticut?

Mr. VANDENBERG. I yield briefly.

Mr. BINGHAM. Mr. President, it is not surprising that the Senator from Kansas is in favor of this bill, because, on the basis of the only official figures regarding unemployment which are obtainable, namely, the census figures taken a year ago last April—and it is submitted and not contradicted that unemployment at the present day, while very much greater, is at the same time in about the same proportion as then—there were in Kansas at that time 28,100 unemployed. The proposed appropriation for supplemental highway work would give Kansas $3,276,334, and permit for each unemployed person in Kansas an amount of $116.59. This is larger than the amount allowed to any one of 36 other States. In other words, Kansas is in the position of being one of 12 States which would receive more per capita of unemployment than the other 36 States.

Mr. President, the Governor of Arizona reports that there are 20,000 unemployed in Arizona; so that the amount which Arizona would receive per capita of unemployment is $88.13. In the case of California it amounts to only $9.33 per capita of unemployment, according to the latest figures furnished by the governor. In Colorado it amounts to only $9.16; in Illinois it amounts to only $5.07, whereas in Nevada, the State from which comes the Senator who moved the consideration of the bill this morning, according to the figures from the governor, there were 2,500 unemployed; their share of the proposed appropriation is $1,578,025, and the amount per capita of unemployment is $631.21.

Mr. ODDIE. Mr. President——

Mr. VANDENBERG. Mr. President, I do not care to yield the floor.

The VICE PRESIDENT. The Senator from Michigan has the floor, and, under the rule, can yield only for a question.

Mr. VANDENBERG. I want to proceed with the unfinished business, which is now presumably before the Senate.

The VICE PRESIDENT. The Senator from Michigan declines to yield further.

Mr. ODDIE. Mr. President, will not the Senator from Michigan allow me to ask one question of the Senator from Connecticut in reply to the statement he has just made regarding conditions in my State?

Mr. VANDENBERG. If it will not involve an hour and a half, I yield.

Mr. ODDIE. No; it will take but a moment.

Mr. VANDENBERG. Very well.

Mr. ODDIE. I should like to make the comment, Mr. President, in answer to what the Senator from Connecticut has said regarding the population and the amount that will be received by the State of Nevada, that the Federal Government owns about 90 per cent of the area of the State of Nevada, and the people of that State are doing many, many times what the people of other States are doing in the building of roads; the burden is much heavier on them. I can very easily argue the matter and, I am satisfied, convince the Senator as to that.

One other point——

Mr. VANDENBERG. Mr. President, I yielded for one point, not for two.

The VICE PRESIDENT. The Senator from Michigan declines to yield further, and the unfinished business, which was laid before the Senate at 2 o'clock, will be proceeded with.

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

Mr. VANDENBERG. Mr. President, if I understand the parliamentary situation, the pending amendment is the committee amendment to strike out certain language on pages 111, 112, and 113 of the pending bill. I shall move to perfect the House text by offering an amendment in the form of a substitute for sections 3 and 4.

The VICE PRESIDENT. Will the Senator send his proposed substitute to the desk and have it read?

Mr. VANDENBERG. I will send the substitute to the desk in a moment. I desire first to address myself to the text of the bill and its relation to this problem.

Mr. President, it seems perfectly obvious to me, as a result of the experience through which the Senate has gone during the last few weeks, that it is absolutely impossible to achieve essential economy through any efforts upon the floor of the Senate, no matter how nobly meditated, to pare down appropriations. We have struggled here with sincerity and earnestness upon both sides of the aisle through two major appropriation bills, and the net result in terms of economy is absolutely negligible. It is relatively futile in terms of tax relief to the American people. That is no reflection upon the efforts that have been made. On the contrary, it is a reflection of the impossible situation which we confront. As the Senator from Tennessee [Mr. McKELLAR] so well knows, as a result of his efforts during the past few weeks, we have shaved a few dollars from a few items. But we all know, if we be candid, that it is the physical fact that we confront an entrenched bureaucracy which in the very nature of the situation can not be reached through sporadic efforts at amendment on the floor of the Senate or on the floor of the other House. The departments bring their experts to our committees and, in good faith, defend every existing instrumentality. We can not cope with such testimony. We lack the means. In the very nature of things we lack the powers of concentrated and effectual rebuttal. We lack the practical powers to perform major operations.

The attack upon swollen expenditures, Mr. President, in order to accomplish the results which the country demands of this Congress, must be made upon the bureaucratic structure itself. We must strike at the root. There must be a combination of attack upon overlapping functions; there must be an elimination of duplication; there must be an elimination of doubtful or useless services; and it is perfectly obvious, as the result of the discussions to which we have submitted ourselves during the past few weeks that there are useless services, and that there are opportunities for eliminations and for useful combinations. There are opportunities to suspend certain activities which we can temporarily do without. But we are not reaching these targets.

Mr. President, I repeat that this process of reorganizing the fundamental structure never in the world is going to be achieved by congressional effort on the floor of either House. It is absolutely impossible to get a meeting of minds when there are 531 minds that have got to meet. It must be an executive function. In any other business, Mr. President, it is an executive function, and there is no reason why we should anticipate that we can relieve ourselves from the same type of operation which proceeds in the ordinarily successful business. We are dealing with the biggest business in the world, and it should be on a business basis.

So, Mr. President, I am proposing a substitute which goes directly and effectively to the point which I am discussing. I call the attention of the Senate to the fact that Vice President Marshall, ruling upon a point of order several years ago concluded—and I now quote him, reading from page 116 of the Precedents of the United States Senate—

> Notwithstanding the rule of the Senate to the effect that general legislation may not be attached to an appropriation bill, still when the House of Representatives opens the door and proceeds to enter upon a field of general legislation which has to do with a subject of this character, the Chair is going to rule * * * that the House having opened the door the Senate of the United States can walk in through the door and pursue the field.

Mr. President, the House has opened this parliamentary door; it has opened it in sections 3 and 4 of the pending bill, the sections which the committee proposes to strike out. It has opened the door on the theory that it is going to undertake to contribute to this reorganization and this economy by a limitation upon promotions and upon salary increases.

The House having opened the door in this fashion, I shall suggest to the Senate, in the language of Vice President Marshall, that the Senate "walk in through the door and pursue the field," and that it "pursue the field" to its logical and fruitful conclusion. I shall offer a substitute, Mr. President. It will take the verbatim form of Senate Joint Resolution No. 76 introduced on January 6 by the distinguished Senator from Georgia [Mr. GEORGE], as amended in the favorable report of the Finance Committee on February 1, and as now constituting Calendar No. 167.

I am sure the Senator from Georgia will understand that I am not seeking to preempt the authorship or to seek to share in the credit for the thoroughly splendid philosophy which he has submitted to the Senate in his thoroughly sound joint resolution. On the contrary, I attribute the authorship specifically to him, and I congratulate him upon it. My contribution is simply a procedural contribution, in that I am suggesting that the language contained in his joint resolution—which, I repeat, has the unanimous approval of the Finance Committee of the Senate—be inserted in lieu of the matter to be stricken out in sections 3 and 4.

Now what is this language and what is its objective? It is all summarized in the first few words of the joint resolution. I quote—

> That whenever the President finds that it is in the interest of the efficient exercise of the executive power and administration of the executive branch of the Government he is authorized, by Executive order—
>
> (1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;
>
> (2) Transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or
>
> (3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department.

Mr. President, the remainder of the proposal is retained, with the exception that the Committee on Finance added an amendment which is included in the proposal as I shall send it to the desk.

> That any such action—

Meaning action on the part of the President under this executive authority—

> shall be final unless Congress, by a concurrent resolution, shall disapprove it within 60 days.

Mr. President, I submit this proposal on the theory that the American people demand of us an accounting in practical economy and have a right to expect us to respond to their challenge. I am submitting it on the theory that we have already demonstrated by experience that, no matter how sincerely we may undertake to reorganize the finances and appropriations of the Government through the medium and agency of appropriation bills, we are practically impotent in the undertaking. I am submitting it on the theory that in any ordinary big business operation in the country the responsibility for the reorganization upon an economical basis of the subdivisions of the business rests squarely upon the executive. I am submitting it upon the theory that when the Executive has the power and authority to proceed in these vital directions he can then appropriately be held strictly accountable for the net result and not otherwise.

I send the amendment to the desk as a substitute for the House text in sections 3 and 4 of the pending bill.

The VICE PRESIDENT. Let the amendment be read.

The LEGISLATIVE CLERK. In lieu of the language proposed to be stricken out in sections 3 and 4, it is proposed to insert the following:

Resolved, That whenever the President finds that it is in the interest of the efficient exercise of the executive power and administration of the executive branch of the Government he is authorized, by Executive order—

(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

(2) Transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department.

SEC. 4. The President's order directing any transfer or consolidation under the provisions of sections 3 to 8, inclusive, shall also designate the records, property (including office equipment), personnel, and unexpended balances of appropriations to be transferred.

SEC. 5. (a) All orders, rules, regulations, and permits or other privileges made, issued, or granted by or in respect of any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of sections 3 to 8, inclusive, and in effect at the time of the transfer or consolidation, shall continue in effect to the same extent as if such transfer or consolidation had not occurred, until modified, superseded, or repealed.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any department or executive agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of any transfer of authority, powers, and duties from one officer or executive agency of the Government to another under the provisions of sections 3 to 8, inclusive, but the court, on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the head of the department or executive agency or other officer of the United States to whom the authority, powers, and duties are transferred.

(c) All laws relating to any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of sections 3 to 8, inclusive, shall, in so far as such laws are not inapplicable, remain in full force and effect, and shall be administered by the head of the executive agency to which the transfer is made or with which the consolidation is effected.

SEC. 6. Whenever, in carrying out the provisions of sections 3 to 8, inclusive, the President concludes that any executive department or agency should be abolished and the functions thereof transferred to another executive department or agency or eliminated entirely, he shall report his conclusions to Congress, with such recommendations as he may deem proper; and such action shall be final unless Congress, by concurrent resolution, shall disapprove it within 60 days.

SEC. 7. When used in sections 3 to 8, inclusive—

(1) The term "executive agency" means any commission, board, bureau, division, service, or office in the executive branch of the Government, but does not include the executive departments.

(2) The term "independent executive agency" means any executive agency not under the jurisdiction or control of any executive department.

SEC. 8. The President shall report specially to Congress at the beginning of each regular session any action taken under the provisions of sections 3 to 8, inclusive, with the reasons therefor.

Mr. ROBINSON of Arkansas. Mr. President, this proposal is plainly general legislation; and, notwithstanding the precedent cited by the Senator from Michigan [Mr. VANDENBERG], the Senate is entitled to legislate on this subject free from the consideration of items in an appropriation bill.

The subject matter stricken out in the bill probably is legislation; but it has little, if any, relationship to the legislation carried in the amendment offered by the Senator from Michigan.

No presiding officer has ever held, merely because one legislative provision is incorporated in a general appropriation bill by the body at the other end of the Capitol, that that has the effect of abrogating the rule of the Senate, or of relaxing the rule so as to make permissible amendments here not germane to the House language stricken out by the committee amendment.

The language stricken out in the bill has no reference to the consolidation, transfer, or abolishment of executive agencies or bureaus. It relates to other subjects only most remotely connected with the subject matter of the amendment proposed by the Senator from Michigan.

As indicated on a different occasion, I am in sympathy with the purposes of this proposed legislation, but I do not think the Senate should proceed on the theory that while we are considering a general appropriation bill it is practicable or consistent with the rules of the Senate to determine such issues merely because the other House inserted an amendment on some other subject—an amendment legislative in character.

This is a subject of the very greatest importance. It should be considered carefully by the Senate. As heretofore expressed to the Senate, it is my judgment that this Government has become too large; that if it is to be restored to its proper relationship in the affairs of the people there will be occasion to abolish a good many agencies. Wholesome ends may be accomplished by the transfer of one agency to a different department from that to which it is now attached, and something may be accomplished in the nature of consolidation, but I do not believe that the Senate ought to attempt to work out a problem of this character on a general appropriation bill. I think we ought to take up the subject as we do other important legislation—consider it and act upon it. It is not generally understood by Senators that when we are trying out the issues in an appropriation bill we shall undertake to determine important questions of legislation. The subject is of too much importance to treat in that way.

I know it can be said that the opportunity is at hand so that we can suspend the rules if we wish to do so and make it in order to consider any amendment that we desire to dispose of, but I believe the best interest will be conserved by conforming to the rule of the Senate.

I do not think the precedent cited by the Senator from Michigan is applicable in this case at all.

Mr. BORAH. Mr. President, I have no observations to offer with reference to the parliamentary situation; but I should want to consider this joint resolution—for it is a joint resolution, offered now in the nature of an amendment—somewhat at length before voting on it.

I think the tendency of such a measure as this is to relieve Congress from its duty—and it has a very serious and solemn duty in regard to this matter—and undertake, as it were, to "pass the buck" to the President of the United States. That is accentuated by this clause, which I think is clearly objectionable in any kind of legislation with reference to this matter:

SEC. 4. Whenever, in carrying out the provisions of this joint resolution, the President concludes that any executive department or agency should be abolished and the functions thereof transferred to another executive department or agency or eliminated entirely, he shall report his conclusions to Congress, with such recommendations as he may deem proper.

That was the amendment offered by the Senator from Georgia [Mr. GEORGE]. Then the committee added:

And such action shall be final, unless Congress, by concurrent resolution, shall disapprove it within 60 days.

In the first place, I doubt whether we have that power. It seems to me the delegation of legislative power. In the second place, I think the Congress has a responsibility about this matter, and I do not favor the passage of any measure which will relieve Congress of its great responsibility.

So far as the Executive is concerned, the Executive has a vast amount of initiative power now with reference to this matter; and if it has ever been used—that is, one recommendation to abolish bureaus—that fact has not come to my knowledge.

Look at section 209 of the act creating the Bureau of the Budget:

> The bureau, when directed by the President, shall make a detailed study of the departments and establishments for the purpose of enabling the President to determine what changes (with a view of securing greater economy and efficiency in the conduct of the public service) should be made in (1) the existing organization, activities, and methods of business of such departments or establishments, (2) the appropriations therefor, (3) the assignment of particular activities to particular services, or (4) the regrouping of services. The results of such study shall be embodied in a report or reports to the President, who may transmit to Congress such report or reports, or any part thereof, with his recommendations on the matters covered thereby.

What more power does the President need in order to get this matter before the legislative body? If there are regroupings that seem necessary, if there are overlappings which are unnecessary, if expenditures exist which ought not to exist, if there is an overloading of the governmental functions, here is the power in the President to ascertain that fact and make his recommendations to Congress. Here the President is authorized by an established bureau to hunt out, search out, ferret out the defects, and to recommend to Congress what shall be done in regard to the matter. I do not see in this particular joint resolution anything in the way of additional necessary power.

In addition to that, the President has at his command the Bureau of Efficiency, and also the General Accounting Office.

The reason why we make no progress in reducing expenditures is because the executive department passes the matter to the legislative department, as is evidenced by the controversy which has been going on for the last few days between the other House and the President, and the legislative department passes it over to the President, and vice versa. We are the representatives of the people in the matter of appropriations. We must not shun responsibility. We should ourselves do our duty, and if we do not do our duty the people have their remedy in choosing other public servants. The responsibility is upon us. I am not in favor of passing a measure which attempts to place upon the President the entire responsibility, and having the Congress say that if we do not act on it within 60 days—and we may not be here—the President's action shall be final and complete.

If the President needs any additional authority to make the research, to make the investigation—and I do not see that he does need it—but if he does, I am entirely willing to give it to him. I am not willing, however, to have the Congress of the United States step from under the responsibility which rests upon it. If this Congress will not cut expenses and reduce costs of government, let the people know it by the next election.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Arkansas?

Mr. BORAH. I yield.

Mr. ROBINSON of Arkansas. Most of the bureaus and much of the increased expense which they occasion have been created by direct action of the Congress; and there is in my mind a question whether the provision that the Senator read and objected to constitutes an attempt, an invalid attempt, to delegate legislative power.

Mr. BORAH. It seems to me that it is so near the border line that it is certainly worthy of more consideration than we have given to it yet; but even if it is not constitutionally undesirable, as a matter of policy upon the part of the Congress it ought not to shunt the responsibility which rests upon it.

Mr. President, another thing: If we will study the Budget recommendations which have come down to the Congress for the last 10 or 12 years we will find that the Congress has been just as apt to protect the Treasury of the United States as has the executive department. Congress in all probability is not in a position to criticize the executive department for extravagance; but certainly the executive department is not in a position to say to the Congress that it is the extravagant body and that the executive department is the economical body in the Government. There is no more reason in view of experience to assume that the Executive will be more efficient than the Congress. We have in many instances, time and again, reduced the Budget recommendations below the recommendations as they came to the Congress.

I repeat, in concluding, that there is a responsibility upon the Congress which the Congress can not pass from under. This may be a very good time politically for the Congress to pass it over to the President, but it is not the proper thing to do, in my judgment.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. McKELLAR. It will be remembered that every year save one since the Budget was established the Congress has appropriated less money than was recommended by the Budget and the President.

Mr. BORAH. There is another thing I desire to say. I thank the Senator for that suggestion. I think this is an impossible task to impose upon the President. The President is situated in the midst of a great bureaucracy, one of the largest in the world. He would be appealed to on every hand, and in every way, in every move he would make to reduce or to cut out expenditures in the way of reducing bureaus. I do not think the President is in a position to carry this out, no matter how capable he is or what he might wish to do. When we come to discuss this matter more fully on its merits I shall make a suggestion which I believe will be helpful both to the President and the Congress in reducing expenditures of Government.

The VICE PRESIDENT. The Chair is ready to rule.

Mr. VANDENBERG. Mr. President, I do not care to prolong the matter beyond offering a few observations in response to those submitted by my good friend the Senator from Arkansas [Mr. ROBINSON] and my good friend the Senator from Idaho [Mr. BORAH]. Of course, it goes without saying that they have just as much zeal as I have with respect to the objective which we are addressing.

I am not concerned about any quarrel between the executive and the legislative branches over credit for reducing appropriations. I am concerned about reducing appropriations. I care nothing whatever about the success or failure which either the executive or the legislative branch may have had heretofore in reducing expenditures. I am concerned about actually reducing expenditures now and hereafter.

I submit that we confront the practical fact, as demonstrated during the past two weeks, that we are not going to cut these appropriations except as, first of all, something happens to the departmental structure itself, and I do not see, under existing circumstances, how it is possible for anything to happen to the structure except as we clothe the Executive with the same type of executive authority as exists in every other business on earth, an authority not merely to recommend to Congress that something may be done but authority to proceed in this emergency to produce the tax-saving results which the American people demand.

Mr. WALSH of Montana. Mr. President, before the Vice President rules on this matter——

The VICE PRESIDENT. The Chair is ready to rule, but will be very glad to hear the Senator.

Mr. WALSH of Montana. I desire to remark that when a bill comes to us from the House in which appears some general legislation, our rules must be construed to mean only

that legislation germane to that which is contained in the bill could be proposed as an amendment thereto. Otherwise, if an appropriation bill should come to us from the House with a perfectly insignificant provision in it in relation to law generally, any kind of a bill could then be attached to the appropriation bill by way of amendment.

An amendment to legislation in a bill which comes from the House containing general legislation must obviously be germane to the legislation which is in the bill as it comes to us from the House.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. VANDENBERG. I concede absolutely the point which the Senator now makes respecting the necessity that the subject matter shall be germane, and, as I understand it, under the rules of the Senate that problem must be submitted to the Senate for its own decision without debate.

Mr. WALSH of Montana. Every point of order is submitted without debate, unless the Chair tolerates it.

The VICE PRESIDENT. The Chair is familiar with the decision of Vice President Marshall, which was submitted to the Senate. His decision was sustained; but the Chair thinks that the Senator from Arkansas [Mr. ROBINSON], the Senator from Montana [Mr. WALSH], and, for that matter, the Senator from Michigan [Mr. VANDENBERG], are right with respect to germaneness, and that if the House inserts general legislation in a general appropriation bill any amendment submitted to that provision in the Senate must be germane or relevant and the question of germaneness or relevancy must be submitted to the Senate. Therefore, the Chair submits to the Senate the question, Is the amendment proposed by the Senator from Michigan germane to the provision contained in the bill as it came from the House?

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GEORGE. Mr. President, is the question debatable?

The VICE PRESIDENT. The question is not debatable.

Mr. ROBINSON of Arkansas. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ROBINSON of Arkansas. I think the Chair should state the question which was submitted to the Senate.

The VICE PRESIDENT. The question is, Is the amendment proposed by the Senator from Michigan germane?

Mr. WALSH of Montana. For information, under the provision of what rule is this matter submitted to the Senate?

The VICE PRESIDENT. Under paragraph 4, Rule XVI.

Mr. ROBINSON of Arkansas. Mr. President, pending the calling of the roll, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Pittman
Austin	Couzens	Johnson	Reed
Bailey	Dale	Jones	Robinson, Ark.
Bankhead	Davis	Kean	Robinson, Ind.
Barbour	Dickinson	Kendrick	Schall
Bingham	Dill	Keyes	Sheppard
Black	Fess	King	Shipstead
Blaine	Fletcher	La Follette	Smith
Borah	Frazier	Lewis	Smoot
Bratton	George	Logan	Steiwer
Brookhart	Glass	McGill	Thomas, Idaho
Bulkley	Glenn	McKellar	Thomas, Okla.
Bulow	Goldsborough	McNary	Trammell
Byrnes	Gore	Metcalf	Vandenberg
Capper	Hale	Morrison	Wagner
Caraway	Harrison	Neely	Walcott
Carey	Hatfield	Nye	Walsh, Mont.
Coolidge	Hayden	Oddie	White
Copeland	Hebert	Patterson	

The VICE PRESIDENT. Seventy-five Senators having answered to their names, a quorum is present. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DICKINSON (when his name was called). I have a pair with the junior Senator from Texas [Mr. CONNALLY]. Not knowing how he would vote, I withhold my vote.

Mr. HEBERT (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. LONG]. In his absence I withhold my vote. If permitted to vote, I should vote "yea."

Mr. JONES (when his name was called). I have a pair with the senior Senator from Virginia [Mr. SWANSON], who is necessarily absent. If at liberty to vote, I should vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote.

Mr. SMITH (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. WATSON]. In his absence I transfer that pair to the junior Senator from Massachusetts [Mr. COOLIDGE] and vote "nay."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. METCALF. I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote.

Mr. JONES. I find I can transfer my pair with the senior Senator from Virginia [Mr. SWANSON] to the Senator from Colorado [Mr. WATERMAN], which I do, and vote "yea."

Mr. STEIWER (after having voted in the affirmative). On this vote I am paired with the Senator from New Mexico [Mr. BRATTON]. I find that he has not voted, and I therefore withdraw my vote. If permitted to vote, I would vote "yea."

Mr. McKELLAR (after having voted in the negative). I have a pair with the junior Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the Senator from Missouri [Mr. HAWES] and allow my vote to stand.

Mr. SHEPPARD. I wish to announce that the following Senators are absent on official business: The Senator from Kentucky [Mr. BARKLEY], the Senator from New Mexico [Mr. BRATTON], the Senator from Louisiana [Mr. BROUSSARD], the Senator from Massachusetts [Mr. COOLIDGE], and the Senator from Missouri [Mr. HAWES].

Mr. FESS. I wish to announce the following general pairs:

The Senator from New Mexico [Mr. CUTTING] with the Senator from Massachusetts [Mr. WALSH];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Tennessee [Mr. HULL];

The Senator from New Hampshire [Mr. MOSES] with the Senator from Louisiana [Mr. BROUSSARD];

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Indiana [Mr. WATSON] with the Senator from South Carolina [Mr. SMITH];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS]; and

The Senator from South Dakota [Mr. NORBECK] with the Senator from Kentucky [Mr. BARKLEY].

The result was announced—yeas 32, nays 34, as follows:

YEAS—32

Austin	Couzens	Hale	Oddie
Bankhead	Dale	Hatfield	Patterson
Barbour	Davis	Howell	Reed
Bingham	Dill	Johnson	Smoot
Black	Fess	Jones	Thomas, Okla.
Capper	George	Kean	Vandenberg
Carey	Glenn	McGill	Walcott
Copeland	Goldsborough	McNary	White

NAYS—34

Ashurst	Costigan	King	Schall
Bailey	Fletcher	La Follette	Sheppard
Blaine	Frazier	Logan	Shipstead
Borah	Glass	McKellar	Smith
Brookhart	Gore	Morrison	Trammell
Bulkley	Harrison	Neely	Wagner
Bulow	Hayden	Nye	Walsh, Mont.
Byrnes	Kendrick	Pittman	
Caraway	Keyes	Robinson, Ark.	

NOT VOTING—30

Barkley	Coolidge	Hastings	Lewis
Bratton	Cutting	Hawes	Long
Broussard	Dickinson	Hebert	Metcalf
Connally	Harris	Hull	Moses

Norbeck	Steiwer	Townsend	Watson
Norris	Stephens	Tydings	Wheeler
Robinson, Ind.	Swanson	Walsh, Mass.	
Shortridge	Thomas, Idaho	Waterman	

So the Senate decided Mr. VANDENBERG's amendment not to be germane.

The VICE PRESIDENT. The question is on the amendment of the committee to strike out, on page 111, lines 3 to 20 in section 2 and all of sections 3 and 4.

Mr. GEORGE. Mr. President, since the Senate has passed upon the relevancy of the amendment and inasmuch as it was out of order to discuss the matter after the Chair ruled against the point of order made and submitted the question of germaneness to the Senate, I wish to say a few words upon the amendment itself.

Those of us who are talking about economy may as well know that we have attacked the administration in his one invulnerable spot when we refuse to give the President the power to consolidate or to merge or to abolish purely executive agencies. I do not care to say anything more, but we might as well recognize the fact, which the country will recognize too, that this is the one invulnerable spot in the administration's armor against which we direct our attack, if the action taken is based upon opposition to the amendment itself.

There is not in the amendment offered by the Senator from Michigan [Mr. VANDENBERG]—and I did not request that he offer the amendment and did not know until after he had decided to offer it that he intended to do so—any proposal to give the President the power to consolidate or abolish departments of government or legislative agencies or bureaus. The amendment is confined entirely to executive agencies, agencies in the executive department, agencies also executive in nature and character. It is confined to the same sort of agencies outside the department.

Mr. BORAH. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. GEORGE. Certainly.

Mr. BORAH. Would this give the President the power to deal with executive agencies which have been created by Congress?

Mr. GEORGE. I think so where it is a purely executive agency.

Mr. BORAH. But if they were such agencies as were created by act of Congress?

Mr. GEORGE. Possibly so.

Mr. BORAH. I would be willing to give the President the power to abolish commissions, but the amendment provides that he would be empowered to abolish agencies which the Congress has created. It seems to me that is clearly a delegation of legislative power, to say nothing of the effort of Congress to meet responsibility in this matter.

Mr. GEORGE. Perhaps so, but not an unusual or improper delegation of legislative power. I am not going into that question in any detail. The clear purpose of the resolution, offered as an amendment by the Senator from Michigan [Mr. VANDENBERG], is to deal with executive agencies, and with executive agencies only. The Senator from Idaho very well says that the President already has large power in that regard. I am quite confident that the President has even larger power than the Senator from Idaho himself pointed out over purely executive agencies. I am not prepared to say that he might not deal effectively with the strictly executive agency.

But the point is that the resolution which was offered as an amendment is aimed directly at executive agencies. It is intended to give power to the President to merge them, to consolidate them, and, wherever he finds that it can be done without injury to the public service, to actually abolish them, conferring their functions, however, upon some other existing agency either in or outside of the department.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Nevada?

Mr. GEORGE. Certainly.

Mr. PITTMAN. I happened not to be in the Chamber when the debate took place. I did not realize I was voting upon the merits of the question. I thought and understood that we were voting on a construction of the rules of the Senate.

Mr. GEORGE. The Senator is quite right about that.

Mr. PITTMAN. I would be totally unwilling to stultify myself and vote contrary to what I believe the rules are, even for the expediency of carrying my views.

Mr. GEORGE. The Senator is quite right, but in the beginning I called attention to the fact that the Chair ruled at one stage, when I rose to address the Senate, that the question was not debatable. Had the Senator been in the Chamber he would have known that on the question of relevancy, the merits of the proposal had been discussed, as I think, and I am therefore claiming the right to consider the merits of the amendment. The Senator is entirely right in the position which he takes.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. Certainly.

Mr. KING. I did not have the advantage of hearing the discussion on the merits, and I am not sure that I understand exactly the implication of the resolution offered in the form of an amendment. I ask the Senator, therefore, for information, in what category he places, for instance, the Bureau of Indian Affairs and the multitudinous bureaus in the Department of Agriculture as well as in other departments. Does the Senator mean that the President would have the power to combine, to consolidate, or to abolish executive bureaus, departments, or agencies set up by act of Congress, if his resolution should now be adopted or if the amendment of the Senator from Michigan had been adopted?

Mr. GEORGE. Obviously I can not now go into a discussion and do not intend to be drawn into a discussion of the character of the various boards and bureaus and commissions existing. I merely wish to emphasize the essential fact that the resolution, offered by way of an amendment to the pending bill, dealt entirely with executive boards, bureaus, and agencies. It did not attempt to deal with legislative bureaus, boards, agencies, and services. It expressly excluded departments of the Government, although they are executive, because I would not be willing to place upon the President power or burden in that regard.

Mr. GLASS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GLASS. Is it competent for the Senator from Georgia or any other Senator now in this incidental discussion to discuss the question of germaneness which seems already to have been decided by the Senate, because I want to confess that I am not prepared to say, although I voted, whether the proposition is germane or not. That question was not discussed, and in casting my vote I acted upon the advice of Senators who I assumed knew more than I do, but I begin now to doubt it. I would like to inquire if the Senator may not incidentally discuss that question now.

The VICE PRESIDENT. The Chair is ready to answer the inquiry of the Senator from Virginia. Of course, the question of germaneness was settled by vote of the Senate, and the question now is upon the committee amendment to strike out the two sections of the bill, which, of course, is debatable.

Mr. GEORGE. Yes, Mr. President; I am not undertaking to discuss the question of germaneness, because I did not offer the amendment.

Mr. GLASS. Mr. President, if the Senator will permit me——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Virginia?

Mr. GEORGE. I yield.

Mr. GLASS. The reason I propounded that parliamentary inquiry is that somebody may convince me that it is germane, and I have a right to move to reconsider and may do so.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Georgia yield to me?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Arkansas?

Mr. GEORGE. I yield.

Mr. ROBINSON of Arkansas. While the Senator from Virginia [Mr. GLASS] was engaged on business of the Senate outside the Chamber, the question of the germaneness of this amendment was discussed. I myself raised the question, stating in doing so that while with the general purposes of the amendment I was in sympathy, I thought it is clearly obnoxious to the rule of the Senate and that it constitutes legislation on a general appropriation bill.

Now, if the Senator from Georgia will indulge me just one moment further, that is the only issue the Senate has determined. In presenting to the Senate the law of the case as applied to the rule of the Senate and as applied to the question of order which I raised, I find that I did not make it as clear as it appears on the face of the record. I proceeded and other Senators proceeded on the theory that the House had incorporated a provision of general legislation in this appropriation bill and that therefore anything germane to the House provision was in order.

The Senate was asked by the Chair, under the rules of the Senate, to pass upon the question of germaneness; but, Mr. President, after an examination of the House provision stricken out, there is no conclusiveness in the contention that the House language stricken out constituted legislation. Many Senators here have served in the House of Representatives and they know that limitations on appropriations are not legislation; that is to say, there is a well-defined distinction between a provision in an appropriation bill which specifies that the moneys appropriated in a paragraph or in the bill itself shall not be used for other than certain purposes, defining the purposes, and a provision for legislation. Such a limitation is not legislation. It may indirectly sometimes effect a change in the application of the laws, but it usually is construed as a limitation of the appropriation, notwithstanding the House adopted a special rule to relieve the matter of doubt in the instant case.

Now, looking at the language of the bill stricken out for which the Senator from Michigan [Mr. VANDENBERG] has offered an amendment, the first provision begins—

That no part of any money appropriated by this act shall be used for—

And so forth.

Section 3 begins—

No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date—

And so forth.

The last section, section 4, begins—

SEC. 4. No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act—

And so forth.

In every instance the language stricken out in the House provision seems a mere limitation on an appropriation; it was not legislation and, therefore no legislation—even germane legislation or what we might determine to be germane legislation—could be held in order.

It is so clear from my standpoint that I do not feel justified in continuing the argument.

Now, with the indulgence of the Senator from Georgia, just one moment more; I said in the beginning and I reaffirm now that this is a very important matter and that the Senate ought to observe its rules. It ought not to undertake to pass general legislation of this character on this appropriation bill, for the reason that we are not afforded the opportunity of studying the measure and giving that attention to it that its importance deserves.

The Senate was not called upon to vote upon the merits of the amendment; it was called upon to vote upon the question of law as to whether or not the amendment was in order; and the Senate by every precedent and rule of reason sustained the point of order and held that the amendment was not in order. I thank the Senator from Georgia for his indulgence.

Mr. GEORGE. Mr. President, the Senator from Arkansas is not in disagreement with what I am saying.

Mr. ROBINSON of Arkansas. No; I did not mean to imply that I was.

Mr. GEORGE. I am not discussing the question of germaneness, I will say to the Senator from Virginia, but I am discussing——

Mr. GLASS. I merely wanted it discussed as the Senator from Arkansas has discussed it in order that I might have guidance for my vote should the question be again raised.

Mr. GEORGE. I appreciate the Senator's statement. I am not discussing the question of germaneness, because when I rose to address the Senate the Chair held that question was not subject to debate; but since it was suggested by the distinguished Senator from Idaho [Mr. BORAH] that the amendment itself is unconstitutional and the remarks addressed to the Senate, as I understood them, dealt clearly with the merits of the amendment and, having myself drawn a joint resolution now on the Senate Calendar the terms of which are embodied in the amendment, although I did not offer it to this measure, I did not want the merits of the matter to be discussed in the Senate without rising in defense of its merits, but not to discuss the question of germaneness. On that point I think the Senator from Arkansas is justified in his position and in his remarks.

It is a subject upon which Senators may differ, but certainly there is ground upon which it may be held that the amendment is not germane. Therefore, it is one of those questions which have two sides, like many other matters that are presented in the Senate. But I did not want, Mr. President, the occasion to pass without saying that, in my opinion, the amendment ought to be carefully analyzed; it ought not to be hastily rejected; it ought not to be dismissed, especially since many of us are professing that we wish to serve the ends of economy at this session of the Congress.

The very provision which the House adopted and for which this particular amendment was offered as a substitute undertakes to reduce salaries; that is to say it undertakes to prevent promotions under the civil-service rules and it undertakes to prevent increases in salaries; it looks to economy.

I believed when this session opened that we ought to undertake to reduce the cost of Government. I had no very great enthusiasm for any effort to reduce the salaries of employees of the Government, whose salaries must be said to be nothing more nor less than wages. I have no sympathy with that sort of proposal. The House has been dealing with the question in perfect good faith in an effort to reduce salaries. It has been endeavoring to reduce salaries, particularly the higher salaries. The House has sent over in this bill a provision which would reduce the cost of government during the next fiscal year. The committee of the Senate has stricken it out. The Senate and the Congress will not reduce salaries. The reduction in salaries will be negligible when we have reached the date of adjournment of this session of the Congress.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. I yield to the Senator.

Mr. SMOOT. I feel that I ought to say at this time that the committee struck this provision out, with the distinct understanding that the House and the Senate would get together and recommend legislation applying to all appropriation bills this year, and not have such an amendment on every appropriation bill.

Mr. GEORGE. I can see the wisdom of that, and I am not complaining about it.

Mr. SMOOT. I simply wanted the Senate to know that that is the program.

Mr. GEORGE. But the point I am making is that up to this good moment no salary has been reduced.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Nevada?

Mr. GEORGE. I yield.

Mr. PITTMAN. If anything is germane here that will reduce the cost of government, would it be germane, or would it be new and general legislation, if I should offer an amendment providing for the abolishment of the Interstate Commerce Commission?

Mr. GEORGE. If the Senator is asking me that as an academic question, although I am disclaiming any intention to discuss the question of germaneness and stated that I could very well appreciate the position taken by the Senator from Arkansas, I will answer it in the negative; but the answer I give is purely an academic one. I am not discussing the question of germaneness; I am discussing the question of economy.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. I yield.

Mr. KING. Does not the Senator believe, in view of the interpretation placed upon the power of the Senate to limit appropriations, that, notwithstanding there is a general statute creating an office, in a general appropriation bill there may be a limitation to the effect that no part of the appropriation shall be used to pay the salary of the person holding that office, whether he be a member of the Interstate Commerce Commission or holding any other position?

Mr. GEORGE. Oh, yes; I think so; but I did not understand the Senator from Nevada to put that question to me. I understood him to ask whether a proposal to abolish the Interstate Commerce Commission would be germane.

Mr. PITTMAN. Mr. President, time and time again in this body, during the last 20 years to my knowledge, the Senate has interpreted a limitation such as that referred to by the Senator from Utah as not a limitation but as general legislation; that is, when a limitation is put in the form of abolishing an office which Congress has created it has been held as being not a limitation of an appropriation but in effect legislation.

Mr. GEORGE. I think the Senator is quite right; but I do not want to be led aside. I am discussing here the question of economy and the relation, as I conceive it, that the amendment which the Senator from Michigan offered to this bill bears to that question.

Mr. President, let me repeat we are now in March and no salary has been reduced. I do not say that no salary will be reduced, because I am not a prophet, but none has been reduced. The savings effected to the Government may be significant when looked at from one angle, but when we consider the entire expense of the Government and the cost which we are now authorizing we are not making much progress.

I had hoped that by placing the responsibility upon the President with respect to the executive agencies and bureaus, we might be able to accomplish certain very important economies. I would not have offered the joint resolution which I originally offered if I had not been emboldened to do so by the publicly announced position of the President that he desired to make certain transfers, mergers, and consolidations of agencies and bureaus of the Government.

I offered my resolution, be it remembered, Mr. President, on the 6th day of January; and it was not until the following 17th day of February, as I recall the date, that the President sent his message to Congress. My resolution, therefore, was no part of the administration's program. It was my own best judgment of how we might be able to effect certain economies in government.

I know it is desirable to reduce salaries; I will vote for the reduction of salaries until we reach that scale of salaries which fairly represent only wages, and I will not vote for the reduction of salaries falling within that scale. I will vote for the reduction of the salaries of Members of this body, not because we can accomplish great economies thereby, not because the saving will be very great to the Government, but because there is a certain sense of economic justice and fairness involved in the reduction of governmental salaries at this time which this Congress ought to regard. At least, that is my view of it. I may be entirely wrong about the matter, but that is my position upon that question.

While I stand ready to vote for reductions in salaries, I can not believe that we will effect any great economies by that means. I stand ready to vote for reductions in many of these appropriations, but I can not believe that we are going to make much progress in that direction.

I have seen about as many of the items in the appropriation bills raised as I have seen reductions in those items, even during this session of the Congress. I would not give to the President power to consolidate or to abolish or otherwise to cripple the executive departments of the Government themselves; nor would I give to the President the power to abolish or to merge or to consolidate legislative agencies or commissions or bureaus, or any agency which performs not only certain executive functions but also clearly defined legislative functions.

In my judgment, the Congress ought not to place any burden upon the President with regard to such agencies; nor would I give to the President the right to abolish strictly executive agencies without requiring the President to report first to the Congress for action by the Congress before the order of the President should become effective.

It is true that the joint resolution which I introduced, as amended by the Finance Committee, does not quite express the exact idea which I wished to incorporate in the legislation. Nevertheless, the joint resolution is in the direction, and some of its provisions, as I had hoped, look toward real economies in government; and I thought I might confidently rely upon the good judgment and discretion of the Senate to make such needful amendments to the joint resolution as should be made when the joint resolution should be before the Senate for final consideration.

Mr. President, I greatly regret that the merits of the joint resolution were injected or seemed to be injected into the discussion of the question arising on the point of order. If there had been nothing which seemed to me to inject into that matter the merits of the joint resolution, I should not have spoken at all at this time. Inasmuch, however, as it seemed to me that some of the arguments submitted did go to the merits of the amendment rather than to a correct decision of the question arising upon the point of order, I thought I should express my view upon this important matter.

Mr. BORAH. Mr. President, before the Senator takes his seat I should like to ask him a question.

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. GEORGE. I yield to the Senator.

Mr. BORAH. I am interested to know why the President must have additional power in order to do what the Senator desires that he shall do. Has not the President now sufficient power to do all these things under the Budget law and under the law creating the Bureau of Efficiency and the law creating the General Accounting Office?

Mr. GEORGE. I believe the Senator from Idaho was out of the Chamber during a portion of my remarks. I have stated that in my opinion the President has even much broader powers than the Senator from Idaho indicated when he first addressed the Senate. I am not disposed to go into that subject now; but, in my opinion, the President has very broad power now to deal with all of the subject matter which I sought to bring within his power and jurisdiction under the joint resolution. I agree with the Senator upon that point.

Mr. BORAH. That seems to me to be correct. I agree with the Senator from Georgia.

Mr. FLETCHER. Mr. President, the same thought occurred to me. If that is the case, why the need of this legislation?

Mr. GEORGE. That may be true, Mr. President. It may be fairly debatable whether there is any absolute need for the legislation.

Mr. FLETCHER. The President has appointed various commissions and various boards; and he has done that without any legislative authority, so far as I know, exercising purely Executive power. Certainly he can control those commissions and those boards and those agencies which he himself has named.

Mr. GEORGE. That is quite true so far as reports are concerned; but if the Senator from Florida will permit me, the joint resolution which I have offered gives to the President the power to merge, to consolidate, and to transfer the service from one agency to another, but it does not give him the power to abolish the agency and destroy the service without first reporting to Congress.

Mr. BINGHAM. Mr. President, does the Senator think that the President to-day has the power to take away the executive powers of the Shipping Board, for instance, and transfer them to the Department of Commerce?

Mr. GEORGE. I should not say that he has. Therefore I included in the joint resolution what I believed, at least, to be a very doubtful power of the President in any instance, and one that I did not believe existed in a large number of cases; and that is the power to transfer the service, and to consolidate the various agencies.

Mr. BINGHAM. Under the Senator's joint resolution, then, would the President not have the power to transfer the Shipping Board to the Department of Commerce, for instance?

Mr. GEORGE. The executive functions of it, beyond any doubt.

Mr. BINGHAM. The executive functions?

Mr. GEORGE. Yes; I think so—the executive functions.

Mr. HARRISON. Mr. President, as I was one of the Committee on Finance who voted to report the joint resolution out favorably, I merely wish to suggest that if the power that the President now has the right to exercise, but which he does not exercise, is broadened in any way so that he may effect some economies, I thought it very appropriate to pass this legislation. However, the Senator who offered as an amendment to the pending bill this joint resolution that was introduced by the Senator from Georgia is, as I understand, the chairman of the program committee on the other side, charged with the duty and having the full power of making this joint resolution in order at any particular time that he desires. If the sentiment for this matter is as strong as he seems to think it is—and I believe the sentiment for it is strong—why does not the Senator put on the program that this matter shall come up and be discussed on its own merits, free from being charged with helping to filibuster to death an appropriation bill?

So I suggest to the distinguished Senator who offered this joint resolution as an amendment that he put it on his program, so that it can come up following the tariff bill that is to be considered next.

Mr. TRAMMELL. Mr. President, in this connection I desire to have the RECORD indicate that the committee reported this joint resolution of the Senator from Georgia back to the Senate favorably on February 1, 1932. In other words, it has been back on the calendar for some five or six weeks; and it does seem that the zeal which prompted its offer out of order here to-day should have prompted some action during the past five or six weeks.

Mr. LEWIS. Mr. President, ordinarily, sir, a question brought before the Senate of parliamentary procedure does not give privilege to general discussion of any great question or general principle which might at the time be deemed of importance to general government.

It seems to me the history of the Senate debates shows that the great questions that have been discussed here have invariably arisen as a mere incident to the matter before the house. This was the history of the debate between Hayne and Webster touching the strength of the Government and its unity. This historic and forensic exhibition flushed out on a mere resolution touching the disposition of public lands out in one of the Western States.

I wish to observe at this point that I have heard at this hour Senators particularly allude to the question of economy, the consolidation of bureaus, and the abolishment of office. Sirs, we have heard a great deal of all of this. Hardly a day passes that we do not have the echo of it; and rarely is it that the public press does not carry an interview, either with the President or with those speaking in his behalf, seeking to "make assurance double sure" to the multitude and the public of the President's great desire for general economy and abolishment of unessential office. But I invite attention, for the moment that I shall occupy the floor at this time, to the fact that there has never been an exhibition of such arrant hypocrisy and deliberate imposition put upon a public by political misrepresentation as has been perpetrated upon the American citizenship by these constant pretenses of national economy on the part of the executive branches as to abolishment of office or the profession on the part of those in power and their general announcement of the reduction of taxes through the reduction of office.

These eminent gentlemen, as party leaders who hold themselves up for the great credit and applause of the multitude in their promise and assurance, always veto the particular decree proposing death to any one bureau wherever such action removes from office those who are desired to be kept in office between now and the national election. I invite this country to observe that in every instance of these professions of economy and these abolishments of office one can not see where any one particular office is suggested as the one to be abolished, or any one list of salaries to be wholly suspended. To the contrary, every effort that is attempted on the part of this honorable body—particularly on the part of those on this side of the Chamber who are spoken of as Democrats—is invariably held up before the public as lacking the virtue of sincerity, or when attempted in accomplishment as in no wise entitled to praise, because it is the Democracy.

Within the last few days the leader of the Appropriations Committee in a House of Congress located in the United States of America was compelled to allude to the fact that the Executive—commonly described as the President of the United States in the parlance of parliamentary verbiage—had done everything to circumvent the carrying out of the consolidation of departments after it had been recommended by him and held up before the public as a presidential virtue; but, says Chairman BYRNS, when there was the attempted execution of such consolidation on the part of the branch of the body that could have carried it out to consummation, promptly there was the interdicting of such effort by the eminent officials at the head of the party in power, who had been announced before the world as the great authors of the design of that improvement and the proposers of the modification.

The public press gave us the announcement that the President had taken very seriously the suggestion by Chairman BYRNS; and the President is represented by the public press as asserting, through one of his agencies that are invariably designated to speak for the President—one of those official envoys who announce the official declaration of the Executive, which, if taken well, is the heralded wisdom of the President; if caught badly on the public ear, it is at once an unfortunate error of assumption on the part of a clerk [laughter]—we have seen this exhibition within the last day or two where the President asserts that the chairman of the committee is quite in error in his announcement. That he has been whole-souled in his desire for this cooperation. Allied and aligned with this, however, comes the confession from the President that he has for three years been making an effort in this direction, but the President has seen no result and enjoyed no success. Yet wherever an attempt is made by the House organization or on the part of this body to carry out the announced wishes and to execute what is professed to be the design of the Executive, promptly some eminent leader of that portion of our honorable opponents that may be called the regulars—regular in the spirit of that regularity

that holds up before the country that this thing called the Democracy is but making a pretense in its effort and is only exerting itself to obtain credit for doing that which is right, yet it is to always be accepted that whatever this Democracy attempts is always wrong; that when it offers its assistance to the President, however bountiful it might be in its power, such service should be rejected, because it is tainted with the word "Democracy." Therefore it should be repelled; and whatever else it may do in its achievement or its results, instead of being graciously received as a contribution by the Democratic Party to the aid of the President in his effort as an executive to give economy to the Government, lessen the salaries, shorten expenses, cut down the burden, promptly the country is given to understand that they scoff the aid on the part of Democracy because it is the Democracy, and promptly claim some credit in some other quarter that it might inure to the President's political advantage.

Mr. President, the time has come to halt these pretenses and this hypocrisy. There is no intent on the part of the President of the United States to really cut away any bureau of Government in the United States of America which now holds office under his appointment or cut off the employees of which draw salaries with the authority of the administration.

No limitation is going to be allowed by the party leaderr upon the great official source that shortly is to be needed, with its multiplying energies, for ballot-box uses. There is to be no effort made to the final consummation of cutting down the expenses of Government, either of salary list or of offices, if it is to disturb in any wise whatever the great number of the army who are to be occupied in such political support when the convention assembled shall be called upon; and since we have seen, as the Senator from Georgia has alluded to it, many of these suggestions of reductions but no final act indicating an intention to execute them, now is the time when we should cease deceiving the American public and quit these pretenses, for the truth is that there will not be this cutting down, there will not be these reductions, there will be no effort to carry them out, lest to do so is to lessen the political strength that is supposed to be necessary for the coming national campaign.

The attitude of the honorable Executive and that of the public upon this question is always one of those presentations of a picture of which we get the best illustration and example in the colloquy between Mr. Hamlet and Mr. Polonius, when, viewing the distant sky just ahead, a great swinging cloud is seen, when the observation is made by Hamlet—

> Do you see yonder cloud that's almost in shape of a camel?
> POLONIUS. By the mass, and it is like a camel, indeed.
> HAMLET. Methinks it is like a weasel.
> POLONIUS. It is backed like a weasel.
> HAMLET. Or like a whale.
> POLONIUS. Very like a whale.

[Laughter.]

So, sirs, the representation is as the audience would be most served by: To those who want nothing done the picture is only a weasel; however, to those who look for rescue from the desert it is surely a camel. [Laughter.]

Mr. BINGHAM. Mr. President, the very charming and delightful remarks just made by the Senator from Illinois prompt me to wonder whether or not the President of the United States should not give out an interview at this time thanking the Democratic Members of the Senate for enabling him to do that which the Senator from Illinois has indicated he so earnestly desires to do.

The Senator from Illinois assures us that the President has no intention whatever of cutting down bureaus or consolidating bureaus, or reducing the number of public offices, because, forsooth, it is by those very place holders that he hopes to be reelected.

The Senator from Illinois assures us that the President has no intention of doing what the resolution originally offered by the Senator from Georgia would encourage him to do and would remove all doubt about his ability to do.

When this question came up before the Senate a few moments ago the majority of the Members of the Democratic Party on the other side of the aisle, taking advantage of a technicality as to whether or not this proposal might, forsooth, be relevant, voted that it was not relevant.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BINGHAM. Just a moment.

Mr. ROBINSON of Arkansas. The Senator declines to yield.

Mr. BINGHAM. Therefore it seems to me that the President of the United States ought to thank them for taking advantage of that technicality to relieve him of any embarrassment under which he might have been placed had this proposal of the Senator from Georgia and the Senator from Michigan been regarded as relevant, and therefore been discussed, and been placed in an appropriation bill, a matter which, in the view of the Senator from Illinois, would clearly have caused the President grave embarrassment.

I now yield to my friend the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senator has passed in his remarks the point about which I wished to interrupt him.

Does the Senator believe that the amendment proposed by the Senator from Michigan was in order under the rules of the Senate?

Mr. BINGHAM. Whether or not it was in order, Mr. President——

Mr. ROBINSON of Arkansas. Mr. President——

Mr. BINGHAM. The Senator has asked me a question, and I will endeavor to answer him as briefly as possible.

Mr. ROBINSON of Arkansas. The Senator can have the rest of the evening to answer it. Plainly, he thinks it was not in order, or he would say that he thinks it was in order.

Mr. BINGHAM. Of course, if he so chooses, the Senator can answer his own question and put words in my mouth.

Mr. ROBINSON of Arkansas. I believe I could answer it better than the Senator from Connecticut could answer it. [Laughter.]

Mr. BINGHAM. I am sure of that, also; I am quite willing to agree to that.

The question propounded to us by the Chair was whether or not it was relevant.

Mr. ROBINSON of Arkansas. No; that was not the question. The question was whether or not the amendment was germane to the language of the House stricken out by the committee amendment.

Mr. BINGHAM. Mr. President, I am sorry the Senator does not seem to think that germaneness and relevancy are in the same boat. As a matter of fact, the rules of the Senate do not use the word "germane," and therefore the Senator from Arkansas is putting into the mouth of the Chair something he could not properly have said. The rules say that no amendment shall be adopted which is not relevant, and we were asked to indicate whether or not we thought the amendment was relevant, and the Senate, by a very close vote, which would have been tie——

Mr. ROBINSON of Arkansas. Mr. President, I do not regard this subject matter in controversy as of the slightest importance, but the question submitted to the Senate was as to the germaneness of the amendment, and if the Senator from Connecticut thinks it important, I will submit the matter to the Chair.

Mr. BINGHAM. Mr. President, I am quite willing that my friend the Senator from Arkansas should use the word "germane" if he wants to. If that is colloquially not the same thing as "relevant" in Arkansas, it is all the same to me. The question was whether under the rules of the Senate that amendment could be brought before the Senate, whether it was germane to the bill, or whether it was not. That was the question before us, and the Senate voted, by a tie vote, on its relevancy. My friend the Senator from Mississippi, who originally, in accordance with his predilections, in accordance with his very charming and delightful and brilliant speech or speeches the other day, regarding the necessity for economy, had voted that it was relevant, suddenly finding himself in the minority on the other side

of the aisle, changed his vote so as to make the Senate go on record as saying that it was not relevant.

I submit, Mr. President, that the House of Representatives, in putting these two limitations on this bill, were endeavoring to secure some economies in government by very drastic means, and the Senator from Michigan, by putting in as a substitute the resolution offered by the Senator from Georgia, and reported to the Senate favorably by the Committee on Finance, was endeavoring to do the same thing, to make it possible to have the conferees consider some proper means of reducing the number of unnecessary employees, the number of unnecessary bureaucrats, and the number of unnecessary commissioners who are now employed under the Government, thanks to this and previous Congresses.

Mr. President, as I stated in the beginning, it seemed to me that the President ought to send a note of thanks to those Members of the Democratic Party who, by their votes, took away from him any necessity of acting under this legislation, and took advantage of a technicality to prevent the President being embarrassed by being given instructions by the Congress to proceed with reorganization, with the doing away with unnecessary bureaus, with the lessening of unnecessary commissions.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Mississippi?

Mr. BINGHAM. I yield.

Mr. HARRISON. Does the Senator think that because the Senate held this amendment not germane on the appropriation bill that kills the proposal for this session of Congress?

Mr. BINGHAM. I hope not. I hope we may have an opportunity to take it up. I hope the Senator from Georgia will move in the near future that his resolution be taken up. It will give me great pleasure to vote for it, and at that time I hope the Senator from Mississippi may not change his vote, after voting for it.

Mr. HARRISON. I intend to vote to take it up at another time. As a matter of fact, I would like very much to see the proposal pass. It may be changed in some respects, but I am in favor of legislation which may effect some economies.

Mr. BORAH. Mr. President, I want to say just a word. In my opinion, the President has all the power now which would have been given him by the resolution. I am satisfied that he has any power needed to enable him to initiate anything he sees fit to recommend with reference to abolishing bureaus which might be given him by this resolution.

The President has the power to do what gentlemen seem to desire to have him do, and we as a Congress have the power to reduce appropriations. Neither the Executive nor the Congress seems willing to exercise the power now possessed.

As to what will be done, I am rather inclined to agree with the Senator from Illinois [Mr. LEWIS].

Mr. TRAMMELL. Mr. President, I just wish to add, to what was said by the Senator from Idaho, that if the President is not already clothed with the power to consummate his own action with regard to this matter, the avenue is still open to him to communicate to Congress a recommendation for the abolition or discontinuance of any bureau or any agency, or to discontinue any expenditure.

I do not think the effort on the part of the Senator from Connecticut to establish an alibi on account of the action of the Senate on this parliamentary question will be very effective; that he will be able to establish his alibi to excuse the executive department of the Government.

The question is whether the executive department has communicated to Congress and directed any particular avenue or source from which we may institute a given economy, the discontinuance of any bureau, or the discontinuance of any agency.

The President has that power, if he is not clothed with the general power mentioned by the Senator from Idaho. I think he is clothed with that power already, as stated by the Senator from Idaho.

Mr. SMOOT. Mr. President, the next amendment is found on pages 111, 112, and 113.

The PRESIDING OFFICER (Mr. FESS in the chair). The amendment will be stated.

The CHIEF CLERK. On page 111, line 2, the committee proposes to strike out the following:

Provided, That no part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses, station wagons, and ambulances) at a cost, delivered and completely equipped for operation, in excess of $750, including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes, and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only when the same is approved by the head of the department. This section shall not apply to any motor vehicle for official use of the Secretary of the Interior.

SEC. 3. No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act (1) to increase the compensation of any position within the grade to which such position has been allocated under the classification act of 1923, as amended, (2) to increase the compensation of any position in the field service the pay of which is adjustable to correspond, so far as may be practicable, to the rates established by such act as amended for the departmental service in the District of Columbia, (3) to increase the compensation of any position under such act through reallocation, (4) to increase the compensation of any person in any grade under such act through advancement to another position in the same grade or to a position in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation, or (5) to increase the compensation of any other position of the Federal Government under such department. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes, but shall be impounded and returned to the Treasury, and a report of the amounts so impounded for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

SEC. 4. No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply to absolutely essential positions the filling of which may be approved in writing by the President of the United States. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

Mr. SMOOT. Mr. President, the reason for striking this provision from the bill is that the House and the Senate desire now to incorporate in one bill a provision which will apply to all appropriation bills. Therefore, we ask that this language be stricken out, and if that is done, there will be provision in one bill covering all appropriation bills.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MCKELLAR. Mr. President, are there any other committee amendments?

Mr. SMOOT. Yes; we passed over an amendment on page 78, line 25.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 78, line 25, under the item "For gaging streams," the committee proposes to strike out "$400,000" and insert in lieu thereof "$518,000," so as to read:

Provided further, That $518,000 of this amount shall be available only for such cooperation with States or municipalities.

Mr. SMOOT. That was passed over, and it was discussed when it was up before.

Mr. KING. It is an increase of nearly $100,000.

Mr. SMOOT. Over the House provision, affecting everything falling within that class of work.

Mr. KING. It is "For gaging streams and determining the water supply of the United States, the investigation of underground currents and artesian wells, and the preparation of reports upon the best methods of utilizing the water resources, $652,000." There is an increase of over $100,000.

Mr. SMOOT. The States pay a part of this. It is cooperation work within the States. For the fiscal year 1933 the Federal Government pays $489,123 and the States pay $500,307. This is just carrying out the estimates made for the service. We had many witnesses from different States, so many that the Appropriations Committee of the Senate felt that the States were a great deal more interested even than the Federal Government itself, and, therefore, we gave just what the States asked for and pleaded for.

Mr. KING. May I ask my colleague if the Committee on Appropriations of the House did not make a very careful examination of the entire subject, and if so, and it seemed there are reasons justifying such large increase of more than $100,000, why did not the House act upon it?

Mr. SMOOT. Of course I can not express an opinion as to what was in the minds of the Members of the House, but I will say that if Senators will look through the bill carefully they will notice that the appropriations which affect the West have been reduced more than the appropriations affecting any other part of the country. This is one of the items in which every Western State is interested.

Mr. KING. I am not so sure about that. I was wondering what justification there was for an increase of $100,000, assuming that the House committee was just as diligent in trying to get the facts and did its duty as the Senate committee did—and, of course, we have to accord that honor to them of being very diligent. Why did not they recommend the increased appropriation?

Mr. McKELLAR. Mr. President, the Senator stated a moment ago that appropriations for the western part of the country had not been increased as have appropriations for the other parts of the country. I call his attention to two projects in Oregon alone, for one of which there was an increase of $100,000 and another one an increase of $500,000. I do not think there are any such increases in any other part of the country.

Mr. SMOOT. It makes no difference where the money goes, the work is called for, and I know that States in every part of the country are interested.

Mr. BARKLEY. Mr. President, I observe on page 77 that the House appropriated $366,000 for topographic maps, and the Senate committee proposed an increase to $466,000, notwithstanding the fact that there was $150,000 left over from the present fiscal year. If there was an unexpended balance of $150,000 left over from this year, why did the committee find it necessary to increase the House appropriation by another $150,000?

Mr. SMOOT. They had last year $780,000. This year they have $616,000, so the $150,000 added to the $616,000 is not quite what we appropriated for them last year. The question is whether the work was done. They are prepared to go on with the work and to use the $150,000 of unexpended balance for last year together with the appropriations we may make in this bill.

Mr. BARKLEY. It occurs to me if we are to make any serious effort to reduce appropriations, we ought certainly to do it in those departments where they are carrying over unexpended balances from the present year. If out of $616,000 they have been able to save $150,000, I can not understand why it is necessary to increase the appropriation carried in the House bill or even to carry as much as the total in last year's appropriation bill, of which $150,000 is carried over as an unexpended balance.

Mr. SMOOT. Last year's appropriation was $780,000. The appropriation has been cut down this year.

Mr. BARKLEY. But $366,000 carried in the House bill was a reduction of how much below the present appropriation?

Mr. SMOOT. The whole appropriation for last year was $780,000, while this year it is but $616,000—a reduction of $64,000.

Mr. BARKLEY. I do not find the $616,000 to which the Senator refers under the head of topographic surveys.

Mr. SMOOT. If the Senator will take the $466,000 appropriated in the bill and add the $150,000 of unexpended balance, that will make the $616,000 that I speak of now.

Mr. BARKLEY. But they did not spend that much.

Mr. SMOOT. Last year we gave them an appropriation of $780,000. Of that amount they had an unexpended balance of $150,000.

Mr. BARKLEY. I understand; but if they did not spend that much, why do we need to give them so much this year?

Mr. SMOOT. Because of the fact that they have made the assignment of this amount of money to each State. I can begin with Alabama and go down the list and tell the Senator just the amount that has been assigned to each State.

Mr. BARKLEY. They certainly have not assigned money that is unappropriated.

Mr. SMOOT. They ask for the money to be appropriated and state the amount which will be assigned to each State if we appropriate it.

Mr. BARKLEY. They could reassign it if we should reduce the amount.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment passed over will be stated.

The CHIEF CLERK. The next amendment passed over is under "Geological Survey, on page 79, line 13, where the committee proposes to strike out "$120,000" and insert "$140,000," so as to read:

For printing and binding, $140,000.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, it seems to me this increase ought not to go through without some objection. I do not know that there is any objection that can be made to it, but I would like to inquire of the Senator from Utah whether it is necessary to increase the amount for printing and binding. Does the $120,000 carried represent a reduction below this year's appropriation? If it does represent a reduction, has not the cost of printing and binding been reduced so it would be sufficient?

Mr. SMOOT. The geological reports and water-supply papers are essentially sale publications. They are virtually all sold by the Government. Although in constant current demand, they do not have merely temporary value. Many of the earlier reports are out of print, though a demand for them still continues, and the Superintendent of Documents sells annually hundreds of reports published 20 and more years ago.

The small, highly skilled staff of illustrators would have to be reduced if the "illustrations" item is decreased $3,500, thereby affecting the efficiency of the organization entirely out of proportion to the minor economy involved.

The engraving and printing section is a modern plant where topographic and geologic maps are engraved and printed. These maps are not sent out free in quantities to lists of those assumed to be interested, but six out of seven are sold. It is impossible, even with the present appropriation or that requested in the Budget for 1933, to keep pace with the need for reprinting maps exhausted by sale, to say nothing of catching up in arrears of new maps awaiting engraving. About a dozen of the copperplate engravers, lithographic artists, and transferrers, all specially trained employees, would be thrown out of work by the proposed drastic reduction of $40,000.

Mr. BARKLEY. Does the sale of those maps compensate the Government for the expenditure of the Government in having them issued?

Mr. SMOOT. They are sold all over the United States.

Mr. BARKLEY. But they are not all sold. Many of them are given away. We get them in our offices, though, of course, we get them officially.

Mr. SMOOT. The law provides for that.

Mr. BARKLEY. I understand that; but does the $23,000 represented in the increase bring back the same amount of income to the Government that it expends, or is it a dead loss?

Mr. SMOOT. It is not a dead loss. I do not think they will make any kind of topographic maps if they are not called for. The department says they can not furnish some of the maps because of the fact that they have not had them printed. This is not like a direct appropriation from which we do not get any return. These maps are sold and the money comes back into the Treasury of the United States.

The PRESIDING OFFICER (Mr. JONES in the chair). The next amendment passed over will be stated.

The CHIEF CLERK. The next amendment passed over is on page 79, line 14, where the committee proposes to strike out "$20,000" and insert "$23,240," so as to read:

For preparation of illustrations, $23,240.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. The next amendment passed over is on page 79, line 15, where the committee proposes to strike out "$11,000; in all, $250,000" and insert "$153,000; in all, $298,240," so as to read:

And for engraving and printing geologic and topographic maps, $153,000; in all, $298,240.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. The next amendment passed over is on page 82, line 13, where the committee proposes to strike out "$2,279,500" and insert "$2,520,740," so as to read:

Total, United States Geological Survey, $2,527,740.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SMOOT. Under the unanimous-consent agreement previously entered into the clerks are authorized to correct the totals.

Mr. BARKLEY. Mr. President, I desire to ask the Senator from Utah with reference to the amendment on page 82 relating to the total. I see we have an increase of nearly $250,000 in the appropriation for the United States Geological Survey. I inquire of the Senator from Utah if these increases are the results of requests or urgings of executive officers in the bureau covered by this appropriation?

Mr. SMOOT. These are all estimated for by the Budget.

Mr. BARKLEY. And upon them the House reduced the Budget estimate?

Mr. SMOOT. Yes.

Mr. BARKLEY. The executive officers in the bureaus under the Department of the Interior, who operate under the jurisdiction of the Secretary of the Interior, a member of the President's Cabinet, have appeared before the committee and insisted that these amounts be restored notwithstanding the effort of the House to reduce them, and as a result the amounts have been restored?

Mr. SMOOT. These are the estimates that were made.

Mr. McKELLAR. Mr. President, may I explain to the Senator from Kentucky that the amount of the bill as it passed the House was $50,446,432.33. The amount carried by the bill as reported by the Senate Committee on Appropriations is $54,870,754.35, or an increase of about $4,500,000, in addition to which there have been several small increases which have been made by reason of amendments offered on the floor of the Senate.

Mr. BARKLEY. I would like to inquire if this increase of approximately $4,500,000 in the appropriation bill, as compared to the amount carried as the bill passed the House, has been made at the request and upon the insistence of officers in the Interior Department who are a part of the executive branch of the Government, or whether they were made on the initiation of the Appropriations Committee of the Senate?

Mr. McKELLAR. They were made very largely on the insistence of officers of the several bureaus in the Department of the Interior. Occasionally an individual amendment was offered by a Senator providing for a slight increase, but for the most part the increase in the total is by reason of members of the executive department being invited before the committee and testifying in the hearings, and after such hearings the amounts were increased.

Mr. BARKLEY. Were they invited?

Mr. McKELLAR. I think they would not come unless they were invited, but those who want to come are always invited, as a matter of course.

Mr. BARKLEY. I am making no point, of course, of that. The point I am undertaking to make is that it seems to me it has a good deal of bearing upon who is responsible for increased appropriations.

Mr. McKELLAR. I would say that of the $4,500,000 increase at least $4,000,000 were added at the earnest insistence of the officials of this department.

Mr. BARKLEY. And the same thing is true of all the appropriation bills we have thus far enacted, and in all probability it will be true of all we shall enact at this session of Congress.

Mr. McKELLAR. To the best of my judgment that is true.

Mr. SMOOT. Mr. President, I will turn to page 98. The appropriation in line 5 is increased $1,000,000 in that one item alone.

Mr. McKELLAR. I have the hearings before me, if the Senator will yield, but my recollection is that officials of that bureau came forward and testified that that amount was proper and the committee allowed it.

Mr. WALSH of Montana. I have an amendment to be offered in that connection which I hope I may now be able to present.

Mr. SMOOT. The Senator may offer the amendment at this time, and I think he will ask for more than the $6,000,000.

Mr. WALSH of Montana. Yes.

Mr. SMOOT. Let me say to the Senator from Kentucky [Mr. BARKLEY] that the item in line 5, on page 98, has been increased $1,000,000, and the Senator from Montana is going to offer an amendment now to further increase that appropriation. I will say to the Senator that the additional amount the Senator from Montana is about to request over and above the $6,000,000 may be very properly and effectively appropriated and expended, and not only that but I think the Senator from Montana himself will say that it is greatly needed.

Mr. BARKLEY. Is it not a fact that the amount that is going to be requested by the Senator from Montana has been either recommended or asked for by the department itself?

Mr. SMOOT. It may have been.

Mr. McKELLAR. It has been.

Mr. SMOOT. The House appropriated $5,000,000 for this purpose and the Senate committee recommended $6,000,000, and more than likely the Senate will vote for it.

Mr. McKELLAR. And the President recommended an appropriation of $7,500,000 for the same purpose.

Mr. BARKLEY. And yet the President gives out public statements criticizing Congress for not reducing appropriations.

Mr. SMOOT. The Senator from Tennessee is wrong when he says the President recommended this appropriation. The Budget Bureau asked for $6,000,000, and that is what the committee allowed; and the President sent down the estimate for $6,000,000.

Mr. McKELLAR subsequently said: Mr. President, inadvertently I made a mistake a while ago in saying that the President had recommended $7,500,000 for this purpose. I find that I am mistaken, and that the President recommended $6,000,000.

Mr. WALSH of Montana. Mr. President, I offer an amendment to the amendment reported by the committee.

The PRESIDING OFFICER. The amendment proposed by the Senator from Montana will be stated.

The CHIEF CLERK. The committee proposes, on page 98, line 5, to strike out "$5,000,000" and to insert "$6,000,000"; and the Senator from Montana proposes to amend the committee amendment by striking out "$6,000,000" and inserting in lieu thereof "$7,500,000."

Mr. SMOOT. I am perfectly willing that that amendment to the amendment should go to conference without any further discussion; and I want to say to the Senator, knowing the idea he has in mind, that the money can be properly expended.

Mr. WALSH of Montana. I thank the Senator.

Mr. KING. I should like to have an explanation by the Senator from Montana of his amendment to the committee amendment.

Mr. WALSH of Montana. I shall be very glad to give it. I must, however, in whatever I say about this matter acknowledge the courtesy and the consideration which the friends and supporters of the amendment to the amendment received from the Committee on Appropriations in connection with it and to express our thanks for what they did in what they felt was the discharge of their duty.

However, Mr. President, I want to say that there would be a very serious loss to the Government of the United States if this appropriation were not made. It is authorized by an act approved January 31, 1931, which contains the following:

SEC. 5. The Secretary of the Interior is hereby authorized during the fiscal years 1932 and 1933 to construct, reconstruct, and improve such national park approach roads so designated, inclusive of necessary bridges, and to enter into agreements for the maintenance thereof by State or county authorities, or to maintain them when otherwise necessary, as well as hereafter to construct, reconstruct, and improve roads and trails within the national parks and national monuments; and for all such purposes there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following sums: $7,500,000 for the fiscal year ending June 30, 1932, the sum of $7,500,000 for the fiscal year ending June 30, 1933.

The appropriation which is recommended by the committee and carried in the bill will no more than take care of the roads within the parks. It will scarcely do that. Four of these approach roads which are now in process of construction will be arrested, and the authorization will absolutely fail unless the additional appropriation shall be provided at this time. In other words, work has been started on these roads; the contractors are there and at work on them; they have their crews and equipment there, and if they should be compelled to stop construction and leave when operations were again resumed much of the work would be destroyed and lost and the equipment would have to be gathered together again. There will be a tremendous loss to the Government unless we complete the work which has actually been undertaken.

Mr. KING. I ask the Senator what appropriations are carried for roads within the parks?

Mr. WALSH of Montana. The whole amount for roads within the parks and for the approach roads is thrown into one item, and the entire appropriation is $6,000,000.

Mr. SMOOT. Together with the trails within the park?

Mr. WALSH of Montana. It is for the trails and everything else.

Mr. KING. I want to say to the Senator that I visited one or two of the parks last year, one of them being the Yellowstone Park, and I am compelled to say that I thought there was a great deal of extravagance in the construction of roads in the Yellowstone Park.

Mr. WALSH of Montana. Allow me to remark to the Senator that we now have 26 national parks that are to be taken care of by this $6,000,000 appropriation.

Mr. SMOOT. The amendment proposed by the Senator from Montana [Mr. WALSH] to the committee amendment is to increase the $6,000,000 to $7,500,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Montana to the committee amendment.

The amendment to the committee amendment was agreed to.

The amendment as amended was agreed to.

Mr. WALSH of Montana subsequently said: Mr. President, in connection with the remarks which I just made, I ask that there may be incorporated in the RECORD a document explanatory of the item.

The PRESIDING OFFICER. Without objection, that will be done.

The matter referred to is as follows:

[From p. 134, Senate hearings]

WASHINGTON, D. C., *February 10, 1932.*

Hon. T. J. WALSH,
Washington, D. C.

DEAR SENATOR: In accordance with our conversation relative to the park-road appropriation for the year 1933 as reported in H. R. 8397, the Interior appropriation for 1933. Last year's original park appropriation in the Interior appropriation bill was $5,000,000.

The Public Law 592 of the Seventy-first Congress increased the authorization for appropriations by $2,500,000 for a period of only two years, $1,000,000 of which was to be for increase for park roads in the national park. One and a half million dollars for approach roads to the park.

The last deficiency bill of the Seventy-first Congress appropriated $2,500,000 to carry out this authorization. In accordance with this authorization and appropriation Secretary Wilbur designated the number of approach roads and allotted to them the amount of $1,500,000 as described in a memorandum from Mr. Demaray attached hereto. All of this $1,500,000 has been obligated by contract and most of it spent. None of these projects are completed, and failure to appropriate $2,500,000 again under this authorization would mean the suspension of the work already done and could never be completed unless another authorization was procured. H. R. 8397, the pending Interior Department appropriation measure, carries $5,000,000 (see first paragraph), the old sum, but does not add the $2,500,000 addition needed in the work mentioned in the preceding paragraph; instead it appropriates the old amount and proposes to take from it this approach-road sum given as $1,200,000, but should be $1,500,000 to properly cover the needs finishing the projects already under construction. It will be impossible to use the $1,200,000 out of the regular $5,000,000 park-road appropriation. The desire is to secure the added authorization instead of taking it from the old appropriation authorization which is needed for other purposes. There are attached pages 93 and 94 of the Interior bill as reported from the House committee. On page 94, line 6, the first sum should be changed to $7,500,000, and in line 23, sum should be changed to $1,500,000 in order to meet the means outlined above. In the attached memo by Mr. Demaray showing the amount already allocated under the approach-roads authorization and further amounts scheduled for use under the expected new appropriation.

Very truly yours,

O. H. P. SHELLEY.

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, February 1, 1932.

Memorandum.

In connection with national-park approach roads, the following projects are being worked on during the present fiscal year. The amounts shown are those allocated from the 1932 appropriation:

	Allotment
Red Lodge-Cooke City approach to Yellowstone (Mont.)	$977,700
Moran-south boundary, Yellowstone National Park (Wyo.)	100,000
Sequoia and General Grant (Calif.)	220,000
Desert View-Cameron, Grand Canyon National Park (Ariz.)	168,000
Surveys, other approach roads	24,300
Total	1,500,000

In our tentative program, based on having $1,500,000 for approach roads in the 1933 appropriation act, we had tentatively programmed the following projects:

	Allotment
Red Lodge-Cooke City, Yellowstone National Park (Mont.)	$900,000
Southwest approach to Yellowstone National Park (Idaho)	210,000
The above two roads would be completed under this program.	
Moran-south boundary, Yellowstone National Park (Wyo.)	140,000
General Grant-Sequoia (Calif.)	150,000
Desert View-Cameron, Grand Canyon National Park (Ariz.)	100,000
Total	1,500,000

The last three projects will be only partly completed, but as these projects are reconstruction of existing poor roads, the new

road can be used in the event that no further authorization for park approach roads is granted.

It is estimated that two more years' authorization at $1,500,000 annually will be required to complete all the approach roads eligible under the provision that they must cross lands wholly or to the extent of 90 per cent owned by the United States.

DEMARAY,
Acting Associate Director.

DEAR SENATOR: Please note that the authorization for the appropriation for road construction expires with the work uncompleted on the approach roads. In their present state they can not be used. The authorization was for two years.

The PRESIDING OFFICER. The next amendment proposed by the Senator from Montana will be stated.

The CHIEF CLERK. On page 98, line 13, the Senator from Montana proposes to strike out "$1,200,000" and to insert "$1,500,000."

The amendment was agreed to.

Mr. SMOOT. Mr. President, I desire to offer an amendment on page 98, line 12, after the numerals "1933," to insert the proviso which I send to the desk.

Mr. GEORGE. Mr. President, I wish to inquire of the Senator from Utah whether it is his disposition to finish the bill to-night.

Mr. SMOOT. Yes; we are nearly through it, and I should like to have it finished to-night.

Mr. GEORGE. I do not think we can finish the bill to-night. I had expected to speak at no great length but possibly for an hour on an important matter.

Mr. SMOOT. We can proceed until 5 o'clock, then.

Mr. GEORGE. If there can be any assurance that we will not finish the bill to-night, I hope the Senator from Utah will indicate it at this time.

Mr. McKELLAR. Mr. President, I have an important amendment to offer. I do not know how long it will take; it may take a very little while; but I wish to offer it as soon as the Senator from Utah gets through with the amendments he desires to offer.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah will be stated.

The CHIEF CLERK. On page 98, line 12, after the numerals "1933," it is proposed to insert the following proviso:

Provided further, That in addition to the amount herein appropriated the Secretary of the Interior may also approve projects, incur obligations, and enter into contracts for additional work not exceeding a total of $2,500,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction of roads in national parks and monuments shall be considered available for the purpose of discharging the obligation so created.

Mr. McKELLAR. Mr. President, I inquire if that amendment is subject to a point of order?

The PRESIDING OFFICER. In the opinion of the present occupant of the chair, it is not subject to a point of order.

Mr. SMOOT. Not at all.

Mr. McKELLAR. I do not think that such an amendment ought to be adopted for any purpose.

Mr. SMOOT. For the record, I want to make just a brief statement and quote from a letter from Mr. Albright. I will quote merely part of it because there is no need of reading it all:

I can not too strongly emphasize the paramount importance of this authority being restored. Without it we will be very badly crippled in our national-park road and trail construction work this year. Our "buying power" in the way of securing favorable bids from large contractors will be practically cut in half. We will find it necessary to resort to many small contracts which will have to be completed within the fiscal year. This is not an economical or efficient way of doing business. The language referred to is designed to meet our peculiar operating conditions. I hardly see how we can do without it. It has been in the Interior Department appropriation bill ever since 1924. There is no doubt about the item being accepted in the House if inserted by the Senate. I have been assured of this by members of the House Appropriations Committee.

In other words, the contracts must be let not piecemeal, but the whole contract must be let at once; and the contract can not be let unless there is authorization by Congress for the appropriation of the money ultimately to pay the contract price. If this provision is not put in the bill—and, by the way, it does not make a single cent's difference in the appropriation that will be provided or expended—the Secretary of the Interior will not be able to make contracts over and above the amount the appropriation provides.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah.

Mr. McKELLAR. Mr. President, I want to say that I certainly think we have gone far enough in these authorizations. Listen, Senators, to the way in which the amendment reads:

That in addition to the amount herein appropriated the Secretary of the Interior may also approve projects, incur obligations, and enter into contracts for additional work not exceeding a total of $2,500,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction of roads in national parks and monuments shall be considered available for the purpose of discharging the obligation so created.

Mr. SMOOT. That does not involve the appropriation of a cent.

Mr. McKELLAR. Of course, it does not involve any additional appropriation, but we will be handicapped next year to start with to the extent of $2,500,000. This is no time to be entering upon projects for the future. Instead of entering upon contracts like this for the future, we ought to be cutting down; but, instead of cutting down, we are encouraging a system of useless and wasteful extravagance.

As I understand, the Chair has indicated he will rule that the amendment is not subject to a point of order. Surely it proposes to give power to the Secretary of the Interior he does not now have; I believe it is subject to a point of order, and I make the point of order against the amendment on the ground that it is legislation upon an appropriation bill, and I submit the point to the Chair. If it is not legislation, the Secretary could go right along and do it anyway if he desired to do so. If it was not legislation, he could go right along and do it anyway if he desired to do it.

Mr. SMOOT. Mr. President, there is not a dollar of appropriation there. Contracts must be made for the roads in the parks. If this provision is not put in, the officials can not make contracts; and next year they will find themselves without any contract, because of the fact that there is no authorization here to contract beyond just the amount of money that is found in the appropriation bill. This is true of all of the parks.

The PRESIDING OFFICER (Mr. FESS in the chair). The Chair would like to ask the Senator from Utah whether the provision "and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof," and so forth, is not legislation?

Mr. SMOOT. That does not apply to the appropriation in this bill. That appropriation has already been made; but if these officials are to go on with the work, as the Chair must know, they must have an authorization simply to contract for the work.

Mr. McKELLAR. That is exactly what we do here almost every day, I am unhappy to say—every week, at any rate. We authorize appropriations. Here we not only authorize an appropriation for the future, but we are authorizing the Secretary of the Interior to engage in the business of making contracts about these roads and trails. Clearly, it is legislation; and I hope the Chair will so hold.

Mr. SMOOT. I do not think it is legislation at all, Mr. President, because of the fact that we are not asking for a single dollar; and this has been going on ever since we began to build roads in parks. For instance, we have contracts in the Yellowstone Park and other parks in the United States for building roads.

If the policy had not been as provided here, the park authorities could not have built the roads, except by piecemeal. They could only say, each year, that they would have a contract for the amount carried in the bill. They could not have a contractor say, "I will build the road from one point to the other and be paid for it as the work progresses." All we appropriate for this year is what we know to be the work that will be done under existing contracts.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. SMOOT. Mr. President, I have one more amendment.

On page 103, line 8, after the word "railroad," I move to insert:

Operation and maintenance of agricultural-experiment stations heretofore operated by the Department of Agriculture on the line of the railroad.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 103, line 8, after the words "Alaska Railroad," it is proposed to insert:

Operation and maintenance of agricultural-experiment stations heretofore operated by the Department of Agriculture on the line of the railroad.

Mr. McKELLAR. Mr. President, is not that legislation? It seems to me it is clearly legislation, and I make the point of order against it.

The PRESIDING OFFICER. The Chair will ask the Senator from Utah whether this is already authorized. The language is, "heretofore operated by the Department of Agriculture." Is this continuing a project?

Mr. SMOOT. Yes; it has been authorized.

The PRESIDING OFFICER. The Chair overrules the point of order on this amendment.

Mr. KING. Mr. President, before the amendment is voted on I desire to make an inquiry. I will ask my colleague the purpose of the amendment. It may be entirely proper.

As I understand—and I will state my understanding, so that the Senator may make an explanation which perhaps will clarify the situation—my understanding is that the Department of Agriculture has heretofore received appropriations for the purpose of operating an experiment station in Alaska and designated the place where it was to be operated.

Mr. SMOOT. Yes.

Mr. KING. If this amendment is for the purpose of changing that place to the railroad, I am inclined to think it would be new legislation; and yet I should not want to make the point of order against that if it were for the advantage of Alaska, and did not involve any additional expenditure.

Mr. SMOOT. I will say to my colleague that it does not involve the expenditure of a single, solitary cent.

Mr. KING. I shall be glad to hear the explanation.

Mr. SMOOT. At the hearing before the Senate committee the following statement was made. I will read the whole of it if the Senator desires, but this is the substance of it:

Senator JONES. I have here before me some material from Mr. Burlew with reference to maintaining the agricultural-experiment stations by railroads. The running of those has been done away with in the agricultural bill, but I think it is suggested here that one or two of these experiment stations could be taken care of by the railroads during the next year, at any rate, without any additional cost to the railroads.

In other words, the stations are there; and, as the Senator must know, it does not pay us to keep a complete personnel at some of those places in Alaska year in and year out while the railroads haul the products past these stations. All the railroads have to do is simply to put the products in the place provided for them there, and we will not need to have a man there all the year around, and we will save just that much money.

Mr. KING. If the purpose of the amendment is merely to utilize appropriations heretofore made, or heretofore authorized, and to utilize the services of the railroad in operating the stations, I think there can be no objection to it.

Mr. SMOOT. That is all there is to it.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. ASHURST. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 35, line 20, after the numerals "$3,521,500," it is proposed to insert:

Provided further, That contracts or agreements for payment of public-school tuition from this appropriation shall provide for a rate of 75 cents a day based upon actual attendance of each pupil covered by such contract or agreement.

Mr. KING. Mr. President, I reserve the point of order.

Mr. ASHURST. Mr. President, with due deference to the Senator, I wish to say that the amendment is not subject to a point of order, because it does not seek to change the law nor to change or increase the appropriation.

It will be observed that on line 20, page 35, there is an amount of $3,521,500 for the support of Indian schools not otherwise provided for and other educational and industrial purposes, and so forth, including tuition for Indian pupils attending public schools. The Bureau of Indian Affairs at this time has contracts with the various schools to pay each school district so much per capita per diem for Indian children who attend the public schools. In many of the public schools—notably those in Arizona—the 50 cents per diem per capita is insufficient.

Mr. SMOOT. Mr. President, we could not accept that amendment now, because of the fact that if we did we would have to go through the bill and make increases in all of the appropriations.

Mr. ASHURST. I do not seek to increase the appropriations at all.

Mr. SMOOT. But that would be the result, and there would be a deficiency if the amendment were agreed to. We had the matter up before the committee.

Mr. ASHURST. Very well. I am very grateful to the Senator and the committee; but I wish first to say that the amendment is not subject to a point of order. That is the only thing I want to talk about now. I assert, and I welcome suggestions, that the amendment does not increase this appropriation. I assert that it does not change existing law; that it is simply, solely, and only a limitation on this appropriation. It may, indeed, exhaust this appropriation sooner than we had hoped or anticipated, but it does not increase it or change existing law.

Mr. KING. Mr. President, will the Senator yield?

Mr. SMOOT. Mr. President——

Mr. ASHURST. Certainly; I yield to both Senators.

Mr. KING. If 75 cents per day per capita is paid to those who are operating the schools in the Senator's State, what shall we do with respect to other States? If the Senator is going to exhaust the appropriation in his State, and deprive other States and other schools——

Mr. ASHURST. No; under this provision the 75 cents per day could be paid to every school district where that was the sum necessary to defray the tuition.

Mr. SMOOT. As far as it would go.

Mr. ASHURST. As far as it would go.

Mr. SMOOT. I hope the amendment will not be agreed to.

Mr. KING. I withdraw the point of order, but I shall vote against the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arizona [Mr. ASHURST].

On a division, the amendment was rejected.

Mr. SMOOT. Mr. President, I send to the desk an amendment which I ask to have read, and then I will make an explanation of it. I have just received it to-day from the Geological Survey.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 71 it is proposed to strike out lines 14 to 17, both inclusive, and to insert in lieu thereof the following:

Salt Lake Basin project, Utah, second division: The unexpended balance of the appropriation for the fiscal year 1932, originally made in the appropriation act of May 14, 1930 (46 Stat. 308), for

the Interior Department for the fiscal year ending June 30, 1931, and continued available for the fiscal year 1932 by the act of February 14, 1931 (46 Stat. 1115), shall remain available for the same purposes for the fiscal year 1933, the proviso to said original appropriation for said second division being hereby amended so as to read as follows: "*Provided*, That no part of this sum shall be available for construction work until a contract or contracts shall be made as required by the reclamation laws with an irrigation district or districts or water-users' association or associations for the payment to the United States of the cost of such second division."

Mr. SMOOT. I will read the letter from the Secretary on this subject, so that Senators will understand the object of the amendment:

Your secretary over the telephone to-day requested the assistance of this bureau in drafting a provision to be incorporated in the pending appropriation bill for the Interior Department removing the present requirement of law requiring contracts with an irrigation district, and providing that payment of certain amounts should be made within 30 years instead of 40 years.

There is only one contract that I know of in the United States that has a requirement that the money shall be paid back within 30 years. They are all for 40 years except this one.

Mr. McKELLAR. That would be legislation, of course. I am not going to make the point of order, however.

Mr. SMOOT. It is legislation, but why should this one contract be for 30 years when all the others have 40 years?

Mr. WALSH of Montana. Mr. President, I desire to say that we have exactly the same situation on the Sun River, and I must offer an amendment of the same kind there. There is $25,000 of an unexpended appropriation there.

Mr. SMOOT. Of the same kind?

Mr. WALSH of Montana. Of the same kind.

Mr. SMOOT. I have no objection to it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. WALSH of Montana. Mr. President, if the Senator from Utah will permit me, I should like to offer at this time the amendment to which I have just referred.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Montana offers the following amendment:

On page 69, after line 20, insert:

"Sun River project, Montana: Of the unexpended balance of the appropriation for continuation of construction for the fiscal year 1932, $25,000 is reappropriated and made available for the fiscal year 1933 for drainage construction, Greenfields division."

Mr. WALSH of Montana. Mr. President, in this case, also, the appropriation was made in 1930, but was unexpended in 1930, and again in 1931.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I have a motion to make in reference to the bill. I will read it myself and then send it to the desk.

I make the following motion as to this bill:

In view of the decrease in all prices of materials, and, in many cases, decreases in cost of labor, and in view of the depleted condition of national revenues, and in the interest of economy, I move that each individual item of appropriation in this Interior Department appropriation bill, and the total, be reduced 10 per cent; and the clerk is hereby directed to make the reductions accordingly.

Mr. President, there is no reason in the world, in my judgment, why every function of the department can not be carried out, every proper business of the department transacted, with a horizontal decrease of 10 per cent in each item in this bill and in the total.

Much is being said about taxes, and very little about reductions of appropriations. We have had a good deal to say about it in the last few days, but unless something more is done, we will not reduce appropriations.

The Senator from Michigan this afternoon offered an amendment directing the President to consolidate departments and bureaus and agencies and offices, but I say that that is not the way to get a reduction. We have tried that method before.

On May 20, 1918, there was approved a bill almost identical with the resolution offered by the Senator from Georgia, and which the Senator from Michigan offered as an amendment a while ago. That bill was very splendidly argued in the Senate. There were many great lawyers here at that time, like Senator Knox, of Pennsylvania, and others, who took the position that the President, as the Executive, had the right to do the things he claimed he wished to do, and that it was unconstitutional for the Congress to attempt to give him the right to do the things he did not have a right to do.

I call especial attention to the fact of the unconstitutionality of that measure, as shown in the act itself. I read from the act:

Be it enacted, etc., That for the national security and defense—

We were in war then.

That for the national security and defense, for the successful prosecution of the war, for the support and maintenance of the Army and Navy, for the better utilization of resources and industries, and for the more effective exercise and more efficient administration by the President of his powers as Commander in Chief of the land and naval forces the President is hereby authorized to make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this act, and to this end is authorized to make such regulations and to issue such orders as he may deem necessary, which regulations and orders shall be in writing and shall be filed with the head of the department affected and constitute a public record: *Provided*, That this act shall remain in force during the continuance of the present war and for six months after the termination of the war by the proclamation of the treaty of peace, or at such earlier time as the President may designate: *Provided further*, That the termination of this act shall not affect any act done or any right or obligation accruing or accrued pursuant to this act and during the time that this act is in force: *Provided further*, That the authority by this act granted shall be exercised only in matters relating to the conduct of the present war.

SEC. 2. That in carrying out the purposes of this act the President is authorized to utilize, coordinate, or consolidate any executive or administrative commissions, bureaus, agencies, offices, or officers now existing by law, to transfer any duties or powers from one existing department, commission, bureau, agency, office, or officer to another, to transfer the personnel thereof or any part of it either by detail or assignment, together with the whole or any part of the records and public property belonging thereto.

SEC. 3. That the President is further authorized to establish an executive agency which may exercise such jurisdiction and control over the production of airplanes, airplane engines, and aircraft equipment as in his judgment may be advantageous; and, further, to transfer to such agency, for its use, all or any moneys heretofore appropriated for the production of airplanes, airplane engines, and aircraft equipment.

SEC. 4. That for the purpose of carrying out the provisions of this act, any moneys heretofore and hereafter appropriated for the use of any executive department, commission, bureau, agency, office, or officer shall be expended only for the purposes for which it was appropriated under the direction of such other agency as may be directed by the President hereunder to perform and execute said function.

SEC. 5. That should the President, in redistributing the functions among the executive agencies as provided in this act, conclude that any bureau should be abolished and it or their duties and functions conferred upon some other department or bureau or eliminated entirely, he shall report his conclusions to Congress with such recommendations as he may deem proper.

SEC. 6. That all laws or parts of laws conflicting with the provisions of this act are to the extent of such conflict suspended while this act is in force.

Upon the termination of this act all executive or administrative agencies, departments, commissions, bureaus, offices, or officers shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided, any authorization of the President under this act to the contrary notwithstanding.

Mr. President, that was passed as a war measure, and the greatest doubts were expressed by some of the ablest lawyers here as to whether it was constitutional or not even as a war measure.

Let us see what happened to it. President Wilson, one of the finest of men, had the power to consolidate, but there were no consolidations, no changes made, things went on just as before, or almost as before; perhaps there were one or two smaller consolidations, but there were no economies effected.

President Harding came in, and for a year and half under his administration he had these powers, but nothing was done by the President.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. McKELLAR. In just a moment. So, in my judgment, that is not the way to obtain economy in the administration of the executive departments of the Government.

I think it would be much better, as I have said before on the floor, to adopt a measure such as that introduced by the senior Senator from Arkansas [Mr. ROBINSON], which would provide for a congressional commission, appointed by the two Houses, by the Speaker in the House of Representatives and by the Vice President in the Senate, and to have that commission report about these things.

The President has the power to recommend changes now, and I have not the slightest doubt, if the President had recommended the consolidation of certain bureaus and had shown where great economies could be effected, that the Senate in even its present attitude about bureaus and commissions, as shown by the votes here in the past two weeks, would have agreed to what the President recommended. But he has not done that. He has the power to do it, he has power, in the view of most constitutional lawyers, to do that very thing now, to effect these economies now, under the present law.

It seems to me that the only way by which we will secure economy is by cutting appropriations. It is our duty to make appropriations. We can make them large or we can make them small, and what I ask is that the Senate adopt this amendment, cutting down each item of the appropriation and the total a simple 10 per cent.

I know that the powers of Government will be just as efficiently carried out with a 10 per cent reduction, a saving of $5,400,000 in this bill alone, and if the amendment is adopted on this bill, it will be adopted as to other bills, and great savings will be effected, without any injury to the service of our Government.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. SMOOT. I just wanted to call the Senator's attention to the fact that when President Harding first came into office, a couple of months after he was inaugurated, he appointed a commission, consisting of Mr. Brown, the present Postmaster General, two Senators, and two Representatives. We went into the question of doing away with numerous bureaus of the Government, and the consolidation of activities which are duplicated in the departments. We spent months of time on that matter, and I reported a bill to the Senate, but I could never get the Senate to act upon it. They would not do it. Just as soon as the bill was reported to the Senate, propaganda began from one end of the country to the other against it, and we never could get action upon the bill.

Mr. McKELLAR. Mr. President, I remember the bill the Senator introduced, and no doubt it should have been passed. I regret he did not press it, so that it could have been passed. If any such bill were offered now, it would be passed beyond a doubt. Conditions were different in those days. We had more revenue than we knew what to do with. Whatever tax bill we passed increased our revenues enormously. But under the present conditions it is quite different. Under any bill we pass we raise less revenue than it was estimated we would raise.

The PRESIDING OFFICER (Mr. FESS in the chair). The Chair would like to ask the Senator from Tennessee whether the 10 per cent reduction is to apply to amendments which have been made on the floor of the Senate.

Mr. McKELLAR. It applies to every item of the bill.

The PRESIDING OFFICER. No amendment could be reduced without reconsidering the vote by which it was agreed to.

Mr. McKELLAR. Then I will except amendments and let it apply only to the various items of the bill, so that we can have a vote on it.

Mr. COSTIGAN. Mr. President, may I ask the Senator from Tennessee whether he desires to have a vote on his amendment to-night?

Mr. McKELLAR. I am not at all particular about it. I do not suppose we could get one to-night.

Mr. SMOOT. I do not want to call Senators back to-night, and we are to take a recess in a few moments.

Mr. McKELLAR. I yield the floor. I have finished all I desire to say on the amendment.

Mr. COSTIGAN. While I am on my feet I desire to say that I have three amendments to offer, to be inserted on page 109 of the bill, and shall desire a record vote with respect to those amendments.

Mr. SMOOT. There are some other amendments I want to have considered.

THE CONTROVERSY WITH SECRETARY WILBUR

Mr. KING. Mr. President, yesterday my colleague [Mr. SMOOT] offered for the RECORD, just as we were adjourning, a statement emanating from Secretary Wilbur. A short time before I had seen a statement emanating from Mr. Wilbur for the press, in which he had criticised rather severely the Senator from Montana [Mr. WHEELER] and myself, and particularly Mr. John Collier, with whose labor on behalf of the Indians we are all familiar. Mr. Collier had seen that statement a short time before and sent to me what was intended as a reply to the press statement given out by Mr. Wilbur.

I supposed my colleague was putting into the RECORD the press statement. Instead of that I discovered this morning that he had put into the RECORD a very long statement issued by the Secretary, and I make no complaint at all, but obviously Mr. Collier's statement, which I put into the RECORD last night, was a reply to Mr. Wilbur's press statement.

Mr. SMOOT. Mr. President, I want to say to my colleague in that connection that I was here on the floor all day yesterday, and I found the statement which the Secretary sent to me himself. The other was handed to me and I thought that was what I was putting into the RECORD.

Mr. KING. I make no complaint at all. In view of that long statement which my colleague offered for the RECORD—and he acted very properly in so doing—I desire to have Mr. Collier's reply to that statement inserted in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE INDIAN TRIBAL STATEMENT SUPPORTED

AMERICAN INDIAN DEFENSE ASSOCIATION (INC.),
Washington, D. C., March 11, 1932.

Hon. WILLIAM H. KING,
United States Senate, Washington, D. C.

DEAR SENATOR KING: Just now (9 a. m. March 11) I have seen the lengthy statement by Secretary Wilbur placed in the RECORD yesterday by Senator SMOOT. My own statement, placed in the RECORD by yourself, dealt with Secretary Wilbur's press release of March 9, and I therefore suggest that Secretary Wilbur's press release might advisably be placed in the RECORD. It is attached (A).

Between now and the noon hour it is impossible to have typed an exhaustive analysis of the very lengthy statement of Secretary Wilbur, just received. I give, however, certain controlling facts which dispose of his rejoinder to the Indians. They are arranged in accordance with the divisions of Secretary Wilbur's statement:

1. "THE SO-CALLED BROKEN PROMISES"

The Indian tribes' statement, which you placed in the RECORD, described six undertakings made by Secretary Wilbur and Commissioner Rhoads, and stated that they have abandoned them, and stated "The record of the abandonment of these undertakings made by Secretary Wilbur and Commissioners Rhoads and Scattergood is complete."

Secretary Wilbur replies, in effect, that pledges or undertakings were not made, but that certain efforts have been made by the department to secure legislation on the lines in controversy.

I suggest that you place in the RECORD the several letters which, in the view of the Indians, did constitute undertakings and pledges. They are appended herewith. (B) Specifically:

TRIBAL SELF-HELP NOT ASSISTED

Extension of tribal authority and tribal incorporation: The officials stated December 11, 1929, that "under existing law" tribal councils existed merely in effect through the grace of the Commissioner of Indian Affairs, were subject to his rules and regulations, etc. "It is not," they stated, "a hopeful or practicable situation for building up the group self-help of the Indians." They then called attention to the tribal incorporation plan, at that time pending as S. 5735, Seventieth Congress, second session, and Assistant Secretary Dickson stated in a letter December 18, 1929, indorsed by Secretary Wilbur: "I have great faith in that bill" (the tribal incorporation bill).

The Wilbur and Rhoads statements are more complete and emphatic than the above quotations indicate. That was in December, 1929. What have the officials actually done?

The incorporation bill is pending to-day before the Senate Committee on Indian Affairs. And to this date (March 11, 1932) the department has not even made its departmental report on the bill. The practice of the committees of Congress is well known; they wait on a departmental report before they proceed with the consideration of a bill.

There is earlier history connected with tribal incorporation bills, whose net effect is to show that the department has rather elaborately found methods of delay and evasion while averting a forthright repudiation of the tribal incorporation plan so broadly indorsed at the beginning of Secretary Wilbur's tenure. Executive departments, and particularly the Indian Office, are masters in the technique of obstruction and delay. That delay has been successful with respect to the tribal-incorporation plan; and after three years the bill rests in committee in default of a departmental report thereon.

What of the far less radical bill, establishing the right of tribes to organize into tribal councils with limited powers, but powers defined by statute? That bill (S. 3668), pending since February 5 last, still awaits the departmental report, and the hearings thereby are blocked. I suggest that this bill be introduced into the RECORD as a sample of what the Indian Office is not willing to indorse after its large undertakings to seek tribal incorporation and legal scope for tribal organizations (C).

LAND DISINHERITANCE NOT CHECKED

Concerning the disinheritance of allotted Indians: The statement made by Secretary Wilbur and Commissioner Rhoads in 1929 was bold and broad, and manifestly was a commitment and pledge. They stated: "The consequences (of the existing system) are mathematically certain; the allotted Indians of the second generation largely become landless. By the time the third generation has arrived substantially all of the allotted Indian land will have passed into white ownership." Much more of equal definiteness and sweep.

The Indians in their statement charge that this undertaking has been abandoned, and this problem neglected by the department. Secretary Wilbur replies that in one case (Southern Ute) it has made "an unsuccessful attempt" to meet the situation, and that in one other case (Fort Berthold) it has endeavored to meet the situation through applying certain tribal funds. Yet Messrs. Wilbur and Rhoads in their commitment stated: "The Indian allotted land constitutes more than one-half of the whole area of the Indian country and more than half of the surface value of the Indian country, and more than two-thirds of the Indians are now allotted."

In a word, the department practically admits that it has abandoned the undertaking which it did make, although it does not now admit making it.

TRIBAL CLAIMS ACTION ABANDONED

Concerning Indian tribal claims: Attention is again called to the Wilbur-Rhoads letter of 1929 dealing particularly with Indian claims. It speaks for itself and obviously is a commitment and pledge.

Secretary Wilbur replies that on May 26, 1930, he forwarded a memorandum to the chairman of the House Judiciary Committee recommending an independent board to investigate. He adds that the bill H. R. 7693, establishing a comprehensive plan for dealing with Indian claims, was vetoed by the Bureau of the Budget and disapproved by the Department of Justice (while the Indian Office took a neutral position).

But Secretary Wilbur avoids all reference to the vastly important study of this matter made by Nathan R. Margold, specialist in Indian law for the Institute of Government Research, at the request of Commissioner Rhoads. Mr. Margold formulated a complete plan and a proposed statute after exhaustive investigations, and Commissioner Rhoads disposed of the result and the proposed bill by stating that they were "worthless."

In a word, the department did make the bold and great undertaking referred to by the Indians and has utterly abandoned it.

CHANGE OF ALLOTMENT SYSTEM NOT ATTEMPTED

Concerning amendments of the allotment act: Secretary Wilbur states that "no pledge was made" with respect to "working for comprehensive amendments to the allotment law." How can he make this statement in the light of his December 11, 1929, letter to Congress? What is an undertaking when the undertaking is made by the Secretary of the Interior and the Commissioner of Indian Affairs? Does it have to be sworn before a notary and supported by a bond? The Wilbur-Rhoads letter of December 11, 1929, speaks for itself.

However, while denying that he made the undertaking which he did make, Secretary Wilbur states that Congress blocked the department's bill, H. R. 15498, designed to authorize an investigation by his office to inquire into the codification and revision of Indian laws. The bill in question did no more than provide a large fund of money to be used by the Secretary of the Interior—i. e., the Indian Bureau—for conducting more investigations. It was defeated, and properly so. It was defeated because the bureau and department possessed a wealth of definitive findings by competent investigators and was taking no action upon them, and the new proposal would merely have furnished a ground for prolonging the delays of action which had already become intolerable.

The department possesses to-day all the facts and all the knowledge needed to formulate successfully and justify the amendments of the devastating allotment act, and Secretary Wilbur's own reply to the Indians' statement is a confession that his office has done nothing on this line more important, possibly, than any other in Indian life.

IRRIGATION REORGANIZATION BLOCKED BY DEPARTMENT

Concerning irrigation reorganization: With respect to irrigation, the record has been so fully made in the Senate discussions that I do not elaborate it. I do, however, point out that Doctor Wilbur makes no denial of having undertaken to transfer the Indian irrigation service to the Bureau of Reclamation under Doctor Mead, the thing that has not been done. He omits, though the matter is of record and is not disputable, that it was the Bureau of the Budget, not Congress, which vetoed his legislative proposal of 1929 to reorganize the Indian irrigation service as above, and that thereafter it was Mr. Cramton, now in his office as a special attorney, but at that time chairman of the subcommittee on Interior Department appropriations in the House, who inserted into the appropriation act the clause prohibiting the transfer and reorganization.

Secretary Wilbur likewise omits the fact of record, that both Commissioners Rhoads and Scattergood stated at the House committee hearings on the 1931 bill (i. e., in November, 1929), that they proposed to hold the Indian irrigation service within the Indian Office, i. e., that they had abandoned his reorganization plan. Finally, Secretary Wilbur omits the information that at any time he could have overcome the obstructive proviso placed in the appropriation act by Mr. Cramton, through asking Congress for general legislation authorizing or directing the transfer of the Indian irrigation projects to Dr. Elwood Mead's department. Secretary Wilbur in his reply is depending on the lack of information of the public which naturally can not be in possession of these details of the record. (The record is fully given in the hearings, Senate, on H. R. 15498, p. 48, February 26, 1931.) The broad fact is, that Doctor Wilbur heralded the transfer of the Indian irrigation service to the Bureau of Reclamation, under Dr. Elwood Mead, and the Budget Bureau interposed an obstacle, and then Secretary Wilbur abandoned his undertaking in the face of Mr. Cramton's opposition; and Mr. Cramton is now a special attorney in Secretary Wilbur's office.

So much for Secretary Wilbur's denial of the Indians' assertions respecting the undertakings made, and not fulfilled, by his office and by the Indian Office.

COMING NOW TO SECRETARY WILBUR'S SUBHEADS 2–3—VIOLATION OF TRIBAL-ALLOTMENT RIGHTS THROUGH THE PERMIT SYSTEM

He does not meet the Indian charges at all. He does not deny that existing law placed the leasing of tribal lands for grazing and mining under the control of the tribes. He does not deny that the Indian Office has adopted a scheme of "permits" which takes this control away from the tribes, in violation of the direct mandates of the statutes. As for the compelling all the Indians to sign powers of attorney, Secretary Wilbur does not deny that the regulations of June 4, 1931, do compel the Indian who refuses to sign such power of attorney, to fence at his own expense his entire allotment or take the consequences at the hands of trespassers; nor does Secretary Wilbur deny that, under the regulations, the Indian agents can refuse to validate any lease negotiated by any Indian who refuses to sign the power of attorney to the Indian Bureau.

The Indians' assertions stand unchallenged, and they are exhaustively supported in the record testimony of the recent hearings before the Senate Indian Investigation Committee (part 22).

SECRETARY WILBUR'S SUBHEAD 4—TRIBAL FUNDS

This need not be dealt with at length. The present Senate debates are covering it. He admits, at least by silence, that the bureau's administrative operations, including salaries, are in fact charged against the tribal and trust funds of the Indians. They have been so charged in the amount of more than $5,000,000 since he took office. He does not controvert the accuracy of the reports dealing with the Mescalero and Klamath and other reservations, issued by the Senate Indian investigation committee and referred to in the Indians' statement. He does not deny that the tribal funds have steadily dwindled and are now disastrously depleted. He passes by in silence the entire record of the exploitation and waste on the Klamath Reservation. And he actually conveys by implication that it is Congress which has imposed on the tribal funds these drafts for Indian Bureau salaries. The current budget, and every preceding budget, establishes that the drafts were initiated by the department, and expounded before Congress by the department; the department's budget estimates being in fact predicated on them.

The Indians in their petition do not state that Congress in this matter is blameless. They clearly state that the department is blameworthy.

DECEPTIVE BUDGETING IS CONTINUED

Next, Secretary Wilbur's subhead 5: This deals with the confused and concealed budget and accounting system under which Indian moneys are handled. Secretary Wilbur admits that the department opposed the Frazier bill, S. 3417. As that bill is brief and is entirely self-explanatory, I hope that it may be placed in the RECORD. It is appended (D).

I call attention to what Secretary Wilbur's admission establishes:

First. Secretary Wilbur declares that the Indian Office and Interior Department are not responsible for the admittedly bad system of budgeting and accounting.

Then he says that the Frazier bill was opposed by his office because it would have necessitated a change in the accounting system.

Then he says that "the special features of the proposed system (i. e., the ends sought in the Frazier resolution) could all be met at the present time if personnel were available."

His inconsistency will be manifest. The Frazier bill was an effort to lay the foundation for a new budget law, and in the meantime to insure that Congress and the Indians would know what money was being spent for what purposes, by functions and by reservations. Secretary Wilbur blocked the Frazier bill. He now says that everything could be made all right if there were more personnel. Manifestly no increase of personnel would have the effect of creating a new budget law for Indian moneys. The plain fact, which is tacitly admitted in Secretary Wilbur's rebuttal, being that the system of Indian Bureau budgeting is chaotic, deceptive, profoundly unsatisfactory to every honest functionary of the Indian Service itself; that it requires legislation to correct; and that the corrective legislation has not been proposed by Secretary Wilbur or Commissioner Rhoads and the corrective legislation proposed by Senator FRAZIER has been blocked by them.

CRUSHING AND UNLAWFUL DEBTS PERPETUATED

Secretary Wilbur's subhead 6: Crushing and unlawful debt. Secretary Wilbur replies to the Indians' charge of being crushed under unlawful debts by stating that he indorsed a bill (H. R. 150) in the Seventy-first Congress which authorized the bureau to make further investigations. Secretary Wilbur's letter of December 11, 1929, fully stated the facts exactly as the Indians in their document have alleged them. If the December 11, 1929, letter is not a commitment to work hard and to work fast for a remittal of debts which are crushing and which are of a questionable legality, it is hard to see what would be a commitment. Secretary Wilbur in his 1929 document pointed out that millions of the Indian debt has been retroactively imposed, and that millions more had been imposed in violation of the guarantees in the allotment act and trust patents.

As for the Indians' statement, it points out how little the department has done. The Indians state that the Wilbur-Rhoads régime has remitted approximately one twenty-fifth of the debt, that one twenty-fifth being precisely the $1,370,000 mentioned by Doctor Wilbur. The total debt on June 30, 1928, was $34,310,000, as reported by Commissioner Rhoads. (The Senate Indian investigation hearings, pt. 6, p. 2676.) The debt has been largely increased since 1928. The Indians correctly state that the prior régime had remitted two and one-half times as much. (Not six times as much; Secretary Wilbur misquoted.)

BOARDING SCHOOL EVILS NOT DENIED

Subhead 7 of Secretary Wilbur on the boarding schools: His statement does not controvert the Indian statement. The facts as to boarding school overcrowding and the infinitesimal deminution of boarding schools, contained in the Indian statement, were taken exclusively from the annual report of the Commissioner of Indian Affairs for 1931 and the annual report of the Commissioner of Indian Affairs for 1929, and the statement of Doctor Ryan. The statements respecting the increase in boarding-school costs in the total of educational costs is not disputed by Secretary Wilbur; it is simply a fact.

FLATHEAD POWER, CRAMTON, HAGERMAN

Secretary Wilbur's subhead 8, on the Flathead power site: The Indians' statement stands unchallenged. Secretary Wilbur admits that a license was issued to the Rocky Mountain Power Co., which is the dummy referred to by the Indians. He makes the almost humorous statement that the Montana State Power Commission "can regulate the rates for which it (the dummy) sells power to the Montana Power Co. (the owner of the dummy)." Secretary Wilbur ignores the charge that by issuing the license to the dummy, Federal regulation over finances and accounting was truncated at the dummy; i. e., was, in fact, nullified. He admits that the Montana Power Co. is now, having disposed of its independent competitor, asking for the authority to postpone construction, so that the sacrifice of Indian and public advantage has not even secured quick development of the power site.

Secretary Wilbur's subhead 9, the paragraph on Mr. Cramton: The Indians' statement is corroborated by Secretary Wilbur. Cramton exercised a dominating influence in the Indian Bureau when he was chairman of the House committee dealing with that bureau's funds. It was an influence pervasive and intimate. He is now an official of the Interior Department; and his influence is, of course, being exercised over Indian matters, which are one of his specialties and concerning which he has positive and reactionary views.

Secretary Wilbur's subhead 10, Mr. Hagerman: The statement by the Indians as to the Rattlesnake transaction is not controverted at any point by Secretary Wilbur. It can not be, inasmuch as it rests exclusively on printed records. (Senate Indian investigation hearings, pt. 11.) Secretary Wilbur explains. He does not disprove or even deny. For the rest, the facts as to Mr. Hagerman are in the Senate record of the current days, and doubtless more of them will soon be put into the record.

SECRETARY WILBUR'S SUBHEAD 11—THE PUEBLO BILL

It is needless to argue this issue here. The records—Senate Indian Investigation Committee, part 20—are all printed. They establish that Commissioner Rhoads and Secretary Wilbur have been fighting against the Pueblo relief bill; that they have defended their course through asserting that the bill in some manner disestablishes certain prior water rights which they allege the Pueblos to possess; that the bill has no such effect and could not have; that in their argument they have rested on the recent testimony of Mr. Hagerman, inspite of the proved fact that Hagerman's recent testimony, if now believed, would prove him to have misstated the facts in the Federal court. His fellow members of the Lands Board have contradicted, under oath, before the Senate indian investigation committee this new testimony of Hagerman, which Secretary Wilbur and Commissioner Rhoads choose to rely on. Secretary Wilbur makes a statement that is inaccurate with respect to the clause in the bill inserted by the Senate committee, authorizing the Pueblos, if they so desire, to make payment to their attorneys for past services. His error of fact is disposed of in my letter placed in the RECORD of yesterday. Secretary Wilbur does not deny the Indians' charge that the bureau, before the House Indian Committee, did propose that the white receive at once their payment of compensation, while the Indian case be referred back to the Hagerman board.

SECRETARY WILBUR'S SUBHEAD 12—THE NAVAJOS

Secretary Wilbur does not meet the Indians' charge at all. For more than six weeks the Navajo sheep have been dying in enormous numbers from preventable starvation. The four Senators from Arizona and New Mexico petitioned the department either to secure the needed money for sheep feed from Congress or to enlist the Red Cross, and neither plea was heeded. When the Department of Agriculture manifested a willingness to cooperate, and the matter was urgently laid before Commissioner Rhoads, the Indian Office replied with a proposal that the Department of Agriculture transfer lump sums to the Interior Department, which proposal involved difficulties of law and precedent and has caused a delay now nearly two weeks old at a time when lost days, even lost hours, are fatal.

I suggest that there be placed in the RECORD the unanimous resolution of the House Committee on Indian Affairs adopted March 3 last. That resolution states the whole situation, respecting the ruin of the Navajos and the distress of Indians everywhere. It clearly points out that the Indian Bureau had on March 2 only $95,000 for all the distressed Indians of the country, including the Navajos; and was asking for only $135,000 more; and that the total was tragically inadequate in the face of at least 75,000 ward Indians in acute distress and at least 50,000 nonward Indians in acute distress. The House committee's resolution says enough (E).

But I here take occasion to state what I am prepared to demonstrate from the records not only in Commissioner Rhoads's files but in the files of the American Indian Defense Association, namely, that the Navajo Indians have for many weeks been so desperate concerning the starvation of their sheep that they have been ready to borrow the money, mortgaging their sheep as a pledge. In the face of this situation the Indian Office has procrastinated, through elaborate devices of procrastination, one of which was to tardily send its agricultural director, Mr. Cooley, into the field for an investigation, which, after 19 days, had not (March 5) produced a final report. That the probable effect of the bureau's course of niggardly action and delayed action was known by it to be that later on the Government or the Indians would be compelled to buy sheep in quantity and at great cost to replace the sheep being allowed to starve to death. That the opportunity to use the Department of Agriculture's money has been procrastinated for more than two weeks, to this date, by needless technical delays not due to the Department of Agriculture. That the record is one which hereafter will be known to the public, and will be one of the permanent clouds on the clouded record of the present officers of the department and the bureau.

In conclusion I mention that the signatures to the Indians' petition are multiplying. To the signatures placed in the RECORD by you on March 9 the following are to be added:

The Fort Peck General Council, Gus M. Hedderich, chairman, Rufus Ricker, sr., vice chairman; H. H. Welsh, sr., business committee of Standing Rock Reservation, Fort Yates, N. Dak.; Marion E. Gridley, secretary the Indian Council Fire, Chicago; Council of the San Carlos Apache Tribe, Arizona, by Henry Chinn; tribal Council of the Tongue River Reservation, Mont., by Clay C. Rowland, chairman, and Rufus Wallowing, secretary.

Sincerely yours,

JOHN COLLIER.

SECRETARY WILBUR'S MARCH 9TH STATEMENT

DEPARTMENT OF THE INTERIOR.

Memorandum for the press.

In reference to the attack on the conduct of Indian affairs purported to come from the Indians and read by Senator KING in the Senate to-day, Ray Lyman Wilbur, Secretary of the Interior, issued the following statement:

"It is perfectly clear to all of us familiar with the subject that the statement presented and purported as coming from the Indians comes from Mr. John Collier, a well-known and well-endowed lobbyist on Indian affairs. It is true that the Indian has suffered from drought, grasshoppers, heavy snows, floods, and general depression, as have many others. The Indian is under the plenary power of Congress and is caught in a mesh of legislation, so that reasonable administration is hampered at every turn. Every effort has been made to get Congress to pass legislation that would permit codification and simplification of the Indian laws, unification and simplification of the Budget, more satisfactory conditions for Indian school children, proper control of the Indian's property,

etc., but such legislation is difficult to formulate and more difficult to pass.

"Mr. Collier is a fanatical Indian enthusiast with good intentions, but so charged with personal bias and the desire to get a victim every so often that he does much more harm than good. His statements can not be depended upon to be either fair, factual, or complete. He presents facts the way the curved mirrors make the people look who attend the chamber of horrors of the side show. He has developed a high nuisance value in connection with the handling of Indian problems. Since all money and legislation for the Indians have to be passed through Congress, Mr. Collier's methods have not led to satisfactory results. Recently he has been trying to pass legislation regarding the Pueblo Indians that would not insure the priority of their water rights and that would provide a $75,000 fee to one of the attorneys helpful to his organization, although this attorney was not selected or approved by the Indian Office.

"Those who think that a constant chorus of complaints and minor investigations help the Indian more than the joining in on the back-breaking job of fundamental legislation and administration remind one of David Harum's observations on the need of some fleas for every dog. Constant badgering of faithful and devoted men who are working hard in the national service is pretty poor business. When a man reaches a point where he conducts an inquisition because those in responsibility will not follow his irresponsible directions, it is about time for his organization to carry out its purposes under new leadership."

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, December 11, 1929.

MY DEAR MR. LEAVITT: We are confronted with the problem of what to do with the indivisible tribal estates of the Indians. There are conditions with which it seems impossible to deal satisfactorily under existing law. I do not know what changes of the law should be considered, but I am writing this letter to call attention to the underlying facts. Indian wealth totaling hundreds of millions of dollars—possibly a billion dollars—is essentially indivisible. It includes such items as mineral and oil resources, power sites, timber wealth, the large bodies of grazing land, and even the farm lands of such tribes as the Hopis of Arizona and the Pueblos of New Mexico.

At present, and under existing law, the Government, through the Interior Department, is charged with the direct and highly paternalistic administration of these properties, and unless existing law be changed it may well be that the Government 100 years from now will find itself still charged with this responsibility and still maintaining the paternalistic administration.

The properties in question, in order to be conserved or sufficiently developed, ought in many cases to be treated as estates not capable of subdivision.

It even seems possible that the only way to salvage some classes of Indian-allotted land may prove to be by turning them back into the community estate.

As I have stated, under existing law the Government may find itself administering these vast and varied properties to the end of time. And through all this time the Indians, so far as existing law is concerned, must remain in a state of dependency, being neither forced nor permitted to take on the business responsibilities of American life or to make use of the instrumentalities of modern business.

It is true that under existing law the Interior Department can and does, in a more or less formal way, recognize Indian tribal councils. It might even be possible through an elaboration of rules and regulations to vest in such councils a considerable responsibility for the operation of their tribal properties. But such action of the administrative kind would be revocable by any succeeding administration; it would not provide a firm basis for the development of responsibility on the part of the Indians; and it would not do away with the underlying condition, which is that the minutia of tribal affairs rests in the hands of the department and Congress and that the detailed responsibility rests with the department and Congress. It is not a hopeful or practicable situation for building up the group self-help of the Indians.

As you undoubtedly know, Senator MCNARY, of Oregon, introduced a bill in the last Congress providing for the incorporation of the Klamath Indian Tribe. (S. 5753, 70th Cong., 2d sess.) It is my understanding that this bill was introduced in order to provide a basis for further study and conference. I do not suggest that the problems raised in this letter can be wholly met through the method of tribal incorporation, but it would seem that a complete study should be given to the subject of passing over to the Indians themselves a collective responsibility for their tribal business and ultimately of terminating the present absolute responsibility of the Government for the management of these multitudinous properties.

Your help and the help of your committee in working out this problem will be heartily appreciated.

Sincerely yours,

C. J. RHOADS, *Commissioner.*
RAY LYMAN WILBUR, *Secretary.*

Hon. SCOTT LEAVITT,
Chairman Committee on Indian Affairs,
House of Representatives.

Approved December 18, 1929.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, December 11, 1929.

MY DEAR MR. LEAVITT: I am invoking your aid in a matter which perplexes us and the Indian Office and which I believe has often perplexed the Indian Committees of Congress as well.

Every week in the office of the Commissioner of Indian Affairs seems to lead further back into a wilderness of past misadventures. I refer to that whole class of subject matter that is dealt with in Indian Court of Claims bills, but, in addition, to a large class of subject matter which I am informed can not be dealt with in Court of Claims bills, because no legal right assertable by the Indians in court is involved.

You, far better than I, know the situation with respect to Indian Court of Claims bills. Under existing conditions the Interior Department and the committees of Congress are compelled in some manner to prejudge these Indian claims, yet neither the department nor the committees of Congress possess the necessary information for such prejudgment. When a claims suit is authorized by act of Congress there ensues a litigation, often prolonged, costly, and, from the Government's standpoint, highly burdensome, especially to the office of the Comptroller General. Many scores of claims suits, not less legitimate than suits already brought, are still pending under the consideration of the department or of the committees of Congress, or soon to be brought under such consideration.

Scores of tribes and thousands of Indians are to some extent living and breathing in the thought and hope of great results from suits in the Court of Claims.

But the perplexities growing out of the past are, as I have suggested above, greater in number and variety than would be displayed by all possibly successful Court of Claims suits. There are, for example, the many items of reimbursable indebtedness—tribal indebtedness, as well as the indebtedness on allotted lands. There are claims by Indians who never subsisted in treaty relations with the Government; in such status are most of the Indians of the far West and many of the southwest tribes.

My thought on its positive side is as follows: Could not all of these matters be dealt with and brought to a finality within a limited number of years if a special Indian claims commission were created? This commission might and probably should be altogether independent of the Interior Department; its members might be named by the President, subject to confirmation by the Senate; it should be adequately budgeted.

This claims commission might be given power to reach final settlements—essentially judicial power—in specified classes of cases where the Indian claim rested on a legal right assertable as such. But the commission should hear all causes, those that are human and moral, as well as those that are legal and equitable; and its findings, submitted to Congress, could be the basis of settlement of a gratuitous kind which Congress might authorize. As an illustration of the possible functions of the commission, it occurs to me to mention the Mixed Claims Commission, the present duties and powers of the Pueblo Lands Board, and the creation of special courts of land claims that have been authorized by the act of Congress from time to time.

I state the thought in a brief and doubtless in a crude way, and I hope for an opportunity to get your counsel about it in conference. The mechanism which I suggest might not be practicable, but the conditions which I have referred to are indeed real, vexing, grievous to the department, at least; and in many cases they are matters of heartbreak to Indians and of hopes long postponed, often hopes never to be realized, which yet are operating to create dissension within tribes and to deter Indians from self-help.

This further thought occurs to me: There can be no liquidation of the Government's guardianship over Indians until this inheritance of treaties and alleged broken treaties and governmental laches of the past is absorbed. The process, even with the most expeditious procedure, will require years. With procedure as at present it might well require 100 years. Hence, any plan contemplating the gradual diminution and the ultimate and final termination of Indian tutelage must concern itself with this aspect of the situation.

Any assistance your committee may render in working out a constructive policy in important matters of this kind would not only be greatly appreciated but it would also be of substantial benefit to the Indians themselves.

Sincerely yours,

C. J. RHOADS, *Commissioner.*

Hon. SCOTT LEAVITT,
Chairman Committee on Indian Affairs,
House of Representatives.

Approved December 18, 1929.

RAY LYMAN WILBUR,
Secretary.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, December 11, 1929.

MY DEAR MR. LEAVITT: Since entering the Indian Office, I have become increasingly and gravely impressed with certain conditions growing out of the operation of the general allotment act and various special allotment acts, and likewise growing out of the system of placing reimbursable liens on Indian-allotted lands.

These are situations apparently which call for legislative remedy. What that legislative remedy should be I am not as yet prepared to suggest.

I bring the subject to your attention now in the hope that light might be cast on it through past or future findings of your committee, and in the hope that inquiries by your committee may be directed toward possible legislative solutions of the problem.

I state briefly the situation as it has been impressed on my mind within the Indian Office. I begin with a comparatively less important item and then proceed to the more important one.

I

Indian-allotted land held under Government trust is at present burdened with a lien in excess of $25,000,000. The history of this lien is briefly as follows:

The general allotment act provides (sec. 5) that at the expiration of the trust period "the United States will convey the same (allotted land) by patent to said Indian or his heirs * * * in fee, discharged of said trust and free of all charge or encumbrance whatsoever."

The above language has been carried over into the special allotment acts; and the trust patents of the Indians repeat the language of these guaranties.

For a long term of years expenditures authorized by Congress for irrigation, construction, and maintenance on Indian reservations were gratuitous. The act of August 1, 1914, translated these accumulated gratuities into reimbursable obligations. The provision was as follows:

"That all moneys expended heretofore or hereafter—for irrigation, construction, and maintenance and some other uses—shall be made reimbursable where the Indians have adequate funds to repay the Government, such reimbursements to be made under such rules and regulations as the Secretary of the Interior may prescribe." (Act of August 1, 1914, 38 Stat. L. 583.)

Since 1914 substantially all of the appropriations for irrigation work on Indian lands, allotted lands included, have been reimbursable. In addition, other improvements, including bridges and public highways, have been paid for with appropriations made reimbursable sometimes against allotted land.

Thus, far from being "discharged at the end of the trust period free of all charge or encumbrance whatsoever," as provided in the allotment acts, the Indian allotments are burdened during their trust period with charges sometimes as great, or almost as great, as the present value of the land.

Has the imposition of these liens, under the circumstances, been constitutional? The question has never been passed on by the higher courts, but the collection of the liens has proceeded in all those cases where Indian allotted land, burdened with a lien, has been sold. The Government is reimbursed and the reimbursement is taken out of the sales price of the land. The Indian, not the purchaser of the allotment, pays the reimbursable lien.

A problem related to this one of reimbursable liens is that of the nontaxation of Indian allotted land in trust, the allotted land which is rented to whites. I merely refer to this as a subject calling for further investigation.

II

The second aspect of the allotment situation appears to be of greater urgency. Under the act of June 25, 1910, it is practically, though not technically, mandatory that Indian allotted land be sold on the death of the allottee. Even in the absence of statutory direction such sale would be difficult to avoid under the conditions created by the allotment acts. The indefinite partitioning of allotments is not practicable; the Indian heir who may desire to remain on his allotment and cultivate it rarely would be able to buy out those heirs who might desire a liquidation of the heirship estate.

The consequences are mathematically certain; the allotted Indians of the second generation largely become landless. By the time the third generation has arrived, substantially all of the allotted Indian land will have passed into white ownership. What this means is appreciated when it is noted that the Indian allotted land constitutes more than one-half of the whole area of Indian country, and much more than half of the surface value of Indian country, and when it is further noted that more than two-thirds of the Indians are now allotted.

The completion of the process of alienation of heirship lands has been delayed through the absence of purchasers, but this delay is only a momentary and accidental brake slightly retarding the downhill process. If a reservation whose allotment is comparatively recent be taken as an example, it can be pointed out that on the Blackfeet Reservation in Montana, one-third of the alloted area, or 410,000 acres, is now in the class of heirship land of which all save about 57,000 acres is at least theoretically on the market. The 57,000 acres immediately above referred to have passed out from Government trust, having been fee patented to Indians or whites. The rate of increase of heirship lands is, of course, greater with each year.

I make the very tentative suggestion that part, at least, of the loss of Indian heirship land to the Indians might be averted if there were some means provided whereby the allotted land could revert to the tribal estate, becoming subject to reallotment as conditions might prescribe. However, it would appear that far-reaching changes in the system of allotment would be necessary to accomplish these results. It has been suggested that Indian tribes might be permitted and assisted to form themselves into corporate bodies and buy that allotment. These loans would enable the allottees to buy out the other shares of stock; such a method, it would seem, might be practicable for those reservations possessed of large tribal assets, such as timber, oil, minerals, or water power.

Alleviation might be secured through a policy of granting reimbursable loans to those inheritors of allotted lands who may desire to continue as cultivators, or to become cultivators, on the original allotment. These loans would enable the allottees to buy out the other heirs. The difficulty of such a plan, aside from the question of appropriations, lies in the condition stated at the beginning of this letter, namely, the guaranty in trust patents against imposition of liens during the trust period. Could the United States become the holder of mortgages on fee-patented lands?

It may be worth while to point out that the administration of allotments under trust, and of heirship-allotted lands, has immensely complicated the task of Indian guardianship and increased its cost. And of perhaps greater significance, the weight and drag of the reimbursable obligations, and the practical impossibility of the inheritance of the Indian's improved allotment by his offspring, together with the flow of a small income from lease-allotted lands and the expectation of cash receipts from the ultimate sale of the allotted land, have operated to keep Indians in idleness, with all the consequences that idleness brings.

I have become convinced that the difficulties and problems here stated are very close to the heart of the Indian situation and of the perplexities which beset the Indian Office. Constructive thinking is needed, and I make bold to suggest that the allotment act in its entirety, along with the system of reimbursable loans in its entirety, need legislative reconsideration.

Should your committee decide to extend its investigation into the lines here indicated, with a view to possibly formulating amendments of law, the records and technical staff of the Indian Office may prove serviceable in the furnishing of data and in suggestions drawn from experience in this most complicated task of allotment administration.

Any assistance your committee may render in working out a constructive policy in important matters of this kind would not only be greatly appreciated but it would also be of substantial benefit to the Indians themselves.

Sincerely yours,

C. J. RHOADS, *Commissioner.*

Hon. SCOTT LEAVITT,
Chairman Committee on Indian Affairs,
House of Representatives.

Approved December 18, 1929.

RAY LYMAN WILBUR, *Secretary.*

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, December 11, 1929.

MY DEAR MR. LEAVITT: One of the difficult situations connected with our Indian activities on which I seek the aid of your committee has to do with the irrigation work. Conditions vary, of course, on the different reservations or projects, yet certain fundamental underlying principles are common to practically all of them, which only adds to the perplexity that exists. This is due in no small measure to the multiplicity of legislation relating to such matters. Necessarily we must deal with this feature of the problem; and as some of this legislation is of a general nature, applicable to all projects, and others of a special nature dealing only with particular reservations, this leaves a situation confusing not only from an administrative but from a legal standpoint as well. It has also given rise in some instances to complaint from the Indians themselves and also from white landowners under such projects purchasing lands from the Indians.

Briefly, it may be pointed out that during earlier times irrigation in a small way at least was started on a number of Indian reservations, where conditions were favorable, largely as an industrial aid to the Indians, and in some instances for the purpose of affording temporary employment to the Indians at a daily living wage. Available appropriations and even tribal Indian funds were used in such work, which under the legislation then prevailing were not reimbursable. In fact, no thought was had at that time of ever requiring reimbursement from the Indians of the funds so expended. Again, during those days no great degree of engineering skill was employed and many of the systems and structures originally installed were of a more or less temporary nature.

Subsequent legislation, however, particularly such as that found in the act of August 1, 1914 (38 Stat. L. 583), directing that all funds theretofore or thereafter expended in such work should be reimbursed, came as a distinct surprise to most of the Indians. In particular instances or on particular reservations, such as the Flathead and Fort Peck, Mont., and possibly others, the legislation dealing with such matters carried a positive declaration to the effect that the irrigable lands allotted to the Indians should have a right to so much water as might be necessary for irrigation purposes "without cost to the Indians." Naturally, under such conditions the Indians feel that the subsequent repudiation of such a declaration, even by legislation, does not come with very good grace on the part of the Government. In this connection it might also be pointed out that most of our Indian allottees within these irrigation projects hold trust patents declaring that at the expiration of the trust period the allottee or his heirs will then be given fee title, free from any lien, charge, or encumbrance of any nature whatsoever. The subsequent imposition of a lien, therefore, requiring repayment of irrigation charges may very properly raise some question about the validity of a lien so imposed. As to this your attention is invited to the case of United States *v.* Heinrich (12 Fed. (2d) 938). While this case dealt primarily with the liability of a white purchaser from the former Indian owner,

yet some of the observations indulged in by the court raise a serious question as to the validity of these subsequently imposed liens, be the landowner Indian or white.

Originally most of our Indian projects were purely Indian; that is, only Indians and Indian lands were involved. Gradually, due to death of the Indian allottees within such projects, the inherited lands were sold and a good deal of such land has now passed into white ownership, leaving, as we now find them, a good many so-called mixed projects, partly Indian and partly white, in so far as ownership of the land is concerned. Also, in practically all of such projects, particularly the older ones, we find the problem of white lessees of valuable irrigable lands and incidentally complaint from the State authorities in some instances as to the taxability or rather nontaxability by the State authorities of such holdings so occupied by white citizens and residents of the State.

Due to a number of causes, such as excessive floods, destruction of works originally installed and rebuilt in order to save the entire system from total loss, the per acre reimbursable cost on a number of these irrigation projects is now almost equal to or even greater than the value of the land itself; hence we now find ourselves practically in that unfavorable position of virtually holding a lien or mortgage against property in excess of the value of the property itself. As a result of an extensive field investigation made only a few years ago, it was even suggested that three of these Indian irrigation projects on which considerable sums have been expended should be abandoned entirely. In view of the large investment made by the Government in such projects and as the expenditures so made were primarily for the benefit of the Indians we have not felt warranted in recommending that these projects be abandoned without further trial or giving them opportunity for further development. In any event the matter is deemed of sufficient importance to justify direct action by Congress before any definite steps are taken looking to the abandonment of projects on which large sums appropriated by Congress have been expended.

It has also been suggested that the operation of Indian irrigation works might be transferred to the Bureau of Reclamation in the Interior Department, which has a force equipped to handle them under a general irrigation policy in coooperation with the Bureau of Indian Affairs.

These are but a few of the perplexities connected with this branch of our work, as to which I am impressed with the real need of constructive aid and doubtless remedial legislation, in the formulation of which the cooperation and assistance of your committee is earnestly solicited.

Very sincerely yours,

C. J. RHOADS, *Commissioner.*

Approved December 18, 1929.

RAY LYMAN WILBUR, *Secretary.*

Hon. SCOTT LEAVITT,
Chairman Committee on Indian Affairs,
House of Representatives.

EXHIBIT C. THE AUTHORIZING BILL FOR TRIBAL COUNCILS WHICH THE BUREAU IS BLOCKING BY DELAY

A bill (S. 3668) authorizing the creation of Indian tribal councils, and for other purposes

Be it enacted, etc., That upon the filing with the Commissioner of Indian Affairs of a written petition signed by at least 25 per cent of the adult members of any Indian tribe residing on any reservation under the jurisdiction of the United States, the Commissioner of Indian Affairs shall call a general election of the adult members of such tribe to be held within 60 days from the date of the filing of such petition for the purpose of choosing a constitutional committee to draft a proposed constitution and by-laws for such tribe. Such committee shall consist of not less than nine members. Within 60 days after its election such committee shall call a general meeting of the adult members of the tribe for the purpose of considering and acting upon a proposed constitution and by-laws for such tribe, and each adult member of the tribe shall be notified of the time and place of such general meeting. A copy of the proposed constitution and by-laws, together with a notice of such meeting, shall be distributed to each adult member of the tribe at least two weeks prior to the time fixed for such general meeting. At such meeting the proposed constitution and by-laws may be adopted, amended, and rejected, in whole or in part, but subject to the exception contained in section 7, each such constitution shall provide for (1) the establishment of a tribal council of not less than members and the powers to be conferred on such council; (2) a direct election at least once each year of the members of the tribal council by the adult members of the tribe or of the districts to be represented by such council members; and (3) a referendum on any question of policy on the petition of at least 15 per cent of the adult members of the tribe, the action of the adult members of the tribe on such referendum to be conclusive and binding upon the tribal council. The amount of any expenses incurred by or on behalf of any tribe in carrying out the provisions of this section shall be paid out of any money in the Treasury not otherwise appropriated. There is hereby authorized to be appropriated such sum as may be necessary for such purposes.

SEC. 2. Such tribal councils shall be empowered to represent their several tribes before the Congress or the executive departments of the United States or in the courts. The expenses of any such tribal council shall be paid out of any tribal funds of its tribe, or out of any other moneys over which such council may have exclusive jurisdiction under section 6, but not more than $5,000 may be expended for such purposes in any year from the funds of any tribe.

SEC. 3. All authority vested in Indian tribes or tribal councils by existing law shall be vested exclusively in the tribal councils provided for by this act. Hereafter no tribal lands, or interest in lands, belonging to any Indian tribe, shall be sold, leased, encumbered, or in any manner disposed of, nor any permit granted therefor, nor any contract made for the use thereof, by the Secretary of the Interior, except by authority of the tribal council established pursuant to this act, or, in the absence of such tribal council, by authority of the general council speaking for such tribe.

SEC. 4. Said tribal councils are hereby authorized to employ legal counsel. Such employment shall not be subject to the approval or control of the Department of the Interior, but the choice of counsel and the fixing of fees paid to such counsel shall be subject to review by the Attorney General on application of any member of the tribe.

SEC. 5. The Secretary of the Interior shall submit to the tribal council for each tribe all estimates for expenditures from funds credited to said tribe in the United States Treasury, and any recommendations made by the tribal council with respect thereto shall be transmitted to the Bureau of the Budget and to the Congress concurrently with the submission of such estimates.

SEC. 6. All funds derived from the use or sale of any tribal lands or property, including trespass fees and rights of way, shall be deposited in the Treasury of the United States to the credit of the tribe owning such property and draw interest at the rate of 4 per cent per annum, and no such funds shall be deposited to the credit of the fund entitled "Indian moneys proceeds of labor."

SEC. 7. Funds appropriated from the Treasury of the United States for the payment of the expenses of the tribal council, or obtained through contributions by or assessments against the members of the tribe, shall be under the exclusive control of the tribal councils herein authorized.

SEC. 8. The Pueblo Tribes of the States of New Mexico and Arizona may retain their traditional and established tribal governments in accordance with their established customs, and all provisions of this act relating to powers and functions of the tribal councils shall, so far as consistent with such governments, apply equally to such governments.

SEC. 9. The Secretary of the Interior shall dismiss any employee or officer under his jurisdiction who shall, in any manner, either directly or indirectly, interfere with any tribe or any of its members in the free exercise of the powers conferred by this act.

SEC. 10. Any employee or officer of the United States who shall, in any manner, either directly or indirectly, interfere with any tribe or any of its members in the free exercise of the powers conferred by this act shall be guilty of a misdemeanor, and shall, on conviction thereof, be punished by a fine of not more than $500 or by imprisonment for not more than six months, or both.

SEC. 11. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

EXHIBIT D. THE BILL FOR CLARIFIED ACCOUNTING WHICH THE BUREAU BLOCKED

A bill (S. 3417) to provide for a uniform system of accounts for Indian affairs, and for other purposes

Be it enacted, etc., That the General Accounting Office is authorized and directed, by regulations, to prescribe a uniform system of accounts for all matters pertaining to Indian affairs and to prescribe the manner in which such accounts shall be kept, and the forms of accounts, records, and memoranda to be kept by the Bureau of Indian Affairs and by all officers and employees of the United States concerned in any manner with the administration of Indian affairs. The uniform system of accounts so prescribed shall be designed to show, among other things, the amounts received from every source from time to time by the United States for the benefit of Indian tribes or individual Indians, all sums due from the United States to each Indian tribe and to each individual Indian, the amounts expended for the benefit of Indian tribes or individual Indians from tribal or individual funds, respectively, and from appropriations made by Congress, the purpose and amount of each such expenditure and the time it was made, and the per capita cost of expenses for the administration of Indian affairs in each Indian reservation, itemized in such detail as the General Accounting Office may deem necessary.

SEC. 2. It shall be the duty of the Bureau of Indian Affairs and all officers and employees of the United States concerned in any manner with the administration of Indian affairs to comply with the regulations of the General Accounting Office made pursuant to this act.

INDIANS IN DISTRESS—DESTRUCTION OF NAVAJO LIVESTOCK

EXHIBIT E. DISTRESS AMONG ALL INDIANS

[Remarks of Hon. LYNN J. FRAZIER, of North Dakota, in the Senate of the United States, March 3, 1932]

Mr. FRAZIER. Mr. President, yesterday the Committee on Indian Affairs of the House passed a resolution in regard to the condition of the Indians which I think sets out the present situation of the Indians and their condition in very plain and accurate language.

There have been a great many complaints from various reservations about the hardships of the Indians this winter. Out in the Southwest, especially, there have been great losses on account of

the severe weather and the deep snow, affecting especially the flocks of the Navajos.

I ask unanimous consent to have this resolution read by the clerk and referred to the Committee on Indian Affairs.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolution will be read.

The Chief Clerk read as follows:

"Resolution concerning Indians in distress and the destruction of the Navajo livestock. Proposed by Representative PEAVEY, of Wisconsin, and unanimously adopted by the House Committee on Indian Affairs on March 2, 1932

"Whereas due to crop failures, unemployment, recent blizzards, and the exhaustion of Indian tribal funds there now exists a state of acute and growing distress, amounting in thousands of cases to gradual starvation, among Indians in at least 10 States, and not fewer than 125,000 in number; and

"Whereas the facts are known to the Interior Department and Bureau of Indian Affairs through numerous letters and telegrams from the superintendents, in the files of the Indian Office; and

"Whereas it has been the policy of the administrative branch to withhold distress relief from those Indian administratively classed as nonwards, although the majority of such Indians are in fact still living in tribal relations, are still interested in tribal property, funds, or claims, or still subsisting under treaty relations with the Government, these Indians thus denied Federal aid numbering not fewer than 50,000; and

"Whereas the American Red Cross is extending aid to these so-called nonward Indians in four States only (Montana, North and South Dakota, and Nebraska), and in the total amount of only $50,000 between this date and July 1, while the so-called nonward Indians in all other States, including Oklahoma, Wisconsin, Nevada, and California are denied aid alike by the Red Cross and by the Federal Government; and

"Whereas for all the so-called ward Indians of the country the Bureau of Indian Affairs now has only $95,000 for distress relief for the balance of the fiscal year 1932, and is requesting only $135,000 in addition, or a total of $230,000 for not fewer than 75,000 so-called ward Indians in distress; and

"Whereas the Indian tribes of the Southwest have already lost through starvation, following a series of blizzards, 200,000 or more of their sheep, and will lose during the month of March a greatly increased number unless feeding of the sheep can be provided at once, and the self-support of these tribes is dependent on their sheep; and

"Whereas the Department of Agriculture has under its control funds which could be made available for the feeding of sheep and livestock belonging to Indians and for the rehabilitation of Indian farmers, but is not in a position to take the initiative and must wait on initiative from the Secretary of the Interior: Therefore be it

"*Resolved*, First, that this committee declares its judgment that the denial of relief to the so-called nonward Indians in distress by the Federal Government is contrary to the body of statute laws affecting Indians, and contrary to the declarations of the Supreme Court as to Federal responsibility toward the Indians, and in addition does not properly follow from any ruling by the Comptroller General of the United States, and this committee strongly holds to the opinion that the United States is bound by legal as well as moral obligations to help these so-called nonward Indians numbering not fewer than 50,000. Such distress relief for so-called nonward Indians is provided in the bill H. R. 8498, pending before this committee, which bill proposes to make use of the local agencies of Government in the distribution of distress relief in line with the policy of the Secretary of the Interior as embodied in the pending bills H. R. 227 and S. 3110 now pending before this committee.

"Second, that it is the judgment of this committee that a total fund of $230,000 for all so-called ward Indians in distress in the whole country from this date to the end of the fiscal year is a totally inadequate sum, being less than $5 for each Indian in distress.

"Third, that it is the judgment of this committee that steps should be taken immediately to make available to the Navajo, Apache, and Zuni Indians, and to any other Indians similarly situated, the funds under the control of the Department of Agriculture available for stock feed, and that the Department of the Interior should take steps without further delay to enlist the fullest cooperation of the Department of Agriculture."

PRESENTATION OF TELEGRAMS BY SENATOR REED

Mr. REED. Mr. President, this morning, between the opening of my office and 10 o'clock, I received 305 telegrams dealing with the single subject of the tax on gasoline proposed in the new revenue bill. In addition to those 305 telegrams on that subject, a very large number, probably an equal number, on other questions involving that and other bills, were received.

One of the principal purposes of sending us here is that we may reflect the views of our constituents, and I make no complaint whatever of the telegrams, no matter how large the number may be; but I want, in this most public possible way, to explain that it is utterly impossible for the clerks assigned to my office, who are now working long hours and overtime, together with the extra clerks I have taken on to help the regular ones, to make any acknowledgment of the mass of telegrams such as those which came in this morning.

I do not know whether my words will carry beyond this Chamber or not, but if they do, I want the senders of the messages to understand that the absence of acknowledgments implies no disrespect to them.

Mr. SMOOT. Mr. President, I want to say, in this connection, that I have not counted the communications I have received, so I can not state whether they number more or less than those which have come to the Senator from Pennsylvania or not, but I have received a very large number of such communications.

Mr. REED. I hope, for the Senator's sake, that there are more, but in case there are not, he is welcome to these I have here. [Laughter.]

STREET-RAILWAY MERGER

Mr. CAPPER. Mr. President, I ask leave to have printed in the RECORD an interesting and informative series of articles by Robert M. Buck, published in the Washington Daily News within the past few days, under the general title of "Managing a Merger." These articles review the history of street railway merger legislation in the District of Columbia. The question of consolidating the traction lines of Washington is one of the most important to come before the Senate Committee on the District of Columbia. A resolution on the subject is at present pending before the committee. The information presented by Mr. Buck in his articles has been so ably assembled that it should constitute a valuable reference to those interested in our local merger problem.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MANAGING A MERGER

By Robert M. Buck

(A series of articles published in The Washington Daily News, beginning March 2, 1932, and reviewing efforts to consolidate transit facilities in the District of Columbia.)

I

The street railway merger bill, 1932 model, is in final phase of preparation. District committees of both Houses of Congress are preparing reports which will either approve or amend the pending draft. It would seem to be a favorable time to consider a little history.

Although the District's effort to consolidate the traction companies has now lasted more than 30 years, it is only within the last seven years that the car companies have sought action. Prior to that they merely said they wanted to merge. The Capital Traction was willing to do so if the Potomac Electric Power Co. were included. The Washington Railway & Electric Co., which owns Pepco, would not consent to its consolidation with the rail properties. Street-car operation was profitable. Merging made no progress.

EARNINGS FALL OFF

Autos began to compete sharply with car lines. Earnings of the latter fell away. The companies became more desirous to unite. Cheap taxicab service made still greater inroads on car revenues. Dividends were cut. Capital Traction stock went from 110 down to 20. Traction presidents to-day may be seen hurrying from one public official to another anxiously urging the merger.

Meantime, the North American Co. has acquired control of the Washington Railway & Electric Co. It desires to shed the no longer profitable Wreco car lines through a merger with Capital Traction, while retaining the highly profitable Potomac Electric Power Co., divorced from the car lines. And also to bind the combined traction systems by perpetual contract to buy their power exclusively from Pepco.

AN EFFORT TO PERSUADE

Need of Capital Traction has become so great that its officials no longer demand that the power company be included in the merger.

In 1924 Maj. W. E. R. Covell, Assistant Engineer Commissioner and executive officer of the Public Utilities Commission, devised a plan "to induce" the car companies to merge. The Public Utilities Commission approved it. The commission was to order unified operation by joint use of tracks if the companies would not merge and was to ask Congress to relieve them of $300,000 annual expense for paving and crossing policemen if they would.

As part of this program, the commission, in 1925, suggested and Congress enacted the enabling act which set aside provisions of the La Follette antimerger act as applied to street-car companies.

During 1925 and 1926 the commission and companies exchanged correspondence as to what terms should characterize consolidation.

NORTH AMERICAN GETS CONTROL

The local activity synchronized with that of the North American Co. of New York, holding corporation controlling a gigantic utility combine allied, at certain points, with the Insull interests.

In 1925 McClellan & Junkersfeld, engineering subsidiary of North American, made a survey of the Washington transit problem at an expense of $70,000. Later in the same year it was announced that North American had acquired a substantial interest in the Washington Railway & Electric Co., a small block of Capital Traction stock, and 97 per cent ownership of the Washington Rapid Transit Co., operating motor busses. Its interest in Washington Railway & Electric Co. was subsequently increased to control. It now holds 55 per cent of the voting stock.

CLAYTON'S CHALLENGE

Harley P. Wilson, who had transferred western power holdings to the North American Co., became a member of the board of directors of that company. Subsequently he was made a member of the board of directors of the Washington Railway & Electric Co. also.

William McK. Clayton, public-utility chairman of the Federation of Citizens' Associations, challenged the right of North American to own and operate the Washington Rapid Transit Co., calling it a violation of the La Follette antimerger law. So in 1927 the bus-company stock was transferred to Wilson by means of arrangements described in considerable detail in a recent report of the Federal Trade Commission on the holdings of the North American Co. Wilson has ever since emphatically maintained that he is the bona fide owner of the bus-company stock.

HARLEY WILSON ENTERTAINS

Wilson's Washington office in the Investment Building became traction-merger headquarters. He submitted a first and then a second unification plan to the Public Utilities Commission. He retained William Gibbs McAdoo as counsel. McAdoo drafted agreements, appeared before the Public Utilities Commission, and in company with Wilson was often seen on Capitol Hill interviewing Senators and Representatives.

Wilson entertained public officials and others frequently at his large Virginia estate. When, subsequently, the Federation of Citizens' Associations opposed his plan he began entertaining small parties of its delegates at luncheons in the Metropolitan Club.

SUTER AND YADEN

McAdoo hired Jesse C. Suter, former president of the federation, to compile historical data. Wilson gave James G. Yaden, the president of the federation, a place on the board of directors of the bus company. It was described as an ex-officio membership, but Yaden is still a director, although he has not been president of the federation for three and a half years. No one ever charged, and Yaden denied, that he had any financial interest in the Washington Rapid Transit Co.

Clayton, as chairman, and William A. Roberts, as vice chairman of the public-utilities committee of the federation, led a bitter fight in the public interest against the Wilson merger plan. A group of influential federation delegates made a determined effort to defeat the Clayton-Roberts program, and they succeeded to a considerable extent in undermining it, although the federation as a whole never failed to vote support to the two men. Roberts is now, as assistant corporation counsel, attorney for the Public Utilities Commission.

II. The Wilson programs

The North American Co., of New York, added the Washington Railway & Electric Co. to its nation-wide network of controlled utilities in 1922, in violation of the La Follette Antimerger Act. That fact was not brought to public attention, however, until 1925, after Congress had passed a merger enabling law setting aside the La Follette Act as applying to street railways.

In November, 1926, Vice President F. W. Doolittle, of the holding company, came to Washington to talk merger with the District Commissioners, who constituted the Public Utilities Commission also. The meeting was held in the office of Lieut. Col. J. Franklin Bell, then Engineer Commissioner.

The late Commissioner Cuno H. Rudolph was snorting with impatience as he emerged. He said to reporters:

RUDOLPH OPPOSED

"Service at cost! It means higher car fare. We don't want such a merger."

He said that Doolittle had proposed $50,000,000 as an agreed valuation of the combined car lines. That was the approximate sum of their capitalizations and, although he quoted Doolittle as saying their value was greater, they would be lucky to earn 7 per cent on that. Fares should therefore be determined by a sliding scale based on "service at cost" and calculated to yield 7 per cent of a $50,000,000 rate base.

"Service at cost" was the alluring description used by the corporation men. What they proposed was not, of course, service at cost. There would be no profit in service at cost.

WILSON A DIRECTOR

It was in 1926 also that Harley P. Wilson disposed of the Western Power Co., of which he was president, to the North American Co., and became a director in the latter. It was not until January, 1927, that he began work on the proposed Washington traction merger.

Therefore, it is unjust that the $50,000,000 agreed valuation should have been so widely considered to be the central idea of the Wilson plan. The idea was not central and it was not Wilson's. Doolittle sprung it before Wilson.

Wilson did, however, have a plan. He revealed it October 31, 1927, in a letter to the Public Utilities Commission. Here it is in outline:

1. The car companies should merge under congressional charter.
2. The Potomac Electric Power Co., although owned by Wreco, should not be included, but there should be a power clause substantially as it appears in the pending merger act.
3. There should be an agreed valuation of $50,000,000 on which the District government should guarantee 7 per cent return.
4. The District Commissioners (who by that time no longer constituted the Public Utilities Commission) should appoint three trustees, to be paid by the traction company out of operation, whose duty would be to adjust fares by a sliding scale to produce 7 per cent, regulate service, and direct the physical consolidation of the car properties.
5. Part of the $585,000 in taxes paid annually by the car lines to the District should be set up in a special fund to amortize the valuation.

The guaranteed 7 per cent was to operate through a "rate-adjustment" fund launched with a $1,000,000 "contribution" by the company (to be promptly added to the rate base valuation) to which profits in excess of 7 per cent would be added and from which the company would draw sums to make up deficits should profits fall below 7 per cent. If the fund were depleted, the municipality would advance the deficits in cash out of public funds.

GUARANTEED PROFITS

It is unnecessary to repeat the comments that greeted this plan. Proposed trustees to take over duties of the Public Utilities Commission, accumulation of taxes at $500,000 a year to amortize a $50,000,000 (and growing) valuation in something like 100 years, and payment of public money to guarantee street-car profits caused it to be speedily retired from serious consideration.

However, it yielded Presidents Ham and Hanna, of the local traction companies, something with which to disagree. Both later told congressional committees that the subsequent merger proposals were not Wilson's plan. They had dissented as to certain details, they said. The North American Co. had not dictated to them.

"WILSON MERGER"

Wilson, Ham, Hanna, and others went into a series of conferences out of which emerged Wilson's second proposal to the Public Utilities Commission, dated February 10, 1928. Although it lacked most of the distinguishing features of the first, and was the composite product of several corporation officials, it was this second draft which came to be known as "the Wilson merger."

It included the agreed $50,000,000 valuation; official recognition, but no guarantee, of 7 per cent as "reasonable return on fair value"; the same power clause; guarantee of protected monopoly; and relief in the estimated sum of $300,000 a year for the car lines from expense of paving and crossing policemen.

In return for these benefits the company was to give the public transfers between street cars wherever their tracks crossed, but not between cars and busses; and, of course, the improved service which might result from unified operation.

The merged traction company was to pay more than $1,146,000 for the Washington Rapid Transit Co.; $596,000 in cash, plus interest thereon, to Wilson for his stock; and $550,000 by assumption of debts. William McK. Clayton, public-utility chairman of the Federation of Citizens' Associations, later told the Public Utilities Commission and committees of Congress that the bus company was worth not to exceed $500,000.

III. Other merger projects

Harley P. Wilson's first, his own, merger plan was submitted to the Public Utilities Commission in October, 1927. Its proposals to use municipal funds for guaranty of profits and to circumvent Public Utilities Commission regulation by creation of a board of trustees plunged it at once into a storm of controversy.

This discussion produced a variety of merger proposals from various sources during November of that year.

HANSEL PLAN FIRST

First, there was one by Charles Hansel. His effort was surrounded by mystery which has not been dispelled to this day. By whom was he employed?

Hansel is a railroad-valuation engineer of picturesque personality. For many years he has been in charge of valuation work for the Eastern Conference of Railroad Presidents. He also for a long time was associated with the Mitten interests of Philadelphia.

WORKED SEVERAL MONTHS

For several months he had, with a large staff, conducted a technical study of the Washington transit problem. He said it cost $65,000 of his personal funds. It ended with an elaborate report, the principal feature of which was a merger plan, the only one which included a complete rerouting scheme, eliminating duplicate tracks.

The Hansel report was addressed to Maj. Clayton E. Emig as chairman of the public-utilities committee of the Federation of

Citizens' Associations. Emig was not chairman, but was vice chairman of that committee. In the early summer of 1927 he had laid before the federation an "opportunity" to hire an eminent traction expert for $1. He would not name the expert. He finally managed, despite the skepticism of William McK. Clayton, chairman of the committee, to induce the federation to become Hansel's client for a fee of $1, which Hansel said was never paid.

ASKED FOR REIMBURSEMENT

After completion of the report Emig tried to get the federation to ask Congress to reimburse Hansel for its $65,000 cost. The federation refused and would not even consider, much less approve, the report. Hansel withdrew it from the federation in a huff and presented it to Senator ARTHUR CAPPER, chairman of the Senate District Committee.

Hansel's only explanation of his expensive altruism was that he took a gambler's chance in an effort to perform a public service. He expected to get the money back from a gratefully enlightened people. It sounded unlike Hansel's otherwise obvious sophistication.

In public places the suspicion was voiced that Hansel was trying to "muscle" into the District transportation business for the Mitten system. Indeed, in the foreword to his report, Hansel says that he did not know the North American Co. was interested in merger until his investigation was nearly complete, although North American had bought Washington Railway & Electric stock five years before. Hansel is seldom so uninformed about things in his field of work.

STRATEGY SEEN

Some thought his activity was deep strategy in behalf of the North American Co. to keep the federation busy in another than Wilson's alley and to keep corporation welfare to the fore as a prime merger requisite, drawing a red herring across the trail. It may be said of all three attempted explanations that they are fanciful. But facts are sometimes fanciful.

The Hansel plan differed from Wilson's. It proposed:

1. A 50-year franchise, with protected monopoly for the merged company, which would immediately acquire all local transportation agencies, includes taxicabs and sight-seeing busses and interurban lines; driving out of business, by cutthroat competition, any which would not sell. Astonishing as it may seem, this was frankly recommended in the report.

SLIDING SCALE ASKED

2. A sliding scale of fares somewhat similar to the Pepco consent decree arrangement to provide a fixed rate of return on an agreed valuation, neither rate nor agreed value being named in the report.

3. Eventual equal tripartite ownership by the municipality, the managers, and labor, investors being bought out through excess earnings in this way: If earnings should exceed the agreed return on the agreed value, the first 2 per cent of that excess should be paid half to the District, one-fourth to labor, and one-fourth to management, to go into three funds to buy stock for these three groups. Bonds and other debts were to be retired out of the District's half of the 2 per cent.

PROPOSED TAX EXEMPTION

4. The company should receive as special privileges exemption from all except real-estate taxes, including charges for paving and crossing policemen and abolition of down-town parking.

5. The Potomac Electric Power Co., although owned by Wreco, was not to be included in the merger, but was to furnish the new car company with power at cost, so figured as to include a proportionate share of fixed charges, such as interest, insurance, taxes, and depreciation, not now contributed to Pepco by Wreco for power the latter takes.

6. One-man cars should be exclusively used. This was the biggest item in the $2,500,000 to $3,750,000 Hansel said could be saved annually in transit operation by merging.

IV. Some more plans

It must not be thought that all the definite merger proposals came from men allied with traction corporations. The idea that merger critics throughout these events have been "destructive" and not "constructive," would not be correct.

Many of those who opposed the North American Co. and Hansel ideas offered amendments in writing. Some suggested complete substitute projects. Two of these were launched in a public way, one being submitted to the Public Utilities Commission and the other to the Federation of Citizens' Associations.

In November, 1927, Byers M. Bachman submitted to the Public Utilities Commission a merger plan. He is chief accountant for the commission. The principal characteristics of his proposal were:

BACHMAN'S PLAN

1. Merge without first determining valuation or approved rate of return, excluding from the combination not only the power company but the Washington Rapid Transit Co. as well.

2. A power clause quite similar to Hansel's, and different from the one in the now pending merger, calling for sale of power by Pepco to the new company at actual cost plus reasonable return on actual investment, determined by the Public Utilities Commission.

3. The Boston sliding scale of fares, wholly dissimilar to that proposed by Wilson and Hansel. As the rate of fare increases, the rate of return allowed the corporation on its rate base decreases. It is designed to be an incentive to management to operate efficiently and economically so as to make more money with a low fare. Existing fares were not to be changed until a year after all expensive realignment of tracks, except that school children were to receive reduced rates.

4. Traction system to be relieved of expense for paving and crossing policemen.

VALUATION CALLED HIGH

Bachman said as high a valuation as $50,000,000 (specified in the Wilson plan) could not be sustained.

Still another merger proposal was offered in the same month. Its author was William A. Roberts, who succeeded Major Emig as vice chairman of the public-utilities committee of the Federation of Citizens' Associations after the friction over the Hansel report.

His plan was approved by the federation which, however, adopted the strategy of not pushing it forward so as not to detract from its opposition to the Wilson plan, which appeared to have an excellent change of enactment.

Roberts's scheme also embraced the Boston sliding scale, with a permitted normal rate of 6 per cent return on value. He, however, wanted the merger to start with an agreed rate base not specified by him but to be arrived at after taking into account physical values and past earnings, with revaluation every 10 years.

MONOPOLY PROJECTED

The new company would be given a monopoly of bus and streetcar service except when it failed to agree to extensions within six months after they were ordered by the Public Utilities Commission. Roberts included free universal transfers.

Wilson's and Hansel's plans were more favorable to the traction interests and neither of them contemplated reduced car fares. Bachman's and Roberts's proposals favored the public. Neither of the two latter received even scant attention from the Public Utilities Commission or Congress.

V. Senator Blaine's fight

Five widely varying merger proposals, four all but forgotten, having been recalled, it is necessary to follow only the thorny path of the second Wilson plan. None other was seriously considered by those clothed with power to authorize unification.

For 10 days in March, 1928, the Public Utilities Commission held public hearings. William McK. Clayton and W. A. Roberts, chairman and vice chairman of the public-utilities committee of the Federation of Citizens' Associations, made valiant assaults on many of its principles.

In front they faced determined opposition by the corporations, John W. Childress and Harrison Brand, of the Public Utilities Commission; Ralph B. Fleharty, then people's counsel; the chamber of commerce, board of trade, and others. Behind, in the federation itself, occurred constant efforts to undermine them.

The commission ordered numerous verbal changes in the agreement, none of which improved it materially for the public. The companies accepted them and on April 13, 1928, the Public Utilities Commission approved the pact and forwarded it to Congress.

There Clayton and Roberts continued their uphill fight, aided as before by the Central Labor Union, People's Legislative Service, and a few other organizations and individuals. In the House District Committee Roberts was unmercifully heckled by Representative FRANK R. REID (Republican, from Illinois). The published verbatim records read like an encounter between villain and hero in a barnstorming show.

Clayton and Roberts opposed the $50,000,000 valuation. They demanded revision of the power clause, transfers between street cars and busses, reduced fares for school children, a section safeguarding labor, and a Federal charter instead of District of Columbia incorporation. They also opposed payment of $1,146,000 for the Washington Rapid Transit Co., which Clayton described as worth less than $500,000.

PROTESTS DISREGARDED

The House committee disregarded protests and approved the bill with no other changes than to authorize reduced fares for children.

The Senate District Committee adopted a wholly different attitude. Senator JOHN R. BLAINE (Republican, Wisconsin) took up cudgels against the bill from the start. Dr. Milo R. Maltbie, a New York public-utility expert, was hired. He and the Bureau of Efficiency were asked to make separate studies. The bureau suggested certain accounting changes, but in the main approved the car companies' proposal.

Maltbie's attitude was more critical. He flayed the $50,000,000 agreed valuation. It was his opposition which killed that feature. He emphatically condemned the power section, but compromised and left it in the bill, for which he is now being misquoted as its sponsor.

Public hearings followed. BLAINE now led the fight, flanked by Clayton, Roberts, and others. He was dissatisfied with what became known as the Wilson-Maltbie merger. Maltbie's major improvement was striking out the $50,000,000 agreed rate base. BLAINE held that change to be relatively unimportant because the street-car business having slumped, "reasonable" return could not possibly be earned on so high a valuation. It was reduced to a moot question. The traction heads seemed to agree, for they promptly accepted the amendment.

BLAINE waded into the power clause and several other sections, but his best contribution was a proposed amendment to the public utility act governing valuation. It was to be attached as a rider to the merger bill in order to insure its enactment. The original public utility act in toto was a rider on the 1913 District appropriation bill.

BLAINE'S amendment, if enacted, would have substituted the "prudent investment" for the "reproduction new" method of appraising all utility property in the District for rate making. It was defeated in committee. The Wilson-Maltbie bill was approved and reported out onto the Senate floor where BLAINE threatened to kill it by filibuster if his amendment were not accepted. It died without recourse to filibuster.

The same bill was reintroduced the following session. BLAINE reintroduced his valuation amendment and added others to correct the condition whereby District of Columbia courts, reviewing the findings of fact, can nullify the work of the Public Utilities Commission on rates and value. He fought so hard that his court amendments were attached to the bill, but the valuation amendment was not. Again Congress adjourned without action.

GLASS FOR COMPANIES

Personnel of the Public Utilities Commission changed. Maj. Gen. M. M. Patrick, its present chairman, came into power. He sent to the next Congress the same bill, this time containing Blaine's court amendments, but not the one about valuation, and one which would permit the new car company to buy power elsewhere than from the Potomac Electric Power Co. if it could save money thereby. Patrick also took out much of the financial detail, not changing the set-up, but shortening the bill.

That year unexpectedly a merger fight broke out on the House side. Representative Merlin Hull (Republican of Wisconsin) had been elected. He centered a slashing attack upon the power clause. He was defeated for reelection.

In the Senate committee the attack shifted. The car companies assailed the bill because it contained the Blaine court amendments which would have shaken the power of the utility corporations in the District.

Senator CARTER GLASS (Democrat of Virginia) led the fight for the companies. Chairman ARTHUR CAPPER (Republican of Kansas) favored the amendments. GLASS claimed that CAPPER would not call a committee meeting for fear the amendments would be stricken out. Over CAPPER'S head GLASS polled the committee and himself reported the Wilson-Maltbie bill onto the Senate floor minus the Blaine amendments.

The bill was not called up for passage in the Senate that session. Hull had already killed it in the House.

That is how the merger stood until December 1, 1931, when General Patrick drew the Wilson-Maltbie bill from its pigeonhole and sent it to Congress again, this time without the improvements he had included before, namely, the Blaine court amendments and the one to prevent an unbreakable perpetual contract between the merged car company and Pepco.

Hearings have been concluded and the committees are preparing their reports. This year People's Counsel Keech bore the brunt of the fighting. He has laid particular stress on the power section and the water-tight transportation monopoly the bill would set up as introduced by Patrick and championed by the car companies.

VI. The same old merger

Brief analysis only is required to demonstrate that the merger bill submitted to Congress December 9, 1931, by Chairman Patrick, of the Public Utilities Commission, is the same, despite many changes in phraseology, as that forwarded with approval April 13, 1928, by the Childress-Brand Commission and known, somewhat erroneously, as the Wilson plan. It was then and is now designed to:

1. Join two rapidly declining traction systems and give their owners the resulting economies of operation, variously estimated at from $600,000 to $2,500,000 a year.

2. Present the new car company with $300,000 a year by abolishing payments in that sum now annually made for paving and crossing policemen.

PROTECTED MONOPOLY

3. Write into law a protected monopoly for the new company.

4. Separate the valuable Potomac Electric Power Co. from the less prosperous traction system.

5. Permit the present owners of the Washington Rapid Transit Co. to unload that motor-bus concern on the new company at an exorbitant price.

In return for these benefits the public would get:

1. Such improved service as might follow unification, the only certainty, however, being fewer cars and miles of track.

2. Free transfers between street cars wherever their tracks intersect, but not necessarily between cars and busses.

MERGER DESIRABLE

Most critics of the project concede that it is desirable to let the companies merge, grant the new concern a preferential monopoly conditioned on obedience to Public Utilities Commission regulation, and relieve the car lines from paying crossing policemen, who direct auto traffic. The latter should be done without waiting for a merger.

Many are willing to have paid from the municipal treasury a substantial part of the paving expense now assessed against the traction companies. Some see no objection to letting the North American Co., of New York, owner of the Washington Railway & Electric Co., keep the rich Potomac Electric Power Co. out of the merger, although others think having a trolley system without a power house is like owning a cart and renting a horse.

Fundamental dissatisfaction with the merger plans is not based so much on their visible defects as the fact that the companies will get so much and give the public so little.

ASSURANCE LACKING

In none of the schemes considered has there been any assurance of reduced fare or improved service. The Bachmann and Roberts plans contemplated lower rates, but they were not considered.

On the contrary, all through the hearings the transit men have studiously avoided commitment as to either rates or service. The first draft sent to Congress proposed that fares remain unchanged for a year after unification, so certain was everyone that they would be elevated after merger, if not before. This moratorium on fare increase was raised to two years in the Senate. But fares went up anyway and the merger proponents tried to blame it on defeat of consolidation.

In the present draft, General Patrick left out even the meager protection of a period of status quo on the theory that it was now superfluous, although it is no secret that the car companies intend to have a straight 10-cent fare if they can obtain official sanction for it.

VALUATION ELIMINATED

The monopoly and power clauses; perpetual franchise and relief from responsibility to Congress through a Federal charter; permission to pay any legal or other expense of merger without limit or restriction—these are all in the present bill as they were in that of 1928.

One deletion was hailed as a public victory perhaps more than it deserved. It was the $50,000,000 agreed valuation upon which the company was to be permitted to earn 7 per cent. The figures were stricken out. They never should have been included. But the substance of the provision is still in the bill.

This $50,000,000 proposal had its source in an observation in 1926 by Vice President Doolittle, of the North American Co. He said the value of the merged properties would be $65,000,000, but the new company would be lucky if it could earn 7 per cent on $50,000,000, wherefore it would be idle to use an agreed rate base higher than that.

CAN NOT EARN 7 PER CENT

While there is now no agreed rate base, it is also apparent that the car lines can not earn 7 per cent on $50,000,000. But it is evident that 7 per cent will be sanctioned on whatever sum it can be earned upon, from the fact that under General Patrick's chairmanship the Public Utilities Commission has named that percentage as "reasonable return on fair value" in the Pepco case.

The present bill lacks the Blaine amendment or any other provision authorizing the Public Utilities Commission to base valuation on "prudent investment" depreciated instead of undepreciated "reproduction new," as required by the courts under present conditions.

VII. The power clause

Of the millions of words spoken or written about merger in the last five years perhaps half have referred to valuation, but surely three-fourths of the other half have been directed to the power clause.

That is the section of the unification agreement which provides for an uninterrupted supply of power, since the combined transit system is to be left without an adequate power house by omission of the Potomac Electric Power Co. from the merger.

It is clear that there must be an unfailing source of available power. It is not admitted by everyone that it must be provided for in the merger agreement and act. In fact, examination of the power clause reveals that to be not the sole or even chief reason for its inclusion.

FIVE PROPOSALS

Using the exact language of paragraph 10 of the merger agreement, which is the power clause, but dividing it into its component proposals, the latter are seen to be five in number as follows:

1. "The new company shall take over all existing contracts of the Washington Railway & Electric Co. for the sale of power to other railway companies."

2. "The Washington company will cause the Potomac Electric Power Co., subject to the approval of the Public Utilities Commission, to enter into a power contract with the new company, which said power contract shall run for the life of whichever of the franchises of these two companies expires first."

3. "The contract may include a lease by the power company of the power properties which the new company shall have obtained as being appurtenant to the transit properties to be acquired by the new company."

15-YEAR CONTRACT

4. "Said power contract shall provide that the Potomac Electric Power Co. * * * will at all times on request furnish an adequate supply of electric power for * * * operation of the transit properties of the new company and for power furnished to said other transportation companies."

5. "Said power contract shall provide that for a period of 15 years the price to be paid by the new company for 63 per cent of the power used for * * * operation and * * * furnished to other transportation companies shall be determined in accordance with the terms and conditions of the present arrangements between the power company and the Washington company * * * The price to be paid for 37 per cent of the electric power used for * * * operation of the transit properties of the new company shall be fixed by the Public Utilities Commission."

EXCLUSIVE POWER RIGHT

It will be seen that the contract binds the new company to buy power exclusively from Pepco as long as both companies exist; that the same proportion of current now used by Wreco to operate street cars, plus that resold to outside interurban electric railroads, will be furnished for 15 years at the present price, which is below cost, but will probably be considerably above cost before the 15 years have expired; that a different and higher price, fixed by the P. U. C., will be charged for that percentage of the current now used by the Capital Traction Co.; that Pepco will lease the Capital Traction power house; and that the new company will succeed to the contracts for resale o. current now held by Wreco.

Dr. Milo R. Maltbie and W. A. Roberts, in former years, criticized each of these five proposals severely. They said:

"There should be one price for all power fixed by the P. U. C. The new company should not be bound to take its power from Pepco if future conditions should develop whereby it could buy elsewhere for less money, for instance if a hydroelectric plant ever should be built at Great Falls. Pepco should not be permitted to lease and then junk the present Capital Traction power house, paying money for a plant not used which then would be kept in the valuation of the new company instead of being written off the books. That resale of power by Wreco should be discontinued and not transferred to the new company, but all sales of Pepco current should be by the company which produces it."

$300,000 ANNUAL PROFIT

Wreco takes $300,000 a year profit from the resale of current. This profit should be included in net income of Pepco, where it would operate to still further reduce rates for current supplied to all consumers.

People's Counsel Richmond B. Keech has this year made the same demands of Congress for amendment of the power clause. But confusion has been added to the situation because Roberts appears to have abandoned his former position.

This may or may not be so. When he opposed the merger bills before he was acting as a spokesman for the public and was voicing his convictions. Since that time he has been appointed attorney for the Public Utilities Commission and this year he acted as its spokesman. The commission stands sponsor for the merger bill, power clause and all. Some Senator should ask Roberts for his personal views as to all the provisions of the bill. In that way only can it be discovered whether he has changed his views or whether he is obeying instructions despite them.

VIII. Final conclusions

The merger bill submitted to Congress by the present Public Utilities Commission last December has already been amended in certain particulars in the Senate committee. Many more amendments have been urged.

Chairman Patrick, of the Public Utilities Commission, has agreed to changes which would prevent the merged company from going into the taxicab business, but the monopoly feature is still quite broad. Dr. Milo R. Maltbie, who studied merger for the Senate in 1928, objected to any monopoly clause in the merger pact. He said it was "most unusual," and added:

"There has been no demonstration, in my opinion, of any need for a contractual obligation to protect the new company against competition. Competition is a great stimulant. Public regulation is not a satisfactory substitute in all respects. The tendency of monopolies is toward stagnation.

"The public should preserve its power to authorize new forms of transportation. Police powers should not be bargained away and the courts are very reluctant to approve a contractual limitation of such powers, as numerous decisions in rate cases clearly indicate."

BLAINE AMENDMENTS

If the Blaine amendments were made part of the bill, appraisal of utilities after its enactment would necessarily much better protect the public. Car fares would be lower. These amendments would provide that only actual investment officially recognized as prudent would constitute the rate base upon which rates should be calculated to yield reasonable return. And they would repeal the present arbitrary power of local courts to reverse the Public Utilities Commission on findings of fact in valuation and rate cases.

Instead, there is a section on valuation which People's Counsel Keech says should be omitted. It sounds innocent. It says "any and all rights with regard to valuation and rate bases now possessed" by the car companies shall not be prejudiced and "shall be enjoyed by the new company until a valuation of the properties of the (new) company shall be fixed as now or hereafter provided by law." Keech says:

"Unfortunately this paragraph would give a rather legislative character to existing valuations which is highly undesirable, especially in view of the fact that certain questions as to rate bases are now pending in court."

FREE UNIVERSAL TRANSFERS

Keech also wants the section guaranteeing free universal transfers between car lines extended to include transfers from bus to car and vice versa.

The old merger provided permission for the new company to pay $1,146,000 for the stock of the Washington Rapid Transit Co., owned by Harley P. Wilson, of the North American Co. The figure is now omitted, but there is a section permitting the new company to acquire the bus company stock "on such terms as may be accepted by the owners and may be approved by the Public Utilities Commission."

Wilson has said that he will not sell his stock for less than it cost him. This, he formerly testified, was $550,000. Added to the cash price, would be assumption by the new company of the debts of the bus concern. William McK. Clayton says it is too much; that the bus company, debts and all, is not worth $500,000.

BUS-LINE PROBLEM

Keech says if the merger bill is going into detail in this matter, it ought to provide that more than the fair value of the bus lines should not be paid. The bill leaves it open, too, as to whether the bus company should be merged into the new company. All critics of the measure agree that if the stock is bought, the bus company should be passed out of existence and merged.

Keech asks the Senate to drop the power clause altogether.

Paragraph 16 permits the new company to "defray any legal and other expenses of unification which may be necessarily incurred in connection therewith, provided that these expenses shall be treated in the accounts of the new company as ordered by the Public Utilities Commission."

This will permit any charge to be paid without approval as to its reasonableness. Harley P. Wilson says he will make no promotion charge, and his word is good in that matter without doubt. But there have been rumors of large fees to other persons contingent on the merger passing.

Proponents of the bill say that this does not matter, since under the proviso the Public Utilities Commission can keep the items from being charged to operation. Keech's reply is that the commission, in addition to keeping rates down, has the responsibility also to protect the sound financial condition of the utility corporations so far as lies within its power, and that permission to pay the expenses in question should be conditioned upon prior approval by the Public Utilities Commission, as well as subject to its orders in the subsequent bookkeeping.

PUBLIC SAFEGUARDS

The suggestion has been made that the merger bill should be a brief enabling act leaving jurisdiction as to all details with the Public Utilities Commission in a broad, general grant. This would center responsibility for protection of the public on the commission, giving it the necessary authority with which to work. There are three groups who object to this. Some say that the history of the Public Utilities Commission does not justify confidence that it would discharge its responsibility wisely and faithfully. Others say that the courts would intervene, as they have in the past, to protect the companies. These two groups want control left with Congress as far as possible.

The companies are said also to be against a simple bill (although Wilson has said he would not object) because they want benefits for themselves assured in the enabling legislation. Keech holds that if privileges for the companies in addition to that of merger itself are to be written into the law, balance should be maintained by also adding benefits and safeguards for the public.

ANNA MARIE SANFORD

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2822) for the relief of Anna Marie Sanford, widow of William Richard Sanford, deceased, which was to strike out all after the enacting clause and insert:

That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Anna Marie Sanford, widow of William Richard Sanford, deceased, former furnace man, navy yard, Washington, D. C., in the same manner and to the same extent as if said William Richard Sanford had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefit shall accrue prior to the approval of this act.

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

RECESS AS IN EXECUTIVE SESSION

Mr. McNARY. Mr. President, before moving a recess as in executive session I wish to announce that immediately upon reconvening to-morrow in executive session I hope to have the Senate take up for consideration the nominations for the Federal Farm Board. There will be considered no other nominations that are in any wise controversial, and no legislation. I now move that the Senate recess as in executive session until to-morrow at 12 o'clock.

The motion was agreed to; and the Senate (at 5 o'clock p. m.), as in executive session, took a recess until to-morrow, Saturday, March 12, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 11, 1932

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God, Thy mercy has been our portion again. Whether as a cherished anticipation or as a glad, sweet surprise, it is upon us, and we thank Thee. Merciful Father, teach us again: Blessed are they who carry forward life's broken ministries; blessed are they who renew the light in some dark human tenement; blessed are they who hold on to their better selves in the face of temptation; blessed are they who take their places in the councils of a nation and seek to serve unselfishly and even sacrificially all the people. O God, bless our whole country and all its institutions that promote human welfare. O fill it with the biggest things ever attained, with the greatest things ever longed for; and with the highest hopes that ever throbbed in its great soul. Let it feel the mighty swell of the everlasting arms that never fail. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 375. An act amending the public building act approved March 4, 1931, authorizing acquisition of building sites and construction of public buildings at Hibbing, Minn., and other places;

H. R. 3703. An act granting compensation to Harriet M. MacDonald;

H. R. 6739. An act to amend the authorization contained in the act of Congress approved March 4, 1929, for the acquisition of site and construction of building in Jackson, Miss.; and

H. R. 7899. An act to authorize the Secretary of the Treasury to negotiate and to enter into an agreement regarding the south boundary of the post-office site at Plattsburg, N. Y.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 83. An act for the relief of Margaret Crotty;

S. 84. An act for the relief of Abraham Green;

S. 154. An act for the relief of Amy Harding;

S. 221. An act authorizing adjustment of the claim of the Wilmot Castle Co.;

S. 252. An act authorizing adjustment of the claim of Johnson & Higgins;

S. 283. An act to provide for conveyance of a certain strip of land on Fenwick Island, Sussex County, State of Delaware for roadway purposes;

S. 284. An act for the relief of William B. Thompson;

S. 418. An act to extend the admiralty laws of the United States of America to the Virgin Islands;

S. 421. An act to provide for the air making of certain Government buildings;

S. 563. An act for the relief of George T. Johnson & Sons;

S. 694. An act to authorize the sale of interest in lands devised to the United States under the will of Sophie Chanquet;

S. 811. An act for the relief of Sophia A. Beers;

S. 914. An act for the relief of Katherine R. Theberge;

S. 1274. An act for the relief of the Standard Dredging Co.;

S. 1590. An act granting certain public lands to the State of New Mexico for the use and benefit of the Eastern New Mexico Normal School, and for other purposes;

S. 2232. An act to amend section 126 of the Judicial Code, as amended;

S. 2405. An act to confer jurisdiction on the Court of Claims to hear and determine certain claims of the Eastern or Emigrant and the Western or Old Settler Cherokee Indians against the United States, and for other purposes;

S. 2428. An act to provide for the confirmation of a selection of certain lands by the State of Arizona for the benefit of the University of Arizona;

S. 2703. An act for the relief of the State of Indiana;

S. 2754. An act to authorize the issuance of an unrestricted patent to Joseph F. Sheaman;

S. 2853. An act to provide for the commemoration of the Battle of Wagon Box, in the State of Wyoming;

S. 2854. An act to provide for the commemoration of the Battle of Dull Knife, in the State of Wyoming;

S. 2955. An act to amend the World War veterans' act, 1924, as amended;

S. 2958. An act to amend the charter of the Firemen's Insurance Co. of Washington and Georgetown, in the District of Columbia;

S. 3011. An act to authorize the Attorney General to permit prisoners to attend the funeral of a deceased and bedside of a dying relative, and for other purposes;

S. 3085. An act relating to the tribal and individual affairs of the Osage Indians of Oklahoma;

S. 3086. An act relating to the construction of a Federal building at Ponca City, Okla.;

S. 3147. An act for the relief of Anna Pokorny;

S. 3173. An act authorizing the President to class as secret or confidential certain material, apparatus, or equipment for military or naval use;

S. 3270. An act for the relief of Daniel S. Schaffer Co. (Inc.);

S. 3322. An act to transfer certain jurisdiction from the War Department in the management of Indian country;

S. 3438. An act authorizing adjustment of the claim of Lindley Nurseries (Inc.);

S. 3475. An act to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming;

S. 3569. An act to amend the act of May 27, 1930, authorizing an appropriation for the reconstruction and improvement of a road on the Shoshone Indian Reservation, Wyo.;

S. 3602. An act authorizing the termination of a certain contract for the sale and purchase of the St. Johns Bluff Military Reservation, in Florida, and for other purposes;

S. 3655. An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments; and

S. 3771. An act for the relief of St. Paul's Episcopal Church, Selma, Ala.

RELIEF OF WATER USERS ON IRRIGATION PROJECTS

Mr. HALL of Mississippi. Mr. Speaker, I call up the bill (S. 3706) for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law.

The Clerk read the title of the bill.

Mr. HALL of Mississippi. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the bill may be considered in the House as in Committee of the Whole. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, as I understood from the Speaker's statement yesterday the House was to go into Committee of the Whole for the consideration of this bill under the general rules of the House.

The SPEAKER. The gentleman from Mississippi has made the request, and if anyone objects, of course, the House will go into the Committee of the Whole House on the state of the Union.

Mr. SNELL. That was the condition under which unanimous consent was given.

Mr. HUDDLESTON. Mr. Speaker, reserving the right to object, do I understand the gentleman from New York objects?

Mr. SNELL. I said that the condition upon which we agreed to meet was that the House was to go into Committee of the Whole, as the Speaker stated yesterday.

Mr. HUDDLESTON. Mr. Speaker, may I propound a parliamentary inquiry as to the status of this matter? Is this the bill that is the subject of a discharge motion?

The SPEAKER. No; this is not the same bill.

Mr. HALL of Mississippi. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3706.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3706, with Mr. KELLER in the chair.

The Clerk read the title of the bill.

Mr. HALL of Mississippi. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HALL of Mississippi. Mr. Chairman, I ask unanimous consent that general debate on the bill be limited to 40 minutes.

Mr. STAFFORD. Mr. Chairman, that request is not in order in committee.

Mr. HALL of Mississippi. Mr. Chairman, this bill provides temporary relief for water users on reclamation projects.

Mr. STEWART. Do I understand, Mr. Chairman, an agreement has been made as to division of time?

Mr. STAFFORD. The gentleman from Mississippi is recognized for one hour under the rules of the House.

Mr. STEWART. Mr. Chairman, I suggest there is not a quorum present. I would like to know a little more about this bill; and may I ask how much money is involved in the bill?

Mr. THOMASON. Not a cent.

Mr. BLANTON and Mr. ARENTZ rose.

Mr. BLANTON. May I say to the gentleman from New Jersey that the gentleman from Mississippi will explain the bill.

Mr. STEWART. I withdraw the point of no quorum.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HALL of Mississippi. I yield.

Mr. MARTIN of Massachusetts. Under the procedure by which we are taking up the bill, how is the opposition going to have time to express itself? As I understand, the gentleman is entitled to one hour and after that we may demand one hour. I wonder if we could not reach an agreement whereby the time may be divided.

Mr. BLANTON. Mr. Chairman, if the gentleman from Mississippi will permit, under the rules, when the gentleman gets through his hour, anyone opposed to the bill has the right to demand recognition and claim one hour.

Mr. MARTIN of Massachusetts. I understand that, but I thought we might have some understanding now so that the debate might go along continuously.

Mr. HALL of Mississippi. What does the gentleman suggest?

Mr. CRISP. Mr. Chairman, may I make a suggestion to my friend from Mississippi?

Mr. HALL of Mississippi. I yield.

Mr. CRISP. Of course, in the House, before going into Committee of the Whole, you can make agreements with respect to closing general debate. In the committee you can not, but this bill is being considered under an agreement, and, of course, it is open to general debate, and anyone recognized is entitled to one hour. But would not this be the practical way to meet the situation—for the gentleman to make his speech, which I apprehend will not be long, and then the Chair would recognize somebody on the other side, who would make his speech and this would end the general debate, and you could take the bill up then under the 5-minute rule.

Mr. SNELL. I think the suggestion of the gentleman from Georgia is perfectly proper.

Mr. HALL of Mississippi. Mr. Chairman, I shall be brief in my statement. In stating this is a relief measure for the water users on the irrigation projects of the Government, we find there are many people in the western area of our country who are involved in the matter.

According to the Commissioner of Reclamation, Doctor Mead, in his testimony before the committee, it has been shown that on December 15, 1931, there were 40,354 irrigation farms on the 26 Federal reclamation projects, with a population of 165,956. There are located on these projects 213 cities and towns with a population of 472,723. There are 688 schools, 724 churches, and 120 banks, with deposits of $134,261,170 and 226,014 depositors.

We find that these people for 1931 and for one-half of 1932 will not be able to pay the construction charges and the water-consumption charges.

This bill provides for a moratorium. That is, that they shall pay nothing in 1931, and 50 per cent in 1932. It provides for little change in the set-up under the reclamation act.

Mr. TILSON. It does not involve anything in the nature of a new project?

Mr. HALL of Mississippi. None whatever.

Mr. STAFFORD. Will the gentleman indicate to the committee whether there is any new policy as to deferring charges?

Mr. HALL of Mississippi. I can not answer that.

Mr. FITZPATRICK. Is it not a fact that this prevents the money going into the United States Treasury?

Mr. HALL of Mississippi. These people can not pay.

Mr. STAFFORD. Some of them can pay.

Mr. ARENTZ. Will the gentleman yield?

Mr. HALL of Mississippi. I yield.

Mr. ARENTZ. As a matter of fact the money would not go into the Federal Treasury. It goes into a reclamation fund which is used to apply to construction projects.

Mr. HALL of Mississippi. That is true. Now, Mr. Chairman, I desire to yield to the gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. Mr. Chairman, I yield to the gentleman from Idaho [Mr. SMITH].

Mr. SMITH of Idaho. Mr. Chairman, for the information of Members of the House, and especially the new Members, I think I should take a few minutes to explain the irrigation policy of the Government. When the Government was formed one of its assets was these public lands which had been taken over. These lands were sold for cash until 1862, and anyone who wished could buy them. The money received was put into the Treasury. One hundred years ago $28,000,000 had accumulated, which was returned to the States from which it had been received.

In 1862 an entirely different policy was inaugurated, and instead of the Government selling the public lands it gave them away to any citizen if he would establish a home thereon in order to build up the western country and create a market for the manufactured products of the older States. Under that policy the great western country has been developed, and we have now nearly 40,000,000 people living west of the Mississippi River engaged in cultivating the land that at one time the Federal Government owned and engaged in various activities. Industrial cities have been built up and communities established. Whenever we develop a new project a demand is created in the Eastern States for manufactured articles.

As the settlers pushed on into the Rocky Mountain States it was found that the farmers could not successfully cultivate the soil without water because of the aridity of the area, the rainfall being 6 to 10 inches a year, whereas in the humid sections it is from 40 to 50 inches annually.

Consequently Congress passed another law, providing that anyone who would go on desert lands and put water thereon could have the land for $1.25 an acre.

That law was known as the desert land law, and under that law millions of acres of desert have been opened up, water placed upon it, and it has been made productive. Thirty years ago most of these projects that could be developed by the individual or by a small company of individuals were occupied and others were found to be too expensive for them to develop, and Congress passed what is known as the reclamation law in 1902. That law provided that if the people would go on these desert lands and put water on them, the Government would advance the money without interest to construct these great irrigation projects, which cost from one to ten million dollars, and in one instance $18,000,000. We have under that law 26 irrigation projects in these arid-land States, upon which the people have established their homes, built towns and cities, and are contributing to the manufacturing centers for products which they have to purchase in the construction and maintenance of their homes.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. SNELL. Of these 26 irrigation projects, how many are paying their fixed charges to the Government at the present time?

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Oh, let the gentleman go on and make his explanation in an orderly way.

Mr. SNELL. Very well, I withdraw my question.

Mr. TAYLOR of Colorado. We have a table here showing that.

Mr. SMITH of Idaho. Mr. Chairman, it has been the policy of the Federal Government ever since its establishment to develop the outlying frontiers. We sent expeditions in the western country to open up the land over 100 years ago. We have appropriated millions of dollars to have a geological survey and a soil survey made, and we have spent millions of dollars in surveying public lands so that the prospective settler might know just where he could locate his home.

Reference has been made to the Carey Act. The Carey Act was passed about 40 years ago. I referred a moment ago to the desert land law which permitted the individual to take up the land and put water on it. The Carey Act was passed to take care of an aggregate of individuals who would contract to build the irrigation works, and the land was segregated and turned over to the State for development. The State superintended this development and contracted with individuals or companies to go upon these lands and build the reservoirs and canals and sell the water to settlers at a price agreed upon. When water was available the land was deeded to the settler by the governor for 50 cents an acre. Under the Carey Act we have in southern Idaho, of which Twin Falls is the center, a project of over 200,000 acres, on which I entered as a homesteader in 1904. The land cost me 50 cents per acre, and I paid to the construction company $25 per acre for water. That is one of the most successful Carey Act projects, and one of the most economically administered; but those opportunities have long since gone, and now, in order to secure water to place on the public lands, it is necessary to build great reservoirs in the canyons to store the flood waters, because the regular stream flow has already been taken out and used on other projects. There have been constructed in these mountain passes and in the canyons many dams to hold back flood waters to be placed on these lands which are absolutely worthless without water for irrigation. We contend that when we have men enterprising enough and courageous enough to go into these waste places and endure the hardships of the desert to reclaim the lands and to build their homes and communities, which development is a benefit to the older sections of the country, we should be encouraged in our effort instead of being opposed and frustrated as we are frequently when legislation affecting irrigation comes upon this floor.

This bill under consideration is made necessary because of the low price of farm products. It is not necessary to speak of that here because every one, whether he lives in an agricultural section or not, knows that the farmers are not receiving sufficient returns for what they have to sell to pay their actual expenses. In our western country eggs are selling for from 5 to 12 cents per dozen, butter is selling for 20 cents per pound, potatoes for 40 or 50 cents a hundred pounds, and the price of all kinds of stock is 50 per cent less than in ordinary times.

In addition to the obligation that these entrymen undertake to repay the Government the cost of construction, they have to pay to have their lands leveled, in order to bring the water upon them; they have to pay the annual charge of operation and maintenance, which runs from two to three dollars an acre, which with the construction charge, makes it necessary for every entryman to pay from five to seven dollars per acre each year on his land in addition to the plowing, the buying of the seed, and the cultivation and irrigation of the land. And, further, we are handicapped not only because of that extra expense but also because we are far removed from markets. It costs 78 cents per 100 pounds to ship potatoes from Twin Falls, Idaho, to Chicago, and we are handicapped in that respect because of the exorbitant freight charges. It is true that on irrigated land we are always sure of a crop, and it is also true that we can produce more per acre than in the humid sections, but because of the extra expense of operation and maintenance charges and the frequent irrigation necessary and the further handicap by reason of our being so far from the market, we are not able to make any more than the ordinary farmer. We have passed legislation here for the relief of all classes of people. A few days ago in this House we passed a bill giving away 40,000,000 bushels of wheat, which the Government had bought, to those who need it for feed for livestock and for food for the unemployed in the country and cities and towns. It is an actual gift, with no interest charge, and yet there are those here who are opposing giving an extension of time on the construction charges for 1931 and one-half of 1932 to meet these payments.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. DYER. I do not think it is necessary for the gentleman to make the argument which he is making. I suggest that he explain what the bill does, and let us get to work upon it, because we have only an hour.

Mr. SMITH of Idaho. I shall be glad to do that. As I remarked, we have to pay each year a construction charge. The entire cost of the project is charged up to the settler, and he has to pay his proportionate share each year to reimburse the Government, averaging from two to five dollars per acre for construction charge.

Because of these low prices he was unable last year to meet these charges on the 31st of December last year and he owed these charges to the Federal Government which he could not pay. This bill provides that he will have an extension of time on last year's charges and also on six months of the charges this year.

Mr. Chairman, the pending bill does not involve any appropriation. The payments on reclamation projects have been quite satisfactory to the Reclamation Service up to the year 1930, but the extremely low prices of farm products for the past two years has caused the farmers to operate at heavy losses, both in 1930 and 1931.

It was developed by the testimony that the farmers in a great many instances were compelled to mortgage their crops, livestock, and machinery to secure moneys to produce the crop in 1930 and then to borrow additional moneys to produce the crop in 1931, and owing to the unusually low prices they were unable to repay those loans. At the present time many of the farmers have no money and are unable to borrow further through local agencies for the purpose of meeting their payments to the Government, and unless relief is granted many will be forced to abandon their farms and join the great army of unemployed. On account of bank failures on some projects many settlers have no credit facilities.

This relief legislation is in line with laws heretofore enacted to aid the farmers on other than reclamation and

drainage projects and will permit the water users in the arid regions to carry on their activities with the hope that prices next year will be sufficiently high to enable them to retrieve their losses. By reason of the fact that there is an excessive snowfall in the mountains of the West, there is every reason to believe that all of the projects will have an ample water supply for producing next year's crops.

In this connection it is well to refer briefly to what has been accomplished under the reclamation law. According to the Commissioner of Reclamation, Dr. Elwood Mead, in his testimony before the subcommittee of the House Committee on Appropriations December 15, 1931, there are 40,354 irrigated farms on the 26 Federal reclamation projects, with a population of 165,956. There are located on these projects 213 cities and towns with a population of 472,723. There are 688 schools, 724 churches, and 120 banks, with deposits of $134,261,170 and 226,014 depositors.

Commissioner Mead, in his testimony before the Senate Committee on Irrigation and Reclamation, stated that they—

recognized that due to the low price of crops last year it had left agriculture depressed and discouraged, and that it was desirable that this be recognized and that some form of relief be extended.

The bill under consideration provides for the temporary relief of water users on reclamation projects which are constructed or are being constructed under the reclamation law.

Section 1 provides that the construction charges for 1931 which were due the 1st of last December shall be deferred until the end of the contract period and that 50 per cent of the construction charges for the current year shall be similarly deferred.

Section 2 provides that this deferment shall apply to individual water users who are not on projects where districts or water users' associations have assumed the joint obligation for payment.

Section 3 provides for an extension of time of one year for the beginning of construction of drainage on the Uncompahgre reclamation project, Colorado (Private No. 300, 71st Cong.), and also provides for the completion of the construction authorized by the act of Congress approved February 21, 1931 (Public No. 708), relating to the Grand Valley reclamation project, for one year.

Section 4 provides that the waters-users' organization and the individual water users shall resume payment of charges in accordance with existing contracts at the end of the period for which deferment has been granted.

Section 5 authorizes the Secretary of the Interior, in his discretion, to permit the adjustment of construction and operation and maintenance charges heretobefore deferred, on the basis authorized in sections 1 and 2 of this bill.

Section 6 authorizes the Secretary of the Interior to supply water for irrigation purposes to districts or individuals who are delinquent in their payment for the calendar year 1930 or years prior thereto.

Section 7 provides that any irrigation district or water-users' association which has contracted to pay construction charges and is not in arrears for more than one calendar year may authorize the delivery of water to any individual water user who may be delinquent in his payments to the district or association.

Section 8 provides that any profits accruing to the water users or district from the sale of power shall be deducted from the amount of any payment extended under the provisions of this bill, and that any such credits in excess of the construction charge shall be applied as now provided by law and contract.

Section 9 provides that any payments of construction charges for the year 1931 which have been made heretofore, shall be credited upon succeeding payments as they become due, including maintenance and operation charges.

Section 10 provides for the deferment of the repayment of the moneys advanced to the reclamation fund under the act of June 25, 1910, and the act of March 3, 1931, until July 1, 1935.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. SMITH of Idaho. I yield.

Mr. FITZPATRICK. Will he pay interest on that?

Mr. SMITH of Idaho. As I remarked in the beginning, the policy of the Government was to furnish this money without interest, in order to encourage people to go there and develop these waste lands, and add to the wealth of the country.

Mr. FITZPATRICK. The reason I asked the question was because the gentleman spoke of people being relieved in the cities. Congress has not given any relief to the industrial workers of the East.

Mr. SMITH of Idaho. Oh, we gave away 40,000,000 bushels of wheat the other day.

Mr. FITZPATRICK. Incidentally there was an amendment to put in relief, but in the first program there was nothing in it, but the gentleman from New York [Mr. LAGUARDIA] offered an amendment which would help a little, and then we voted for it. But up to the present time there has not been any relief whatever. All the relief we hear about is for the farmers, and I think it is time for the industrial workers to be heard from.

Mr. SMITH of Idaho. The gentleman will find the Members of Congress who are interested in these reclamation projects are very sympathetic with any legislation for the relief of the poor in the cities.

Mr. FITZPATRICK. I am not opposed to this measure, but I believe in being fair.

Mr. SMITH of Idaho. I may say to the gentleman from New York that the paying of interest would not benefit the Federal Treasury. The interest would go into the reclamation fund, which is a revolving fund, and would give us that much more money to expend in reclamation.

Mr. LEAVITT. Will the gentleman yield?

Mr. SMITH of Idaho. I yield.

Mr. LEAVITT. Will the gentleman develop the fact at this point that the money advanced by the Federal Government is not from the General Treasury of the Government, not raised by taxes, no burden on the people of the country, but that it comes from the sale of public lands and the leasing of oil and mineral lands?

Mr. SMITH of Idaho. If I may answer the question of the gentleman from Montana, for the information of the House——

Mr. TABER. Will the gentleman yield right there?

Mr. SMITH of Idaho. I yield.

Mr. TABER. The money that is in the reclamation fund was originally put there out of the Public Treasury, was it not?

Mr. LEAVITT. No, no.

Mr. SMITH of Idaho. No; it was not.

Mr. TABER. How did it get there?

Mr. SMITH of Idaho. The first seven years after the law was enacted the money which went to the reclamation fund came exclusively from the sale of public lands.

Mr. TABER. Well, they belonged to the Government.

Mr. SMITH of Idaho. Then later we borrowed some money from the Federal Treasury and put it into this fund.

Mr. LEAVITT. To be paid back out of this fund?

Mr. SMITH of Idaho. To be paid back out of this fund.

Mr. TABER. But it has not yet been paid back.

Mr. SMITH of Idaho. Yes, it has; $11,000,000 has been paid back.

Mr. TABER. Well, not all of it, however.

Mr. SMITH of Idaho. Well, it is not due yet. There has been received from the sale of public lands and from the proceeds of the oil leasing bill $151,000,000, which has been put into these projects. There has been spent, from repayment from settlers who have been paying the annual charges, about $42,000,000.

Mr. SIMMONS. Will the gentleman yield?

Mr. SMITH of Idaho. I yield.

Mr. SIMMONS. The issue, as I understand it, is this, that it is the reclamation policy of the Government to loan this money without interest. Here are a number of reclamation projects that have, in the main, been making their payments

to the reclamation fund. Due to a reduction in the commodity prices for the things they raise, they are not able to meet the payments for construction costs for the year 1931, and probably will not be able to meet them for this year. All this bill does is to set their payments to the Government forward a year and a half so that they will not have to pay construction costs for 1931 and only 50 per cent of their construction costs for 1932, Congress giving recognition to the fact that the commodity prices have been lowered to the point that they can not make their payments. Is that not this bill?

Mr. SMITH of Idaho. That is part of the bill, but I wish to say it is not only because of the reduced prices which the farmers are receiving, but because of water shortage. In the Rocky Mountain States we have only had 50 per cent precipitation for the last three years. The reservoirs did not fill, consequently we did not have water to mature the crops.

Mr. STEWART. Will the gentleman yield?

Mr. SMITH of Idaho. I yield.

Mr. STEWART. Can the gentleman not tell us in a few words what the amount involved will be?

Mr. SMITH of Idaho. Yes. As the gentleman from Nebraska [Mr. SIMMONS] has just said, we want authority from Congress to defer last year's water charges which were due on the 31st day of December, and six months during the current year. That is what we are asking for. That is the portion of the bill.

Mr. STEWART. How much does that amount to?

Mr. SMITH of Idaho. The return payments amount to about $3,000,000 a year, which are not coming into the fund this year because the water users can not meet their payments, consequently the Reclamation Service must curtail its activities. The reclamation fund is suffering to that extent, and the plans to carry on development work must be slowed down to that extent.

Mr. STEWART. How much are you asking the Government to forego?

Mr. SMITH of Idaho. We are not asking the Government to forego anything. We are simply asking that the payment to the reclamation fund, which is a revolving fund, for 1931 and one-half of 1932 be deferred.

Mr. DYER. Be postponed; that is all.

Mr. SMITH of Idaho. Be postponed.

Mr. DYER. They are not losing anything.

Mr. SMITH of Idaho. They are not losing anything. If anybody is losing, it is the settlers on these projects or those anticipating going on the projects, because it takes that much out of the reclamation fund which would be available for expenditure this year.

Mr. EVANS of Montana. Will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. EVANS of Montana. In effect we are granting to these people a moratorium for a year and a half?

Mr. SMITH of Idaho. Yes. We are excusing them from these payments for a year and a half.

Mr. DYER. In the same way that we granted a moratorium to the people of Germany?

Mr. SMITH of Idaho. Yes; and to a great many other people.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. MARTIN of Massachusetts. I recognize there is a human appeal in regard to those who can not pay, but the evidence is that a great many can pay. That being so, why should not the Government make some arrangement whereby the men who can pay will have to pay?

Mr. SMITH of Idaho. I will say to the gentleman from Massachusetts that this is an emergency measure. Under the general laws if these people do not meet their payments they can not have water to put on their lands this year. They have their land plowed, the seed is planted, but it will not sprout unless water is placed on the land.

Mr. MARTIN of Massachusetts. I am perfectly willing to give them water, but I want the man who can pay to do so.

Mr. SMITH of Idaho. I was about to explain the reason why we could not adopt that plan. It would take weeks and months to ascertain who can pay and who can not pay, and water must be made available immediately. We have provided in this bill that if any have made their payments they will be given credit on their operation and maintenance charges this year, so that it will not be necessary to take any time in estimating who can pay and who can not pay.

Mr. SIMMONS. Will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. SIMMONS. The answer to the question propounded by the gentleman from Massachusetts is simply this: The Government has no contract with the individual farmer, but the Government has a contract with the irrigation district representing all of the farmers. Therefore there is no legal way by which the Government can extend payments to the individual farmers, because it has no contract with them, but the Government does have a contract with the irrigation district.

Mr. MARTIN of Massachusetts. I believe that if a man can pay he should pay this money.

Mr. SIMMONS. If there was some way of providing that the man who can pay should pay I would favor it, but under the set-up as it now exists that can not be done.

Mr. MARTIN of Massachusetts. And I think interest should be paid on these deferred payments.

Mr. SIMMONS. I would favor interest for a year, but interest for more than that time would not be right.

Mr. TABER. Will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. TABER. Under this bill these payments are being postponed until the end of complete payment on the project, so that the reclamation fund and the Government will be without the use of the money during all of that time. So it ought to carry interest all the way through until this is over. I think that would be the only fair thing to do.

Mr. McFADDEN. Will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. McFADDEN. I was interested in the gentleman's statement with reference to the prices that were paid to these distressed western farmers on irrigation districts, and I would like to say they are in no different condition than the farmers of Pennsylvania. Pennsylvania farmers are getting from 8 to 12 cents per dozen for their eggs, 20 cents a pound for their butter, and less than 2 cents a quart for their milk. They are being foreclosed by the Federal farm-loan system, to whom they owe money, and at these sales their lands are selling for as low as $4 an acre in some instances. I can not see any difference between the plight of the Pennsylvania farmers and the farmers on these western irrigation projects.

Mr. SMITH of Idaho. The difference is that in Pennsylvania the farmers do not have to pay any construction charges; they do not have to pay any operation and maintenance charges; and they are close to the best markets of the country.

Mr. McFADDEN. But they are in no better position with regard to markets than those farmers to whom the gentleman has referred, and they do not have to pay construction charges because the Lord furnishes the water for them. They suffer the same by the deflation of farm prices as do your farmers.

Mr. SMITH of Idaho. You are fortunate in living near the markets and in a country where you have sufficient rainfall.

Mr. McFADDEN. No; we are very unfortunate. I would like to have the Government step in and help our farmers the same as they do your farmers. They have an equal right to aid from their Government in their distress.

Mr. TAYLOR of Colorado. If the gentleman will yield, I would like to suggest to the gentleman from Idaho, with all kindliness, that there are about 8 or 10 gentlemen on that side of the House who would like to say something, and I would like to have him give them an opportunity to do so.

Mr. SMITH of Idaho. I am perfectly willing to give up the floor, but requests have been made for a further explanation of the bill.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the bill.

Mr. TABER. Before the gentleman leaves the floor will he yield to me?

Mr. SMITH of Idaho. Yes.

Mr. TABER. As I read the first section of the bill, it constitutes no moratorium but it constitutes a waiver of charges. Would the gentleman be willing to accept an amendment which would clarify that and make it clear that it was a deferment and not a waiver?

Mr. SMITH of Idaho. I would be willing to accept such an amendment but it would be redundancy, for in section 4, in two places, we state definitely and positively it is a deferment. However, I will accept the amendment, and I am sure the committee will accept such an amendment.

Mr. STAFFORD. Mr. Chairman, I wish to be recognized at the proper time in opposition to the bill.

Mr. LOVETTE. How much is involved in this moratotium; that is, how many dollars would it mean to the Treasury?

Mr. SMITH of Idaho. It would mean nothing to the Treasury. It would simply mean that the reclamation fund, which is a revolving fund, would not have the use of $3,000,000 for development this year and $1,500,000 for development next year.

Mr. SNELL. I would like to ask the gentleman one question. How many of these projects are still able to pay their assessments to the Government? I am informed there are several of them that can pay their assessments.

Mr. SMITH of Idaho. There are probably 10 or 15 per cent of them that are able to do that.

Mr. SNELL. Not more than 10 or 15 per cent?

Mr. SMITH of Idaho. I do not believe so.

Mr. SNELL. Is there any reason why that 15 per cent that are able should not continue to pay their construction and interest charges direct to the Government?

Mr. SMITH of Idaho. Only, as I have explained, this is an emergency matter, and in order to determine which projects could pay we would have to send agents onto these projects to make such an estimate of the financial status of the settlers, which would take months to accomplish.

Mr. SNELL. Could it not be taken for granted that those who have paid and are paying could continue to pay?

Mr. SMITH of Idaho. No; because of the low prices of farm products and the shortage of water last year, there are many who have been paying regularly that can not now pay.

Mr. SNELL. I have tried to get this information from the Interior Department, but could not get it on such short notice; but I have been informed there are several of these projects that have been paying, and they believe they are able to pay at the present time. If the gentleman would except from the provisions of the bill the ones that are able to pay and let them go on and pay their interest and other charges and only take care of those where this is absolutely impossible, I think it would be much more agreeable to us and to the people.

Mr. SMITH of Idaho. There is not time to do this. The gentleman from New York must realize that the land is plowed, the seed is in the ground, and they must have water within the next week or two to grow their crops.

Mr. SNELL. I grant that; but why should not the men who are able to pay continue to pay?

Mr. SMITH of Idaho. If we had time to investigate and ascertain those who could pay, the situation would be different.

Mr. ARENTZ. Will the gentleman from Idaho yield there?

Mr. SMITH of Idaho. Yes.

Mr. ARENTZ. The members of the Committee on Irrigation and Reclamation went to the Secretary of the Interior and asked for just such information as the gentleman from New York [Mr. SNELL] has requested, but he stated that these contracts are not with the individuals but are with the districts, and we have not the machinery set up so that we could get in touch with every individual on these projects, and, consequently, this bill instead of being one sentence long is five or six pages long, because every contract that has been entered into is mentioned in the bill in order to reach the man who needs the relief.

Mr. SNELL. Let me ask the gentleman a question right there. Could they not make a contract with the individual district that that district should collect from the men who are able to pay?

Mr. ARENTZ. That is what I am in favor of.

Mr. SNELL. That is not provided in the bill.

Mr. ARENTZ. But the Secretary of the Interior has said he could not do that.

Mr. SNELL. Does the Secretary of the Interior approve of this bill? There is nothing in the report that shows he approves of it.

Mr. SMITH of Idaho. We have a letter from the Commissioner of Reclamation urging prompt action on the bill.

Mr. ARENTZ. The Secretary of the Interior presented the bill himself.

Mr. SNELL. Did he approve it?

Mr. ARENTZ. He is not going to say because he does not want any more of this, and I am in favor of the same thing. I am with the gentleman on this matter, but these settlers are strictly up against it now, I will say to the gentleman from New York, Mr. SNELL.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. MARTIN of Massachusetts. There is a difference of opinion as to what the cost will be to the individual farmer. Has the gentleman ever estimated how much this will mean to the individual farmer?

Mr. SMITH of Idaho. It depends on the number of acres he owns.

Mr. MARTIN of Massachusetts. What would be the average?

Mr. SMITH of Idaho. The average would probably be 100 acres and there would be from five to seven dollars an acre which he would have to pay, and he has not the money and can not get it.

Mr. MARTIN of Massachusetts. What would be the total cost he would be obliged to pay this year if he paid what he owed?

Mr. SMITH of Idaho. For the year 1931, which we want deferred, it is about $3,000,000.

Mr. MARTIN of Massachusetts. Individually, what does it amount to?

Mr. SMITH of Idaho. That is the aggregate amount for 1931 and half that amount for 1932.

Mr. MARTIN of Massachusetts. What I am trying to get is what the interest would amount to at 4 per cent for any one farmer?

Mr. SMITH of Idaho. A man with 100 acres who is paying $7 an acre a year would pay $700, and 4 per cent for 1 year would be $28.

Mr. MARTIN of Massachusetts. That would be the average?

Mr. SMITH of Idaho. Yes; and if he has not the money, he is absolutely helpless.

Mr. FRENCH. Will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. FRENCH. In connection with the extension of time, one factor, I think, has not been mentioned by my colleague, and that is that in view of the fact these settlers do not have patents to their lands, they are not eligible to go to the Federal land bank and borrow money. They are not eligible to go to loan companies, because loans will not be made where mortgages may not be given. In this way these people are in a class by themselves and unless some relief may be extended in this manner they will not be able to receive any relief that we are endeavoring to afford our people through the land banks and other agencies. I ask my colleague if the committee did not take these factors into consideration in shaping and reporting the bill?

Mr. SMITH of Idaho. Yes; it did.

Mr. SNELL. May I ask the gentleman a question?

Mr. FRENCH. My colleague has control of the time.

Mr. SNELL. Does the gentleman take the position that the people here that can pay should be given relief?

Mr. FRENCH. If a practical way could be worked out to accomplish what the gentleman has in mind, I should not object. The gentleman from Nebraska has outlined the practical difficulty in the way, the contracts being made with the districts themselves, and not with the individuals, of whom there are thousands.

Mr. SNELL. I understand that the Secretary of the Interior wanted exactly what I have suggested. He wanted the individuals on the various projects that could pay to continue paying, and I think he could make such arrangements with the districts. I know I could if I had such a matter in charge. This is the only objection I have to the proposition.

Mr. MAPES. Will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. MAPES. I would like to ask one of the gentlemen from Idaho this question. The gentleman from Idaho says that this is an emergency matter, and he also says that these construction charges were due the 1st of last December.

Mr. SMITH of Idaho. That is right.

Mr. MAPES. I would like to ask the gentleman what would happen if this legislation were not passed?

Mr. SMITH of Idaho. If the Secretary of the Interior enforces the law, he will not permit them to have water. The law is specific that if an entryman is one year in arrears he can not have water to raise his crops.

Mr. MAPES. Is the land taken away from them?

Mr. SMITH of Idaho. It would be, in time, if he does not raise crops to meet his payments, because the tax collector or the sheriff would be after him.

Mr. MAPES. What discretion has the Secretary of the Interior as to taking away the water?

Mr. SMITH of Idaho. The law is definite and specific that he can not furnish water if the entrymen are one year in arrears.

Mr. MAPES. Would the Secretary have the right to furnish water up to the 1st of December of this year?

Mr. SMITH of Idaho. No.

Mr. TAYLOR of Colorado. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Idaho yield to the gentleman from Colorado?

Mr. SMITH of Idaho. Mr. Chairman, we have to yield the floor at 12 o'clock, and we want to get the bill passed before that time. So far as I am concerned, I am ready to submit the case now.

Mr. STAFFORD. Mr. Chairman, I ask recognition.

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. STAFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Chairman, I notice on page 2 of the report this language, and I quote:

> It was developed by the testimony that the farmers in a great many instances were compelled to mortgage their crops, livestock, and machinery to secure moneys to produce the crop in 1930, and then to borrow additional moneys to produce the crop of 1931, and owing to the unusually low prices they were unable to repay those loans. At the present time many of the farmers have no money and are unable to borrow further through local agencies for the purpose of meeting their payments to the Government, and unless relief is granted many will be forced to abandon their farms and join the great army of unemployed. On account of bank failures, on some projects many settlers have no credit facilities.

I would like to ask some one here as to how these farmers expect to proceed, even if they are relieved, when they have no capital, no money with which to go out and purchase seed to produce crops? What they need is a railroad ticket to some of the good eastern land near the market you speak of.

Mr. SMITH of Idaho. They would be in the same predicament as the farmers of Pennsylvania.

Mr. MCFADDEN. The farmers of Pennsylvania are not asking for Government aid. They would like to have it, but they can not get it. Pennsylvania and the other eastern industrial States furnish the most of the money for irrigation and roads in your irrigation States.

Mr. SMITH of Idaho. Your farmer constituents can borrow through the Federal Farm Board; ours can not, as the Government has a first lien on their land.

Mr. MCFADDEN. Under the Reconstruction Finance Corporation the farmers of Pennsylvania can get no relief. It seems to me that what this bill provides is pure charity. If we are to pass legislation for charity, let us label it as it should be labeled and help all distressed farmers, including farmers in my district and in other districts in Pennsylvania.

The farmers of my State are embarrassed; they are unable to pay their taxes, the local authorities are going to foreclose on their land for nonpayment of taxes. They will be put out on the highways, and they are just as destitute as the farmers mentioned in this report. If you are going to appropriate money for one class of citizens as charity you should appropriate it for all.

Mr. SMITH of Idaho. We appropriated 40,000,000 bushels of wheat the other day for the people on the farm and the cities who need food.

Mr. MCFADDEN. I venture to say that no farmer in Pennsylvania will be allotted any part of that wheat. I would like to say in addition that the farmers of Pennsylvania have no advantage over the western farmers in the sale of their products, because they are getting the same prices. The farmers of my section are being impeded to-day because of the fact that food in competition with their products is being shipped in from Canada. Those products being shipped in from Canada affect the dairy interests. Milk, cream, eggs, and hay are being shipped in in spite of the tariff that we passed a year ago.

I have said before, and I again repeat, that we should again increase the tariff on dairy products coming into this country. The dairy interests in my section of Pennsylvania can not continue much longer under such conditions. I know whereof I speak, as I am now operating a dairy farm, am a member of the Dairymen's League, and my own milk goes into the New York market and nets me less than 2 cents per quart.

If we are going to give relief to these western farmers, then I rise to say a word in regard to the desperate situation which confronts the farmers of the East. I can see no difference in this instance; the eastern farmer is in just as much need as is the western farmer. Take, for instance, the position of the Dairymen's League: In order to market our products properly the league has borrowed from the Federal Farm Loan Board several million dollars, and the league deducts from the monthly check due the farmers for milk a certain per cent, which will in time permit the league to repay the Farm Board loan.

Now, if your western irrigation farmers have to have a moratorium, why not the Dairymen's League have a moratorium? Why not give all farmers a moratorium?

In this time of overproduction and low prices I can see no sense in continuing Government aid to these irrigation projects.

I yield back the remainder of my time.

Mr. STAFFORD. Mr. Chairman, I yield three minutes to the gentleman from Maine [Mr. SNOW].

Mr. SNOW. Mr. Chairman, this bill, S. 3706, is very craftily worded. In my opinion, it is class legislation of the rankest order. The gentleman from Pennsylvania [Mr. MCFADDEN] has just described the condition of the farmers in his district, and I am sure the conditions which he has given of the farmers in his district apply equally as well to the farmers struggling along in many of our districts to-day. Instead of selecting one little group of irrigation farmers for Federal assistance, if we are going to be fair we should extend in some way financial assistance to every farmer everywhere, if and in case any legislation of this sort is to be passed in this Congress.

Up in the northern part of Maine the farmers are getting 40 cents a barrel for potatoes that cost them $1.25 to raise. How are those men going to pay the interest on their mortgages? They will lose their farms, as others will. We have

no moral or legal right here to-day to pick out this little class, irrigation farmers, for assistance and at the same time leave the rest of the farmers in our own districts work out their own salvation.

Mr. SMITH of Idaho. Mr. Chairman, will the gentleman yield?

Mr. SNOW. No. The title of the bill is misleading. It reads:

An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law.

I call attention to section 3. In that section provision is made to extend the time for beginning construction upon a certain project.

Mr. SMITH of Idaho. Mr. Chairman——

Mr. SNOW. I decline to yield. The gentleman has had his say.

Mr. SMITH of Idaho. If the gentleman wants to make a statement not borne out by the facts, well and good.

Mr. SNOW. I decline to yield. If I am wrong, I can be corrected at the conclusion of my remarks but that is the way it reads in plain English. The Secretary of the Interior has not approved of this bill. The gentleman from Nevada [Mr. ARENTZ] stated a few moments ago that the Secretary of the Interior did not favor this bill, S. 3706, because he is opposed to any more of these projects. If Mr. ARENTZ is correct, what about section 3?

Mr. SMITH of Idaho. Will the gentleman let me explain?

Mr. SNOW. Not at this time. The gentleman from Idaho has talked here for half an hour and I have asked for only three minutes. This is one of the most inequitable bills which could possibly be passed at this time—unfair to the people in all other farming districts.

Mr. UNDERHILL. Mr. Chairman, will the gentleman yield?

Mr. SNOW. Yes.

Mr. UNDERHILL. If we had not started these projects of taking water off land and putting it onto land, the farmers of Maine and Pennsylvania and of the West might be getting a fair price on the goods they raise.

Mr. SNOW. The statement by the gentleman from Massachusetts [Mr. UNDERHILL] is absolutely correct.

In conclusion let me here and now warn every Member of this House that this bill, S. 3706, involving $3,000,000, is but a pigmy compared to H. R. 4650, about to be sprung on us. This latter bill, having for its purpose the relief of drainage and irrigation districts, is a monster. These irrigation advocates have for the past dozen years been getting away with murder. They have now joined drives with the drainage bloc. This combination is decidedly powerful. It should be stopped in its tracks, and its proposed raid of $391,000,000 on the Treasury prevented.

Mr. HALL of Mississippi. Mr. Chairman, I yield five minutes to the gentleman from Idaho [Mr. FRENCH].

Mr. FRENCH. Mr. Chairman, I shall take only a couple of minutes. The chairman of the committee, Mr. HALL, and the former chairman, Mr. SMITH, have given you the background supporting the proposed legislation. There is just one phase of the question to which I wish to direct the attention of the House at this time, and that is the relationship that the Federal Government occupies to these many settlers upon the lands. Gentlemen here have referred to the plight of owners of lands in various parts of the United States where mortgages are held. They talk of mortgages being foreclosed, and the hardship that ensues. We have that same situation in many parts of the State that, in part, I represent, and in other States of the West, and the only one who can extend relief is the mortgage holder, and the mortgage holders all over the West are extending relief to the home owners and I have no doubt that the holders of mortgages in Pennsylvania, in Maine, in Michigan, and in other States are doing the same thing. Mortgage holders everywhere will be the ones called upon to extend relief through extending time to borrowers and through granting other considerations under obligations due under mortgages. The Federal Government stands in the place of the mortgagor in relation to settlers upon reclamation projects. These settlers can not borrow money from mortgage companies. These settlers can not go to the Federal land banks and borrow money, because another agency of the Government already has the preferred easement. This bill does not seek to wipe out construction payments, but to extend relief that any private business concern in the relationship of a mortgagor would extend to debtors who are not able to meet obligations that they owe to the mortgagor at a particular time. Keep that in mind as you think of the bill that is before you.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. TABER. These payments are required to be made, as I understand it, and after the payments are made the settler receives clear title to the land.

Mr. FRENCH. Ultimately.

Mr. TABER. Is he not able to anticipate those payments so that if his total indebtedness were less than the 50 per cent which the land bank can loan, he would anticipate his payments and get a clear title and make application to the farm-loan bank for a loan just as people could in other places?

Mr. FRENCH. If conditions were normal, a farmer under a reclamation project, if he had acquired the controlling equity in his farm, could probably borrow from a farm-loan bank enough money to wipe out all his indebtedness, but I venture to say there is not a farm-loan bank to-day that could or would be willing to make the loan. Keep in mind that these settlers up to the present time have paid 97.3 per cent of the construction charges standing against them. They are behind less than 3 per cent.

Mr. MICHENER. When the gentleman says that, he treats the construction projects as a group?

Mr. FRENCH. Yes. Some are down as low as 69 or 70 per cent. I think that would represent the worst cases. I am speaking of the average.

Mr. MICHENER. A number of these people can not pay now.

Mr. FRENCH. Yes.

Mr. MICHENER. And in an effort to help those who can not pay we are helping farmers who do not need help.

Mr. FRENCH. To some extent. I think the gentleman from Nebraska has already indicated the difficulty on account of the contracts being between the Government and reclamation districts, and not with individual settlers, and the need for prompt relief. The point that I have endeavored to emphasize is that the Government stands in the relation of mortgagor to these settlers, and in a general way we are asking that the Government do not foreclose, if I may apply that word to the cutting off of water, but rather give extension of time for payments in much the same way that banks and loan companies are extending to their debtors in every part of the United States.

Mr. HALL of Mississippi. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I will not use all the time allotted to me, but I want to insert in the RECORD a letter from Doctor Mead, Commissioner of the Bureau of Reclamation, addressed to me on March 1. The letter is as follows:

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, March 1, 1932.

Hon. EWING THOMASON,
House of Representatives.

MY DEAR MR. THOMASON: Reference is made to telephone conversation of to-day with Mr. Dent regarding water deliveries pending the consideration of moratorium bills by Congress.

Early action on these bills is of the utmost importance for the following reasons: It is imperative that instructions be issued to the various projects concerning the delivery of water during the current season. On some of the reclamation projects the irrigation season has already begun and on most of them water should be available within a short time. When the legislation is enacted it will be necessary to issue regulations under it for the guidance of employees and others in the administration of the law. Because of the many features involved, with possible uncertainties and complications, it seems highly desirable before these regulations are issued to have a conference of field officials at some central point in the West. Such a conference can not be safely called or held until the character and form of the relief legislation are definitely known.

This legislation also has a vital bearing on the construction program of the bureau because of its effect on the funds available for construction purposes.

I can not emphasize too strongly the desirability of securing action on the relief legislation at the earliest possible date. Until this legislation is disposed of our program can not be intelligently formulated.

Sincerely yours,

ELWOOD MEAD, *Commissioner.*

Let me disabuse the minds of a few of the Members that there is any appropriation about this, or that it costs the Government one penny. Call it a moratorium, if you wish, but after all it is nothing but a refinancing and extension of our obligations with the United States Government. It is a moratorium on construction charges only for the year 1931 and one-half of 1932, which payments are passed over to the tail end of the contracts.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. STRONG of Kansas. Can the gentleman tell us how much those payments that are now due amount to?

Mr. THOMASON. I think something over a million dollars, as shown by the records.

In that connection may I say as one of those representing the Rio Grande project, along with my friend, the gentleman from New Mexico [Mr. CHAVEZ], we have never defaulted in the payment of one penny to the Government. We have paid to the Government about $2,700,000 on our project. We were never in default until this past year.

Mr. MICHENER. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MICHENER. The gentleman has one of those projects which, if there is anything worthy in this bill at all, it should apply to projects such as that, but included in the bill are projects, first, that do not need assistance; second, projects that never can pay out; and, third, projects asking to defer construction for a year.

Mr. THOMASON. I am sure the gentleman from Michigan can appreciate that I can not speak with authority about other projects. I do know my own. But it must not be forgotten when the gentleman from Pennsylvania [Mr. MCFADDEN] contrasted the farmers of his district with the farmers of the irrigation districts, that the farmer in the irrigation district has all the charges and taxes his farmers have, plus a charge of $90 per acre for dams, ditches, drainage, and so forth. That is the difference between his farmers and mine. The Lord blesses him with plenty of rain. Ours is a barren desert that will not produce anything without irrigation.

Mr. TABER. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. TABER. If he gets another farm that is just as good, he has to pay $90 an acre and perhaps give a mortgage for two-thirds of it.

Mr. THOMASON. Under our contract with the Reclamation Service, we pay for our dam and the construction charges and the laterals and the drainage system, amounting to about $14,000,000. I repeat, we have never defaulted in the payment of a cent. The Government has a first lien on this highly improved land. The security is ample, and it is reasonable to assume that the Government will never lose a cent and will be repaid all the money that it has ever advanced.

Now, we passed the Reconstruction Finance Corporation bill, by which the railroads can refinance their obligations, the banks and insurance companies can refinance and extend their debts. That is all this bill asks for.

We are entitled to that because of this fact: Our water is cut off right now in my district. I live 2,500 miles to the west of here in a warm, balmy climate where the seed is already in the ground. The planting season is at hand. Our farmers must know what they are going to do. They have no money to pay the charges at this time. Many of our banks have failed. No person or corporation will or can lend them any money. They can not rely upon enough rainfall to even grow weeds. There are 5,000 farmers living on the Rio Grande project. Many have nice homes and fine communities have been built up. They are not on charity and want nothing given them. All they want is the water turned into the ditches, of which there is an abundant supply, and a reasonable postponement of their obligations. If this is not done you may expect another increase in the army of the unemployed.

[Here the gavel fell.]

The CHAIRMAN. The hour of 12 o'clock having arrived, the committee will rise, pursuant to the order agreed upon yesterday.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. KELLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 2706) for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law, and had come to no resolution thereon.

ELECTION TO COMMITTEES

Mr. CRISP. Mr. Speaker, I offer a privileged resolution.

The SPEAKER. The gentleman from Georgia offers a privileged resolution which the Clerk will report.

Mr. PARKS. Mr. Speaker, before the resolution is read, may I submit a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. PARKS. When will this reclamation bill be before the House again?

The SPEAKER. At the earliest convenience.

Mr. PARKS. How much debate will there be on it?

The SPEAKER. That is to be determined by the committee itself.

Mr. PARKS. Then if the friends of the bill continue to debate, it will be that much longer before they have an opportunity to vote on it. Is that correct?

The SPEAKER. The Chair presumes that would be true.

The gentleman from Georgia offers a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 171

Resolved, That W. CARLTON MOBLEY, of Georgia, be, and he is hereby, elected a member of the following-named standing committees of the House of Representatives:

Pensions;

Election of President, Vice President, and Representatives in Congress;

Immigration and Naturalization; and

Patents; and

That EDWARD A. KELLY of Illinois, be, and he is hereby, elected a member of the following-named standing committee of the House of Representatives:

Immigration and Naturalization.

The resolution was agreed to.

PROHIBITION

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of voting to discharge the Judiciary Committee from the further consideration of House Joint Resolution 208.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, there has been no question since the Civil War that has so agitated the people of America as that of prohibition with its relationship to the eighteenth amendment.

Nor has there been any question concerning which there has been a greater or more pronounced difference of opinion and for the proper solution of which there is a more earnest and insistent demand.

Prohibition as a governmental policy has been operative for 12 years. During this time certain advantages and disadvantages have become apparent and recognized by all.

President Hoover has referred to prohibition, as provided for in the eighteenth amendment, as an experiment.

If the policy of Federal prohibition, as distinct from State control, is to be considered from the standpoint of an experiment, then there must necessarily be an appraisal of the results and a decision as to whether the experience gained by the experiment justifies a continuation, repeal, or modification.

How, in what manner, and by whom shall such decision be made? Under the Constitution of the United States there is no way by which this important question can be finally decided except by a reference to the States, and their opinion obtained either by legislative action or by State conventions.

The method provided by House Joint Resolution 208 submits the question to the several States in a form that requires action by State conventions. The membership of such conventions would be selected by the qualified voters of each State upon no issue other than that involved in the prohibition question. Thus every citizen would have the right and the opportunty to give expression to his individual views by voting for such membership in the conventions as would make effective his opinion on this important question.

This method is the only legal and constitutional way now available by which the will of the people can be ascertained.

The real, underlying issue, therefore, that is presented to the House of Representatives as it votes upon the question "Shall the committee be discharged from further consideration of House Joint Resolution 208?" is simply this: "Shall the people be given an opportunity to express their opinion as to what shall be our governmental policy on the question of prohibition?"

The right of the people to decide is a truly American principle of government. It recognizes the equality of every citizen and gives no one any greater right than another in formulating the policies of our Government. It gives strength and security to our structure of government because it is based on the "consent of the governed."

Therefore I am unwilling to permit any individual opinion of my own from precluding any other citizen with a different opinion from having the fullest opportunity to express his own convictions on this question.

I shall therefore vote in favor of discharging the committee from further consideration of the resolution, because I consider it to be the first step in permitting the people themselves to decide this great question; and if such motion shall prevail, I shall for the same reasons vote to submit the question to the several States for the action of their respective citizens.

UNITED STATES ROANOKE COLONY COMMISSION

Mr. POU. Mr. Speaker, I present a privileged resolution from the Committee on Rules for printing under the rule.

The resolution is as follows:

House Resolution 172

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 26, to establish a commission to be known as the United States Roanoke Colony Commission.

That after general debate, which shall be confined to the resolution and shall continue not to exceed 30 minutes—to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Library, the resolution shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the resolution for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution, and any amendments thereto to final passage without intervening motion, except one motion to recommit.

REVENUE BILL OF 1932

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

Mr. HAWLEY. Mr. Chairman, I yield 40 minutes to the gentleman from Massachusetts [Mr. TREADWAY]. [Applause.]

Mr. TREADWAY. Mr. Chairman, on the assembling of Congress in December, 1931, a serious financial condition confronted the country. A world-wide depression had made extensive inroads into our national finances. Our Treasury was being called upon to meet numerous deficiencies. Temporary financing was testing to the limit the confidence of the people in the security of the credit of this Government.

A few weeks previous to the assembling of Congress the President of the United States had called into consultation a group of Members of Congress in an effort to have them carry the word to the people that their confidence in their Government must not be shaken.

It is not my purpose to deal with the figures and statistics of the situation as it existed last December. All these have been and will be laid before the House in great detail.

It was apparent to everyone that either new forms of taxation or increased tax rates were inevitable. Hearings on the proposed legislation were commenced on January 13 and continued through to February 4. These hearings are available for Members of the House.

The hearings opened by the presentation of a statement by the Under Secretary of the Treasury. It is somewhat interesting to note how far afield the Ways and Means Committee has gone from the recommendations contained in that statement.

As part of my remarks I submit at this point a summary of the tax bill showing in one column the recommendations of the Treasury Department and in another column the action of the committee, and in a third column the difference between the two. It will be seen that several important departmental recommendations were rejected and practically every recommendation materially changed.

Mr. Chairman, I ask unanimous consent to insert as a part of the extension of my remarks the table to which I have just referred, prepared by the minority clerk of the Ways and Means Committee.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The table referred to follows:

Summary of the tax bill H. R. 10236, compared with the original Treasury estimates and recommendations

[Treasury Budget estimates, fiscal year 1933]

Receipts	$2,375,000,000
Expenditures	4,113,000,000
Deficit	1,738,000,000
Less debt retirements	497,000,000
Additional revenue required	1,241,000,000

Items: Treasury proposals (corrected to February)	Estimated revenue (000,000 omitted)		Items: Committee action or proposal
	Treasury	Committee	
Income taxes:			
Corporations, increased rate one-half per cent to 12½ per cent; eliminate $3,000 exemption for corporations with net income of $25,000 or less, retroactive to 1931 income.	$52	$21	Rate 13 per cent; allow $2,000 exemption on corporations with net income of $10,000 or less, effective on 1932 income.
Individuals, normal rates of 2, 4, and 6 per cent; surtax rates of 1924 act; personal exemptions, $1,000 single, $2,500 married man, respectively; earned income to remain at $30,000, retroactive to 1931 incomes.	134	112	Normal rates same as Treasury; surtaxes higher than Treasury proposal; exemptions as proposed; earned income reduced to $12,000; effective on 1932 incomes.
Estate tax: Rates of 1921 act (up to 25 per cent), increase to be imposed as supertax not subject to 80 per cent credit, effective Mar. 1, 1932.	5	25	Present rates doubled (up to 40 per cent), increase superimposed as recommended, effective on enactment of act.
Gift tax: No recommendation	-------	10	Proposes gift tax with rates up to 30 per cent.
Administrative changes: No estimates.	-------	100	Changes in wording to prevent evasion; or, other limitations.
Tobacco manufactures: Increase rates one-sixth.	58	-------	Rejected.
Conveyances of realty: 50 cents for each $500 in excess of $100.	10	-------	Do.

Summary of the tax bill H. R. 10236—Continued

Items: Treasury proposals (corrected to February)	Estimated revenue (000,000 omitted)		Items: Committee action or proposal
	Treasury	Committee	
Capital stock: Sales and transfers, 1 cent per share additional (3 cents total tax).	$11	$28	2 cents additional (total 4 cents); also 4 cents on loans of stocks for short sales.
Automobiles and accessories: 5 per cent on passenger cars; 3 per cent on trucks; 2½ per cent on accessories.	100	.....	Rejected.
Admissions: 1 cent on each 10 cents or fraction, but 10-cent admissions exempt.	110	90	1 cent on each 10 cents or fraction, but 24-cent admission exempt.
Radio and phonograph: 5 per cent on, and accessories.	11	.....	Rejected.
Telephone and telegraph, etc., messages: 14 to 50 cents each, 5 cents; over 50 cents, 10 cents.	50	35	31 to 49 cents, 5 cents; 50 cents and over, 10 cents.
Checks and drafts: Stamp tax of 2 cents on each.	95	.....	Rejected.
Postal: Increase postage rates to yield.	150	25	Changes proposed by Post Office Committee will save.
Manufacturers' excise tax: No recommendation.	.....	595	2¼ per cent on sales by manufacturers, producers, and importers.
Lubricating oil: No recommendation	.....	25	4 cents per gallon.
Crude, fuel, and gas oil, and gasoline, imported: No recommendation.	.....	5	1 cent per gallon.
Malt sirup, wort, and grape concentrates: No recommendation.	.....	50	35 cents per gallon on malt sirup; 5 cents per gallon on wort; and 40 per cent ad valorem on concentrates.
Total	786	1,121	
Reduction in expenditures	125	125	
	911	1,246	
Amount required to balance Budget	1,241	1,241	
Excess or deficit of estimates	−330	5	

Mr. TREADWAY. It is therefore apparent that the bill before you is not a department bill nor an administration bill, but, as Acting Chairman CRISP has so well said, a Government bill prepared with the best advice obtainable from all official and private sources, coupled with the judgment of the 25 members of the committee. To-day, bearing the approval of the Secretary of the Treasury, it affords a means of solving the problem which confronts us.

Let me now trace very briefly the way in which the conclusions set forth in this bill were arrived at. As is natural, the easiest part was considered first. No one questioned the necessity of raising the surtax brackets of the income tax. Very little consideration was necessary for the lowering of the exemptions of the normal tax. The same applied to the increase of rates. These changes are found in part 1 of the bill before you.

The rates on the normal tax of individuals are changed from 1½ per cent to 2 per cent on the first $4,000 net income, from 3 to 4 per cent on the next four thousand, and from 5 to 6 per cent on the remainder. It is estimated that this change in the normal tax will increase the revenue of the Government $34,000,000.

The changes in surtax rates appear in section 12. The bill shows the present rates, which have been stricken out, followed by the new recommendations. It will be noted that the changes start in the first bracket.

For instance, the present law provides that on incomes from $10,000 to $14,000 there shall be a surtax of 1 per cent, whereas the suggested change separates that amount at $12,000, where the rate becomes 2 per cent.

It is unnecessary to describe in detail the increases as they appear throughout this section, as complete details are printed in the committee report and yesterday were inserted in the RECORD by the gentleman from Oregon [Mr. HAWLEY]. The increase in surtax will bring in $78,000,000.

I desire, however, to lay stress upon the higher brackets of the surtax. Under existing law net incomes in excess of $100,000 pay 20 per cent. Under the proposed law net incomes in excess of $100,000 will pay 40 per cent. In other words, we recommend doubling the highest income-tax bracket.

The remark is continually made, "Let the rich pay." As a slogan this may be all right, but as a practical business proposition I am convinced that at 40 per cent we have reached the maximum amount that we can expect people of great wealth to pay to the support of the Government.

Referring again to the $112,000,000 increase in income taxes, it is authoritatively stated that at least $65,000,000 of the $78,000,000 of surtax will be paid by 260,000 taxpayers out of a total of 3,600,000 taxpayers under the new law. Therefore 7½ per cent of the total taxpayers will pay 60 per cent of the income tax.

Further, under existing law, earned income credit operates to reduce the normal and surtax charges. Under the proposed law it does not operate to reduce the surtaxes.

This seems to me to be most excellent evidence that we are carrying out the slang admonition, "Soak the rich."

In addition to the 40 per cent, it must be borne in mind that a normal tax is also paid on these incomes. In other words, payment of a surtax does not exempt one from the normal tax.

The reason I say that 40 per cent is as much as we can expect to secure from these larger incomes is the constitutional provision by which these incomes may escape taxation through investment in municipal and State securities. The House is aware that under a decision of the United States Supreme Court the Government can not tax securities of this class. Therefore, before we can go to excessive rates which taxpayers feel would be confiscatory, a constitutional amendment must be adopted to counteract the decision I have mentioned. Such action has been advocated for years, and to my mind is the most important proposal for a constitutional amendment that has been suggested.

A brief reference should be made to the increased estate tax and to the gift tax. It is estimated that the estate tax will produce $25,000,000 to the Government and the gift tax $10,000,000. Under existing law 80 per cent of the estate tax is returned to the States, so that the Federal Government receives a comparatively small portion. Under this bill the additional amount will all accrue to the Government. The committee was convinced that in order to have the estate tax operative a gift tax should be added. Many illustrations can be given where gifts during the lives of the donors appear to have been made in order to avoid the payment of an estate tax. In other words, the gift tax and the estate tax are closely allied to make the estate tax operative.

I now desire to pass to the consideration of the reasons why the committee saw fit to adopt the so-called manufacturers' excise tax, which is the title as it appears in the bill.

The various suggestions of methods of securing revenue placed before the Ways and Means Committee by the Treasury Department were taken up in detail through public hearings. In every instance the witnesses who appeared representing the affected industries were strongly opposed to the imposition of the tax upon their particular business, but were perfectly willing to share their tax burden if it were made a general one. I venture to say that there were not 3 men out of the 25 members of the Ways and Means Committee, when the executive sessions of the committee commenced, who were favorable to a sales tax. The subject has been before the Ways and Means Committee in previous years and did not receive more than passing attention. Perhaps one great objection was what seemed unavoidable, namely, a pyramiding tax. We have not adopted what is generally known as a sales tax. We are recommending in this bill a manufacturers' tax.

Mr. Chairman, there is a very marked distinction between the ordinary conception of what has been commonly known as the sales tax and the recommendation in this bill of a manufacturers' tax.

Let me briefly call attention to the work that preceded the final agreement among the members of the committee to adopt the manufacturers' tax. Among the various special taxes suggested by the department were increases on

tobacco, automobiles and accessories, radios and phonographs, and checks and drafts. The acting chairman, Mr. CRISP, also suggested and strongly advocated a tax on electrical energy. Every one of these taxes was so strongly objected to that the committee found itself in a dilemma. We must either antagonize all those industries or find some other means of meeting the situation.

That was the position we found ourselves in at the beginning of our executive sessions—either we must increase tremendously the rates recommended on these special excise taxes or we must adopt other kinds of excise taxes, which, of course, would bring upon us the opposition of the groups directly affected by those additional taxes.

A further objection to these special excise taxes was the fact that after we had considered the limit of taxation we found ourselves millions of dollars short of the needed amount of revenue. Therefore other forms of special taxes and further antagonism of other industries would be thrust upon us or the abandonment of the entire program. If Members of the House will bear this fact definitely in mind throughout the consideration of the bill, I am sure they will join heartily in the committee's recommendation of the manufacturers' tax. We were faced with the choice of two evils, of which we feel we chose the lesser.

I am confident that in agreeing, as we did, almost unanimously upon the manufacturers' excise tax we chose the lesser of the evils with which we were confronted in our very disagreeable task.

Every effort has been made toward two ends—first, as few exemptions as possible, and, second, the elimination of pyramiding.

The exemptions as written into the bill speak for themselves.

Bear this in mind, my friends: In spite of the laborious task the Ways and Means Committee had to perform, in spite of the most careful estimates our experts and the Treasury Department could make, the report will show that we have in these estimates only $5,000,000 of leeway. That is running mighty close to the definite and positive amount needed to balance the Budget. Therefore, the moment you start adding to the exemptions as printed in the bill you are running the chance of getting below the estimate for balancing the Budget, or you have the alternative of offering in exchange for such items as you feel ought to be exempted and which, perhaps, the House may agree with you in exempting, other means of taxation that will meet with the approval of your colleagues. Do not foolishly reduce the aggregate of this estimate which the Ways and Means Committee offered you in its report. Bear that in mind. Many Members know where they want to see exemptions brought in, but you are running into the danger—and I will refer to that in a moment—that has confronted the Canadian system ever since it was first introduced. There are more exemptions, many more pages of exemptions in the Canadian law than there are of the law itself. That is a situation which is not healthy. The merit of a manufacturers' tax lies in its universal scope and the minute you start adding to the exemptions other than as they appear in our report and our suggested bill you are getting into difficulties and into hot water. So please, my associates, bear that in mind. When the time comes to read this bill under the 5-minute rule, if you try to increase the exemptions as they appear in the bill, offer something constructive to take their place.

I have the utmost sympathy with several suggestions of exemptions. One of them has to do with canned fruits and vegetables. It is so easy to see how the farmer ought not to be taxed on the tomatoes that go into that can. It is true that if he is a small farmer he has an exemption of $20,000 to start with, but as you picture that farmer—and such farmers exist in my district as well as in yours—you say that exempting him is a mighty simple thing; it is going to cost the Government but mighty little in revenue if we should leave out this small farmer friend of mine. But look at the picture in the aggregate and the aggregate of exemptions of canned products of this country. What will it deduct from our estimate if you exempt canned products? My friends, it will mean a reduction, according to the estimate of the Treasury given me this morning, of $10,000,000. Picture the whole thing rather than the local situation as it affects you or your constituents.

One word about pyramiding. Under the licensing system carried in the bill pyramiding is avoided. The lead-pencil illustration is an excellent one. Let me repeat it.

And by the way, this illustration was first made by the gentleman from Canada, who was of such great assistance to us, and, later, by our distinguished acting chairman, Mr. CRISP.

This is a very simple lead pencil [indicating]. You regard that as just one article. But let us analyze it. Here is your lead, which has to be mined, shaped, and framed. Here is your wood, the timber for which has been cut in the forest. The wood surrounds the lead, which is another process. On this end is the rubber. It is very easy to conceive how far this rubber has traveled and how many processes it has gone through before it is put in the lead pencil. Here is a piece of metal holding the rubber onto the pencil. The pencil is painted, and then there is some kind of inscription put on it, and sometimes it carries advertising. Come up to my district in the fall and there will be a big supply of them there.

You have this in mind, Mr. Chairman, as just a lead pencil, but in analyzing it, as I have done for you, you will see there are six or eight processes. Any one of these processes could be taxed, but in this manufacturers' tax the only tax laid against that article is when the man who finally turns out a finished lead pencil sells it to the wholesaler. That man pays the tax and it is the only tax in all the processes of making this lead pencil.

This shows you what a manufacturers' tax actually is. In the last transaction between the manufacturer and the wholesaler there will be laid this tax, but in the various courses of procedure wherein it is finally shaped into a lead pencil the system of licensing that appears in the bill does away with the taxes.

We think we have solved the problem of pyramiding, and, perhaps, we have. Of course, experience is always better than theory. We may find there is some loophole here or something that we have not anticipated, but by and large it is safe for you to say that this bill does away with the worst feature of the sales tax as ordinarily conceived and one of the strongest arguments that has ever been raised against it in criticism. It does away with pyramiding. If we have not done this, we would like to know where we have missed it, and I am sure the majority, responsible for the bill, will be only too glad to make the correction.

Mr. MAPES. Would it interrupt the gentleman if I asked a question?

Mr. TREADWAY. No; I shall be pleased to yield.

Mr. MAPES. Take the lead-pencil illustration, suppose in the process of manufacture the rubber goes into something besides the lead pencil. I do not understand how the Government can make sure of collecting the tax if it is not taxed before it gets into the lead pencil.

Mr. TREADWAY. Of course, that is a technical detail that will have to be worked out through regulations, and there is some phraseology in the bill caring for it. These various licensees will be obliged, of course, to show where the article they are exempting from tax will eventually go.

Mr. MAPES. The licensing system will take care of that, in some way.

Mr. TREADWAY. Yes; that is the intention of the licensing system.

Mr. HOWARD. Will the gentleman yield?

Mr. TREADWAY. I will yield to my friend. I believe this is the gentleman from Nebraska [Mr. HOWARD].

Mr. HOWARD. The gentleman guessed it the first time.

Mr. TREADWAY. The first time, because I had understood there was some confusion as to the gentleman's identification of me a few days since.

Mr. STAFFORD. There is a striking resemblance. [Laughter.]

Mr. HOWARD. Will the gentleman from "Missouri" yield?

Mr. TREADWAY. I do not know. The gentleman will have to ask the gentleman from Missouri. The gentleman from Massachusetts will yield, very briefly.

Mr. HOWARD. Only a moment ago the gentleman stated that the Democratic majority in this House is responsible for this bill. Will the gentleman kindly say whether or not the President of the United States is opposed to this bill?

Mr. TREADWAY. The gentleman from Nebraska has exactly the same opportunity of availing himself of the open door at the Executive offices that the gentleman from Massachusetts has, and since this bill has been under consideration, a period of several months, I confess I have not had the honor of a conversation of any kind or communication of any kind with the Chief Executive of the United States.

Mr. HOWARD. But the gentleman from Massachusetts should understand there is this difference. When the gentleman from Nebraska goes to see the President, the best he gets is a stony stare, whereas the President, I am told, talks freely with the gentleman from Massachusetts.

Mr. TREADWAY. We will be very pleased to discuss the merits of this bill. I think I have answered the gentleman's question, that I have not the slightest idea what the President of the United States thinks about the bill; but I will say that the President of the United States months ago urged an effort on the part of Congress to restore confidence among the American people in American institutions, and the first requisite of that is a restoration of financial confidence.

This bill, supplemented by other legislation which has been passed by Congress, and some which is pending in Congress, will, in our opinion, go a long way toward the restoration, and therefore we naturally would draw the conclusion that the President of the United States, being a most patriotic citizen, will thoroughly and heartily cooperate with Congress in passing this revenue bill.

Mr. HOWARD. That is entirely satisfactory. [Laughter.]

Mr. TREADWAY. And I might add, in all seriousness, as I said at the beginning of my remarks, that this bill in no way represents the original attitude of the Treasury Department. However, at the last executive session of the committee, after we had unanimously voted to report it out, the Secretary of the Treasury—and I think I am not divulging any secret, because it appeared next day in the press—the Secretary of the Treasury, in the presence of the committee, stated that the Treasury would absolutely stand back of this bill and urge its final passage in another branch. It can be assumed, I suppose, that the remarks of the Secretary reflected the viewpoint of his chief, but of this I have no actual knowledge.

Mr. HOWARD. I am getting the best possible evidence, and it is entirely satisfactory.

Mr. LANKFORD of Virginia. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. LANKFORD of Virginia. The farmer ships his products in crates. Some farmers buy the entire crate, and some manufacture it from the raw material.

Mr. TREADWAY. Those are questions which will arise. I only spoke of generalities, but I think I can answer the gentleman to this extent: The farmer is exempt in his produce. The container in which he ships it to market is a manufactured process, and he may buy it already manufactured or he may assemble it, if it comes, as they say, "knocked down." But if the farmer tacks it together, it would be my judgment that the crate is taxable. But that would come under the regulations of the department. I will ask the gentleman from Georgia if that is not correct?

Mr. CRISP. I think if the farmer bought the lumber, he would pay the manufacturer's tax on the wholesale price of same; but I do not think if he only assembled it there would be any tax to the farmer as a manufacturer.

Mr. KNUTSON. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. KNUTSON. I would like to ask the gentleman if goods now on the free list, similar to goods manufactured in this country, would come under this provision?

Mr. TREADWAY. This has nothing to do with the free list. Imported articles will all be taxed. Everything will have a 2¼ per cent tax that comes through the customhouse. Everything manufactured outside of the United States will pay this 2¼ per cent.

Mr. CRISP. If the gentleman will yield, I would like to correct the gentleman's statement in part. All imported articles coming in, and requiring no further manufacture, would pay the sales tax. But if an imported article is brought in by an importer who had a license for further manufacturing it does not pay a tax.

Mr. TREADWAY. I should have made that a part of my statement, because of the importers' licensing system.

Mr. KNUTSON. In view of the statement of the gentleman from Georgia, I want to ask a further question. In case of print paper and pulp, how would that be affected?

Mr. TREADWAY. Let me say to the gentleman that there is legislation pending on that subject, and I think until it comes up before the Committee on Ways and Means we had better not discuss it.

Mr. COLE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. COLE of Iowa. I would like a slight explanation as to how this tax on canned goods will affect the grower of the vegetables and fruits that go into the cans.

Mr. TREADWAY. I am of the impression that it would have no effect upon the grower except possibly to add slightly to the actual cost of production, and therefore possibly lessen a little bit his market, because the contents of a can grown by your farmer or mine are tax exempt. It is the can and the processing that follows that make it taxable. In other words, if the farmer sells his product to a factory for processing, labeling, and all that sort of thing, getting ready for the market, his sale is not taxed. It is the later sale of the canned goods that is taxed.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. HARE. Do I understand that a manufactured imported article will be required to pay the 2¼ per cent in addition to the existing tariff?

Mr. TREADWAY. Oh, yes. This has nothing to do with the tariff. This is an excise tax entirely distinct from the tariff.

As I have very little time remaining, may I request that I be not again interrupted and that I be permitted to complete my remarks?

In the course of all our hearings we received practically no suggestions for sources of taxation. It is rather amusing that the one exception to this statement came from an actress, a very attractive woman, who appeared against theater-admission taxes, but favored taxes on such expensive furs as she herself wore and on cosmetics and beauty parlors, which she admitted she patronized.

This is a fair example of the extent of the assistance rendered the committee in the way of constructive advice.

From the time the committee agreed that the manufacturers' tax should be included in the bill its merits have become more and more apparent. The committee has been extremely fortunate in having had splendid advice both from well-known tax experts in this country and a representative of the Canadian Government, whose services were officially secured through the Treasury Department. This gentleman unhesitatingly informed the committee that the bill as drafted would produce the results we wanted with the least possible friction among the people, and that it contained practically none of the defects but all of the merits of the Canadian law.

It is not my purpose to go into the details. The acting chairman of the committee, Judge CRISP, and the ranking minority member, Mr. HAWLEY, have covered the subject fully. It is also made a prominent part of the committee's report, which our chairman has told you has been prepared

under his supervision by those who are familiar with the proposed legislation, both in respect to the manufacturers' tax and in the other details of the bill.

I want personally to call your attention to one item in the manufacturers' tax title, namely, the imposition of 1 cent per gallon on imported oil. In the committee I voted against the inclusion of this item. I propose now to vote for it. In doing so I realize I am acting contrary to the wishes of a great many people in the section of the country from which I hail. New England and the Atlantic coast are consumers of imported oil, and it is likely this tax will add somewhat to their fuel bill. Every tax adds to some one's bill. I must, however, remind my friends that this is not a sectional or partisan bill but a Government bill. Your committee had the most disagreeable task any group of Congressmen were ever called upon to undertake. Possibly the wrath of the voters will come back to plague us. If it does, each one of us can feel that we should fall together, because this measure is the only general tax bill since the war which has been unanimously reported out of committee.

Let me remind my New England friends that our section has, ever since the first tariff bill was written, asked for protection to our industries. Let me remind them, too, that many sections of the country feel that our neck of the woods has received more favorable consideration than it merited. Even in the last tariff act New England made certain appeals to Congress for her industries which were heeded. I do not need to enumerate them at this time. My colleagues should bear these facts in mind before they seek to deny to other sections of the country what we of the East have asked of Congress from time immemorial.

For several years past a wide area of this country in the States of Kansas, Oklahoma, and Texas has been clamoring at the doors of Congress for the protection of its local industry, namely, the production of oil. Its appeal has gone unheeded. To-day, through the instrumentality of a tax, the people of that section think that to a certain extent they are accomplishing their purpose. I for one propose to help them with my vote. I do this for at least two reasons. First, protection to their industry, call it tariff or tax. They consider this measure as a means of protecting their industry exactly as we in the East have asked and received protection for our industries. Second, it is a contributing item in the big measure before us, one factor in the effort which is being made to balance the Budget and maintain the credit of the United States Treasury.

Most fantastic statements have been made relative to the cost of this item upon the taxpayers of the Atlantic coast. It has also been stated that it would not produce revenue. The lowest estimate we have had of the revenue it would produce is $5,000,000, which of itself is well worth while when every possible effort is being made to secure the aggregate amount needed for Budget balancing.

The exaggerated statements of additional cost to the eastern coast, running as high as $100,000,000, are ridiculous and can not be borne out by any authoritative evidence that can be submitted to this House. Assuming, however, that the entire additional tax of 42 cents per barrel is added to our fuel bill, this is not out of proportion to the additional possibilities of sale of our industrial products to the section of the country which is asking for this help. If that section of the country can come into our market with its fuel oil, payment can be made in our products and we ourselves would be the direct beneficiaries in the employment of labor for our home industries.

When it had practically been decided by the committee to include the manufacturers' tax as a part of this bill one of the most statesmanlike speeches was made on this floor that I have heard in my nearly 20 years of service here. I was so impressed with it that I sent to the papers of my district copies of the CONGRESSIONAL RECORD of that date and suggested to the papers that the speech be printed verbatim. I might add that every one of these papers is Republican in politics, and I have here an excerpt from one of them containing the matter I sent. Let me read you a few lines from the remarks made by Acting Chairman CRISP on February 11:

> Now I, for one, have burned every bridge behind me. No matter what the personal political consequences may be to me, I am going to advocate the levying of sufficient taxes to balance the Budget. [Applause.] I know that in doing that I will be rendering my country a distinct public service. It means nothing to the United States whether I remain in Congress or not, but it means much to the United States Government that its honor, its credit, and its security be maintained at par. [Applause.]
>
> Now, my friends, I want you and the country to gird yourselves with stamina, with backbone, and with courage to meet this emergency. All must make tremendous sacrifices. The Budget must be balanced. To do it additional taxes must be levied.
>
> Gentlemen, I am receiving just as many telegrams and just as many letters protesting taxes as any one of you. I am writing my constituents that I regret the necessity of levying additional taxes, but that the need of all the people of the United States demands a balanced Budget and that I, myself, am going to vote for sufficient taxes to accomplish that purpose.

Mr. Chairman, I shall plagiarize a statement in the speech of the gentleman from Georgia by saying that whether you or I or even he remain in Congress is not of the slightest consequence. The question before us is to face the music and deal rightly by this country in the emergency which we are facing to-day. That is the test that we should apply, and then I am sure that an intelligent electorate will do their part in appreciation of our services to our country. [Applause.]

The sentiments that our acting chairman expressed were made under the pressure of the moment, and I am quite confident were extemporaneous. I complimented him at the time for this patriotic statement; I compliment him again on this floor to-day. The opinions he expresses are my opinions; I only wish I could express them as well as he did. But I do want to plagiarize from him to the extent of the idea he desired to convey.

Let me say this: We are sometimes scoffed at as being politicians; personally, I have always been proud to be so designated, but to-day we, as politicians, must show our true colors and real interest in the welfare of our country. This is no time for partisanship, it is no time for personal gain. It is time when we must meet a crisis irrespective of any personal, political, local, or sectional feeling. That crisis faces us in this House at the present time. If any Member thinks a vote on this bill, or any portion of it, is likely to do him political injury, he can show his patriotism by rising above his local self-interest or his own political life and supporting the Government in its time of need.

Acting Chairman CRISP rightly said that the retention of membership on the part of an individual in this House is nothing. Members of Congress will come and go, but selfishness or self-interest is not statesmanship. If the voters of my district see fit to punish me at the next election for supporting this bill, I can at least retire with a clear conscience and knowledge that I have done my duty even though it might be at the cost of political preferment.

I am, however, proud to say that the constituency I represent has always impressed me with the fact that it desired sincerity of purpose and honesty of conviction. It has always been my purpose to be outspoken and sincere in meeting an issue when it arrives. I have not crossed bridges before I came to them, but I do step firmly on one when I reach it. That is my attitude on this bill to-day.

One serious protest which I have received from my own District regarding items in this bill has been from those opposing the 10 per cent tax on admissions of 25 cents and over. I did not approve this low starting point, but abided by the will of the committee. I have endeavored to explain to my constituents who have written and wired me my viewpoint about this matter. I have sent to a friend conducting a theater where the highest admission charge is 50 cents a letter reading as follows:

> I am in receipt of your telegram and many others from moving-picture people in my district protesting against the proposed tax on theater admissions of 25 cents and over.
>
> I appreciate fully the objections you raise against this tax levy. On the other hand, you and other friends realize the very awkward position in which a Member of Congress, especially a member of the Ways and Means Committee, is placed in connection with additional taxes. The one aim of all Government officials, from the President down, is to balance the National Budget in 1933. We have studied every known means of securing a billion and a quarter dollars of additional revenue and have finally pre-

pared a bill which, in the opinion of those who have had a hand in its preparation, will cause as little hardship as possible to the people.

You will recall that the Treasury Department suggested that the tax be placed on admissions starting at 10 cents. The committee decided to make 25-cent admissions the starting point. Personally, I favored a higher range, but every step meant millions of dollars less for the Treasury.

We feel confident that when patriotic citizens like yourself and the patrons of your theater fully realize the tremendous difficulties under which Congress is laboring and the great need of securing the necessary revenue for the conduct of the Federal Government, they will willingly contribute this amount which is small so far as individual items are concerned but which in the aggregate will represent a very large amount for the Federal Treasury.

Possibly we may have omitted some forms of commercial taxation as, for instance, a tax on the privilege of listening to radio broadcasts. The actual justification of an admission tax is that it is in a certain sense a tax on amusement. I appeal to that vast army of Americans known as movie fans to consider this tax as a contribution to their pleasure in that it represents a portion of their effort to aid the Government in getting out of debt. The patriotic American is bound to derive satisfaction in the knowledge that by 1933 the Government is not going to continue in the red.

I have the utmost sympathy with those favoring higher exemptions than 24 cents on admission taxes, but let me call to your attention estimates of the Treasury Department. Its recommendation was to tax admissions from 10 cents up, which would bring a revenue of $110,000,000. At 24 cents we would get $90,000,000. At 25 cents, between seventy and eighty millions. At 35 cents, we would get fifty millions; and at 50 cents, the return would be $33,000,000.

Emphasis should be placed on the fact that the manufacturers' tax is an emergency measure. The date of its expiration is definitely fixed as of June 30, 1934. Adopt this bill, restore confidence, bring about a revival of normal business conditions, and that date will see the end of the need for the manufacturers' tax. It is as much of an emergency bill for to-day under to-day's conditions as was the legislation during the war for carrying on our cause.

We are to-day fighting the battle against industrial depression. We are fighting for the good name and credit of the Nation. We are fighting for the reestablishment of par values of our Government bonds. We are fighting to restore the revolution of the wheels of industry. [Applause.]

Mr. BEEDY. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. BEEDY. I was rather surprised to hear the gentleman from Massachusetts discussing this tax bill as a protective measure. I myself have never been able to object to protection where I thought it was needed, but it did seem to me a most strange procedure for the party in control of this House, which did not dare tackle an item in the tariff bill, to put itself in the position of making an exception in one instance and giving what is clearly protection to one product and denying others of us the opportunity to have the same protection. I would like to have some explanation of that.

Mr. TREADWAY. Let me say two things. In the first place, it was a compromise as to amount. The gentlemen advocating a tax on oil wanted 2 cents. They accepted the compromise of 1 cent.

Mr. BEEDY. But what about the principle?

Mr. TREADWAY. The principle is a principle that I have personally always advocated in this House—that we can not build a wall of protection around New England and not give it to anybody else. [Applause.]

Mr. BEEDY. I agree with the gentleman, but this is a tax bill.

Mr. TREADWAY. It is a tax bill, and I said in my remarks this item is a tariff measure under guise of a tax bill.

Mr. BEEDY. Does the gentleman assent to that policy?

Mr. TREADWAY. No. I say that I voted against it in the committee, but I am going to support the committee report here; and, further than that, it is not a Democratic item; it is the joint action of our entire committee. We are not passing a partisan bill, and I, for one, as a tariff man, and an advocate of tariff and of Republican principles, do not want to claim that the Republican Party is doing anything by itself here or that the Democratic Party is. We are doing it as a group of patriotic American citizens in behalf of our country. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. BARBOUR].

Mr. BARBOUR. Mr. Chairman, I think the members of the committee generally will agree with me when I say that I believe the members of the Committee on Ways and Means, both Democratic and Republican, are to be commended for the nonpartisan way in which they have gone at the preparation of this bill. I think one of the things that has appealed most strongly to the people of the country this year is the fact that the two parties have been able to forget political differences and have undertaken to do something to relieve the conditions which exist in the country to-day. I think the expressions of approval that have come from all parts of the country show that that policy has met with the whole-hearted commendation of the people of the United States.

I believe I am safe in saying that the people of this country to-day want results and they do not care whether those results are accomplished by the Democrats or the Republicans, so long as they get them. I have regretted recently to see that policy somewhat departed from and a resort more or less to bickering and criticism and an effort to claim credit for what is being done. I believe if we can accomplish something really constructive at this session of Congress it will meet with the whole-hearted approval of the people of the country, and that there will be glory and credit enough in it for both political parties. I commend the committee for the work it has done in bringing out this bill, and yet there are certain features of it that I do not agree with. I do not say that in a critical way, I say it candidly and sincerely, in an effort to bring before the Members of the House a situation which is created by some of the provisions that are contained in the bill. I have been pleased to see that in the bill the policy has been adopted of helping agriculture by exempting it from various taxes and withholding burdens that otherwise would have been imposed upon it.

The committee has recognized the condition that exists in agriculture, and I believe it is right that the committee did recognize it, because we all know that that industry, peculiarly situated as it is, has been going through a period of depression that has been for some time almost unbearable. I think the effort to help agriculture in this bill meets with the general approval of the House.

In section 606, at page 237, we find a provision which exempts from license a farmer with respect to his farm or garden products, and on page 249 we find that farm products means agricultural products in the broadest sense, not processed by any other than the original producer thereof or association of such producers, organized and operated on a cooperative basis, and that the term "farmer" means a producer of farm or garden products. Then in the exemptions in section 602 we find farm and garden products produced in the United States are exempted, as also are fertilizers, garden seeds, bran and shorts and feed for animals or fowl, bacon, hams, pig shoulders, pig jowls not cooked or not packed in air-tight containers, butter, oleomargarine, and other substitutes for butter, cheese, and milk and cream in any form, eggs in the shell; and then we find down in subdivision 17 a provision that any article with respect to which an internal revenue tax is imposed under existing law is also exempted.

Now, a situation exists in the State of California by reason of which, if this bill becomes a law, a burden will be placed upon the farmers of that State in the tax of 2¼ per cent upon the use of electricity or electrical energy.

In our State we use large quantities of electricity in the pumping of water for irrigating the farmer's crops and lands. This water is just as essential to our farmers as is fertilizer in other sections of the country. It is just as

essential to the farmer of the State of California as is the bran that is fed to the livestock, the feed that is given to the chickens, or any of the other things that a farmer uses to produce a crop or operate his farm.

Mr. CRISP. Will the gentleman yield?

Mr. BARBOUR. I will gladly yield.

Mr. CRISP. As I said yesterday, many provisions of this bill, after it has been dissected, may need some improvement, and it will be my purpose, before this bill is considered under the 5-minute rule, to have the Ways and Means Committee consider certain subject matters, with a view to ascertaining whether or not the committee desires to offer a committee amendment. The matter which the gentleman is discussing is one of them. I am frank to say I am rather sympathetic with the position taken by the gentleman. I know not, of course, what the committee will do when it considers the matter, but I can assure the gentleman that the committee will reconsider that subject matter.

Mr. BARBOUR. I am pleased to hear the chairman of the Ways and Means Committee say that. I know the chairman and other members of the committee would be sympathetic if they could understand the situation and in view of the policy already adopted in this bill so far as agriculture is concerned.

Mr. McCORMACK. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. McCORMACK. I may say that the distinguished gentleman from Oregon [Mr. HAWLEY] brought up that subject in the committee, and I have a very sympathetic feeling for it also. The gentleman from Georgia [Mr. CRISP] very adequately expressed what I think is the view of many individual members of the committee on that subject.

Mr. BARBOUR. I am pleased to hear the gentleman from Massachusetts make that statement. I believe it is entirely consistent with the policy that the committee has laid down in this bill with regard to agriculture.

Now, there is another matter that I would like to call to the attention of the Committee on Ways and Means, as well as to the Members of the House. In the exemptions in the bill are contained articles with respect to which an internal revenue tax is imposed under existing law. I take it to mean that there should be no double taxation, at least as far as the United States is concerned. If that is a good policy, so far as Federal taxation is concerned, then it seems to me that the same reasoning would apply to articles that are taxed by the State.

In the State of California electrical energy used on the farm, in the home, and for other purposes is taxed 7 per cent by the State. That tax is levied in this way: We have no State tax on real and personal property. Our State revenues are secured largely by the levying of a tax on the gross proceeds of public service corporations. Seven per cent of the gross earnings of every public service corporation is paid to the State, and that is one of our principal sources of revenue.

So every householder, every farmer, who pays an electric-light bill or an electric-power bill pays 7 per cent when he pays his bill to the company, and that 7 per cent goes to the State. That 7 per cent tax is recognized by the State railroad commission and is included in the rate for electrical power that is fixed by our State railroad commission, which corresponds to the public utility commissions in other States.

So the California farmers and the California users of electricity are already paying 7 per cent on the electricity that they use, and if this provision in the bill goes into effect they will have to pay an additional 2¼ per cent tax on the power and electricity that they use.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. CHINDBLOM. Did I understand the gentleman to say that the citizen of California pays no tax whatever except this tax on electricity?

Mr. BARBOUR. Oh, no. I said that our State revenues are largely secured from this tax on the gross income of public service corporations, but the land tax, the property tax, personal and real, belongs to the counties, and our California farmers and property owners are paying very heavy land and personal property taxes to the counties.

Mr. CHINDBLOM. But they pay no taxes for State purposes on land or personal property?

Mr. BARBOUR. They pay no taxes for State purposes, but I will say to the gentleman that the taxes in the community in which I live are nearly 6 per cent on the assessed valuation, which is presumed to be 60 per cent of the actual value of the property. So we pay a very high tax, and an almost impossible tax, as our delinquent tax lists in the agricultural districts of California will show.

Mr. CHINDBLOM. A farmer in Illinois, as well as every other owner of real estate in Illinois, and of personal property, pays a tax not only to the township and other local taxing authorities, but he pays a tax for State purposes upon all property, real and personal. If the farmer in California is relieved of his electricity tax, he will be in the position of having been relieved of his entire tax for State purposes, whereas an Illinois farmer and farmers in other States will not be so relieved. Is that correct?

Mr. BARBOUR. No. We pay 7 per cent on all public utility rates. It is merely a matter of distribution. Our farmers pay as much or more taxes to the counties than an Illinois farmer would pay in all. They pay more taxes because the public utilities are not taxed by the county. That is set aside for the State, but the land taxes are reserved to the counties, and our land taxes are just as high, I dare say, if not higher, than in the State of Illinois, because all of our school tax and all of our county and municipal taxes are borne practically by the land, whereas in your State undoubtedly the counties tax the public utilities.

Mr. CHINDBLOM. So far as the individual farmer is concerned, however, in California he pays no State tax.

Mr. BARBOUR. Indirectly, he pays a very considerable State tax and he pays a very heavy county tax, which is probably as large or larger than the tax which the farmer pays in the gentleman's State.

Mr. CHINDBLOM. There is no reason why that should be so if it is entirely for county purposes.

Mr. BARBOUR. It is because of the distribution of taxes as we have it in California. It would make no difference whether he paid his electricity tax to the county or the State. He is taxed 7 per cent on the electrical energy he uses, and his land tax and his property tax are prohibitive, as the delinquent tax lists in the agricultural districts of California will show.

Mr. CHINDBLOM. That condition exists in many other parts of the country.

Mr. BARBOUR. That is true; but a farmer in California is not being relieved of any tax burden, because the State collects that 7 per cent tax on the gross revenues of public utilities. In addition to his property tax he pays a tax of 7 per cent on the electric power that he uses.

Mr. SNELL. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. SNELL. Does the State of California have any income tax?

Mr. BARBOUR. No; it does not.

Mr. SNELL. Take a State like ours, which has a 3 per cent income tax, does not the gentleman think it would be fair for us to have an exemption on the amount we pay on our State income tax?

Mr. BARBOUR. If the State of California had an income tax, there would be no farmers paying it.

Mr. SNELL. And not in our State.

Mr. BARBOUR. I presume the same thing is true in the gentleman's State.

Mr. SNELL. The only industries in my part of the State of New York are paper mills. They have not made any money for the past two or three years; many of them have been losing continuously, and they do not see much prospect in the future. What am I going to say to them with regard to this manufacturers' tax? If we start making exemptions, why should not the paper-mill industry and other large manufacturing industries have the benefit of such exemptions?

Mr. BARBOUR. If it were the policy of the committee to exempt paper mills, then I would say your paper mills should come within that policy; but what I am contending is that the policy of the committee, as contained in the bill, is to relieve agriculture because of the peculiar situation agriculture occupies. This proposed tax on electric power places an additional burden on agriculture and is not in harmony with other provisions of the bill. A paper mill can close down if it is not making any money.

Mr. SNELL. They can not, because they can not pay their bills.

Mr. BARBOUR. A farmer can not close down. He has got to keep farming.

Mr. SNELL. That is the situation of the paper mills in my country at the present time. They can not close down.

Mr. BARBOUR. I am simply trying to follow the policy as laid down by the committee in this bill. If the policy were to exempt paper mills as they have those in the gentleman's State, then I believe he could well come in and ask that any kind of electricity tax that the paper mills have to pay should be exempt. But even in this bill as it now stands a paper mill would pay no tax on electric power used; and, besides, electricity is not taxed in the gentleman's State.

Mr. SNELL. That is what I am asking the gentleman. I do not think it is any more unjust to the people in his country than in any other part of the country.

Mr. BARBOUR. What I want to get home to the Members of the House is that the tax we are already paying in California of 7 per cent touches every user of electricity, and the farm bureaus and other farm organizations have hearings on now before the State railroad commission to try to get the rates reduced. I know of my own personal knowledge that farmers have had to stop irrigating their crops and let them dry up because they can not pay the power rates with the additional 7 per cent tax.

Mr. SNELL. Does the gentleman know that in the county where I live and where I was born they have had a taxpayers' meeting of 3,000 taxpayers at Ogdensburg, protesting because they can not pay their taxes at the present time?

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. BRAND].

Mr. BRAND of Ohio. Mr. Chairman, Senator ROBINSON stated last night in a radio address that this country can not afford a four-billion-dollar Budget.

Mr. PARKS. May I interrupt the gentleman to ask which Senator ROBINSON stated that? There are two Senator ROBINSONS in the Senate.

Mr. BRAND of Ohio. Senator ROBINSON of Arkansas.

I listened yesterday to the gentleman from Georgia [Mr. CRISP] very attentively, and what he said meant, to a business man, that, all told, the Appropriations Committee of the House is going to save $150,000,000, reducing a four-billion-dollar Budget $150,000,000. This does not approach the subject.

And, by the way, last Saturday we passed a bill in this House appropriating one hundred and thirty-odd million dollars for roads as an emergency measure that wipes out the entire savings made by the Appropriations Committee throughout the entire session.

If the speech of the gentleman from Georgia [Mr. CRISP] meant anything to a business man, it meant we are going to tax the people to go on with a $4,000,000,000 budget. I may be wrong, but I think it is the duty of this House to reduce the amount of the Budget, and I think everybody must be willing to make sacrifices. We have been in unusual times in this country for the last 20 years, and the funds have been available and the people have wanted us to spend, and we have multiplied taxation 400 per cent. This is what we have done, and now, if you will go home, you will find there is a different situation from the situation when you left home in December. We had a disease then, but now at home we are getting the casualties.

I want to tell you that people are breaking up and going into bankruptcy, not just here and there, but it is just like a cyclone that is sweeping across the country, and I may say further that it is taxation as much as anything that you can put your finger on that is causing these bankruptcies. It seems to be the final impulse that is pushing the people into bankruptcy. Why, it is tax to the right of you and tax to the left of you until you can not pay your other bills.

I am not going to be cowardly enough here to oppose any part of this bill without saying how I am willing to raise the money to balance the Budget. I want to balance the Budget. I have always admired Alexander Hamilton extravagantly, and I think the basis of that admiration came from the fact that when he first became Secretary of the Treasury he said that all the bills of the Revolutionary War should be paid and all the obligations of the Colonies should be paid, and they were paid. You know that was hard to do then, but the credit of the United States was established, and it is our duty to maintain it.

I am willing to cut all salaries in the United States service 25 per cent for two years. The total amount we pay out for salaries is one billion and a quarter, and this cut will save $300,000,000. This is half of what this sales tax is supposed to yield.

Well, you say, this is objectionable; that this would be an example set to reduce all kinds of compensations, wages, and salaries all over the country. Now, seriously, might not this help labor right now? Do you not know that business is stagnated because some people can not buy the products of other people; and if labor were reduced, would it not be better to get $3 a day and be employed than to have a fictitious salary of $6 a day and not be employed?

How are we going to get the rest of the $300,000,000 to equal the sum supposed to be raised by this sales tax?

Now I come to something I do not like to say. It is the hardest kind of medicine for me to take, but we passed pension bills and compensation bills in this House when the dollar would not buy anything hardly, and now we have a valuable dollar. You can cut compensations and pensions 25 per cent and give the soldiers and widows just as much in value as when those laws were passed, and for two years I recommend that this be done. This will give you over $100,000,000.

Now, where else? Our road program contemplates $235,000,000 of expenditure this year.

And on the public building program, $55,000,000 to $75,000,000. Is it wise, is it good sense, to pass a sales tax on manufacturers, which is to make everybody pay on what they purchase? I want to say that 90 per cent of all money coming from the manufacturers' tax, will come from ordinary people, with ordinary incomes. It will largely come from labor. You pass the $600,000,000 collected from this tax into the Treasury, and then you will attempt to get it back to labor by the program of roads and buildings. You take it away from labor and then try to get it back, and there will not be 50 cents on the dollar get back to labor.

Now, there are the four items—salaries, pensions, roads, and buildings—upon which you will save as much money as the sales tax will produce. [Applause.] Mr. Chairman, I yield back the balance of my time.

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. LOVETTE].

Mr. LOVETTE. Mr. Chairman, ladies and gentlemen of the committee, being a freshman, I would hesitate to speak on this subject, but it is of vital interest and vital concern to the people of this country and I can not refrain.

I want to oppose this sales tax. In the outset I want to lay down this proposition: I would not say it was iniquitous but I believe it is an unfair, unjust, and inequitable tax.

I commend the members of the Ways and Means Committee, for whom I have great respect. I believe in their ability, in their patriotism, and I believe that they have done the best they could, but I do not believe that we ought to impose this sales tax at this time.

I know that they say, If you oppose the sales tax, what do you offer? And this is a very proper question.

Before I come to that feature, I want to call attention of this House to the fact that we have been here for three

months, legislating, passing great appropriation bills. We have passed a $125,000,000 bill for farm loans, a $2,000,000,000 Reconstruction Finance Corporation bill, and all these other bills, but there has been very little said in the discussion of those bills about balancing the Budget.

It is rather strange to me now, that with all this great passing of bills, that when you come down to a bill where you are going to lay a tax on the distressed people of this country, where you are going to tax the very blanket that covers the shivering pauper, where you are going to tax the very shoes that the beggars of the country have to buy for their children, that Members of the House get very much wrought up about balancing the Budget—about the $600,000,000 which the sales tax will raise.

We have 8,000,000 men out of employment, no money, and no work, with the States, municipalities, and private charity taxed to the limit to feed and clothe millions. In this bill you propose to levy a consumption tax on them. You propose to tax the very charity of the country when it is already at the breaking point. Outside of a very few exemptions in this bill, you propose to tax everything from the cradle to the grave.

If I believed that the Government was going on the rocks, that there was no other source from which to raise taxes, that all sources had been exhausted, that it was necessary to raise $600,000,000 in order to balance the Budget and save the credit of the country, I would vote for the sales tax. It has only been a few years since we had a bonded indebtedness of $10,000,000,000 in excess of what we now have. It is true we were prosperous then, or thought we were. I am not one who believes that increasing our bonded indebtedness to the extent of the amount sought to be raised by this sales tax would shake the credit of our country. I do not believe anyone in this House thinks that we are in any danger from that source.

There are so many objections to this tax. In the first place it will be hard to collect. The administration will be so inequitable. It proposes monthly settlements with 140,000 factories in the United States. The Government will have to employ a great army of deputy collectors. There will be no end to its ramifications. The argument that it will aid business is preposterous. The argument that you can extract from the consumers of this country by means of a manufacturers' tax $600,000,000, and the people not feel it, is almost silly.

You may chloroform the people and take their money away from them and they not know it, but it is impossible to take from their pockets $600,000,000 without their having some idea of what you are doing. A great many manufacturers and merchants will actually make money out of the tax, and it all gets back to these people I am talking about. The farmers of the country, and the great army who are unemployed, who have recently been working in factories and mines, and who are now walking the streets, must not only pay this tax but they must pay the profits that the manufacturers will exact from them on account of the tax.

Do you think if an article costs $1, and the tax on it amounts to 2¼ cents, that any manufacturer would price that article at $1.02¼? And you may be sure that he will not price it at $1.02, or $1.01, but will make it $1.05, under the guise of having to pay a manufacturers' tax, and in this way there will be extracted from the pockets of the common people of this country a large sum of money under the guise of the manufacturers' tax.

It is unfair; it is inequitable; and of all times in the world it ought not to be levied now, when so many people are almost in a death struggle for existence. The psychological effect on the people of the country will be disastrous. They are already overburdened with their State, county, and municipal taxes. The greatest demand for charity that has ever been made is being made now, and to levy this additional tax, and put this additional burden on the average person at the present time is outrageous. But, you say, where will you get the money? How will you balance the Budget? To that I reply: Go to those who have the money, and do not try to take it from those who have not. For the last 15 years the profiteers of the country have done great work; they have accumulated vast fortunes; they have bled the people white. If you can't get it there, then cut down your Budget for Government expenses.

There are so many ways it can be done. It will be far better to curtail some of the activities of the Government, consolidate and eliminate some of the more or less useless bureaus of the Government, cut the salaries in the higher brackets, than to wring from the common people of the country this unjust, uncalled-for, and inexcusable tax.

The Congress will not occupy a very enviable position before the country if we sell $500,000,000 worth of bonds to relieve the banks, the railways, and the large enterprises of the country; if, in this time of stress, it passas appropriation bills practically equivalent to those passed in prosperous days, and then undertakes to levy a tax upon the poor people of the country, and undertakes to excuse it on the ground that it was necessary in order to balance the Budget. I am of the opinion that if the financiers had told us when we were passing all of these other huge appropriation bills that it would be necessary in the end to levy this sales tax in order to balance the Budget they would not have gone through so easily.

I am not one of those who believe that it is necessary to adopt this measure in order to save the credit of the country. I want to see the Budget balanced, but I will not vote for this sales tax as long as there is any other way to balance the Budget. I have faith in the country, and I do not believe that there is any danger that our financial fabric and our financial institutions will break down. I do not believe that the credit of our country will be impaired, even if we fail to levy this tax. I do not believe that the distinguished gentlemen on the Ways and Means Committee would stand up here in this House and say that if we fail to levy this tax that it will impair our credit. They have as much knowledge and as much judgment about this matter as anybody in the United States, and I do not believe they would for a moment think that if we fail to levy this tax that our financial system would break down. It is true that if at the end of the fiscal year 1933 we should have a deficit of $600,000,000 it would be far better to increase our national debt to that extent and let it spread over the years that are to come, which we hope will be more prosperous, than to lay a further tax upon the hard-pressed people.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. LOVETTE. Yes.

Mr. PARSONS. I am sure the gentleman noticed in the press this morning that the offer of $900,000,000 of securities of this country was oversubscribed to the extent of $3,350,000,000.

Mr. LOVETTE. I understand that is true. At the end of 1933, if we lack the amount of this sales tax, if we lack $600,000,000, I believe if you offered that to the public, it would be oversubscribed at that time to the same extent. This tax is going to be put on a class of people who can not pay it.

Another feature of this bill should not be overlooked, and that is that if we levy this additional tax on the business of the country it will further curtail the purchase of goods and further tend to break down the purchasing power of the public and as a result retard the recovery of business.

I can not see by what logic gentlemen can reach the conclusion that to levy a tax on business, whether it is absorbed by the business interests or passed on to the consuming public, will aid business. If that were true, we should double the tax in the interest of business recovery.

I have felt that we were at the bottom in this depression, but if you pass this sales tax you can rest assured that the business of the country will get its greatest blow and we may have to wait for some time yet to see the upward trend.

I therefore desire to register my objection to the sales-tax feature of this bill, and I venture the prediction that when it is once written into the law it will be a long time before we get rid of it. I would regret to see this burden placed upon the people of this country. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Chairman, I had always assumed that the measure now before the House was to be a tax bill. Now, I am in doubt as to what kind of a bill it is. The acting chairman and various members of the committee refer to it as a tax bill. The gentleman from Massachusetts discusses it in one breath as a tax bill and in the next urges its adoption on the ground that it embodies sound principles of protection.

I am reminded of the colored man who went fishing for tarpon off the coast of Florida. It was not long before he got a strike. As he seized the line preparatory to pulling in a fish, the tarpon gave a vicious tug which plunged the darky into the sea. Presently, he came up blowing and wiping the salt brine from his face. As he regained the side of the boat, he cried out to his companion, "What I want to know is whether dis yere nigger is fishin or whether dese yere fish is niggerin." [Laughter.]

While the bill in question certainly embraces a wide levy of taxes, it also applies the principles of a protective tariff under the guise of what is ingenuously termed an "excise tax." When people from my State questioned me as to the advisability of demanding from the Ways and Means Committee an excise tax upon pulp to protect Maine farmers and extensive business interests which are suffering from cheap pulp importations originating in countries with depreciated currency, my advice to them was, "Do not bother the Ways and Means Committee, which is attempting to deal with tax problems purely by advocating the levy of what is unquestionably a protective tariff duty." I told my people that they would fool no member of the Ways and Means Committee with talk about an excise tax. I cited the fact that this committee had very recently taken a strong stand against any legislation dealing with tariff schedules. I submit that I gave my people sound advice.

Here we have the Democratic Party in control of the House of Representatives and the Ways and Means Committee. For months they have fairly pummeled into the public mind the claim that existing high tariff duties were contributing, if not prime, factors in causing the present depression. When, upon the convening of the present Congress, it became the duty of the Democratic Party to do something about the evil tariff schedules of which they had complained, we all know what happened. That party introduced legislation which did not attempt to deal with a single tariff item but recommended that we postpone definite action until we could hold a conference with foreign nations, that they might assist in showing us what to do with our tariff schedules. The Democratic Party assumed the responsibility of continuing indefinitely, exactly as the Republican Party had written them, all the items in the Smoot-Hawley tariff bill against which they had so bitterly complained. It is the Democratic Party in this House, therefore, which has put itself on record as continuing high tariff schedules which have caused, as they say, so much damage to our people and the foreign trade of the country.

I did not hesitate to advise the business interests, which sought protection against the imports of cheap labor from countries which have recently abandoned the gold standard and thereby obtained an added advantage over American products, that the party which would not touch a tariff schedule under purely tariff legislation would certainly not be seduced by the siren call of those who advocated that an excise tax on oil be smuggled into the pending tax bill.

Imagine my amazement when this bill was reported to find that this Democratic Ways and Means Committee had levied a protective duty of 4 cents a gallon on imported lubricating oils and 1 cent a gallon or 40 cents a barrel on crude petroleum, fuel oil, and gasoline. Imagine my further astonishment when the gentleman from Massachusetts [Mr. TREADWAY], in his discussion of the pending bill this afternoon, urged its adoption in one breath on the ground that it was a sound tax measure, and in the next breath on the ground that it embodied the sound principles of protection. He urged its support by those sections of the country whose industries had received no protection in the bill on the ground that a certain section of the country had benefited by its protective duties.

This certainly is a most amazing statement to be made on this floor by a member of the committee in defending this anomalous Democratic highly selective protective tariff tax bill.

Understand me, I am not opposing necessary protection to industries in any part of the country. I am a Republican who stands for necessary protection of any American industry to the end that that industry may not be ruined by cheap importations with resulting unemployment of American labor.

I am here to say that those in charge of this legislation, instead of giving Members of the House and the public itself to understand that this was to be a pure tax bill, should have been perfectly frank about it and have said, "We propose to impose protective duties in the case of industries where protection is necessary."

The committee, I submit, erred in opening the door of its hearings to a single industry which, carefully avoiding the phrase "protective duty," employed the sweet and seductive term "excise tax," and emerged victorious, with its appeals answered, while the emergent needs for protection in other lines of American industry went unheeded.

Mr. PARSONS. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. PARSONS. If this is a protective tariff bill, whose bill is it? Is it the bill of the Democratic Party? Has the President recommended it or the Treasury recommended it? Whose bill is it?

Mr. BEEDY. I should imagine that the gentleman is as capable in mathematics as I am. It does not take long to figure out that 15 Democrats in the Ways and Means Committee can outvote 10 Republicans and control the legislation of the committee. You may say that the bill is the joint product of the Ways and Means Committee, in which both parties are represented; but you certainly can not deny that your party controls the Ways and Means Committee and is also in control of this House.

When you Democrats reported your tariff bill to the House recently, you did not have the courage to attempt a revision of a single item in the entire tariff schedule. Nevertheless you have continued to expound the awful truth that it was existing high tariff duties that brought about and were prolonging the business troubles in which we now find ourselves. The fact is that your party did not lay its hand upon a single item in the existing tariff law because you realized full well that lowered tariff duties meant the opening of breaches in the existing tariff wall which would result in a dangerous invasion of this home market by the products of cheap foreign labor to the further displacement of American labor.

I can not blame you for the stand you took in this regard. You did not care to assume the responsibility for legislation which would work inevitable damage. You, in effect, said to the country, in your reluctance to lower existing tariff duties, that you believe in the Republican system of protection. Having taken that stand, why did not the Democratic members of the Ways and Means Committee follow a consistent policy and give added protection in this tax bill not only to the oil industry but to the pulp industry and other industries which are hard pressed by foreign competition?

Mr. LINTHICUM. Will the gentleman yield?

Mr. BEEDY. Yes; I will be glad to yield.

Mr. LINTHICUM. In the first place, I, for one, on this side of the House, am opposed to a tax on oil. In the second place, I want to ask the gentleman what the Democrats could have done if they had brought in a tariff bill, with a Republican Senate and a Republican President? What chance was there to pass such a bill?

Mr. BEEDY. If you had brought in a proper tariff bill justified by facts which American industry would disclose, it would have received the almost unanimous support of the Republican side of this House and I doubt not of the Republicans in the other body and the President as well. There is not any question about that. But I repeat, your party

realized full well that the existing tariff wall ought not to be lowered. You knew perfectly well that it was of prime importance to save for American labor and American industry the present-day American market. You knew that every opening in our tariff wall which would be caused by a reduction of tariff duties would invite extensive importations of the products of cheap labor with resultant displacement of American labor.

You could not face the responsibility for the results which would have followed any lowering of existing tariff duties. Now I ask you why, having accepted the principle of protective tariffs and having inserted in the pending tax bill protective tariff duties under the guise of an excise tax on oil, why did you not likewise write some tariff duties into the bill in behalf of other industries?

Do you contend that this excise tax on oil was levied for the purpose of raising revenues? Why, the fact is this country exports oil. The oil industry sought this excise tax believing that it would prevent importations of oil from cheap oil-producing wells in foreign countries. If it is to accomplish its purpose, therefore, the excise duty on oil will yield but little revenue. If you wanted an excise tax to produce revenue, why did you not levy such a tax on pulp? This country imports 1,500,000 tons of pulp each year. An excise tax of $10 a ton which would practically offset the advantage enjoyed by Scandinavian countries through depreciated currency, would yield us $15,000,000 annually on pulp importations.

I repeat, that if protection will save the American oil industry, it will save the American pulp industry and make a market for the farmers' spruce. Whenever and wherever tariff duties will save an American industry and the American market, I am for a tariff. In the long run, all sections of our country must rise and fall together. Business depression in one section brings adverse repercussions in another. I stand, therefore, for the uniform protection of American industry. I object, however, to the concealing of legislation for the protection of a selected industry beneath the folds of an internal revenue tax bill.

Mr. PARSONS. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. PARSONS. The figures on world trade for the year 1931, under the year 1929, showed a reduction of 37½ per cent. The reduction of America's trade from 1929 to 1931 was 53 per cent. Can the gentleman explain to the House why the world trade has only 37½ per cent reduction and American trade 53 per cent?

Mr. BEEDY. I can not discuss that in the remaining 2 minutes of a 10-minute speech. I am saying that I protest against permitting one group to slip into the Ways and Means Committee hearings on a tax bill with a plea for protection, while other men, representing other industries and equally anxious to defend them, have advised against attempting to put over any tariff legislation under the guise of an excise tax, in hearings on a pure tax bill. Such procedure is unjustifiable.

If the oil producers of the West need protection, let them have it, but let all industry receive equal notice of the scope of pending hearings and equally fair treatment.

There is a bill pending before this House which would afford all industry a remedy against unprecedented advantages now enjoyed by foreign nations with depreciated currencies. The bill calls for the imposition of countervailing duties to offset low production costs incident to cheap foreign money. I hope we may have some hearings on this proposed legislation. I hope the oil industry and all other industries which need help will have equal opportunity to be heard and equal protection for the benefit of American labor and American industry in general.

Mr. HASTINGS. Will the gentleman yield?

Mr. BEEDY. Yes.

Mr. HASTINGS. I just want to say that both sides had a hearing before the Ways and Means Committee on the oil question.

Mr. BEEDY. I do not deny that but I am calling attention to the other industries which were never heard. [Applause.]

[Here the gavel fell.]

Mr. HILL of Washington. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. McCORMACK]. [Applause.]

Mr. McCORMACK. Mr. Chairman, I am very sorry that my friend from Maine [Mr. BEEDY] has seen fit to inject into the consideration of this bill a strictly partisan speech. I want to remind the gentleman from Maine that the Democrats may control the House by a scant majority, but that the Republican Party is technically in control of the Senate and the Republican Party is in control of the Executive department, yet we are confronted—and I say this impersonally—with the responsibility of trying to balance the Budget for the fiscal year 1933, that deficit having come under a Republican administration. We have had two other deficits, for the years 1931 and 1932, approximating $3,000,000,000, all of which came under the Republican administration from the President down to the control of both branches of the Congress. I think the gentleman's remark is wholly unfair, unwise, and inconsiderate at this particular time, when leaders and Members of both parties are trying to lift themselves above party action and above party benefit in the consideration of this bill.

Furthermore, while I feel the same way that the gentleman feels with reference to the tax on imported oil, let me say to the gentleman that he should not undertake to place the blame on the Democratic Party. That vote was submitted to the 25 members, and there were Democrats and Republicans voting for and against the amendment. It was not a party vote, and there was not much difference between the proportion of members in each party to their whole membership that voted for or against that amendment. I agree with the gentleman that a revenue bill should not be used for tariff purposes.

Mr. BEEDY. Will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. BEEDY. I want to make clear in the RECORD what I said as to the make-up of the committee. Everybody here knows that there are two Democrats on that committee to every Republican. I do not know what occurred in the committee.

Mr. McCORMACK. And I am not stating what occurred in the committee. My purpose is to try to present the pending revenue bill rationally to the members of the Committee of the Whole, and the gentleman has not assisted by his remarks.

I realize the emotions and thoughts which are running through the minds of the Members, because every thought and every emotion that is running through your minds ran through my mind and the minds of members of the Committee on Ways and Means. The thoughts and emotions and your immediate reaction to this bill were substantially the same as those of each and every member of the Committee on Ways and Means at some time during the consideration of the pending bill.

It is my purpose to discuss the manufacturers' excise tax impersonally and in an attempt to appeal to your rational and not to your emotional mind. I want to present the facts and evidence to you as I see them, the same as I would undertake to present them to a jury if I were trying a case in either a civil or criminal court. This is a matter that should be viewed rationally and not emotionally.

As I said in the committee, when the thought of a manufacturers' excise tax was first proposed I was opposed to it, just the same as undoubtedly many members of the Committee of the Whole are opposed to it at the present time. I am opposed to the principle of a sales tax. I am opposed to the principle of a manufacturers' excise tax, but if I believe it is necessary for the interest of our country to balance the Budget for the fiscal year 1933, and the additional revenue necessary to balance the Budget can not be obtained through a selective sales tax as recommended by the Treas-

ury Department; if necessity demands that we balance the Budget, then I am willing to suspend temporarily my ideas so far as the principle is concerned and recognize the demands of the law of necessity.

Mr. BOLAND. Will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. BOLAND. I appreciate the attitude of the gentleman from Massachusetts on this particular bill from a patriotic standpoint. He is willing to sacrifice his own ideas to go along, but I would ask the gentleman from Massachusetts whether in the consideration of this tax bill the Ways and Means Committee considered a tax on capital stock? I might remind the gentleman that in 1926 there was over $100,000,000 raised on a capital-stock tax. Did the committee consider that?

Mr. McCORMACK. I will come to that later, if the gentleman will wait.

Mr. BOLAND. I might ask the gentleman if the committee considered the tax proposed in a bill on which I appeared before the committee, namely, a tax on trucks and busses?

Mr. McCORMACK. I will take up one question at a time. I will answer the question with reference to a tax on capital stock a little later, if the gentleman will wait. The thought that was impressed upon my mind at the outset of the hearings was that it was necessary for the Government to balance the Budget for the fiscal year 1933. In 1931 we had a deficit of $903,000,000. In 1932 we will have a deficit approximating $2,600,000,000, including the appropriations referred to by the gentleman from Maine and by other gentlemen with reference to the Reconstruction Finance Corporation, the $125,000,000 for the Federal farm banks, and without regard to such other appropriations as we may make which will be effective during the fiscal year 1932. That means that approximately $3,000,000,000 has been added to our national debt. The members of the committee, or at least a great majority of them, were impressed by the fact that it was necessary for us to balance the Budget for the fiscal year 1933; that if Government bonds are offered to the public at par and then within a day or two or a week or a month drop to 85 or 86, the Government would have extreme difficulty in having its necessary offerings accepted by the general public.

A great majority of the members of the committee considered the probable effect of the failure to balance the Budget for the fiscal year 1933 upon our business life. If business is affected adversely, it in turn affects all classes of employees. Our whole economic life is centered around our business activities. Our failure to balance the Budget for the fiscal year 1933 would further aggravate the condition we are in at the present time, and would operate as a deterrent to a return to normalcy, or at least a deterrent to a more speedy return to normalcy, and our failure to perform our duty is going to result in conditions that will ultimately receive the condemnation of the general public.

On the one hand, there are those who claim we should not impose a manufacturers' excise tax; on the other hand, there are those who feel that we should, of necessity, balance the Budget. If we are going to strike out the manufacturers' excise tax from the bill, at least those who are going to vote for the motion and who still believe we should balance the Budget should offer something as a substitute therefor.

The committee considered all these questions.

Mr. PETTENGILL. Will the gentleman yield?

Mr. McCORMACK. I will yield to the gentleman in a moment.

We considered the recommendations made by the Secretary of the Treasury. We considered the 7 per cent tax on the domestic consumption of electricity and gas; we considered a 5 per cent excise tax on the automobile industry; we considered a stamp tax; we considered the other recommendations made by the Treasury Department; and we heard the evidence in opposition, and sitting there and deciding as fairly as we could, trying to act in the capacity of judges weighing evidence, we reached the conclusion that most of these recommendations were such that the businesses they were directed toward would feel such serious results as to affect them to a great extent and thereby affect the other industries allied with the major industries toward which the recommendations had been made.

I now yield to the gentleman.

Mr. PETTENGILL. The gentleman has stated that he and the other members of the Ways and Means Committee, much against their principle and desire, have favored the manufacturers' tax as a matter of absolute necessity on account of the anticipation that the United States Government credit is, or shortly will be, exhausted, and that United States offerings can not be sold at par. In view of the fact that an offering of $900,000,000, offered on Monday morning, was oversubscribed in 48 hours three and a half times, 3.8 per cent money being oversubscribed three times, and 3.75 per cent money——

Mr. McCORMACK. I yielded to the gentleman for a question. I am not yielding for the gentleman to make a speech. I have read the papers the same as the gentleman has, and I am prepared to answer his question.

Mr. PETTENGILL. I simply want to complete my statement and then ask the question.

Mr. McCORMACK. I yield for a question. What is the gentleman's question?

Mr. PETTENGILL. The question is, Does this report change your mind as to the anticipated danger of the Government not being able to sell its securities?

Mr. McCORMACK. No. When the committee was in executive session considering the reporting of this bill the Secretary of the Treasury was in New York City trying to make arrangements for that loan, and the bankers, as we understood and as it was reported to us, were withholding what consideration they would give with respect, first, to the loan; and, second, to the rate of interest, pending the question of whether or not the Ways and Means Committee reported out a bill which showed a determination to balance the Budget.

Furthermore, if we go back only three or four or five months, there was an issue of the Government which was just oversubscribed, and was accomplished only as a result, I am informed by the Treasury Department, of calling up different bankers, calling up those with whom they have communication and connection, and asking them to subscribe, so that the issue would not be a failure. But, further than the Government bonds, failure to balance the Budget will affect business adversely; and if business is further affected adversely this means further deflation, and instead of having the American public standing it manfully, as they are doing now, we will have the conditions of 1873, when the militia was called out. We will have the conditions of those days when religious processions of all creeds were walking the streets of all the cities praying for a rapid return to a condition of normalcy.

The American public has stood this depression wonderfully. Various organizations have played their part, and we should salute organized labor—particularly the American Federation of Labor—for manfully cooperating in this great period of depression. We all want a return to normalcy. We have had our days of ecstacy prior to the collapse of October, 1929, and we are now undergoing the days of pain.

Do you think I want to vote for any bill that is going to raise taxes? Does anybody want to do it? We all like to vote for every bill appropriating money and against all bills the purpose of which is to raise revenue; but we have a duty to perform, and the American Government is the American people. The Government is simply the machinery of American society, operating in accordance with the will of the American people as expressed in the Constitution itself. After a review of the evidence and considering existing conditions, the committee found as a fact that we were confronted with a necessity requiring the balancing of the Budget for 1933.

If any member of this committee feels that the Budget should not be balanced for the fiscal year 1933, I have no

differences with him. He is consistent. He says that he does not favor the heart of the bill, which is used and which is necessary as a means of balancing the Budget. He takes the position that he does not approve of it in principle and does not think that the necessity exists, does not think we should therefore balance the Budget, but that we can add the deficit onto our national debt in addition to the $2,000,000,000 that will have been added by the end of the present fiscal year. While I disagree with that man, I respect the fact that he is consistent. But the member who feels, as I do, that we should balance the Budget and is willing to wipe out or amend certain parts of the bill without putting something in their place which will assure approximately the same amount of revenue is completely inconsistent with the position he has taken.

Mr. DOUGHTON. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DOUGHTON. Can the gentleman state his authority for the statement that the American Federation of Labor favors a manufacturers' sales tax?

Mr. McCORMACK. I did not undertake to say that they did.

Mr. DOUGHTON. I thought the gentleman substantially stated that.

Mr. McCORMACK. No; I paid my compliment to the American Federation of Labor. I simply gave them a salute for the outstanding way in which they have been cooperating and working patriotically shoulder to shoulder with everybody else in this great period of depression. I am pleased that my friend has asked the question, so that any doubt may be removed from the mind of anyone here as to what I did say. I do not know what their position is on this question.

Mr. DOUGHTON. It has only been recently that Mr. Green, the head of the American Federation of Labor, stated positively and emphatically that they opposed a sales tax.

Mr. McCORMACK. Was that statement made within the last day or two?

Mr. DOUGHTON. Oh, no; not in the last day or two, but recently.

Mr. McCORMACK. Then I do not think that anyone should try to place them indirectly on record either for or against the excise-tax provisions.

Mr. Chairman, we were confronted with all the problems that you are now confronted with. For eight weeks we considered the problem before this bill was reported into the House. It is only natural that you gentlemen should entertain doubts; it is only natural that you gentlemen should seek evidence. I would. I had eight weeks of it, sleeping with it, eating with it, and I realize what you are confronted with. Every man is justified in taking the floor and expressing his views. But back of it all is the deficit; back of it all is the third year of a deficit. Back of it all is the danger of further inflation, of further disadvantages to business life. Back of it all is the danger of Government bonds going down in the market, the bonds of the Federal Government selling as low as 83 the other day, and when this bill came out taking a sharp upward jump.

I will not say that failure to balance will destroy the credit of the Government; but I do say with emphasis that it will impair our credit, and it would not stop there. It would further impair the credit of business, and none of us want that, even those Members who are opposed to the balancing theory and its necessity.

I do not care what kind of a bill you pass; let us balance the Budget. If you do not want a manufacturers' excise tax along the lines proposed in the pending bill, which in principle I am not in favor of, but necessity and duty, as I see them, prompt and compel me to vote for, strike it out, in whole or in part, but insert something that will balance the Budget. If you do not want temporarily the excise tax, and even if, under necessity, you can not for two years suspend your convictions, vote it out, but put something else in. I would like to vote against any revenue raising bill this session. I am human, like anyone else. I am inclined to feel that if I could bring myself to the opinion that we could defer balancing the Budget for 1933, without the same causing greater distress and prolonging the unfortunate period that we are undergoing, or if I had a reasonable doubt, that I am not only human enough but possessed of sufficient practical political sense to do so, there is no doubt in my mind that what the natural and probable consequences of our failure to balance the 1933 Budget will be such that I hesitate to picture the same in my mind, and I deliberately refrain from expressing my thoughts on this subject.

Is there any gentleman here who will say that he wants a stamp on bank checks except as a last resort? Will the majority of the Committee of the Whole favor a 7 per cent tax on domestic gas and electricity? Will a majority of the committee say that they want a 1-cent tax on gasoline? Will a majority of the committee say that they want to increase the first-class postage from 2 to 3 cents? The above and similar taxes are necessary if the excise-tax provisions are stricken out. Let any member make any one of the above without making all of them and he will be properly flooded with letters and telegrams of protest. I speak from experience.

Remember, this method is only to be for two years, and then it automatically expires. Why did we put a limit on this aspect of the bill and not upon the income, corporation, estate, and gift tax increases? Because if at the end of two years it were necessary to continue some of the taxes reported in the bill, that the excise-tax feature would not be the part of the bill that would be continued. Opposed to the tax in principle, resorting to it only on the ground of necessity, we did not want to have such a tax policy become permanent. We have witnessed the experiences of France in this respect. The increases in the income, corporation, estate and gift taxes were made permanent so that two years hence there would be no contest waged to determine which method of taxing would continue, in the event that the Treasury condition was such that all additional taxes herein imposed could not be repealed.

Now, I want to express my views from another angle.

I think it is reasonably necessary and fair to impose a tax equitably on all business, and thereby avoid imposing on a few selected industries a tremendous burden. In order to do this, under the circumstances that confront us, the excise tax is the only way that the rule of approximate equity and justice could be applied. With that in mind, there are some features of the tax recommended that I think can be corrected, and when I make the suggestion of how they can be corrected, I shall also recommend reluctantly a means whereby the loss of revenue resulting therefrom will be secured in another direction by way of substitution. I do not want to tax food. Who does? None of us want to tax food. The committee made as few exemptions as possible, and yet many foodstuffs are not exempt. Certain meats, canned food, and food of different kinds are not exempt. The last thing that we want to do is to tax food, and necessity is the only motive which prompts it. If we eliminate food, and that includes not the tax on the can but on the product going into it, except that which might be used commercially, as in a hotel or a restaurant, because that is not food going into the home life, and substitute the capital-stock tax that the gentleman from Pennsylvania referred to, we would pick up from $50,000,000 to $100,000,000, according to the amount of the tax. A capital-stock tax was imposed during the war and remained a part of our revenue laws until 1926. It was in the nature of an excise tax on the privilege of corporate business and was imposed at the rate of $1 for each $1,000 capitalization. I do not like to resort to it unless it is necessary, but I feel as between taxing food going into the home and imposing a tax of a dollar on each thousand of capitalization or even 50 cents a thousand, if all we need is $50,000,000, we would be justified in saying to the American people and to corporate activity that they should bear this additional burden. That is the suggestion that I make.

Mr. BOLAND. What about my question so far as taxing busses and trucks on the road is concerned?

Mr. McCORMACK. Oh, do not get me into that question. The gentleman can offer his amendment. I have answered the gentleman's question in respect to the capital-stock tax, and I have frankly given to the Committee of the Whole, impersonally, my view on that subject. If they want to cut out food, I am with them. I think every member of the committee would be with them; but you must substitute something else, and the only substitute that will bring in a substantial sum of money is reviving that tax which was imposed during the war. That is simply a suggestion upon my part.

Mr. BOLAND. I appreciate the views and frankness of the gentleman, and I desire to state that I shall offer such an amendment.

Mr. McCORMACK. There is another provision in the bill which I think should be corrected, and as corrected will be an improvement which will bring greater satisfaction generally. I do not like to see a 10 per cent tax on amusements with only a 24-cent exemption. I favor a 50-cent exemption. Up to that amount admissions should be exempt. However, if you go below 50 cents, then I feel we should go down to 25 cents. That is the position which I have always consistently taken. The Treasury says that in excess of 50 cents the revenue would be $33,000,000. I have received figures from other sources saying that that estimated revenue is low, that it would be approximately $60,000,000. In any event, the theater and the movie are more or less a part of our home life. Remove them from the life of America or impair their use and benefits and you are taking out of each and every one of our lives some little thing which goes for personal enjoyment. It goes for diversion and pleasure. It goes for interest and education. The youngster saving his pennies, and even the poor family, the farmer, and all others who are struggling to keep their family together, like to go to the movies or have their children go. A 50-cent exemption is a fair proposition. When that matter is reached, consistent with the position that I have always maintained, I serve notice that I shall offer an amendment excluding the tax up to and including 50 cents admission.

I know that all of you will vote as your conscience dictates, but I think you ought to vote upon this bill rationally. I have heard arguments here that appeal to my emotion, and I have emotion just the same as all of you, but this is not a matter for emotional consideration; it is a matter for cold-blooded rational consideration. If you believe as I do, that the Budget should be balanced, and that it is necessary, or reasonably necessary, after two years of deficits to balance the Budget, then we have to face the task manfully. This of necessity is the best that we could suggest. Mark you, I say "of necessity." I am not wedded to this tax. I disavow it in principle. I denounce it as ever becoming a part of the permanent law of our land, but I predicate it now wholly upon the ground of necessity. I felt constrained to vote with the committee to put that into the bill, reserving to myself the right to try to correct it here and there by amendments which will not be fatal. If other amendments are offered, wiping that out of the bill in whole or in part, which convince me are better than the excise provisions, I shall support the same. But I will not support recommendations made by the Treasury if offered as a substitute. However, I will hesitate to substitute the judgment and recommendation of any individual member as constituting something better than the collective judgment of the committee, after eight weeks of hearings and executive sessions. I have not injected into this debate the views of Mr. CULLEN, Mr. SULLIVAN, and myself on the question of taxing beer, because, at this time, I do not want to put the wet and dry question into this debate. At a later time I will discuss that question. In this first instance, I wanted the members of the committee to report out a bill that would balance the Budget, even without regard to that important question.

Everybody knows my views. I look at that question liberally, and I respect the right of any man to differ with me. I respect the right of any Member possessing liberal views, but who represents a constituency which entertains dry views, under the theory of representative government, to carry his constituents' views into operation and effect. I am not referring to it now, because my purpose at this time is to discuss the advisability of putting a bill through which will balance the Budget, and which we know is legal under existing law, and which will ultimately, if passed by both branches, become law. The question of the prohibition amendment will come up later, and we can meet that problem face to face, but as far as I am concerned there will be no sharpshooting. There will be no effort to put any Member in an embarrassing position by attempting to strike out a certain tax which is objectionable and put this in its place, and putting the Member in a position where "he is damned if he does and damned if he don't."

[Here the gavel fell.]

Mr. HILL of Washington. Mr. Chairman, I yield to the gentleman from Massachusetts five additional minutes.

Mr. McCORMACK. As far as I am concerned, it is a clear-cut issue. But I referred to that so that you will understand why I deliberately refrained from discussing it on this occasion, so that I may discuss the main question involved, the balancing of the Budget for 1933.

We are a jury. We are a jury of the American people. We have to perform that duty in a steadfast manner. Evidence has been presented to all of us and we are sworn to perform our duty, in accordance with our oath of office, for the best interests of the American people of to-day and to-morrow. We have our difficult problems in our generation.

Past generations of Americans had their difficult problems, and they decided them in their day in such a manner that we enjoy the country that we have to-day. Are we going to be false to the trust that has been placed upon us by the past generations of American citizens? Are we going to say that we of to-day will fail to perform our duty and that we are false to the obligation placed upon us by the past generations, to preserve that which they built up and to improve upon it for the benefit of future generations of Americans? As far as I am concerned, I am going to perform my duty as I see it, distasteful though it may be. I am going to try to perform it in a way that will be for our best interests, and for the best interests of the generation to come. Not only must we safeguard the efforts of past generations, but we must assure to the future generations unimpared those great institutions of government that we inherited. Speaking for myself, I am prepared to meet the issue.

America has had these crises in the past. We had one in 1837; we had another in 1873; we had another one around 1890; in the early 1900's; and we had one in 1920 and 1921, although a minor one, and we have this depression. And every time we came forth, our wealth increasing, our people confident, possessing that fine feeling of individuality upon which our country is predicated. Abuses there are which must be corrected, but I have faith in America, and if we are to continue to have faith in America, we of to-day must perform our duties in such manner as our forebears performed theirs in their time, and in such manner as will ultimately reflect credit upon ourselves, our people, our country, and which will command the respect, admiration, and appreciation of the future generations in the recognition of a duty well done. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. SIROVICH.]

Mr. SIROVICH. Mr. Chairman, ladies and gentlemen of the committee, at the outset of my remarks I desire to pay the tribute of my respect and homage to the genial, gracious, and generous acting chairman of the Committee on Ways and Means, Mr. CHARLES R. CRISP. He has worked earnestly, assiduously, and indefatigably as a patriotic American in trying to formulate a bill that will balance the Budget of our great republic, and as a worthy scion of his illustrious and distinguished father, a former Speaker of the House of Representatives. [Applause.]

In paying my respect to the distinguished acting chairman, I am not unmindful of the magnificent contribution that his predecessor in office, my beloved colleague, the Hon. JAMES COLLIER, rendered in working so loyally and conscientiously in the performance of his duty. [Applause.] So loyally did he labor in the quarry of service to our country that nature took its toll from him, until he found himself lying prostrate and helpless, the victim of overwork in his love and patriotic devotion to the service of our Republic. That God Almighty may prosper him and help him to be restored to full possession of his health is, I am sure, the sentiment of every Member of the House of Representatives. [Applause.]

To balance the Budget and levy taxes that must be unwelcome everywhere is the obligation that has fallen upon the shoulders of every member of the Committee on Ways and Means. Whether we agree with them or not, I am sure every Member of the House respects and admires the men for their courage and for their fidelity to their work. [Applause.]

The mysterious power that rules the universe reveals Himself to mankind in three mystical and mysterious ways: 1. Through the life of the universe, which we term nature. 2. Through the thoughts of man, which we term art. 3. Through precision and exactness of mind in correct thinking and observation, which we term science.

The study of nature, art, and science constitutes the culture and civilization of the world. From time immemorial this knowledge has been bequeathed to mankind through the medium of the stage. The stage is a mirror in which the life of a people is reflected through the drama. Nations prosper as the drama prospers. We have different kinds of drama—comedy, farce, tragedy, and melodrama. Each has a following that appeals to millions.

In the bill to provide revenue, equalize taxation, and for other purposes there is a tax upon the spoken drama and motion pictures. To tax the theater industry 10 per cent while most others pay only 2½ per cent is unjust and unfair. The theater tax is a tax upon culture and education. Forty-two per cent of all the spoken-drama theaters throughout the United States to-day are closed. Over 50 per cent of all actors and artists employed in the theater are walking the street, helpless, hopeless, and despondent. Of 20,000 musicians in the theater, less than 10,000 are at work today, and in New York City only one-third of them are engaged. Forty per cent of stage hands, electricians, carpenters, and dressmakers are working in the theatrical profession. The balance, 60 per cent, are helpless derelicts that have been swallowed up in the sea of economic depression.

The spoken drama for centuries and centuries has kept up the morale of the people. Radio and television are depriving the spoken drama and motion-picture industry of hundreds of thousands of customers. Radio appeals to the ear and television to both the eye and ear. This medium, besides the economic depression, has been responsible to a large extent for closing 5,000 motion-picture theaters in the United States. Motion-picture stock that a year ago sold at $75 is down to $3 a share, while many other motion-picture stocks that sold for $60 and $90 are down to $2 and $4 a share. Does this show a prosperous condition in the theatrical profession?

The total income from admission tax for 1930 from prize fights, concerts, musical dramas, and the spoken dramas was $4,230,000. For the year 1931 it was $1,845,000, a 40 per cent fall in income. Is it just to operate upon an anæmic industry like the spoken drama that is already terribly afflicted with the cancer of depression? In European countries the theater has never been taxed because the power to tax is the power to destroy. In almost every country in Europe, as well as in South America, theaters are subsidized by the Government to keep up the morale, courage, and education of the nationals of those countries. The least that the United States should do is to take its hands off the amousement enterprises of the people that mean so much to the great masses of the citizens of our Nation.

The largest motion-picture theaters, as well as the spoken-drama theaters, in various cities of our country are to-day in the hands of the receivers. When you take away the theater from a city or town, you take away its heart, leaving its inhabitants lifeless and pulseless. Why not put a tax on the sale or lease of motion pictures directly? Then you place the tax at its source instead of upon the shoulders of the poor and humble whose only form of recreation is the theater and motion picture? [Applause.]

There is another great evil which is afflicting the spoken drama in the United States. The tragedy of this evil has come before me as chairman of the Committee on Patents and Copyrights.

In considering proposed amendments to the existing copyright law and revisions of the same, the House of Representatives Committee on Patents and Copyrights, of which I have the honor of being the chairman, has been conducting a series of hearings at which have appeared representatives of newspapers, periodicals, magazines, and various literary, artistic, musical, motion-picture, and dramatic interests who are vitally concerned in many of the proposed changes of the existing copyright statutes.

Congress meets not merely to pass legislation but to consider the general welfare of our country and the well-being of its individual citizens in all of the channels of trade, industry, and commerce, which afford them a livelihood. No matter of paramount interest is foreign to the ears of the Congress of the United States.

Therefore, in considering any great artery of human endeavor through which thousands upon thousands of our citizenry are engaged in making a livelihood, we need offer no apology in lending an ear to any protests that are made in good faith and are apparently founded in fact. [Applause.]

In early history development of constitutional institutions in England, upon which our Government is largely patterned, requests for legislation or relief of any nature were initiated by petitions to the King and later on to the House of Commons. Even to-day, in the CONGRESSIONAL RECORD, Members in both Houses of Congress present petitions of sundry citizens of their various constituencies requesting not merely relief in legislative fashion but advising the Members of the Congress of the United States about conditions in various portions of the country and in divers industries in which they are engaged.

I present, therefore, to the members of this honorable body, Mr. Speaker, ladies, and gentlemen, in as impartial a fashion as I am capable, conditions relative to the legitimate drama and theater in the United States which have come to my attention as chairman of the Committee on Patents, Copyrights, and Trade-Marks.

The theater is one of the oldest of our social institutions. Along with the institutions of religion and that of the family it forms a trilogy which finds its counterpart in the earliest writings of recorded history. The theater and the drama have had their bearings deeply in the roots of all civilizations and comprise a considerable portion of the classical literature of ancient Greece and Rome.

I do not propose to trace the history of the theater or to emulate the great creative minds that have been devoted to it throughout the centuries, but suffice it to state that the theater in modern America is not only one of our great institutions, a great source of popular entertainment and a tremendous focus of social life appealing to millions of men and women throughout the length and breadth of our land, but a vital economic institution as well. A genuine business—a business financially interrelated with a great many industries, giving employment directly and indirectly to hundreds of thousands of our population. In these times of economic depression we should give heed to any protests which are made concerning the depreciation of any of our economic institutions and any suggestions which are deliberated upon in good faith for the improvement of the same. [Applause.]

The theater is definitely one of the great businesses of our country. I do not allude to the theater as a form of artistic expression or even as an agency of pleasure giving to the public or as a social institution, but I am viewing it

from the angle of cold reality as a business which employs actors, stage hands, musicians, electricians, carpenters; which needs scenery, costumes, wardrobes; which occupies buildings, giving rent to landlords and, in turn, taxes to the State; and which indirectly utilizes every known agency of transportation and commerce in this country. I speak for the dependent millions who look upon the theater as a source not merely of entertainment and inspiration but of real livelihood. [Applause.]

Disinterested observers of the legitimate theater in America prior to the period of economic depression witnessed the gradual decline of the importance of the spoken drama as a form of entertainment in this country with the development of, first, the silent motion picture and then the talking picture and the concomitant evolution of the radio and presently of television. The speaking stage has been assailed on many fronts. In the first place, the great economic power of the motion pictures took the finest talent both in form of players and playwrights from the legitimate theater. The economic gains in motion-picture and radio work have been so enormous that they have veritably dwarfed, for talented persons, the value of the legitimate stage as a source of economic income. When the depression and the decline of prosperity in this country visited us in the fall of 1929, the legitimate theater had already been subject to many adverse forces which were disintegrating in character.

The depression has not aided the cause of the legitimate theater, especially when we consider the enormous competition of motion-picture and radio productions. The legitimate theater has had to face the tremendous fact that in America people simply have not had sufficient money to patronize the productions of the spoken drama in large enough numbers to make it universally profitable. The theater, being a luxury, was more deeply affected than a great many of our other economic institutions. Along with these factors was the ever-prevalent one of the real paucity of good plays. The theater, while it is a tremendous business, is affected by all the temperamental motivations that characterize any form of artistic endeavor. There is not the same stabilization in the products of the theater that one can find in industries dealing in staple commodities. Public taste, individual preferment, changing fashions in the types of plays most loudly acclaimed by the public are incidental factors that no human mind can either foresee or completely control. The enormous artistic success, beautifully produced and fully conceived, may be a tremendous box-office failure, while a play appealing to the lowest of human passions, overfilled with suggestive lines, and seething with vulgarities may, in the effective phraseology of theatrical vernacular, " turn them away every night." Those forces are uncontrollable. They have worked profoundly for the retardation of the legitimate theater in America.

Another group contends that the difficulties of the theater find their origin in the vast perversities of the people who control the destinies of the legitimate theater. That there have always been controversies between those who criticize and those who are the subjects of criticism is elementary, but in no other field have the forces been so thoroughly embittered against each other as those of the legitimate drama and the critics of the same employed by newspapers and periodicals.

The protests that have come to your committee and myself as chairman of such committee may be briefly summarized in the following fashion: That the legitimate theater finds itself in dire straits; that a great many producers of the spoken drama are either in actual bankruptcy or are on the verge of it; that rows upon rows of theaters are dark, vacant, and empty; that literally tens of thousands of our men and women who are directly or indirectly employed by the theater are idle or in want and penury; and that these conditions of the legitimate theater are chiefly attributable to the malicious, wanton, unfair, and abusive criticism of these dramatic critics. That is the view given to me in the form of official petitions, in the form of protests by the men and women of the spoken stage.

The dramatic critics, on the other hand, are extremely hostile and antagonistic in their views. They agree with the producers of the legitimate theater that the spoken drama is and has for a long time been in a bad way. They attribute the steady decline of the legitimate drama not to their own criticism but to the lack of judgment on the part of the business men of the theater and the types of plays which they have produced. They charge a great many producers are irresponsible people with no training in the arts of the theater, no acquaintance with its history and traditions, and no sympathy with its ideals. The dramatic critics contend that they are the real custodians of the high ideals of the theater; that the reason that the spoken drama has lost its popular appeal is that these ideals have been sold by the producers for a mess of pottage.

Dramatic critics have the power to either make or break a play. To the vast majority of those who patronize the theater the verdict of the dramatic critic is final. The critic is the ultimate arbitor of the taste of playgoers throughout the Nation. Therefore, an all-powerful weapon is delivered into the hands of the dramatic critics of our country. When we consider the amount of money, effort, skill, and time that go into the making of the average play before it is finally produced, that it must be presented in smaller communities before it finally reaches the great centers of population like New York and Chicago, that whether or not this enormous investment will turn out to be a success or failure depends on the whim and caprice of the dramatic critics, I say that it is only fair to ascertain from the facts whether this enormous weapon has been utilized by the dramatic critics in an honest, fair, and impartial manner and in accordance with the highest ideals that have motivated all artistic criticism from the beginning of time.

What then are the facts in the case? Let us take New York for example: New York is the greatest theatrical center of the Western Hemisphere and regarded by some people to-day as the greatest theatrical center of the world. In metropolitan centers the press is powerful and employs critics at the highest salaries ever paid to men in that field. These critics hold the fate of at least nine out of ten dramatic productions in the hollow of their hand. Upon their ipse dixit depends whether or not a producer's effort shall have been in vain and whether or not his entire monetary investment shall have been wiped out. After tireless months of effort opening night arrives in a New York theater. Actors and actresses on the stage, the manager and the producer himself, his eyes bleary from lack of sleep, look for a sign of comfort in the faces of the critics as they languidly enter the theater. The next morning the verdict of the jury will be out and will seal the fate of another dramatic production and will declare whether or not it will live or die. Endowed with this power of life and death over a dramatic production, have these critics outlined their power in accordance with standards that have universally prevailed in the field of criticism. Let us see.

What are the historic standards by which honorable criticism should be guided? The first and foremost standard shall be that of fact; the honest reporter reports the facts as he actually finds them without prejudice, without coloration, and without edited opinion. [Applause.] Criticism has always existed. It is parallel with the growth of the drama throughout its long history. The real founder of criticism was Aristotle who, in his Poetics written about 323 B. C., laid down certain basic requirements for all dramatic theory. He held, for instance, that real tragedy " should be an imitation of an action that is serious, complete, and of a certain magnitude." In the Roman period, the poet, Horace, in his Poetica, written about 10 years before Christ, followed the Aristotelian theory. These two classical writers served as models for all types of artistic criticism prior to the revival of learning and the Renaissance.

It is amusing to notice that the first satire on critical criticism was made hundreds of years before the Christian era by the Greek playwright, Aristophanes, in his immortal work, the Frogs. Even in those far-distant days, it seems

that playwrights and critics were already born enemies. The real difficulty is that most criticism is really subjective, and that most critics regard the objects of their criticisms in the light of what they would wish to see, rather than what they actually see. The late Earl of Balfour, the great English statesman, aptly stated in a lecture on Criticism and Beauty that the same work of art which moves one man to admiration moves another man to disgust. What arouses the enthusiasm of one generation leaves another hostile or indifferent.

The great standards of criticism that have been universal from time immemorial, especially as applied to the legitimate theater, may be enumerated as follows:

First. An accurate statement of the facts.

Second. A mature consideration of the play criticized.

Third. An impartial view of the offering, not from the personal standpoint of the critic but from that of the universal standards of the theater.

Fourth. Not mere condemnation but constructive suggestions for the playwright and producer as to how the play might be remedied and some of its apparent faults corrected.

It is related of George Bernard Shaw, who incidentally wrote Fanny's First Play in criticism of the critics, that in his younger days, when he was a dramatic critic, he sometimes devoted an entire week in preparation of his article of criticism. When we consider Mr. Shaw's strong individualism and his own closely held ideas of the theater, it is a fine commentary on his high character and intelligence that he devoted himself faithfully and impartially to characterizing the work of other men. [Applause.] For four years he was one of the major critics of the London theater, and his dramatic criticisms stand among the great literary efforts in that field in our time.

In addition to these standards which are universal in nature, it is only fair to require of a dramatic critic that he possess certain personal qualifications. It is simple justice to expect that man, who by turning his thumbs down can blast the hopes of a playwright and ruin the efforts and investment of a producer, should be familiar with the literature of the theater, the history of the drama, and also the bulk of dramatic criticism that has been written in the past. He should know something about the Greek, the Elizabethan, the Restoration comedies, the great French and Spanish dramas. He should be familiar with the leading treatises on scenery, lighting of the stage, as well as books on acting itself. He has represented to the public that he is an expert and that by his expert advice it should be guided. Just as a physician or lawyer, by exhibiting a shingle in public, represents a minimum of learning in a professional capacity, so should the dramatic critics be guided by definite standards and be possessed by a modicum of basic equipment.

Have their representations to the public been true or false? What are the facts? We find among the dramatic critics, as among all other types of men, the highest rung of human intelligence as well as the lowest. Just as in music there are eight notes in the scale and different gradations between them, so among dramatic critics there are the high and low notes. Some men are very admirably equipped for their works—men of great culture, fine training, deeply versed in the arts of the theater, widely read in its literature, abreast with the latest developments of dramatic scholarship in this country and on the Continent as well, honest and conscientious in their efforts, fair to the public and producers alike. There are others, in the main young men, cynical, obsessed with that type of inferiority complex which finds its outlet in attempting to tear down the works of other men. They mistake wise cracks for criticism and substitute smart-aleck comments for culture and scholarship. They view their functions as critics from a destructive standpoint. They consider that night in the theater only well spent which finds its sequel in the terrific abusive panning of the play in their criticism on the following morning.

They are flippant, irreverent, frequently misguided by a false sense of what they regard as wisdom. They belong with the school of literary critics who believe it is smart to deprecate, and only deprecate. Their professional standards are equally low. Instead of conscientiously reporting the play, they generally appear long after it has begun and leave a considerable period before it is finished. They know that a play is bad even before they have seen it, and they come merely for the formality of confirming their preconceived notions. These are the critics who are untrue to their employers on the newspapers, unfair to the credulous public, unfaithful to the trust reposed in them, and, above all, unjust to represent the great American newspapers that they disgrace with their abusive criticism. [Applause.]

I would not want to be regarded as applying the term of dramatic critic of even the lowest form to the type of columnists who have made their appearance in the past few years and who live on the lowest type of dung, who subsist by bandying gossip about individuals. It is a sacrilege to apply the term of dramatic critic to these men. They deal in the lowest and vilest type of human talebearing, and their work and success is based on their sadistic desire to derive pleasure and happiness from the anguish, pain, and humiliation they inflict upon men and women pilloried in their column. These men are not dramatic critics. It would be unfair to even the lowest form of dramatic critic to so regard them. They are a passing phase of mental depravity which all good men and women in and out of the theater hope and know will soon fade out of the picture.

At the highest rung of American dramatic critics stands a most unusual gentleman, a man with a great many of whose views I am in disagreement, but for whose character, idealism, and scholarship I have the highest respect. He is an eccentric individual of the most pronounced type. He really belongs to the school of philosophical anarchists who adhere to no given law. He has established standards for the theater that are really unattainable. He believes in art for art's own sake. His æsthetic and artistic standards give him that isolation of eminence which can never be approached in real life. George Jean Nathan symbolizes, to my mind, the highest idealistic standards obtainable in the spoken drama. Perfection—who can achieve that ideal? To really satisfy his æsthetic tendency we should have a specially endowed theater; but I am fearful if this endowed theater ultimately reached the high standards set by Mr. Nathan he would then have evolved an even higher set of standards.

With this type of mentality no one can seriously quarrel. It is like sailing out for miles on the Ægean Sea to view Mount Olympus. We know that the mountain is there, but we can not reach its heights. Peculiar and elegant, Mr. Nathan's genius is not that of reality. It is, however, that of an honest, able, fearless, and courageous critic. [Applause.]

Many years ago Mr. R. M. Sillard wrote, in the Westminster Review, concerning theatrical criticism, volume 150, pages 639, 640:

> We have, it must be admitted, a great deal of negative criticism nowadays. It is generally of the hyperæmic school. The hyperæmic critic is always young, inexperienced, sanguine, self-reliant. He does not understand the sound weight and meaning of words. He is as irresponsible with his pen as a boy with a new revolver. He feels it is a duty to kill or maim something. To praise a play means weakness or want of knowledge; to find fault is wisdom or superiority.

That is the chief fault I have to find with the present-day crop of dramatic critics. Assuming good faith on their part, I find that their criticism is totally negative, destructive, and abusive. They derive an ineffable degree of joy from tearing down the works of other men, and I say in all fairness that he who sits in judgment on the labor and lifeblood of his fellowmen, should do so in a spirit of justice and fairness and should himself first be judged. [Applause.]

Can anyone seriously quarrel with the minimum standards that I have set forth above? Very recently a great American critic wrote a book in which he scored incompetent dramatic critics more scathingly than any producer, author, or actor has ever done or than your present speaker himself would ever dare do. Let me read you what he says:

> It is not to be gainsaid that the word "criticism" has gradually acquired a certain connotation of contempt. Everyone who expresses opinions, however imbecile in brain, calls himself a

"critic." The greater the ignorance, the greater the likelihood of his posing as a critic. * * * It is commonly believed that the first virtue of a critic is honesty. As a matter of fact, in four cases out of five, honesty is the last virtue of a critic. As criticism is practiced in America, honesty presents itself as the leading blockhead the more honest he is, and as a consequence the criticism of these blockheads, founded on their honest convictions, is worthless.

Mr. Chairman, ladies and gentlemen of the committee, the author of these words is not a producer, not an enemy of dramatic critics, but himself, by common consent, the leading dramatic critic of our times. The high priest of the intelligentsia of the theater, Mr. George Jean Nathan. These views are from his book On the Critic and the Drama. I agree with him. [Applause.]

In an article in the New York World-Telegram, on the 2d day of March, 1932, Mr. Nathan concluded his vitriolic statement on dramatic criticisms stating:

The theater is an institution in which dramatic criticism worth its salt takes a high and proud interest, and taking this high and proud interest it is incumbent upon it to ridicule out of it, to cannonade out of it, to murder out of it all its mountebanks, shysters, and pretenders.

Taking Mr. Nathan's statement as a test, and ever mindful of the all-powerful rule of dramatic criticism in the life of the legitimate theater, and recalling the myriads of men and women whose living out of the theater is subject to the beck and call of these dramatic critics, I say to this distinguished and preeminent critic, George Jean Nathan, as the outstanding spokesman of his profession, that the time has now come, the moment has now arrived for him to ridicule out of it, cannonade out of it, murder out of it all the mountebanks, shysters, quacks, and pretenders who are to-day masquerading as dramatic critics and disgracing a profession that could render just, fair, honorable, and deserving dramatic criticism to our American people. [Applause.]

Mr. DIES. Will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. DIES. I want to call the gentleman's attention to some newspaper articles to the effect that the Patent Committee is consuming its time in investigating critics, carrying on a foolish inquiry, and neglecting the important problems pending before that committee.

Mr. SIROVICH. The distinguished gentleman knows that our committee has been meeting for almost 40 days and has been listening to magazine writers, to the Authors' League of America, to the dramatists of America, the illustrators and writers who have come before our committee asking us to do justice for them. Our committee has tried to bring out a copyright bill that will emancipate the authors and dramatists and bring justice to them. [Applause.]

Mr. BOLAND. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. BOLAND. What would the gentleman from New York substitute if we eliminate the tax on theater tickets?

Mr. SIROVICH. Well, my dear sir, as one who never drank in his life any intoxicating beverage, I say that if we could legalize the principle of beer and tax bottled beer and do away with all saloons in a way that they may never come back, we could raise $500,000,000. This gigantic sum, plus rationalized taxes, would easily balance the Budget and wipe out our deficit.

Mr. BOLAND. I am with the gentleman there.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. DIES. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. DIES. In view of the statement that has been made in some newspapers that the Committee on Patents is wasting its time investigating the critics, I want to call the gentleman's attention to the fact that, as the gentleman well knows, at this moment there are 180,000 applications pending in the Patent Office and that many applications have been there for 10 years.

Mr. SIROVICH. And 15 and 20 years.

Mr. DIES. And industry is vitally interested in the matter, because it is a known fact that if many of these inventions were to be put upon the market they would give employment to hundreds and thousands of American workingmen, and the Committee on Patents has been diligently going into the matter for the purpose of expediting the final action on such patents in order that we may give to labor and to industry what we think they are entitled to.

Mr. SIROVICH. And to supplement what the distinguished gentleman from Texas has stated, these authors, dramatists, and novelists who have never owned the product of their own minds, who have given to the world their intellectual fruits, have never had even the copyright in their own name. You talk about the kidnaping of Lindbergh's child, talk to the authors and novelists and dramatists who came before me here and before our committee, and you will see how the product of their intellectual genius has been stolen and kidnaped by others. Article I, section 8, paragraph 8, of the Constitution of the United States provides that Congress shall have the power to promote the progress of all useful arts and sciences by granting to every author and every inventor for a limited number of years the exclusive right to his writings and to his discoveries, and I want to know if a dramatic critic can come in, like an assassin, and only stay for one act of a play, and in 30 minutes write a criticism that will destroy the heart and the soul and the genius of an author who took years to give birth to his intellectual offspring. American public opinion demands justice and fair play to the authors, dramatists, composers, novelists, and actors who are giving of their to-day that humanity may enjoy its to-morrow. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I wish to approach the subject of this tax bill in a rather different manner than has been done by most of the other speakers, but would also emphasize the necessity of this new sort of tax legislation at this particular time.

It has been my custom occasionally to tell those of my constituents who have been exempt from payment of the income tax that they have been extremely fortunate in having so small a Federal tax levied against them; that we raise about half a billion dollars from revenue taxes which fall chiefly on smokers of tobacco, half a billion from the customs, and half a billion from miscellaneous sources, but that the balance, amounting to some two and a half billions of dollars, is taken from 3 per cent of the people, the wealthy class. These live chiefly in eight States of the Union. Forty States can boast that the collection of money for the support of the Federal Government has affected them very little. The expenses of our Government has heretofore been very largely met by one-sixth of the States. We have taxed efficiency. One reason given by Canada for adopting the manufacturers' tax was that under the income tax it had been found that they were placing altogether too large a tax on efficiency; that the unsuccessful competitor did not pay a tax on income, and in consequence the efficient one had to pay taxes for both, which was not fair. It alike discouraged efficiency and took from the successful manufacturer large amounts which otherwise might have gone to extend his business. They were taking for general governmental purposes too much money needed in industry.

I often wonder why we can not adopt the Federal method of graduating taxes within our own localities. Why not have our local assessors, under a similar plan, pick out some 3 per cent of the people in our communities and assess practically all the tax on them? Then the other 97 per cent would be happy!

"How could it be done?" Why, exempt the small house valued at $3,500. Then take the $5,000 home and place a low rate on the additional $1,500. A $10,000 house would naturally have a higher rate on the extra $5,000, and so on. When you find a man with a $50,000 residence, take it by such graduations up to $50 a thousand, and if one dares to have a $250,000 mansion, take at least half of it. To have such an expensive house the owner must be a wealthy man and probably competent in his business. Of course he should be able to pay the tax under the Federal theory. Yet would not this be truly ridiculous?

How fortunate 40 per cent of the States have been heretofore. How little the conscience of Senators and Representatives from those favored States have been troubled when they demanded special and immense expenditures from the Federal Treasury. They can safely face their constituents and point out that they paid but little of this money in taxes for the support of the Government.

These Representatives are accustomed to maintain that the people of wealth live chiefly in a few States and therefore those States should be called upon to pay the lion's share of the Federal taxes. I say to you that if our wealthy citizens were distributed equally throughout the whole 48 States the Representatives of each one would feel a different sort of responsibility than is at present the case.

If my State has ten times the wealth of yours, we should be, and are, willing to pay ten times as much in taxes, but we should not be willing to have a law enacted which will relieve the one altogether and place the burden for both on the other. That is the way the graduated tax really works out.

Your chairman has stated that the income tax is the finest tax ever devised by the brain of man. I am inclined to agree with him in the abstract and if it is properly employed, but we have made it utterly ridiculous. A few years ago I placed in the RECORD a statement made by one of the most prominent tax experts in the country to the effect that the income tax would eventually fall by its own weight. He showed that it cost the citizens of the United States approximately $400,000,000 just to make their tax returns, and we all know what part the lawyer gets of any taxes which he helps us to recover from the Government. We all know, too, what charges are made by expert accountants and bookkeepers whose services are necessitated by this form of tax. This official had had years of experience, both in private practice and public service, and he insisted that his $400,000,000 indictment of the law was a true one.

We pretend to have a tax which is based on the ability of the citizen to pay, yet grant very little exemption to cover the cost of educating children, of extraordinary sickness within the home, or other vitally necessary expenses, making the exemptions arbitrary ones. We trust the taxpayer as to most of his bill but refuse to trust him as to such items or even give him an opportunity to prove the truth regarding them. There are many such indictments which can be brought against our income tax law and the way it functions—its anomalies, annoyances, and unfairnesses.

I wish to place in the RECORD to-day, as a matter of history, something from the debates of 1909, when the income tax was added to the tariff bill. Some one this afternoon said that we should not place any tariff on a tax bill, which may be true, but the Congress placed the entire structure of the income tax on the tariff bill in that year. From my reading of the debates I should judge that they little dreamed that we would to-day have the sort of tax we have. Of course, mention was made of a graduated income tax; but when it was spoken of, it was declared not a tax for revenue but a socialistic tax to level fortunes. They little dreamed that it would ever be the dangerous instrument which it has become or whenever, if ever, a socialistic or communistic party gains control of this Government how easily it could use this very graduated tax as a means of actually leveling fortunes. The debates of those days are most interesting. Much was said then about the sanctity of returns, and at one time we even went so far as to legislate regarding publicity of returns. The income tax, as it is now applied, seems to me to be utterly unfair.

I am glad to have an opportunity to-day to express my feeling about it, because we have now learned that it is nondependable. You of those 40 States who have in the past been telling your constituents that they have not had to contribute very much to the expenses of the Federal Government now hear their cry of distress when the dependability of this tax to raise revenue is questioned; when it becomes evident that all the people must pay their proper and proportionate share for the protection of the Government—which is the true basis of all tax assessment.

Now, everybody must contribute. I like to use the word, "proportional." I do not want anyone to be made to pay more than his proportionate share. Everyone should appreciate the meaning in the word "proportional," and we should not descend only upon the efficient man of business and demand from him an amount entirely out of proportion to the protection granted him by his Government. We have had a peculiar viewpoint in our dealing with men of wealth. We do not criticize them when they invest vast fortunes in tax-exempt securities, by means of which we have ourselves provided a method of evading the law that enables many millions to contribute little to the Nation's revenue.

Some of you may remember when, a few years ago, we tried to get an amendment passed for reciprocal action between the States and the Federal Government, so that in the future each could levy against the other's tax exempts. What did we find? After discussing the proposed amendment for many days we discovered that behind it was a determination to force all States to accept the income-tax theory. No State could share in the plan unless it first adopted an income tax. Under the guise of such a tax in the States the opposite result has come about. Such States adopt a low minimum tax rate; intangibles are removed from the general levy and are subject only to the income tax. The House of Representatives did that very thing the other day as to the District of Columbia. You left real estate to bear the burden, made intangibles practically untaxed, took them away from the assessors and gave special privileges to the wealthy class owning them. That is the way it has been done, too, in the various States which have adopted the income tax.

Intangibles which formerly paid the same rate as real estate, from $20 to $50 per 1,000, now pay $3 a thousand, and then only when the income is earned. Why the people are still blind to this condition I can not understand. They have used the income tax in the States to avoid taxation. I see that the gentleman from Wisconsin is listening—he comes from the State which first adopted the State income tax. Others have followed, but have not always accepted the graduated tax theory. They surrendered to the owners of intangible property; yielded to a practical condition. They negatived the theory that the tax was the fairest one yet devised—the theory that the people should pay in accordance with their ability to pay. We oblige the taxpayer to make a sworn statement and then send agents to look over his books to see if the statement was true. Our income-tax States did not, as a rule, demand sworn statements as to intangibles until their law gave them a low rate on such intangibles so that the taxpayer could afford to be honest at home and would not be tempted to move into some other State which would trust him.

How different are these State income taxes from the one imposed by the Federal Government? Yes; the income tax may be the fairest and best tax ever devised by the brain of man, but how cordially it is now despised because of the miserably unfair manner in which it has been applied in both States and Nation, with intangibles left untaxed by most States and the Federal Government overtaxing efficiency in business and forcing a few States only to bear the major part of the burden.

Reverting to the rebates of 1909, it was pointed out that something ought to have been done "for the protection and equal rights of the people"—but let me quote from a speech made at that time by Congressman McCall of my own State.

> So, Mr. Speaker, while they say that they desire this power for time of war, we see to-day, in time of peace, an attempt to exercise the power to its utmost extent. And why not, then, limit it expressly to time of war? Why not, for the protection and equal rights of the people of New York and the other great States of the Union, five of which probably will pay nine-tenths of the income tax, although they will have only one-ninth of the representation in the Senate, why not preserve the limitation upon the power of the Central Government? Why drag every governmental power to Washington so that a vast centralized government may devour the States and the liberty of the individual as well? I say this amendment should be more carefully considered than it has been considered.
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> It is liable to go into the Constitution of the United States and be forever a part of the organic law in the form in which it has

been, I may almost say, extemporized or improvised. The character of the argument which has been made, that this tax is for use in the time of war, leads me to observe that the chief purpose of the tax is not financial, but social. It is not primarily to raise money for the State, but to regulate the citizen and to regenerate the moral nature of man. The individual citizen will be called on to lay bare the innermost recesses of his soul in affidavits, and with the aid of the Federal inspector, who will supervise his books and papers and business secrets, he may be made to be good, according to the notions of virtue at the moment prevailing in Washington. And, incidentally, and since every business secret in the country can be had access to by the authorities at Washington, the citizen may be made to see his political duty if you happened to have a President who confused the attainment of his ambition with the highest good of the universe, and was willing to abuse his power in order to coerce the citizen. You are creating here an ideal condition for corruption and for the political Jack Cade of the future to blackmail.

And so, Mr. Speaker, believing that this amendment, with no compensation whatever, does away with an important part of the great compromise of the Constitution, and that it is not limited to the emergency for which it is said to be intended, I shall vote against it. The amendment has not carefully been considered by a committee of this House or by anybody else in the United States.

Now that we are using a highly graduated income tax, the situation above predicted seems to have come about. A few States are now doing all the paying and have been utterly helpless. Thus certain of you may say to your people, "You farmers may well have $500,000,000; you may have your Boulder Dam at a cost of $325,000,000; the Federal Government may well assume all the bonds and the future expense of taking care of the Mississippi River. You are the people who have the votes to put such measures over. The other eight States that will pay most of the bills are helpless."

How often do you criticize New England, New York, and Pennsylvania for trying to stand up for their rights and having something to say about this iniquitous method of making them bear a disproportionate share of the burden?

The Federal Government has its proper field of taxation. You are coming back to it under this manufacturers' tax. The customs, the internal revenue, and the like are proper levies, but do not continue to come to my State, select a few citizens, and place all the tax on them.

I can not believe that our States fully understood the possibilities of what might happen, and has happened, when they ratified the sixteenth amendment to the Constitution, that—

> Congress shall have power to lay and collect taxes on incomes from whatever source derived, without apportionment among the several States and without regard to enumeration.

Why did we not leave the income tax to the States? This form of tax is their proper field for raising revenue. The Federal Government should raise its funds from internal-revenue taxes, customs, luxury taxes, and limited sales taxes; and if more money is needed, each State should be assessed its proportionate share, as contemplated by the framers of the Constitution.

There are two words that our forefathers continually repeated and which should be sacred to us in making all our tax laws. One of those words is "reasonable." The other is "proportional." The original Constitution said that after we had raised all the money we could in our proper field of taxation then the several States should be called upon according to their population. We now agree that "population" should properly be changed to "according to their valuation." That would be acceptable.

When once I spoke of this method of assessment of the States by the Federal Government to meet a deficiency in the National Treasury one Member remarked, "Send the bill to my State and perhaps we will not pay it." As he was a Democrat, I merely replied, "We will elect another Andrew Jackson, then, and he will collect it."

At this particular time, when the subject of taxation is under discussion, I could not refrain from making these comments on the general subject of the income tax, both in the Federal Government and the States, and the abuses to which it has been subjected. Think of the owner of intangible property in your State paying 50 cents to $3 a thousand and other citizens paying from $25 to $40 a thousand on their homes. That is the condition existing in New York and certain other States.

It seems to me that the people of the nation should wake up. Perhaps the people of New York are satisfied with conditions because their present low rate attracts money from other States, such as Rhode Island and Connecticut, where there is a rate on intangible property of from $3 to $4 per thousand, and where they do not dare to demand sworn returns lest the money move to New York.

Our States use the income tax unfairly in untaxing wealth; the Federal Government uses the same form of taxation in placing an unfair burden on the citizens who had shown efficiency in business. I believe thoroughly in the tax if applied fairly and honestly by both State and Federal agencies, but I have to-day called attention to some of its abuses, which make it appear to our people to be unjust.

Particularly I desired to urge those 40 States to come forward cheerfully at this time and assume their proportional share of the present burden. It is a heavy one and must be assessed on the people of the entire Nation. [Applause.]

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. TILSON]. [Applause.]

Mr. TILSON. Mr. Chairman, it is not my purpose to attempt to explain any of the provisions of this bill. It is long and somewhat technical in some of its features, but the general purpose of the bill is clear. It means to raise by additional taxation revenues sufficient to make sure that the Nation's financial obligations are met and its bills paid. Anyone who heard or read the speeches of the gentleman from Georgia [Mr. CRISP] and the gentleman from Oregon [Mr. HAWLEY], delivered yesterday, and the two members of the Ways and Means Committee from Massachusetts [Mr. TREADWAY and Mr. MCCORMACK], who spoke to-day, must be satisfied that the bill here presented is the result of the best judgment of 25 of the ablest and most experienced men of this House, who worked together in the finest spirit that it has been my good fortune to witness during my long service in the House. Appreciative of their fine work, I simply rise to announce that I shall support the bill to the best of my ability by word and deed, including my vote, when it comes to a final vote.

There was a distinguished Member of this House who served during the earlier years of my service here who made it his boast, somewhat facetiously, of course, but with much more truth than fiction, that he never failed to vote for any appropriation and always refused to vote for every tax. This would be a very pleasant way to proceed in our work here, if the easy way were always the right way. It is so delightful to say "yes" to everyone asking support for an appropriation for his benefit, and it is equally delightful to say to every constituent who fears that he is going to bear some portion of the burden that you refuse to vote for any tax burden to be laid upon him. I fear that there are still those who would fain follow this most obliging policy.

Anyone who heard the four members of the Ways and Means Committee whom I have mentioned as having spoken could not fail to recognize the deep note of earnestness in their speeches, in which they impressed upon the membership of this House the importance of balancing the Budget and what it will mean to the national credit and the national welfare should this Congress adjourn without making adequate provision for balancing the Budget. It was well said by one of them that all the other bills that we have passed in trying to relieve the situation during this depression will be futile unless this bill or some other bill that will serve the same purpose is also passed. The Budget must be balanced, and if it is not, the failure to do so will entail consequences so harmful in their effect that all the other bills that we have passed or may pass will be worse than nullified.

It appears to me that it is incumbent upon anyone who opposes this bill in its entirety or attempts to take from it any material provision—I mean any provision raising a

material amount of revenue—to suggest some substitute by which an equal amount of money can be raised. It has been made clear beyond a question of doubt that the estimate made by the committee of the amount this bill will raise is none too high and that it will require the last $1,000,000 estimated in order to serve the purpose of balancing the Budget.

It is not necessary for one to declare himself unqualifiedly in favor of every provision of this bill in order to justify his vote for it. In fact one might justify his vote for the bill even though he disapproved its method of raising revenue in toto if it were impossible to pass any other bill that would balance the Budget. There are quite a number of provisions in this bill that I should have felt it my duty to oppose in committee with all my might. I should have striven mightily to substitute something else that would serve the same purpose better.

This would have been my judgment and I should have worked for such a substitute; but as I said at the outset, 25 able men sat together for weeks, and this bill is the result. Probably not one of the 26 would have written this bill just as it is, but it is a consensus of the judgment of these 25 men, and their judgment is entitled to our highest respect and most serious consideration. If we would overturn this judgment, then it is up to us to suggest something constructive in place of it, not something fantastic or impossible, but something feasible, something practicable, that will take its place and serve the same purpose. Yes, and the substitute must have one other quality, it must convince a majority of this House, so that it can be adopted.

I hope there will come a day when these heavy taxes may be removed. Most of them expire by limitation in 1934, but I hope there will come a time when the others that have been placed here without a time limit may also be eliminated.

For myself, I believe that in this bill, the return to the inordinately high surtaxes that were abandoned after the World War is a mistake. I think the rates have been raised beyond the point of producing the greatest amount of revenue. As here restored they will prove to be not only burdensome, but I think it will be found that we have gone even beyond the point of yielding the highest amount of revenue.

While the increase in rates may produce high returns in the first year, I am afraid that much wealth will be driven into nontaxables, and that in the end the law will fail of its purpose. In order to produce the greatest amount of revenue as well as to relieve an unnecessary burden, I think just as soon as possible we should go back to the lower surtax rate now in the law.

The estate tax is a tax that is very largely and properly used by the States. I am sorry that it has seemed to the committee necessary to go so high on the estate tax in raising the necessary Federal revenue. If I were writing the bill I should try to find something else to take its place.

The tax on admissions to theaters has been referred to quite frequently in the discussion. I have always been one of those who feel that while it is a tax on amusement to a certain extent, it is a kind of amusement that should be encouraged instead of being specially taxed. It is also a tax on education. Man does not or should not live by bread alone. The theater furnishes information, recreation, amusement, all most desirable; so I regret very much the necessity for having to place a specially burdensome tax on admissions to theaters over and above what we tax other equally legitimate business.

I hope that some day and soon we may come back to a time when these taxes may be eliminated entirely.

We should keep in mind this fundamental principle that the Government must be suported by the people. There is no other way in which the Government may get a single honest dollar except by taxation. It is the duty of the people to support their Government. It is not the duty of the Government to support the people, and we should not forget this when unusual appropriations are urged upon us. If we keep this fundamental principle in mind we shall not fail to recognize the necessity of balancing the Budget. We shall also realize the chaos that will be produced in our financial system if we fail to balance the Budget.

Fully realizing the harm that is sure to flow from such a condition, we must avoid it at whatever sacrifice it may bring. I shall vote for this bill as it is or as it may be amended, unless it is so seriously mutilated as to deprive it of its revenue-producing qualities, and shall wait for a better day in the future, which we hope may be near, when at least some of the most burdensome and objectionable provisions of this bill may be eliminated.

There is nothing further I need say in announcing my purpose to support a bill containing many provisions that I wish might not have been included. These provisions are in the bill, however, and the importance of balancing the Budget is so great, so overpowering, that in spite of any and all things the bill contains to which I might find objection, I trust it may receive the approval of the Members of this House. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman, the Ways and Means Committee have been trying for years to arrive at a peace-time basis of taxation. We have had four tax revisions since the war, and each time the hope has been expressed by the members of the committee that the time would soon arrive when we could write a tax bill on a peace-time basis; but due to the changing condition of national affairs, it seems as though we are almost as far from that vantage point as we were a few years ago. The urgent necessity of raising money has sent us back to the old tax trails. We have involved in this bill some of the taxes we removed under the designation of nuisance taxes, during the last three revisions of taxation downward.

I think it only fair to say that every member of the committee, on both sides of the table, or in the case of our table it is both ends of the table—my Democratic friends sit at the upper end and we, looking as pleasant as possible under the circumstances, sit at the lower end—but under the able leadership of the acting chairman, the gentleman from Georgia [Mr. CRISP] I think every effort was made to make this what he termed an American bill, a Government bill, and I agree with him that nearly every vestige of partisanship was banished from the sessions of the Ways and Means Committee. I will admit there was some temptation to cross-fire along those lines, but I think everybody realized the difficulties of the situation as presented by the chairman, and I think every member of the committee realized the necessity that faced us from the very beginning of looking upon the items in this bill as being emergency matters that ordinarily would not have been even discussed, much less presented, in a tax measure.

But the emergency was a "condition and not a theory," and we were impressed with the necessity of balancing the Budget, although I notice that some of my friends on both sides of the House during the last day or two of this debate have argued that there is no necessity for balancing the Budget, that we can just borrow six or seven hundred million dollars more and create more overhead in interest and in sinking-fund requirements, and just keep going right along. Of course, a continuance of the borrowing policy is unthinkable.

I presume the basis of their argument is that a bond issue of three or four billions is such a small proportion of the national wealth that it will not shake the confidence of those who are considering buying bonds in the future, and it will not in any way disturb the stability of the credit of the United States.

I journeyed along that primrose path myself for a while, and I said to one or two members of the committee, "The statement is made that the Budget, of necessity, must be balanced in 1933." "Well," I said, "I do not think the world is coming to an end in 1933, and if it does, then we shall have nothing more to worry about, for way out beyond that disaster is eternity. [Laughter.] In 1933 there will be over 120,000,000 people in the country who have to be clothed,

shod, fed, diamonded, radioed, automobiled, as they are now. They will not lose any of their desire for luxuries, and necessities they must have." So I said, "Wouldn't it be a reasonable proposition to balance the Budget by the close of 1934 and not levy too heavy a burden of taxation at this time?"

But after I heard the Secretary of the Treasury, Mr. Mills, make a comparison between the credit of the Government and the individual, I began to take a different view of the matter.

Let me at this time read a statement made by the now Secretary of the Treasury, Mr. Mills. It convinced me of the soundness of the policy of making expenditures and receipts balance.

Allowing for tightened money conditions and for all the unusual circumstances which surround us, there is no doubt but that some of the weakness manifested reflects the response of the investing public to the possibility that we may be confronted with a rapid increase in the public debt and in the volume of Government securities outstanding. There is fear of further huge grants to veterans, there is fear of major drains on the Treasury through uneconomic expenditures, there is fear of growing and unremedied deficits. All of this fear can be swept away only by adherence to sound financial principles and the development of a program of restricted expenditures and of increased revenues, which, if they do call for temporary sacrifices on the part of our people, will, in the long run, bring them infinite benefit.

In this period of deep uncertainty the unimpaired credit of the Federal Government is the most priceless possession of the people of the United States. We assume its existence as we assume the continuance of unlimited supplies of air and sunlight. It has been established through the pursuance of sound fiscal policy in the past and so must it now be preserved. The immediate cost in increased taxes is small in comparison with the immediate and lasting benefit to the Nation.

That is a statement that will win the approbation of the entire country.

At the risk of being tedious, I want to present some figures. Some of them have been given already. But I want to get these figures into the RECORD, because they were in the preliminary Treasury statement before we started in to write this bill. The program of balancing the Budget was the formidable task presented to the Ways and Means Committee; for at the end of the last fiscal year we had a deficit of $903,000,000. It is estimated that the deficit at the end of the fiscal year of 1931 will be $2,123,000,000. The estimates for expenditures for the year 1933 indicate that we will be short of revenue in the sum of $1,250,000,000.

May I call attention to the fact that we had a surplus in 1928 of $399,000,000? We had a surplus in 1929 of $185,000,000 and a surplus in 1930 of $184,000,000. In 1930 the total receipts were $3,626,000,000; and of this sum $2,411,000,000, about two-thirds of the total amount, was received from income-tax returns, corporate and individual.

Five hundred and eighty-seven million dollars of this sum was received from customs duties in 1930, and, of course, they have dropped off tremendously. Six hundred and twenty-eight million dollars was received from miscellaneous internal-revenue taxes, and, of course, that includes the big item of tobacco, which brought in $450,000,000, and another item of $69,000,000 from stock-transfer taxes and the other stamp taxes that are in the present law.

Of course, it would be unusual if I did not interject at this time a criticism of the tirade that is being made by my dear friends on the Democratic side of the House regarding the world depression and its causes. A very distinguished southern Senator, whose name under the rule I am forbidden to mention, made the statement on the floor at the other end of the Capitol the other day that the entire and only cause of the depression was this "unconscionable Smoot-Hawley bill." The distinguished leader on the Democratic side of the House, the gentleman from Illinois [Mr. RAINEY], with whom I sat all during the preparation of this bill, made the statement to somebody on our side during the recent tariff discussion, "You can not reduce the rates in this bill, and we do not dare to lower them because our markets would be flooded with foreign merchandise." Here we have one Member saying that tariff has caused the depression, while another Member says that the tariff must stand as it is unless you want to aggravate the industrial depression in the country. One of these gentlemen is right. I am willing to put their conclusions into a hat and label them one and two, and let my Democratic friends draw one out, but whichever one you pick out you will be sure you are wrong. [Laughter.]

The customs revenue is going to show a loss of $209,000,000 in 1931, as compared with 1930. Yet our imports and exportations have not fallen off to a greater degree than in any of the other countries of the world. In fact, our imports have not decreased nearly as much as our domestic production has decreased, in spite of these tariff rates which you say are unconscionable. As a matter of fact, our receipts from all sources have fallen off from $3,626,000,000 in the fiscal year 1930, to $2,934,000,000 in 1931, a loss of $1,530,000,000, and $1,275,000,000 of this is loss as a result of lessened income-tax collections.

Expenditures for 1932 are estimated at $4,400,000,000, and I heard my colleague, the chairman of this committee, yesterday deploring the fact that we had a Budget of such enormous size, and that we must do something about it, must reduce that tremendous amount of $4,400,000,000 down to about $3,000,000,000. Did you ever stop to take into consideration the fact that in performing an amputation on this Budget, in operating on it for reduction, you will not have your whole $4,400,000,000 to work on, but you will have only about one-half of that, because $2,000,000,000 in that item is a fixed charge, $1,000,000,000 for sinking fund and interest on the public debt, and another billion dollars that goes for the care of veterans of all wars. There is $2,000,000,000 which is practically a fixed charge. It does not make any difference whether you write the bill or we write the bill, whether you have the President or we have the President, whether you have a majority in the House or we have, that is a fixed charge, and you can not get away from it and you can not reduce it.

Oh, somebody says that you can reduce it, but how? By repealing pensions? Oh, yes; you could reduce pensions; but let us see you or anybody else do it. It can not be done. There is, as you see, a little over $2,000,000,000 that the surgeons may operate on, decapitate, dehorn, or whatever other term you may use—dehydrate, perhaps, in these moist days—which is comparatively half of the Budget requirements.

The Treasury estimate suggests that the Government will be in the red for 1932 to the tune of $2,123,000,000, as I stated. Last year we had this deficit of $903,000,000. That is over the dam now and is charged back to the public debt. When we finish with this, $2,123,000,000 of it will be charged back to the public debt, and, of course, that means just that much addition to a debt that we have been steadily reducing since the war days.

Our total interest-bearing debt up to this point is $17,040,000,000. The entire debt on June 30, 1919, was $25,485,000,000. During a period of 11 years, up to June 30, 1930, we reduced that debt by $9,300,000,000. To be sure, we reduced it considerably beyond the necessity provided by the sinking-fund requirements of the law. We were able to do that because we had some surpluses, and then we sold a great many hundred million dollars worth of war material we had on hand, and we had a great many other assets that were available at that time, which, of course, will never be available again. We reduced the war debt when we had these surpluses, and I think it was the just and wise thing to do.

We had economists before our committee when we were considering a revision of the taxes who said that they did not think that we ought to reduce or remove any of these so-called war taxes just so long as there was a dollar of war indebtedness existing, and we had members of the committee who felt that every dollar that was surplus—and my friend from Iowa [Mr. RAMSEYER] was one of them—should be applied purely to debt reduction and ought not to be applied to tax reduction. But we took the pathway that looked primrosy at the time. As I have previously stated, we were struggling to get back to a peace-time tax basis. People were annoyed by the nuisance taxes, and we gradually removed them year after year until we left just a few stamp taxes in the last bill, and we came nearer get-

ting back to a peace-time basis than we had ever been before. The idea of many members of the committee was that there should be no tax in peace times over 10 per cent, and we tried at that time to cut the corporation tax down to 10 per cent but, of course, were unable to do so, and in this bill we have raised it to 13 per cent.

Now, in the past years—1924, 1926, 1928—when the committee sat together, we were reducing taxes. That is a much easier, happier, and pleasanter job than it is to sit in the committee and try to raise money. The Ways and Means Committee is not a popular committee with the country because we have to reach in and irritate the pocket nerve. We ask the people to pay. The Appropriations Committee is the popular committee, because their job is to allocate the money for spending purposes.

Now, I see my friend, who is chairman of the Committee on the Post Office and Post Roads, the gentleman from New York [Mr. MEAD], and I am reminded that we were anxious to raise some money by way of the postal route. If we had been able to do that, we might not have had to resort to this sales tax, but in his good judgment and the judgment of his committee, they decided not to do anything about it. We did not press it, recognizing our duty in the extension of comity in committee relations and realizing that we had no authority; but I do not believe the people of the United States, in an emergency period of two years, would be unwilling to pay a 3-cent postage rate. That would have raised $150,000,000 for us. [Applause.]

While we have been raising taxes there has been quite a difference in the attitude of the committee. We sat around the table searching for every available tax that might add something to Uncle Sam's wallet. Somebody would say, "How much would that bring?" "Five or six million dollars." Then everybody would prick up their ears. When we were reducing taxes in 1926 and 1928 somebody would say, "What does that bring in as revenue?" Then a member would say, "Five or six million." Somebody would arise and say, "Oh, that is chicken feed. Let us cut it out." It was chicken feed when we were reducing taxes, but when somebody suggests something that will bring in seven or eight million dollars now, everybody gets it by the legs and drags it out and looks it over in an attempt to see what the possibility is of getting some revenue out of it. There is quite a difference between reducing taxes and raising taxes.

You can look back at the speeches of some of my Democratic friends on this side of the aisle, and you will find that they charged that we were not reducing taxes sufficiently when we had our revisions downward. The same gentlemen are now complaining that we are raising them too high.

(Here the gavel fell.)

Mr. HAWLEY. Mr. Chairman, I yield 10 additional minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. You will remember the statement was made frequently, and it has been made for a number of years, that the estimates by the Treasury Department were in error, that they were fallacious and there could be no dependence placed upon them, and that there would probably be a bigger balance in the Treasury than had been prophesied by the Secretary of the Treasury and that we might make much greater reductions than we contemplated. I think I can produce a dozen speeches made on the Democratic side to vindicate my statement. We felt on our side that we wanted to play safe and that we were going far enough. I think perhaps at this time the Treasury has been ultraconservative in the figures they have given us, as to the expected returns for 1932 and 1933. I hope they have been ultraconservative, because if they have, the plan we have provided at this time will be all sufficient, and if we have any money to spare we can then use it in paying our war debt, which is not provided for in this bill. I mean under the sinking fund requirements, the lawful requirements.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CROWTHER. I would rather not at this time, if the gentleman will permit me to finish my statement.

We had extensive public hearings over a period of three weeks. We listened to all the witnesses who appeared to oppose the Treasury program, and you are as well acquainted with their criticism of it as I am if you read the hearings.

What was the net result? We did not find anybody who appeared for all these individual industries who was willing to accept the Treasury program. Among the witnesses who appeared for automobiles, cosmetics, stock transfers, admission taxes, electrical energy, gas, and so forth, every one of them stood in front of the committee and said his business would be ruined if a tax was put on it. They said, "We can not stand it. We shall be ruined." But they all said, at least a half dozen of them said upon interrogation by the chairman of the committee, that they would be willing to subscribe their share to some general tax that everybody contributed to, rather than to be picked out, as they were, to bear the burden, with just 8 or 10 other special industries in the country. Many of them suggested this manufacturers' tax.

I have always been unalterably opposed to a sales tax; and I am not in favor of this tax simply because it is a tax somebody says the people will not know anything about, that they are not aware of the fact that they are paying this tax. That argument is not worthy of consideration. I am in favor of it because I do not think it will be burdensome or excessive. It is hedged around with a degree of protection, by the licensing system, that makes it almost impossible for the tax to be levied but once.

The gentleman from Missouri [Mr. LOZIER] brought something to my attention—with which I think we are all fairly familiar—in regard to the amount of tax added to a very considerable size sale, and that of necessity there would be an additional capital cost that might be pyramided. But that is open to argument.

I am of the opinion that no tax we levy is going to suit everybody and that it is going to be a little hardship for everybody. There is no dispute about that. This sales tax as contained in this bill appears to be a fairly equitable tax. If you do not buy very much, you do not spend very much in the way of a tax; but if you buy a great deal, you pay a tax in proportion. I do not see any very great evil in it.

We talk all the time about the rich getting richer and the poor getting poorer, and statements are made here in regard to multimillionaires. The statement is frequently made—and it has been made on the floor within the last four or five months—that in the United States there are 504 individuals who have incomes of over $1,000,000, or a total income of $1,185,000,000. They are truly impressive figures, and at one time those figures were correct. There was a time when the taxable income was $1,185,000,000, of which $700,000,000 were capital gains. However, the Government has revised those figures with the help of the crash in 1929, and now there are only 149 of those people in the country, and the $1,185,000,000 has shrunk to something like $350,000,000. So it seems the rich are getting poorer as the result of the recent debacle in Wall Street.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CROWTHER. I want to say a word about one or two items in this bill in which I am interested from the viewpoint of protecting American industry, and in which I know Members on both sides of the aisle are vitally interested. Of course, I was not the least disturbed as to the very fine line of demarcation between a tariff and a tax, so I advocated a tax on imported oil, on its by-products, and on gasoline. The disastrous condition of the independent oil producers was my reason rather than excuse. [Applause.]

I also urged the placing of a tax on copper to take care of a condition which was described in letters to me as the most deplorable ever known in Arizona—the worst condition I have ever heard of in the history of the country. I never heard anything like it. With whom are our copper

miners in competition? With the Rhodesian and Congo negro laborers. Also with American capital that is invested in Chilean copper. I also tried to have an amendment inserted to cure the error in the differential rate that has closed some of the sugar refineries in the United States.

There have been displaced 441,529 tons of United States production of refined sugar in 1931 by reason of the receipts from the islands and foreign countries. It is calculated that this means less wages in the United States, less use of materials, containers, fuel, and power, and less value of product, as shown in the following table:

Receipts in 1931 from—	Tons	Wages, materials, etc.	Value of product
Cuba	320,987	$6,000,000	$35,500,000
Porto Rico	72,314	1,350,000	8,000,000
Hawaii	9,720	180,000	1,000,000
Philippines	32,009	600,000	3,500,000
Foreign cane and beet sugar	6,499	120,000	700,000
Total	441,529	8,250,000	48,700,000

Millions of dollars have been lost to mainland industries by reason of less wages and less use of materials, machinery, tools, leather and rubber belting, packing, oils, grease, sundry supplies, and other articles. Taxes and other items of expenditure also are involved.

For more than a century refined sugar had been protected by a United States customs duty like other manufactured articles. When the tariffs of 1913 and 1922 were enacted, Cuba exported sugar only in the raw state. No foreign refined was available for importation into the United States, except that subject to import duties 25 per cent higher than levied on Cuban sugar. Shortly prior to the act of 1930, the refining of sugar by United States interests in Cuba for export to this country was begun on a large scale. Under the stimulation of the new tariff that industry is now rapidly expanding.

Congress failed to consider that conditions of competition were drastically changed when the duty was increased in 1930 to 2 cents a pound on Cuban raw sugar and to only 2.12 cents a pound on Cuban refined; nor did Congress take into account, in spite of protests, the fact that a domestic refiner must import 107 pounds of raw sugar to make 100 pounds of refined sugar and thus pay $2.14 in import duties for every 100 pounds of refined sugar he produces, while 100 pounds of refined sugar from Cuba would be admitted for $2.12.

Of course, that was a palpable error and should have been corrected in the bill. It is gradually closing the refineries of the United States. Two large ones closed in Yonkers, N. Y., a month ago, and 1,800 men are walking the streets and losing a pay roll of $76,000 a week. In Revere, Mass., there is a large sugar refinery. There are one or two in the great State of Texas; there are some in San Francisco; they are located in Louisiana, in Philadelphia, and in Boston, and they are in various sections of the country. Three hundred million dollars is invested in sugar refineries in the United States. The lowest wage paid is $5.80, and they pay as high as $11 a day. They have an annual pay roll of $80,000,000. This industry finds itself hard pressed because it can not compete with imported refined sugar under present conditions.

Let me show you how sugar has come in by leaps and bounds from Cuba—refined sugar. These importations are for 9-month periods in the several years. In 1929, 170,000 long tons; in 1930, 194,000 long tons; and for nine months of 1931, 249,000 long tons; increasing at the rate of 24,000 tons in 1930 and more than double that increase in nine months of 1931, or 55,000 tons.

A word picture has been painted here time after time by men on both sides of the aisle regarding the desperate situation of the independent oil producers, and I knew this was the only opportunity to help them. This is the only chance to help them because you gentlemen on the Democratic side, under the leadership of the distinguished gentleman from Texas (the Speaker), have declared a moratorium on tariffs. All opportunity to introduce tariff bills has been foreclosed. The judge has gone home, the courtroom is locked up, and the jury is over across the street in a hotel smoking cigars and discussing the verdict. [Laughter.] So the only opportunity that you Members from the oil States have here is to keep this item in the bill, and this is also the only opportunity for my friend the gentleman from Arizona [Mr. DOUGLAS], who introduced a bill here in the House, to secure relief for his copper producers. If some of you want to be brought into the fold of protection, or a little nearer to it, read the preamble of the bill of the gentleman from Arizona. It is one of the best tabloid tariff speeches I ever read in my life. I will say that man has sense. [Laughter and applause.]

He certainly knows how to present his case, without any ifs, ands, or buts.

Mr. BLANTON. He is just like all other Democrats.

Mr. CROWTHER. That may be, but there are different degrees of sense. [Laughter.] The gentleman from Arizona [Mr. DOUGLAS] has a very high degree of sense.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. FITZPATRICK. Is it not a fact that the present Tariff Commission, with the approval of the President, can relieve the present sugar situation in the country?

Mr. CROWTHER. Let me say to my colleague from New York that I wish I really thought so. I would not worry about it then, because I think that is the proper procedure. I hope that they will be able to make the recommendation after they ascertain the facts.

Mr. FITZPATRICK. Up to 50 per cent.

Mr. CROWTHER. But this does not involve that 50 per cent proposition. It involves an error in the compensatory rate, and I do not know whether they can recommend a change of that kind to the President or not. I am not certain. If I thought they could, I would be perfectly satisfied.

Mr. FITZPATRICK. They can recommend the 50 per cent, though.

Mr. CROWTHER. Well, I would be in favor of that, because we did not get the proper rate on sugar in the Hawley-Smoot law. [Applause.]

Regarding the introduction of oil and my proposal to introduce copper and sugar as items of this bill, I am quite sure that they will not cause my Democratic colleagues any embarrassment. In the case of oil and copper the suggested tax is by no means a protective rate and merely conforms to the Democratic premise that a tariff for revenue only is justifiable. Since you have repeatedly labeled the tariff as a tax, I feel that my conclusions are correct, for the protective feature would only be incidental, as remarked on a previous occasion by the late Mr. Underwood, a former chairman of this committee.

There will undoubtedly be criticism of the lowering of the income tax exemptions, and, in view of that, permit me to make the following comparisons: A married man with one dependent and an income of $5,000 will pay under these rates a tax of $31.50. A taxpayer in Great Britain under exactly the same conditions pays $650. A man with an income of $10,000 will pay in the United States $195, and in Great Britain he will pay $1,800. An income of $100,000 will pay in the United States $25,000 and in Great Britain he will pay $48,000. The bill proposes exemptions of $1,000 for a single man and $2,500 for a married man, with the exemption of $400 for each dependent child retained. In Great Britain the exemption is $245 for the first child and $195 for each other child, and the exemption for single men is only $485 and married men $730. Our taxes certainly look light by comparison.

Mr. Chairman and ladies and gentlemen of the committee, the lack of time prevents an individual Member from making a complete analysis of the emergency tax bill now before us. No doubt before general debate is closed nearly every phase of the proposed legislation will be thoroughly discussed. The manufacturers' excise tax has been condemned by many of our Members, and I credit them with

having expressed their opinions on the merits of the legislation rather than having made demagogic appeals to the public. When we commenced our hearings, I do not believe you could have counted a corporal's guard in the committee who favored any form of sales tax. But as we proceeded and heard the flood of objections that were raised against the taxation of a special group of our manufacturers and producers, together with the fact that there was a stern necessity of securing sufficient revenue to balance the Budget at the close of 1933, we finally came to the conclusion that this so-called sales tax was the fairest and most available source of revenue.

The committee felt that we had raised the rates on income and corporation taxes to the limit under prevailing conditions. The estate tax, together with its protective feature, the gift tax, have been raised to a point where there is some danger of diminishing returns.

We have tried to include in the exemptions nearly all the basic food products and also endeavored to lighten the burden to those engaged in agricultural pursuits.

Taxation has been a troublesome problem for centuries.

One method of balancing the Budget is by levying additional taxes from new sources. Another way is by reducing the expenditures of the National Government. A combination of these two methods would be a healthy mode of procedure at this hour.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, every battle for human freedom has been fought around the standard of taxation. Taxation has been an all-important issue since "there went out a decree in the days of Augustus Cæsar that all the world should be taxed." Our Nation was torn from the womb of the British Empire as a result of an abuse of the power of taxation.

The patriots at Boston well knew the operation and effect of a sales or consumption tax. They realized that notwithstanding the fierce opposition to the imposition of a tax on tea, if they permitted the tea to be brought into Boston its purchase by the public would be inevitable, and the payment of the tax thereon would follow as a matter of course. Hence they dumped the tea into the bay. They understood that a tax on tea was a tax on consumption, a tax on a commodity which the merchant or dealer advances and adds to the price of the commodity, which tax is finally and necessarily paid by the consumer. As practical men, they knew that in order to prevent the people from making this contribution to the English treasury in the form of a tax on tea they dare not permit the entry of that commodity into Boston and its distribution to and by dealers, many of whom were pro-English, because many of the people did not understand that the price they paid for the tea included the much-hated tax imposed by England, and that the masses were unable to protect themselves from a tax on consumption or other forms of indirect taxation.

The amount of the tax on tea was insignificant, but its imposition helped to light and feed the fires of revolution, because a great principle was involved, and the Boston patriots refused to sacrifice principle on the sharp edge of expediency or to pay even a petty tax if it was unfair and unjust. It is regrettable that their descendants have not used the same discrimination and wisdom in scrutinizing tax formulas enacted in both State and Nation. Because of the evil consequences that must inevitably flow from an unwise and inequitable system of taxation, we should subject every tax formula to the acid test of reason, especially if it marks a radical departure from our established tax programs.

John Hampden did more to bring about the English revolution than Oliver Cromwell and his coadjutors. He was a great patriot, free from secret machinations to serve private ends. He had conscientious scruples against paying the tax generally known as "ship money" levied by Charles I, though it amounted to less than 20 shillings, and he challenged its validity because it was imposed without authority of Parliament. For his contumacious refusal to pay this unjust tax, he was brought to trial in 1637 in the Exchequer Chamber. Though Charles Stuart had foredoomed his conviction, Hampden demanded a trial, which lasted 12 days. Though convicted by a servile court, his trial established the invalidity of the tax and demonstrated that armed resistance to the King's prerogative was necessary if the liberties of the English people were to be preserved. To the business of the Long Parliament he gave constant and whole-hearted attention, helping to shape the events that culminated in the revolution, set definite barriers to the abuse of the royal prerogative, and established the supremacy of the laws of England over the will of the monarchs. All these wholesome and epoch-marking events flowed from a firm determination of the English people not to tolerate an unjust and inequitable system of taxation. The American people will settle the sales-tax proposal, I believe, for all time in the battle of ballots in the November election.

The French Revolution was the result of an abuse of the taxing power by the Bourbons and feudal lords. History tells us that preceding this social, economic, and political eruption 225,000 aristocrats owned 90 per cent of the wealth and 90 per cent of the land in France, while 22,000,000 of the so-called common people owned only 10 per cent of the wealth and 10 per cent of the land. The masses were exploited mercilessly by a system of taxation, so ingeniously devised to sink the mass of the people in poverty and degradation that princes and nobles might revel in voluptuous splendor.

But a time came when the people of France awoke to the consciousness of their wrongs and their tyrants trembled and rode in rumbling carts to the guillotine. In the last days of Louis XV the common people of France were desperately poor, tax ridden, and exploited by the Government in every conceivable manner. Toulon, when asked "What will the people do?" made answer, "The people may eat grass." It is not surprising that excessive and unjust taxation brought France to a frightful welter. In the graphic language of Thomas Carlyle, overtaxed and exploited France was the France "with a harlot's foot on her neck; the dull millions that, in the workshop or furlowfield, grind, foredoomed at the wheel of labor, like haltered gin horses, if blind so much the better."

The evils of unjust taxation, especially sales or consumption taxes to which I have referred in the national life of England and France, are but typical of the social injustice with which the masses or so-called common people have been afflicted in all nations since the curtain for the first time went up in the never-ending drama of human history.

We are considering to-day a question upon the proper solution of which, in my opinion, rests not only the future of our political parties but the future of the present Members of this House; and, what is more important, we are seriously considering the approval of a system of taxation that will, if adopted, inaugurate a reign of social injustice and prejudicially affect the welfare of the masses of the American people.

We are about to adopt or reject a tax formula which will tremendously and injuriously influence the economical life of the Nation. If for the sake of argument we assume that this sales tax will not be pyramided, then the $600,000,000 sales tax will lay an additional burden of $5 on every man, woman, and child in America, or approximately $25 per family. This means $18,000,000 additional taxes on the people of Missouri and nearly a million additional taxes on the people of the district I represent. I will never vote for such an unjust proposal. Do not be deceived; you can not saddle this $600,000,000 sales tax on the rank and file of the American people without having to answer for it at the bar of public opinion and at the ballot box. And you should have no misunderstanding as to the result of that issue.

Though the mills of God grind slowly, yet they grind exceeding small;
Though with patience He stands waiting, with exactness grinds He all.

If the taxgatherer stood at the door of every store and levied a tax of 2¼ per cent on every article bought, there

would not only be an outcry but a rebellion by the consumers, because under that system it would be brought home to them that they were being taxed. The very people who would fight rather than pay an unjust tax will uncomplainingly pay higher taxes when they are collected by storekeepers in increased prices, and even if an indirect tax is consciously realized, it can not be opposed. And in order to cover up this sales tax and keep the masses from knowing to what extent they are being taxed, the pending bill levies this tax on the manufacturer, who adds it to the price of the commodity and passes the tax on to the consumer through the wholesaler and retailer.

As a Democrat, and as one who is devoted to our free institutions, I assert there is absolutely no necessity for the imposition or a consumption tax on the American people at this time, or at any other time, except perhaps as an emergency measure if we should again be drawn into war, from which may a benign Providence protect us.

It has been argued in this Chamber that we can not balance the Budget by issuing bonds or certificates of indebtedness as the administration has been doing to meet former deficits. Every time a revenue bill was pending in the House in the last 10 years the able but cynical and oleaginous Ogden Mills; Secretary Mellon, the high priest of plutocracy; and the other Republican rajahs, with that solemn holier-than-thou, I-know-it-all attitude, declared that the increase of the income-tax rate applicable to the higher brackets would produce less revenue than under the then existing rates, and that no more taxes could be secured by increasing the tax on large incomes. The Secretary of the Treasury, under the Harding, Coolidge, and Hoover administrations, in season and out of season, told this Congress and the American people that they had reached the Ultima Thule—the limit beyond which additional revenues could not be secured by increasing income taxes in higher brackets.

We have seen every one of these prophecies fail. Experience has demonstrated that the estimates of Mr. Mills, Mr. Mellon, and other Republican tax prestidigitators were utterly unreliable and false. Mellon, Mills, and their big-business associates, representing the administration, either deliberately misrepresented or recklessly miscalculated and underestimated the revenues of the Government for one year in a sum amounting to approximately $1,000,000,000.

Who, in or out of Congress, has any confidence in, or respect for, the estimates that have come from the Treasury Department in the last 10 years? Like Mellon, Mills speaks the language of big business, and advocates the policies of the special privileged classes. They have repeatedly juggled their estimates so as to induce Congress to accept their recommendations and enact their legislative program. I am not willing to follow the advice of Mellon, Mills, Hoover, and Wall Street when it comes to adopting a tax system that violates the fundamental principles of the Democratic Party and runs counter to the long-established tax policies of the American people.

It is regrettable that the estimates and recommendations of Mellon and Mills have been so reckless and undependable that few Members of Congress, and no thoughtful student of financial and economic conditions, pay any attention to them. They are nimble with figures and have no conscientious scruples against making reckless estimates when such action will support their plans, buttress their political theories, and promote the political fortunes of the Republican Party. In view of the double-distilled blunders of the Mellon, Mills, and Hoover crowd, their estimates should be checked and double-checked before the American people accept their advice, which unfortunately reflects the attitude of the most sinister, selfish, and sordid elements in our financial and economic life.

I am of the opinion that the present and prospective deficit can be largely made up by an increase in income taxes in the higher brackets, a more radical advance in estate taxes, higher gift taxes, excess-profits taxes, taxes on American capital invested abroad, doubling or trebling the tax on incomes from foreign bonds, securities, and investments, and on the sale and transfer of bonds, stocks, and securities I would impose a tax so high that the gamblers of Wall Street and the stock-exchange sharks would feel it. A capital tax would produce approximately $150,000,000.

The pending revenue bill is not a Democratic measure. I do not think very many Democratic Members of this body favor the imposition of sales tax. The sales tax has been denounced by Democratic platforms. In 1920, Mr. BACHARACH, the distinguished gentleman from New Jersey, an eminent Republican and a member of the Ways and Means Committee, proposed a sales tax as a substitute for the excess-profits tax, which was looked upon with favor by the Republican Party. Mr. BACHARACH called it a "consumption tax," and it is so styled by most political economists. During the 1920 presidential campaign Mr. Harding, realizing the unpopularity and injustice of the sales tax, invited Mr. BACHARACH to visit him at Marion, Ohio, and in the interview that followed Mr. Harding urged Mr. BACHARACH to reduce his proposed sales-tax rate from 1 to one-half of 1 per cent. During the Harding administration the Republicans, under the leadership of Smoot, Mellon, and Mills, made a strong fight for the sales tax, Mr. Mills designating it as "a spender's tax," when he was urging the Committee on Ways and Means to adopt it.

All of the great farm organizations have gone on record in opposition to the sales-tax provision of the pending bill. It is estimated that at least $150,000,000 of the $600,000,000 to be raised by this sales tax will be paid by the farmers; and as there are approximately 6,000,000 farms, this sales tax would cost on an average $25 to the individual farmer.

And this man Mills, for 10 years an aggressive advocate of the sales tax, has given this bill his paternal blessing. For 10 years Mellon and SMOOT advocated the adoption of the sales tax. And yet some Democrats are so unsophisticated as to believe that Ogden Mills and the Hoover administration are not body and soul behind this measure.

The plain facts are that the Republicans have outsmarted the Democrats, and by pretending to favor a little different plan have adroitly maneuvered the Democrats into the dangerous position of proposing a sales tax. Some of my Democratic colleagues, who, in their perplexity, are seeking a way out of this Republican abyss, may imagine that they hear the voice of Jacob, but I warn them that the guiding and controlling force behind this bill is the hairy, yet adroit, hand of Ogden "Esau" Mills [laughter], who, if he succeeds in putting over this sales tax, will have successfully accomplished the most far-reaching political 3-shell game since Esau deceived the half-blind Jacob in that diplomatic encounter and match of wits so graphically described in the Book of Genesis.

The Republicans are laughing in their sleeve over their success in lining up the Democratic leaders of the House in support of the sales-tax proposal. When in power, the Republicans never had the temerity to enact a sales or consumption tax, although the Senate Finance Committee in 1921, under the direction of its chairman, Senator SMOOT, contemplated the adoption of a sales tax, but abandoned the plan on the advice of Professor Seligman. They knew that it was not only the most unjust but the most unpopular of all forms of taxation.

But now Republicans are willing for the Democrats to stand sponsor for this unholy tax formula and get the blame for having imposed it on the toiling millions of men and women who are already bending under an unbearable burden of taxation. The seeming reluctance of Ogden Mills to sponsor a sales tax was a part of their ingeniously planned and diplomatically manipulated policy of getting a sales tax—just what they wanted—and yet fasten on the Democratic Party the odium of having enacted this reprehensible system by which the burdens of government are transferred from those most able to bear them to those least able to bear them.

Is Mr. Mills opposed to a sales tax? Ye gods, no. It is a part of the baleful financial philosophy of which he is high priest and past master. It squares with every other tenet of his fiscal faith. It harmonizes with his theory that the ultrarich should be relieved of a very considerable part

of their proportion of the expenses of government. For 10 years Andrew Mellon and the malefactors of great wealth have industriously labored to fasten the sales tax on the American people, during which time Ogden Mills has been not merely Mellon's understudy but in reality his master. As Richelieu's matchless diplomacy and statecraft was largely formulated by Father Joseph, so most of Mellon's financial formulas sprung from the fertile brain of Ogden Mills, like Minerva leaped full grown and full armed from the brain of Jupiter. As the crow wants carrion, so the Hoover-Mills crowd want a sales tax, but they have very ingeniously arranged for the Democrats to hold the bag and handle the hot end of the poker.

Yesterday the gentleman from Georgia, for whom I have high regard, stated in substance that the pending bill was more unjust and burdensome to the wealthy classes than to the poor or average groups. I asked him if this be true why the ultrarich and big business classes seem so well satisfied with the measure and had not been loading the mails with propaganda and appeals against the enactment of this bill.

I have been here 10 years, and every time a revenue bill has been under consideration by Congress there have come to my desk and to your desks letters and propaganda, not only by the hundreds and thousands but by the ton. It is no hyperbole to say that whenever Congress has considered a revenue bill in the past, every Member has received at least 1 or 2 tons of propaganda opposing the rates embodied in the bills then pending. But now we see no organized opposition or propaganda from the masters of finance and the captains of industry, or from the owners of swollen fortunes, many of which were accumulated by profiteering during the tragic period of the World War; no protests from big business, or from the great corporations or monopolies sheltered by special privilege laws; no complaint from the Fords, the Rockefellers, the Bakers, the Giffords, the Mellons, the Morgans, the Dillons, the Reads, or from the stock-jobbing crowd who manipulate markets and gamble on the misery of millions; no grumbling from the big income-tax payers; no frowns from those who pay estate taxes or from commercial, industrial, or financial lords.

The great army of big-business buccaneers, when other revenue bills were pending, invaded Washington like a Hunnish hoard, hovered around the House and Senate, wore out the walks leading to the White House, and stabled their horses in the corridors of the Capitol; these corn-fed, faultlessly groomed ambassadors of great wealth and special privilege are contented and unperturbed, seemingly confident that the Ways and Means Committee would write a revenue bill entirely acceptable to them.

But it is urged that we can not sell Government bonds to balance our Budget. This argument is as false as it is foolish. I call your attention to an article in this morning's Washington Post, which news item was carried by the Associated Press and printed in practically every metropolitan newspaper in the Nation. I quote the first paragraph of this article:

> Public confidence in Government securities, and a desire to put funds in that sort of investment, caused the Government's offer of $900,000,000 in Treasury certificates to be oversubscribed nearly four times in two days. Secretary Mills announced to the public that the Treasury certificates offered to the public Monday brought in subscriptions totaling $3,402,735,500 before the books were closed.

The Washington Daily News, after stating that the subscriptions totaled nearly four times the $900,000,000 offering, said:

> The 3⅛ per cent certificates, to mature in seven months, were bought for a total of $952,619,500, while the 3¾ per cent certificates, which mature in a year, brought total subscriptions of $2,450,106,000.
>
> Though Mr. Mills did not say how much of the total subscriptions have been accepted, it is believed the amount probably will be slightly above $900,000,000.
>
> The money obtained through the sale of the certificates, which will be dated March 15, will be used to meet Government expenditures. Thus far this fiscal year these expenditures have been $1,800,000,000 more than receipts.

Think of it; the Government announces it wants to borrow $900,000,000 and in 48 hours three and one-half billion dollars, or nearly four times as much, are dumped on Uncle Sam's counter by the money lords who are lousy with wealth. American capitalists said in language of dollars, "Uncle Sam, we will not only lend you $900,000,000 but four times that amount." Mr. Mills has announced that he will take only $900,000,000 and will turn back the other two and one-half billions. Now, this problem of balancing the Budget could be solved without this sales tax if Mr. Mills will accept an additional $600,000,000 that the money lords are trying to lend him.

And still some of you gentlemen say that the issue of an additional $600,000,000 of Government bonds would overburden the security market, though within 48 hours after the Treasury called for bids, the financial groups submitted bids for nearly four times as much as the Government wanted to borrow. Does this flood of subscriptions indicate that the Government can not float an additional $600,000,000 of bonds to balance the Budget? In view of the ease with which an additional bond issue can be marketed, why is it necessary to saddle the $600,000,000 sales tax on the American people who are already taxed beyond endurance?

Balancing the Budget of the Government, like balancing the budget of an individual, company, corporation, municipality, or State, does not mean that it can only be done in one particular way, nor that it must be balanced by cash. The balancing may be done by paying part cash and by issuing short-term securities, and without resorting to additional taxation. This is no new or unusual method of meeting a situation such as now confronts us. It is as old as human government.

In this period of unprecedented economic distress, when 8,000,000 men and women are idle, walking the streets, seeking employment and begging for bread; when in a period of plenty, millions of underfed and undernourished men and women are too poor to buy food even at the present ridiculously low prices, I consider it a crime for the Hoover administration and Congress to lay on the backs of the American people an additional burden of $600,000,000 in the form of a commodity or consumption tax. No sound reason can be assigned for laying these taxes when farms are being sold on the block at sacrificial prices, when the earnings and accumulations of a lifetime are being dissipated, when the people are unable to pay their taxes, interest, and store bills and are rapidly drifting into a condition of penury and peasantry.

Under present conditions, is it good politics, is it ethical, is it honest to increase the burden of taxation under which the masses are now staggering?

This afternoon in the corridor I heard the distinguished gentleman from Oregon [Mr. HAWLEY] say to one of his Republican friends, "Do not call it a sales tax; call it a manufacturers' tax." What does John Stuart Mill call it; what does Henry George call it; what does Professor Seligman call it; what do all the economists in the United States of America call it; what has every political writer in the last 500 years called it? All refer to it as a sales tax, a commodity tax, an excise tax, a consumption tax.

No matter what you call this tax, it is not a manufacturers' tax. In truth and fact the manufacturer does not pay this tax, he only advances it and passes it on through the wholesaler and retailer to the consumer. By calling it a manufacturers' tax you are not going to fool anyone because everyone knows that it is a consumers' tax.

Now you propose to lay a burden of $600,000,000 on the people in the form of a sales tax. Who will pay this tax? It must be paid by one of four groups, by the manufacturer, or wholesaler, or retailer, or consumer.

Is there a man on the Republican side of the House who has manufacturing establishments in his district and who will stand up here now, while I pause, and say that he believes the manufacturers will absorb this $600,000,000 of sales taxes? If so, I want his name to be preserved in my speech and handed down to posterity as one of the most

pathetic victims of auto-unsophistication since John Law sold his South Sea bubble to a credulous world.

Mr. CROWTHER rose.

Mr. LOZIER. The gentleman from New York [Mr. CROWTHER], is one of the victims of this paradoxical delusion. I wish I was as sure of just one thing, as the amiable gentleman from New York is sure of everything. His splendid talents are only surpassed by his courage, frankness, and genial disposition. Is there another Republican Member who really believes the manufacturer will pay the sales tax and not pass it on through the wholesaler and retailer to the consumer?

Mr. RICH rose.

Mr. LOZIER. The gentleman from Pennsylvania [Mr. RICH], Babe in the Woods No. 2, unblushingly confesses his belief in the doctrine that the poor, innocent, helpless manufacturer is the sole victim of the sales tax. According to Joubert, "When credulity comes from the heart it does no harm to the intellect." But my friend from Pennsylvania has a generous stock of both heart and brain power which makes it more difficult to understand his economic astigmatism and aberration.

Mr. RICH. I want to ask the gentleman a question.

Mr. LOZIER. I do not yield now to the gentleman. Of the 435 Members of this House only 2 have stood up and gone on record as believing that the manufacturer absorbs the sales tax and does not pass it on to the consumer. Here are two Republicans, two of the faithful, on guard to protect big business and special interests and saddle a considerable part of their taxes on the poor and middle classes.

Since I have been a Member of this body there never has been a tariff bill before Congress, during the consideration of which the gentleman from New York [Mr. CROWTHER] did not speak the language of the tariff barons, and ably yet fallaciously advocate the imposition of unconscionable duties. He is the "Republican show pony" of the House, and the most brilliant and persuasive expounder of the cynical doctrine that the many should be taxed in order to enrich the favored few. And to-day he is running true to form when he, by advocating a sales tax, seeks to take this burden from the backs of the financial classes who are best able to pay and place it on the backs of the consumers, least able to pay.

Mr. McGUGIN. Mr. Chairman, will the gentleman yield?

Mr. LOZIER. Not now.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LOZIER. No.

No. I do not want to be diverted from a line of thought that I am trying to pursue and develop.

I now propose to show how the additional capital required by reason of this sales tax will be pyramided as the commodity passes from the manufacturer through the wholesaler and retailer to the consumer.

Suppose the output of a factory can be sold for $500,000 without the sales tax, which price includes total cost to the manufacturer including the manufacturer's profit. If the pending bill is enacted, the sales tax on this output will be $11,250. For bookkeeping and other cost of administering this sales tax the factory will be subjected to an additional expense, say, of $5,000, or 1 per cent of the $500,000 factory output. That is to say, the manufacturer's expense and capital is increased to $16,250 ($11,250 tax and $5,000 for additional overhead expense). But this is not all. The manufacturer, without the sales tax, would only need a capital of $500,000 to make and market this output, but with the added expense incident to the payment and administration of the sales tax he finds that his actual investment is $516,250, on which capital he is entitled to get a return and profit. If he counts on a gross return of 20 per cent, he would compute his profit, overhead, and return on investment not on $500,000 but on $516,250, 20 per cent of which would be $103,250. The $500,000 at which he sells his commodity includes his 20 per cent gross return on his original capital, but he will be entitled to charge 20 per cent on the $16,250 additional capital required by reason of the sales tax. Twenty per cent of $16,250 is $3,250, which added to the $11,250 sales tax and $5,000 additional overhead, brings the total cost to $19,500, which represents the total cost to the manufacturer, directly and indirectly, of the sales tax. He not only passes on to the wholesaler the $11,250 sales tax, but he passes on $5,000 additional expense and overhead and $3,250 returns on additional capital investment, or a total of $19,500. This is $19,500 more than the wholesalers would be required to pay if the pending bill does not become law.

Now, the wholesaler in buying from the manufacturer has paid $19,500 more than these commodities would have cost him without the sales tax. This means that the wholesaler is required to have $19,500 more capital stock. So when the wholesaler sells to the retailer he not only gets back the $19,500 that he has advanced to the manufacturer but he adds, say, 20 per cent—$3,900—as a fair return or charge on the additional capital invested, and when he sells to the retailer he gets back this $3,900 plus the $19,500 that he advanced to the manufacturer. This makes the commodities cost the retailer $23,400 more than they would have cost without the sales tax. The retailer is required to invest $23,400 more capital than would have been necessary without this sales tax. The retailer adds his 20 per cent on this additional capital, which brings the amount the consumer must pay on account of this sales tax to $28,080.

So the $11,250 sales tax paid by the manufacturer to the Government has grown to $28,080 by the time the commodities reach the consumer, an increase of $16,830. And the 2¼ per cent sales tax paid by the manufacturer has grown to 5$\frac{6}{10}$ per cent by the time the commodity passes to the consumer. Now, the increase would be the same on articles or commodities of any value.

Now, this increase of from 2¼ to 5$\frac{6}{10}$ per cent results solely from pyramiding the additional capital investment required by reason of the sales tax. There will be additional pyramiding where the tax on an article is a fractional part of a nickel, dime, quarter, half dollar, or dollar. It is absolutely impossible to prevent pyramiding. Every intelligent person knows that where the tax is less than 5 cents, 5 cents will be added; if the tax is between 5 and 10 cents, 10 cents will be added; and so on. And when the tax gets above a dollar the temptation will be very great to add $1 where the tax is a fractional part of the dollar.

This afternoon in the cloak room I suggested to my friend from New York [Mr. CROWTHER] that pyramiding of this sales tax was inevitable, even under his theory, to the extent of the increased capitalization required by reason of this law, and he admitted that I was absolutely right in claiming that there would necessarily be a pyramiding of this additional capital when the articles are transferred from the manufacturer to the wholesaler and from the wholesaler to the retailer.

Here are two men who say that the manufacturers pay the sales tax and do not pass it on to the consumer. If this be true, then it necessarily follows that they are willing to impose a tax of $600,000,000 on the manufacturers, who will not be able to recoup that payment when they sell their products to the wholesaler. I ask, Can the manufacturers of the Nation pay and absorb this enormous tax? If the manufacturers will pay this tax and not pass it on through the wholesalers and retailers to the consumers, then this bill will saddle on the manufacturers $600,000,000 of additional taxes in this unprecedented period of depression when industry is paralyzed and not able to bear any additional burdens.

Then again, if the manufacturers can and will absorb this $600,000,000 additional taxes without increasing the sale price of their commodities, then it necessarily follows that the manufacturers are now making huge profits and the price of their products should be reduced. If the manufacturers can take on taxes amounting to $600,000,000 and not pass these taxes on to the consumer, they must now be making enormous profits, or they could not absorb this additional overhead expense of $600,000,000. So it necessarily follows that the manufacturer will not absorb but merely advance the sales tax and pass it on to the wholesaler.

Now, is there any Member present who believes that the wholesaler absorbs this tax? If so, let him stand. I want his name to go into this speech.

Mr. CROWTHER rose.

Mr. LOZIER. The gentleman from Schenectady again stands. Noblest natures are most credulous, and quick believers need broad shoulders, and when it comes to taking punishment and standing up for his party, right or wrong, the gentleman from New York is one of the noblest Romans of them all. If it be true that the wholesaler absorbs the sales tax and does not pass it on to the retailer, then undeniably this bill will impose on the wholesalers of the Nation a new burden of $600,000,000 taxes. Can the wholesalers carry this additional load? I think not.

Now, do any of my colleagues believe that the retailer absorbs this tax and does not pass it on to the consumer? If so, I would like for him to stand.

Mr. CROWTHER rose.

Mr. LOZIER. The gentleman from Schenectady again stands. [Applause and laughter.] Notwithstanding his superb intellectual powers and his genial personality, the gentleman from New York believes easily what he hopes for earnestly. We have heard of those who are joined to their idols; and while I admire the gentleman from New York for his splendid qualities of mind and heart, I can not accept his provincial and sordid political philosophy. I am not willing to follow him in the support of the sales tax, nor am I willing to follow the titular heads of the Democratic Party in this body away from the traditional policies and platforms of the Democratic Party. I am unwilling to allow William Randolph Hearst to put a ring in my nose and lead me out of the Democratic Party into Republican pastures.

When Alexander Hamilton set out to establish a fiscal and economic policy for the United States he formulated a program for indirect taxation, internal revenue taxes, a system of sales or consumption taxes, that when carried to its legitimate conclusion would have taxed practically everything the masses eat, wear, handle, or are compelled to purchase. In opposing this program for a system of indirect taxation, one Member of Congress in 1790 said:

> The time will come when the poor man will not be able to wash his shirt without paying a tax—

To the United States Government.

Humphreys, in his Economic History of the United States, says:

> Although Hamilton's measures won the support of the commercial interests, they did not prove so acceptable to the western farming class, his excise tax even calling for an opposition that verged on a state of civil war. Alexander Hamilton did little to aid the West, leaving this to Thomas Jefferson, who became its champion, the leader of an agrarian anti-Federalist party.

I do no violence to history when I say that the Democratic Party came into power as the uncompromising foe of the sales tax and all forms of indirect taxation, and it has ever held true to the principles and policies of its founders. Shall we who wear the livery of Democrats depart from the traditional faith of our political fathers? I hope not. I will follow no time-serving Democrat away from the principles and policies that underlie, permeate, and vitalize democracy.

In the colonial period the New England States were devoted to Democratic ideals, and vigorously opposed the imposition of indirect taxes. The southern colonies, such as Georgia and the Carolinas, largely employed indirect taxes, because under that system the rich plantation owners and their lands would be very largely relieved of taxation. For the same reason a poll tax was opposed because it would require the southern planter to pay a poll tax on his land. For this reason the men who dominated the old South fastened on several Southern States a system of indirect taxation, in order to shift the burden of government from rich landowners to the masses.

A little later the Central Colonies—Virginia, Maryland, Pennsylvania, and New Jersey—adopted a system of sales taxes patterned after the system employed in the Netherlands during the period of Holland's commercial supremacy, of which system Professor Seligman said:

> The great traders and merchants (of Holland) did not relish any direct taxation of trading capital and therefore devised a system of indirect taxation of business, which would, as they thought and hoped, be shifted to the community in general and to the poorer classes in particular. Thus developed the stamp taxes, the excise tax, and the whole host of indirect taxes for which Holland was noted. * * * It was not until the democratic movement of the nineteenth century, when the system of excise was recognized as a burden on the poorer classes, that the number of commodities subject to excise was greatly reduced.

When Alexander Hamilton was seeking to fasten the system of indirect taxation on the American people he came to grips with Thomas Jefferson, the great tribune of the people, who unhorsed Hamilton at the beginning of the nineteenth century, and from that time until 1861 comparatively few indirect taxes were levied in the United States, during which time the Democratic Party had almost unchallenged control of our Government. The only worth-while exception was during the War of 1812, when a few commodity or consumption taxes were levied because of war conditions. When the Republican Party came into power in 1861 it established a system of internal taxes, which was necessary because of the exigencies of the Civil War, and in this manner that party committed the Nation to a system of indirect taxation, including tariff taxes, by which the tariff is added to the cost of the commodity and paid by the ultimate consumer, as claimed by all great political economists and as conclusively demonstrated by the experience of the American people.

I do not criticize the Republican Party for resorting to indirect taxation during the emergency incident to the Civil War, but I do say that in this period of our national development, when people are bending beneath an almost unbearable burden of taxation, when the masses are unable to pay their present taxes, when we have probably 20,000,000 underfed, undernourished men, women, and children in the United States unable to buy bread, it is little short of a crime to compel the people who are least able to bear the expenses of government to assume an additional burden of $600,000,000 sales tax.

I want to emphasize another principle this afternoon. It is fundamental that the burdens of government should be borne by men in proportion to their ability to pay. Under the sales-tax system the millionaire may live so frugally that at the end of the year his consumption tax will be as little as, or possibly less than, the consumption tax paid by a mechanic. If a government protects one man's $100,000 worth of property and another's $1,000 worth of property, the former should pay one hundred times as much toward the public expenses as the latter. Indeed, justice might require that we go further, inasmuch as a percentage of his income which would not abridge even the luxuries of the rich might materially curtail even the necessaries of the poor.

But whether the rich should be taxed more than a pro rata proportion or not, no one can dispute the fundamental rule that taxes should be so arranged that individuals may pay in proportion to their property; that is, in proportion to the amount of protection which they receive from the Government. Now, inasmuch as indirect taxation, if laid indiscriminately, would apportion the public burden on no such principle, it is evident that such taxation should be laid very discriminately; that is, that articles of necessity should be either exempt from taxation or taxed very lightly; and articles of luxury, or those used chiefly by the rich, should bear the greater part of the burden.

This leads us to the following conclusions:

First. Property below a certain amount might very properly be exempt from taxation. The poor man's clothing, bedding, food, household necessities, supplies for his home and farm, and other articles of general necessity should never be enumerated as taxable property.

Second. The necessaries of life, if taxed at all, should be taxed at the lowest rate. Of these, the rich and poor must consume nearly equal quantities. But they consume only a fraction of the rich man's income while they consume

almost the whole of a poor man's earnings. A tax on commodities processed out of foodstuffs, cotton, wool, leather, lumber, foreign products, iron, steel, tin, copper, and other materials substantially diminishes the comforts and even the necessaries of life of a very large proportion of every community.

John Stuart Mill, in his Principles of Political Economy, says:

> The subjects of every State ought to contribute to the support of the Government as nearly as possible in proportion to their respective abilities.

All great students of political economy are agreed that sales and other indirect taxes are finally paid by the consumer, and that sales taxes are unjust to the masses because they impose on them more than their just proportion of the burdens of Government.

If there ever is a time when a sales tax will be justified, it would be in war times, in a period of great emergency, when the destinies of a nation hang tremblingly in the balance.

Sales taxes should not be levied at this time when unprecedented stagnation clogs every avenue of business, when 8,000,000 men and women are out of employment, when an innumerable host amounting to many millions are underfed and undernourished, when notwithstanding bountiful harvests, the people are too poor to buy bread, and when economic distress palsies our agricultural, industrial, and economic life. I speak not for those who dwell in palaces or marble halls, not for those referred to by the gentleman from Massachusetts [Mr. GIFFORD] who live in homes costing from $50,000 to $1,000,000 or more; I speak not for the captains of industry or the masters of finance; I speak not for the great cities and centers of wealth of population; but I speak for the wayfaring men of this Nation, for the poor and humble who have but few advocates, for the millions of the so-called common people and middle classes, who by reason of lack of organization are unable to present their cause at the bar of this House, and who are being broken on the rock of insolvency.

Too little consideration has been given to the average man in America. Our unchallenged preeminence among the self-governing States in the world is not due primarily to our unique and beneficent form of government; nor to our almost limitless natural resources, nor to our exceedingly large and seemingly excessive proportion of the world's wealth; nor to our unparalleled industrial and commercial achievements. Obviously all of these are important factors in our social, civic, political, and economic evolution; but back and behind all these, and immeasurably more important, are the plain, ordinary, average men and women of America, who in their respective spheres, some humble, some exalted, honestly, faithfully, and efficiently perform their allotted tasks, thereby exemplifying the highest type of citizenship this world has so far developed.

Mr. O'CONNOR. Will the gentleman yield?

Mr. LOZIER. In just a moment. Not now. I fear that we have a distorted conception as to the source of our national greatness. Not on wealth, not on commerce, not on big business, not on scientific attainments, not on wise statesmanship, not on outstanding genius, not on the masters of finance, not on the captains of industry, not on the ruling classes, but on that grand army of the common people made up of the average men and women of America, rest our destiny, our racial culture, our social order, our civic progress, our material prosperity, and our national tranquillity.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. LOZIER. Moreover, the strength and greatness of our Nation do not abide in the White House, in the Halls of Congress, or in our august Supreme Court tribunal. These superb executive, legislative, and judicial agencies are the effect and not the cause of the outstanding preeminence and superior excellence of the American people. These benign governmental instrumentalities are but reflections of the virtue, majesty, and good citizenship that dwell in 30,000,000 homes. The great centers of wealth and population have not contributed an undue or preponderating influence in the evolution of our national life and ideals or in the symmetrical development of our complex civilization, but in the last analysis the masses or so-called common people are the source from which springs our racial virility, refinement, and progress in general. The American home is the unit or basis of our cultural attainments and the foundation on which rests the phenomenal accomplishments of our people in lifting up men mentally, morally, socially, and politically.

I am pleading for the wayfaring men and women of the Nation. I am pleading for 70,000,000 people who are not organized, who have no lobbyists in Washington to present their cause before the Ways and Means Committee or the Congress; I speak for those millions who are unable to load the mail with propaganda; my plea is in behalf of the many millions of men and women belonging to unorganized groups who have no representatives at the council tables around which are determined the economic policies of the Nation.

Mr. O'CONNOR. Will the gentleman yield?

Mr. LOZIER. Yes.

Mr. O'CONNOR. The gentleman said he was appealing for the wayfaring men and ordinary men of the United States, and in the same breath he said he was not appealing for the metropolitan centers. Does not the gentleman realize that the typical American, the ordinary man, wayfaring man, seafaring, or whatever he may be, lives in the metropolitan centers of this country?

Mr. LOZIER. I will gladly answer the distinguished gentleman from New York. When I said I was speaking for the wayfaring man, the millions of unorganized groups, and not for the people who live in the great centers of wealth and population, I meant no disrespect to the people who live in the great metropolitan areas, who undeniably are, on the whole, high-class citizens who are worthy of the Government's benevolent attention. I would not withhold from city people any legislative consideration to which they are entitled. Their interests should at all times be considered by the Government and their rights should be respected. I will go as far as the distinguished gentleman from New York in supporting legislation that will conserve the interests and promote the welfare of the millions whose lives are spent in the turmoil and clamor of the great cities.

The thought I had in mind was that I was not speaking for the strong and mighty, for the rich and powerful, for the arrogant and proud, for the financial magnates and economic buccaneers in the great cities, but rather for the innumerable host of plain, ordinary, average men and women who have no friend at court, whose interests are too often forgotten, and whose virtues are unrecorded even in the short and simple annals of the poor. The great business groups who dominate the economic life of the great cities are able to take care of themselves, and their agents and lobbyists are always found in the corridors of the Capitol and in the shadow of the White House, while the great mass of city people, like the millions in the country, are exploited and plundered by governmental favoritism and conscienceless manipulation of economic laws.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. LOZIER. And may I add that the people of New York have in Mr. O'CONNOR a very able and influential Representative, and so long as he and his distinguished colleagues from New York City are in this House, undoubtedly the metropolis of the Western Hemisphere will be ably represented.

Mr. KVALE. Will the gentleman yield?

Mr. LOZIER. Yes.

Mr. KVALE. A question arose in my mind while the gentleman was making his forceful speech in connection with the reading of the news item concerning the subscriptions to the Treasury certificates offered. Does not that indicate, when that offering is so far oversubscribed, that there is a

serious question about the wisdom of offering such an attractive interest rate?

Mr. LOZIER. The gentleman is correct. This oversubscription shows that the capitalists are willing to open their coffers and pour their money into the Treasury of the United States in exchange for Government bonds.

Mr. CROWTHER. Will the gentleman yield?

Mr. LOZIER. Yes.

Mr. CROWTHER. I just want to ask the gentleman if he will in his remarks correct the statement that I told him he was absolutely right in regard to the statement he made. In the lobby I agreed with him that it had some merit and that I would be glad to look into it. I have no doubt it has some merit, but I do not want to be placed in the position of having indorsed it, because I think on the basic proposition the gentleman has just discussed he is not correct in saying that a manufacturer has to carry his tax for some time, because the fact is that the manufacturer does not pay until 30 days after the previous month, so that he has 60 days during which he will carry on his ordinary business, and he will have received his money from the man to whom he sold his goods. Therefore I think the gentleman's premise is wrong.

Mr. LOZIER. Does not the gentleman think the manufacturer would have to anticipate payment to Uncle Sam and arrange his finances considerably in advance of the day the taxes are due? And my friend should not overlook the fact that the manufacturer may have to wait several months before he can collect from his customer. Do not you think the manufacturer would require additional capital under the operation of the sales tax?

Mr. CROWTHER. No. The tax, under the law, is not payable until 30 days after the preceding month in which the tax develops, so that he has 60 days. You can take a lead pencil and paper and prove almost anything, even that black is white.

Mr. LOZIER. And by that process the gentleman has always been able to prove that the protective tariff system is right. [Laughter.]

Mr. CROWTHER. I do not think the gentleman's conclusions are right, because his premise is absolutely wrong.

Mr. LOZIER. That is only my friend's conclusions which do not import absolute verity. I will say to the gentleman that if I have overstated or overemphasized the indorsement he gave my formula, I will be glad to modify my statements; but I can not conceive of how anyone can take the position that the manufacturer, wholesaler, or retailer, or all of them combined, will absorb these sales taxes and not pass them on to the consumer.

If the manufacturers will be compelled to pay this tax, you are going to place upon them $600,000,000 of additional taxes. If the wholesalers absorb this tax, you are going to place upon them $600,000,000 of additional taxes. If the retailers of the Nation absorb this tax, you are going to place on them $600,000,000 of additional taxes. Reason as you may, in the last analysis you are forced to the conclusion that all these sales taxes will ultimately fall on the consumers, and in the end they will pay the $600,000,000 sales taxes; and this is the conclusion reached by writers well versed in political economy.

Professor Seligman, a great political economist of Mr. CROWTHER's home State, recognizes that the increased capitalization required in the payment of the taxes by the manufacturer will be pyramided with every transfer of the commodity and on every succeeding transaction by interest on the capital involved.

Mr. CROWTHER. Will the gentleman yield?

Mr. LOZIER. Certainly.

Mr. CROWTHER. I stated to the gentleman that they might be absorbed, that competition in business will many times cause the manufacturer to absorb the taxes, and then the tax may be absorbed 50 per cent between the manufacturer and the wholesaler and the other one-half may be absorbed between the wholesaler and the retailer, or it may be absorbed 50-50 between the manufacturer and the retailer.

Mr. LOZIER. Oh, no.

Mr. CROWTHER. There are various ways in which it may be absorbed.

Mr. LOZIER. It is unreasonable to assume that the manufacturer and the wholesaler will agree to divide and absorb the sales tax on a 50-50 basis, when they know that under the inexorable laws of economics the tax will inevitably be passed on through the retailer to the consumer. The manufacturers in this day and age of the world, especially a shrewd Yankee manufacturer, or one from the gentleman's own city, will ever agree to absorb the tax on the output of his factory, nor would any wholesaler or retailer do so.

Mr. CROWTHER. He might be compelled to do it as the result of competition. This is what brings the prices down in this country under the tariff.

Mr. LOZIER. The economists agree that the sales tax is passed on to the consumer, and the only exception is where the processed article is sold on a rapidly declining market. If the bottom drops out of the market, the manufacturer may not be able to recoup his loss, and in that event he might not only lose the tax advanced by him but a substantial part of the cost of his commodity; those are the only conditions under which the consumer is not compelled to pay the sales tax.

Here is what the gentleman from New York said in his speech a few minutes ago about our conversation in the lobby this afternoon in reference to pyramiding additional capitalization required by reason of the sales tax:

> The gentleman from Missouri [Mr. LOZIER] brought something to my attention—with which I think we are all fairly familiar—in regard to the amount of tax added to a very considerable sized sale, and that of necessity there would be an additional capital cost that might be pyramided. But that is open to argument.

Mr. CROWTHER. Will the gentleman yield for a further question?

Mr. LOZIER. Yes.

Mr. CROWTHER. Is the gentleman opposed to this sales tax?

Mr. LOZIER. I most certainly am, in principle, in policy, and in practice. [Applause.]

For the information of my good Republican friend from New York I want to quote from John Sherman, a great man, a great Republican, a great Senator, and a great Secretary of the Treasury.

Senator Sherman, in a speech in the United States Senate on May 23, 1870, said:

> It now only remains to point out those taxes, which, in the opinion of the Committee on Finance, ought to be repealed and those that ought to be retained. * * * The first and most oppressive form of taxation, in my judgment, most indefensible in principle, most unusual in practice * * * is the tax on sales. There is no objection to any kind of tax that is not applicable to this. It is a tax on industry; it is a tax on the most careful, the most prudent, and the most energetic of our people; it is a license tax; a tax on employment. It is a tax that requires espionage because it is estimated by the amount of sales, and every merchant's tax must be liable to be investigated by the taxgatherer. It is a tax that, in my judgment, ought to be the first of all to be repealed.

David A. Wells, who was fiscal adviser of the Government during the Civil War, in discussing a general sales tax, said:

> Such a system as this violates all fundamental principles of taxation.

E. R. A. Seligman, professor of political economy in Columbia University, in his Studies in Public Finance, in discussing the sales tax said:

> The conclusion to be drawn from this historical survey is that the general sales tax constitutes the last resort of countries which find themselves in such fiscal difficulties that they must subordinate all other principles of taxation to that of adequacy. There are four principles of taxation which the statesmen must observe in framing a fiscal system:
>
> First. The principle of adequacy.
>
> Second. There is the principle of what might be called innocuity, i. e., of doing as little harm as possible to the community.
>
> Third. The tax must not be too complicated. It must be certain and convenient.
>
> Fourth. It must embody the principle of equality.
>
> The sales tax, it is evident, sins against every one of these principles.

In discussing the question as to who will pay the tax, Professor Seligman says:

If the tax is imposed on the commodity in the hands of the purchaser, there is no doubt as to the fact that the consumer will pay. The question is as to what will happen in case the tax is imposed on the seller rather than the purchaser. The consequences will be almost equally injurious. If the tax is shifted to the purchaser, its effect will be doubly baleful. For in the first case it will amount to a tax on expenditure and thus invert the principle of ability to pay. In the second place the tax will be cumulative or to use a common term "pyramided" so that the price of the commodity will in the end be raised by much more than the original rate of the tax. * * * As a result a general sales tax of 1 per cent may in the end constitute far more than 1 per cent of the original selling price. The tax, in other words, will be pyramided; it will be cumulative in character.

I quote from General Sales or Turnover Taxation—National Industrial Conference Board:

Now, if the tax is not shifted to the consumer it is still objectionable.

Again, in the language of Professor Seligman:

If the tax remains on the producer, it will be equivalent to a tax on gross receipts. A tax on gross receipts is like a tithe; gross receipts are no indication of the real profitableness of the business. Taxes on output or gross receipts which make no allowance for the expenses constitute a rough and ready system suitable only for the most primitive stages of economic life. * * * Figures that have been compiled tend to show that a tax of 1 per cent on gross sales would amount in some cases to 5 per cent of the net income and in other cases to as much as 30 per cent. The general sales tax is a discredited remnant of an out-worn system. It is essentially undemocratic in its nature, and it would, if enacted, exaggerate rather than attenuate the present inequality of wealth and opportunity.

The tendency of the general sales or turnover tax levied by the Federal Government would be to raise, by the amount of the tax, the prices of most articles purchased by consumers. * * * Since the general tendency of the sales or turnover tax would be to increase the prices of all goods purchased by approximately the amount of the tax, it might be viewed as a tax on or proportioned to consumption. The consumption expenditures of the poorer classes absorb a larger part of their income than do the consumption expenditures of the richer classes. Moreover, a larger proportion of the expenditures of the richer classes are for services which are not taxed under many forms of the general sales or turnover tax. Therefore in proportion to income a general sales or turnover tax would bear more heavily on the poorer classes than on the richer classes. This tendency of a general sales or turnover tax runs counter to currently accepted political and social beliefs.

Mr. ARNOLD. Will the gentleman yield for a question?

Mr. LOZIER. Yes; I yield to my good friend from Illinois.

Mr. ARNOLD. If the manufacturer can absorb this sales tax out of his profits without the sales tax, could he not put the price of the commodity down where the consumer would get it at a price lowered to the extent of the tax, without any added profit that may come through the various channels between the manufacturer and the retailer?

Mr. LOZIER. I thank the gentleman for his observation. His question is entirely pertinent and his conclusions are 100 per cent right. If, as some Members claim, the sales tax is absorbed by the manufacturer, then the tax must necessarily increase his overhead expense and thereby add to the cost of the commodity he produces. The manufacturer can not carry this added expense without increasing the sale price of his commodity. If it be argued that he can pay this tax and not increase the price of his products, then at present prices he must be getting an unconscionable profit on his products, and without the sales tax he could, as the gentleman from Illinois suggested, reduce his sale price, which would inure to the benefit of the ultimate consumer.

It is preposterous to think that the manufacturers of this Nation would tamely submit to a $600,000,000 sales tax if they did not know, as you and I know, that this tax will be passed on to the wholesaler and retailer and to the consumer. American manufacturers are not built that way.

Of course, if the manufacturer does not pass this sales tax on to the consumer, he can only recoup his loss by reducing the wages of his employees or by reducing the price he pays for his raw materials. But these are not the usual method by which a manufacturer reimburses himself for advancements made on account of sales taxes. As I have shown, the usual course is to pass the tax on to the consumer.

Mr. LAMNECK. And the manufacturer can not and will not absorb this tax?

Mr. LOZIER. My friend, the gentleman from Ohio is quite right. The manufacturer can not and will not absorb this tax. He will merely advance it and pass it on to the consumer. [Applause.]

Mr. CRISP. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, I ask unanimous consent to revise my remarks in the RECORD on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FREAR. Mr. Chairman, we are asked to seek some well of untouched taxation that has not yet been touched in order to substitute other sources of revenue for the proposed sales tax in the pending revenue bill. On the same day the 297-page bill was made available to Members and discussion by Acting Chairman CRISP was begun, day before yesterday, the first inquiries made of him as to features of the sales tax and the committee's reason for its action was greeted by a chorus of protests against any interruptions. Mr. CRISP had invited questions, and he was discussing the position of a man whose family used $750 of a $1,500 income for food, free from tax. When he was asked if canned goods, consumed by all classes excepting those of large means, did not pay the tax, protests arose from those impatient of any interruption who may have been ready to sign on the dotted line before any bill was reported without the dotting of an "i" or the crossing of a "t." I absolve the chairman, a personal friend, from any such purpose.

It took the committee several weeks of hearings and consideration to frame a bill from many items handed it by the Treasury Department, that has always been friendly to a sales tax and has recommended it to Congress before, so it is somewhat premature to charge, on the next day after the 297 pages were first glimpsed by Members, that no substitute for a sales-tax proposal was offered.

In the brief time that will occur between the tax bill's introduction and a vote on passage it is presumptuous to attempt any such offer. I shall content myself largely by extension in the RECORD at this time rather than pleading with those who have charge of the time and do not welcome opposition for a short review of attempts heretofore to pass a sales tax, its effect on the people, and its purpose to exempt high income taxes.

That there may be no charge of failure to suggest any other sources of revenue or any doubt as to the sacredness of rates in the bill, let me say that within a lifetime John D. Rockefeller grew from a $10-a-month clerk to a billionaire, and in recent times Henry Ford in a score of years climbed to the same spectacular financial heights in this land of opportunity and generous laws. The public paid them their price. Thousands of imitators, large and small, are following their example.

Rockefeller gave the bulk of his fortune to his son, and Ford is reputed to have done the same to Edsel. That course avoided any estate tax or other tax on untaxed gifts.

THE GIFT TAX

In its profound wisdom the committee says we should get some revenue from this untouched well that gives away great fortunes without return to a Government which has extended both opportunity and protection to the owners of vast wealth. So it is discovered that on a gift of $50,000 the beneficiary is to be penalized 1½ per cent, or $750, and from that point a modest graduated scale is fixed, not particularly burdensome in character. If 10 per cent of the gift so made was returned to the Government on such amounts by a beneficiary, who then enjoyed 90 per cent of that generous gift, it would not seem excessive to the average man, rarely assured of a $1,500 annual income. The higher gifts are fairly taxed, but 95 per cent of the gifts are below $1,000,000, that reach at that figure only 10½ per cent.

Graduated rates need not be fixed by Treasury officials, who deal in large figures, but by those who have no scruples in rendering unto Cæsar the things that are his. When he gives away his wealth, whether to avoid estate taxes or through generosity, the tax should be of just proportions. Not till it hurts like a farm tax, but at least an approach to right figures.

With the estate tax, Congress, after providing a modest return for benefactions, they gave away 80 per cent of the sum collected in credits to the States. Looking with the same microscopic vision that has once again discovered the beauties of a sales tax, these rates could easily be raised and the 80 per cent saved for the Federal Treasury, as its prime purpose was to insure estate taxes in States where they were formerly avoided. It was designed to force two or three States to desist from offers of exemption by removal of wealth from States in which it had been amassed, a just purpose no longer necessary, since the Federal tax is now a fixture. A tax of 10 per cent on estates of $2,500,000 could be doubled in these days of seeking to balance the Budget without reaching the hardship placed on an average wage earner who will pay increases on many foodstuffs and other necessaries from 5 per cent to 20 per cent, depending on the generous consideration of the wholesaler and retailers when figuring profits on the manufacturers' sales tax.

INCREASED TOBACCO TAX

Chairman CRISP advised the House that one-sixth increase on the present tobacco tax will produce $58,000,000. Is that not better to levy than on the shoes, clothes, and hats bought by the farmer or average wage earner? The committee refused to make this increase on the tobacco tax. Next the committee rejected a proposal to levy a tax on automobiles and trucks that would yield $100,000,000. I am now quoting from Chairman CRISP's speech in the RECORD of March 10, page 5695. Why is it not more equitable to levy a tax on the cars that have made Ford a billionaire and have erected princely palaces like the Chrysler Building in New York from car profits rather than tax the canned foods that make up a large part of the sustenance of the farmer and the wage earner?

One cent on gasoline will bring $165,000,000. This the committee rejected. Protests come from all sources, but how many protests would come from the small-wage man who finds everything he buys that is manufactured will cost him more and be excused by the various wholesalers and retailers because due to a sales tax? No. 2¼ per cent, but whatever additions may be charged. The proof of this I will submit later. Stamp taxes on checks and real-estate transfers were productive in war times. Why not now? Stock transfers and sales will gain $28,000,000 under the bill. Why not double the 4-cent rate or possibly increase to 10 cents if that will avoid a sales tax? A less rate than that will bring in $100,000,000.

It is not my province or purpose in hurried proposals to suggest to the able committee or to the Treasury Department what can be done to prevent a sales tax.

SALES TAXES

I desire, however, to discuss briefly the sales tax that is calculated to produce $600,000,000 annually in round numbers. If I recollect correctly, Chairman CRISP said in reply to a question that a sales tax on all food products, including canned and otherwise prepared, would bring over $200,000,000. This I fail to find in the RECORD and have no data on which to base any figures, but the exact facts would be important because of the consumers who will be called upon to pay the tax that will be passed on to them and the food thus taxed.

Congress has recently appropriated $500,000,000 for loans to banks, railways, and other industries. Authority to increase the fund to a total of $2,000,000,000 in order to stabilize business and drag money from its hiding places with jobs for the unemployed brought practically a unanimous and nonpartisan support to that bill, now the law. We did not seek to meet that draft on the Public Treasury by any sales tax or other tax, nor was it made part of the annual Government Budget. I am not unmindful of its purpose nor that it was supposed to be secured by loans, but it is probable that losses to the Government from loans are measured by nine figures during past years.

I am desirous of balancing the running expenses of the Government by adequate revenues, but with losses by everyone and depressed business conditions it would seem that this is a poor time to kick those already down or exact the last pound of flesh until a turn comes in the affairs of men.

For years the Treasury has issued short-term and other securities to tide along between tax payments. I realize arguments offered as to depressed prices of Government securities by additional issues, but we are not so vitally concerned in market prices of to-day or to-morrow as in the eventual payment of the bond. Surely it would not destroy the Nation's credit at home or abroad if, in the wisdom of Congress, we failed to pass a sales tax with which to balance the Budget, and if satisfactory substitutes are not available it would certainly not be disastrous to sell securities of $600,000,000. During the war we were not apprehensive of a Government debt far higher than anything approached by the present depression or of taxes that outdistanced those now levied or proposed to be levied, and we did not enact a sales tax.

It may be urged that I am unduly alarmed over a sales tax because it is a "painless tax," not realized by the taxpayer. A tax that easily can be substituted after trial for an income and estate tax. A tax that is loved (?) in Canada by all who pay it.

THE CANADIAN SALES TAX

We have had a Canadian tax before Congress in the past, and at the risk of threshing old straw, due to the brief time in which to file a brief before execution, I am reminding the House and Senate, if interested in cumulative data of the opinions of the experts and nonexperts on a sales tax.

Let me say that if a 2¼ per cent tax proposed here will produce $600,000,000 annually that a Canadian rate of 4 per cent will produce a billion dollars, and the Australian 6 per cent rate a billion and a half dollars.

But keep in mind that England, with all her tax burdens and heavy depression, has been too wise to attempt to follow the lead of her two dependencies in the realm of sales-tax shifting even if the Australian rate there and here could be used to reduce materially income-tax rates now levied.

Because of brief time I can not attempt to present a finished or fairly complete argument on data first learned yesterday, but for those who wish to get the views of others fairly familiar with the tax see the committee hearings just received, which take up the Canadian sales tax, on page 239.

Seventy-five Senators and Members of the House enjoyed a trip to Canada at the expense of a publisher who is sold on the sales tax, which will help to reduce the income tax. They were promptly guided to Mr. Jones, the Canadian excise auditor, and, according to the hearings, page 239, this unprejudiced official "gave us a very complete statement on how it works."

None of the Canadian Provinces have sales taxes. (Hearings, p. 243.) Representative HOWARD observed that "it is very gratifying to be informed that newspapers and newspaper advertising are exempt." That may explain the presence of a sales tax in Canada which had no undue publicity and is more gratifying, I suppose, to the consumer than a tax on his food here proposed.

Mr. HOWARD asked, Is the tax not added to his manufactured articles?

Mr. JONES. As a rule that is so.

The rate in 1929 was 2 per cent. In 1930, 4 per cent. The quotations I will later submit were before either of these dates.

Oil and gasoline are subject to a sales tax (p. 245).

Representative MAY. My colleagues bought cigarettes (yesterday) at a price probably three times in excess of the cost in the United States.

Mr. JONES. You exercised better judgment in buying linens than they did in buying cigarettes.

Representative CLAGUE. Is there a tax on building material, lumber, shingles?

Mr. JONES. New lumber or materials for repair of buildings are taxable.

Representative HOUSTON. What are a number of objections to the tax?

Mr. JONES. Occasionally some manufacturer says that the tax makes it a little more difficult to get customers to accept the goods. You have a variety of expressions of opinion * * *.

Mr. JONES. It is rather giving everybody an opportunity to contribute to the necessary expenses of running the country (p. 248).

Representative MAY. The memorandum furnished us for the year 1920–21, the income from sales tax was $38,000,000, round figures. In 1923–24 it was upward of $100,000,000 and in 1930–31 it drops down again to $20,000,000.

Mr. JONES. Up to the 31st of December, 1923, the tax was pyramided. (Afterwards changed to single tax.)

Mr. ADAMS. The following exemptions are of interest (p. 254): Butter and substitutes therefor—very curious to our American psychology not only to exempt butter but substitutes therefor. (Pending bill, p. 230, "butter, oleomargarine, and other substitutes for butter" exempted from tax.)

Mr. ADAMS (p. 256). The last collections from the Canadian tax indicate that under present conditions in Canada a 4 per cent tax would yield about $44,000,000 a year.

Mr. ADAMS. I heard very little complaint. * * * The reason seems to be this, that the tax is passed on. I dare say there are exceptions, but if so, we ran across none. * * * I have no possible doubt that the tax in the main is shifted and paid by the consumer.

Mr. CRISP. Do the jobber and the retailer add a profit to the tax that the manufacturer pays resulting in the ultimate consumer not only paying the original tax but a profit on it to the different people who handled the article before it finally reaches the consumer? (Hearings, p. 257.)

Mr. ADAMS. I suppose that in form that usually happens.

Mr. CRISP. But the average business man will add a per cent of profit on top of what he paid for the commodity?

Mr. ADAMS. I think that is true in form and partly true in substance. You can not read that Canadian law without seeing between the lines a tremendous pressure exerted at various times. (For exemptions, p. 260.)

Mr. TREADWAY. Could that be overcome by any phraseology that might be written into the bill?

Mr. ADAMS. I do not believe you can avoid that problem.

Mr. TREADWAY. In this country?

Mr. ADAMS. Anywhere. (P. 260.)

The latter suggestion is only true where the interests affected have opportunity to be heard. The consumers were not called before the committee.

Mr. TREADWAY. What effect has the 4 per cent tax, raised from 2 per cent, had on receipts?

Mr. ALFORD. It has about doubled the receipts. The statistics are not segregated. Canada has really three sorts of sales taxes and receipts are all combined. (P. 265.)

Mr. CRISP. * * * Under these conditions and the knowledge you have as an American citizen do you favor levying of a general sales tax?

Mr. ALFORD. At the present time; no, sir.

The CHAIRMAN. Boiling down your ideas, in the first place you gather it (manufacturer's tax) is a very easy tax to administer.

Mr. ALFORD. It is; yes, sir.

The CHAIRMAN. And it seems to me a popular tax to the Government.

Mr. ALFORD. Yes, sir.

The CHAIRMAN. The manufacturer, of course, paying at the source, hands it down to the man who buys it.

Mr. ALFORD. There is no doubt about that. They all admitted it. (P. 267.)

The foregoing is offered to disclose that no effort was made by any witnesses to get the views of the unorganized consumers who pay the tax. As it is added to the price, it is a painless tax but none the less paid like a gasoline tax—without separation of the tax from the price. It also appears that each dealer from the manufacturer is expected to add his profit to the tax paid as well as the cost of the manufactured article.

100 PER CENT INCREASED PRICE

If only 2¼ per cent is added, it is slight; but I offer at this point for illustration the testimony of ex-Senator Hardwick before the Ways and Means Committee on December 21, 1930. This was on another proposed sales tax, but the evidence is of value to show 100 per cent was added to the cost to consumers.

Mr. HARDWICK. Bottled goods that have a standard and uniform price throughout the country of 5 cents were immediately increased to the consumer (after levying of a 1 per cent luxury tax, or one-half-cent tax on 5-cent sale), until the article that formerly sold at 5 cents cost the consumer 7 to 10 cents. * * *

Mr. FREAR. Would not that apply, Senator, to the sales tax ordinarily; that is, without relation to the exact tax which the seller will be obliged to pay? He will place upon goods a price that will make even change.

Mr. HARDWICK. I have no doubt in my own mind, speaking personally, that that is true, and I understand that the gentleman who presented the matter to your committee yesterday admitted that when that is passed on, ultimately it always gains a little, like the snowball going downhill in winter time * * * (p. 135).

Mr. FREAR. You say that these soft drinks were formerly sold for 5 cents?

Mr. HARDWICK. Yes, sir.

Mr. FREAR. Then what tax was added by Congress?

Mr. HARDWICK. Ten per cent.

Mr. FREAR. Then the same soft drinks were sold for 10 cents?

Mr. HARDWICK. They were sold at from 6 and 7 to 10 cents.

Mr. FREAR. In that case they added ten times the tax, did they not, if sold for 10 cents?

Mr. HARDWICK. Undoubtedly.

This increase of 100 per cent in price and 950 per cent increase on the tax is submitted of the workings of a sales tax.

Before including in these remarks data presented when the last proposed sales tax was before the Ways and Means Committee, I call attention to the fact that all the flock of lobbyists formerly here were left out this time, whether purposely or unintentionally. The other tax never reached the House but was discussed and as the record shows cussed by those supposed to be familiar with its workings—the ultimate consumer who pays the freight.

I do not presume that the record here offered will affect the action of the House where time is limited and 25 Members of the committee are registered in its support, but in the deliberative body at the other end of the Capitol the witnesses later quoted may possibly get more consideration.

It is conceded that the present Canadian sales tax is different from the one now in force, but the purpose of the tax, its loading of added price onto the consumer whether in form of a manufacturers' tax, opposed vigorously by high authority quoted in the past, all these factors are present in the bill before us. It proposes to raise $600,000,000 on foodstuffs, canned and otherwise prepared—oleomargarine and other butter substitutes excepted—and including all wearing apparel, shoes, and every manufactured article, all of which is now to be passed on to the consumer by an increased price in order that he may learn to love his Government by this privilege to pay taxes on all manufactured articles not specifically exempted. As Mr. Jones, of Canada, says it gives him an "opportunity" to pay and the consumer, not Jones, then pays the freight. Farm taxes, local, county, and State taxes, school taxes, and all other taxes are something of a burden to the average taxpayer because definitely set forth in the tax statement. The sales tax is more painless but none the less effective, though the profits paid to different agencies from manufacturer to retailer are concealed.

I now submit extracts from speech of December 22, 1921, that relates to the Canadian sales tax and the one then proposed for this Government.

REVENUE LEGISLATION

Mr. FREAR. Mr. Chairman, at this session of Congress it is proposed to pass a consumption or sales tax that will lay a new tax burden and increased prices on necessaries of life consumed by 4,000,000 to 5,000,000 idle laborers and their families, on millions of farmers and other laborers and their families who are now fighting for bare existence, and on over 3,000,000 ex-soldiers and their families, who are told the price of any compensation bill is a consumption tax.

A bill recently introduced provides for a consumption tax to finance a soldiers' compensation bill. Practically the same compensation bill overwhelmingly passed the House last session, but a similar consumption tax was then stricken from the bill. Powerful influences now urging a consumption or sales tax include several great influential newspapers and equally great financial interests, so that any attempt to stem the propaganda favoring a consumption tax may appear to be futile.

This is especially true when the tax is put forth to help finance a soldiers' compensation bill, who may prefer a half loaf to no bread at all, but in view of the announced purpose eventually to substitute a large consumption tax for the existing income tax, so stated by several witnesses before the Ways and Means Committee, reasons are here offered why a consumption tax should not be saddled on the backs of the American people through a soldiers' bonus bill or by any other bill. A published statement, credited to Secretary Mellon, that a compensation bill can be financed by a tax on wines and beer is not likely to receive serious consideration from the House, but sources of revenue will be suggested that can amply finance any soldiers' compensation bill which may be passed by Congress and justly should be made to do so.

Over a half billion dollars in annual revenues have been taken from Treasury receipts during the present session by repeal of the excess-profits tax, luxury taxes, and reduction of surtaxes, some of which were used to finance the prior compensation bill. These sources of revenue can well afford to pay reasonable tribute to the soldiers who, by winning the war, made such profits possible. In addition to these sources of revenue an annual income of over $1,000,000,000 may be collected through an increased inheritance tax, gift tax, undistributed income tax, and last but not least, by interest on foreign debts. Other sources of revenue will be mentioned, from all of which several times the estimated required amount of $350,000,000 annually can be raised to finance a soldiers' compensation bill.

If need be, the entire amount to be raised for the 5-year payments, estimated at $1,500,000,000, can be paid out of sources of revenue hereinafter offered from one year's collections under normal conditions.

These suggestions are made incidental to a discussion of the objectionable sales tax, which is expected to find a vehicle for its passage in the compensation bill. Once adopted the tremendous influence and power behind a sales tax will be employed to prevent its repeal. A camel's nose under the tent will soon overturn the tent, according to the purposes of those who hope ultimately to shift the existing graduated income tax over to a general consumption tax. That is the proposition I desire to discuss, but in order to present the situation now confronting Congress it is proper to set forth what Congress has done recently in tax matters, so that the effect of the present sales-tax proposal may be carefully weighed before action is taken.

I have no quarrel with those who advocate any tax nor have I disposition to discuss scores of editorials favoring a sales tax that have deluged Members. Manifest errors could be pointed out, but I am content to place before you facts and opinions of recognized taxation authorities that must be faced by Representatives when called upon to enact a consumption tax.

THE TAX PROGRAM—WHY AND HOW PASSED

When powerful news agencies and big business men who control the press combine to push legislation through Congress it seems a hopeless task for individual Members to voice a passing protest before such legislation is adopted. Constant dropping of suggestions through the press has become a recognized influence felt in practically every important matter of legislation that comes before Congress. The plan to put a sales tax through Congress is being pressed so strongly that I feel it proper to call attention, so far as able, to the legislative situation, so we may not forget the viewpoint of the man back home or the man on the street who is not heard from in matters of legislation excepting when his ballot expresses approval or rejection of the record made here.

From recent legislation we may reasonably anticipate what will occur during the coming session. Let us recall, lest we forget.

Immediately following the 1920 election an unparalleled legislative propaganda was started by the press of New York and elsewhere, aided by Otto Kahn, Jules Bache, and many other financiers representing big business interests of New York City to carry out the following program:

First. To repeal the tax on surplus profits of corporations.

Second. To repeal or reduce higher surtaxes on incomes.

Third. To repeal taxes on luxuries.

Fourth. To enact a sales tax that eventually will supplant all income taxes.

A catching slogan adopted by the propagandists was, "Stop soaking the rich."

War developed new methods of propaganda that are now employed to control Federal legislation, and the power is never more dangerous than when inspired and pressed by self-interest. Demands from the big business bloc that taxes should be repealed before enactment of a new tariff law soon overwhelmed Congress, and Congress complied with that mandate by sidetracking the tariff and passing a vulnerable tax law.

This propaganda for the repeal of taxes on wealth was made in the face of a national debt of $24,000,000,000 and $5,000,000,000 of indebtedness maturing in 1923.

Before discussing the proposed sales tax law and propaganda which will again confront Congress on that subject we may well study the recent legislative record responsive to propaganda and know what real "blocs" have done during 1921 in Congress.

AGRICULTURAL AND OTHER "BLOCS"

A word as to the "agricultural bloc" that has stirred the complacency of aged existing blocs. I hold no brief for any "bloc," but Members so designated represent more than agriculture and agricultural interests, vitally important as these interests are to mankind. It may be said that Members included in the so-called agricultural bloc represent farmers and other laborers, organized and unorganized, and shopkeepers, clerks, and in fact practically ninety-nine people out of every hundred who do not draw down excess profits or incomes of $10,000 or more annually which invite proportionate surtax collections.

Representing the ninety and nine of their constituents, in addition to the remaining 1 per cent, this so-called "bloc" does not always respond to the cry "be regular" when regularity consists only in relieving the exclusive 1 per cent of taxes from out their abundance and thereupon shifting the burden over to the ninety and nine through a consumption tax.

Long before the days when corporation blocs controlled the earth and its fullness thereof through consolidation and monopoly; before great financial blocs through credit control determined the life or death of individual industry; before great business blocs stifled and influenced the press through threats to withdraw advertising; before the days of 100 per cent to 500 per cent profiteering blocs that have aroused the Attorney General to prosecutions; before existing propaganda became a fine art—long, long before these days of modern blocs, there existed other blocs popularly known as "big business." Though unfinished in organization and possessing crude methods they were even then all-powerful in the political, legislative, and financial world.

Long prior to Winston Churchill's Conniston days their power was exercised in almost every large city, in nearly every State legislature from Massachusetts and New York to California, and in both branches of Congress.

Whether known as the "railway group," "manufacturers' group," or "bankers' group" their influence was felt even as other more powerful blocs are potent now, but the crudeness of early days has given way to modern skillful legislative manipulation which refused to permit 435 duly elected Representatives to offer a single amendment in the House on a 150-page revenue bill and allowed only two or three days of political "general debate" on the greatest bill of all history. Many other illustrations can be offered of that same bloc power. The old groups influenced legislation by antiquated methods, the modern financial bloc, by right of inheritance and habit, controls with an iron hand and directs us what to do.

INDIGNANT PROTESTANTS AGAINST "BLOCS"

Secretary Weeks, Otto Kahn, and other large banking and brokerage critics can open a Pandora's box of blocs, ancient and modern, and invite many rather direct inquiries by chiding and threatening Representatives in Congress who conscientiously act under their oaths of office.

I do not question the right of any of my colleagues to vote or act as they choose nor impugn their judgment as to legislation, but assumed indignation of vulnerable critics will deceive no one in this day and age regarding venerable blocs grown grizzled through long and constant service.

That the right to vote independently is not acceptable to those who assume to be guardians of our consciences and actions is evident from a statement given to the press on December 1 last by Mr. Otto Kahn, a representative of Kuhn, Loeb & Co., bankers and brokers of New York City, a copy of which was sent by Mr. Kahn to every Member of Congress.

He says:

"Business must organize to overcome the baneful effects of the agricultural bloc in Congress. * * * Business stands in need of a spokesman and organizer. * * * I mean an intelligent and effective representative of the aims and ideas of business in public affairs and corresponding attitude in primary and electoral campaigns * * * to prevent the ascendency of selfish and narrow class and sectional interests and crude notions or demagogic appeal and thus aid in furthering the welfare in progress of the Nation."

Mr. Kahn not only seeks to be guardian of our legislative liberties but was a leading champion of the consumption tax before the Ways and Means Committee. He is constantly quoted in the press on that subject and, in fact, on practically every other subject which he generally discusses with self-confidence.

UNIQUE TRAINING OF SALES-TAX EXPERTS AND CONGRESSIONAL GUARDIANS

First and foremost is Mr. Otto Kahn, banker and broker. Mr. Jules Semon Bache, same business, and Messrs. Kline, Rothschild, and Goldsmith, all from New York City, who speak in general harmony and all work to the same end—to urge upon Congress the necessity of protecting New York brokers and bankers through a consumption sales-tax law—consumption, because if enacted into law it will consume a large part of the scanty means of the 100,000,000 people who have no excess profits, but whom Congress also represents.

With this passing reference to big business and sales-tax propagandists, let us briefly review a part of the program put through Congress during last session.

A HALF BILLION DOLLARS TAX REPEALED

First. The excess-profits tax has been repealed, as demanded by these interests, or "blocs," with a loss to the Treasury, even during poor business conditions of 1920, of $450,000,000 annually.

Second. Surtaxes on great incomes have been reduced from 65 per cent to 50 per cent, with an estimated loss of about $61,500,000 annually, although the propaganda demanded greater reduction than that allowed by the Senate, to which rate of 50 per cent the House agreed.

Third. All luxury taxes have been repealed, with a further loss to the Treasury of about $60,000,000 annually.

A total estimated reduction in revenue receipts of approximately $570,000,000 results from these three sources alone, or an amount equal to 25 per cent of all estimated income contained in the 1921 revenue bill passed during the present session, notwithstanding no reduction occurred in the $24,000,000,000 national debt, nor has any provision been made to that end.

Some efforts to increase the inheritance and gift taxes occurred in the Senate, but notwithstanding we could have increased inheritance taxes over $200,000,000 annually, which would have still remained below English rates of to-day, the attempt was blocked—not by any agricultural bloc, however—and was killed in conference under the plea that any inheritance-tax increase was another attempt to "soak the rich." Practically as much more could have

been received from gift taxes, but that, too, was prevented by the same interests.

Attempts to increase the corporation normal tax from 10 per cent to 16 per cent, as proposed by Secretary Houston in his 1920 report, were defeated and also blocked, but not by the agricultural bloc, and only 2½ per cent normal taxes were added to meet the promised Treasury deficit. This is only one-half the increase recommended by the Senate, and a 12½ per cent rate is only 40 per cent of the 30 per cent normal corporation tax of Great Britain to-day. Secretary Houston's 16 per cent rate would have raised $150,000,000 more annually and would have helped meet the loss of $450,000,000 caused by the excess-profits tax repeal; but the Senate amendment was rejected under the cry that it would "soak the rich."

A proposal to tax undistributed profits of corporations estimated by Secretary Houston in his 1920 report to bring $690,000,000 annually was also blocked, but not by the agricultural bloc, and was rejected with slight consideration. This tax under ordinary conditions would bring to the Treasury over $500,000,000 annually, based on estimates submitted by Secretary Houston, but the proposal was rejected because it was again distorted to mean "soaking the rich." In other words, the following is offered as a conservative estimate of what the 1921 tax bill might reasonably have brought to the Treasury but for the constant blocking of legislation by the cry it "soaked the rich and oppressed business." Here are the items:

First. Excess-profits tax repealed	$450,000,000
Second. Reduced surtaxes on income	61,500,000
Third. Luxury taxes repealed	60,000,000
Fourth. Inheritance taxes	200,000,000
Fifth. Gift taxes	200,000,000
Sixth. Undistributed profits proposals rejected	500,000,000
	1,471,500,000
Corporation normal tax credit added of 2½ per cent	111,000,000
	1,360,500,000

To these items may be added over $250,000,000 annually in interest payments on foreign loans that should be collected.

AVAILABLE REVENUES PREFERABLE TO A SALES TAX

These sources of revenue, with reenactment of repealed tax laws, will bring to the Treasury over $1,500,000,000 annually with which to finance a $350,000,000 estimated annual charge through a soldiers' compensation bill. Further sources of revenue are covered in the so-called "Victory taxes," carried in the soldiers' compensation bill which passed the House last session. They include increased surtaxes, a stock and bond tax, produce exchange tax, real estate sales tax, and tobacco tax, all of which are specially set forth in H. R. 14089, May 15, 1920, which passed the House overwhelmingly.

Again other sources of revenue were pointed out by me on April 27, 1920, based on reliable data furnished by Treasury officials to include increased taxes on automobiles, admissions, and so forth. These sources of revenue are here mentioned to forestall any assumed necessity for new "Victory consumption taxes" or "security sales taxes" that may now be urged under the plea they are required to finance a soldiers' compensation bill.

ALL TAXES TO BE COLLECTED FROM A CONSUMPTION TAX

Different witnesses, with astonishing frankness, have stated to the Ways and Means Committee that they want a consumption tax enacted so that it will become a substitute for the income tax and the graduated surtaxes provided under existing law.

They ignore the principle that taxes should be levied according to ability to pay, and substitute for this well-known principle a contention repeatedly exploded that all taxes are borne by the ultimate consumer. The testimony of able tax experts is to the contrary.

I quote briefly from the testimony before our committee of Jules Bache, a broker and banker of New York, one of the foremost advocates of a consumption tax, as to its purpose:

"Mr. HULL. Your idea, then, is to base all taxes as nearly as possible on consumption?

"Mr. BACHE. Yes, sir."

Throughout Mr. Bache's testimony he repeatedly offered the sales tax as a method of taxation and substitute for all other taxes.

Dwight Braman, of New York, another representative of big business, testified before our committee on the following day, December 18, 1920.

"Mr. COLLIER. You do not believe in revenue taxes in normal times?

"Mr. BRAMAN. No, sir. I can quote you authorities.

"Mr. COLLIER. You believe taxes should be raised through consumption tax and licenses?

"Mr. BRAMAN. Yes, sir.

"Mr. COLLIER. You want to do away with the income tax altogether?

"Mr. BRAMAN. Yes; ultimately, I do. * * *."

Mr. Rothschild, of New York, who with Mr. Bache has been a rival in leadership for the imposition of a consumption tax, stated to our committee in a 31-page pamphlet, as follows:

"My own personal view is that business through the medium of a small turnover tax could well pay the entire cost of economically running the Government, take care of the great national debt, and permit the dropping of other kinds of Federal taxation. Such an exclusive tax would naturally eliminate a personal-income tax, relieve business from the burden of providing additional interest dividends or profits, which it must now furnish to pay the income tax."

Many other witnesses who claim to be tax experts representing the 2 per cent could be quoted on this same subject. Mr. Rothschild, in answer to a question by Mr. GARNER as to whether or not he would repeal the income tax, stated frankly:

"In my heart I believe nearly every dollar of income tax is somehow or other paid through business operations."

Mr. Rothschild added a significant statement in his pamphlet:

"It is safe to assume that in the past for every dollar the Government has collected either as a duty on imports or excise tax on liquor and tobacco, the consumer paid at least $2, or 100 per cent profit, on the duty and excise tax, which additional dollar the Government did not get."

To the same effect Senator Hardwick testified that upward of 5 cents extra was collected from the consumer on soft drinks and only one-half cent returned to the Government in taxes, or ten times the tax was paid by the consumer.

To the same effect, also, Canadian authorities claim prices there have increased several times over the actual tax that is collected by the Government revenue agent. We are thus facing an acknowledged situation that the same tax which costs the consumer several times the amount of tax turned into the Treasury is to become a general consumption tax that will eventually be substituted for all income taxes now paid under existing law.

WEIGHING THE TESTIMONY OF WITNESSES

In important trials at law where the conscious or unconscious bias of witnesses may influence the jury, the lawyers at the outset seek to ascertain what interest, financial or otherwise, may affect the witnesses' judgment. Witnesses are extremely human and, like the counsel in the case, are frequently prejudiced or strongly influenced by circumstances. In fact, few of us can escape that estimate, however free we may be from financial or conscious prejudice in legislation.

What of the witnesses whose opinions are offered for or against a sales tax? If, as is confidently predicted, a sales tax on consumption is to be substituted for the present graduated income tax, then everybody paying a large income tax has a direct financial interest in the enactment of a sales tax. Even Representatives in Congress are confronted with its personal effect on their own fortunes. Under existing law incomes now pay the following annual taxes to the Government:

Income	Normal tax	Surtax, 1921 act	Total tax
$6,000	$160		$160
$10,000	480	$40	520
$20,000	1,280	440	1,720
$25,000	1,600	780	2,380
$30,000	2,080	1,440	3,520
$50,000	3,680	4,960	8,640
$75,000	5,600	11,800	17,400
$100,000	7,680	22,460	30,140
$200,000	15,680	70,960	86,640
$500,000	30,680	220,960	260,640
$1,000,000	79,680	470,960	550,640

The foregoing statement furnished by the Treasury actuary and given by Representative Sinnott, of Oregon, December 17, is here offered to show that the financial interest of a witness receiving $25,000 income annually is $2,380 annually, and of $50,000 income is $8,640. At $75,000 income the witness has a $17,400 annual interest in a sales tax, which is almost doubled at $100,000, and reaches $86,640 annual tax on a $200,000 income. At $1,000,000 income, indicating a fortune of about $20,000,000, the personal interest of the taxpayer in a sales tax reaches $550,640 annually. That enormous personal interest may be a measure for testing the judgment of some witnesses who advocate the substitution of a consumption tax for the personal income tax.

I am not discussing the merits of the income-tax rate, although the act of 1921 under the Senate amendment reduced all incomes below $86,000 through the 50 per cent Senate rate. The table cited affords evidence of the comparative interest of every person paying an income tax in shifting his personal income tax to a general consumption tax. The income tax reaches every avenue of business, and we are reminded it affects bankers, brokers, financiers, great publishers, and even brilliant writers, who are fortunate to possess large incomes. That the personal side of the matter affects the opinions and judgment of those who feel that wealth is penalized may be reasonably certain.

How far it consciously affects the judgment or policy of those urging the sales tax is a matter to consider when we are asked to shift these taxes onto the many millions of men whose average income on which to support a faimily of five or more reaches less than $1,000 annually, or to the millions of farmers whose average wage return in 1920 reached $465, apart from investment, with a comparative purchasing power in farm products of only $219 compared to prices in 1913. These figures, given by Representative Anderson of Minnesota, on December 21, offer a tragic picture of existing conditions, and yet we are asked to shift the income tax now paid by those in affluent circumstances over to the shoulders of the American farmer, who, out of his meager income, will be asked to pay a consumption tax for himself and every member of his family.

OTHER CONSUMPTION TAX WITNESSES

I started out to discuss the personal interest affecting testimony of financiers, publishers, writers, and others who appeal to Congress to pass a consumption tax and likewise of those who oppose the tax. It may be safely assumed that among those who oppose a consumption tax will be found 5,000,000 jobless, many of whom have wives, children, or other dependents, all of whom under a consumption tax will immediately contribute through what they eat, drink, wear, and use in higher prices. Many other millions composing the 98 per cent who receive annually less than $1,000, and the 1,500,000 wage earners who receive between $1,000 and $2,000 income also have a vital interest in protesting against a consumption tax. Even the 1,500,000 other wage earners who receive between $2,000 and $3,000 annually, and the 600,000 other wage earners who receive between $3,000 and $4,000 are undoubtedly opposed to a consumption tax. Possibly a large majority of the remaining 700,000 tax returns of $4,000 or over for 1918 may be affected by the personal equation against a consumption tax, but of the 252,000 persons receiving over $6,000 per annum, who composed 1 per cent of the 26,000,000 voters in 1920, and the 60,000 persons receiving $10,000 or over annual income a larger portion are probably influenced by personal considerations in favor of a consumption tax, notwithstanding it violates the principle of taxing according to ability to pay.

For the sake of illustration, let us assume that the entire 60,000 people receiving over $10,000 annually favor a consumption tax because if the income tax is repealed it will relieve them of that tax burden, still 60,000 is a small proportion of the 106,000,000 people or of the 26,000,000 electors in 1920 who will directly contribute through any consumption tax.

This does not assume that taxation should be levied on the few because they are an insignificant minority compared with the many, nor does it contend that present income rates are equitably adjusted. Those are separate questions. I do contend that a consumption tax levied on the necessities of life in time of peace violates every fundamental principle of taxation and should not become law even though the 60,000 taxpayers receiving over $10,000 annual income are estimated to possess nearly one-half of all tangible property of the country, because the rights of the remainder are emphasized through that fact.

Let it be conceded that the 60,000, if that number be accepted or double that number, are among the most powerful financially and otherwise in the country. That they exercise a controlling influence on many of the leading journals of the country that mold public sentiment, and that they have a voice in legislation through propaganda which can not be counteracted by the 106,000,000, a great majority of whom are helpless to give public expression to their views excepting at the polls.

SILENCE DOES NOT MEAN CONSENT

The silence of the many now, excepting as voiced by resolutions of which many have been received in opposition to a sales tax, does not mean they are willing to have us enact such law. They are not here as witnesses. They can not come here. The worker receiving $1,000 or under for his yearly wage has no private car and, in fact, has no means of coming in person. Neither has the farmer, whose $465 annual income was spent long before the Christmas days were reached.

These people are not here and have no means of propaganda to offset the tremendous flood for a sales tax that will be poured in on Congress. They leave us to act, responsible for our action to them. Who, then, can we call as unbiased witnesses?

I have a number of such witnesses who have testified on the subject. Not great financiers, publishers, or others who may have personal reasons for preferring a consumption tax to an income tax. Not the farmer back home or wage earner in the mill or in the mines, railway service, or elsewhere who is opposed to it for personal reasons, but I will call witnesses who are, generally speaking, disinterested financially. Who are not in the employ of sales-tax proponents. Witnesses whose study of economic questions make them experts in their lines—disinterested experts and witnesses who have appeared and laid their case publicly before the American Congress without concealment or subterfuge but subject to questioning from some of the ablest students of taxation.

WHY HAVE A CONSUMPTION TAX ON NECESSITIES AFTER HAVING JUST REPEALED A SALES TAX ON LUXURIES?

A sales tax, with all the sugar coating of sales-tax doctors, will not make the pills more palatable when the plan is fully understood and results are known. A turnover sales tax was an ultimatum first lodged with Congress by the metropolitan press last session. New York financiers like Kahn, Bache, and Rothschild kept the rails hot with private cars traveling to far off Florida to interview the President elect or appear before committees, where they painted black as white against opinions of acknowledged and disinterested experts and tax authorities. They then tried by sheer force of propaganda and a whirlwind campaign to put through a turnover sales tax. When the attempt was found futile these propagandists urged a retailers' sales tax, and finally, before adjournment, they stood for a manufacturers' sales tax. This tax failed in the Senate after hard pressing by the big business bloc.

That is the tax which is to be put through Congress during the coming session if it can be forced, and a campaign of persuasion and sales-tax propaganda, which includes many metropolitan papers, is enlisted in a united effort to put over the tax. On a soldiers' compensation bill as a price for its passage such tax may be offered, with a certainty that the soldiers and their families will thus be made to pay in taxes a large part of the bonus they are to receive, or else the consumption tax may be pressed as a direct proposal, without strings.

To this proposition it is asked, Why not openly again tax luxuries and add a 20 per cent tax to a $500 fur coat rather than collect a 3 per cent to 4 per cent sales tax through a 10 per cent increase price on every pair of shoes? Why not openly add a 20 per cent tax to a $200 music box rather than secretly collect a 3 per cent to 4 per cent consumption tax through a 10 per cent or more increase in price on a $20 suit of clothes? Why not openly add a 20 per cent luxury tax to a $5,000 limousine rather than secretly collect a 4 per cent tax by a 10 per cent increased price on foodstuffs? In fact, why not deal openly and frankly, placing a large tax on luxuries bought by those best able to pay rather than secretly taxing those least able to pay on the necessities they consume? The tax will be started at 2 per cent or 3 per cent and then increased in rate when once fastened on the country, as in Canada, until the principle is repudiated, as it is certain to be when understood by the consuming public.

"Make an experiment" is the oft-repeated cry of the sales-tax propagandist in the persuasive tones that a fisherman employs when trolling with his silver spoon hook for the unwary fish. Once hooked hard for a time the fight is over. It was such bait that propagandists pressed on Congress to secure a repeal of the excess-profits tax, in order to stimulate business, but, now that the tax is off, we are informed manufactures and exports are at a lower figure than ever before. The hook with its attractive bait was swallowed whole.

It was such bait that propagandists pressed on Congress to secure a reduction in surtaxes on wealth, in order to release vast amounts that would immediately enter the channels of trade. No tax student, however amateurish, swallowed the bait, because all economic laws and the amount of money involved made such promise ridiculous, but surtaxes were reduced, as we well know, and yet not one business wheel has been turned in consequence. Again, the propagandist asks us to try an experiment by laying taxes on the necessaries of life to "help business." Without a single logical argument to support the new gold-brick proposal, will Congress enact a consumption tax?

We have untaxed wealth far beyond the most sanguine hopes of those who are benefited, and now to complete the unprecedented program we are asked to put a consumption tax on the people of the country, a great majority of whom find existence a hard problem to solve during the 365 days of every year. I hold no brief for the poor or rich, but any plan that places the poor and the rich on the same level in meeting the expenses of the Federal Government is abhorrent to every sense of justice and opposed to every sound principle of taxation, while those who insist the consumer pays the tax in every case are both illogical and inaccurate in such statements.

THE CANADIAN SALES TAX

In Canada they are experimenting with the sales-tax system. Canada has a debt burden double our own per capita after deducting foreign loans due the Government and is without hundreds of great mushroom fortunes on which to draw pursuant to modern and ancient tax principles. Canada, with an experimental attempt hardly begun, is trying out a sales tax after allowing hundreds of exemptions in order to make it more palatable to her people. All Canadian tax officials, strange to say, speak well of their job, and the tax, and I offer a naive, innocent statement of Major Hobart, of Montreal, who is a sales-tax official, according to the press, and has the same pride in his system that the official executioner has in his electric chair. Hobart says, "The Canadian law provides, roughly, for a 3 per cent tax on sales by manufacturers, wholesalers, and jobbers. Of course, the consumer pays the tax eventually, but he does not know it." A sort of tax electrocution to Hobart that is both painless and effective. Hobart describes the government tax of 15 cents on a $5 pair of shoes as small. But no one believes that manufacturers, wholesalers, and jobbers who pay license fees and incur extra expense under the Canadian system and who can load on to the cost 15 cents or 50 cents, or far more, at their pleasure, where the "consumer does not know it," will limit extra charges to the legal tax. Across the border in this country illustrations have been afforded of modern profiteering ingenuity that loaded the original cost of the article several times before it reached the consumer.

Placed on chairs, cuffs, collars, churns, and on everything from chocolate and cinnamon to cement, and on shirts, shoes, socks, soap, sugar, and from sofas to both cream and steam separators, think of the war profits, and denunciation, deserved and undeserved, that would be heaped on a sales tax and on any Congress that loaded this new unprecedented burden on the people when profiteering highwaymen have established unprecedented records in the recent past.

In order to prevent a stampede from this obnoxious tax we are advised certain exemptions are granted on foodstuffs in Canada, but the camel's nose, once poked under the tent, will be there to stay and to be pressed farther as opportunity develops in order to supplant the income tax, as urged by Bache and others. If exemptions on foodstuffs are to be had at the outset, why not exemptions from a tax on boots, shoes, socks, and caps for the children? With one hand we have just taken the tax off candy and chewing gum and removed the tax burden from the garments

of the rich and all taxes on luxuries, while with the other we are now asked to place an adhesive plaster of unparalleled proportion on everything the people eat, drink, wear, and use, with a few sugar-coated exemptions to be later determined. With one hand we have removed a 3 per cent tax on transportation specific and fixed, while with the other we are asked to add 3 per cent to 4 per cent secret tax with unlimited opportunities to pyramid profits.

"PAYING A TAX WITHOUT KNOWING IT"

From sales-tax propaganda there are three major reasons why a sales tax should be adopted:

First. Many financiers could thereby shift taxes to the 98 per cent.

Second. Many publishers could thereby shift taxes to the 98 per cent.

Third. Big business could thereby shift taxes to the 98 per cent.

Three minor reasons are also advanced:

First. The consumer pays all taxes.

Second. He loves country more by knowing he is taxed.

Third. Under a sales tax he does not know he pays the tax.

Ergo, the three major interests that now pay no taxes would have the consumer still pay taxes "without knowing it."

The first chapter of a consumption-tax campaign is now on. This "painless" tax "will be paid without knowing it." It will make it "a pleasure to give" and will swell our Treasury vaults to bursting without anyone knowing when or how they paid the tax. This campaign of colored ribbons, banquets, and lollipops is now furnished intelligent legislators by papers and propagandists that daily, weekly, and monthly picture the beauties of a sales tax on everything we eat, drink, wear, and use. Only a little added cost to the article is an apologetic explanation to the legislator and taxpayer.

In other words, "you do not really pay the tax"; you just blissfully drift along, and first thing you know a billion dollars has been added to the Treasury from some unknown source, taken right out of the air or from under the magician's hat, with a now you see it and now you don't movement that pleases, mystifies, and sometimes deludes.

We have just passed through a period of high prices and profiteering where retailers and department stores in many cases have soaked consumers, and continue to soak them, irrespective of costs through combinations, gentleman's agreements, exchange of prices, and other means which have contributed to the new method of doing business. Whatever the cost, we realize we are still paying from 50 per cent to 100 per cent over pre-war prices on many of the necessaries of life, while wages have steadily dropped or have stopped, due to unemployment, with tragic results. Only a comparatively few men with concealed income returns to which the public has no access are hauling in their profits with war-time regularity. Testimony regarding a few profiteers coming from high source is quoted:

"WASHINGTON.

"Protesting against the Fordney tariff bill rates on plate glass, Charles R. Sligh, a furniture manufacturer of Grand Rapids, Mich., told the Senate Finance Committee to-day that 'during the carnival of high prices in 1921, the glass manufacturers, jobbers, and the manufacturers who polish and silver mirrors advanced prices to a point 540 per cent above the prices prevailing in 1915. The colossal profits acquired from these enormous advances have come from the pockets of the consumer,' said the witness. Senator La Follette asked the witness for a statement of his own profits, and Mr. Sligh promised to furnish it, but added that furniture now was being sold by his company practically at cost."

In the CONGRESSIONAL RECORD of December 21, Chairman Fordney named scores of articles purchased last month wherein the profits added by the seller and paid by the consumer frequently reached over 500 per cent. No limit through taxation or by law exists whereby the consumer can be protected from this shameless robbery, and to these unconscionable evidences of profiteering we are now asked to annex a consumption tax.

A SALES TAX IS COLLECTED THROUGH INCREASED PRICES

A consumption tax means higher prices because it is the only way the tax can be collected by the manufacturer, who thereafter passes it on down to the jobber and wholesaler until it reaches the consumer. All the traffic will bear is added to-day for profits irrespective of cost, a heritage of the war, and when a sales tax is also placed on the shoulders of the consumer from the manufacturer down to the final consumer it will then add new profits where possible, like the old familiar method of rolling the snowball. Profiteering prices have not disappeared, and yet we are asked by law to continue their existence by an added tax placed through those prices on every consumer in the land.

Practically every department store and many retailers may be depended upon to favor this tax, because it affords a good excuse for added profits that can not be scrutinized or known by the consumer. If the article costs the consumer more than he or she expected, it will then be due to the tax levied by our Government through Congress on those who are permitted to enjoy the blessed privileges of having a bare living.

In other words, Congress has repealed the ice-cream, face-powder, jewelry, and other taxes heretofore openly collected by the retailer and is now asked to levy a secret tax collected all along the line through increased prices levied on the necessities of life.

I have quoted heretofore, in a discussion of the sales tax, authorities or testimony submitted before other organizations that have studied the effect of a sales tax from every conceivable angle, including a turnover sales tax, a wholesalers' and retailers' sales tax, and everything that comprehends a consumption tax.

Men appointed by the National Industrial Conference Board represented 25 affiliated businesses or organizations having represented assets of several billion bollars and hundreds of thousands of employees. They are tax experts and financially disinterested. They had no personal tax motives to influence their judgment. They were not employed by great wealth to speak for them as any attorney might speak for a client. These witnesses were unprejudiced. Starting out in their deliberations in favor of a sales tax, by a surprising agreement in judgment they reached a unanimous verdict against a sales tax. I submit extracts from their statements submitted to the National Conference Board in open session.

TESTIMONY OF TAX EXPERTS AGAINST A SALES TAX

Arthur A. Ballantine, attorney at large, New York City, formerly Solicitor of Internal Revenue, says, page 32, hearings National Industrial Tax Committee:

"I believe that this idea of a sales tax, a tax collected everywhere, falling on no one, is a will-o'-the-wisp which has floated over this field of taxation and which is in danger of luring business men who approach Congress in an effort to get really beneficial changes into futile action instead of constructive action.

"I believe that this committee, by the very careful and exhaustive consideration which it has given to the advocates of this plan and its careful thought as to conclusions, has done much to dissipate this myth and to direct the efforts of business men into practical channels instead of down a pathway which leads to futility."

For the second witness I quote from Charles A. Andrews, whose frank, clear analysis of the sales tax is illuminating. He says, page 38:

"There was on the committee no vociferous objector to the sales tax. There was on the committee nobody who was loaded to kill it. We started in upon the assumption that we were going to work out something in the form of a sales tax. We invited various well-informed people to come before us. We reached out and got printed matter and manuscripts; we made investigations; and slowly but steadily the committee was driven to the inevitable conclusion that it, representing a large body of business men, could not bring before this conference a recommendation for any form of sales tax, except as the same related to a few specific articles, suggestions as to which we have made, and which have been referred to by Mr. Armitage.

"We haven't the nerve, as good citizens of the country—which we believe we are, and are trying to be—to say to a body of business men in this country, who are suggesting that business be relieved from a billion dollars of excess-profits tax, that we propose a tax which will cause the billion to be paid by the ultimate consumer. That is such a violent divergence from the principle of payment upon the basis of ability to pay that we can not ask this body of business men to get behind that sort of a tax.

"We do not believe, in this day and generation—and following the World War, instead of following the Napoleonic wars—that we have any business to propose seriously to the Congress of the United States a tax of a billion dollars, or two, or three (I don't know how much it would produce—all those figures are given), to be paid by the ultimate consumer, and organized business excused from its billion dollars of excess-profits tax.

"We don't think that is good citizenship; and we don't think that is good economics. That is the real reason that we disposed of or rejected the sales tax, upon the assumption that the tax is paid by the ultimate consumer.

* * * * * * *

"A SALES TAX IS AN UNJUSTIFIABLE TAX ON GROSS RECEIPTS

"Well, let us assume that the tax all remained with the original payer of it, and that it is not passed on to the consumer. Does it then become a tax which we can justify ourselves in recommending to Congress? Your committee says 'No.' * * * Why? If the tax remains with the individual or concern which originally pays it and he is not able to pass it on, it becomes a tax measured in terms, although not so stated, of his gross receipts; and as such, in the opinion of your committee, it is open to such serious objections that we can not ask Congress to pass it. * * * A tax on gross receipts which leaves out of the equation all the difference in cost of the conduct of your business as compared to mine—perhaps it takes 90 per cent of my gross receipts to conduct my business and pay my expenses; perhaps it takes 50 per cent or 70 per cent or 95 per cent of yours—is an unjustifiable tax. * * * The establishment of a tax like that would, in the opinion of your committee, produce such inequalities that our dissatisfaction with the excess-profits tax would be as nothing and we would find ourselves in the face of inequalities vastly greater than heretofore. * * * It is uneconomic in its nature; it is indefensible, in our opinion, in the twentieth century, if it is a general tax on all consumptions; and for other reasons it is equally indefensible if it becomes a tax in terms of gross receipts, which term means nothing so far as it relates to the ability to pay taxes."

BACHE SHOWS HOW TO AVOID A CONSUMPTION TAX

Mr. Jules Bache, called as a hostile witness before that committee, gives his own concept of human nature and a cold-blooded alternative for the ultimate consumer who can not pay the tax. He says, "Quit consuming." I quote from his statement before the industrial committee (p. 58):

"Professor Adams this morning showed the greatest optimism that I have ever heard voiced from the tribune. He states that he believed the taxpayer was a cheerful, voluntary, honest man. That is not my opinion. The taxpayer—and I am not attacking his honesty when I say so—spends 11 months a year devising schemes by which, during the 1 month that he tries to make up his tax statement he can avoid as many of the taxes as is legally possible, and he generally succeeds in avoiding many of them.

"The idea of putting a thrift tax into our taxes, which the 20 per cent limitation would be, is an excellent one, but the greatest thrift tax would be the turnover tax, since if anybody didn't want to pay any taxes he could merely refrain from consuming."

THE CANADIAN TAX IS NOT A SALES TAX

W. C. Cornwell, an employee of Mr. Bache, read a statement of the Canadian sales tax at that same meeting (page 60), to which Robert G. Wilson, chief of the tax division, American Mining Congress, immediately replied, as follows:

"I don't know how many gentlemen present are familiar with the Canadian law, but it has been my fortune within the last three or four years to spend some time in Canada, and, for business reasons, make some intensive study of the Canadian law. To my mind the Canadian law is not a sales tax.

"In the first place, the law of July 1, known in the United States as a sales tax, is an amendment to the special war revenue act of 1915, which is an excise tax law.

"What Mr. Cornwell has had to say regarding the Premier's statement is true. The statement, however, is misleading in that it refers to a sales tax which, in its effect, exempts all the prime essentials of life, from such taxes; it is only an addition at the rate of 1 per cent and 2 per cent, to excise taxes—luxury taxes, if you please—which rise sometimes 50 per cent upon many commodities—luxuries, essentials, and nonessentials. It is not, as the business men's tax committee has termed the proposition, a sales tax."

The next witness, Mr. J. F. Zoller, tax attorney of the General Electric Co., says at the same committee hearings, page 62:

"I want to talk just a minute on the sales tax. Now, we have reached the parting of the ways here in regard to the sales tax. Personally, I am opposed to it for the reasons stated by Mr. Andrews. I can't state those objections any better or as well as he did. But the situation as I see it is this: The people who are favoring the sales tax are those who are already required to pay a sales tax under section 900 of the present law, and their position is that if the Government can select this industry and impose a sales tax upon us, why not spread it to other taxpayers?"

WHY ENGLAND REJECTS A SALES TAX

The next witness is James J. Forstall, of Chicago, attorney at law and member of the tax committee, who speaks of efforts to pass a sales tax in Great Britain. He says (p. 67):

"Comment has been made on Canada and Mexico. I would like to say that two weeks ago yesterday, through the courtesy of Professor Haig, I had an opportunity to discuss with one of the members of the British income-tax commission and with one of the high tax officials of the British Government the question of the British taxation situation. As you probably all know, they have about as little love for the excess-profits duty as the Americans have for the excess-profits tax, and have been spending two years in trying to find a substitute, but they haven't yet found it. I asked each of those gentlemen whether the general sales tax has been considered as a substitute, and they both said the same thing: That it had been taken up and considered very seriously, but that now they were no longer considering it, because they were convinced that it was neither an equitable tax nor feasible from an administrative standpoint, nor one which could possibly be passed through Parliament."

THE CUMBERSOME MEXICAN SALES TAX LAW

For the next witness I quote from A. E. Holcombe, New York, secretary and treasurer of the National Tax Association. He says:

"I happen to have with me a copy of a bulletin which is just about to come out, and in view of the references to other countries I thought I might read a couple of sentences from the report on the Mexican situation. It seems that early in the Carranza régime he established a committee to look into the entire financial system in Mexico. That committee made an elaborate report, and it has been reviewed by Professor Chandler, of Columbia, who spent some time himself as adviser.

"It is perhaps not too much to say that the most important proposal to be found in the entire model plan (and that was the name given to this report) is that recommending the suppression of the sales tax throughout the States of Mexico. * * * It has always been a costly tax to collect, and according to the opinion of Mexican officials, who are in a position to know, it has constituted one of the most cumbersome impediments to industry and commerce."

HOW FARMERS REGARD A SALES TAX

The next witness, J. R. Howard, of Chicago, speaks for a million and a half farmers in the American Farm Bureau Federation. He speaks the sentiments of several million other farmers not connected with the organization of which he is president. He says (p. 68):

"The farmer is interested in paying his just and fair proportion of taxation. He believes every man, every citizen, should pay some tax, because it makes him a better citizen, but he believes that that taxation should be so distributed as to be fair and equitable, and in proportion to each man's ability to pay.

"With regard to the sales tax, let me say that the farmer occupies a unique position. I think it has generally been conceded in this discussion that the tax is passed down to the ultimate consumer. The farmer can pass nothing to the ultimate consumer, because he buys at the other man's price and sells at the other man's price, and being at that disadvantage and not able to pass it on, he bears an unjust burden and is in a place where I am sure he, as a farmer, will object to the broad extension of the sales-tax principle."

Mr. H. C. McKenzie, of Walton, N. Y., a member of the tax committee, seconded Mr. Howard's testimony in vigorous language, as follows:

"I want to take the opportunity to emphasize the farmer's objections to a general sales tax, which have been voiced by our president, Mr. Howard, and to call your attention to just two or three things briefly. * * * The chief proponent of the sales tax has told you that the excess-profits tax is not only paid by the ultimate consumer but that the ultimate consumer pays the tax two or three times in amount. Now, if that is right, the corporations and people who are doing this business are receiving a benefit from the excess-profits tax, and the corporations and business people are the people who are asking for its repeal; they are asking for something that is diametrically opposed to their own interests. According to the chief proponents of the sales tax, the sales tax is paid by the ultimate consumer in its entirety; that is their proposition, as I understand it.

"Now, your proposition, as developed by the advocates of the sales tax, is this: To take an approximate $1,000,000,000 off the excess-profits tax, which is now paid, as I contend, largely by the corporations, and put it over, according to the proponents of the sales tax, on the ultimate consumer. It seems to me that nothing could be more short-sighted and tend in the end to be a boomerang and to be a disadvantage not only to business but to capital than to strive to shift the burden of a billion dollars from the business people who now pay it to the living wage—which is what it amounts to—the ultimate consumer. Ninety per cent or 95 per cent of that tax will be paid out of the living wage, if the contention of the proponents of the sales tax is correct; and I want to say that the farmers who are represented in the American Farm Bureau Federation will never in the world stand for that proposition."

"FARMERS WILL FIGHT TO THE END"

Let me interject a witness at this point whose tenderness for wealth and capital has no conspicuous place in his published statement, from which I quote. I offer an extract from an article given to the press by George P. Hampton, managing director of the Farmers' National Council, an organization representing an enormous constituency. No one will doubt that equally forceful demands are voiced by the millions of organized and unorganized labor who are to be placed in the new class of turnover sales taxpayers. Mr. Hampton says:

"A direct tax could be levied upon capital values, and should be promptly levied by Congress instead of seeking some method of placing additional burdens of taxation through a retail sales tax, a general sales tax, and other consumption taxes upon the hundreds of thousands of families who to-day are receiving several hundreds of dollars less than they need to maintain the American standard of living. * * * A retail sales tax and other sales taxes and all similar taxes on food, clothing, and shelter, called consumption taxes, must be paid chiefly by the workers on the farms, in factories, mines, and transportation, millions of whom are getting less than the minimum wage necessary to maintain a family on a decent American standard."

Mr. Hampton concludes:

"The full money cost of the war must be paid by taxes on incomes, corporation profits, estates, and privileges. Such taxes will yield $7,000,000,000 to $8,000,000,000 a year for many years without imposing any hardship upon anyone. American farmers, who this year have lost billions through the slump in farm prices, will fight to the end the plan for the selfish privileged interests to saddle the huge war debt upon our people for years, and insist upon prompt payment of that debt by those who profited so hugely by the war and by the monopolies built up in this country before and during the war."

A RECOGNIZED GREAT TAX AUTHORITY ON THE SALES TAX

I could quote from many other witnesses before the board, who have not "wabbled and wavered," for months, but the witnesses I have cited against the sales tax are tax students and authorities, men who have given the question thorough consideration in most cases, are apparently unprejudiced, and whose views are of great value in determining matters of taxation. One of the greatest international tax authorities, whose textbooks are known to every student of taxation, has expressed himself on the subject of a sales tax. His contribution on the sales tax here and abroad is concise, fair, and positive. I quote from the statement of Dr. E. R. A. Seligman, of Columbia University (national industrial tax committee hearings, p. 72):

"The sales tax is not a novel tax, as the Premier of Canada said. If he had followed an academic course in taxation, he could have learned of many examples, dating back as far as thousands of years ago. The Romans had it, not to speak of the Egyptians and the Babylonians. I do not want to give a lecture on taxation; I am simply trying to call attention to the fact that the sales tax has existed in one form or another for a great many years. With only two exceptions, it has been abolished everywhere and has not been reintroduced in any first-class coun-

try, and those two exceptions are Germany, which reintroduced it in 1919, and France, which, as has been said, introduced it in 1920. Now, before we consider the experiences with this tax, it must be remembered that we can learn little one way or another, either for or against it, from Mexico, or Cuba, or the Philippines, or Canada, all of which are countries of insignificant economic proportions, where we do not find the real kind of sales tax that we have been discussing to-day."

DEMOCRACIES OPPOSE SALES TAX LAWS

Again (p. 74):

"The proposition now is to take off one of those three chief categories—the tax on excess profits—and remove the burden from profits on wealth or income, and put it on the other or consumption side. This would, in my opinion, unduly shift the balance and bring us too near the position formerly occupied by all the aristocracies of old, and still reflected in some of the European countries. * * * (P. 75.) Why is it that England and America show their democracy, their real democracy, so much more than countries in the difficult position of Italy, or France, or Germany? There you will find throughout the war, and even now, the great mass of taxes imposed upon the consumption of the common man; whereas in England and in the United States during the Great War, as over against our experiences in the Civil War, the great majority of taxes are raised from wealth; that is, from those who can afford to pay, rather than from the consumption of the necessaries and comforts of life. * * * After the United States, the two countries of the world which are making the most progress in fiscal reform are England and Italy—for Italy is doing better than France. When these two countries came to consider this problem, they went into the question of a sales tax thoroughly and finally rejected it. On the other hand, the two big countries of the world that have adopted the sales tax, Germany and France, did so only as a last resort, after exhausting every other available source of taxation. * * * Germany was forced to this sales tax in the last extremity, and in France the same is true. * * * I have been in California for eight months, and had the pleasure some time ago of addressing a large body of business men in San Francisco assembled to discuss this question. I found that the situation was precisely that which was presented by our committee. Everyone was anxious to get rid of the profits tax, everyone had heard that here was a way out, and it captivated them all; every man in that room was in favor of a general sales tax. But after I had talked with them, not so much in opposition as trying to show that there was another side of the question which they must begin to study, it was marvelous to see what a change came over them; not because I spoke—because anyone would have done just as well—but simply because attention was now called to some of the less obvious aspects of the case.

"A sales tax on the sales of capital would ruin New York City as the financial center of the country. A sales tax on the necessaries of life would evoke a political struggle the like of which we have never seen in this country (p. 77).

"The sales tax represents an attempt to put an undue, an extravagant burden upon the consumer, instead of on the producer or the possessor of wealth (p. 79)."

Doctor Seligman discloses why Messrs. Kahn, Bache, Rothschild, and others of like antecedents from the "aristocracies of old" favor a sales tax.

I will willingly leave my colleagues in Congress to say whose advice is to be considered. Shall it be that of a man whose judgment is not warped by personal or pecuniary interests, who handles the subject with the mind of a master; Seligman, whose opinion is supported by two great tax-investigating committees, by the experts of the Treasury, who have spoken through Secretary Houston, and by a dozen reputable witnesses quoted?

UNITED STATES CHAMBER OF COMMERCE

The United States Chamber of Commerce is a large organization including separate chambers in every large city of the country. Ordinarily 9 out of 10 of the hundred thousand or more individual members pay an income tax. It is a great organization for modern propaganda. No matter what proposal may be before Congress the United States Chamber of Commerce, with its conceded powerful organization, carries weight.

It conducts "referendums" that are supposed to reflect the views of individual units, but frequently they no more reflect the careful judgment of individual members than the average petition which men are reputed to have signed to hang themselves.

The United States Chamber of Commerce in 1920 appointed a committee of nine exceptionally able men, including tax experts, to advise the chamber, and incidentally Congress, on the most satisfactory tax proposal that could be offered.

While the attention of the committee was largely devoted to a turnover sales tax, it considered every variety of tax that could be presented, and finally that committee, like the committee appointed by the National Industrial Conference Board, came to a unanimous vote against a sales tax.

Its members had every reason from personal interest doubtless to favor a consumption tax, but after many weeks' consideration they, too, unanimously agreed that a sales tax was unjust and vicious, because it violated the tax principle of taxing according to ability to pay. From that report, unanimously agreed to, I quote:

REPUDIATES PRINCIPLE OF TAXING ACCORDING TO ABILITY TO PAY

"Perhaps the greatest inequity, however, would appear in the proportionate results of any of the taxes here under consideration upon the person with small income as compared with the person of large income. At the bottom of the economic scale are persons whose income barely suffices to provide them with necessities of the poorest quality and in the smallest amount, and at the other end of the scale are persons whose expenditures for necessities, no matter how large, represent but a fraction of their income. Any tax falling upon general expenditures is consequently disproportionately heavier for persons of smaller incomes as compared with persons of larger incomes. To the extent sales taxes of the sorts that have been suggested were used as a general source of revenue there would be a departure from the principle that taxes should be levied in accordance with ability to pay.

"OF DOUBTFUL LEGALITY

"Finally, there would seem to be legal difficulties in the way of a general sales tax. Opinions handed down by the Supreme Court in March and June of this year make it clear that such a tax is not authorized by the income-tax amendment to the Constitution. Whether or not it would be held by the courts to be an indirect tax is uncertain; if it were held to be a direct tax, it would, under the Constitution, have to be apportioned among the States in accordance with their population, an obviously impracticable procedure. Reliance for revenues in large amount should not in any event be placed upon a tax regarding the legality of which there is doubt."

After the two committees appointed by these great aggregations of capital and financial influence had made report against any sales tax a strong movement occurred among individual members of the chamber of commerce to set aside the findings of its committee. Self-interest again became a striking factor and propaganda among the various member units in favor of a sales tax was showered on them from interested agencies. When the referendum was taken, the members, who had heard little against the sales tax, voted as follows:

On the referendum, Should a sales tax be substituted for an excess-profits tax? 702½ for and 857½ against.

Should a sales tax be levied in addition to an excess-profits tax? 767½ for and 894 against.

The United States Chamber of Commerce voted against a sales tax when the question was first presented to its membership by a referendum, notwithstanding it represents the wealth of the country and had been persistently hammered for a contrary verdict.

Again the same interests showered sales-tax propaganda on individual members of the chamber and demanded another referendum. Again tremendous pressure, now being exercised on Congress, came from the same self-interested agencies in favor of the tax, and finally a second referendum was returned against the unanimous report of the chamber's committee of tax experts that has rejected a sales tax.

All of which proves that the chamber of commerce will respond to propaganda, and if sufficiently sustained, irrespective of its merits, a decision may be had that will utterly repudiate the value of its experts or of its judgment first rendered. Will Congress be equally subservient?

THAT 23 PER CENT EXCESS-PROFITS TAX "JUDICIALLY DETERMINED"

It has been a frequent argument offered by sales-tax advocates that all taxes, whether certain or indefinite in amount, are eventually paid by the consumer irrespective of comparative business ability, efficiency, or competition between sellers, and that an average increase in price of 23 per cent, according to the Department of Justice, occurred through the excess-profits tax. Increased prices frequently reached 230 per cent and over, but had no relation to the tax, according to experts.

I do not intend to discuss any statement regarding a 23 per cent addition to cover the excess-profits tax, because a moment's consideration will evidence the absurdity of this argument advanced by sales-tax advocates. Ten thousand experts could not ascertain any average tax added to profits by hundreds of thousands of excess-profits taxpayers on many millions of sales where costs and selling prices fluctuate and profits reach from several hundred per cent, as quoted by Mr. Fordney to the House, to 540 per cent, quoted by Mr. Sligh, as herein set forth. Treasury experts laugh at the 23 per cent proposition still seriously quoted by sales-tax advocates, but I offer the best evidence of its unreliability in a letter from the Department of Justice, from which I quote:

DEPARTMENT OF JUSTICE,
Washington, D. C., May 14, 1921.

Hon. JAMES A. FREAR,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: Replying to your letter of May 30, 1921, in which you request a copy of any statement made by this department in regard to the effect of the excess-profits tax upon the cost of living, I have to advise you that after a thorough search of the files and records of the department, I have been unable to trace the report in question. I am, however, having a further search made, and have written to former officials of the department requesting that they furnish me with information which you require. I shall be very glad to give you any data that are available upon this subject if any such shall come to light in the near future.

I may say that I have been in touch with the statistical bureaus of the various departments of the Government in this city, but have not succeeded in securing any data whatsoever upon the subject of the effect of this tax on the cost of living.

Very truly yours,

GUY D. GOFF,
Assistant to the Attorney General.

No further word on the subject has been received, although the same response was offered to others in search of the same information. In other words, profiteering uses tax laws only as an excuse to charge consumers all that the traffic will bear.

SALES-TAX WITNESSES AT CONGRESSIONAL HEARINGS

Quotations from disinterested witnesses opposed to a sales tax have been offered, as evidenced by public hearings of the national industrial tax conference.

Many of these same witnesses and others appeared before the Senate Finance Committee last May, and the hearings afford a reasonably complete legislative textbook on the subject of a sales tax. Men of unimpeached standing and ability repudiated any sales-tax proposal, although the hearings frequently related to a turnover sales tax, which is an exaggerated manufacturers' jobbers' tax. It is, however, subject to the same fundamental objections of pyramiding, profiteering, secrecy, inflation of prices, and burden on consumption.

Printed hearings covering over 200 pages are devoted to arguments by many witnesses opposed to a sales tax. From these I quote briefly from several witnesses on different phases of the same subject to indicate the many objections that exist to this consumption tax:

PRESIDENT PLUMB, OF THE NATIONAL INDUSTRIAL CONFERENCE BOARD

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"J. C. Peacock, Albee Building, Washington, D. C., representing Mr. Fayette R. Plumb, president of Fayette R. Plumb (Inc.), Philadelphia:

"'I might explain just why Mr. Plumb intended to appear here himself. He is unable to come to-day and has asked me to take his place. Mr. Plumb, a prominent manufacturer of Philadelphia, is interested in this subject, not so much on his own account but because he served as chairman of the tax committee of the National Industrial Conference Board, of which committee I happened to serve as secretary, and copies of the final report were sent some time ago to all Members of Congress, including, of course, members of this committee.'" * * *

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"I can say, from my own knowledge, that Mr. Plumb was personally a very strong advocate of the sales tax, * * * but as that committee went into the subject more and more * * * it realized that in making its report it could not properly make a report favoring a sales tax or any form of the sales tax unless it could satisfy itself in its mind that the objections which were raised were not insuperable, * * * and Mr. Plumb personally, and most of the members of the committee, finally came to the conclusion that a sales tax was unwise and impracticable.

"I make that explanation in order that you might realize that what I say and what I present for Mr. Plumb * * * is from a man who started not from the position of an opponent of the sales tax but from the position of a very ardent advocate of the sales tax, * * * reached the conclusion that his first idea was wrong and that he had to change it.

"Senator SMOOT. Have you got any of Mr. Plumb's arguments in favor of the sales tax?

"Mr. PEACOCK. Yes; I have them here—in favor of or against?

"Senator SMOOT. Oh, I wanted some in favor, and then I could judge what changed his mind. He was an awfully strong advocate of it for years, and he must during that time have written some very strong articles for it. * * *

"Mr. PEACOCK. I think I have made the statement—and if I did not make it clear I will state that Mr. Plumb, like most businessmen, a year ago favored the sales tax. * * * I might say of my own personal knowledge for about two months when I first became associated with the committee Mr. Plumb was a very ardent advocate before that committee of the sales tax, and during that time I will also say that several meetings of the committee were devoted to conferences across the table with some of the leading advocates of the sales tax at that time. Mr. Rothschild and Mr. Lord attended the meetings of the committee, and not merely attended but took active part in the discussions of the committee. * * *

"As some of you may perhaps remember, about four or five years ago it was my privilege to assist this committee in the capacity of legislative draftsman, and also the House Committee on Ways and Means, and during that time I had the privilege of assisting in drafting both the revenue act of 1916 and 1917.

* * * * * * *

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"Mr. PEACOCK. Mr. Plumb points out that the most unfair thing about this tax and the thing which makes it fundamentally unsound is that it conforms neither to the principle of ability to pay or to the principle of benefits received. * * *

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"Mr. Plumb refers to a matter which may have been brought to your attention; if not, you will probably want to look further into it. [Reading:]

"'It is interesting to know that not only American business men, when they see both sides of this question, see the unfairness of the sales tax, but also that the greatest organization of manufacturers in Great Britain—that is, the Federation of British Industries—came to the same conclusion.' * * *

"Mr. PEACOCK. That is an experience almost identical with the experience of our own national industrial tax committee; and I can say this because I know from my own knowledge that they, not having seen a copy of this report, used that very same word 'reluctant' in their report. They started out and wanted to report favorably to the sales tax, and they were forced in the report I have mentioned to use the word 'reluctant.' They could not do it.

"THE CREDIT MEN OPPOSE A SALES TAX

"R. G. ELLIOTT, REPRESENTING 33,000 'BUSINESS UNITS'

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"Mr. ELLIOTT. Mr. Chairman, the National Association of Credit Men is an organization of 33,000 business units—manufacturers, mining companies, wholesalers, and financial institutions. Our membership is made up of the business units and is not an organization of individuals. The committee on Federal taxation, of which I happen to be chairman, was organized just a little more than three years ago, and has been very active ever since in the study and discussion with our various members at their various meetings on the subject of Federal revenue. * * *

"It is true that while at the outset of our study of taxation we were more or less impressed with the seeming simplicity of a tax on business transactions; nevertheless, after we had given the subject very careful thought, we came to the conclusion, which seems to us inevitable and which is concurred in by many of the other organizations, that it would not be a practical method of raising a large amount of Government revenue; that it would not be equitable; that it would not be sound; that it would be bad for business in general. * * *

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"The committee, which was spoken of here this morning, of the National Industrial Conference Board, with whom I had the pleasure of sitting throughout their meetings last year, also, as you know, came to that conclusion. The wholesale grocers of the State of New York passed a resolution condemning the sales and turnover tax. Also, I believe the wholesale grocers of Pennsylvania, New Jersey, and Delaware, if I am correct in that, passed a similar resolution a short time ago. The bulletin of the Retail Grocers' Association states that the retail grocers are opposed to it.

"It might be interesting to note that I have just last evening received a telegram from the Cotton Yarn Merchants' Association, of Philadelphia, in which they state:

"'Understand you are representing Credit Men's Association as opposed to sales tax. Cotton Yarn Merchants' Association also opposed. Would like to cooperate with you. If can be of assistance, please advise us by wire.'

"I simply mention those things as indicative of the widespread feeling on the part of a great many business men that the sales tax is not the savior of the situation.

"H. R. M'KENZIE, REPRESENTING AMERICAN FARM BUREAU FEDERATION, OPPOSES A SALES TAX

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"Mr. MCKENZIE. I speak for the American Farm Bureau Federation, which has between one and two milion members and represents, roughly, about 5,000,000 people in this country. We think that any changes made in our present tax system should be made in view of four general principles: (1) That a man's net income is the true measure of his ability to pay taxes in support of the National Government; (2) that the rates should be progressive; that is, that the larger the man's income the higher the rate; (3) that as this is the country of all the people everybody should have some part in supporting the Government, and that a certain portion of the taxes can therefore justly be raised through the tariff and other consumption taxes; and (4) while recognizing that the raising of the revenue is the first consideration in any tax scheme, the taxes should be so laid as to tend, as far as practicable, to the distribution of wealth in the hands of the many and not to its concentration in the hands of the few.

"We want to draw clearly the difference between income and consumption taxes, because we think there is a vital difference which should be kept in mind. If my memory serves me correctly, in 1919 seventy-three and a fraction per cent of the taxes were raised through income and excess-profits taxes, and about twenty-six and a fraction per cent through consumption taxes. We think that that proportion is approximately correct as far as principle (3) that I have enunciated is concerned.

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"Senator MCCUMBER. You do not think that 73 per cent of the income and excess-profits taxes were not finally paid by the ultimate consumer and is not finally a consumption tax?

"Mr. MCKENZIE. I would like to answer that by asking you a question. You are asking that on the theory that all taxes are ultimately passed on to the consumer?

"Senator MCCUMBER. I am asking that because I want to find out if there is any tax that is levied against either an industry or an article.

"Mr. MCKENZIE. Yes; there are such taxes. I believe that if you change the taxing basis from net income to a sales tax you have done what President Harding in his message referred to when he said, 'The country does not expect and will not approve a shifting of burdens,' that you will be shifting very largely the burden from those who are able to pay to the pockets of those who are not able to pay. You will be relieving the banker, the broker, the great newspapers of part of their taxes and shifting them to other shoulders. These are the people who are urging the sales tax. * * *

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"Mr. MCKENZIE. We believe that this general sales tax is unsound in principle; that it is unsound economically; that it is unsound from a social standpoint; and it is governmentally inexpedient. * * *

"Senator MCLEAN. Then you think the excess-profits tax has resulted in raising prices to the ultimate consumer?

"Mr. MCKENZIE. Not to the extent claimed for it. You are familiar with the statement attributed to the Department of Justice that the excess-profits tax added 23.2 per cent to the cost of living. I sent an investigator to the department to see what basis there was for these figures, and he reports that he saw Mr. Reid, and that they have made a thorough investigation of their files and have not been able to run down any reference whatever to this percentage. I would like to suggest that the committee thoroughly looked into this.

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"Senator MCLEAN. The excess-profits tax can not legitimately be charged back to prices. * * * Nevertheless, I think the going was good, and it was used as an excuse for raising prices.

"Mr. MCKENZIE. Most of them did not need any excuse. They took all the traffic would stand.

"Senator MCLEAN. Very likely you are correct about that, but as long as we maintain excess-profits taxes they will continue to use it as an excuse.

"Mr. MCKENZIE. And they will continue to get all the traffic will bear if it is repealed. * * *

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"Mr. MCKENZIE. As a matter of fact, you gentlemen who are familiar with the French taxation system know that they have a sales tax over there, and that since it went into effect last July it has not produced half of the money that it was estimated to produce. * * * I think the French are just as good tax collectors as we are, and I think we would get about the same general proportion of taxes from the general sales tax as from the soda-water tax.

"Senator JONES. Where do you get those figures from with regard to the collection in France?

"Mr. MCKENZIE. Here are the figures that you asked for. That tax went into effect in July. For the months of July and August the estimated receipts were 700,000,000 francs. The actual receipts were 292,791,500 francs. For the month of September the estimates were 460,000,000 francs. The actual returns were 234,000,434 francs. For the month of October the estimates were 460,000,000 francs and the actual returns were 205,492,000 francs. For the month of February the estimates were 413,000,000 francs and the actual yield 151,571,000 francs. That shows how the sales tax is being enforced in France. That information is issued by Dow, Jones & Co., of the Wall Street Journal, and, as I understand it, the figures were gotten by one of the very large bankers in New York. * * *

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"Senator CALDER. I would like to get the people back to you if I could.

"Mr. MCKENZIE. You can if you make farming profitable.

"Senator SMOOT. You referred to the Canadian taxation, and thought it was very much better than our taxation or proposed taxation.

"Mr. MCKENZIE. You say I thought it was better?

"Senator SMOOT. Better than the proposed sales tax.

"Mr. MCKENZIE. No; you misunderstood me. What I said was that they had no retail sales taxes. They had abolished them all.

* * * * * * * *

"SENATOR SIMMONS. If it should be decided to eliminate the excess-profits tax and to greatly reduce the surtax and the income tax, have you made any calculation as to what the wealthy in this country will pay? * * * (Continuing, p. 329): Have you made any calculation as to what amount would be left for the wealthy to pay? To my mind very little would be left. The bulk of the taxes raised in this country would then be paid as consumption taxes and there would be very little left. If you eliminate these two things, it would be raised through impositions that will have to be paid by the wealthy class.

"Mr. MCKENZIE. If I get your question rightly, what I anticipate would happen if those things should be done, instead of having 75 per cent of our taxes come from incomes and excess-profits taxes and 25 per cent come from consumption taxes, you would have about 75 per cent of the tax put on the common people and 25 per cent or less on the wealthy.

NATIONAL GRANGE ALSO OPPOSED TO A SALES TAX—T. C. ATKESON, WASHINGTON REPRESENTATIVE OF THE NATIONAL GRANGE

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"The National Grange is opposed to a general sales tax in any form, and I am authorized to present its opposition by two resolutions which were adopted at its last annual meeting at Boston, Mass., in November, 1920, which resolutions were presented to the session, referred to the appropriate committee, thoroughly considered by such committee, reported back to the general body, and, after full consideration, adopted by unanimous vote.

"The first resolution reads as follows:

"'The grange opposes the repeal of the excess-profits tax and the substitution therefor of a tax on sales or any similar tax law.'

"You will note that this resolution also opposes the repeal of the excess-profits tax, a subject which is also before this committee.

"The second resolution was this:

"'The grange opposes a general sales tax because in effect it is a consumption tax and adds an unfair burden to all purchasers without reference to their ability to pay.'

"These resolutions were not the only action of the National Grange on the subject of taxation at its last session. Its position upon the ever-present question of taxation is not a matter of recent consideration or sudden determination. The tax program of the National Grange has been before the annual sessions of that body and before the various annual sessions will show the development of a sane and constructive tax program based upon equity and fair distribution of the tax burdens, having in mind that the first principle of taxation should be justice between individuals and the second principle distribution according to ability to pay. * * *

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"Against this general sales tax in any and every form some of the largest and most representative organizations in the country are aligned. Among them will be found farmers generally. The National Grange declaration is typical of the general farmer opposition. Every other farmers' organization of which we have a record which has taken any action at all has adopted resolutions opposing this tax. All the agricultural newspapers are opposed to this tax. All of the labor organizations are on record in opposition to it. Every organization of consumers of which I have any information is in opposition to it. One of the most representative, if not the most representative, research organization representing the great national industries—I refer to the National Industrial Conference Board—after a thorough investigation, went on record in opposition to this tax. The Chamber of Commerce of the United States has conducted one referendum which resulted in a considerable majority against the sales tax, then took up the matter at its recent convention in Atlantic City, where its tax committee could not justify a resolution in favor of the sales tax but ordered another referendum.

"If, in a democracy, legislation is supposed to be determined by the wishes of a majority of the individuals and not by a majority of the wealth, the above showing answers the question as to whether or not this Congress will pass general sales-tax legislation.

FARMERS' NATIONAL COUNCIL OPPOSED TO A SALES TAX—BENJAMIN C. MARSH, REPRESENTING THE PEOPLE'S RECONSTRUCTION LEAGUE AND FARMERS' NATIONAL COUNCIL

(Page 351.)

"The CHAIRMAN. Whom do you represent, Mr. Marsh?

"Mr. MARSH. I represent the People's Reconstruction League and the Farmers' National Council.

* * * * * * *

"The CHAIRMAN. How many members have you?

"Mr. MARSH. I can not tell you exactly. I know this, that there are upward of 3,000,000 members of the organizations whose officers or chief executives are members of the executive committee of the People's Reconstruction League.

"The CHAIRMAN. Have you got a list of your membership?

"Mr. MARSH. We have a list of the organizations, and they know what membership they have in each organization. * * *

"The CHAIRMAN. I would be very glad to know how many you represent, and whether they are carried on the roll of membership, and just where your credentials are. Anyone can come in here with a fancy name of some league and claim they represent the earth.

"Mr. MARSH. We make no such claims and no such pretensions. The officers and executive committee of the People's Reconstruction League are: President, Hon. Herbert F. Baker, president Farmers' National Council; vice presidents, William H. Johnston, president International Association of Machinists; C. C. Connolly, president United Farmers of America; Mrs. Florence Kelley; general manager, George P. Hampton, managing director Farmers' National Council; treasurer, Jackson H. Ralston; executive secretary, Benjamin C. Marsh, secretary Farmers' National Council. Executive committee: The officers and Warren S. Stone, grand chief Brotherhood of Locomotive Engineers; William Bouck, master Washington State Grange; E. H. Fitzgerald, grand president Brotherhood Railway and Steamship Clerks; E. F. Grable, grand president United Brotherhood Maintenance of Way Employees; Timothy Healy, president International Brotherhood Stationary Firemen and Oilers; J. W. Kline, president International Brotherhood Blacksmiths, Drop Forgers, and Helpers of America; E. C. Lasater; Arthur Le Sueur; J. H. McGill; James P. Noonan, international president Brotherhood Electrical Workers; R. W. H. Stone, president North Carolina Farmers' Union; L. E. Sheppard, president Order Railway Conductors; Frank P. Walsh; T. C. Cashen, international president Switchmen's Union of North America; J. A. Franklin, international president International Brotherhood of Boiler Makers, Iron Shipbuilders, and Helpers of America; John McParland, president International Typographical Union; John A. Voll, president Glass Bottle Blowers' Association of United States and Canada; Charles B. Stillman, president American Federation of Teachers.

"We assert that there is no need for a sales tax or for any other tax upon consumption, and I shall quote the figures to show it.

"In 1918, the last year for which official figures are available, the net income of those subject to the personal income tax was $15,924,639,399, of which, in round figures, $4,848,000,000 was income from property. Just over two-thirds of the total income from profit, or $3,259,000,000, was received by the 478,952 persons, each of whom had a net income of over $5,000.

"Now, gentlemen, while you are considering any additional taxes upon the workers of the country—and mind you, there are several millions with dependents and certainly 10 per cent of the population of America is either out of employment to-day or on part time—you are going to make them pay taxes by levying on their meager savings or upon what they borrow.

"Now, what about the wealthy? Each of the 245 individuals who received an income during 1918 of $500,000 or more had, on the average, an income of $399,359 left after paying his income tax in 1919, while the 3,013,816 families having an income of $1,000 to $3,000 had an average of only $1,926 left. In other words, the 245 persons who had an income of $500,000 and up to $50,000,000 or more, therefore had left on the average two hundred and seven times as much income apiece after paying their income tax last year as the 3,000,000 individuals and families who had incomes of $1,000 to $3,000.

"The 245 persons each of whom had an income in excess of $500,000 in 1918, received on the average an income from property of $1,038,816 plus on the average an income from 'personal service and business' of $285,637, a total average, without deductions, of $1,323,453.

WHAT AN INHERITANCE TAX WILL REACH

"I am going to quote from a representative Wall Street journal, an article in the September 11, 1908, issue of Commerce and Finance, published then at 15 Wall Street by the Theodore H. Price Publishing Corporation. I read from an article on 'A national inheritance tax law,' by Mr. Richard Spillane. Mr. Spillane says that there are 10 American millionaires possessors of fortunes of $125,000,000 or more, with an estimated total wealth for these 10 of $2,500,000,000. He gives a total classification of 22,696 millionaires having, in 1918, an estimated wealth of $68,056,250,000. He estimates at that time, and his paper did, the total wealth of America as $250,000,000,000. We now place it, and Commerce and Finance does, at $500,000,000,000 instead of $250,000,000,000. Mr. Spillane asked this question: 'Would a 40 per cent tax be excessive in the case of a $500,000,000 or $1,000,000,000 fortune? Not much. Money accumulates rapidly. A tax of 40 per cent would take $400,000,000 for the State and leave $600,000,000 for distribution among the heirs. It is reasonable to suppose that within five years the $600,000,000 would grow to $700,000,000 or $800,000,000.'

"Commenting on his statement that that wealth would increase from $600,000,000 to $800,000,000 in five years, he says of this tax, 'there is nothing confiscatory in that.'

"On the same basis which justified Commerce and Finance, which is a very careful publication, in estimating the wealth of these 23,000 millionaires in 1918 at $68,000,000,000, we estimate their wealth to-day at approximately $156,000,000,000, or nearly 10 times our net national debt and over 27 per cent of the national wealth. A heavy Federal estate or personal tax would easily yield at least $20,000,000,000 within the next 10 years and from two and a half to three billion dollars a year for the next few years, and Congress should promptly enact an estate tax that would yield this amount.

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RAILWAY TRAINMEN OPPOSED TO A SALES TAX—W. M. CLARK, REPRESENTING THE FOUR TRAIN-SERVICE ORGANIZATIONS

"Mr. CLARK. Mr. Chairman, I am Mr. W. M. Clark, and I represent the four train-service organizations. I have a very brief statement that I would like to submit to the committee and have it appear as a matter of record. It is very brief and perhaps it might be all right if I should make my statement first.

"The CHAIRMAN. You reside here in Washington, do you, Mr. Clark?

"Mr. CLARK. I do not reside here, but I am stationed here and have been for the last eight years.

"The CHAIRMAN. What do you mean by being stationed here?

"Mr. CLARK. We have our offices here; that is, the representatives of the four train-service organizations, in connection with legislative work. We have had our offices here for nearly nine years.

"The CHAIRMAN. What is your position?

"Mr. CLARK. I am vice president of the Order of Railway Conductors of America and national legislative representative.

"The CHAIRMAN. What about the Brotherhood of Locomotive Firemen and Engineers?

"Mr. CLARK. I am speaking for the four train-service organizations.

"The CHAIRMAN. You may proceed now.

"Mr. CLARK (reading):

"'Mr. Chairman and gentlemen of the committee, in appearing before you to-day we do so as the representatives of the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, and Brotherhood of Railroad Trainmen, whose membership consists of approximately 600,000 citizens of the United States. These members and their families are vitally interested in the question of taxation or any other question which may have a tendency to increase their existing cost of living.

"'The question of the repeal of the excess-profits tax and the substitution therefor of a sales or turnover tax has been called to the attention of the membership of the organizations we represent and an expression from them asked for, with the result that we find unanimous response from this membership being opposed to the repeal of the excess-profits tax and likewise unalterably opposed to the enactment of a sales or turnover tax law.

"'The working people or those dependent upon wages and small salaries, or, in fact, those with small incomes, are being put to a severe test to make ends meet, and, in fact, many of them are running behind and going in debt every day, and this, coupled with the serious unemployment situation, materially affects the general welfare of the great masses of our citizenship. Therefore, this class of our people can not stand increased burdens brought about by increased taxation, which we believe will be the result of the enactment of a sales or turnover tax law.'

"Senator SMOOT. Have you given this any special attention yourself?

"Mr. CLARK. I am somewhat familiar with it, Senator.

"Senator SMOOT. Can you tell me how it is going to increase the burdens?

"Mr. CLARK. Well, because it places additional taxes and burdens on the people who are the least able to pay.

"Senator SMOOT. You say that just as a matter of fact?

"Mr. CLARK. As a matter of conviction.

"The CHAIRMAN. It is a very smooth phrase.

"Senator SMOOT. It is very nice, indeed; but where the sales tax will impose a 1 per cent tax upon you people, the existing laws will impose 3 or 4, and of course, you do not want that relief.

"Mr. CLARK. Well, Senator, I find that there is a vast difference of opinion on that subject.

"The CHAIRMAN. How much do you estimate the sales tax will bring into the Treasury?

"Mr. CLARK. I have not figured that out to a definite conclusion. You gentlemen who have figured it out are better able to speak on that point.

"Senator CURTIS. Those who have figured it out do not agree.

"Mr. CLARK. I have heard it said that lawyers do not agree at all times. However, that is not germane to the subject.

"'We are satisfied that the very least that could be hoped to be accomplished by a 1 per cent sales or turnover tax would be about $8 per capita, and that, based on the average American family of five, would be a minimum of $40 per year; and we are inclined to believe that this would be increased to probably the sum of $200 per year to each family, the whole burden being borne by the consumers or the great masses of the people who are least able to pay these costs.

"'With the constant agitation for a reduction in wages, cheap labor, the relief from taxation of "big business" and large estates that is now permeating our country, to add to this the further agitation for a sales or turnover tax, it seems that the great masses of American workingmen and their families are facing a most serious and far-reaching economic problem. This makes the masses of the people, which are the working men and women in industry and agriculture, believe that there is a constant, well-defined, and well-organized effort on the part of the special interests or classes to escape the burdens of taxation and shift them to the masses of the people in order that they may add to and continue to enjoy their already amassed wealth and fortunes.'

"The CHAIRMAN. That is a pure demagogic statement, in my opinion.

"Mr. CLARK. I have only a few more lines.

"'This sows the seeds of discontent and leads the people to believe that this Government is drifting rapidly to class legislation and class domination.

"'The membership of these organizations is not seeking to evade its duties or responsibilities and is willing to meet its just obligations to its country and its institutions, but we are most earnestly opposed to further burdens being placed on the people for the benefit of the few and in order that the few or the privileged class may be permitted to live in luxury and escape their responsibilities.

"'In conclusion we desire to place the membership of these four engine, train, and yard service organizations squarely on record as being opposed to the repeal of the excess-profits tax and unalterably opposed to the enactment of any form of sales or turnover tax. We trust that your honorable committee will not recommend any such plan nor that the Congress will enact any such legislation.

"'Respectfully,

"'W. M. CLARK,
"'*Vice President and National Legislative Representative,*
"'*Order of Railway Conductors.*
"'H. E. WILLS,
"'*Assistant Grand Chief Engineer and*
"'*National Legislative Representative,*
"'*Brotherhood of Locomotive Engineers.*
"'P. J. MCNAMARA,
"'*Vice President and National Legislative Representative,*
"*Brotherhood of Locomotive Firemen and Engineers.*
"'W. N. DOAK,
"'*Vice President and National Legislative Representative,*
"'*Brotherhood of Railway Trainmen.*'

"The CHAIRMAN. Have these orders ever had a meeting and passed resolutions expressing the sentiments that you have embodied in this statement?

"Mr. CLARK. They have met and come to the conclusions submitted herein, and have come to the executives of these organizations outlining their position and attitude.

COMMITTEE OF MANUFACTURERS AND MERCHANTS OPPOSED TO A SALES TAX—WALTER W. LIGGETT, CHICAGO, ILL., REPRESENTING THE COMMITTEE OF MANUFACTURERS AND MERCHANTS OF CHICAGO

(Page 360)

"Mr. LIGGETT. Mr. Chairman and gentlemen of the committee, I want to make it particularly plain to you that in appearing here against the sales tax I do not appear as an individual. I am the authorized spokesman of the Committee of Manufacturers and Merchants of Chicago on Federal Taxation and also of the Farmers' Federal Tax League of America.

"The Committee of Manufacturers and Merchants on Federal Taxation, which has headquarters in Chicago, has a membership of more than 30,000 business men, representing some of the most solid and reputable firms in the United States.

"The Farmers' Federal Tax League of America, of which Lieut. Gov. George F. Cummings, of Wisconsin, is president, also has a very representative membership of practically all the agricultural States in the Union. * * *

"The National Association of Credit Men, which is an organization which is fairly representative of American business and industry, has also taken strong ground against a sales tax. I submit as representative of the views of this organization the following statement by Mr. J. H. Trego, its executive secretary:

"'Why should spending rather than saving be taxed?' That is the question puzzling J. H. Trego, executive secretary of the National Association of Credit Men. Writing to the 33,000 manufacturers, wholesalers, and bankers composing the membership of the organization, Mr. Trego has the following to say regarding the proposed sales tax:

"'We have heard advocates of the sales tax say that spending and not saving should be taxed. Let us look a while and see whether this is a real common-sense and fair statement. Inordinate spending and inordinate saving are equally bad. One is prodigal and the other is miserly. If spending is necessary, if common-sense spending is important to the commerce and industries of a people, why should spending rather than saving be taxed? It is not a fair proposition, in our opinion, and when you consider a man with a large family who must spend more than a man with a smaller family to impose a tax on sales is inequitable and unfair. It seems strange to us that so many good men have been gripped by the idea of a sales tax, especially a turnover tax, when on a careful analysis such a tax would be very unequal in its application and prove in years just as burdensome and uneconomic as the excess-profits tax.'

"It is perhaps significant that neither Mr. Houston, Secretary of the Treasury under the Wilson administration, nor Mr. Mellon, Secretary of the Treasury of the Harding administration, are willing to recommend a sales tax. Dr. Thomas Sewall Adams, adviser of the Treasury Department of both administrations, has the following to say on the sales tax:

"'Our organization, the Committee of Manufacturers and Merchants on Federal Taxation (Inc.), with headquarters at 1346 Altgeld Street, Chicago, which speaks for 30,000 manufacturers, jobbers, and merchants and nearly 150 commercial organizations, have gone on record against the sales tax in the following language:

"'What business men might seemingly gain in lower taxes under this plan they would much more than lose, not only in increased strikes and labor disturbances but in smaller profits due to the decreased trade that would follow. This is not mere theory; it is a historic fact. Any tax that will raise the price to the consumer is bound to cut down sales. Any tax that will increase the cost of living and reduce the purchasing power of the buyer is certain to restrict demand, curtail commercial activity, and slow down production generally. As this is written, word comes from Canada that the Government has now lifted the tax on numerous luxuries because the higher prices, resulting from the imposition of the tax, has practically cut off all demand and forced many luxury-making industries to the wall. Such has been the experience in all countries and in all times. It was the stagnation of business caused by a sales tax rigidly enforced that brought Spain in the Middle Ages from the pinnacle of prosperity to the depths of poverty, just as it was the stagnation of business, due to the heavy sales tax imposed in the Netherlands by the Duke of Alva, that reduced that sturdy little nation to a howling wilderness.

"'No matter how or when or where a tax on industry be levied, the effect is always to injure industry. Tax sales and you cut down the number of sales; tax imports and you shut out imports; tax manufactures and you check manufacturing; tax improvements and you lessen improvements; tax commerce and you prevent exchange; tax business and you drive it away.'

* * * * * * *

"So far as known, every farmers' organization, including the Farm Bureau Federation, has gone on record against a sales tax. Organized labor is taking the same position, as it might naturally be expected it would. With fully 80 per cent of the population of the country as represented by labor and by farmers opposed to the sales tax, and with business men sharply divided as to their attitude, it is not to be expected that Congressmen will be sympathetically inclined toward a sales tax.

"Senator SMOOT. If Mr. Samuel Gompers comes out for a sales tax you would favor it, would you not?

"Mr. LIGGETT. I beg your pardon?

"Senator SMOOT. If Mr. Samuel Gompers announced his approval of a sales tax, you would be for it?

"Mr. LIGGETT. No, sir; certainly not. We have nothing to do with the opinion of Mr. Samuel Gompers.

"Senator SMOOT. If the Grangers were in favor of it, would you be in favor of it?

"Mr. LIGGETT. Senator, I personally do not change my views upon such flimsy pretexts. I am now speaking for the association of merchants and manufacturers——

"Senator SMOOT. You are calling attention to these parties being opposed to it; but if they should change their opinion, that would not change your mind at all?

"Mr. LIGGETT. Not at all, Senator. You are stating a hypothetical case and I am stating facts.

"Senator SMOOT. We will see about that before a month is over.

"Mr. LIGGETT. All right. Thank you."

ORGANIZED LABOR OPPOSED TO A SALES TAX—EDWARD F. M'GRADY, WASHINGTON, D. C., REPRESENTING AMERICAN FEDERATION OF LABOR

(Page 404)

"Senator WATSON. Mr. McGrady, will you kindly state your full name, your residence, and whom you represent?

"Mr. MCGRADY. My name is Edward F. McGrady; my residence, Washington, D. C.; I am representing the American Federation of Labor. Mr. Chairman and members of the committee, Mr. Gompers was extremely anxious to appear before your committee to-day, but at the last minute he was called into a conference of national scope, which will mean a great deal to labor in this country, and he felt that he had to be there. * * *

"The executive council of the American Federation of Labor, which has just concluded a conference at Cincinnati, adopted a strong protest against the sales tax. This will be submitted to the American Federation of Labor convention which meets in Denver in June.

"In addition to this protest of the executive council, we have received in our office thousands of letters of protest from labor unions from every section of the country. The American Federation of Labor therefore is appealing to you in behalf of the American worker.

"Five millions of the now idle workers and many other millions whose wages have been reduced from 25 to 60 per cent are now going to be called upon to assume that burden in the form of a sales tax. Big business, not satisfied in reducing the standards of living of the wage earners, is now attempting to shift the burden of war and the cost of Government from its own shoulders to the backs of the workingmen and women of the country.

"The American worker to-day is toiling for a living wage. A living wage is nothing more than a horse gets—enough to eat and a place to sleep. This proposal would be a tax upon his entire inadequate income, whereas the wealthy would pay out of their excess profits.

"Again, there are many of the well-to-do who have very small or no families to support, while the poor people with large families, of three to six or more children, would be taxed for each and every mouth in their household. The more children in a family, the larger the tax.

"To be sure, the automobile dealer, the fur dealer, the diamond dealer, and other dealers in the luxuries of life want their taxes reduced, and in doing so they are willing to place extra taxes upon the necessities of life, such as food, fuel, clothing, etc.

"Mr. Otto H. Kahn, in a report to the National Industrial Tax Conference, declared:

"'Taxing a poor man's breakfast table is a formidable slogan to run up against.'

"But the sales tax is not only taxing the breakfast table but his supper table and his dinner pail. The 'full dinner pail' has elected many men to public office, but what will happen to the men or party who place a tax extraordinary upon a 'half-filled dinner pail'?

"Senator SIMMONS. You are satisfied that that paper you read reflects the sentiments of Mr. Gompers?

"Mr. MCGRADY. I state that positively; that that paper reflects Mr. Gompers's sentiments and those of the executive council of the American Federation of Labor.

"Senator DILLINGHAM. Does it also represent their understanding of the provisions of the bill that is under consideration?

"Mr. MCGRADY. I should say so.

"Senator SIMMONS. It has been said here that if we do not impose a sales tax under the system of taxation that will probably have to be adopted, the consumer would have to pay a heavier tax than if we impose the sales tax. What is your view about that?

"Mr. MCGRADY. I do not believe that is so, Senator. It seems rather peculiar to me that if the big business men of this country are trying to get rid of the excess-profits tax, and, as has been said, if this sales tax is put into effect, the consumer will only be taxed one-third of what he is paying now, we would like to know who is going to pay the rest. If a sales tax is adopted and it is only going to cost the consumer one-third of what he is paying now and the big business men are going to get rid of a lot of taxes that they want to get rid of, where is this money going to come from? Somebody has to pay it."

The extracts from Senate hearings have been offered in order that a general understanding may be had of the character of protest against a sales tax which is voiced emphatically by the farmers and organized laborers of the country through their national organizations. Opinions of experts heretofore quoted have not been repeated, and arguments where cumulative have not been referred to, but one more witness whose testimony takes 30 printed pages of the hearings is too important to omit. Probably

no authority on taxation in this country or any other is more highly respected than Dr. Edwin R. A. Seligman, professor of political economy, Columbia University. His writings are accepted as unprejudiced and thorough expositions of tax problems, and his time was unlimited before the committee. His statement of experiments and failure of various forms of sales tax was so comprehensive that without reference to other authorities already quoted, Doctor Seligman's statement is a well-rounded and complete answer to arguments favoring a consumption tax. I quote briefly as follows (p. 457):

SALES TAX OPPOSED BY HIGHEST AUTHORITY

"Professor SELIGMAN. I am here, Mr. Chairman, at the invitation of several of the Senators, including Mr. La Follette and Mr. McLean, who have asked me to say something about the sales tax and kindred matters. I am especially sorry that Senator McLean is not here to-day. He wanted to hear something about the incidence of the sales tax as compared to that of the excess-profits tax.

"Senator LA FOLLETTE. Will you take up first, Professor Seligman, the sales tax and go to the other matters in order?

"The CHAIRMAN. You may proceed in your own way, Professor, to state your views on the sales tax, and after that on any other phases of the revenue revision that you desire to discuss.

"Professor SELIGMAN. Thank you, sir. So far as the history of the sales tax is concerned, there is a great misconception about that in this country. There have been many examples of taxes on the sale of particular commodities; but, with few exceptions, there have been only sporadic efforts made in any country or at any time to levy a tax on all sales in general; and whenever a general tax on sales has been attempted it has met with resistance and consequently with little success. * * *

"I said that the objections to the sales tax, in my opinion, were in part administrative and in part fiscal. I now want to add that the tax also sins against the cardinal principle of equality of taxation.

"I do not object to all taxes on consumption, for I believe that every well-balanced system of taxation should include indirect as well as direct taxes. But there is consumption and consumption. There are articles of luxurious consumption; there are articles of convenient consumption; there are articles of necessary consumption. Most of the sales taxes, with a few exceptions, that we have in this country to-day, and which are found in other Anglo-Saxon countries as well, are taxes on the sale—and sometimes the production—of articles of luxurious consumption or of the widespread consumption of what can not be called really necessaries. Take, as examples, tobacco and whisky before the present dispensation, because they partake partly of wide use, and yet partly of a system of consumption which perhaps it is desirable to diminish. But when you come to a general sales tax you are dealing with a tax on necessaries, inasmuch as the great mass of sales are sales of necessaries. Naturally so, since the great majority of the people are in modest circumstances; the great mass of commodities sold consists of articles used by the people in modest circumstances. Therefore, as the French writers in the Middle Ages pointed out, general sales tax is a sort of upside-down income tax. Instead of taxing the man with a higher income a little more, or much more, as we do, you tax the man with the smaller income not only relatively as much but relatively more. It is this instinctive reaction of the common man to the proposal of a sales tax which is responsible for the opposition to it manifested from the time of the Romans under Tiberius all the way through the Middle Ages, when the riots took place, down to modern times, as in this very country, where the laboring classes are now up in arms against it.

* * * * * * *

"Senator SIMMONS. Professor Seligman, nearly all the witnesses in advocacy of the repeal of the excess-profits tax who have been examined here have declared that that part of the income which would have to be paid as taxes was carried to overhead and passed on to the consumer, and in that way became indirect and a consumption tax.

"Professor SELIGMAN. I do not agree with that, Senator.

"Senator SIMMONS. You have not classified it as a consumption tax?

"Professor SELIGMAN. No, sir.

"But while a tax on particular profits can be shifted to the consumer, a general tax on all profits can not be shifted under normal conditions. Profits are a result of price and not a condition of price. What I mean is that at any given time in an ordinary industry there are all sorts of costs. Some producers make immense profits, some less-fortunate individuals make less profits, and some do not make any at all.

* * * * * * *

"I should say that I do not think we ought to go any further than stamps, tobacco, and gasoline, because as soon as you do go further you are in danger of trenching upon necessities.

"There is a question in my mind, sir, as to sugar. In England they tax sugar, even with their desire not to burden the poor man. So far as sugar may be considered a convenience rather than a necessity, it partakes of the characteristics of these concentrated commodities; a very small tax on sugar would bring in a revenue of a hundred and fifty or two hundred millions. I am a little doubtful about it, however, because in this country the average man has become so accustomed to use sugar that it may almost be considered a necessity.

ON INHERITANCE TAXES

"In England they get far more revenue from their 'death duties' with half as much wealth as we possess. If we were to have the rates that are applied in England, not to speak of those that are found in Italy or France or Germany, we could easily get another $100,000,000 or $200,000,000. We could then divide and apportion the yield, say, fifty or more millions among the States, and could thus avoid this intolerable double taxation.

"Senator WATSON. You mean by that that the States are to refrain from taxing inheritances altogether, the whole tax to be a Federal tax and a portion of it distributed among the States?

"Professor SELIGMAN. Yes, sir. We can take a leaf out of the book of German experience. I think we can learn something there—although of late it has been a popular belief that nothing good can come from Germany. The fiscal strain has been so great there that they have devised all sorts of new methods. One of the interesting things they have done very recently has been to nationalize the inheritance tax and to provide that a part should go to the separate States in accordance with definite provisions to avoid double taxation.

* * * * * * *

"Senator LA FOLLETTE. How would you apportion it among the States?

"Professor SELIGMAN. That brings up a very interesting problem, Senator. I should apportion it as nearly as possible in accordance with what I should call relative economic interests—that is to say, if a man dies and a portion of his estate tax is distributed by the Federal Government, the tax ought to go in part to the State where the real property is situated. Furthermore, if the estate consists of railway bonds or stocks, I should say that a part of it ought to go to the State where the railway is situated on which those bonds and stocks are issued——"

Doctor Seligman submitted with his testimony a brief, from which is briefly quoted:

FRENCH SALES TAX HAS A DISASTROUS BUSINESS EFFECT—DISAPPOINTING IN ITS RESULTS AND REPEAL CONSIDERED ALMOST CERTAIN—PASSED ON TO CONSUMER—BUYERS STRUCK AND RECEIPTS FELL TO THIRD OF GOVERNMENT ESTIMATES

(Special cable to the New York Herald. Copyright, 1921, by the New York Herald)

NEW YORK HERALD BUREAU,
Paris, May 28.

"France being one of the two countries which has experimented with a sales tax such as has been under discussion in the United States, the American people might be interested to know the result of the French experience in this connection. The tax has worked badly here, according to both the Government and the man who pays the tax, but how much this is due to the inefficiency of the French tax machinery, which is notorious, is a question.

"The French sales tax has shown itself as exerting a disastrous and paralyzing effect on business generally, and it is only a question of time until it will have to be superseded by a more rational method of raising money, such as an increased levy on salaries and other income."

This statement was made to a correspondent of the New York Herald to-day by Guillaume de Tarde, State counsellor and adviser to Lucian Dior, Minister of Commerce. M. de Tarde is considered one of the best tax experts in France.

* * * * * * *

"We have therefore only two alternatives—to raise the needed half billion by a tax on wealth or by a tax on consumption. A tax on wealth would mean some modification of the corporation tax; a tax on consumption implies the sales tax. The important point to be remembered here is that we are not comparing the sales tax with the tax on excess profits. The problem is to find a substitute for the excess-profits tax; the comparison must be between the suggested substitutes, not between the original and a particular substitute. For everyone will concede that either substitute is preferable to the original. It is accordingly not a question as between the sales tax and the excess-profits tax, but between the sales tax and the additional tax on corporate profits.

THE SALES TAX

"When this comparison is made it is clear that both the administrative and the equitable considerations tell against the sales tax. Without repeating here the arguments that have been frequently advanced as to what is precisely meant by a sales tax (for the term covers a multitude of sins), there can be little question but that on purely administrative grounds the extension of the present corporate income tax from 10 to about 15 per cent is a far simpler proposition than to create the entirely new administrative machinery which would be needed to deal with all the complexities of the proposed sales tax. But on the second count, that of equality, the conclusion must be similar. Without entering upon the disputed question of what actually occurred in the excess-profits tax, it is scarcely open to doubt that a flat tax on corporate profits is not susceptible of being shifted in the same sense that a tax on sales can be shifted. The incidence of the profits tax is on wealth, that of the sales tax is on consumption.

THE PRESENT BALANCE

"Under our present system, as we have seen, well-nigh three-quarters of the Federal tax revenue comes from wealth and a little more than one-quarter from consumption. Under the new proposed dispensation of the sales tax the only taxes on wealth will be the income tax, yielding about one thousand nine hundred millions, and the estate tax of about one hundred thirty millions, or a total of about two billions. That is to say, even if the

expenditures can be held down to the contemplated figures, about one-half of the entire Federal tax burden will fall upon consumption; and in the not improbable event that the expenditures will go above the estimated figures, the burden on consumption will be still greater.

THE TAX ON CONSUMPTION

"It is unnecessary here to repeat the arguments why in democratic countries like Great Britain and the United States it has always been the endeavor to burden wealth rather than consumption except when, as in the case of our tariff, the tax on consumption is supposed to react favorably on the national dividend by increasing production, for not only is it undesirable in times of peace to check consumption, which is the very cornerstone of all economic progress, but it is also true that in a community where the mass of the people must consume all their income, whereas the wealthier classes consume a continually diminishing proportion of theirs, a tax on consumption is an inverted or upside-down graduated tax on wealth. The sales tax is for this reason an antidemocratic measure. It has always been an outstanding feature of the less democratic Latin American civilizations as over against the Anglo-Saxon commonwealths. It is characteristic to-day of France, of Mexico, and of some of the South American Republics, as it was characteristic in the Middle Ages of entirely undemocratic countries."

POLITICAL COWARDICE AND PUBLIC CONSCIENCE

Prosperous financiers, heavy editorial writers, and big business generally charge Congress with political cowardice because of its refusal to pass a consumption tax. These interests assume lack of courage exists with Congress because, under present tax laws and other legislation, we have permitted the number of millionaires to become doubled in five years and fabulous fortunes to spring up like mushrooms under the law and lax enforcement of restrictions against profiteering and monopolies. Failure or cowardice in refusing to curb such private power and profits, however interpreted, may seem to warrant like conclusions as to a consumption tax. The rapidity with which Congress repealed taxes upon wealth may also afford basis for a belief that Congress is not always moved by motives of universal public good.

The advocates of a consumption tax substitute abuse for reason and transparently false reasoning for logic. For illustration, without confessing they are openly seeking to shift their tax burdens they declare magnificently that every man, woman, and child must contribute toward the Government's support by paying taxes in order to properly love their Government and appreciate its manifold blessings. Assuming that city, school, county, State, and national taxes are not paid in some degree by practically every man and woman in the country, we are assured by those who advocate a consumption tax and have patriotism and love of country instilled into their beings in proportion to the surtaxes they pay that they do not seek to shift their surplus patriotism by shifting their present tax burdens onto the under fellow now asking only for a living wage in order to exist. His rights to an education for his children and to legal protection in constitutional rights guaranteed him and his family are not denied but in some unaccountable way he is expected to enjoy his country more if he pays a sales tax.

In what manner this man's respect for his country, its laws, or its institutions is to be promoted by a consumption tax placed on every member of his family in violation of long-established principles of taxation, no man assumes to explain. Again, these shrewd financiers, brilliant high-salaried writers, and other congressional critics in advocating a consumption tax excuse its imposition by claiming an average excess profit of 23 per cent has been collected by the profiteers in the past as a protection from the excess-profits tax, whereas not even omnipotence could ascertain any average in the carnival of profiteering that exists in some lines of business, even of this new year.

Again, these critics who assail Congress from their elevated perch justify a consumption tax because "the consumer always pays the tax anyway," but he ought to be taxed more "in order that he may feel he is supporting his country and may love it proportionately" through "the consumption tax which he does not know he is paying."

AN HONEST HEAD TAX

Leaving for the moment a method of reasoning that supplies in propaganda and violence what it lacks in logic, let us in like manner test the courage and honesty of consumption-tax advocates by their own measure.

A consumption tax is levied on the necessaries of life consumed by every man, woman, and child without ability to pay. All pay alike for the same articles consumed, from the wealthiest to the blind beggar; all meet on a common level, depending on the number of mouths to feed and bodies to clothe. A consumption tax is paid through increased prices, ordinarily far beyond the actual tax, due to pyramiding of profits depending in amount upon the shrinking conscience of the different salesmen. These additional profits are placed by Canadian witnesses quoted at sometimes ten times the actual tax paid.

Conceding that a consumption tax places a burden on the consumer because of increased profits in addition to the tax charged all along the line by the manufacturer, wholesaler, jobber, and, above all, the retailer, why not eliminate all these middlemen's added profits borne by the consumer under a consumption tax? Let us be frank and honest with ourselves and remove any charge of cowardice which may be lodged against Congress by those whom we represent.

A consumption tax like that of Canada is estimated to raise $500,000,000 annually here, although such estimates are rarely realized. On that tax the consumtrs will probably pay from $1,000,000,000 to $2,000,000,000 increased profits represented by higher prices tacked onto existing prices which will be paid by the consumer because "he does not know it."

Let us squarely tax him only a half billion dollars and collect it openly, thus saving to him all the additional billion dollars or more in added wasted profits that otherwise would go to the manufacturer, middlemen, and retailers. In Canada the average consumption tax paid by a man with a wife and three children, based on tax collections, is found to be $31.10 annually under prior tax laws, which I believe have since been increased in rate. On the same basis a man and wife with six children pays $49.76 annually, and a constituent of mine with 17 living children at the same rate would pay $118.18 annually to the Government through the Canadian consumption tax rate on the average.

A CONSUMPTION TAX IS SECRETIVE AND DECEIVES THE TAXPAYER

If through additional profits and pyramiding double the amount is charged and paid by the consumer, the added cost of living to the man with three children is $62.20 annually and to the man with a wife and six children $99.52 annually. Advices from Canada that the increased price is sometimes ten times the tax is also borne out by the testimony of Senator Hardwick before our committee that ten times the soft-drink tax had been added and collected in this country, but I am adding only a modest increase of twice the amount of tax which can be estimated at the higher rates, with a certainty that the tax will be paid always with increased profits by the consumer "who does not know he is paying it."

It appears that any consumption tax tends to increase prices far beyond the actual tax before it reaches the consumer, so let us meet the issue squarely and have the exact tax paid by the consumer without concealment or subterfuge. Congress could compel him to pay a poll tax of $5 for himself and for every member of his family, which tax will be ascertained, and can be paid with more certainty of collection than any consumption tax, and that would realize about the same amount of tax.

Under this arrangement, Mr. Otto Kahn, Jule Bache, Rothschild, and Goldsmith, tax advocates whom I discussed in a prior speech—January 21, 1921—would each pay $5 in lieu of their present income taxes, and the same rate of taxes would be paid by Mr. Rockefeller, Mr. Morgan, and others of large wealth. True, the average farmer with a wife and three children, now working 14 hours a day and receiving $465 annual income for his labor, according to the Anderson Commission, would feel the injustice of such tax, reaching $25 annually, or $5 per head for every member of his family, but that would be far preferable than to pay $50 or possibly $100 in higher prices through a consumption tax in order to raise the $25 paid to the Government by the manufacturer, jobber, and wholesaler.

It is doubtful if many Members would be returned as Representatives after the enactment of such tax, and the tax would probably be repealed at the first session following the first election thereafter, because the consumers of the country "would know they were then paying the tax." As one who believes in the principle of taxing according to ability to pay, I am opposed to either the head tax or consumption tax, but we should honestly face the issue that is clothed in false colors through a consumption tax, and be free from any charge of cowardice or in palming off on the people a gold-brick tax.

The protest against a consumption tax caused Congress to repeal the nuisance and luxury taxes, which were limited sales taxes collected from those best able to pay, not on necessaries of life. Knowledge of the tax levied and collected was assigned to be a cause for repeal. If that action by Congress was just to the 98 per cent, what will be our excuse for levying a secret tax that is pyramided on the cost of the necessities of life?

THE CANADIAN SALES TAX

I have heretofore quoted Major Hobart, of Montreal, a sales-tax official who takes pride in the Canadian sales tax irrespective of the injustice of its imposition, because it raises revenue, and as he frankly puts it—

"Of course, the consumer pays the tax eventually, but he does not know it."

Of course, the consumer does know that he pays high prices for goods bought, and I am informed that whereas prior to the war Canadian prices were uniformly below those in this country, frequently far below, that now under the consumption tax which is added, pyramided and profits without limit charged, that prices are higher than in this country. I do not state this comparison as a fact, although my authority is a Member of the House who made a recent trip of several days to Canada in order to get the opinion of officials who generally seemed satisfied with the law and its workings.

If I remember correctly, this was before the recent election in Canada when a considerable revolution in politics in the neighboring country was attributed to high prices. Be that as it may, I have reason to believe all are not satisfied with the Canadian sales tax, although they pay the tax and "do not know it."

The proponents of a sales tax point to this sales tax which conceals from the consumer the additional profits, and they say that no opposition is offered to such tax in Canada. Tax officials

who are anxious to collect all they can raise find the tax satisfactory because people have to consume in order to live, and so they are sure to pay taxes because they can not avoid consuming. But the consumer, even though secretly taxed to an unknown degree by added prices, is the one who bears the burden.

From a number of letters, I submit the following that indicates what the consumer thinks of the Canadian tax:

ST. JOHN TRADE AND LABOR COUNCIL,
St. John, New Brunswick, December 12, 1921.

* * * Yours of the 3d received inquiring about the sales tax in force in Canada. * * * Briefly, the way the tax works is that each time an article is turned over or sold this tax is collected, and in these days of manufacturers, jobbers, wholesalers, retailers, and other middlemen it is easily seen where the tax lands us by the time the article reaches the consumer, for each time the article is sold the tax is collected and, of course, added to the next selling price, and a small tax of 1 or 1½ per cent easily amounts up to possibly 10 per cent or more in some cases.

Fraternally, yours,

GEORGE R. MELVIN, *Secretary.*

A SEVERE TAX ON THE WAGE EARNER

HAMILTON DISTRICT TRADES AND LABOR COUNCIL,
Hamilton, Ontario, December 26, 1921.

* * * Re sales tax in Canada and its effects upon the wage earners, can only say that this tax falls with peculiar severity upon the wage earner. It is very much like a tariff, minus the protective benefits. It is passed on to the consumer in every instance; and, as the working classes on a whole are the greatest consumers, they of necessity pay the greater share of the tax.

This, however, is in strict accord with true capitalistic economics and administration. They are sternly opposed to all forms of direct taxation, which would mean that those who own approximately 85 per cent of the wealth of the country would pay their just share of the taxes. This, of course, would never do. Hence the sales tax. Trusting that this information is answering your query,

I am, yours fraternally,

[SEAL.] H. G. FOSTER, *General Secretary.*

Again I quote from another letter:

TORONTO DISTRICT LABOR COUNCIL,
Toronto, December 13, 1921.

This tax was imposed to supersede the surplus profits tax which was in operation during the later stages of the war.

While organized wage earners have not given any official expression regarding the sales tax, the general discussions on the political situation during the last few weeks leave no doubt as to their opinion. This system of taxation was soundly condemned by every speaker in any way connected with the labor movement, officially or otherwise.

My information leads me to believe that the tax is imposed on the manufacturers' output, the increased cost being passed on to the dealers and eventually the consumers pay the tax in increased prices. Unlike the income tax and business tax, which recognize more or less the principle of "ability to pay," the sales tax applies to consumers in the purchase of commodities, and if the consumer can not pay the increased price by reason of the tax, he goes without the goods. This sales tax largely applies to the necessaries of life, hence you will readily understand why organized workers oppose such methods of taxation when surplus profits are untouched. I am further of the opinion that the great majority of our people are unaware of what this sales tax really means, they pay the increased price without knowledge of the amount, no mention being made concerning the tax, to put the whole matter shortly—legally flimflammed.

Yours truly,

TORONTO DISTRICT LABOR COUNCIL,
JAMES WATT, *Secretary.*

"Legal flimflamming" is a name with which to entitle the proposed sales tax here. If its passage results in a political turnover like that experienced by Canada a few weeks ago, it will evidence a well-grounded, universal prejudice against flimflam games.

LEGAL FLIMFLAMMING

One other brief statement I quote from a communication dated Ottawa, December 2, that is more of a résumé of the tax than is covered by other correspondence. It says:

"OTTAWA, ONTARIO, *December 2.*

"Ottawa this week received, entertained, and introduced to the intricacies of its sales tax act a party comprising 47 Members of Congress, representing 30 different States, railway men, newspaper men, and others. They came as the guests of Mr. William Randolph Hearst, with Hon. Lester D. Volk, of New York, as head. * * * But while the members of the party studied the sales tax act from a variety of angles, your correspondent ventures the assertion that they did not receive nor consider facts with reference to its application to the consumer.

"I do not believe that in their examination of Government statistics they found that a man with a wife and one child in Canada pays $18.66 every year as a result of this form of taxation; that a man with a wife and two children pays $24.88; that families of varying sizes pay on the following basis:

Man, wife, and three children	$31.10
Man, wife, and four children	37.32
Man, wife, and five children	43.54
Man, wife, and six children	49.76
Man, wife, and seven children	55.93
Man, wife, and eight children	62.20

"In other words, the sales tax in Canada adds to the living expenses of a family of ten $5 a month. Families of this size may be 'unfashionable,' but those who are not particularly stylish feel it to the extent as it applies, as illustrated above. Bachelors are lucky!

"These figures are based upon official statements. Sales-tax collections for the 12 months ended October last amounted to $52,870,000, while our population is approximately 8,500,000. This means a per capita tax of $6.22 for every man, woman, and child in Canada yearly.

"The following table strikingly illustrates what income and sales tax combined mean to a Canadian, as compared with a citizen of the United States:

Canada	
Income—man, wife, and two children	$2,500.00
Income tax	4.00
Sales tax	24.88
Total	28.88
United States	
Income—man, wife, and two children	2,500.00
Income tax	8.00
Total	8.00

"The sales tax in Canada is, above all else, a tax on consumers. The more you buy the more you pay. It is paid, in the majority of cases, not by one able to pay but in proportion as one must buy things. With a person of means it is entirely optional whether he buy expensive furniture, limousine, etc., but in buying articles of ordinary consumption the average person has no choice. We must buy to live, to exist; and as we buy we pay.

"The sales tax increases the cost of living. There can be no doubt about it. In Canada it is not a tax on luxuries, it is a tax on everything; and we must have necessities before we have luxuries.

CANADIAN TAX AND THE FARMER

In this country it can be safely said that organized labor and organized agricultural societies are overwhelmingly opposed to a sales tax, as I have shown by reputable witnesses. In Canada the organizations are not so closely formed, but from the foregoing it may well be deduced that labor in Canada is against a sales tax. It could not be otherwise. Agricultural interests in Canada are not for a sales tax.

The Winnipeg Grain Growers' Guide put it that a sales tax "is immensely pleasing to those who had to pay the excess-profits and income tax and who care little where the burden of taxation falls as long as it doesn't fall on them."

It says:

"The people want justice in taxation before convenience, and there is precious little justice in this proposed tax on sales."

Admitting that the sales tax is finding great favor with financial interests across the border, it adds:

"To those who are not unacquainted with the ways of financial interests, the mere fact that the proposition emanates from their councils is enough to provoke suspicion, and when it is affirmed that the tax is 'passed along in small fractions and is finally paid by the consumer, practically without his knowledge, and the additions are so trifling as not materially to affect prices,' that such a tax would raise more revenue than the country actually needs, and that its adoption would lead to repeal of the excess-profits tax and the income tax, one begins to detect the 'nigger in the woodpile.' It takes a wizard of finance to maintain that some $500,000,000 a year can be painlessly extracted from the people of Canada."

The railways tried to work such a proposition, the Grain Growers' Guide continues, in connection with the increase in freight rates, but "nobody believed them," nor will anybody "accept this idea of a painless system of taxation," and we read:

"The tax, it is said, will be passed on to the consumer. A farmer takes a load of wheat to an elevator and sells it. He must pay a tax of 1 per cent on the sale. Every time the wheat changes hands it pays a tax of 1 per cent, so that when it reaches the ultimate consumer the tax is really about 6 per cent. The bulk of the wheat raised in this country is exported; that is, the ultimate consumer resides in a foreign country. Do the advocates of this tax really and seriously contend that we can make the foreigner pay the tax? They know quite well that such a tax could not be passed on and that when the farmer paid the first 1 per cent he paid it by deducting it from the price he received for the wheat. He could not pass on the tax; it would be paid by him and by no one else."

THE CANADIAN TAX SHIFTS WAR TAXES FROM WELL-TO-DO TO THE MASS OF THE PEOPLE

In a news article dated June 27, 1921, a writer has the following to say under the caption "Canadian farmers fight the sales tax":

"The agrarian group in the Canadian Parliament, which represents both the organized farmers and labor, and which has a very large following throughout the country, is opposed to the sales tax as it is now being levied in Canada. Owing to the fact that the

very heavy war expenditure had rendered it necessary to impose heavy taxation, there was a strong disposition on the part of all classes to give this method of taxation a fair trial, for it was felt that all should bear a fair share of the burden. But in its latest application the tax, instead of spreading taxation over all classes in proportion to their ability to pay, is now being made the means whereby the war taxes are being shifted from the backs of the well-to-do to the backs of the mass of the people.

"Being, for the most part, strong supporters of the principle of direct, as opposed to indirect, taxation, there was also a disposition on the part of the leaders of the farmer group to give the sales tax a fair trial on the ground that the collections would go directly to the Government; but last year's tax of 1 per cent has this year been increased, so that in the aggregate it undoubtedly amounts to more like a straight tax of 2 per cent. For in addition to a 50 per cent increase on general sales, there has been introduced a tax of 1 per cent additional on imports, so that the sales tax has really been used as a level to raise the tariff.

"To some of the best informed of the agricultural leaders the sales tax never did look good, for it was manifestly a consumption tax, and this tax always weighs most heavily upon the great mass of the people. They contended that it would place an additional obstacle in the way of trade at a time when every effort should be made to remove such obstacles. Besides, it looked too much like an attempt to place taxation on the wrong spot. The very quarter from which the sales tax proposals came made them suspicious.

PUTS BURDEN ON LEAST ABLE TO PAY

"These views have been more than confirmed by the experience of the past year. To-day the Canadian sales tax stands clearly revealed as an attempt to lift the burden from the backs of the wealthy and to place it on those who are not nearly as able to pay. Besides, not satisfied with a 1 per cent measure, which advocates of the tax generally have insisted would be more than sufficient to raise the large revenues required, an almost double dose has now been administered.

"Canada's experience with this tax has shown beyond all shadow of a doubt that even as a revenue producer it is a much overrated measure. During the 11 months up to April 30 that it has been in operation it produced $40,000,000 in revenue, but during the last six months of this time the collections fell from a little over $5,000,000 a month to less than $2,900,000. Indeed, at the time that the changes were made in the tax it was only bringing in about $2,500,000 a month. One can just imagine how far that would go toward meeting an expenditure of nearly $600,000,000 a year in Canada.

"The failure of this tax as a revenue producer is a feature that concerns the financier, the business man, the farmer, and laborer. It is absolutely necessary that any measure of taxation adopted should bring in the money. If it does not do this, then, even if it has other features that would recommend it, it should be ruled out."

Calling attention to what are claimed to be erroneous statements of Jules Bache, of New York, a sales-tax exponent, this writer, W. G. Cates, says:

"It would be well for the American public to understand that nothing like this has happened in Canada. When the sales tax was introduced last year not only was the income tax not reduced but the exemptions on it were not extended. On the contrary, the tax on incomes of $5,000 was somewhat increased. This year, when the tax was very considerably increased, there was not the slightest change made in the income tax. If the claims made respecting this tax were valid, then what has been promised by its advocates in the United States should have taken place in Canada. It has worked out that the average Canadian not only pays all the income taxes he ever did but a new tax, that on sales."

On the subject of higher prices and other objectionable features of the Canadian tax this writer says:

"Is is being found out in Canada that the sales tax is open to grave objection on the ground that it increases the cost of living in that it retards the downward movement of the prices of manufactured articles, which have not fallen as much as have those of other products. It is true that in Canada the products that the farmer sells himself are not taxed, but the articles he has to buy are, and in some cases this is becoming a very serious matter. The consumer may well beware of the carefully worked out examples showing that the sales tax will never increase the cost of an article by more than 3½ per cent. This may be true in so far as the wholesale trade is concerned, but it is far from being true of the retail trade. What ordinary storekeeper figures out to the tenth part of a cent a 1 or a 2 per cent tax on an article, or what his profit on it should be? It invariably follows that the consumer not only pays the tax, but a little more.

"As a general observation, let the consumer beware of the sales tax. It will not do him any good, nor is it intended by those who advocate it that it should. If the consumer did not pay, there would be little heard of it in quarters where it is most strongly advocated. This is well known in Canada.

"The one thing to be most feared about the sales tax is that it will not stop at 1 per cent. Canada has demonstrated this beyond a shadow of doubt. Last year it was a tax of 1 per cent on the sales of manufacturers and producers to the wholesalers and jobbers, or 2 per cent if the sale was made direct to the retailer. This year the tax in the first case has been increased to 1½ per cent, and to 3 per cent in the other. But this is not all. On top of this is another tax of 1 per cent on imports, so that in the case of sales of domestic goods the consumer pays at least 3 per cent, which is increased by 1½ per cent every time the article changes hands, while the consumer pays at least 4 per cent on imported goods. In the matter of automobile tires, the materials for which are imported, it is quite probable that the purchaser will pay at least 8 per cent more.

"The imposition of a 1 per cent tax on imports will also increase the price of most home-produced articles to this extent. That is to say, those who produce or sell them will take advantage of the increase in the tariff to raise their own prices. This means another charge on the consumer.

"Last year in Canada there was quite a long list of articles on which the sales tax was not collected. There is still an exemption list, but it is not nearly as long as it was. Last year tea and coffee were not taxed; this year they are, and being imported the tax is at least 4 per cent to the consumer. Canned goods were not taxed last year; this year they are, and so one might go on down the list. All this makes the cost of living higher. Take lumber. It was originally proposed to collect the same tax on it that other products bear, but when it was pointed out that a 3 per tax on domestic lumber would mean quite an extra increase in the cost of building and that a 4 per cent tax would mean a great deal more, it was decided to fix the tax at 2 and 3 per cent, respectively."

SALES TAX RECEIPTS DECREASED TO 43 PER CENT OF ESTIMATES

From another source an unbiased opinion is offered as to the returns from the Canadian sales tax:

[Special correspondence of the Annalist]

"OTTAWA, *June 4, 1921.*

"A study of Canadian war-taxation methods is of interest to Americans chiefly because of Canada's one year of experience with the sales tax. Like the United States, Canada has had her business-profits tax, per heavy personal and corporation income taxes with their surtaxes, also heavy excise taxes on liquors and tobacco, as well as a tax on certain features of transportation. She has a tax on checks and bills of exchange and promissory notes which is still retained and seems likely to be for some time. As the receipts from the latter are lumped with the postal revenue, it is impossible to say what they total in a year, but the amount is evidently worth while, and has the additional advantage in that it involves no hardship. As in the United Kingdom, the business-profits tax has been abolished, though collections will continue during the current fiscal year. The last of the luxury taxes have also been withdrawn.

"Until the last fiscal year the income tax was somewhat of a disappointment, the total receipts during the three years to the end of March, 1921, not having been more than $75,000,000, of which $46,000,000 is credited to 1920–21. The business-profits tax up to March 31 brought in $150,000,000. Canada's experience with the luxury taxes is not considered very fortunate, their collection having been attended with strenuous and very general protests. As a revenue producer, however, they were more fruitful than any other of the new taxes, for during the six months they were in operation the collections totaled $42,000,000, which, at the rate of $7,000,000 a month, made them second only to customs as a source of revenue.

"The sales tax, which was introduced during the early part of June, 1920, produced $40,898,383 up to April 30, or at the rate of $3,718,034 a month, the April collections having been $2,875,219. At the old rate the May collections would probably be approximately $2,500,000.

"The question naturally arose, Has the sales tax been a success? The answer will depend much on one's point of view. Obviously it produced $40,000,000 within 11 months, and probably by as easy a method as the Government could have devised, so in this respect it may be considered a success. But as a major source of revenue it has not been a success, the best evidence of this being that the Government this year found it necessary to reduce considerably the number of exemptions, to increase by 50 per cent the rate on domestic sales, while in addition to this has been added another 1 per cent on imports.

"The tax, when introduced, having been entirely new to Canada, it was difficult to estimate the revenue it would bring in during the year, but it was hoped that $60,000,000 might be secured. Naturally it took time to erect and get into smooth running order the collecting machinery, but by August this had been done. The early returns seemed to justify estimates of revenue, for in September the collections were $4,918,576 and in October they went up to $5,020,476. From this high point there was a decline in April of 43 per cent.

EFFECT OF SALES TAX

"The decrease in collections was due chiefly to the decline in prices and to the marked falling off in the purchasing power of the public. In April, as compared with October, there was a decrease of 55 per cent in domestic collections and of 39 per cent in collections on imports. The indications at the beginning of May were that the bottom had not been reached, for in April the collections were $314,000 less than in March, this having been the greatest drop since the beginning of the year. That the collections from imports under the old rate were also far from being at the minimum is further evident from the marked decline in the value of imports during May, which is still going on. These considerations very largely influenced the Government in coming to the decision both to increase the rate and to broaden the basis of the tax.

"What effect the sales tax had in reducing sales it is difficult to say. Some months ago one heard much of a buyers' strike, but one is warranted in saying that this was due rather to the prevailing high prices, resulting from general causes, than to the

effect of the tax in keeping them up. As the fairly heavy luxury taxes imposed last spring were in force until December, it may be taken for granted that these had much more to do with the maintaining of prices than had the sales tax. Only since the 1st of December last has the sales tax been an appreciable factor in determining prices, if at all.

"In Canada there has been very little attempt to determine the exact effect of the sales tax in increasing the cost of commodities to the consumer. There is nothing more than estimates to base calculations on, which may not be nearly as exact as one could desire. In this respect those who seek to draw conclusions from the Canadian sales tax as a determinant of prices are badly handicapped.

A DANGEROUS POLITICAL ISSUE

"While ease in collecting is important, it is not the chief consideration in a tax. Except it be considered as a secondary or subsidiary source of revenue, it must produce the money. When collections fall away so rapidly as those from the sales tax have done during the last six months, the results must be considered disappointing. Canada's experience to date would not justify expectations that the sales tax warrants the abandonment of other fruitful and definitely ascertained sources of revenue. What it will produce can not be definitely known until business conditions become normal. Against ease in collecting is to be taken into account the fact that the extent to which the tax is now being collected in Canada is bound to make it an important political issue, and that of an especially dangerous kind just now, when appeals to class consciousness are so effective.

"On the whole Canada's taxation experience generally for the last five years would seem to teach that if national budgets are to be balanced, then assured sources of revenue should be retained rather than abandoned for those that merely look promising. It may be true that public opinion would not have stood for the retention of the luxury taxes, but considered solely from the revenue standpoint, had they been retained it is more than probable that they would have raised 50 to 75 per cent more than the sales tax has. Naturally, a finance minister prefers the easiest way, but the way becomes harder in proportion as the rate is raised. For Americans possibly the chief lesson of the Canadian sales-tax experiment is that the revenue expected can not be secured from a 1 per cent rate collected solely on commodities with anything like a reasonable exemption list."

Speaking of a turnover sales tax, under consideration in Canada, the Calgary Farm and Ranch Review says:

"While fully recognizing the deplorable psychological effect upon industrial production and management caused by the imposition of a drastic measure of direct taxation on such earnings, which must be painfully apparent to every close observer, and while not disposed to discount the estimates quoted above to any serious extent, we can not escape the dismal conclusion that the new proposals, if forthwith translated into legislation, would split on the rock of practical politics, inasmuch as they will certainly fail to appeal to a majority of the voters in Canada at the forthcoming general elections."

The Montreal Witness and Canadian Homesteader says on the same subject:

"The tax is unfair in this, that it falls unduly on the poor."

Many business journals and public officials, I am informed, favor the tax, but in view of its failure as a revenue producer, its unjust burden "on the poor," and its political liability, as demonstrated, any party or legislative body adopting such tax, which is repudiated by practically all the authorities quoted, will have due notice of its effect.

CANADA "KNOWS IT PAYS THE TAX"—THE TAX SHIFTERS SHIFTED

No one thing alone turned the tide of elections in Canada, where the Conservatives were swept into the scrap heap a few days ago. No one thing decides any election ordinarily. A culmination of things for which the Conservatives stood caused their overwhelming defeat. A high protective tariff, repeal of an excess-profits tax, just in principal, and enactment of an unjust sales tax were among recent Conservative "accomplishments."

Letters of denunciation and Canadian press items quoted from widely different points in Canada afford their own explanation of causes. Protestants across the border or in this country against a sales tax presumably are as intelligent and of far broader vision and wisdom than any legislative Moses now guided by the Otto Kahns, Baches, Rothschilds, and Goldsmiths, who in the first exodus may find a parallel for the extended pilgrimage into an economic and political wilderness that lies before us.

The Canadian election of December 6, 1921, resulted in Liberals, 117; Progressives, 65; Conservatives, 51. Prior to the election the Parliament stood—Conservatives, 120; Liberals, 84; Progressives, 14. A reversal of power from 120 to 98 held by Conservatives to 177 to 65 under the new Liberal-Progressive government should not be lost on the American Congress which has repealed the excess-profits tax and now faces a high protection act and obnoxious sales tax that must all, if passed, be indorsed or repudiated at the 1922 elections.

CANADIAN "MANUFACTURERS' TAX" THE SAME OLD VAMPIRE TAX

Opinions, briefly quoted, regarding the Canadian sales tax are offered because of recent propaganda for that particular tax, which, like all other consumption taxes, is sought by tax officials whenever the tax can be laid on the consumer and collected from him while "he does not know it."

Every consumption tax is open to the objection that it places the burden on the consumer, least able to pay, and is generally secretive for that reason.

I can not make this any plainer than by quoting a short letter recently received from representatives of the American Farm Bureau Federation. In these letters they assume to speak for an agricultural organization numbering between 1,000,000 and 2,000,000 active members. They denounce all consumption taxes that in like manner are denounced by Canadian labor and agricultural interests, speaking from the standpoint of the consumer.

I quote:

AMERICAN FARM BUREAU FEDERATION,
Chicago, Ill., December 27, 1921.

Hon. JAMES A. FREAR,
House Office Building, Washington, D. C.:

Replying to your letter of December 23. The American Farm Bureau Federation is unalterably opposed to any general sales or turnover tax, a manufacturer's tax, or any means of shifting the bulk of the taxes from income to consumption taxes.

The more the matter is agitated and the better the people come to understand what is involved the more determined they become in their opposition, and this policy, if persisted in, will surely bring calamity to its advocates.

It takes from the farmer, the laborer, and all those below the income-tax level a part of their living, and the bulk of the tax would necessarily come out of the necessaries of life—food, fuel, shelter, and clothing.

It is an effort to shift to the 90,000,000 people below the income-tax level the burden of the war taxes; it would absorb a considerable part of what buying power they now have, and thus sink us still deeper in the slough from which we are trying to extricate ourselves.

It would stir up such a social ferment as we have never had in this country, and is both socially unjust and economically unsound.

It is opposed by all the agricultural interests of the country as well as by organized labor. Political madness lies that way.

Yours truly,

H. C. MCKENZIE,
Tax Representative.

The following letter from President Howard is equally positive in statement.

AMERICAN FARM BUREAU FEDERATION,
Chicago, Ill., December 28, 1921.

Hon. JAMES A. FREAR,
Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR MR. FREAR: * * * We believe that taxes should be levied according to the measure or ability of the individual to meet them, and are particularly opposed to the so-called sales tax or turnover tax. Its enactment would place an undue burden upon the farmers of the country, due to the fact that their income both on labor and invested capital is, and always has been, below that of any other class of our people, while at the same time we are of necessity very large consumers not only of food and clothing but of steel and iron products, building materials, etc. The sales tax would add to the costs of all these things, which burden would be strenuously opposed by all farmers. Not only that, such a tax would react on industry by further curtailing the farmers' purchases, and industry is already suffering from that very cause. * * *

Very truly yours,

AMERICAN FARM BUREAU FEDERATION,
J. R. HOWARD, *President.*

WHY A SECRET TAX

Mr. Chairman, the sales tax is not first added by the retailer but by the manufacturer, wholesale, and jobber and is carried on to the ultimate consumer, who does not know it.

Is it not significant that this method of concealing the sales tax, with possible unlimited profits, is urged by great business interests that struck from the conference report on the revenue bill a Senate amendment making public income returns of large taxpayers? Secrecy and concealment are weapons equally dangerous with which to open the gates to gross injustices, whether in the exaction of a sales tax or enactment of legislation. Those who urge this sales-tax secrecy offer a quack remedy to satisfy the taxpayer. Are they right in their estimate of his intelligence?

History recalls a wonderful campaign made by the boy orator from the Platte, who nearly captured the steering gear of the ship of state over a score of years ago by his cry that a tariff is a tax levied on everything we use from the cradle to the coffin. In a measure he stated an economic truth, but justification for a protective tariff was urged because of employment given labor that would produce at home and would keep out foreign producers; that would bring increased wages and comfort to the laborers and their families, with a full dinner pail, better living conditions, home market, and independence for our people; that, through increased competition, would lower prices.

A sales tax makes no pretense of being levied to furnish employment to labor or to aid home production in order to reduce prices to the consumer through competition, but this tax is to supply need for Federal finances heretofore met by the corporation excess-profits tax and income surtax. A consumption tax on the poor is to supplant a luxury tax on the rich or well-to-do consumer, which is a tax we have just repealed. It taxes all alike on the necessaries consumed.

SMITH, JONES, AND BROWN

For illustration, a sales tax will give Bill Smith, the farmer, and Tom Jones, the iron molder, or Nancy Holmes, the seamstress, and Joe Brown, who sweeps the streets, the God-given privilege of paying the same tax on all they consume that is now paid by Carnegie, Morgan, Kahn, and Rockefeller, with this difference, that Rockefeller may buy shoes and food for himself alone from out his many millions of annual income, whereas Smith, Jones, and Brown will pay a sales tax on everything their wives and all their children consume, in addition to the tax on their homes, while the pay check that has recently been defeated will be smashed again and again with the new tax.

Another view is afforded when Smith, the farmer, carries his produce to town and finds farm products have fallen below 1913 prices, whereas prices charged him by department stores or retailers average from 50 to 100 per cent more than pre-war prices. During the war he carried 5 bushels of corn or a hide to town in exchange for the shoes bought for himself or wife, but now he takes 25 bushels of corn or several hides to town for the same shoes on which the Canadian tax collector says a new additional sales tax will be so levied; the consumer will pay it, but not know it, because in addition to more profits it is added to the present price of the shoes.

Jones and Brown, whose pay checks slumped 10 per cent last month, and who are confronted with another pay cut or a prolonged vacation without pay, are likely to engage in the same process of reasoning that affects Smith when he remembers that his legislative representative in Washington not only unsoaked the rich, who are best able to pay, but soaked with a sales tax the fellow who is fighting hard to exist.

It makes no difference to them that Otto Kahn in his private car is touring the country in efforts to instruct Congress through his four years' experience of American citizenship, nor are they impressed with the news that the sun, comet, star, or world are in favor of the simplicity catch-em and skin-em tax, or that publishers who enjoy an annual income in six or seven figures are now relieved from the nightmare of an excess-profits tax. Smith, Jones, Holmes, and Brown, of whom many millions under different surnames are to pay new taxes, will know that an additional mortgage has been placed on mere existence and their love for the sales tax and its legislative supporters will be as warm as the Canadian blizzard that proposes to spread its sales-tax mantle over our own people.

I have endeavored to address these few remarks to that phase of the tax burdens which affects the human side, and it should not be forgotten that the Government's interest is primarily concerned in the happiness and comfort of that human. This view of the question presents a responsibility which concerns Congress when we are asked to spread a sales tax on the people of the country.

ALL SALES TAXES ARE CONSUMPTION TAXES

In an effort to place the scope of a turnover sales tax before the House I made some observations on that proposal in January of this year, and while the two methods of taxation differ in some particulars, the manufacturers' tax possesses many of the objectionable elements of a turnover sales tax, and is equally objectionable in its application to all that the consumers eat, drink, wear, and use, irrespective of their ability to pay.

This Congress has repealed many taxes based on ability to pay, and to that extent we have violated a recognized principle of taxation. It now remains for us to put a final stamp on the power of wealth if a sales tax is enacted.

We are Representatives free to act, but it is well to bear in mind that seductive arguments favoring a sales tax come from big business of bipartisan affiliations that wants to be permanently relieved from any fear of future excess-profits tax and escape from income taxes; from department and retail stores that ask to be relieved from any limitation of present profits so as more easily to cover up profits, huge profits, on the plea that the tax is responsible. All these powerful agencies will be engaged in pressing this sales tax on Congress.

Do not let us forget that although powerful Republican and Democratic journals indorse the tax, that practically every Democratic Member on this floor is recorded against such tax time after time, and it will be the most potent and persuasive argument in the hands of every opponent throughout the next campaign that Republican Members were found supporting such an indefensible proposition. In the average constituency, a great majority of the people are comparatively poor, and while it is a popular belief that God loves the poor because He made so many of them, they can not depend on that love while Congress is representing them, and it will be for you to answer if, after having voted to repeal over a half billion dollars in annual taxes on wealth as shown by the record of the American Congress, you join in laying an obnoxious consumption tax on the country.

I will close this discussion, which I have offered from the standpoint of a layman, with a brief word of advice from a woman who appeared before the Senate Finance Committee. Remembering the protests from many millions of farmers, railroad men, and organized labor, whose representatives appeared before the Senate committee, it is well to remember that millions of women throughout the country are equally interested and opposed to the passage of any consumption tax. In other words, the 98 per cent of the 26,000,000 voters at the polls last election speak in large degree through those I have quoted, and last but not least forcible is the argument of Mrs. Walter I. Swanton, president of the Women's Single Tax Club, whose statement appears on page 358 of the hearings:

MRS. WALTER I. SWANTON, PRESIDENT OF THE WOMEN'S SINGLE TAX CLUB

"The CHAIRMAN. What do you desire to speak on, Mrs. Swanton?

"Mrs. SWANTON. Opposition to the sales tax, sir.

"The CHAIRMAN. Whom do you represent?

"Mrs. SWANTON. I am president of the Women's Single Tax Club.

"The CHAIRMAN. You may proceed.

"Mrs. SWANTON. I would like the committee to let me just make these statements before they begin to ask questions.

"The CHAIRMAN. Very well.

"Mrs. SWANTON. The proposed sales tax is another consumption tax. We know that all consume about the same amount, the poorer the quality the dearer in the end. Also those living from hand to mouth pay more for what they buy. This means that the poor man pays a heavier tax than the rich man. A family whose cost of living used up the full amount of its income pays a tax upon every cent of the income, while the rich pay a consumption tax upon the portion spent and the portion saved is exempt. The richer the person the greater is the exemption. This is true of all consumption taxes; they are unjust and increase poverty.

* * * * * * *

THE PENALTY OF UNDERCONSUMPTION

"The urgency of protecting production at the expense of consumption is putting the cart before the horse. Production does not create prosperity, but consumption does. The present situation is not one of over or under production. I beg permission to cite my own personal experiences. My hat, made over at trifling expense, has done service for five years. I could go through the whole of my household expenses in the same way. This is not an exception; every woman I know can tell a similar story. Women are the purchasers of the country. They are saturated with thrift. High prices have made it necessary. You no doubt think that by such frugal means vast savings have been piled up. That should be the reward of thrift, but it is not so. I have three growing children that must have nourishing food, and what I have saved from the dry-goods merchants has gone into the pockets of the packers. Many less fortunate, having hit bottom long ago, can not save on dry goods, so must save on food to the injury of the family and the sacrifice of the future generation.

"Figures showing the underfed people of this country are alarming; five children fainted in school recently from lack of nourishment. This is underconsumption; it is the reason why our warehouses are filled with cotton and wool and our cold-storage plants filled with food. It is a disgrace to the voters of this country. I say voters, because I believe in the truth of the story of the man who came to Washington to find the power of the Government. He came up here on the hill; it was not here. He went to the Executive; it was not there. Some one said Wall Street. He went there, but did not find it. Seriously minded, he went home and looked in the looking glass; there he saw the power of the Government."

Mr. Chairman, I submit the foregoing for your consideration and have other data that can be offered.

To attempt to discuss in detail the sales tax or revenue bill would be impossible in the brief time afforded, but I believe the other tax recommendations are fairly acceptable notwithstanding protests on the table of every Member. The plan to balance the Budget is generally satisfactory provided it can be done without too harsh methods employed, but when England refuses to adopt a painless sales tax and in view of the protests I placed in the RECORD, only a few of which were quoted, I submit the tax when fully understood will be resented by those who to-day are burdened with heavy taxes and depressed business conditions.

With the belief that this may help to throw light on a controverted tax and offering the best witnesses available when the tax was first proposed after the war I leave it with the House to consider.

Mr. CRISP. Mr. Chairman, I yield myself 10 minutes, or so much thereof as I may use.

I apologize for again injecting myself into this discussion. I did not care to interrupt the distinguished gentleman from Missouri [Mr. LOZIER] when he was making his speech. I only desire to present to the House some facts for the House to consider in connection with the recent sale of Government securities by the Secretary of the Treasury. I rejoice that the Government of the United States was able to maintain its credit, even if this was done at a high rate of interest, as I will show was the case. To my mind it confirmed the statement I made yesterday that if you continue to issue bonds or Treasury certificates, the taxpayers of the United States will be compelled to pay high rates of interest.

Yesterday $900,000,000 of bonds and certificates were offered and oversubscribed. Six hundred million dollars of the $900,000,000 did not add to the bonded indebtedness of

the United States in gross amount because this $600,000,000 was to refund $600,000,000 of bonds of the Government then outstanding and due. They simply took the place of $600,000,000 of bonds that were due and were to be refunded that the Government did not have the money to pay, and these bonds were substituted for them. They are due in one year, and the rate of interest paid is 3¾ per cent. In May, 1931, the Government sold $300,000,000 of bonds due in six months at 1½ per cent. The rate on these bonds sold yesterday was 3¾ per cent; $300,000,000 yesterday was sold on seven months' time and the rate of interest was 3⅛ per cent. Similar short-term certificates were sold in 1931 at 1½ per cent.

You will see how the rate of interest is increasing, and I said yesterday that as long as the investing public and the banks knew that the Government was going to continue to sell bonds they would have the money in their vaults to buy them—first attributing to them patriotic motives to protect the credit of the United States, or, if you desire to attribute to them sordid, selfish reasons, because they knew they were good investments and they had the money available. And with respect to these short-term certificates or bonds, for one year or two years, those who had the money were not afraid to invest in them, because Government securities are the premier security of the world, and they knew when they were due in seven months or in one year they ran no risk whatever of losing their principal, because they could hold them for that short time, and they knew the Government of the United States would redeem them at par, even if they had to pay 7 or 8 per cent to get the money. With respect to bonds issued over a longer period, while they know at maturity they will be redeemed at par, they may depreciate, as many of them to-day have depreciated; and they can not get their money in full until the bonds reach maturity, which may be several years or 10 or 20 years, and therefore they will not buy them.

I am glad, I say, that the bonds were oversubscribed, and it absolutely carries out what I said was liable to happen if you continue to issue bonds or short-time securities to finance the cost of the Government. The only economical way for the Government, or the individual, or the corporation to operate is to have the receipts equal to the expenditures. I repeat again, that every bond issue of the United States entails an additional burden on the already overburdened taxpayer, for taxes must be collected to pay the principal, and likewise to pay the interest on the bond issue.

Mr. PATMAN. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. PATMAN. The gentleman made this statement yesterday:

> The United States Government during the sixties issued $449,000,000 of greenbacks, supported by 40 per cent gold reserve, and in 1864 they sold as low as 43 cents on the dollar.

I think the gentleman is mistaken about the currency being backed by 40 per cent gold. What authority did the gentleman have for that statement?

Mr. CRISP. My authority for the statement that it was backed by 40 per cent gold was the Speaker of the House of Representatives. For the other statement as to the way the greenbacks depreciated, my authority is the Treasury of the United States.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. O'CONNOR. I am interested in what the gentleman says about the balancing of the Budget. He compares the business of the individual and the business concern to the business of the Government. Would the gentleman go further, to what might be the logical conclusion, and say that the National Government, or the State government, or the municipalities, should also wipe out their bonded indebtedness? It never has been done; they always have been in debt, and always will be in debt.

Mr. CRISP. I think it would be a consummation devoutly to be wished, if they could do it. I think in many cases the revenue will not permit them to do it, but I think that any community that could wipe out its bonded indebtedness ought to be congratulated.

Mr. McCORMACK. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. McCORMACK. Let me suggest that many cities and towns have difficulty in getting temporary loans in anticipation of tax payments, because of the fact that their indebtedness is so great that the rate of interest charged is higher than it would be under ordinary circumstances and if their outstanding indebtedness was lower.

Mr. KELLER. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. KELLER. Is it not true that the greenbacks had no exception clause, nothing to give them preference at any time.

Mr. CRISP. I do not know anything about the details of the legislation that authorized the issuance of the greenbacks. I have had a number of Members of the House tell me that they were depreciated 40 or 50 per cent, but I addressed an official communication to the Secretary of the Treasury and asked to be advised as to the depreciation of these greenbacks. They furnished me the data, which I included in my speech yesterday on the general fluctuation of that currency.

Mr. KELLER. I do not want to contend with the gentleman, but I am going to take the time to look into it. I think the gentleman is mistaken.

Mr. LOZIER. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. LOZIER. Is it not true that most of the paper money issued during the Civil War period was not receivable for customs duties or the payment of interest on the Government debt? Is not that the class of paper that depreciated to 40 or 50 per cent?

Mr. CRISP. My friend is a distinguished student, I am not. I am very frank to say that I have not the information to answer his question.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. HILL of Washington. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, I shall ask for just a brief time this afternoon to discuss this question frankly from a partisan viewpoint; that is, from the viewpoint of a Democratic Member of this House. All of the preceding speeches have been so harmlessly nonpartisan. I have a great deal of sympathy with any Democrat of this House who conscientiously feels opposed to voting for this bill. I have heard the arguments, and they are to the effect that this indebtedness has not been incurred by any action of the Democratic Party; that most of it has been incurred in direct opposition and contrary to the wishes of the Democratic Party; that the present Executive has allowed the deficit of last year to go without making any effort to balance the Budget; but that as soon as a Democratic majority takes control of the House, then an effort is made to balance the Budget. I sympathize with those arguments, but it seems to me that we on this side of the House have a bigger question than that to solve. History has shown us that it is easy to run a government on credit.

It requires little or no administrative abilty. It is easy to vote appropriations and then shun the problem of paying the bill. It is very much like sitting in a boat and let the current take you where it will, and I can conceive of no way for a Member of Congress to lose his local popularity at home any more rapidly than by advocating a taxation measure. If I were in a popularity contest, I should not be speaking this afternoon. Rather would I oppose this measure and make friends of all who are affected by the tax and not make any enemies of anyone else because there is no substitute for consideration. It is easy to run a government without balancing the Budget; but, like a snowball going down hill, each year it becomes harder for us to regain our equipoise. One nation after another by starting the printing press has found this out. If we go

through this administration for two years with an unbalanced Budget and then elect a Democratic Executive, as we all hope to do, will we not be in the same position that our party was in 1892, when the Harrison administration had been for some time paying their current expenses out of bond issues, when France went off the gold standard, and when the largest banking house in England failed?

Then the job came on to a Democratic Executive to balance the Budget and try to carry through in a world condition almost as bad as at the present time. Of course, in those days there were no such things as world panics. They were all local American Democratic panics. We, the Democratic Party, inherited an unbalanced Budget and were held responsible for the cataclysm that followed. But in today's condition that is not true. It is said to be a world condition that brings about our dilemma. As conditions are now, this gives the present administration an opportunity to clean the Augean stables; and if we pass this up, the burden of the whole proposition is going to be on Democratic shoulders, with a Democratic President, as we hope. I can not see how any Democrat can look at this proposition in any other light. We must meet the situation as it is. I for one would like to see the administration that incurred this debt or is largely responsible for it help meet the responsibility and take some of the criticism. No one of us likes a sales tax, but I would rather go back to my constituents and discuss it with them on a common-sense basis than take it up in two or three years or more, when we will have no opportunity to explain, and they will remember nothing but the tax, and history will again be repeated.

There are two ways in which we can balance the Budget. One is by this sales tax or by some sales tax, and the other is by a tax on low-proof intoxicating liquors. I do not want to inject that discussion here. There is no chance of that kind of a law being passed at this time. But to you gentlemen who are interested in getting relief for veterans and in paying the soldiers' bonus—and I am with you on that issue—I say that unless this Budget is balanced or unless a tax is placed on low-proof intoxicating beverages, I do not see how there is a possibility of the soldiers' bonus being met at this session. We have a most queer situation here. Many of the very men who are most vociferous on our side of the House in the interest of the veterans are the very ones who are opposing the only two methods of taxation that have been proposed whereby their veterans' relief measures can be accomplished. We can not go out and issue bond after bond to accomplish everything that we want if we do not even meet the current running expenses of the Government by taxation.

There are three propositions that I should like to add to this tax bill and also three propositions that I should like to see taken away. The three will practically balance each other. I would like to see an increase on stock transfers from 4 cents a share to one-half of 1 per cent of the consideration received.

We may just as well admit among ourselves in the extreme privacy of this discussion—which, of course, has very limited publicity throughout the country—that approximately 95 per cent or more of the stock-market transactions are of a pure and simple gambling nature. This remark comes from one who, to the very meager limits of his means, has participated in this little game, and, it may be added, to his sorrow and increased wisdom. Now, while the United States is protecting and fostering this gambling game, and in view of the fact that we can not stop it because of its absolute necessity to the continued operation of business, and, furthermore, in view of the fact that we have found that a very effective control is almost out of the question, why would it not be advisable for us to take the course that any other gambling proprietor does and fatten up the kitty? Especially when we realize that by so doing we will be lightening the burden for those citizens who do not have the means to participate in this royal pastime. It may be said that a tax of this kind will drive the stock transactions to foreign exchanges. For some time past we have been operating a tax of 2 cents per share, which is practically half of the tax imposed in Canada, yet we have not observed the Canadian exchanges moving into this country; and if I remember the record correctly, the gentleman who testified before the committee from the Chicago Exchange was not even aware that Canada imposed a stock-transfer tax. That tax would increase our income from that source from $21,000,000 to practically three times that amount. Then I should like to see a tax of 3 cents a hundred dollars placed on bonds other than Government, municipal, or State. That is the same as the Canadian tax, except that in Canada they tax Government bonds.

I can see no excuse for a government taxing a government bond and then paying for it out of the other pocket. It is argued that a bond can not well be taxed because it is not registered and can be transferred without anyone knowing it. You can say the same thing of a great many stocks which are indorsed in blank and are not transferred on the books of the company. If one wants to run the risk of a criminal prosecution, it is a tax that can be evaded, just as the stock tax can, but I can see no reason why it ought not to be put into effect just the same. There is another fund that has not even been considered here, and that is a tax of 2½ per cent on pari mutuel tickets. There are no figures in the RECORD here on that point, but authorities with whom I have talked say that this will produce a very considerable sum. It was estimated at $30,000,000. I do not know how reliable these figures are. An increase of the corporation tax on profits from 13 per cent to 15 per cent would increase the tax income $17,000,000 for each 1 per cent, or approximately $34,000,000. Such a tax is not so easily shifted to the consumer as a sales tax, because it is on corporations that are already making a profit. To me there is no question but that a manufacturers' excise tax, like every other tax, is ultimately placed upon the consumer. The only difficulty about the present taxing measure is that it is too frank in this respect to have a popular appeal. For that reason I recommend the above increase in corporation income taxes, because that tax will not be collected for a year and will not be shifted to the ultimate consumer for probably another year, and by that time let us pray that this period of Republican prosperity will be over.

If the corporation income tax is increased those three elements together will just about balance the three changes which I should like to see made in the sales tax.

Mr. STAFFORD. Will the gentleman yield?

Mr. HARLAN. I do not believe I have time. When I finish I shall be glad to yield to the gentleman.

I should like to see the exemption on theater tickets raised from 25 cents to 50 cents. That will allow almost anybody to get a cheap seat in any moving-picture show, wrestling match, or boxing exhibition.

I say to you, Mr. Chairman, that, in times like this, a man out of employment, a man with a family, who has nothing to do but worry, should have an opportunity to get a little mental relaxation. That is something we should cherish and protect. As was said this afternoon, "Man can not live by bread alone." I say that for the mental comfort of our people we ought to allow at least that much recreation without taxing him. The tax will then come on the higher-priced and better seats in any theater and nobody will be bothered.

Another change I should like to see in this bill is the tax on imported crude oil removed. That seems to me to be a very gross injustice. Just like every other tariff measure, it is going to fall largely on the shoulders of the farmers. Do you know how much oil the farmers use? About 13,000,000 barrels in 1930, which would impose a tax in 1930 of $5,460,000, and in 1931 the tax would be $3,810,000. We all talk about helping the poor farmer. That is where that burden is going to be placed, just like our past tariffs have placed it. That amount is only 3¼ per cent of the oil that will be consumed; the rest of our people would carry a burden thirty times greater.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. HARLAN. If the gentleman will get me some additional time.

The CHAIRMAN. The gentleman has been yielded five additional minutes.

Mr. JOHNSON of Oklahoma. The gentleman objects to this small excise tax of 1 cent per gallon on imported crude oil. The gentleman must remember that the figures he gives are not for all oil but only the oil imported from other countries to this country.

Mr. HARLAN. I understand the point. That is true; but if that tax means anything at all, it means the local producers will raise their prices 1 cent a gallon. Otherwise it would not do any good. Whoever buys the oil or gasoline will either buy at the price at which the foreigner can import it into this country or at the price that the local man will sell it for.

Mr. HASTINGS. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. HASTINGS. Does the gentleman know that oil has fluctuated from $1.45 in the past three years to 10 cents a barrel in August last, and has there been any appreciable difference in gasoline in that time or in the price of oil? Will the gentleman just answer that?

Mr. HARLAN. I know that; yes.

Mr. HASTINGS. There has been that difference in the price of oil.

Mr. HARLAN. Well, I did not yield for an argument. The gentleman asked me if I knew it, and I said I did. The same argument which the gentleman makes has been the eternal argument in favor of high tariffs. I believe it will be generally admitted that if the effective industries of this country are going to sell their commodities abroad and employ American labor, we are going to have to buy some commodities from abroad. I can think of no better place to start than in the raw materials we take from the ground. Temporarily some stockholders are going to suffer; some few men are going to be put out of employment, but a greater number of stockholders in effective industries will gather greater profits and a greater number of men will be employed by those effective industries, such for instance as our automobile and machinery business. I can conceive that in years to come this country will profit by conserving its natural resources now. Our civilization is going to compete, I hope, in a friendly way but possibly in an unfriendly way with the civilization of Asia. There are in Asia untold and probably unlimited supplies of coal and oil, and I believe it behooves us in the interest of our descendants to conserve our natural resources and not do as our forefathers did when they ruthlessly destroyed all of our virgin forests. If the foreign countries are willing to deplete their supply of natural resources and sell it to our manufacturers at a rate to enable them to manufacture cheaply and employ our labor in mass production, I can conceive that there might be greater evils than the temporary shutdown of a few oil wells.

Now, this tariff on imported oil does not end there. Practically all of the oil that goes to make asphalt is imported oil, and the tariff on oil will make an increased price of $4.50 per ton on asphalt. There are about a thousand tons, I understand, used in a mile, and that will add $4,500 to the cost of every mile of road built in the rural districts, and that is where it is used.

Mr. ARNOLD. Will the gentleman yield?

Mr. HARLAN. I am sorry, I can not.

Now, I submit another proposition, and I can appreciate and agree with the gentleman from New York, Doctor CROWTHER. I can not see how we on this side of the House can avoid the humor of the situation, at least, if nothing else. Ever since the Hawley-Smoot bill was passed we have berated that bill as an exorbitant, outlandish, oppressive tariff measure; and here, when we are in a position to get the effect of the 2¼ per cent reduction in rates, which would not have seriously injured any except the most inefficient and ineffective industries, we turn around and establish what is equivalent to a 2¼ per cent increase in the Hawley-Smoot tariff. How we will ever meet that during the campaign I do not know. It is the most unanswerable argument that I ever heard of. [Applause.]

In conclusion as between a choice of evils, if the above-suggested amendments are not acceptable to this committee, I shall support this bill because I can think of nothing more injurious to the country or to the party of which I am a member than to allow our Budget again to go unbalanced. To accept what is the equivalent to a 2¼ per cent increase on the Hawley-Smoot tariff rates conflicts in my mind with every idea of sanity in government and economic principles. I do not favor at this time a radical tariff reduction, such a reduction as would disturb business, but here is a reduction, in effect, that would allow in a few commodities a revivification of foreign trade, and, if any important industries of this country were seriously affected thereby, the remedy is immediately at hand through our own tariff commission and the President.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. SELVIG] such time as he desires.

Mr. SELVIG. Mr. Chairman, a subject of tremendous importance to this country is now being considered by the House of Representatives. Emergency legislation has occupied the attention of Congress and it is hoped and expected that additional measures, including the money bills on which hearings will be held next week, and a bill for safeguarding depositors in our banks may soon be reported and passed. Farm relief legislation is necessary. Most of the supply bills are now under way. Only the question of taxation remains.

This question is one of unusual difficulty this year. The need of balancing the Budget is universally admitted. The pending bill seeks to accomplish that purpose. An honest and sincere difference of opinion as to how this is to be accomplished has arisen. I do not favor the proposed manufacturers' sales tax. It is indefensible for reasons which I will attempt to set forth.

First, however, I desire to state the principal provisions of the proposed revenue measure as reported to the House by the committee.

First. It is proposed to levy a 2¼ per cent sales tax on most commodities with certain exceptions to which I shall refer later.

Second. Increases are placed in the present income-tax rates from 1½, 3, and 5 per cent to 2, 4, and 6 per cent.

Third. There is a reduction of income-tax exemptions from $3,500 for a married person to $2,500, and for single persons from $1,500 to $1,000.

Fourth. The surtax is increased to 40 per cent on incomes above $100,000.

Fifth. The earned income base is reduced from the first $20,000 to the first $12,000.

Sixth. It is proposed to double the estate-tax rates with the addition of a "supertax."

Seventh. Taxes on gifts with maximum rate of 30 per cent are included.

Eighth. There is an increase of amusement taxes to 10 per cent on admissions above 25 cents.

Ninth. Fees for stock transfers are increased from 2 to 4 cents per share, which is also applicable to stocks loaned for covering short sales.

Tenth. A special excise tax on lubricating oils of 4 cents a gallon is imposed.

Eleventh. There is a provision for excise taxes on malt sirups of 35 cents a gallon, on grape concentrates of 40 per cent, and on "wort" of 5 cents per gallon.

Twelfth. Special excise taxes are to be levied on telegraph, telephone, cable, and radio messages.

Thirteenth. There is a tax of 1 cent a gallon on imported gasoline, gas, oil, fuel and crude oil.

The income tax increases included in the bill provide that the rate of 1½ per cent now in effect on the first $4,000 of net income would be raised to 2 per cent. The present 3 per cent rate on the second $4,000 net income would be raised to 4, and the 5 per cent rate on the remainder would be increased to 6.

The surtax would be applicable to all net income above $10,000, with a graduated rate beginning at 1 per cent on

net incomes of between $10,000 and $12,000 and increasing gradually to 40 per cent on incomes of more than $100,000. I desire at this point to assert that this rate places too light a burden on the accumulated wealth in the extremely high brackets as compared to the brake on business initiative and energy represented in the lower brackets.

The earned-income base would be lowered from $20,000 to $12,000. The credit for earned income would be deductible from gross income at the rate of 12½ per cent instead of 25 per cent from the net tax as now computed.

Let me observe right here that these two changes reduce sharply the advantage formerly allowed to a class of taxpayers who are under far greater necessity of putting a portion of their income into savings than the more favored class in possession of unearned incomes.

Coming now to the estate tax, or the so-called inheritance tax, the committee voted increases by doubling the present rates. The increase would be classified as a "super tax," and all of its proceeds would accrue to the Federal Treasury. Under the present estate-tax system credit up to 80 per cent is allowed for inheritance levies paid to States that exact such an impost.

The maximum estate-tax rate in the proposed bill becomes 40 per cent, applicable to estates of more than $10,000,000. Provision is made in the administrative features of the measure to take care of shrinkage of estates in periods of deflation like the present by allowing them to be valued 18 months after death. This provision would limit the returns from the estate tax for the time being. Eventually, however, this tax will produce large returns.

The bill under discussion carries gift-tax levies. This gift tax is inserted as a "mother levy" to prevent evasion of the estate tax. Under the present law only gifts made in expectation of death are taxable. In the new bill all gifts of property or money exceeding $50,000 would be taxable at rates graduated from 1½ per cent to 30 per cent. It will be noted that the gift-tax rates are fixed so that they will be 25 per cent below the new estate-tax rates. This provision must receive careful scrutiny before it is acted upon.

I shall point out it is apparent that the committee did not expect the income, estate, and gift levies to produce a large part of the revenues. I am not commenting on their plan and purpose just now. I first wish to present the picture of the bill as reported.

For the purpose of securing the greater part of the increased revenue, a new kind of a tax for the Federal Government was hit upon. This is the manufacturers' sales tax. New in the United States, excepting in a few States, but borrowed largely from Canada and Australia.

Practically every manufacturing enterprise in the country doing an annual business of more than $20,000 would be subject to the tax. Practically every article, except some of the simple necessities of life and those designed for educational advancement and religious devotion, are covered by its terms.

What articles are to be exempt from the sales tax? Let us see. Here is the list: Farm and garden products, fertilizer and fertilizer ingredients, garden and field seed; meat, fish, shellfish, and poultry, fresh, dried, frozen, chilled, salted, or in brine; bacon, hams not cooked or sealed in airtight containers; butter, oleomargarine, and other butter substitutes; cheese, milk, and cream in any form, fresh, condensed or dried; eggs and eggshells; bread, flour, and meal; sugar for table use; tea, coffee; tobacco and tobacco products which already are taxed; water not conserved in transportable containers; newspapers, magazines, and other periodicals; pamphlets and music for the blind; schoolbooks, Bibles, testaments, rosaries, prayer and hymn books, pulpits, religious stationery and pictures, and all other articles used in religious devotion.

Please bear in mind in considering these exemptions that the farmers produce and sell food products. They do not buy them. They buy products on which the sales tax will be levied.

Other special levies are included in the pending bill. The proposed tax on gasoline was omitted, but we have in its stead an import tax on gasoline, gas, oil, fuel, and crude oils. A special tax of 4 cents a gallon was placed on lubricating oil. The reason given was that miraculously this commodity has not been subjected to special levies by the States.

The proposed tax on electric consumption was swallowed up in the sales tax, and so was the special levy proposed for illuminating gas. An increase in amusement taxes and from 2 to 4 cents a share on stock transfers, and levies on telephone, telegraph, cable, and radio messages were included to obtain the remainder of the revenue of more than $200,000,000 expected from special exercise imposts.

We come now to the proposed amendments to the administrative features of the 1928 act. Provision is made for changing the capital gains and losses sections so as to restrict stock and bond losses deductible from gross income to actual gains made in similar transactions in the same taxable year. The bill is expected to provide $100,000,000 through this amendment alone, according to conservative estimates of the Treasury.

I will conclude this analysis by inserting in the RECORD estimates of the yield in taxes if the committee's program goes through. The entire revenue program, as outlined by Acting Chairman CRISP on ultraconservative estimates of the Treasury, follows:

Manufacturers' sales tax (2.25 per cent)	$595,000,000
Income-tax increases (individual)	112,000,000
Corporation-tax increase	21,000,000
Estate-tax increase	35,000,000
Increases in amusement tax	90,000,000
Increase in stock transfers	28,000,000
Special excise on lubricating oil	25,000,000
Excise on malt sirups, grape concentrates, and wort	50,000,000
Levies on telegraph, telephone, and cable messages	35,000,000
Import tax on gasoline and oils	5,000,000
Increase in postal rates	25,000,000
Savings in administrative changes of 1928 act	100,000,000
Reduction of expenditures	125,000,000
Total	1,246,000,000
Needed to balance Budget in 1933	1,241,000,000
Anticipated surplus	5,000,000

These are the figures as submitted by the committee. What do we find?

First, in the toll to be exacted is the enormous sum of $595,000,000 to be saddled on the consumers in our land. It is unjust and positively vicious. The sales tax proposal has been called a "pork barrel" for the wealthy class. It has been estimated that those with incomes over $100,000 will not pay over $20,000,000 of the manufacturers' sales tax; that those with incomes over $5,000 will not pay over $100,000,000, and that those with incomes under $5,000 will pay about $495,000,000 of this tax. Those with incomes under $1,800, the factory workers, the farmers, the clerks, and others having small incomes and who are barely existing on the ragged edge of poverty, will pay at least $245,000,000, or nearly one-fourth of the additional Federal tax levy.

This bill carries no exemption for misery, hunger, unemployment and debt.

And if this were not enough, there is to be levied another $90,000,000 in taxes on admissions to amusements, again exacting tribute from the poor and lowly where they seek an hour's surcease from their work and worry in the low-priced motion-picture theaters.

A special tax of 4 cents a gallon on lubricating oil, of which the farmers are heavy purchasers, is estimated to lay an additional toll of $25,000,000 annually on consumption. What is the imposition of an import tax on gasoline, gas, oil and fuel, and crude oils but an additional load on the farmer's back, on the poor man who must use his car in his business or for a brief pleasure trip?

I shall insert in the RECORD at this point a letter received on March 10 from the secretary of the Minnesota Farm Bureau Federation which expresses the point of view of Minnesota farmers on this provision in the bill.

MINNESOTA FARM BUREAU FEDERATION,
St. Paul, March 8, 1932.

Hon. C. G. SELVIG,
Washington, D. C.

DEAR MR. SELVIG: Some of the farmers have inquired and seem much concerned, judging by newspaper reports, in regard to the tax on imported oils, which revenue bill is now before Congress.

At the time of our annual meeting the Minnesota Farm Bureau Federation went on record on January 23 as opposing the tariff or embargo on the importation of petroleum or its products.

In the last week I have heard a great deal of discussion in regard to the opposition of this tariff. The farmers believe that the tax on petroleum products belongs with the State.

I am conveying this to you by way of information as a result of the resolution adopted at the annual meeting of the Farm Bureau and the discussion that I have heard.

Yours very truly,

J. S. JONES, *Secretary.*

Postal rates are to be increased to yield an estimated return of $25,000,000, to be paid by the users thereof. The rich will not pay many of these taxes—the sales tax, the amusement tax, the oil tax, and the increase in postal rates, aggregating the stupendous sum of $650,000,000, or more than 52 per cent of the total to be raised. Are the poor to be crucified in this pending tax bill?

The chief concern, we are already informed, that is felt among the manufacturers and producers is whether they will have to absorb this sales tax in their selling prices or be able to pass it along for their customers to pay. Judging by the past, we can expect industry to find the way to compel buyers to pay the extra amount.

No concern is felt about the customers' ability to pay. What about the possessors of small incomes which are completely used up in the purchase of necessities? They are the mute, unorganized masses. They have no high-powered lobby in Washington. On their shoulders is placed nearly half of this tremendous tax burden. It is a tax based upon consumption, and not upon ability to pay. Under the provisions of the bill as introduced the income-tax payers will shoulder an increased burden of $115,000,000, compared with $650,000,000 to be raised by consumption taxes.

There is little wisdom and justice in the general sales tax that is now being proposed.

It is unjust because most of the weight falls on the rank and file of consumers—the poor people. It is especially unjust when upward of one-fifth of the population are victims of unemployment and millions of our farmers are barely hanging on to their hard-won farms, barely eking out a meager living.

The return of prosperity awaits the revival of purchasing power. It will be retarded and delayed by brakes upon ability to buy.

I would be both inconsistent and negligent in discussing the proposed revenue bill if I did not offer constructive proposals for balancing the Federal Budget in a proper and just manner. Those who have heard me discuss public questions in my district know my views on the centralization of wealth in the hands of the few. This problem and the growing impoverishment of our rural population are to my mind the two outstanding evils of the day.

The taxation of personal incomes and estates at steeply progressive rates should be substituted for the sales tax in any form. Our antiquated tax system, both State and National, should be so revised that public revenue would be obtained from those who can make payment with the least sacrifice. The burdens should be placed upon those best able to bear them. Through such a plan industrial activity would be revived by lightening taxes on small incomes and increasing taxes on large incomes. This, in turn, would tend to increase consumer demand and check the accumulation of idle capital, too often invested in tax-exempt securities for the avoidance of taxation.

We should do something to stop the ever-growing volume of tax-exempt securities, with the end in view of abolishing the tax-exemption feature altogether. Tax-exempt bonds are a refuge for the tax dodger, and what one escapes the rest of us must pay.

There have been several steps taken in the right direction in framing this bill, but its authors have had their eyes fixed too firmly on the "easy-to-collect" and "no-one-will-feel-it" sales tax to follow the soundest plan, the only just plan, of levying taxes on those most able to pay. Amendments will be offered to this bill to secure additional receipts from personal-income levies.

The present emergency equals in intensity that of our war-time period and war-time levies are defensible.

I shall not take the time to-day in enlarging upon the idea that those with the greatest wealth ought to and must pay the largest part of the expenses of Government. We face a condition in this country to-day—the flow of wealth from our farms and smaller communities to the large centers is alarming. I could cite specific instances by the thousands to prove the statement. It amounts to an economic revolution, whether we like the word "revolution" or not.

For fear that a Representative from a farming district, one whose constituents receive almost their sole support from the labor and drudgery which falls to the lot of the farmers, may not be considered safe and sane in his economic views, I call the attention of the Congress and of the people of the United States to highly respectable sources of information that even the spokesmen for entrenched wealth would hesitate to denounce.

Speaking last June at the Columbia University commencement, Dr. Nicholas Murray Butler, distinguished president of that great institution, said:

Repetition is perhaps the only way by which a sluggish, a self-centered, and a somnolent public opinion can be stirred to look deeply into these questions before it is too late.

Too late for what?

Too late to stem the tide of discontent, of disorder, and of political and economic revolution.

Great masses of men will not indefinitely sit quietly by and see themselves and those dependent upon them reduced to penury and want, while that which we call civilization has so much to offer, commands such stupendous resources, and seems capable of accomplishing almost anything.

If we are effectively to allay discontent and successfully remove temptation to disorder and revolution, we dare not sit indefinitely in contemplative inaction. The challenge is too peremptory and too ominous. * * * Action is essential. * * * To-day, progressive and enlightened liberalism is everywhere true conservatism. Stubborn resistance to betterment may well be the first step toward catastrophe.

Speaking to the Brotherhood of Railroad Trainmen several months after "black October, 1929," another man, a great president of a great university in the Middle West, Dr. Glenn Frank, of the University of Wisconsin, said:

During the last few months before significant bodies of business, industrial, and financial leaders I have made the statements I am making here, the essence of which is: If we are to insure the solvency and success of our industrial system—the solvency of capitalism—we must see to it that a larger share of the national income is shifted, is routed, into the pockets of the consuming millions and that the margin of leisure for the millions is markedly increased, in order that the masses may have money with which to buy and leisure in which to enjoy the vast flood of goods and services our magnificent machine economy is able to produce.

Twenty years ago, or less, this statement would have been set down as the envious and irresponsible raving of a disinherited radical. But experience—the experience of last year—has taught many men many things. This statement has brought to my desk a flood of letters, many of them from the undisputed leaders of American business, industry, and finance, and to date the file of these letters contains but three dissenting opinions, and not one of these was from a great business leader.

The key problem of the United States is * * * the problem of a wise and businesslike redistribution of social buying power. * * *

I should like to think that we can effect this imperative redistribution of social buying power through farsighted business, industrial, and financial leadership, without resorting to political force.

But if business, industrial, and financial leadership misses this appointment with destiny, our economic order will smash, and sooner or later the inarticulate millions of America will seek to achieve through political means what our economic order has failed to achieve for them through its normal leadership.

Let no one mistake the warning of these two leaders of thought. Ours is the solemn duty to enact into law the principles which shall save our civilization and which shall bring our country to its noble destiny.

Will a shameful disregard of present facts and tendencies remedy the evils which confront us? It were better for us to face the facts sanely and calmly and so order affairs that the present and succeeding generations shall rise to call us wise statesmen rather than blind men groping aimlessly.

From the lips of Governor Pinchot of Pennsylvania, in an address delivered in the Nation's Capital, November 30, 1931, come these words:

There has been developed in this country the most astounding concentration of wealth in the hands of a few men that the world has even known. * * * Here is the evil which has brought on the depression. * * * Here is the evil which, if allowed to develop farther, can block all hope of recovery and overthrow our entire economic structure.

The concentration of wealth and the concentration in the control of wealth during the last 30 years in this country present a problem of first magnitude. From a study of income-tax returns we may gain definite knowledge as to this tendency. The number of individuals making returns of incomes of $50,000 and over for the year 1914 was 7,509; for the year 1919 the number was 18,846; and for the year 1929 the number was 38,650.

For the five years, 1925–1929, the individual net income class under $10,000 required to file returns under the law decreased from 3,844,033 to 3,662,948; the net-income class between $10,000 and $100,000 increased from 317,458 to 357,053; and the net-income class over $100,000 increased from 9,560 to 14,701.

Taking into a separate group the individuals who made returns on $1,000,000 and over, we find an increase from 290 in 1925 to 504 in 1929. During the same time the total incomes of this group increased from $465,002,745 in 1925 to $1,354,123,656 in 1929. It is true decreases have come, affecting people in all walks of life; nevertheless, the rich have grown richer and the great mass of those who do not have sufficient incomes to file income-tax returns have had a hard time to hold their own and possibly lost ground.

We are of necessity confronted with the problem of securing increased Federal revenues. To what sources, then, shall we turn? My answer is to estate, inheritance, and gift taxes.

Andrew Carnegie, one of the richest men of his generation, was an intelligent, enthusiastic, and persistent advocate of estate and inheritance taxes. It was his view that every fortune left by a hoarder should contribute to the support of Government in proportion to its size, leaving exempt small amounts to dependents of the decedent, but graduate the rates upward until with the enormous fortunes reaching into many millions at least one-half should go to the Public Treasury.

The estate tax is a just tax and does not in the least stifle enterprise, initiative, and the accumulations of wealth. The objects of estate and inheritance taxes are, first, to prevent the accumulations of wealth in the hands of those who contributed nothing or little to its creation, and, second, to lighten the burdens of taxation weighing so heavily on the backs of the masses.

We have had a Federal estate tax since 1916. At the present time the maximum rate is 20 per cent in the bracket over $10,000,000, and the States, by adjusting their laws to the Federal law, can retain 80 per cent of the estate tax imposed by the Federal Treasury.

In recent years the total Federal and State estate and inheritance taxes amounted to about $180,000,000 annually, of which around $60,000,000 go into the Federal Treasury. Under existing law the Federal Treasury will receive about $40,000,000 a year in the future.

How much revenue should be derived from estate and inheritance taxes? In 1892 Mr. Carnegie, in a carefully prepared statement based on the national wealth and the amount of property that devolved on account of the death of the owners estimated that at moderate rates $300,000,000 annually could be collected from this source. He said:

Every dollar of taxes required might be obtained in this manner without interferring in the least with the forces which tend to the development of the country through the production of wealth. It would be a tax easily and surely collectible.

On the same basis of computation used by Carnegie we could now collect from this source six times $300,000,000, or $1,800,000,000, "without interfering in the least with the forces which tend to the development of the country through the production of wealth," instead of $180,000,000 now collected from this source by both Federal and State governments.

Great Britain, during the fiscal year ended March 31, 1931, collected from death duties nearly $400,000,000. The conservatives of Great Britain are responsible for the productiveness of their inheritance taxes. Our national wealth is four times that of Great Britain. On a proportionate basis we could collect $1,600,000,000 annually.

The chief of staff of the Joint Committee on Internal Revenue Taxation, at the request of the gentleman from Iowa [Mr. RAMSEYER], recently prepared a schedule of rates which would collect a half billion dollars, that is $500,000,000 annually. Authorities agree that we could easily collect at lease $500,000,000 or $600,000,000 very much easier than Great Britain can collect $400,000,000 with only one-fourth of the national wealth we have.

I yield to no one in my desire to see the Budget balanced, to safeguard our national credit. These things must be done.

Earnest consideration must be given to reducing the expenditures of the Federal Government. Time does not permit me to enlarge upon the possibilities in this direction. I join with those who favor drastic reductions in the Army and Navy budgets and the elimination of many governmental services which have come into existence.

Thus, by reducing expenditures and by securing the additional funds from those best able to pay, we may balance the Budget, as a step in attaining economic recovery. This is our supreme task and I am confident it will be accomplished.

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I realize that the Budget should, if possible, be balanced, if it can be accomplished without crushing the people under the tyrannical heel of taxation. While balancing the Budget is a thing devoutly to be wished, it should not be attempted if, in order to balance it, our people will suffer more by the oppressive taxes that will have to be collected than they will if the Budget is fictitiously balanced as it has been during the past two years by issuing bonds to take care of the deficits.

First, let us see what this bill attempts to do. Why in addition to the taxes heretofore levied to provide for the running expenses of our Government, this bill provides for the collection of additional taxes in the sum of $1,246,000,000 to take care of the 1933 deficit. In other words it increases our Federal taxes $1,246,000,000 for this year. What does that mean? Why, it means that on an average the taxes of every man, woman, and child in this country will be increased $10. The average American family, I believe, contains five souls. It means therefore that the taxes of the average American family will be raised $50. In my district there are 325,000 men, women, and children and, based on the law of averages, it means that the Federal Government will impose upon the people in my district additional taxes in the sum of $3,270,000. If the other Members want to know how much Federal taxes will be raised in their districts, all they have to do is to multiply the number of men, women, and children in their districts by 10 and they will have the answer.

Now, at the outset, I challenge the necessity as well as the wisdom of this bill.

What necessity drives us to balance the Budget this year? Did not the same necessity exist in 1931 when the deficit was $903,000,000? Did not the same necessity exist in 1932 when the deficit was $1,711,000,000? The only necessity I have heard of is the fact that Government bonds are selling below par. Have they not been selling for some time below par? But even if they only recently went down below par, why should that be such a compelling necessity as to drive us to saddle upon the American taxpayers, who are already groaning under the onerous burden of taxation, this additional burden?

Probably 5 per cent of our people own Government bonds. This 5 per cent will, of course, be benefited if bonds go back to par. But in order to put them back to par—in order to favor the few who are so fortunate as to own bonds—shall

we crush under the oppressive heel of taxation the other 95 per cent of our population? Let me tell you that the 5 per cent in this country who own bonds are not the real sufferers. The real sufferers are the 95 per cent who never owned bonds, or who have been forced to sell them if they did own them, and who are, many of them, in dire need for the bare necessities of life.

How did we meet the situation in 1931? Listen: In 1931 we had a deficit of $903,000,000, and that deficit was not caused primarily, as some would have you believe, by "a drastic reduction in the yield of the income tax traceable entirely to the present depression." Our tariff tax in 1931, due primarily to our prohibitive tariff, fell off $209,000,000, and our Republican friends, who had charge of every branch of our Government, increased the expenses of Government $225,000,000. These two items alone amount to $434,000,000, and account for nearly one-half of the deficit.

If our Republican friends, knowing that times were hard and the day for retrenchment had arrived, had reduced governmental expenses instead of increasing them, and the Hawley-Smoot tariff bill had not worked such havoc with our foreign trade, our deficit for 1932 would have been negligible. Well, what did we do? Did we increase taxes in order to raise revenue to take care of the Budget. No; we simply issued bonds to take care of the deficit. We allowed the people to carry the deficit by paying interest thereon, and the Government, you know, is always able to obtain the lowest rate of interest.

How did we meet the situation in 1932? Our deficit in 1932 was $1,711,000,000, and I want to tell you that our deficit for that year was not caused, as some would have you believe, altogether by the falling off of our income-tax receipts. In 1931 we collected in principal and interest on our foreign debt $236,062,755.75. In 1932, knowing that we had a deficit, we declared a moratorium and thereby lost $254,000,000 that should have been collected and paid on our deficit. Then, too, in 1932, our Republican friends continued the reckless course they had pursued in 1931, and again increased our expenses of Government in round numbers $263,000,000. Thus you see that over one-half billion dollars of the deficit of 1932 was caused by the moratorium and the increase in the expenses of Government.

I want you to get this, and I want the people in this country to get it, that during 1931 and 1932 the Republicans were in charge of every branch of this Government, and the deficits for those two years amounted to over two and one-half billions of dollars. And my friends on the other side need not answer by stating that the falling off in income taxes was the sole cause, because the record shows that during those years while those in charge should have been cutting expenses they went off on a financial debauch and increased the expenses of Government practically one-half billion dollars. Considering the condition of our country, especially the inability of our people to pay taxes, such conduct was nothing short of criminal. And I want the people to get this fact: That for 1933, under the leadership of that Democratic guardian of the purse strings of this Nation, the Hon. JOE BYRNS, of Tennessee, it is estimated the reduction in expenses of Government will be $369,000,000.

In the face of such a record, I ask, will anyone hereafter have the face to say that the Republican Party is the only party fit to run this Government?

But to get back to the deficit of 1932. What did we do to balance the Budget? Why, our friends on the other side simply balanced it like they did in 1931 by issuing bonds.

If my friends on the other side plead necessity, I answer that the same necessity existed in 1931. Why did not you balance it then? The same necessity existed in 1932. Why did not you balance it then? If good business demands the Budget to be balanced in 1933, the same good business should have demanded a balanced Budget in 1931 and 1932.

Oh, but you say we can not afford to let the Budget remain unbalanced indefinitely. I agree with you. But let me remind you of the fact that our people will be in better shape after this depression to pay $10 than they are to-day to pay $1. The necessity, as I see it, in connection with balancing the Budget is the necessity of putting the matter off until the people are in better shape financially to assume additional tax burdens. Certainly they are in no shape to assume them to-day. Then they tell us we can not go on without balancing our Budget, because it will destroy our Government. In reply I say we can not levy more taxes without destroying our people, and when you destroy the American taxpayer you destroy the American Government.

Why, just a short time ago, in disregard of our Budget and in order to help the foreign nations straighten their financial matters out and balance their budgets, we saw fit to forego immediate payment of the debts due us by the foreign powers and spread the payments out over a period of 62 years. And during this session of Congress we became so solicitous of the welfare of the foreign powers that we, in order to help them balance their budgets, and in utter disregard of the condition of our own Budget, granted them a moratorium. Well, if anyone needs a moratorium to-day it is the American taxpayer, and I for one stand here and demand that he be shown as much consideration as the foreigners, and that he be granted a moratorium from the payment of this deficit until, at least, this depression is over.

Is it the wise or common-sense thing to do?

In my opinion, our people are unable to meet their present tax obligations, much less assume additional tax burdens. Then by what magic do you expect them to dig down in their pockets, which are already empty, and pull out $1,246,000,000? Ever remember that the power to tax is the power to destroy. If you want to destroy—probably that word is too strong and I should say cripple, seriously cripple—the American people and, I might add, the Democratic Party if this bill is to be considered as its offspring, all you have got to do, in my opinion, is to pass this bill in its present form.

May I ask what wisdom there is in killing or crippling in order to balance the Budget this year, the goose that lays the golden egg, the American taxpayer? Taxes are like sassafras sprouts—they come back to see us every year. Every year is a tax year, and we had better be binding up the wounds of our taxpayers instead of injuring them, so they will be restored to financial health and stability and will be in position to contribute their just part of the tax burdens in the future years.

Why, my idea of constructive tax legislation at this time is such legislation as will help and not hurt the taxpayer. When a man is in the mire do not jump on his back and force him in deeper, rather hand him a rail and let him crawl out. What the taxpayer needs to-day is a rail.

The policy of this Congress so far has been to help—to hand the people in this country a rail to crawl out on. We passed the Reconstruction Finance act to give the railroads, banks, insurance companies, and farmers a rail to crawl out on. Well, since we have given them a rail should we not give them time and an opportunity to crawl out? If we pass this tax bill, we will, in effect, be jerking the rail from them before they have a chance to crawl out. Our remedial legislation will simply be idle gestures.

I plead with you to give the American taxpayer a square deal—a moratorium from additional taxes—until this depression, which is draining the very lifeblood out our people, is over.

Well, so much for the necessity for and wisdom of the course we have embarked upon.

If the necessity exists and wisdom dictates that we should balance the Budget, and balance it right now, then let's get together and agree upon a plan that will distribute the burden in the right way—in such a way that struggling industries and the poor will not be oppressed, and the burden will fall, as far as possible, upon those best able to bear it. Let us, for one thing, start right here in the House and reduce our salaries.

There are some features of the proposed tax bill that are, to say the least, undemocratic. Take the sales tax. To call it a sales tax is a misnomer. It should be called a consumers' tax, because the greater part of this tax, in my opinion, will be passed on to the consumer. Why,

under this provision in the bill we propose to raise $595,000,000, practically one-half of the entire amount, and this half will be paid—90 per cent of it—by those who toil for a living and to-day are struggling for their very existence.

Why, under this provision in the bill our people will be taxed 2¼ per cent on practically everything they eat and on everything they wear, from the hat on their heads to the shoes on their feet. This tax, of course, will be saddled on the poor man, because the poor man spends for food and clothes practically all he makes, while it takes only a very small per cent of what the rich man makes to provide food and raiment. Then, this bill proposes to tax every farm implement, from binder to hoe, the farmer buys. Farmers, who are unable to pay the interest on their loans, who are not getting the cost of production out of what they raise, will be forced to pay additional tribute to the Harvester Trust.

Oh, but they tell us certain foods are exempt from the tax. Let us see. Yes; sugar, tea, coffee, cheese, bread, and eggs are exempt, and you can still milk old Boss without paying a tax, and can be just as reckless with salt as you please.

How about canned meats, fruits, and vegetables? Why, you have to pay a tax on every can you buy, and you know that most of our workingmen these days, especially in the small towns and cities, are living on canned goods.

Mr. McGUGIN. Will the gentleman yield?

Mr. FLANNAGAN. Yes.

Mr. McGUGIN. Is it not a fact that most of the canned meat that is shipped into this country comes from South America?

Mr. FLANNAGAN. I am not advised as to that. I thought we canned a great deal of our meat in this country.

Yes; I forgot to say you can eat all the ham, sides, pig shoulders, and pig jowls you desire, provided they are not cooked or packed in air-tight containers.

Then they say this bill exempts schoolbooks, papers, and magazines, and the family Bible. Well, while you are not paying a tax on the schoolbooks, papers, and magazines, you do have to pay a tax on the paper on which they are printed; and when you get out the family Bible Sunday night, remember that you are paying a tax in order to serve the Lord. Yes; you are paying a tax on every leaf of paper in that holy book.

Then this sales tax applies to all industries, those making and losing money alike. Take the coal industry and the lumber industry for instance. These industries have been losing money for some years, and conditions in these two industries instead of improving are gradually growing worse. Due to the fierce competition in these two industries it will be impossible for either of them to pass the tax on to the middleman or consumer. As it is, most of our coal mines and our mills are closed, and I am afraid if you pass this sales tax it will close the remainder.

Another thing about this bill that certainly should be obnoxious to the Democrats is the 2¼ per cent tax on imports. Why, we Democrats have been going around denouncing the Hawley-Smoot tariff bill as being an outrage; as having destroyed our foreign trade; and I for one still denounce it. Well, what does this bill do? Why, it simply raises practically all the tariff schedules in the Hawley-Smoot tariff bill 2¼ per cent. Well, thank the Lord, we were considerate enough not to call it a tariff tax. Nevertheless, it is nothing more nor less than a tariff tax, call it what you please.

Another obnoxious provision in the bill is the admission tax of 10 per cent on all admissions of 25 cents and over to our movie shows. Why, a poor man on Saturday night if he wants to take his family to the movie and forget his troubles laughing at the antics of Will Rogers, Marie Dressler, Wallace Beery, and others, will have to pay a tax of 10 per cent per head.

Yes, the price, if this bill goes through, of a good laugh is 10 cents. You can no longer "pack up your troubles in your old kit bag and smile, smile, smile" without being taxed.

Then another obnoxious tax proposed in this bill is the gasoline tax of 1 cent per gallon. Oh, they tell ycu that this is only a tax on imported oil. Well, the bill makes it an import tax, but believe me, John D. will make it a consumers' tax.

I only wish I had time to go more into detail. My time will not permit.

In conclusion, permit me in answer to the plea that we should be big enough, broad enough, to put country above party, to say:

My ancestors on both sides of the house were among the small band of patriots who triumphed over the proud mistress of the sea and launched our country safely into national existence, and the blood of their progeny since then has been shed in every war in which our country has engaged. I do not claim for them that they have been great generals, but I do glory in the fact that they have ever manifested a willingness to shoulder arms and march to the beat of the drum in defense of country.

I do not claim that they have been great statesmen, but I do glory in the fact that they have been honest. God-fearing American citizens who have observed our laws, cherished our ideals, served God and their fellow man, and contributed their bit, though in a humble way, to the greatness of this Nation. I do not claim for them that they have not been partisans—men and women of strong convictions are all partisans. They were strong partisans in the days of the Revolution. They were strong partisans of the principles of democracy during the formative period of our Government, and I thank God that their partisanship to those principles upon which this Republic rests has not diminished with the passing of the years. One of the fundamental principles of democracy is that taxes, at best, are onerous and should be so levied as not to cripple industry or oppress the poor, and should be distributed in such a way that the burden will fall, as far as possible, upon those best able to pay.

That is the principle I am fighting for to-day, and in doing so I honestly believe I am serving not only my party but my country as well. [Applause.]

Mr. JOHNSON of Oklahoma. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. SUTPHIN].

Mr. SUTPHIN. Mr. Chairman, this tax on imported oils hits groups of people in New Jersey and in my district who have difficulty meeting their financial obligations now, and who should not be asked to accept any further burdens; therefore I must oppose it. Among these groups are the farmers of my district. There are few, if any, farmers in New Jersey who do not use motorized equipment for almost everything they do. Farmers of New Jersey used 33,109,608 gallons of gasoline in the year 1930. A tax of 1 cent a gallon would increase the bill for this item alone $331,096 a year. Farmers in my district can not stand this additional burden.

Another group in my district that would be affected by this tax is the "white-collar" worker. These people have worked and saved to acquire homes of their own and, in order to have cheap fuel, have installed oil-burning equipment for heating their houses. Many of them live so far from their places of business that they could not hope to get along without their automobiles. To add 1 cent tax to every gallon of fuel oil used in the oil-burning equipment of this group and 1 cent in addition to the State gasoline tax to every gallon of gasoline they use would make a demand upon them that they would not be able to meet. Many of them are now out of employment, most of them have had cuts in their salaries and are struggling to live through this period of depression. They are willing to do their share in bearing the additional expenses of the Government, but a forced increase in the price of these necessary fuels is burdening them with more than their share.

Another group of my constituents that would be greatly distressed to have an additional tax added to motor oils and gasoline is that group of stalwart men who earn their livelihood following the sea. All of them operate power boats in the pursuit of their trade—fishing—and consequently are

large users of motor oils and gasoline. I must protest against a tax being imposed which will materially cut into their already diminished profits. This past year has seen the price of edible fish drop to 1½ cents per pound—sea food in the luxury class, of which I will mention lobster as an example—which sold for 12 cents per pound, which is less than the fixed cost of production of this delicacy. These people must not be expected to bear additional burdens.

In addition to this, this is not a revenue-producing measure but is a prohibitive tariff that is being placed upon these prime necessities in order to satisfy the demands of certain midwestern producers. True, it will exclude imports, for it is a 70 per cent ad valorem tax on fuel oil and a 20 per cent tax on gasoline, but any benefits to be obtained from it will go to the big oil companies who now control at least 97 per cent of the total oil in storage. These companies have this supply of oil, equal to nearly 75 per cent of the total production in the United States in 1931, which they will be in a position to sell to the American farmer and householder and all operators of automotive equipment as soon as this measure becomes a law at exorbitant prices because of this tax. With this supply of oil already out of the ground and in wells already drilled and capped, it is easy to see that this measure will not bring in revenue that will help balance the Budget; on the other hand, at the end of the year larger dividends will be paid by the large oil companies, the Government will not be any better off, and my people and others throughout the country will have paid the bill.

We have been fighting for years to get a real American merchant marine. American ships are compelled to pay higher wages and have every disadvantage compared with foreign ships, with the one exception that they are able to obtain fuel oil at cheaper prices. To increase the price of fuel oil to American ships or to force them to go to foreign markets for it and pay the same prices as foreign ships will not bring additional revenue to the United States and will cause additional trouble for this already greatly troubled industry, and may aggravate the unemployment situation.

If, as the proponents of this bill contend, the effect will be to increase the price of fuel oil in the United States, the cost of this product to the United States Navy will be considerable. As a member of the Naval Affairs Committee of the House of Representatives, I am familiar with the amount of money we are spending for fuel oil, and our committee will not be able to do its share in the economy program if the cost of fuel oil in the United States is pushed up by this measure. I do not know what the Government's total gasoline bill amounts to in one year; but considering the Army and Navy airplanes and the great number of all types of motor cars used by the Postal and other departments, it would seem to me that an increase in the price of this fuel to the Government would more than offset any possible revenue that might be obtained from a tax on imported oil.

The road-building program of New Jersey calls for some additional asphalt roads. These roads are essential to every resident of my district. It was testified before the Ways and Means Committee that it requires 10 barrels of crude oil to manufacture 1 ton of asphalt. This tax would, therefore, raise the price of the asphalt for use on New Jersey roads by $4.20 per ton and would cut our road-building program 15 to 20 per cent on the basis of the present appropriations. As a large part of the asphalt used in New Jersey road construction is made from foreign crude oil, no benefit from any such increase in cost would go to the mid-continent producers, and the added cost and cutting down of road building would cause a great hardship to my constituents.

It has been said that this is a tax sponsored by one branch of the oil industry competing with another. If that were true, I would have no particular interest in it, but it is a tax for the benefit of the big oil companies who are fighting as always against the little consumer—the plain people. I therefore repeat that I must oppose this measure.

Mr. HILL of Washington. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I have made at least 100 Democratic speeches against a sales tax. I am in favor of balancing the Budget and I am going to help balance it, but I am not going to vote for that pernicious and unjust tax until I am convinced that there is no other way of raising the necessary revenue.

I am for the tax that has been put on foreign oil and gasoline. Our Democracy has always been in favor of such a tax for revenue. That will put back to work in Oklahoma and Texas alone probably 100,000 men whose backs, through putting the independents out of business, have been against the wall for some time.

I am unalterably opposed to placing any tax upon picture-show tickets. The poor of the United States have just as much right to attend a good picture show as the rich. The rich can pay any tax you put on them. If you were to put a tax of $100 on a certain picture which the rich wanted to see, they would pay it without hesitation and it would mean nothing to them. But the poor have the same right to enjoy such pleasures as the rich, and I am against taking that inherent right away from them. And such a tax would probably put good picture shows out of business except in large cities.

They say you must levy a sales tax in order to raise the necessary revenue to balance the Budget. They have not convinced me of that yet.

I want to ask my good friend a question—and I commend the gentleman from Georgia [Mr. CRISP]. There is no man in the United States for whom I have a higher regard, greater respect, or more affection. He is one of the splendid, outstanding Democrats of the Nation. But I want to ask him and his committee why it is they have not taken proper steps to take away this exemption from the income on tax-exempt securities? It permits many millionaires to escape all taxes.

Mr. CRISP. Does my friend desire an answer?

Mr. BLANTON. Yes.

Mr. CRISP. We can not do it under the Constitution. Several years ago I made a speech on the floor suggesting a constitutional amendment to that effect.

Mr. BLANTON. Why do we not start such a constitutional amendment on its way to the legislatures of the States? It would be passed immediately by this Congress and would be ratified immediately by the States.

Mr. CRISP. I have advocated that.

Mr. BLANTON. But no such proposal has been brought before us. You have to take that exemption off of the income of tax-exempt securities. It must be done. The multimillionaires everywhere every year are escaping all taxation year after year by reason of holding tax-exempt securities.

I also want my friends on the committee to tell me why they have not adopted the splendid suggestion that has been made to put a tax of at least 1 per cent on every sale that is made on every stock exchange in this Nation. Why do they not do it? It would bring in at least $600,000,000 revenue a year, and maybe more. What is it that keeps us from putting a 1 per cent tax on the gamblers of the country, who are more responsible for all the banks that have broken and all of the people that have been left destitute by reason of the breakage of the banks than any other cause on earth? [Applause.] Are we afraid of these stock exchanges? What is there about these infamous gamblers on Wall Street that we have got to let them go? You are not going to find me voting any sales tax on the backs of the poor people of my country until you put a 1 per cent tax on every sale of stock on every gambling exchange in the United States. I am going to offer an amendment to do that very thing if it is not offered by a member of the committee.

I wonder if the committee is going to vote against such an amendment. I wonder why they do not propose it themselves. Is there anything sacrosanct about this stock exchange? We fellows who, in our younger days, have played

poker—I played poker when I was a college boy and have played some since, but it has been 20 years ago—we know something about sitting around the table, and what do gamblers care about what the "kitty" takes out? Has any gambler ever complained because the "kitty" took something out?

You can tax and take out this 1 per cent of the sales on these gambling exchanges, and that is only what the "kitty" is taking out, and what do they care about it? The gambling will go on just the same. It will not stop the sale of a single share of stock. There will be just as many sales made, and it will not hurt the gambling. If you 're just trying to protect these gamblers, it would not hurt them, and the Government would get about $600,000,000 a year more revenue, or what it needs to balance the Budget, without putting this tremendous sales tax burden upon the shoulders of our poor people all over the United States.

Mr. GOSS. Will the gentleman yield?

Mr. BLANTON. For a pertinent question; yes.

Mr. GOSS. I am wondering if the gentleman can not get that $600,000,000 by joining us in trying to put a tax on beer.

Mr. BLANTON. Oh, that is the silliest proposition I have ever heard a sworn Representative make.

Mr. GOSS. The gentleman wants to raise it?

Mr. BLANTON. A man who is sworn to uphold the Constitution of the United States who will make a proposal like that to another man who is under oath to uphold it is insulting.

Mr. GOSS. If you were going to put in an amendment to change the Constitution, would you not include that?

Mr. BLANTON. You want first lawfully to change the Constitution before proposing to unlawfully undo the Constitution by nullification.

Mr. GOSS. I hope the gentleman will join us in doing that Monday.

Mr. BLANTON. I do not yield further, because that is so silly that I can not permit my time to be thus wasted, but I will let somebody else who is wet answer the gentleman. I am going to let the most distinguished wet in the Nation answer that, the wet who was so distinguished for his wetness that even your wet President put him on his Wickersham Commission, Mr. Monte Lemann, of Louisiana. Does anyone here say he is not a distinguished wet? What did he say about it? He said in his signed Wickersham report that he was against this silly idea of trying to manufacture and sell beer. He said if the beer were not intoxicating you could not drink enough to satisfy you, and if it were intoxicating it would be against the Constitution; and he was not under oath, like my friend, to obey and uphold it, but thank God, he was the kind of a fundamental wet that believed in the organic law of his Nation. I am with Mr. Monte Lemann in that splendid spirit of cooperation with his Government's Constitution, and I can not follow my good friend who is proposing for us sworn Representatives to violate the Constitution, the fundamental law of the Nation.

Any lawyer who is not warped in his opinion on this subject knows that if you were to pass a law like that the Supreme Court of the United States would tear the guts out of your law and declare it unconstitutional. Do you not know that? Then why do you want to propose a futile thing, a ridiculous thing, an insulting, illegal thing to the Congress of the United States?

In conclusion, Mr. Chairman, I hope that every dry in this Nation, I hope that every man here who remembers the teachings of his good mother, around whose knee he has knelt when a boy, next Monday, March 14, will be here when the question comes up on voting to discharge the Judiciary Committee, and I hope to God he will stand up and vote with other drys like a solid phalanx to kill this proposition as dead as Hector on the first vote. That vote to discharge the Judiciary Committee will be a decisive one. All who vote for the Linthicum-Beck resolution will vote a "wet" vote and will thereafter be classed as wets. All drys will vote against it.

Why, down where I live, close to the Mexican border, during certain seasons of the year rattlesnakes migrate out of Mexico because of some climatic condition.

They come across the border, some of them as big as my arm, the most deadly reptile known to civilization. When they are coming through Texas, do you think we Texans who are out hunting take a second shot at them? No; we kill them the first shot we take at them, and that is what we drys want to do with your Beck-Linthicum amendment next Monday. We want to kill it as dead as hell on the first shot, because it is far more venomous and dangerous than a rattlesnake.

Mr. BLACK. Will the gentleman yield? How many snakes do they see at once down there? [Laughter.]

Mr. BLANTON. Mr. Chairman, that is such a pertinent question from a New York wet that I am going to answer it. You know every wet in the United States has seen snakes, not the kind of rattlesnakes I have mentioned, but the kind that comes from alcohol, the delirium tremens snakes—the imaginary snakes. You can not kill them by shooting at them. The only way on earth you can kill them is by quitting alcohol altogether and going to a Keeley Institute and getting rid of your delirium tremens.

Mr. BLACK. What Keeley Institute does the gentleman use?

Mr. BLANTON. Since prohibition went into effect, I want you to know that over 100 Keeley Institutes all over the United States have closed up. There is now only one left in the United States, and it is the old parent Keeley Institute. All the rest have closed up, because there is now no need for them. It is hard for you wet fellows now to get enough to make you see snakes. [Laughter and applause.]

Mr. CRISP. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10236 and had come to no resolution thereon.

PROHIBITION—ITS SOLUTION POSSIBLE THROUGH THE ADOPTION OF H. J. RES. 208

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on prohibition and its solution, possible through the adoption of H. J. Res. 208.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAMNECK. Mr. Speaker, I am heartily in favor of the proposal to be voted upon on Monday of next week, looking to a reasonable, safe, sane, fair, and just solution of the mooted question of nation-wide prohibition.

This resolution, if adopted by the House, ratified by the Senate, and approved by the separate States, would so liberalize the eighteenth amendment as to permit the manufacture and sale of intoxicating beverages in those States where public sentiment would justify it and not impose it upon the States that are unfavorable to a change. In other words, as I understand it, it would restore State rights in this matter. More than that, it would restore to the people a voice in the conduct of their own affairs.

Under this proposed method, nothing would be forced upon anyone against his will. The States that want liquor could have it and those that do not want it would not have to have it. That, it seems to me, is a perfectly fair proposition, one that should satisfy both classes and not do violence to either.

No one is more conscious of the sweeping tide from dry to wet than dry leaders themselves. There is no question as to the attitude of the people upon this subject. It is so well defined that personally I feel that it is incumbent upon me to vote for the resolution in order to conform my conduct to the will of the people. In my judgment, the same obligation rests upon you if we are to have representative Government, which implies the democracy of which we boast.

But two States—Rhode Island and Connecticut—withheld ratification of the eighteenth amendment. The Literary Digest poll indicates at this time that all but two of the 48 States would vote for its repeal. This change in public sentiment is amazing, and yet not surprising, in view of the conditions that have grown up under prohibition. It is a natural result of existing conditions, both intolerable and damnable, and intolerable because they are damnable.

What was promised under prohibition? It was said it would be a panacea for all our ills; that it would reduce crime and empty the jails; improve the morals of the people; save the youth of the country from drunkards' graves; give an added impetus to business; benefit labor; help the farmer; improve our economic conditions; make happier homes; men more honest and respectable and, finally, bring a peace and contentment that would be sublime.

What has it done? Increased crime and filled the jails; lowered the standards of morality; contributed in a large measure to our present deplorable economic situation; caused more domestic infelicity in the home than all the bridge games that were ever played; produced an army of bootleggers and racketeers; made conditions worse for labor, and denied to the farmers of the country markets that formerly existed for the products of the farm.

I think you will agree with me that prohibition has done all of this and more. I want to ask you in all seriousness and in all fairness, whether, in your judgment, it has brought peace, happiness, and contentment to the American people? It was a menace to the sanctity of American homes until an aroused public sentiment called a halt on the invasion of private homes upon the suspicion that a half-pint of liquor might be hidden thereabouts. The Jones five-ten law added to the unpopularity of nation-wide prohibition.

Prohibition is an infringement upon the rights and personal liberty of the individual. It is a violation of the rights reserved to the States under the Constitution, which should be restored.

Prohibition is not a moral issue. It is not a political issue. In answer to the claim that it is a moral issue, I want to refer you to the conditions that exist in your respective communities. You know what they are and you know what the sentiment of the people in your respective localities is.

In answer to the claim of some that it is a political issue, I want to remind you of a statement made by Senator FESS, more than a year ago, who said it is not such. He is the chairman of the National Republican Committee and the spokesman for President Hoover, upon most public questions, at least.

Prohibition is not a moral issue. It is purely an economic problem. It has been in force 12 years, and has cost the people of the country $24,000,000,000 in that short period of time, and yet, how long it seems!

How is that, you ask? Here is the answer: The moneys appropriated by the Federal Government and the separate States to enforce prohibition is estimated at $1,000,000,000. The loss in revenue that would have been derived from the tax upon intoxicating liquors would exceed a billion dollars. Adding the two together, the cost has been $2,000,000,000 per year. Multiply that by 12 and you have the answer as to the ill effect of nation-wide prohibition upon our economic situation.

What a vast sum of money! If we could have saved the money wasted on prohibition enforcement and hoarded away that which would have been derived from taxes, we would now be financially able to care for existing deficits, pay off the national debt, give the ex-service man the bonus in full, feed the hungry, relieve the farmers, and do all the things necessary to put ourselves upon a solid footing and bring about a prosperity that would abide.

In conclusion, I want to say that this resolution should be adopted. The people should be given a choice in the control of their own affairs. Such action on the part of Congress would give them that opportunity. The people can be trusted to preserve and protect their own rights. Notwithstanding the present depression which is holding us back and holding us down, this could be made a greater country, if we were to legislate in the interests of the people, keeping in mind that all men are created equal, with equal rights and equal opportunities.

Adoption of this resolution would be responsive to the overwhelming sentiment of the people on this question. The eighteenth amendment was written into the Constitution without any direct expression from the people.

I trust that when the vote is taken that all Members of the House will have the courage to perform their duty from the standpoint of the public welfare and the happiness and contentment of the people by relieving present intolerable conditions, socially, politically, and economically. Why not adopt the resolution, refer the whole matter to the people, and thus end the dissension in American homes and contentions in shop, factory, and office?

PUTTING THE LIQUOR QUESTION BACK IN POLITICS

Mr. BLANTON. Mr. Speaker, in accord with the unanimous consent granted me by the House of Representatives to extend my remarks in the RECORD by incorporating the speech made over the radio last night by our distinguished colleague from Kentucky [Mr. FINLEY], I now print in the RECORD his said speech, as follows:

The Beck-Linthicum resolution proposes to submit to the States an amendment to the Constitution of the United States. It was introduced in the House of Representatives some time ago and referred to the Committee on the Judiciary. That committee, consisting of 23 members, after duly considering the resolution, refused, by a vote of 14 to 9, to report it back to the House. Then, operating under a new rule of the House, advocates of the measure procured signatures of 145 Members to a petition asking that the committee be discharged from its consideration. The House will vote on whether or not the committee shall be discharged on next Monday, March 14. If the House should vote to discharge the committee, the resolution will come up for consideration later on. But should the House refuse to discharge the committee, the resolution will be dead for this session.

The most ardent supporters of the resolution expect nothing but defeat on March 14. Their only declared purpose in bringing the resolution forward is to compel Members to go on record as wets and drys.

The preamble of the Beck-Linthicum resolution begins as follows: "Resolved * * * That the following article is proposed as an amendment to the eighteenth amendment of the Constitution of the United States."

Fairly and honestly stated it would read: "*Resolved* * * * That the following article is proposed to repeal and abolish the eighteenth amendment of the Constitution of the United States and put the liquor problem back into the politics of each State, county, city, and community in this country."

For that would be the effect of the resolution, should it be adopted.

The resolution proposes a new departure in the way of ratification. The 19 amendments already adopted were submitted to and ratified by the legislatures of the several States. And that would seem the logical method, inasmuch as the legislatures are empowered to deal, and are in duty bound to deal, with every problem which affects the citizens of their several States.

But this resolution provides that the amendment it proposes shall not be ratified by legislatures but by conventions chosen for that purpose in the several States.

Why by conventions instead of by legislatures? Would the swollen incomes of malefactors of great wealth find broader scope and opportunity in elections of members of those conventions? Would members of conventions, few of whom would have future political ambitions, be more sweetly reasonable with the trained liquor lobbyist than members of a legislature, most of whom aspire to higher places?

What authority must call those conventions? What authority must call and hold the elections of their members? Each one of those elections and conventions would cost at least $100,000. Who must bear that expense? Must it be the States, most of which are already overwhelmingly in debt and many of them on the verge of bankruptcy? Or must it be the Federal Government, which faces a deficit of two thousand millions of dollars on July 1?

The Beck-Linthicum resolution answers none of those questions. It cheerfully abandons them on the doorstep of the citizen and taxpayer.

A part of the Beck-Linthicum amendment is as follows: "The Congress shall have power to regulate or to prohibit the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, and the exportation thereof from, the United States and all Territory subject to its jurisdiction, for beverage purposes: *Provided, however*, That such power shall not be construed or applied to abridge or deny the right of any State to authorize and regulate the manufacture, sale, transportation, or use of such intoxicating liquors wholly within the borders of such State."

Under the eighteenth amendment neither Congress nor any State legislature has power to legislate upon the liquor question except to enact statutes for its enforcement.

Thus the eighteenth amendment banished from every State capital the liquor lobby which, before its adoption, swooped down upon each session of their legislatures. The question of the repeal or retention of the eighteenth amendment is the only phase of the liquor question now in politics; and that is in national not State politics. Congress is the only legislative body whose Members are disturbed. Members of State legislatures can devote themselves to the problems of their States unvexed by questions of high license, low license, no license, local option, state-wide option, or any other phase of the liquor question.

But what would be the result should the Beck-Linthicum amendment be adopted by the States?

I answer that legally that would put the liquor question just where it was before the eighteenth amendment was adopted. It would remit control of a national evil to the several States through their legislatures, with this difference, that States and communities which might wish to be dry would find it impossible, because of the highways, automobiles, and airplanes which we now have, but which did not then exist.

Advocates of the Beck-Linthicum amendment talk loudly and constantly of home rule for the liquor traffic. But when did the liquor traffic ever practice home rule? When did it ever respect the will of any community if that community willed to be dry? When did it ever observe or respect State, county, or community lines in finding a market for its wares?

With the number of highways, automobiles, and airplanes now in the United States no dry county or State could protect itself against the wet centers should the Beck-Linthicum amendment be adopted. The whole country would be wet.

Furthermore, no dry State or county could expect help from Uncle Sam to protect the integrity of its territory. For while the Beck-Linthicum amendment makes a gesture (and it is only a gesture) by providing that "any such shipment or importation of intoxicating liquors into such (dry) State in violation of its laws is prohibited," it goes further and provides that "any such shipment or importation shall be subject to the laws of the State upon its arrival therein." In other words, if a would-be dry State does not bankrupt itself to provide constabulary to defend itself, Uncle Sam will look serenely on while it is being invaded and debauched.

Politically, the situation would be even worse.

For adoption of the Beck-Linthicum amendment would put the liquor problem back into the politics of every State, there to stay for a generation. Washington would be the storm center. The liquor lobby would intrench itself here and attempt, by influencing Senators and Congressmen, to wield influence in the States from which they come. From here they would carry the fight to every State capital and every legislature in the Nation. In States which might adopt a license system the fight would be waged in every county, city, and community.

I know, of course, that some wet advocates protest that the old-time saloon will never return. I must smile when I hear men whose liquor business was the cause of whatever sins the saloon was guilty of, make it the scapegoat for all the crimes of the traffic.

But who says the saloon will never return? Who in authority makes such a pledge? Who offers surety or gives bond that it will not? I say that just so surely as the eighteenth amendment is repealed, just so surely will the saloon reappear—not only reappear but reappear glorified.

For the saloon is as essential a part of a profitable liquor business as retail stores are of any other wholesale business. And liquor makers and sellers are in the business for profit—nothing else.

Besides that, the saloon, with its connected assignation house, gambling rooms, etc., etc., was, and would have to be, the recruiting station and rallying place for those forces the liquor traffic must depend on to keep it alive.

Let me give you a picture of political conditions in this country, and the activities of the liquor interests under State control shortly before the eighteenth amendment was adopted.

On September 19, 1918, the United States Senate unanimously adopted a resolution (No. 307) to investigate brewery and liquor activities and interests and German propaganda. The investigation was conducted by a subcommittee of the Senate Committee on the Judiciary. That subcommittee held long and exhaustive hearings. The testimony delivered before it covers more than 3,000 pages. When it had completed these hearings it summarized its findings as follows:

"With regard to the conduct and activities of the brewing and liquor interests the committee is of the opinion that the record clearly establishes the following facts:

"(a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.

"(b) That they have undertaken to, and have frequently succeeded in, controlling primaries, elections, and political organizations.

"(c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of the several States.

"(d) That they have exacted pledges from candidates for public office prior to election.

"(e) That for the purpose of influencing public opinion they have attempted, and have partly succeeded in, subsidizing the public press.

"(f) That, to suppress and coerce persons hostile to, and to compel support from them, they have resorted to an extensive system of boycotting unfriendly American manufacturers and mercantile concerns.

"(g) That they have created their own political organizations in many States and in smaller political units, for the purpose of carrying into effect their own political will, and have financed the same with large contributions and assessments.

"(h) That with a view of using it for their own political purposes they contributed large sums of money to the German-American Alliance, many of the members of which were disloyal and unpatriotic.

"(i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their activities known to the public.

"(j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business, and consequently failed to return the same for taxation under the revenue laws of the United States.

"(k) That they undertook, through a cunningly conceived plan of advertising and subsidation, to control and dominate the foreign-language press of the United States.

"(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

"(m) That for many years a working agreement existed between the brewing and distilling interests of the country by the terms of which the brewing interests contributed two-thirds and the distilling interests one-third of the political expenditures made by the joint interests."

Those were the conditions prevailing under State control of the liquor problem. That was what the liquor interests were doing in 1918, while our boys were bleeding on foreign battlefields and our country was bankrupting itself to win a great war.

Those were the conditions from which the eighteenth amendment delivered us. Those are the conditions back into which the Beck-Linthicum amendment would plunge us should it ever be adopted, which God forbid.

Wet propagandists have talked long and noisily about prohibition having been "put over" by somebody. I undertake to say that the disclosures made by that subcommittee of the United States Senate more than any other thing are what wrote the Eighteenth amendment into the Constitution of the United States and will keep it there.

CONTESTED-ELECTION CASE—KUNZ AGAINST GRANATA

Mr. KERR. Mr. Speaker, by direction of the Committee on Elections, I present the report on the contested-election case of Kunz against Granata.

The SPEAKER. The Clerk will read the title.

The Clerk read as follows:

Report of contested-election case—Stanley H. Kunz against Peter C. Granata.

The report was referred to the House Calendar and ordered printed.

Mr. CHINDBLOM. May I ask the gentleman whether the minority has filed its report?

Mr. KERR. It has not.

Mr. CHINDBLOM. I understood there was to be a minority report. Has there been any arrangement about filing it?

Mr. KERR. I understand the report may be filed on Monday.

Mr. CHINDBLOM. Mr. Speaker, I ask unanimous consent that the minority have the right to file the report by midnight Monday.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ROGERS (at the request of Mr. WASON), on account of illness.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 375. An act amending the public building act approved March 4, 1931, authorizing acquisition of building sites and construction of public buildings at Hibbing, Minn., and other places;

H. R. 3703. An act granting compensation to Harriet M. MacDonald;

H. R. 6739. An act to amend the authorization contained in the act of Congress approved March 4, 1929, for the acquisition of site and construction of building in Jackson, Miss.; and

H. R. 7899. An act to authorize the Secretary of the Treasury to negotiate and to enter into an agreement regarding the south boundary of the post-office site at Plattsburg, N. Y.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.) the House adjourned until to-morrow, Saturday, March 12, 1932, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. POU: Committee on Rules. H. Res. 172. A resolution providing for the consideration of House Concurrent Resolution 26, a concurrent resolution to establish a commission to be known as the United States Roanoke Colony Commission to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C.; without amendment (Rept. No. 765). Referred to the House Calendar.

Mr. LOOFBOUROW: Committee on Indian Affairs. H. R. 10362. A bill to require the approval of the general council of the Seminole Tribe or Nation in case of the disposal of any tribal land; without amendment (Rept. No. 766). Referred to the House Calendar.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 8754. A bill to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes; with amendment (Rept. No. 767). Referred to the House Calendar.

Mr. KERR: Committee on Elections No. 3. A report on the contested election case of Stanley H. Kunz *v.* Peter C. Granata, from the eighth congressional district of the State of Illinois; (Rept. No. 778). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. S. 159. An act for the relief of R. B. Miller; without amendment (Rept. No. 768). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 250. An act authorizing adjustment of the claim of the Sun Shipbuilding & Dry Dock Co.; without amendment (Rept. No. 769). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 253. An act authorizing adjustment of the claim of Francis B. Kennedy; without amendment (Rept. No. 770). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 971. An act for the relief of Milburn Knapp; without amendment (Rept. No. 771). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1338. An act for the relief of Germaine M. Finley; without amendment (Rept. No. 772). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1436. An act for the relief of the Copper Ridge Mining Co.; without amendment (Rept. No. 773). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3119. An act for the relief of J. D. Stewart; without amendment (Rept. No. 774). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3538. An act for the relief of Nellie McMullen; without amendment (Rept. No 775). Referred to the Committee of the Whole House.

Mr. MARTIN of Oregon: Committee on War Claims. H. R. 2214. A bill for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.; without amendment (Rept. No. 776). Referred to the Committee of the Whole House.

Mr. CARTWRIGHT: Committee on War Claims. H. R. 6219. A bill for the relief of Charles P. Shipley Saddlery & Mercantile Co.; with amendment (Rept. No. 777). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (H. R. 7989) extending the benefits of the emergency officers retirement act to Wolcott Le Clear Beard, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MARTIN of Oregon: A bill (H. R. 10418) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards; to the Committee on the Judiciary.

By Mr. HOWARD: A bill (H. R. 10419) to permit relinquishments and reconveyances of privately owned and State school lands for the benefit of the Indians of the Acoma Pueblo, N. Mex.; to the Committee on Indian Affairs.

By Mr. JEFFERS: A bill (H. R. 10420) to give veterans of war service in Spanish War and World War preference in the Government and District of Columbia civil service; to the Committee on the Civil Service.

By Mr. CONNERY: A bill (H. R. 10421) to amend the provisions in section 1 of the river and harbor act approved July 3, 1930, relating to Lynn Harbor, Mass.; to the Committee on Rivers and Harbors.

By Mr. HALL of Mississippi: A bill (H. R. 10422) granting pensions to former members of World War draft boards who are 55 years or more of age and are totally and permanently disabled; to the Committee on Pensions.

Also, a bill (H. R. 10423) to amend the civil service retirement act of 1930 to grant annuities to certain former postmasters separated from the service prior to July 1, 1926; to the Committee on the Civil Service.

By Mr. STRONG of Kansas: A bill (H. R. 10424) to extend mining rights and mining privileges given by the laws of the United States to the Panama Canal Zone; to the Committee on Interstate and Foreign Commerce.

By Mr. MEAD: A bill (H. R. 10425) relative to assumption of risks of employment; to the Committee on the Judiciary.

By Mr. POU: Resolution (H. Res. 172) providing for the consideration of House Concurrent Resolution 26, a concurrent resolution to establish a commission to be known as the United States Roanoke Colony Commission, to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C.; to the Committee on Rules.

By Mr. HADLEY: Joint resolution (H. J. Res. 327) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. LEHLBACH: Joint resolution (H. J. Res. 328) authorizing the United States Shipping Board to extend, rearrange, or hold in abeyance payments due the construction loan fund under certain conditions; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mrs. ROGERS: Joint Resolution (H. J. Res. 329) to provide for teaching the Florence Barnard plan in the public-school system of the District of Columbia; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 10426) granting an increase of pension to Martha J. Milton; to the Committee on Invalid Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 10427) granting an increase of pension to Anna Hinton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10428) granting an increase of pension to Margaret A. Newton; to the Committee on Invalid Pensions.

By Mr. CARTER of Wyoming: A bill (H. R. 10429) for the relief of Leonard T. Skelcher; to the Committee on Claims.

Also, a bill (H. R. 10430) for the relief of Green River, Wyo.; to the Committee on Claims.

Also, a bill (H. R. 10431) for the relief of Rock Springs, Wyo.; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 10432) for the relief of Herbert E. Raynes; to the Committee on Naval Affairs.

By Mr. EVANS of California: A bill (H. R. 10433) granting a pension to Winifred E. Lloyd; to the Committee on Pensions.

By Mr. GIBSON: A bill (H. R. 10434) granting an increase of pension to Harriet R. Ripley; to the Committee on Invalid Pensions.

By Mr. HARDY: A bill (H. R. 10435) granting a pension to Clara E. Stanton; to the Committee on Pensions.

By Mr. HOOPER: A bill (H. R. 10436) for the relief of Jacob Betzer; to the Committee on Military Affairs.

By Mr. HORR: A bill (H. R. 10437) for the relief of Charles Miller; to the Committee on Military Affairs.

By Mr. LAMBETH: A bill (H. R. 10438) for the relief of Lawrence Brady, H. R. Phillips, and M. G. Brady; to the Committee on Claims.

By Mr. MAPES: A bill (H. R. 10439) for the relief of Harold L. Mourer; to the Committee on War Claims.

By Mr. MAY: A bill (H. R. 10440) granting a pension to Chester Cornett; to the Committee on Pensions.

Also, a bill (H. R. 10441) granting a pension to Hobart Estep; to the Committee on Pensions.

By Mr. SHANNON: A bill (H. R. 10442) granting a pension to Jesse E. Lampkin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10443) granting a pension to George W. Wormington; to the Committee on Pensions.

Also, a bill (H. R. 10444) for the relief of George W. Wormington; to the Committee on Military Affairs.

By Mr. STRONG of Pennsylvania: A bill (H. R. 10445) granting an increase of pension to Susan Hanna; to the Committee on Invalid Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 10446) granting a pension to Asa Overby; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10447) granting a pension to Maggie Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10448) for the relief of Richard H. Hall; to the Committee on Military Affairs.

Also, a bill (H. R. 10449) granting a pension to James G. Bailey; to the Committee on Pensions.

Also, a bill (H. R. 10450) granting a pension to William Bolinger; to the Committee on Pensions.

Also, a bill (H. R. 10451) granting a pension to William M. Brock; to the Committee on Pensions.

Also, a bill (H. R. 10452) granting a pension to W. F. Moffett; to the Committee on Pensions.

Also, a bill (H. R. 10453) granting a pension to William M. Pickens; to the Committee on Pensions.

Also, a bill (H. R. 10454) granting a pension to Benjamin M. Casteel; to the Committee on Pensions.

By Mr. TILSON: A bill (H. R. 10455) for the relief of Michael Petrucelli; to the Committee on Claims.

By Mr. WEAVER: A bill (H. R. 10456) for the relief of Flora R. Silverman; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4092. By Mr. ANDREWS of New York: Petition of 97 citizens of the fortieth congressional district, urging support of the prohibition law; to the Committee on the Judiciary.

4093. By Mr. ARNOLD: Petition of citizens of Trenton, Ill., advocating legislation to regulate prices in connection with the operation of chain stores, and to prevent unfair competition in business; to the Committee on Ways and Means.

4094. By Mr. AYRES: Petition of membership of the Methodist Episcopal Church of Conway Springs, and the Woman's Christian Temperance Union, Study Club, and missionary societies of Clearwater, Kans., urging support of the maintenance of the prohibition law and its enforcement; to the Committee on the Judiciary.

4095. By Mr. BARBOUR: Petition of residents of the seventh congressional district of California, protesting against resubmission of the eighteenth amendment; to the Committee on the Judiciary.

4096. Also, petition of residents of the seventh congressional district of California, protesting against Senate bill 1202 and House bill 8092 providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

4097. By Mr. BEAM: Resolution adopted by the American Hotel Association of the United States, through its executive council in session at Chicago, Ill., on the prohibition question; to the Committee on the Judiciary.

4098. Also, resolution by Group No. 208 of the Polish National Alliance of the United States, favoring the enactment of House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4099. By Mr. BUCKBEE: Petition of Group No. 2197 of the Polish National Alliance of the United States, Magnolia Street, Rockford, Ill., asking that Congress enact House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4100. By Mr. CONNERY: Petition of veterans and citizens of New Haven, Conn.; Akron, Ohio; and the National Soldiers' Home in Toledo, Ohio, favoring the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

4101. Also, petition of adult residents of Lynn, Mass., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4102. By Mr. CRAIL: Petition of several citizens of Los Angeles County, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4103. By Mr. EVANS of California: Petition signed by approximately 61 persons, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4104. Also, petition signed by approximately 19 persons, urging the maintenance of the prohibition law and its enforcement; to the Committee on the Judiciary.

4105. By Mr. FULLER: Petition of W. T. Fletcher and 25 others, of Rogers, Ark., protesting against House bill 8072, requiring the observance of Sunday regardless of religious beliefs; to the Committee on the District of Columbia.

4106. By Mr. GARBER: Petition of the Richmond (Va.) Chamber of Commerce, urging support of proposed legislation to allow lighter-than-air craft to carry mail; to the Committee on Interstate and Foreign Commerce.

4107. Also, petition of the North Central Division, Marine Corps League, comprising the States of Missouri, Kansas, Nebraska, Colorado, South Dakota, North Dakota, Minnesota, Iowa, Arkansas, and Oklahoma, urging payment of the adjusted-compensation certificates in full; to the Committee on Ways and Means.

4108. Also, petition of substitute letter carriers of the Louisville, Ky., post office, urging support of House bill 6183 providing for the appointment of substitute letter carriers and substitute postal clerks to regular position after one year's service as substitutes; to the Committee on the Post Office and Post Roads.

4109. By Mr. GIBSON: Petition of Mrs. A. W. Cottle and 131 other residents of Brandon, Vt., opposing resubmission of the eighteenth amendment by referendum to the States; to the Committee on the Judiciary.

4110. By Mr. HOPKINS: Petition presented by Rev. E. K. Lambert, of Maryville, and representing over 1,200 citizens, and the First Methodist Episcopal Church, the morning congregation of the First Christian Church, the First Baptist Church, and the First Presbyterian Church of Maryville, all of the State of Missouri, protesting against any change in the eighteenth amendment; to the Committee on the Judiciary.

4111. By Mr. JOHNSON of Texas: Petition of 182 citizens of Hill County, Tex., commending the Federal farm marketing act, and opposing repeal or modification thereof, and also commending Federal Farm Board; to the Committee on Agriculture.

4112. Also, petition of 155 citizens of Navarro County, Tex., commending the Federal farm marketing act, and opposing repeal or modification thereof, and also commending the Federal Farm Board; to the Committee on Agriculture.

4113. Also, petition of 23 citizens of Robertson County, Tex., commending the Federal farm marketing act, and opposing repeal or modification thereof, and also commending the Federal Farm Board; to the Committee on Agriculture.

4114. Also, petition of 79 citizens of Limestone County, Tex., commending the Federal farm marketing act, and opposing repeal or modification thereof, and also commending the Federal Farm Board; to the Committee on Agriculture.

4115. Also, petition of 113 citizens of Milam County, Tex., commending the Federal farm marketing act, and opposing repeal or modification thereof, and also commending the Federal farm board; to the Committee on Agriculture.

4116. Also, petition of L. B. Roberts, of Itasca, Tex., protesting against reduction of appropriations for the Federal Farm Board; to the Committee on Appropriations.

4117. Also, petition of J. E. Byer, secretary Local No. 2889, Rockdale, Tex., favoring House bill 6305, to the Committee on the Post Office and Post Roads.

4118. Also, petition of M. W. Holloway, of Streetman, and George W. Kilpatrick, of Gause, Tex., favoring immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

4119. By Mr. LAMBERTSON: Petition of Mrs. J. L. Coleman and 59 other persons of Oneida, Kans., urging the maintenance and enforcement of the prohibition law, and opposing any measure of repeal, modification, or resubmission of the States; to the Committee on the Judiciary.

4120. By Mr. LINDSAY: Petition of Connell Press, Brooklyn, N. Y., favoring the passage of the Romjue bill (H. R. 8576); to the Committee on Ways and Means.

4121. Also, petition of Owens Evans Co. (Inc.), 207 East Twenty-seventh Street, New York City, favoring the passage of the Goss bill (H. R. 4680); to the Committee on Expenditures in the Executive Departments.

4122. Also, petition of Shoe and Slipper Workers' Union of America, 233 Duffield Street, Brooklyn, N. Y., favoring the passage of the Norris anti-injunction bill; to the Committee on the Judiciary.

4123. Also, petition of Central Trades and Labor Council of Greater New York and vicinity, favoring the passage of the LaGuardia-Norris relief bill; to the Committee on the Judiciary.

4124. Also, petition of New York Photo-Engravers Union, No. 1, New York City, favoring the passage of the Norris-LaGuardia injunction relief bill; to the Committee on the Judiciary.

4125. By Mr. McFADDEN: Petition of Mabel Davis and other members of the Woman's Christian Temperance Union of Susquehanna, Pa.; to the Committee on the Judiciary.

4126. By Mr. MANSFIELD: Petition of farmers of Wharton County, Tex., favoring retention of the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

4127. Also, petition of farmers of Colorado County, Tex., favoring the retention of the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

4128. Also, petition of farmers of Refugio County, Tex., favoring retention of the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

4129. Also, petition of farmers of Hallettsville, Tex., favoring retention of the agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

4130. Also, petition of farmers of El Campo, Tex., favoring retention of agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

4131. Also, petition of farmers of Brazoria County, Tex., favoring retention of agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

4132. Also, petition of farmers of Goliad, Tex., favoring retention of agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

4133. Also, petition of farmers of Yorktown, Tex., favoring retention of agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

4134. Also, petition of farmers of Victoria County, Tex., favoring retention of agricultural marketing act and the Federal Farm Board; to the Committee on Agriculture.

4135. By Mr. MEAD: Petition of American Hotel Association of the United States and Canada, urging modification of the prohibition law; to the Committee on the Judiciary.

4136. Also, petition of the Legislature of the State of New York, urging enactment of legislation increasing rates of Federal estate tax, etc.; to the Committee on Ways and Means.

4137. By Mr. PEAVEY: Petition of many citizens of Clear Lake, Wis., earnestly and respectfully petitioning Congress not to pass compulsory Sunday observance bill (S. 1202) entitled "A bill providing for the closing of barber shops on Sunday in the District of Columbia," or any other compulsory religious measures that have been or shall be introduced; to the Committee on the Judiciary.

4138. Also, petition of many citizens of Amery, Wis., earnestly and respectfully petitioning Congress not to pass compulsory Sunday observance bill (S. 1202) entitled "A bill providing for the closing of barber shops on Sunday in the District of Columbia," or any other compulsory religious measures that have been or shall be introduced; to the Committee on the Judiciary.

4139. By Mr. RUDD: Petition of Flatbush Dependable Merchants (Inc.), Brooklyn, N. Y., opposing the proposed sales tax; to the Committee on Ways and Means.

4140. Also, petition of Roosevelt Theater, Brooklyn, N. Y., opposing the admission tax; to the Committee on Ways and Means.

4141. Also, petition of Loretta F. Warnken, 60 Hudson Street, New York City, opposing the proposed tax on telegrams; to the Committee on Ways and Means.

4142. Also, petition of Raymond S. Kelly, of Millerton, N. Y., opposing a tax on imported petroleum, gasoline, fuel oil, and other products; to the Committee on Ways and Means.

4143. By Mr. SELVIG: Petition of American Legion Post of Battle Lake and the American Legion Post of Dilworth, Minn., requesting immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

4144. By Mr. SHOTT: Petition of Railway Employees' and Taxpayers' Association, Mingo County unit of West Virginia, urging that motor-vehicle transportation on the

public highways be required to pay a tax, carry liability insurance, and be restricted as to weight, width, length, and height, and urging repeal of the recapture clause, section 15 (a) of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

4145. Also, petition of Princeton (W. Va.) Post, No. 54, American Legion, urging legislation that will result in the payment in full of the adjusted-service certificates without deduction of interest; to the Committee on Ways and Means.

4146. By Mr. SINCLAIR: Petition of Mary Calkins and about 30 other residents of Steele and Coleharbor, N. Dak., and vicinity, protesting against any measures looking to modification, resubmission, or repeal of the prohibition law; to the Committee on the Judiciary.

4147. By Mr. SMITH of Idaho: Petition signed by 161 residents of Boise, Idaho, protesting against the enactment of legislation providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

4148. Also, petition signed by 22 residents of Idaho, protesting against compulsory Sunday-observance legislation; to the Committee on the District of Columbia.

4149. By Mr. SUTPHIN: Petition of American Hotel Association, objecting to the eighteenth amendment; to the Committee on the Judiciary.

4150. By Mr. SWANSON: Petition of Methodist Episcopal Church, Evangelical Church, and Christian Church of Harlan, Iowa, opposing the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

4151. By Mr. SWEENEY: Telegrams of theater owners, business men, and bankers protesting against imposition of admission tax on motion-picture theaters; to the Committee on Ways and Means.

4152. By Mr. TEMPLE: Petition of Regis Feeley, 510 Ridge Avenue, Carnegie, Pa., supporting House bills 6183 and 5110; to the Committee on the Post Office and Post Roads.

4153. By Mr. VINSON of Kentucky: Petition of the Allied Youth for Prohibition, of Grayson, Ky., protesting against the resubmission of the eighteenth amendment to the State legislatures; to the Committee on the Judiciary.

4154. By Mr. WEEKS: Petition from Brandon, Vt., protesting against the Beck-Linthicum joint resolution; to the Committee on the Judiciary.